

**The Red Fort Partnership  
Limited**

**Annual Report and Audited  
Financial Statements**

**For the year ended 31 December 2023**

## **THE RED FORT PARTNERSHIP LIMITED**

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## THE RED FORT PARTNERSHIP LIMITED

### OFFICERS AND PROFESSIONAL SERVICE PROVIDERS

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<b>Registered Office:</b>	1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
<b>Directors:</b>	Justin Baring Allister Carey Rupert Evans Nicholas Harwood Marc Yates
<b>Investment Advisor:</b>	JB Management (UK) LLP 1A Burnsall Street London United Kingdom SW3 3SR
<b>Administrator, Secretary, Registrar and Designated Manager:</b>	Apex Fund Administration (Guernsey) Limited (formerly MJ Hudson Fund Services Guernsey Limited) 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
<b>Custodian and Banker:</b>	Butterfield Bank (Guernsey) Limited Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3AP
<b>Listing Agent:</b>	Ogier Corporate Finance Limited 44 Esplanade St Helier Jersey JE4 9WG
<b>Auditor:</b>	Moore Stephens Audit and Assurance (Guernsey) Limited P.O. Box 146 Level 2 Park Place Park Street St Peter Port Guernsey GY1 3HZ
<b>Registration number:</b>	51464

## **THE RED FORT PARTNERSHIP LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 December 2023**

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The Directors submit their annual report and audited financial statements for The Red Fort Partnership Limited (the 'Fund') for the year ended 31 December 2023.

#### **Activities and Status**

The Fund was incorporated in Guernsey on 11 February 2010, with registration number 51464. The Fund is authorised by the Guernsey Financial Services Commission ('GFSC') as a Class B Scheme under the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 2020. The Fund is governed by the provisions of The Companies (Guernsey) Law, 2008 and The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.

The investment objective of the Fund is to seek long-term capital appreciation by investing in a portfolio substantially comprised of companies operating in the gold, other precious metals and basic materials sectors. The Fund may invest in securities that are listed, unlisted, rated or unrated.

The Fund's participating redeemable shares were admitted to listing on the Channel Islands Securities Exchange on 11 March 2010. Following the closure and restructure of the Channel Islands Securities Exchange all securities listed were transferred on to the International Stock Exchange on 20 December 2013.

Under the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (the 'Regulations'), the Fund is a 'third country AIFM' managing a 'third party AIF' for the purpose of the Regulations, the Fund is registered under the National Private Placement Regime with the Financial Conduct Authority (FCA) in the United Kingdom in accordance with the requirements of the Regulations to give written notification to the FCA in advance of commencing any marketing of the Fund in the United Kingdom.

#### **Directors**

The Directors of the Fund during and subsequent to the year end are as stated on page 2.

#### **Going Concern**

The Directors, having considered the Fund's objectives and available resources along with its projected income and expenditure, are satisfied that the Fund has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. The Fund is currently in a healthy net asset position and holds a portfolio of listed investments with no leverage which would be used to fund any liabilities that become due or payable. Accordingly the financial statements have been prepared on a going concern basis.

#### **Directors' Declaration**

Each of the persons who is a Director at the date of approval of the financial statements confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Fund's auditor is unaware; and
- Each has taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Fund's auditor is aware of that information.

## **THE RED FORT PARTNERSHIP LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 December 2023**

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#### **Directors' Declaration**

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of The Companies (Guernsey) Law, 2008.

#### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRS'). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Fund and the profit or loss of the Fund for that period.

In preparing these 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 International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained 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 that are sufficient to show and explain the Fund's transactions and disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021. The Directors are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Independent Auditor**

A resolution to re-appoint Moore Stephens as auditor of the Fund will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Rupert Evans  
Director



Allister Carey  
Director

27 June 2024

## THE RED FORT PARTNERSHIP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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#### Opinion

We have audited the financial statements of The Red Fort Partnership Limited (the "Fund") for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Shares, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS").

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 31 December 2023 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)'). Our responsibilities under these 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 Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with those 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.

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 of at least twelve months 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.

#### Key audit matters

Key audit matters are those matter that, in our professional judgement, were of most significance in our audit of the financial statements for the current period including 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Investment ownership and valuation

Investment assets represent the most significant number on the balance sheet and the valuation of investments is the main component in the company's financial performance. We consider that there is a risk that the valuation or holdings of the investment portfolio has been inflated to increase the overall NAV of the fund to meet investor expectation, obtain a performance fee, and increase the management fee which is dependent on the NAV.

## **THE RED FORT PARTNERSHIP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

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#### **Key audit matters (continued)**

##### Our response

We tested 100% of the investment valuations to an independent source such as Bloomberg, and 100% of the investment holdings to an independent source such as the Custodian bank report, and no material differences were found. We also selected a sample of investment sales and purchases during the year and tested these against the sales or purchase contract notes both for holding and value, and no material differences were found.

#### **Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the level of misstatement that would probably influence the economic decisions of a reasonably knowledgeable person.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate in the financial statements as a whole.

When establishing our overall audit strategy, we determined what level of uncorrected misstatements would be material for the financial statements as a whole. We considered that the total assets figure was one of the principal considerations for stakeholders in assessing the financial performance of the company and determined planning materiality to be USD 846,000 which is approximately 5% of net assets.

