Ruffer Illiquid Multi Strategies Fund 2015 Limited

Annual report and
audited financial statements

For the year ended
31 March 2024

Contents

Board of Directors

The Directors of the Company are all independent and non-executive. They are –

Keith Betts (Chairman), a resident of Guernsey.
Keith Betts, aged 67, is self-employed. He was formerly Chief Executive Officer of Newhaven Trust Company (Channel Islands) Limited and before that Managing Director of CIBC Bank and Trust Company (Channel Islands) Limited and subsidiaries (1987 to 2001). He is a non-executive Chairman of Ruffer (Channel Islands) Limited.

Wayne Bulpitt, CBE, a resident of Guernsey.
Wayne Bulpitt, aged 62, is Co Chair of Aspida Group Limited. He was formerly head of offshore investment services for Canadian Imperial Bank of Commerce, Global Private Banking & Trust division (1998-2001) and Managing Director of CIBC Fund Managers (Guernsey) Limited (1992-1998).

James Aitken, a resident of the United Kingdom.
James Aitken, aged 53, is a resident of the United Kingdom. He is Managing Partner of Aitken Advisors LLP, a macro-financial consultancy that advises institutional investors and policy makers worldwide on financial markets, macroeconomics, financial system issues and policy itself.

Peter Luthy, a resident of the United Kingdom.
Peter Luthy, aged 73, has worked in the fixed income market for over 30 years. In 1990, he co-founded a credit focussed bond broker, Luthy Baillie Dowsett Pethick and Co. Limited (LBDP) whose shareholders included Deutsche Bank AG, Robert Fleming Limited and Swiss Bank Corporation. Dresdner Kleinwort Benson acquired LBDP in 1996 where he was Global Head of Credit Products. He was a Managing Partner of Banquo Credit Management Limited between 2004 and 2014.

John Hallam, a resident of Guernsey.
John Hallam, aged 75, is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is a former partner of PricewaterhouseCoopers having retired in 1999 after 27 years with the firm both in Guernsey and in other countries. He is Chairman of NB Distressed Debt Investment Fund Ltd. He served for many years as a member of the Guernsey Financial Services Commission from which he retired in 2006 having been its Chairman for the previous three years.

Directors' report

The Directors present their report on the affairs of Ruffer Illiquid Multi Strategies Fund 2015 Limited (the 'Company'), together with the Audited financial statements for the year ended 31 March 2024 (the 'Financial Statements').

Incorporation and principal activities

The Company was incorporated in Guernsey on 4 November 2014 with registered number 59288, and is governed by the Companies (Guernsey) Law, 2008 (the 'Law').

The Company is a registered Closed-ended Investment Scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the 'POI Law') and the Registered Collective Investment Scheme Rules and Guidance, 2021 issued by the Guernsey Financial Services Commission (GFSC).

On 23 February 2015 (the 'Initial Issue Date'), 382,829,274 shares of no par value were issued at £1 per Share and were admitted to listing on the Official List of The International Stock Exchange (TISE) (previously the Channel Islands Securities Exchange). The Company indicated at the time that more shares may be issued commencing on or about 24 April 2015.

Following a further offer of subscription for new shares, 224,882,981 shares of no par value were admitted to the official list of the TISE on 24 April 2015. These shares were issued at £0.99941 per share and the Company received gross proceeds of £224,750,300.

On 24 February 2017, 101,943,886 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.864044 per share and the Company received gross proceeds of £88,084,003.

On 28 September 2017, 283,177,389 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.715086 per share and the Company received gross proceeds of £202,496,186.

On 14 March 2018, 118,237,190 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.682687 per share and the Company received gross proceeds of £80,718,992.

On 15 January 2019, 405,585,372 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.743653 per share and the Company received gross proceeds of £301,614,779.

On 19 March 2019, 423,984,414 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.572781 per share and the Company received gross proceeds of £242,850,217.

On 3 January 2020, the Company redeemed 23,724,691 shares and a redemption payment of £9,874,359 was made.

On 26 February 2020, 432,528,831 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.440896 per share and the Company received gross proceeds of £190,700,231.

On 2 June 2020, the Company redeemed 324,587,781 shares and a redemption payment of £222,679,228 was made.

On 12 March 2021, the Company redeemed 132,901,440 shares and a redemption payment of £110,314,575 was made.

On 28 June 2021, the Company redeemed 724,396,779 shares and a redemption payment of £524,999,322 was made.

On 25 February 2022, 229,091,226 Ordinary Shares were converted to Realisation Shares in accordance with the circular dated 27 January 2022. On 1 March 2022, the Realisation Shares were repurchased and cancelled under the Tender Offer.

On 2 August 2022, the Company redeemed 76,868,709 shares and a redemption payment of £83,631,925 was made.

On 1 December 2022, 161,404,566 Ordinary Shares were converted to Realisation Shares in accordance with the circular dated 29 November 2022. On 4 January 2023, the Realisation Shares were repurchased and cancelled under the Tender Offer.

On 24 April 2023, 129,723,202 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.895969 per share and the Company received gross proceeds of £116,227,967.

Business review

The Company's investment objective is to seek to generate positive returns over the life of the Company from financial market cycles, after fees and expenses, including but not limited to investing in strategies focussing on credit and volatility.

The Company's investment strategy is to invest principally in investee vehicles which pursue strategies of investing in situations where asset valuations have been distorted by the abundance or shortage of liquidity. The Company may also invest in investee vehicles or Direct Investments which do not themselves follow this strategy, with the aim of hedging exposures otherwise arising in the Company's portfolio. The movements in investments are described in the Investment Manager's report on page 10.

The Directors monitor the Company's exposure to external risks on an ongoing basis and the significant risks and the principal mitigating considerations are set out in Note 9.

Going concern

The Board of Directors is satisfied at the time of approving the Financial Statements that the Company has adequate resources and the intention to continue to operate until at least 30 June 2025.

In arriving at their conclusion the Directors have considered –

Geopolitical risk – Russia's invasion of Ukraine, together with escalating tensions in the Middle East, each constitute significant risks to the global economy. The resulting imposition of international sanctions on Russia continues to have a wider global effect on the supply and prices of certain commodities and consequently on inflation and general economic growth of the global economy. There has been no direct impact on the Company.