#### **An overview of scope of our audit**

The fund was subjected to a full scope audit for the period ended 31 December 2023 using the materiality figure described above.

#### **Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report on pages 3 and 4, the Investment Advisor's Report on page 28 and the Custodian's Report on page 29. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

## **THE RED FORT PARTNERSHIP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

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#### **Matters on which we are required to report by exception (continued)**

- proper accounting records have not been kept by the Fund; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are IFRS, The Companies (Guernsey) Law, 2008, and The Protection of Investors (Bailiwick of Guernsey) Law, 2020 including The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.



## THE RED FORT PARTNERSHIP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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

- We obtained an understanding of how the company complies with these requirements by discussions with management and examination of various statutory documentation such as the minutes and compliance reports.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.
- We inquired of management as to any known instances of non-compliance or suspected non-compliance with laws and regulations and examined correspondence with the GFSC and legal advisors.
- We focussed particularly on the matters described above in key audit matters.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

A further description of the auditor's responsibilities for the audit of financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Fund'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 Fund'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 Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.



#### MOORE STEPHENS AUDIT AND ASSURANCE (GUERNSEY) LIMITED

PO Box 146,  
Level 2 Park Place  
Park Street  
St Peter Port  
Guernsey, GY1 3HZ

28 June 2024

**THE RED FORT PARTNERSHIP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 31 December 2023**

		Year ended 31 December 2023	Year ended 31 December 2022
	Notes	USD	USD
<b>INVESTMENT INCOME</b>			
Investment income		701,667	688,003
Redemption charge income		5,026	-
Interest income		26,290	8,797
Net capital losses on investments at fair value through profit or loss	4	(2,573,026)	(2,547,360)
<b>NET INVESTMENT LOSS</b>		<b>(1,840,043)</b>	<b>(1,850,560)</b>
<b>EXPENSES</b>			
Advisory fees	9	209,369	233,918
Administration fees		109,820	109,699
Transaction fees		7,778	5,363
Directors' fees	9	49,995	49,858
Custodian fees		19,793	20,910
Audit fees		21,550	18,985
Regulatory fees		12,864	13,109
General expenses		10,345	15,419
Net loss on currency exchange		42,630	48,869
<b>TOTAL EXPENSES</b>		<b>484,144</b>	<b>516,130</b>
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE SHARES BEFORE TAX</b>		<b>(2,324,187)</b>	<b>(2,366,690)</b>
Withholding taxes		(109,807)	(104,143)
<b>TOTAL COMPREHENSIVE LOSS</b>	8	<b>(2,433,994)</b>	<b>(2,470,833)</b>

The notes on pages 13 to 25 form part of these financial statements

**THE RED FORT PARTNERSHIP LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2023**

		31 December 2023	31 December 2022
	Notes	USD	USD
<b>ASSETS</b>			
Investments	4	16,809,391	22,476,201
Other receivables and prepayments	5	4,177	5,482
Cash and cash equivalents		183,974	640,639
<b>TOTAL ASSETS</b>		<b>16,997,542</b>	<b>23,122,322</b>
<b>EQUITY</b>			
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE SHARES</b>			
Share premium	7	156,383,179	160,061,502
Accumulated losses	8	(139,456,168)	(137,022,174)
		16,927,011	23,039,328
<b>LIABILITIES (excluding net assets attributable to holders of participating redeemable shares)</b>			
Management share capital	7	151	151
Other payables and accruals	6	70,380	82,843
		70,531	82,994
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,997,542</b>	<b>23,122,322</b>
<b>NAV per share</b>			
	7	88.87	101.86

Approved by the board of Directors and authorised for issue on 27 June 2024.

  
 Rupert Evans  
 Director

  
 Allister Carey  
 Director

The notes on pages 13 to 25 form part of these financial statements

**THE RED FORT PARTNERSHIP LIMITED**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING REDEEMABLE SHARES**  
**For the year ended 31 December 2023**

	<b>Year ended 31 December 2023</b>	
	<b>Number of shares</b>	<b>USD</b>
Net assets attributable to holders of participating redeemable shares as at 1 January 2023	<u>226,190.16</u>	<u>23,039,328</u>
Proceeds from issues of participating redeemable shares	3,892.40	389,665
Redemptions of participating redeemable shares	(39,621.55)	(4,067,988)
Net decrease from share transactions	<u>(35,729.15)</u>	<u>(3,678,323)</u>
Total comprehensive loss	-	(2,433,994)
<b>Net assets attributable to holders of participating redeemable shares as at 31 December 2023</b>	<u><b>190,461.01</b></u>	<u><b>16,927,011</b></u>
	<b>Year ended 31 December 2022</b>	
	<b>Number of shares</b>	<b>USD</b>
Net assets attributable to holders of participating redeemable shares as at 1 January 2022	<u>216,392.42</u>	<u>24,341,276</u>
Proceeds from issues of participating redeemable shares	11,008.73	1,305,113
Redemptions of participating redeemable shares	(1,210.99)	(136,228)
Net increase from share transactions	<u>9,797.74</u>	<u>1,168,885</u>
Total comprehensive loss	-	(2,470,833)
<b>Net assets attributable to holders of participating redeemable shares as at 31 December 2022</b>	<u><b>226,190.16</b></u>	<u><b>23,039,328</b></u>

The notes on pages 13 to 25 form part of these financial statements

**THE RED FORT PARTNERSHIP LIMITED**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2023**

	Year ended 31 December 2023 USD	Year ended 31 December 2022 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total comprehensive loss	(2,433,994)	(2,470,833)
Adjustments for:		
Dividend income	(701,667)	(688,003)
Decrease in receivables and prepayments	1,305	383
Decrease in payables and accruals	(12,463)	(5,470)
Net loss on currency exchange	42,630	48,869
Net realised gain on investments	(971,930)	(692,733)
Unrealised loss on revaluation of investments	3,544,956	3,240,093
Dividends received	701,667	688,003
Purchase of investments	(1,103,000)	(2,295,720)
Sale of investments	4,196,784	1,577,611
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>3,264,288</b>	<b>(597,800)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	389,665	1,305,113
Redemption of shares	(4,067,988)	(136,228)
<b>NET CASH FLOW (USED IN)/ FROM FINANCING ACTIVITIES</b>	<b>(3,678,323)</b>	<b>1,168,885</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY ADJUSTMENT</b>	<b>(414,035)</b>	<b>571,085</b>
Effect of exchange rates on cash and cash equivalents	(42,630)	(48,869)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(456,665)</b>	<b>522,216</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>		
At the beginning of the year	640,639	118,423
Net (decrease)/increase in cash and cash equivalents	(456,665)	522,216
<b>At the end of the year</b>	<b>183,974</b>	<b>640,639</b>

The notes on pages 13 to 25 form part of these financial statements

## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS

As at 31 December 2023

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#### 1. PRINCIPAL ACTIVITIES

The Red Fort Partnership Limited (the 'Fund') is an open-ended Guernsey limited liability company, registered on 11 February 2010 with registration number 51464. The Fund is authorised by the Guernsey Financial Services Commission ('GFSC') under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 as an authorised open ended Investment Scheme under the Class B Rules 2021. The registered office of the Fund is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

The investment objective of the Fund is to seek long term capital appreciation by investing in a portfolio substantially composed of companies operating in the gold, other precious metals and basic materials sectors. The Fund may invest in securities that are listed, unlisted, rated or unrated.

#### 2. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

##### **Basis of preparation**

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities at fair value and on the going concern basis.

There are new standards and amendments to existing standards that are effective for the period beginning on 1 January 2023. None of these standards or amendments are deemed relevant to the Fund; hence, they have not been disclosed.

A number of new standards are effective for periods beginning after 1 January 2023 and early application is permitted; however, the Fund has not adopted the new or amended standards in preparing these financial statements. None of the standards are expected to have a material impact on the Fund's financial statements.

##### **Going concern**

The Directors, having considered the Fund's objectives and available resources along with its projected income and expenditure, are satisfied that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Directors remain confident that the going concern basis remains appropriate in preparing these financial statements.

##### **Foreign currency**

###### *Functional and presentation currency*

The presentation currency of the Fund is United States Dollars ('USD'). Subscriptions and redemptions are effected in USD and the Directors consider that USD is also the functional currency of the Fund.

## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued

As at 31 December 2023

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## 2. MATERIAL ACCOUNTING POLICIES - continued

### Foreign currency

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the Statement of Financial Position.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'Net loss or gain on currency exchange'.

Where foreign currency items are held at fair value, the foreign currency movements are treated as part of the fair value change.

### Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates and assumptions.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 10.

### Valuation principles

The Fund's value is calculated each month based on the valuation of its underlying assets and liabilities as at 8.00am on the last business day of each month ('Valuation Day'). All subscriptions and redemptions are based on the Fund's net asset value attributable to holders of participating redeemable shares ('net asset value per share'), determined by Apex Fund Administration (Guernsey) Limited (the 'Administrator'), at values as of 8.00am on the Valuation Day. The last Valuation Day of the reporting period was 29 December 2023 and the financial statements have been prepared on that basis. As a result, investment transactions taking place after 8.00am on 29 December 2023 have not been recognised in these financial statements.

The net assets attributable to holders of participating redeemable shares of the Fund comprise the aggregate amount of all the investments owned or contracted to be purchased by the Fund as of the Valuation Day, plus any cash, bills, accrued interest, or other property of any kind as defined from time to time by the board of Directors, from which are deducted the accrued management, custodian and administrative expenses, the value of any investments contracted to be sold, the aggregate amount of any borrowings, any interest or other charges, or other liabilities of any kind as defined from time to time by the board of Directors.

The net asset value per share is expressed in USD and is determined by dividing the net assets attributable to holders of participating redeemable shares of the Fund by the number of participating redeemable shares in issue on the Valuation Day.

**2. MATERIAL ACCOUNTING POLICIES – continued**

**Financial instruments**

*Classification*

The Fund classified all equity investments as financial assets at fair value through profit or loss upon initial recognition. Financial assets that are classified as loans and receivables include cash and cash equivalents and receivables. Financial liabilities measured at amortised cost include fees payable and payables on securities purchased.

*Recognition, derecognition and initial measurement*

The Fund recognises financial assets or liabilities on the date it commits to purchase or sell the instrument. Financial instruments designated on initial recognition as financial assets at fair value through profit or loss are recognised initially at cost. For financial assets acquired, cost is the fair value of the consideration given, while for the financial liabilities, cost is the fair value of the consideration received.