Financial resources, business plans and management intentions – the Company's net assets at 31 March 2024 of £522,187,387 and the cash balance at 31 March 2024 of £35,658,298.

– annual operating expenditure of the Company is not considered material
– there are no intentions to liquidate or close down the Company in the ensuing period to 30 June 2025.

For these reasons, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Corporate governance

Investment Manager update:

Ruffer interprets responsible investment as the incorporation of environmental, social, and corporate governance (ESG) considerations throughout its research and investment processes, while being active stewards of its clients' assets through engagement and voting. Its overall approach to Responsible Investment can be found in the Responsible Investment Policy.

ESG considerations are sources of both opportunity and risk and are thus potential contributors to investment performance. As such, they are one important sub-set of the risks and opportunities considered in the fundamental investment analysis to help guide security selection and portfolio construction. Because the investment approach is unconstrained, the responsible investment analysis aims to raise red (or green) flags, not fix red lines. This should enhance the investment decision making and risk management of portfolios and help to identify key areas of focus for stewardship activities with companies and for engagement with policymakers.

Ruffer has continued to develop formal workflows to assist the integration of ESG considerations into its research and investment process. New datapoints have been added to be captured as a part of its ongoing due diligence and it continues to evolve voting and engagement processes and documentation. Ruffer has recently developed a tool to calculate carbon metrics for equities and sovereign bonds at the portfolio level. An annual Taskforce for Climate-Related Financial Disclosures (TCFD) report continues to be produced, which exhibits how climate risk data is used to enhance the understanding of the risks and opportunities facing the investee companies, and the overall portfolio. An annual Stewardship Report is also published, which highlights the engagement and voting activities, in response to the UK Stewardship Code. Ruffer joined the Net Zero Asset Managers initiative (NZAM) in March 2022 and set its targets in March 2023. When setting NZAM targets, Ruffer has focused on ensuring they support real world emissions reduction and the ability to capture underappreciated transition opportunities, alongside its strong programme of engagement.

Results and dividends

The results for the year are shown in the Statement of comprehensive income on page 24. The primary performance indicator for the Company is considered to be the net asset value per share disclosed on page 25.

Subject to the provisions of the law, the Directors have full discretion to pay dividends on the shares. Apart from interest earned on cash deposits and other liquid investments, the only income available to the Company is likely to be income distributions received by the Company from the investee vehicles, and that in turn will depend upon dividends and income received by the investee vehicles on investments made by them. Dividends on shares issued will be paid in pounds sterling. The Directors do not recommend the payment of a dividend for the year (2023: £Nil).

Directors’ statement

So far as each of the Directors is aware, there is no relevant audit information of which the Company’s auditor is unaware, and each has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

Auditors

Ernst & Young LLP indicated their willingness to continue in office as auditors of the Company.

Statement of directors’ responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual report and Audited financial statements which gives a true and fair view, in accordance with applicable law and United Kingdom Accounting Standards, (FRS 102).

In preparing those Financial Statements, the Directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any departure as disclosed in the Financial Statements and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the Financial Statements comply with The Companies (Guernsey) Law, 2008. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Board of Directors confirms that, throughout the year covered by the Financial Statements, the Company complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

The Company is committed to zero tolerance towards the facilitation of tax evasion.

Substantial shareholders

As at 31 March 2024, the Company has been notified in accordance with applicable TISE Listing Rules of the following interests in the redeemable ordinary shares, which exceed 10% of the total shares in issue.

	Redeemable ordinary shares	% of total shares
The Bank Of New York Nominees Limited A/C 105666	265,872,370	32.0
Pictet & Cie Ref Ruffer Sicav/Rtri	187,615,734	22.6
Nortrust Nominees RSG01	110,392,473	13.3

The Company has not been notified of any other interests in the redeemable ordinary shares, which exceed 10% of the total shares in issue, to the date of signing this report.

Signed on behalf of the Board by

Keith Betts
Director
6 June 2024

John Hallam
Director
6 June 2024

Investment Manager's report

In the year from 1 April 2023 to 31 March 2024, the Net Asset Value (NAV) per share of the Company fell by -29.8% from 89.57p to 62.92p[1]. Risk assets performed strongly over the financial year, as economic growth remained robust, whilst inflation continued to cool, allowing central banks to begin to discuss timing around an easing in policy rates. Given the rally in asset prices, the value of the protection instruments held by the underlying managers fell, leading to a loss for the fund over the year.

At the start of the year, the market's key concern was the risk of a recession. These fears had been compounded by the US experiencing three of the four largest bank failures in its history during the spring of 2023. Bank lending growth had turned negative, and the economic data was showing signs of a slowdown. During this time, credit spreads traded with a strong negative correlation to Treasury yields, as the risk of an economic downturn dominated moves in asset prices across markets.

However, a proper slowdown in economic growth never transpired, and whilst some soft datapoints continued to point to weakness, the hard data, including the crucial labour market indicators, remained generally strong. This resulted in a reversal of the correlation between credit spreads and Treasury yields; switching to positive in the late summer, as the market once again became most concerned with the impact of high interest rates on asset prices, rather than a recession. In addition, through the second half of 2023, markets were supported by positive liquidity conditions, as a flood of bill issuance from the Treasury led to a drawdown of the Federal Reserve's Reverse Repo Facility, boosting bank reserves.

Risk assets did experience a small correction in September and October, as the US 10-year government bond yield approached 5%. This was driven by a reduction in expectations for Federal Reserve rate cuts, and an expansion of the term premium, over fears around an increase in upcoming coupon issuance; however, this was short-lived. Markets rebounded into the end of 2023, as long-end interest rates came down, and have continued to rally through the first quarter of 2024. Asset prices have also been supported by corporates' increasing adoption of artificial intelligence, and its positive impact on profit margins. As a result of this narrative, combined with solid economic growth, positioning in risk assets across a range of metrics has become very long. This bullish sentiment has reduced the cost of owning tail protection.

Although headline economic releases have been robust, under the surface the data has been more mixed, and it would be complacent to dismiss the near-term risks of a recession or reacceleration. Moreover, whilst we are concerned that the dangers of an economic surprise in either direction are underpriced, we also hold the view that market microstructures could exacerbate a sell-off. This

1 Calculated in accordance with United Kingdom Accounting Standards – UK GAAP (FRS 102).

makes the fund particularly important in protecting Ruffer portfolios and, given the low cost of owning tail protection relative to history, the strategies also appear attractive on an outright basis.

The fund completed a £116m closing in April 2023. This capital was put to work through top-up investments of £50m with 36 South, £30m with Chenavari, $19m with Peters and $62m with Saba.

Discrete performance data

Year ended 31 March	2020	2021	2022	2023	2024
Percentage	47.3	4.2	3.6	1.2	-29.8

Notes: Absolute returns (not annualised).

Source: Ruffer. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Please note that past performance is not a reliable indicator of future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

Ruffer AIFM Limited

6 June 2024

Portfolio analysis

Investment portfolio	Currency	Type of security	Holdings at 31 Mar 24 units	#Unrealised movement £	Total value of investment at 31 Mar 24 £	% of Total net assets
United Kingdom 8.74% (31.03.23-10.82%)						
Chenavari Multi Strategy Credit Fund Limited	GBP	Hedge fund	4,977,859	(154,291,490)	45,627,055	8.74
					45,627,055	8.74
Cayman Islands 50.84% (31.03.23-57.71%)						
Peters – RMSF Segregated Port Class A 010121	USD	Hedge fund	103,665	(2,719,021)	71,491,373	13.69
Peters – RMSF Segregated Port Class A 100122	USD	Hedge fund	2,500	(514,365)	1,725,176	0.33
Peters Class A Series 050123	USD	Hedge fund	19,000	(1,311,896)	13,863,216	2.65
Saba Capital R Fund Ltd – Class C – Series 1	USD	Hedge fund	7,088	(26,849,248)	1,321,531	0.25
Saba Capital R Fund Ltd – Class C – Series 2	USD	Hedge fund	18,747	(46,293,326)	3,495,450	0.67
Saba Capital R Fund Ltd – Class C – Series 3	USD	Hedge fund	6,081	(13,691,402)	1,133,844	0.22
Saba Capital R Fund Ltd – Class C – Series 4	USD	Hedge fund	6,368	(13,597,335)	1,187,361	0.23
Saba Capital R Fund Ltd – Class C – Series 5	USD	Hedge fund	9,290	(17,935,597)	1,732,157	0.33
Saba Capital R Fund Ltd – Class C – Series 6	USD	Hedge fund	10,828	(24,332,433)	2,018,963	0.39
Saba Capital R Fund Ltd – Class C – Series 7	USD	Hedge fund	12,714	(27,804,080)	2,370,501	0.45
Saba Capital R Fund Ltd – Class C – Series 8	USD	Hedge fund	13,884	(31,922,572)	2,588,643	0.50
Saba Capital R Fund Ltd – Class C – Series 9	USD	Hedge fund	53,879	(28,583,719)	11,482,680	2.20
Saba Capital R Fund Ltd – Class C – Series 10	USD	Hedge fund	67,646	(35,925,888)	14,377,852	2.75
Saba Capital R Fund Ltd – Class D – Series 8	USD	Hedge fund	45,711	(17,211,571)	15,407,537	2.95
Saba Capital R Fund Ltd – Class D – Series 9	USD	Hedge fund	175,000	(40,171,820)	87,784,890	16.81
Saba Capital R Fund Ltd – Class D – Series 10	USD	Hedge fund	19,000	(11,471,503)	5,549,011	1.06
Saba Capital R Fund Ltd – Class D – Series 12	USD	Hedge fund	62,000	(21,553,467)	27,965,319	5.36
					265,495,504	50.84
Ireland 33.60% (31.03.23-21.23%)						
Sandawana Fund Class A	GBP	Hedge fund	187,585	23,771,741	175,470,640	33.60
					175,470,640	33.60
Total portfolio investments				(492,408,992)	486,593,199	93.18
Other net current assets					35,594,188	6.82
Total shareholders' equity					522,187,387	100.00

These amounts are cumulative and represent the movement between cost and fair value.

Independent Auditor's report to the Members of Ruffer Illiquid Multi Strategies Fund 2015 Limited

Opinion

We have audited the financial statements of Ruffer Illiquid Multi Strategies Fund 2015 (the "Company") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We made enquiries of the Directors to determine the appropriateness of the going concern basis of accounting;
- We obtained an understanding of and evaluated the appropriateness of the Director's assessment of the Company's ability to continue as a going concern;
- Obtaining the Director's going concern assessment which comprised a cashflow forecast for the going concern period to 30 June 2025, acknowledging the liquidity of the Company's investment portfolio and the significant net asset position, and tested the forecast for arithmetical accuracy;
- Challenging the appropriateness of the Investment Manager's forecasts by applying sensitivities to understand the impact on liquidity of the Company; and
- We evaluated the disclosures made in the Annual Report and financial statements regarding going concern to ascertain that they are in accordance with United Kingdom Accounting Standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 30 June 2025 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	Risk that the fair value of unquoted investments may be misstated due to application of inappropriate methodologies or inputs to the valuations and/or inappropriate judgemental factors.
Materiality	Overall materiality of £10.4m which represents 2% of the Company's net asset value ("NAV").

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, changes in the business environment and the potential impact of climate change when assessing the level of work to be performed.

Climate change

The Company has explained climate-related investment process including climate commitments on pages 6 & 7 in the 'Corporate Governance' section of the Directors' Report and this forms part of "Other information", rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the Company's financial statements, or our knowledge obtained in the course of the audit, or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Company's business and any consequential material impact on its financial statements.