Transaction fees for financial assets at fair value through profit or loss investments are not included in the amount initially recognised and are written off to the Statement of Comprehensive Income as incurred. Financial assets classified as loans and receivables are recognised on the day that they are transferred to the Fund at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Financial assets are derecognised when the rights to receive cash flows have expired or the Fund has transferred substantially all the risks and rewards of ownership. Any gain or loss on derecognition is recognised in the Statement of Comprehensive Income under 'Net capital gains/(losses) on investments at fair value through profit or loss'.

Financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue. Financial liabilities arising from the participating redeemable shares issued by the Fund are carried at the redemption amount representing the investors' rights to a residual interest in the Fund's assets. Financial liabilities are not recognised unless one of the parties has performed their obligations under the agreement.

*Subsequent measurement*

Subsequent to initial recognition, all financial assets designated at fair value through profit or loss are measured at fair value, with changes in the fair value recognised in the Statement of Comprehensive Income. 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. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or, in the case of non-exchanged traded instruments, sourced from a reputable broker/counterparty at the date of the Statement of Financial Position without any deduction for estimated future selling costs. The Fund only holds long positions, which are valued at bid price.

*Unrealised gains and losses on subsequent measurement*

Unrealised gains and losses arising from changes in the fair value of investments during the year are recognised in the Statement of Comprehensive Income under 'Net capital gains/(losses) on investments at fair value through profit or loss'.



## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued

As at 31 December 2023

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## 2. MATERIAL ACCOUNTING POLICIES – continued

### Financial instruments (continued)

In the case of any security which is listed or dealt on more than one stock exchange, the Directors shall determine the stock exchange whose quotations shall be used in the determination of the value of such a security. This determination is made consistently from period to period, and between different investments.

In the case of any security for which no price quotations are available, the value thereof shall be determined in such manner as the Directors shall from time to time determine.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash on deposit.

### Income

Interest income is accounted for on an accruals basis and recognised in the Statement of Comprehensive Income. Interest income includes interest earned on cash held at bank on call and on deposit.

Dividend income from investments is accounted for on an ex-dividend basis, gross of applicable withholding taxes and is recognised in the Statement of Comprehensive Income within investment income when the Fund's right to receive payments is established.

Redemption charge income is accounted for on an accruals basis and is recognised in the Statement of Comprehensive Income and is calculated in line with the Private Placement Memorandum of the Fund.

### Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method. Due to the short-term nature of accrued expenses, their amortised cost approximates to their fair value.

### Participating redeemable shares

The Fund issues one class of participating redeemable share which is redeemable at the holder's option. Such shares are classified as equity. Participating redeemable shares can be redeemed at any time for cash equal to a proportionate share of the Fund's net asset value per share. The participating redeemable shares are carried at the redemption amount that is payable at the date of the Statement of Financial Position if the holder exercises the right to redeem their shares in the Fund.

Participating redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. In accordance with the provisions of the Fund's offering memorandum, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued As at 31 December 2023

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#### 2. MATERIAL ACCOUNTING POLICIES – continued

##### **Increase/decrease in net assets attributable to holders of participating redeemable shares**

Income not distributed is included in net assets attributable to holders of participating redeemable shares.

##### **Taxation**

The Fund resides for taxation purposes in Guernsey, where it pays an annual tax exemption fee of GBP 1,200 (2022: GBP 1,200) subject to the provisions of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989.

The Fund may be subject to foreign withholding tax on certain interest, dividends and capital gains.

#### 3. SIGNIFICANT AGREEMENTS

The following significant contracts have been entered into by the Fund:

##### **Investment Advisory Agreement**

Under the Investment Advisory Agreement, JB Management (UK) LLP (the 'Advisor') receives from the Fund an advisory fee on a sliding scale on the total Net Asset Value ("NAV"), payable monthly in arrears on a pro rata basis. For the first \$50m of NAV, the fee is 1%; on the next \$50m of NAV (i.e. from \$50m to \$100m), the incremental fee is 0.75%; and above \$100m NAV, the incremental fee is charged at 0.25%. In addition to the advisory fee, a performance allocation fee is calculated and, if appropriate, paid annually at a rate of 10% on the increase in the net asset value per share over a hurdle equal to the aggregate annual return of the USD SPDR Gold Shares ETF traded on the New York Stock Exchange at 8.00 am Guernsey time, over the calculation period. Up to 60 per cent of the performance allocation fee will be paid to the Investment Adviser by way of issuing to the Investment Adviser restricted Participating Shares and the balance in cash.

The Advisor is also entitled to receive a Performance Allocation Redemption if participating redeemable shares are subscribed for at a time when the net asset value per share is less than the peak net asset value per share (as defined in the Private Placement Memorandum), in an amount equal to 10% of the appreciation in the value of those shares from the net asset value per share at subscription up to the peak net asset value per share. The Performance Allocation Redemption will be charged at the end of each calculation period by redeeming participating redeemable shares from the respective investors. Up to 60 per cent of the performance allocation fee arising from the Performance Allocation Redemption will be paid to the Investment Adviser by way of issuing to the Investment Adviser restricted Participating Shares and the balance in cash.