The Company has explained in how climate change has been reflected in notes 2 & 11 of the financial statements how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating the adequacy of the Company's disclosures in the financial statements as set out in Notes 3 & 11 and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on NAV.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The Net Asset Value ("NAV") of investments is used as the basis of fair value. There is a risk that the NAV is not representative of fair value at the balance sheet date resulting in an inappropriate valuation being applied (2024: £486 million; 2023: £563 million) *Refer to Accounting policies (pages 28 to 32); and Note 4 and 11 of the Financial Statements (pages 32 and 39 to 41)* The valuation of the unquoted investments is the key driver of the Company's net asset value and total return. Incorrect valuation could have a significant impact on the net asset value of the Company and therefore the return generated for shareholders.	We documented our understanding of the processes, policies and methodologies used by management for valuing unquoted investments held by the Company and performed walkthrough tests to confirm our understanding of the systems and controls implemented; We obtained and evaluated the valuation memos from Ruffer LLP, the Company's Investment Manager, in support of each investment's value, including the assumption that the Company's share of the net asset value (NAV) of the investee is equivalent to the fair value of the investment; We obtained and evaluated the independent operational due diligence reports on the investee valuation and pricing policies of the fund manager of the investments;	We reported to the Audit Committee that, overall, the valuation of the Company's investments were within reasonable range and in accordance with FRS 102.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	We obtained independent investment confirmations directly from the third-party Administrators for 100% of the investments validating the existence and unaudited NAV of those investments; As all of the investments have non-coterminous year ends, we obtained the most recent audited financial statements and performed the following procedures: – Confirmed that the audit reports were unqualified and issued by an international recognised audit firm; – Assessed that the audited financial statements are prepared using fair value principles that are consistent with FRS 102; and – Agreed the NAV per unit in the audited financial statements to the NAV used at the corresponding valuation date.	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	We have performed procedures in order to understand the movement in fair value since the last audited NAV including enquiries of the Investment Manager, inspection of the investor statements, assessing changes in the underlying portfolio, changes in market conditions and movements in foreign exchange rates. Where movements exceeded our expectations, we performed detailed analysis to understand the driving forces of the movement by considering specific news and performance reports of the fund. We verified that investments are carried in accordance with the Company's accounting policies and FRS 102 and that the unrealised gains/losses are accounted for correctly in the statement of comprehensive income; and We performed cut off testing to verify that year end transactions were accounted for in the correct period.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £10.4 million (2023: £12.5 million), which is 2% (2023: 2%) of the Company's NAV. We believe that NAV provides us with an appropriate basis for audit materiality as this is a key published performance measure and is a key metric used by management in assessing and reporting on the overall performance of the Company.

During the course of our audit, we reassessed initial materiality and considered there to be no change from the basis determined at the audit planning stage. We have updated the value based on NAV as at 31 March 2024.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £7.8m (2023: £9.4m). We have set performance materiality at this percentage due to limited identification of audit findings in previous periods.

Reporting threshold

The reporting threshold is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of £0.5m (2023: £0.6m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are The Companies (Guernsey) Law, 2008, the Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Registered Collective Investment Schemes Rules 2021 issued by the Guernsey Financial Services Commission (GFSC);
- We understood how the Company is complying with those frameworks by making enquiries of the Investment Manager, the Administrator and those charged with governance regarding:
  - their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the Financial Statements;
  - the Company's methods of enforcing and monitoring non-compliance with such policies;
  - The Investment Manager and Administrator's process for identifying and responding to fraud risks, including programmes and controls the Company has established to address risks identified by the entity, or that otherwise prevent, deter and detect fraud;
  - how the Investment Manager and Administrator monitors those programmes and controls; and

  - Administration and maintenance of the Company's books and records is performed by Northern Trust International Fund Administration Services (Guernsey) Limited which is a regulated firm, independent of the Investment Manager. We corroborated our enquiries through our review of Board minutes and any correspondence received from regulatory bodies. We also obtained their SOC1 controls report and reviewed it for findings relevant to the Company.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by;
  - obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - making inquiries with those charged with governance as to how they exercise oversight of the Investment Manager and the Administrator's processes for identifying and responding to fraud risks and the controls established by management to mitigate specifically those risks the entity has identified, or that otherwise help to prevent, deter and detect fraud;
  - making inquiries with the Investment Manager and those charged with governance regarding how they identify related parties including circumstances related to the existence of a related party with dominant influence; and
  - making inquiries with the Investment Manager, administrator and those charged with governance regarding their knowledge of any actual or suspected fraud or allegations of fraudulent financial reporting affecting the Company.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved a review of Board minutes and inquiries of the Investment Manager and Administrator and those charged with governance including:
  - through discussion, gaining an understanding of how those charged with governance, the Investment Manager and Administrator identify instances of non-compliance by the Company with relevant laws and regulations;
  - inspecting the relevant policies, processes and procedures to further our understanding;
  - reviewing Board minutes and the Administrator's quarterly compliance reporting;
  - inspecting correspondence with the GFSC; and
  - obtaining relevant written representations from the Board of Directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Guernsey, Channel Islands
6 June 2024

Statement of comprehensive income

	Notes	For the year ended 31 Mar 24 £	For the year ended 31 Mar 23 £
Income			
Bank interest		1,009,374	430,947
Net realised gain on foreign currency		–	1,293,383
Net unrealised gain on foreign currency		624,068	–
Net movement in unrealised fair value gain on investments at fair value through profit or loss	11	–	118,111,171
Total income		1,633,442	119,835,501
Loss			
Net movement in unrealised fair value loss on investments at fair value through profit or loss	11	(221,045,667)	–
Net realised loss on investments at fair value through profit or loss	4, 11	–	(73,994,982)
Net unrealised loss on foreign currency		–	(627,822)
Net realised loss on foreign currency		(1,360,578)	–
Total loss		(222,406,245)	(74,622,804)
Expenses			
Administrative expenses	3	(453,502)	(519,305)
Total expenses		(453,502)	(519,305)
Total comprehensive (loss)/income for the year		(221,226,305)	44,693,392
Basic (loss)/earnings per redeemable ordinary share (in pence)	12	(26.93)	5.52
Basic loss per Realisation Share (in pence)	13	–	(0.85)

All results shown above are from continuing operations and are attributable to shareholders of the Company.

The Notes on pages 28 to 42 form an integral part of these Financial Statements.