##### **Custodian Agreement**

Under a Custody Agreement, Butterfield Bank (Guernsey) Limited (the 'Custodian') is entitled to receive a percentage based figure based on the NAV. From the Fund an annual fee for core custodian trustee activities of GBP 7,500, plus an annual custody fee of 0.050% on the first GBP 25m of the funds held in safe custody, 0.035% on the next GBP 25m, 0.020% on the next GBP 25m and 0.010% thereafter, subject to a minimum of GBP 5,000 per annum.

## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued As at 31 December 2023

#### 3. SIGNIFICANT AGREEMENTS (continued)

##### Administration Agreement

Under the Administration Agreement, Apex Fund Administration (Guernsey) Limited (the 'Administrator') receives from the Fund a fee computed and payable quarterly in arrears. The fee is calculated at the rate of 0.125% of the net asset value of the Fund for the first USD 50m, 0.10% on the net asset value between USD 50m and USD 300m and 0.04% thereafter, with an overall minimum fee per annum of USD 110,000 (2022: USD 110,000). The Fund Administrator is also reimbursed all out-of-pocket expenses reasonably incurred.

##### Listing Sponsor Agreement

Under a Services Agreement dated 28 April 2016, Ogier Corporate Finance Limited (the 'Listing Agent'), receives from the Fund an annual fee of GBP 2,000 per annum, payable in advance.

#### 4. INVESTMENTS

	31 December 2023 USD	31 December 2022 USD
Opening book amount at fair value	22,476,201	24,305,452
Additions at cost	1,103,000	2,295,720
Disposal proceeds	(4,196,784)	(1,577,611)
Net realised gain on disposal of investments	971,930	692,733
Net unrealised loss on revaluation of investments	(3,544,956)	(3,240,093)
<b>Closing net book amount at fair value</b>	<b>16,809,391</b>	<b>22,476,201</b>

Total original cost of the investments as at the reporting date was USD 34,893,521 (2022: USD 34,893,521).

#### 5. OTHER RECEIVABLES AND PREPAYMENTS

	31 December 2023 USD	31 December 2022 USD
Prepayments	4,177	5,482

**THE RED FORT PARTNERSHIP LIMITED**

**NOTES TO FINANCIAL STATEMENTS - continued**

**As at 31 December 2023**

**6. OTHER PAYABLES AND ACCRUALS**

		31 December 2023 USD	31 December 2022 USD
Accrual for:			
Advisory fees	(see Note 9)	13,473	18,967
Administration fees		27,425	27,425
Audit fees		20,891	18,918
Directors' fees	(see Note 9)	4,131	12,465
Custodian fees		4,460	5,068
		<b>70,380</b>	<b>82,843</b>

**7. SHARE CAPITAL AND SHARE PREMIUM**

***Authorised share capital***

	Number of shares	USD
Management shares of GBP 1.00 each	100	151
Participating redeemable shares of no par value	25,000,000	-
	<b>25,000,100</b>	<b>151</b>

- i) Management shares have been issued to the Advisor. The management shares carry voting rights, are not redeemable, are not entitled to any dividends, and in the event of a liquidation rank only for return of the nominal amount paid up, prior to the return of the remaining balance of net assets to the holders of participating redeemable shares.
- ii) Participating redeemable shares are issued and redeemed at prices based on the value of the net assets as determined in accordance with the Articles of Association. The holders of participating redeemable shares are entitled to dividends, have limited voting rights, and upon liquidation are entitled to a share in surplus assets remaining after the return of the nominal amount paid up first on management shares.

# THE RED FORT PARTNERSHIP LIMITED

## NOTES TO FINANCIAL STATEMENTS - continued

As at 31 December 2023

### 7. SHARE CAPITAL AND SHARE PREMIUM – continued

#### *Issued share capital*

	Number of shares	Share capital USD	Share premium USD
<b>Participating redeemable shares</b>			
Balance at 1 January 2023	226,190.16	-	160,061,502
Issue of shares	3,892.40	-	389,665
Redemption of shares	(39,621.55)	-	(4,067,988)
Balance at 31 December 2023	<u>190,461.01</u>	<u>-</u>	<u>156,383,179</u>
Balance at 1 January 2022	216,392.42	-	158,892,617
Issue of shares	11,008.73	-	1,305,113
Redemption of shares	(1,210.99)	-	(136,228)
Balance at 31 December 2022	<u>226,190.16</u>	<u>-</u>	<u>160,061,502</u>
<b>Management shares</b>			
Balance at 31 December 2022 and 31 December 2023	<u>100.00</u>	<u>151</u>	<u>-</u>
<b>Total issued share capital</b>			
Balance at 31 December 2023	<u>190,461.01</u>	<u>151</u>	<u>156,383,179</u>
Balance at 31 December 2022	<u>226,290.16</u>	<u>151</u>	<u>160,061,502</u>

The net asset value ('NAV') of the outstanding participating redeemable shares is as follows:

	Number of shares	Total net assets USD	NAV per share USD
At 31 December 2023	<u>190,461.01</u>	<u>16,927,011</u>	<u>88.87</u>
At 31 December 2022	<u>226,190.16</u>	<u>23,039,328</u>	<u>101.86</u>

At launch, on 1 March 2010, the NAV per share was USD 100.