Statement of financial position

	Notes	As at 31 Mar 24 £	As at 31 Mar 23 £
Non-current assets			
Investments at fair value through profit or loss	4, 11	486,593,199	562,944,969
Current assets			
Debtors	5	90,254	116,479
Cash at bank		35,658,298	64,246,462
		35,748,552	64,362,941
Current liabilities			
Creditors	6	(154,364)	(122,185)
		(154,364)	(122,185)
Net assets		522,187,387	627,185,725
Capital and reserves			
Share capital	7	514,404,295	398,176,328
Profit and loss account		7,783,092	229,009,397
Total shareholders' equity		522,187,387	627,185,725
Number of shares in issue	7	829,917,347	700,194,145
Net asset value per redeemable ordinary share (in pence)	14	62.92	89.57

These Financial Statements on pages 24 to 42 were approved by the Board of Directors and authorised for issue on 6 June 2024.

They were signed on its behalf by

Keith Betts
Director

John Hallam
Director

The Notes on pages 28 to 42 form an integral part of these Financial Statements.

Statement of cash flows

	Notes	For the year ended 31 Mar 24 £	For the year ended 31 Mar 23 £
Net cash inflow from operating activities	A	(746,302)	1,135,793
Cash flow from investing activities			
Payments to acquire investments	4	(144,693,897)	(57,260,055)
Proceeds from sale of investments		–	324,404,743
Net cash (outflow)/inflow from investing activities		(144,693,897)	267,144,688
Cash flow from financing activities			
Shares issued in the year	7	116,227,967	–
Shares redeemed in the year	7	–	(83,631,925)
Redemption of Realisation Shares	7	–	(164,877,211)
Net cash inflow/(outflow) from financing activities		116,227,967	(248,509,136)
Net (decrease)/increase in cash and cash equivalents	B	(29,212,232)	19,771,345
Notes			
A Cash flow from operating activities			
Total comprehensive (loss)/income for the year*		(221,226,305)	44,693,392
Net unrealised (gain)/loss on foreign currency		(624,068)	627,822
Net unrealised fair value loss/(gain) on investments	11	221,045,667	(118,111,171)
Realised loss on investments		–	73,994,982
Decrease/(increase) in debtors		26,225	(112,162)
Increase in creditors		32,179	42,930
Net cash inflow from operating activities		(746,302)	1,135,793
B Reconciliation of cash flow to movement in net cash			
Cash and cash equivalents at the beginning of the year		64,246,462	45,102,939
Net unrealised gain/(loss) on foreign currency		624,068	(627,822)
Net cash (outflow)/inflow from activities		(29,212,232)	19,771,345
Cash and cash equivalents at the end of the year		35,658,298	64,246,462

* Total Comprehensive (loss)/income for the year includes interest received of £1,036,949 (2023: £318,723).

The Notes on pages 28 to 42 form an integral part of these Financial Statements.

Statement of changes in equity

For the year ended 31 March 2024	Note	Share capital £	Realisation shares £	Profit and loss account £	Total equity £
As at 31 March 2023		398,176,328	–	229,009,397	627,185,725
Shares issued during the year	7	116,227,967	–	–	116,227,967
Total comprehensive loss for the year		–	–	(221,226,305)	(221,226,305)
As at 31 March 2024		514,404,295	–	7,783,092	522,187,387

For the year ended 31 March 2023	Note	Share capital £	Realisation shares £	Profit and loss account £	Total equity £
As at 31 March 2022		646,685,464	–	184,316,005	831,001,469
Shares redeemed during the year	7	(83,631,925)	–	–	(83,631,925)
Shares converted to Realisation Shares		(166,252,449)	166,252,449	–	–
Redemption of Realisation Shares		–	(164,877,211)	–	(164,877,211)
Reallocation of capital on redemption of Realisation Shares		1,375,238	(1,375,238)	–	–
Total comprehensive income for the year		–	–	44,693,392	44,693,392
As at 31 March 2023		398,176,328	–	229,009,397	627,185,725

The Notes on pages 28 to 42 form an integral part of these Financial Statements.

Notes to the financial statements

1 General information

The Company was incorporated in Guernsey on 4 November 2014 with registered number 59288 and is governed by the Companies (Guernsey) Law, 2008. The address of the registered office can be found on page 43.

The Company is a registered Closed-ended Investment Scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the 'POI Law') and the Registered Collective Investment Scheme Rules and Guidance, 2021 issued by the Guernsey Financial Services Commission ('GFSC'). The Company's shares are listed on The International Stock Exchange ('TISE').

The Financial Statements are presented in Pounds Sterling (£) which is also the functional currency, being the currency of the primary economic environment in which the Company operates.

The Company's investment objective is to seek to generate positive returns over the life of the Company from financial market cycles, after fees and expenses, including but not limited to investing in strategies focusing on credit and volatility.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements. Critical accounting judgements and key sources of uncertainty where such judgements are made are indicated in the accounting policies below.

a) Basis of preparation

The Financial Statements have been prepared on a going concern basis under the historical cost convention as modified by the fair value of certain financial assets. The Financial Statements of the Company for the year ended 31 March 2024 have been prepared in accordance with FRS 102 issued by the Financial Reporting Council and in accordance with the Companies (Guernsey) Law, 2008.

In arriving at their conclusion on the basis of going concern, the Directors have considered –

Financial resources, business plans and management intentions – the Company's net assets at 31 March 2024 of £522,187,387 and the cash balance at 31 March 2024 of £35,658,298, together with the facts that:

- annual operating expenditure of the Company is not considered material, and
- there are no current intentions to liquidate or close down the Company in the ensuing period to 30 June 2025.

For these reasons, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

b) Income and expenses

Income and expenses are included in the Statement of comprehensive income on an accruals basis. Income is recognised to the extent that it is virtually certain that the economic benefit will flow to the company and revenue can be reliably measured.

c) Cash at bank

Cash and cash equivalents in the Statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

d) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity is recorded at the amount of proceeds received, net of issue costs. The redeemable ordinary shares of the Company have been recognised as equity as there is no contractual obligation to deliver cash or another financial asset. Shares are redeemable only at the option of the Company and have no par value.

e) Financial instruments

I Classification

The Company classifies its investments as financial assets at fair value through profit or loss.