### 8. ACCUMULATED LOSSES

	31 December 2023 USD	31 December 2022 USD
Accumulated losses brought forward	(137,022,174)	(134,551,341)
Total comprehensive loss	<u>(2,433,994)</u>	<u>(2,470,833)</u>
<b>Accumulated losses carried forward</b>	<u><b>(139,456,168)</b></u>	<u><b>(137,022,174)</b></u>

## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued

As at 31 December 2023

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#### 9. RELATED PARTY TRANSACTIONS

Participating redeemable shares carry limited voting rights. Full voting rights attach to the management shares in issue. The Investment Advisor, a limited liability partnership registered in England and Wales, owns the management shares in issue. The Investment Advisor subscribed for these shares for a total consideration of USD 151 (2022: USD 151). Day to day control of the company is vested in the board of Directors.

The bases of calculation of the fees due to the Investment Advisor are set out in note 3. The Investment Advisor received remuneration of USD 209,369 (2022: USD 233,918) from the Fund during the year in respect of normal services provided, with USD 13,473 (2022: USD 18,967) outstanding at the end of the year.

The Investment Advisor received a Performance Fee of USD nil (2022: USD nil) and a Performance Allocation Redemption of USD nil (2022: USD 750) from the relevant investors during the year. The Investment Advisor holds 11,125.30 (2022: 11,121.62) participating redeemable shares in the Fund at the end of the year.

During the year, the Directors charged fees of USD 49,995 (2022: USD 49,858), of which USD 12,464 (2022: USD 12,465) were outstanding at the end of the year.

Mr J Baring a Director of the Fund, together with his close family, has an indirect beneficial interest in the Fund of 25.42% (2022: 21.38%). Mr J Baring is also a Partner of the Investment Advisor.

Mr R Evans, a Director of the Fund, has an indirect beneficial interest in the Fund, as a Shareholder of a company owned jointly with his wife, of 3.35% (2022: 2.82%).

#### 10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

During the year, the Fund entered into transactions which gave rise to the following financial assets and liabilities: investments, receivables, cash and cash equivalents and payables.

##### **Market risk**

Market risk is affected by three main components: price risk, interest rate risk and currency risk.

##### **Price risk**

The Fund is exposed to price risk on its financial instruments. There is a risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument held or factors affecting all financial instruments traded in the market.

At 31 December 2023, the Fund has a diversified equity portfolio. The Fund has equity securities which comprise 99.31% (2022: 97.56%) of net assets.

If the bid prices at 31 December 2023 had increased by 5% with all other variables held constant, this would have increased net assets attributable to holders of participating redeemable shares by approximately USD 840,470 (2022: USD 1,123,810). Conversely, if the bid prices had decreased by 5%, this would have decreased net assets attributable to holders of participating redeemable shares by approximately USD 840,470 (2022: USD 1,123,810).

THE RED FORT PARTNERSHIP LIMITED

NOTES TO FINANCIAL STATEMENTS - continued

As at 31 December 2023

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

**Interest rate risk**

The Fund is exposed to interest rate risk to the extent that prevailing interest rates may fluctuate on the floating rate instruments.

The exposure at 31 December 2023 of financial assets and financial liabilities to interest rate risk is limited to cash and cash equivalents of USD 183,974 (2023: USD 640,639). Cash and cash equivalents are all placed in call accounts.

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuation in the prevailing levels of interest rates.

**Currency risk**

A portion of the net assets of the Fund are denominated in currencies other than United States Dollars, with the effect that the Statement of Financial Position and Statement of Comprehensive Income can be affected by currency movements.

As at 31 December 2023, the Fund's net currency exposure on investments and other assets, comprising cash and cash equivalents and sales awaiting settlement, can be analysed as follows:

	<b>Investments</b>	<b>Other assets</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>31 December 2023</b>			
Australian Dollar	3,562,965	68,024	3,630,989
Canadian Dollar	4,337,884	28,947	4,366,831
Euro	592,677	4,165	596,842
Pound Sterling	4,749,204	27,432	4,776,636
South African Rand	2,175,802	26,064	2,201,866
Swedish Krona	1,385,259	-	1,385,259
United States Dollar	5,600	37,675	43,275
	<b>16,809,391</b>	<b>192,307</b>	<b>17,001,698</b>
	<b>Investments</b>	<b>Other assets</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>31 December 2022</b>			
Australian Dollar	5,447,070	-	5,447,070
Canadian Dollar	6,329,485	55,089	6,384,574
Euro	880,353	-	880,353
Pound Sterling	4,460,743	188,709	4,649,452
South African Rand	3,498,789	48,174	3,546,963
Swedish Krona	1,343,860	-	1,343,860
United States Dollar	515,901	348,667	864,568
	<b>22,476,201</b>	<b>640,639</b>	<b>23,116,840</b>

## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued

As at 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

##### Currency risk (continued)

If the foreign exchange rates at 31 December 2023 had increased by 5% with all other variables held constant, this would have increased net assets attributable to holders of participating redeemable shares by approximately USD 892,549 (2022: USD 1,171,177). Conversely, if the foreign exchange rates had decreased by 5%, this would have decreased net assets attributable to holders of participating redeemable shares by approximately USD 807,544 (2022: USD 1,059,636).

##### Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of liquid assets.