Investments are classified by the Board of Directors at fair value through profit or loss at inception and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

II Recognition and derecognition

Investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment at transaction price with transaction costs being expensed as incurred in the Statement of comprehensive income.

Subsequent to initial recognition, gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the Statement of comprehensive income as "net movement in unrealised fair value gain/loss on investments at fair value through profit or loss" in the year in which they arise. Movements in the fair value of assets as a result of foreign currency movements are also presented in the Statement of comprehensive income within "net movement in unrealised fair value gain/loss on investments at fair value through profit or loss". The Company's policy requires the Investment Manager to re-evaluate the fair value of these financial assets using relevant financial and non-financial information as described in III, below.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Gains or losses are recognised in the Statement of comprehensive income as "Realised gain on investments at fair value through profit or loss" or "Realised loss on investments at fair value through profit or loss" when the financial asset is derecognised. Gains or losses are calculated as the difference between the proceeds from sale of a financial asset(s) minus cost of the financial asset at the date of disposal. Interest, distributions and dividend elements of such investments are recorded separately under 'income'.

III Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

When financial instruments are not traded in an active market, the fair value is determined by using appropriate valuation techniques. In valuing investments at fair value, reference is made to the principles detailed in the International Private Equity and Venture Capital Valuation Guidelines (the 'IPEVCA Guidelines'). The estimate of value considers principally the valuations provided by the Investment Manager/Administrator of each Investee Vehicle into which the Company invests. An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 11.

f) Critical accounting judgement and estimation uncertainty

The preparation of the Financial Statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The items in the Financial Statements where these estimates have been made include:

Investments at fair value through profit or loss

All investments are classified as investments at fair value through profit or loss. The key source of estimation uncertainty is on the valuation of the managed funds and other securities which are not traded in active markets. In reaching its valuation of the managed funds and other securities, the key judgements that the Board has to make relate to the valuation models and techniques.

Climate change

In preparing the Financial Statements, the Directors have considered the impact of climate change risk and have concluded that it does not have a material impact on the value of the Company's investments. In line with FRS 102, investments are valued at fair value as disclosed in Note 4. The Directors consider that the pricing of the underlying portfolio of the Company's investments reflects market participates' views of climate change risk and that there are no further climate related influences.

g) Taxation

The Company has requested Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability for the financial year was an annual fee of £1,200. Effective 1 January 2024, this fee was increased to £1,600.

h) Foreign currency

Transactions denominated in foreign currencies are translated into Pounds Sterling and are recorded at the rate of exchange ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the Statement of financial position date exchange rate and foreign exchange translation differences are accounted for in the Statement of comprehensive income.

i) Debtors

Debtors at the Statement of financial position date are initially measured at transaction price and subsequently measured at amortised cost.

j) Creditors

Creditors at the Statement of financial position date are initially measured at the transaction price and subsequently measured at amortised cost.

k) Issue costs

Issue costs relating to share issues are debited against share capital as required under FRS 102. For the purpose of calculating and publishing the Company's net asset value, issue costs are amortised over three years on a straight line basis.

l) Determination of functional currency

Pounds Sterling is the currency used to manage the liquidity in order to handle the issue and redemption of the Company's participating shares and accordingly, the Board has determined that the Company's functional and presentation currency is Pounds Sterling.

3 Administrative expenses

	For the year ended 31 Mar 24 £	For the year ended 31 Mar 23 £
Administration fees	161,925	195,205
Directors' fees	111,563	105,000
Legal and professional fees	26,075	64,150
Audit fees	59,600	54,650
Custodian fees	2,963	4,275
General expenses	91,376	96,025
	453,502	519,305

4 Investments at fair value through profit or loss

	31 Mar 24 £	31 Mar 23 £
Opening book cost	834,308,294	1,175,447,964
Payments to acquire investments	144,693,897	57,260,055
Proceeds from sale of investments	–	(324,404,743)
Realised fair value loss on investments at fair value through profit or loss	–	(73,994,982)
Closing book cost	979,002,191	834,308,294
Net unrealised fair value loss on investments	(492,408,992)	(271,363,325)
Investments at fair value through profit or loss	(486,593,199)	562,944,969

5 Debtors

	31 Mar 24 £	31 Mar 23 £
Prepaid expenses	5,605	4,255
Bank interest income receivable	84,649	112,224
	90,254	116,479

6 Creditors

	31 Mar 24 £	31 Mar 23 £
Administration fees	24,301	13,821
Audit fees	59,600	52,500
Realisation class fee	2,000	2,000
Custody fees	1,000	543
General expenses	9,194	14,046
Other professional expenses	58,269	39,275
	154,364	122,185

7 Share capital

	31 Mar 24 £	31 Mar 23 £
Issued share capital:		
Opening share capital	398,176,328	646,685,464
Shares issued during the year	116,227,967	–
Shares redeemed during the year	–	(83,631,925)
Redemption of Realisation Shares	–	(164,877,211)
Closing share capital	514,404,295	398,176,328
Number of shares:		
Opening number of shares	700,194,145	938,467,420
Shares issued during the year	129,723,202	–
Shares redeemed during the year	–	(76,868,709)
Redemption of Realisation Shares	–	(161,404,566)
Closing number of shares	829,917,347	700,194,145

The Company's share capital is represented by redeemable ordinary shares of nil par value, and each share carries one vote at the general meetings of the Company. All shares rank equally and are entitled to dividends should they be declared.

On 1 December 2022, 161,404,566 Ordinary Shares were converted to Realisation Shares in accordance with the circular dated 29 November 2022. On 4 January 2023, the Realisation Shares were repurchased and cancelled under the Tender Offer.

On 24 April 2023, 129,723,202 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.895969 per share and the Company received gross proceeds of £116,227,967.

Capital Management

The fair value of the Company's financial assets and liabilities approximate to their carrying amounts at the reporting date. For the purposes of this disclosure, shares are considered to be capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There are no externally-imposed capital requirements on the Company.