The table below summarises the maturity profile of the Fund's financial liabilities as at 31 December 2023 based on contractual undiscounted payments:

	On demand	Between 1-3 months USD	Between 3-6 months USD	Total USD
<b>31 December 2023</b>				
Payables and accruals	<u>20,891</u>	<u>45,358</u>	<u>4,131</u>	<u>70,380</u>
<b>31 December 2022</b>				
Payables and accruals	<u>18,918</u>	<u>51,460</u>	<u>12,465</u>	<u>82,843</u>

The Fund is also exposed to liquidity risk in respect of monthly cash redemptions of participating redeemable shares. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, redemption requests from shareholders must be received by the Fund at least 20 business days prior to the dealing day.

##### Credit risk

The Fund is exposed to material credit risk on its cash and cash equivalents and investments. Failure of the transaction counterparty to perform their obligations under the financial instruments may lead to a financial loss. The credit risk in respect of cash balances is mitigated by placing cash with a reputable banking institution with a sound credit rating, the Custodian.

No classes of financial assets contain impaired assets. The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of Financial Position.

All financial assets of the Fund have maturities of less than 30 days.

The Fund does not have any collateral held as security or other credit enhancements as at 31 December 2023 (2022: nil).



## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued As at 31 December 2023

#### 10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

##### Fair value

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurements in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses, within the fair value hierarchy, the Fund's financial assets (by class) measured at fair value at 31 December 2023:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31 December 2023</b>				
Investments				
Equity securities	16,218,556	-	590,835	16,809,391
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>31 December 2022</b>				
Investments				
Equity securities	22,104,847	-	371,354	22,476,201

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

The investment in Cornish Tin Limited, which was purchased during 2021, is classified as Level 3 and is valued at the cost price of the latest issued shares. The Investment Advisor considers there are no changes or events that would imply a change in its fair value from the valuation.

## THE RED FORT PARTNERSHIP LIMITED

### NOTES TO FINANCIAL STATEMENTS - continued

As at 31 December 2023

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#### 10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

##### **Fair value (continued)**

The investment in Firestone Diamonds Limited (previously Firestone Diamonds PLC), which re-registered as a private company on 14 December 2022, is classified as Level 3 and is valued by the Investment Advisor.

##### **Capital risk management**

The capital structure of the Fund consists of management shares and participating redeemable shares.

The Fund has issued 100 management shares of GBP 1.00 each. 99 of the management shares are held by the Advisor and 1 management share is held by a nominee company on behalf of the Advisor.

The participating redeemable shares issued by the fund provide the holder with the right to require redemption for cash at a value proportionate to the holder's share in the Fund's net assets at each monthly dealing date. The participating redeemable shares are classified within equity.

A description of the rights of each type of shares issued by the Fund is given in note 7.

The Fund's objectives in managing the participating redeemable shares are to ensure a stable base to maximise returns to all investors, and to manage liquidity risk arising from redemptions.

#### 11. ULTIMATE CONTROLLING PARTY

The Fund's immediate controlling party is JB Management (UK) LLP, a limited liability partnership registered in the United Kingdom, who is also the Fund's Investment Advisor and holder of the management shares in issue.

The Fund's ultimate controlling party is Justin Baring, the majority shareholder of JB Management (UK) LLP.

#### 12. EVENTS AFTER THE REPORTING DATE

There are no subsequent events to report.

# THE RED FORT PARTNERSHIP LIMITED

## PORTFOLIO STATEMENT

As at 31 December 2023

### INVESTMENT VALUATION BY COUNTRY OF LISTING AS AT 31 DECEMBER 2023

INVESTMENTS	Nominal holding	Valuation USD	Percentage of net assets %
<b>Equities</b>			
<b>Australia</b>			
Arcadium Lithium PLC-CDI	43,522	329,654	1.95
Highfield Resources NPV	846,775	178,803	1.06
IGO Limited	109,967	677,884	4.00
Perseus Mining AUD	1,007,539	1,266,201	7.48
Zimplats Holdings Limited	75,125	1,110,423	6.56
		<b>3,562,965</b>	<b>21.05</b>
<b>Belgium</b>			
Umicore	21,562	<b>592,677</b>	<b>3.50</b>
<b>Canada</b>			
Aclara Resources Inc	305,486	110,725	0.66
Centerra Gold Inc	222,400	1,321,671	7.81
Eldorado Gold Corporation	103,316	1,334,846	7.89
First Quantum Minerals Limited	83,335	682,764	4.03
MAG Silver Corporation	17,797	184,783	1.09
Mountain Province Diamonds Inc.	202,707	37,502	0.22
Platinum Group Metals Limited	19,615	21,921	0.13
SSR Mining Inc	59,987	643,672	3.80
		<b>4,337,884</b>	<b>25.63</b>
<b>South Africa</b>			
AngloGold Ashanti Ltd	63,127	1,206,770	7.13
Northam Platinum Limited	56,421	430,791	2.55
Sibanye Stillwater Limited	399,000	538,241	3.18
		<b>2,175,802</b>	<b>12.86</b>
<b>Swedish Krona</b>			
Boliden AB	44,405	<b>1,385,260</b>	<b>8.18</b>
<b>United Kingdom</b>			
Atalaya Mining Plc	190,275	874,483	5.17
Centamin Plc	268,000	340,167	2.01
Cornish Tin Limited	201,539	590,835	3.49
Firestone Diamonds Limited	1,362,299	-	0.00
Hochschild Mining Limited	487,303	663,812	3.92
Hummingbird Resources Limited	2,234,336	284,453	1.68
Kenmare Resources Plc	293,700	1,475,073	8.71
Zambeef Products Plc	8,175,000	520,380	3.08
		<b>4,749,203</b>	<b>28.06</b>