The Company may borrow to meet any drawdown demand from an investee vehicle or funding obligation for a direct investment within the time limits set out in such demand where it does not have sufficient liquid assets to meet such demand and for the purpose of intra-day settlement. The Company may arrange an overdraft facility for such purposes. The Company may pledge or otherwise grant security over its assets in connection with such borrowings. Other than borrowing to meet any such draw down demand, funding obligation and for intra-day settlement, no borrowing is permitted at the Company level.

The Directors may at their discretion redeem shares to return to investors, any capital amounts not committed to investee vehicles or direct investments and to pay capital amounts received by the Company from investee vehicles and direct investments, which in either case are not required to fund the Company's fees and expenses or to fund further drawdowns or obligations.

Refer to Financial instruments and risk management objectives and policies (Note 9) for the policies and processes applied by the Company in managing its risk regarding capital preservation. The Company has no obligation to repurchase shares.

8 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions so as to obtain benefits from its activities or is a member of its key management personnel.

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities.

Up until 31 December 2023, the basic fee payable to the Chairman was £25,000 (2023: £25,000) per annum, while the other Directors were entitled to £20,000 (2023: £20,000) per annum. Following a remuneration review during February 2024, the Chairman's fee was increased to £31,250 per annum and all other Directors' fees increased to £25,000. The increases were effective from 1 January 2024. None of the Directors nor the Chairman has an entitlement to a pension or other benefits.

During the year to 31 March 2024, Directors' fees of £111,563 (31 March 2023: £105,000) were charged to the Company as shown in Note 3 of which £nil (31 March 2023: £nil) remained payable at the year end as shown in Note 6. There were no material contracts with any of the Directors, or contracts for provision of services subsisting during the year, to which the Company was a party.

The Company has appointed Ruffer AIFM Limited to act as the Company's Investment Manager (the 'Investment Manager'). Ruffer AIFM Limited is authorised and regulated by the U.K. Financial Conduct Authority to perform the regulated activity of managing the unauthorised Alternative Investment Fund.

The Investment Manager has been appointed as Alternative Investment Manager to the Company by the Alternative Investment Fund Services Agreement dated 4 November 2014. Under this agreement, the Investment Manager agrees to perform various management duties. These include seeking out and evaluating investment opportunities, monitoring and analysing the performance of the Company's investments, liaising with the Administrator, attending board meetings of the Company as required and undertaking adequate due diligence into proposed investments. This agreement is terminable by either party on twelve months' notice (such notice to be served not earlier than two years after the date of the agreement) or for breach or on insolvency.

9 Financial instruments and risk management objectives and policies

The Company’s objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company’s activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.
The Company is exposed to market risk (which includes interest rate risk, and foreign exchange risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Company’s Investment Manager is responsible for identifying and controlling investment risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Company.

Prior to making an investment on behalf of the Company, and on an ongoing basis thereafter, the Investment Manager performs appropriate due diligence, which includes an assessment of the valuation methodology adopted by the underlying investment and its own operational processes and controls. The Board of Directors approves the underlying investment valuations.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

The Company has a significant exposure to market risks by virtue of the nature of its business. The Company seeks to manage this exposure by ensuring appropriate due diligence in selecting investments and engages in an ongoing monitoring process of its investments.

Were the market prices to move by 20%, this would result in an increase/decrease of £97,318,640 in net assets and profit or loss (31 March 2023: £112,588,994).

Interest rate risk

Floating rate financial assets comprise the cash balances which bear interest at rates based on bank base rates. The Company could be subject to exposure on those assets which are interest-bearing, however during the current year, the Company did not have any interest bearing investments other than cash, the interest on which was immaterial in nature and therefore no sensitivity analysis was disclosed.

Foreign exchange risk

Foreign exchange risk is the market risk that the fair value of future cash flows of financial instruments will fluctuate because of a change in foreign exchange rates. During the year, the Company was exposed to foreign exchange risk arising from currency exposures, primarily where investments and cash and cash equivalents are denominated in a currency different to the reporting currency. The Investment Manager has the power to manage exposure to currency movements by using forward foreign currency contracts. As at 31 March 2024, the Company had no open forward foreign currency contracts (31 March 2023: £nil).

The Company's exposure to foreign currencies at the year end is set out below –

		31 Mar 24		31 Mar 23	
		Local currency	£ equivalent	Local currency	£ equivalent
Investments at fair value through profit or loss	USD	335,387,215	265,495,503	447,528,427	361,946,223
Cash at bank	USD	784,293	620,853	25,652,859	20,747,186
Debtors	USD	1,935	1,532	54,131	43,779
Creditors	USD	(32,529)	(25,750)	(32,642)	(26,400)
			266,092,138		382,710,788

As at 31 March 2024, the Company had significant exposure to US Dollar as a result of financial assets designated at fair value through profit or loss. The table below shows the effect on NAV and profit/loss for the year if the foreign currencies strengthened/weakened against Pounds Sterling by 5% with all other variables held constant.

	31 Mar 24		31 Mar 23	
	Strengthened £	Weakened £	Strengthened £	Weakened £
USD	13,304,607	(13,304,607)	19,135,539	(19,135,539)

Credit risk

The Company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full an amount when due. The Company's maximum exposure to credit risk is represented by the carrying value of its current assets on the Statement of financial position amounting to £35,748,552 (31 March 2023: £64,362,941). There are no aged debts within debtors.

The Company's Custodian and banker is Northern Trust (Guernsey) Limited, a wholly-owned subsidiary of The Northern Trust Corporation which has a credit rating of A+ (31 March 2023: A+) from Standard and Poor's and A2 (31 March 2023: A2) from Moody's. The Company's investments are held in accounts which are segregated from the Custodian's own trading assets. If the Custodian were to become insolvent, the Company's right of ownership is clear and they are, therefore, protected. However, the Company's cash balances, which are all held with the Custodian, may be at risk in this instance as the Company would rank alongside other creditors of the Custodian.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises due to the Company investing primarily in illiquid assets, and therefore not being able to readily realise cash to settle those financial liabilities. The Company invests primarily in illiquid investments and as such there is a lack of an active market for those investments.

The Investment Manager intends to manage the Company's liquid assets to ensure that it has sufficient cash to satisfy funding obligations for direct investments. However, the Company may borrow to meet any draw down demand from an investee vehicle or funding obligation for a direct investment within the time limits set out in such demand where it does not have sufficient liquid assets to meet such demand. The Company may also borrow for the purpose of intra-day settlement. The Company may arrange an overdraft facility for such purposes. Other than borrowing to meet any such draw down demand, funding obligation, or intra-day settlement, no borrowing is permitted at the Company level.

The Company's only financial liabilities are its payables which mature in less than 12 months from 31 March 2024 and therefore, a maturity analysis has not been presented.

10 Ultimate controlling party

The issued shares of the Company are owned by a number of parties with no single party having a controlling interest in the Company. In the opinion of the Directors, the Company does not have an ultimate controlling party.

11 Fair value of financial instruments

The Company invests in managed funds and other securities that do not have readily assessable market values. In this instance, investments are valued at fair value, which is principally based on the Company's share of the NAV published by the underlying administrator or manager. The Investment Manager reviews the methods and policies used by the underlying administrators and managers to price underlying investments as well as the published NAVs. In addition, the Investment Manager reviews any recent events that may have an impact on the value of such security and/or any other available assessment.

The Investment Manager considers climate change risk as part of its ESG approach and has assessed that the impact of climate change risk is reflected in the value of the underlying investments.

The Directors consider the Investment Manager's analysis and views and adjust NAV, where necessary, to derive fair values that are supported by market evidence as well as using unobservable information. Such adjustments also reflect the effect of the time passed since the calculation date, liquidity risk, transaction activity or other factors, see Note 2 (e)III.

Portfolio investments may have underlying investments in or exposure to a range of credit instruments, including but not limited to, credit default swaps, bonds, credit-linked notes and similar instruments. The fair values of the structured credit investments in such instruments are calculated using a number of methods, including broker quotes and valuation models which are accepted in the industry. The valuations incorporate both observable and non-observable data.

The NAVs may be unaudited or estimated at the date of these Financial Statements. The Company bases its assumptions and estimates on parameters available when the Financial Statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The fair values applied do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future circumstances that cannot be reasonably determined at this time. Because of the inherent uncertainty of valuations, estimated fair values may be materially higher or lower than the values that would have been used in different market conditions.

The Directors have concluded that no adjustments are required to those investments whose value is derived from a NAV at the end of the year. The total value of investments being measured based on NAV at 31 March 2024 is £486,593,199 (31 March 2023: £562,944,969).

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on –

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The valuation technique for Level 3 investments can be divided into three groups:

- NAV – as reported by the underlying fund where the Investment Manager considers the NAV to be an appropriate reflection of fair value,
- adjusted NAV – NAV as reported by the underlying fund adjusted at the Investment Manager's discretion for future cash flows or variances based on their own evaluation, and
- recent transactions – where there has been a successful transaction following a competitive process subsequent to year end through a sale of investments by the Company that is representative in volume and nature and conducted on an arm's length basis, this is taken as the primary driver for valuing Level 3 investments.

Financial assets at fair value through profit or loss

	Level 1 £	Level 2 £	Level 3 £	As at 31 Mar 24 total £
Investments at fair value through profit or loss	–	–	486,593,199	486,593,199
	–	–	486,593,199	486,593,199

	Level 1 £	Level 2 £	Level 3 £	As at 31 Mar 23 total £
Investments at fair value through profit or loss	–	–	562,944,969	562,944,969
	–	–	562,944,969	562,944,969

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and end of the year.

	For the year ended 31 Mar 24 £	For the year ended 31 Mar 23 £
Opening balance	562,944,969	785,973,468
Net (loss)/gain on investments	(221,045,667)	44,116,189
Purchases	144,693,897	57,260,055
Sale proceeds	–	(324,404,743)
Closing balance	486,593,199	562,944,969
Total movement in gains or losses included in profit or loss includes:		
Total movement in realised losses in profit or loss for the year	–	(73,994,982)
Total movement in unrealised gain included in profit or loss for the year for financial assets no longer held at the end of the year	–	11,194,883
Total movement in unrealised (losses)/gains included in profit or loss for the year for financial assets held at the end of the year	(221,045,667)	106,916,288

There have been no transfers between levels during the year.

12 Basic (loss)/earnings per ordinary share

The basic (loss)/earnings per ordinary share has been calculated on a weighted average basis and is arrived at by dividing the total comprehensive (loss)/income attributed to ordinary shares for the year by the weighted average number of equity shares in issue.

	For the year ended 31 Mar 24	For the year ended 31 Mar 23
Total comprehensive (loss)/income attributable to ordinary shares for the year (£)	(221,226,305)	46,068,630
Total weighted shares	821,410,907	834,648,497
Basic (loss)/earnings per redeemable ordinary share (in pence)	(26.93)	5.52

13 Basic loss per realisation share

No realisation took place during the year ended 31 March 2024. The basic loss per realisation share for the year ended 31 March 2023 was calculated on a weighted average basis and is arrived at by dividing the total loss attributed to realisation shares for the year, a loss of £1,375,238, by the weighted average number of realisation shares in issue, 161,404,566 shares. The period used to calculate the weighted average for the year ended 31 March 2023 was 1 December 2022 to 4 January 2023, the date of issue to redemption respectively.

14 Reconciliation of reported net asset value to net asset value per Financial Statements

	For the year ended 31 Mar 24 pence	For the year ended 31 Mar 23 pence
Reported Net Asset Value (in pence)	62.89	89.60
Adjustment due to –		
Adjustment to the fair value of investments	0.03	(0.03)
Net Assets attributable to shareholders per Financial Statements (in pence)	62.92	89.57

15 Subsequent events

Management has evaluated subsequent events up to 6 June 2024, which is the date that the Financial Statements were available to be issued.

No significant events have occurred after the Statement of financial position date in respect of the Company that may be deemed relevant to the accuracy of these Financial Statements.

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