THE RED FORT PARTNERSHIP LIMITED

PORTFOLIO STATEMENT - CONTINUED

As at 31 December 2023

INVESTMENT VALUATION BY COUNTRY OF LISTING AS AT 31 DECEMBER 2023 - continued

INVESTMENTS	Nominal holding	Valuation USD	Percentage of net assets %
<b>USA</b>			
Platinum Group Metals Limited	5,000	5,600	0.03
		<b>5,600</b>	<b>0.03</b>
Total investments		16,809,391	99.31
Other net assets attributable to holders of participating redeemable shares		117,620	0.69
		<b>16,927,011</b>	<b>100.00</b>

SIGNIFICANT ACQUISITIONS AND DISPOSALS OF INVESTMENTS DURING THE YEAR

	Nominal holding	Cost USD
<b>Acquisitions</b>		
Boliden AB	11,000	428,587
Arcadium Lithium PLC-CDI	43,522	276,525
Eldorado Gold Corporation	20,000	193,416
Cornish Tin Limited	43,427	127,341
Hummingbird Resources PLC	663,486	78,124
<b>Disposals</b>		
First Quantum Minerals Ltd	34,050	958,472
AngloGold Ashanti Ltd	27,100	551,160
Barrick Gold Corp	29,563	499,518
IGO Ltd	51,300	470,363
SSR Mining Inc	25,750	368,804
Allkem Ltd	48,422	325,879
Centerra Gold Inc	47,600	287,115
Zimplats Holdings Ltd	15,000	243,788
Perseus Mining Ltd	178,000	198,994
Umicore SA	2,400	72,197

Significant acquisitions and disposals are defined as the 10 largest acquisitions and disposals of investments, acquisition of new securities or fully disposed cash transactions of existing securities excluding corporate actions.

## THE RED FORT PARTNERSHIP LIMITED

### INVESTMENT ADVISOR'S REPORT

As at 31 December 2023

The Fund adheres to a long-term investment approach and avoids high turnover of its investments. The capital investments that are undertaken by companies in the global Basic Material Sector are usually considerable with long lead times between the original investment and a return on the investments. A long-term investment horizon is therefore appropriate for the Investment Advisor.

During 2023 the Net Asset Value per share of the Fund fell from US\$101.86 to US\$88.87, a decrease of 12.8%. Over the same period, the FT Gold Mines Index increased by 9.4% in USD terms whilst the NYSE listed SPDR Gold ETF grew by 12.7%. The Bloomberg World Mining Index fell over the year, in this case by 0.6%.

In the period since the Fund's inception on 8 March 2010 up to the year end of 31 December 2023, the Net Asset Value per share has fallen by 11.1% whilst the NYSE listed SPDR Gold ETF has increased by 72.5%, the FTSE Gold Mining Index (in USD) and the Bloomberg World Mining Index (in USD) decreased by 38.4% and 22.6% respectively. The currencies of countries that many of the world's mining companies operate and are listed in have moved, in all cases significantly, in the same period against the US\$. The South African Rand has depreciated by 154.7%, the Canadian dollar by 32.7%, the Australian dollar by 36.7% and the GB Pound by 18.2%.

The table below shows the most recent performance of the Red Fort Partnership against a number of indices. The data given below is to the end of May 2024 (i.e. post the date of these Financial Statements).

	Red Fort Partnership	SPDR Gold ETF	FT Gold Mines Index	Bloomberg World Mining Index
YTD	7.2%	12.6%	7.2%	13.2%
1YR	(4.7%)	18.1%	12.2%	21.6%
3YR	(20.8%)	20.7%	(18.1%)	(6.1%)
5YR	102.2%	74.6%	48.0%	62.8%
Since inception	(4.7%)	94.3%	(33.3%)	(12.3%)

JB Management (UK) LLP as an Investment Advisor, articulate their investment strategy every six months in a newsletter, copies of which can be obtained by shareholders by contacting the Administrator. The Net Assets under management of the Fund decreased over the year to \$16.9m having started the year at \$23.0m. During 2023 the Fund received subscriptions and redemptions as detailed in note 7 of these financial statements. A detailed breakdown of the significant investment transactions that took place during the year can be found in the portfolio statement on page 27 of these financial statements.

## **THE RED FORT PARTNERSHIP LIMITED**

### **CUSTODIAN'S REPORT**

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In our capacity as Custodian to the Fund we confirm that, in our opinion, the Manager has managed the scheme during the year ended 31 December 2023 in accordance with the provisions of the principal documents of the Company and with The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 and that we are unaware of any material breaches having occurred.

**Thompson, Andrew** Digitally signed by Thompson, Andrew  
Date: 2024.06.27 16:02:26 +01'00'

## **BUTTERFIELD BANK (GUERNSEY) LIMITED**

Regency Court  
Gategny Esplanade  
St Peter Port  
Guernsey  
GY1 3AP

June 2024

Signature: