



THE CAPITAL HOLDINGS FUNDS PLC
2023 ANNUAL REPORT

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Copies of this report may be obtained from the Administrator or from www.capitalholdings.com or from:

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This annual report was approved by the Board of Directors of The Capital Holdings Funds plc on 23 April 2024
and will be submitted to shareholders for approval on 17 June 2024.

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2023 ANNUAL REPORT

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BOARD OF DIRECTORS OF
THE CAPITAL HOLDINGS FUNDS PLC

HONORARY PRESIDENT OF
THE CAPITAL HOLDINGS FUNDS PLC

Mike Kirby, Chairman (to 23 April 2024)

Director
Waystone Group
Dublin

Dick van Duijn

Chief Operating Officer
Edmond de Rothschild Capital Holdings Limited
London

Antonio Foglia

Director
Banca del Ceresio
Lugano

Caroline Gardiner (from 24 July 2023)

Deputy Chief Administration Officer - Global AM
Edmond de Rothschild (Suisse) SA
Geneva

Miki Kliger (to 19 May 2023)

Chairman of the Board of Directors
Edmond de Rothschild (Israel) Limited
Tel Aviv

Michel Lusa

Member of the Executive Committee
Edmond de Rothschild (Suisse) SA
Geneva

Nicola Meaden Grenham (Chair from 23 April 2024)**

Chief Executive Officer
Dumas Capital Limited
Dublin

Pietro Soldini

Chief Executive Officer
Titanbay Ireland Limited
Dublin

Rick Sopher

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Abbas Zuaiter*

Managing Member
33 Capital Management
Greenwich, CT

Baroness Ariane de Rothschild

Vice President
Edmond de Rothschild Holding SA
Geneva

BOARD OF DIRECTORS OF
LCH INVESTMENTS NV

Rick Sopher, Chairman

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Brad Amice

Head of Research
LCH Investments NV
London

Olivier Kintgen (from 29 June 2023)

Head of External Alternative
Edmond de Rothschild (Suisse) SA
Geneva

Maurizio Solaro del Borgo

Member of the Board
Banca del Ceresio
Lugano

*Independent director

**Subject to regulatory approval

MEMBERS OF THE
INVESTMENT ADVISORY COMMITTEES

LEVERAGED CAPITAL HOLDINGS

Rick Sopher, Chairman

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Brad Amiee

Head of Research
LCH Investments NV
London

Antonio Foglia

Director
Banca del Ceresio
Lugano

Olivier Kintgen

Head of External Alternative
Edmond de Rothschild (Suisse) SA
Geneva

Abbas Zuaiter

Managing Member
33 Capital Management
Greenwich, CT

DISCOVERY CAPITAL HOLDINGS

Rick Sopher, Chairman

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Brad Amiee

Head of Research
LCH Investments NV
London

Antonio Foglia

Director
Banca del Ceresio
Lugano

Olivier Kintgen

Head of External Alternative
Edmond de Rothschild (Suisse) SA
Geneva

Abbas Zuaiter

Managing Member
33 Capital Management
Greenwich, CT

ASIAN CAPITAL HOLDINGS

Rick Sopher, Chairman

Chief Executive Officer
Edmond de Rothschild Capital Holdings Limited
London

Brad Amiee

Head of Research
LCH Investments NV
London

Olivier Kintgen

Head of External Alternative
Edmond de Rothschild (Suisse) SA
Geneva

Nicola Meaden Grenham

Chief Executive Officer
Dumas Capital Limited
Dublin

ADVISORS AND ORGANISATION

INVESTMENT ADVISOR

LCH Investments NV
Kaya W.F.G. (Jombi) Mensing 14
Willemstad
Curaçao

REGISTERED OFFICE

The Exchange
George's Dock
International Financial Services Centre
Dublin 1
Ireland

GENERAL COUNSEL

Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019
USA

IRELAND LEGAL COUNSEL

Walkers
The Exchange
George's Dock
International Financial Services Centre
Dublin 1
Ireland

ADMINISTRATOR

Citco Fund Services (Ireland) Limited
Custom House Plaza Block 6
International Financial Services Centre
Dublin 1
Ireland

DEPOSITARY

Citco Bank Nederland NV Dublin Branch
Custom House Plaza Block 6
International Financial Services Centre
Dublin 1
Ireland

INDEPENDENT AUDITORS

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

COMPANY SECRETARY

KB Associates
35 Shelbourne Road
Ballsbridge
Dublin
Ireland

General

This document does not constitute an offer of any investment or an invitation or solicitation to subscribe for or purchase any investment. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the latest annual report and the most recent semi-annual report if published thereafter.

Irish Authorisation

The Capital Holdings Funds plc is authorised as a Retail Investor AIF by the Central Bank of Ireland.

**DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT
IN RESPECT OF THE FINANCIAL STATEMENTS**

We are pleased to submit to our shareholders the annual report of The Capital Holdings Funds plc for the year ended 31 December 2023.

Activities and business review

The Capital Holdings Funds plc (the "Company") was incorporated in Ireland on 13 March 2014 with registration number 541001 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014. The Company is an umbrella fund which is comprised of sub-funds, each one with one or more classes of Shares.

As of the date of this report, the Company comprised of the following 3 active sub-funds:

- Asian Capital Holdings ("ACH")
- Discovery Capital Holdings ("DCH")
- Leveraged Capital Holdings ("LCH")

During the year to 31 December 2023, net assets decreased by US\$69m to US\$152m from US\$221m. Of the decrease, an amount of (US\$82m) was attributable to share transactions and an amount of US\$13m was attributable to investment operations.

Results

The detailed results for the year are set out in the statement of comprehensive income on page 24 and the table at the end of this paragraph which shows a detailed performance breakdown for each of the open share classes.

	Performance %	NAV per share at 31/12/2023	Increase/(decrease) in net assets		
			Total (US\$000)	From investment operations (US\$000)	From share transactions (US\$000)
ACH					
Class A (US\$)	8.93	185.82	(2,822)	1,729	(4,551)
Class B (€)	6.01	111.40	(191)	163	(354)
DCH					
Class A (US\$)	7.61	225.91	(8,163)	2,889	(11,052)
Class C (US\$)	8.15	232.70	(13,946)	1,683	(15,629)
LCH					
Class A (US\$)	7.74	307.76	(33,975)	4,647	(38,622)
Class B (€)	5.63	194.29	(12,993)	3,731	(16,724)
Total for the Company-consolidated (US\$)¹			(69,455)	12,477	(81,932)

¹ The total for the Company is shown on a consolidated basis in US\$ and consequently differs from the total of the sub-funds due to consolidation adjustments.

Interests of Directors

The total personal interest of the members of the Board of Directors of the Company and the members of the Board of Directors of the investment advisor in redeemable participating shares during the year ended 31 December 2023 was:

	Position as at 31/12/22	Purchases/(Sales)	Position as at 31/12/23
ACH	390	-	390
DCH	-	-	-
LCH	85,488	(68,880)	16,608

DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT
IN RESPECT OF THE FINANCIAL STATEMENTS

The total personal interest of the members of the Board of Directors of the Company and the members of the Board of Directors of the investment advisor in securities held by the sub-funds during the year ended 31 December 2023 was:

	Position as at 31/12/22	Purchases/(Sales)	Position as at 31/12/23
Antero Peak Long/Short Offshore Fund Ltd	93	-	93
Crake Global Feeder Fund ICAV	7,064	1,096	8,160
Egerton Long-Short Fund (EUR, GBP & NOK) Ltd	231	-	231
Pershing Square Holdings Ltd	3,346	11	3,357
The Tudor BVI Global Fund Ltd	17	-	17
Third Point Ultra Ltd	42	-	42

Investment objective and policy

The Company is established as an umbrella investment company and the investment policies for each sub-fund are specified in the prospectus ("Prospectus"). The principal objective of the underlying sub-funds is the appreciation in capital or the realisation of profit.

The sub-funds do not invest directly but indirectly by investing in underlying funds or through sub-accounts. Under the two-tier system the sub-funds operate through a variety of investment vehicles. Generally, each investment vehicle is advised by a principal portfolio manager and its team, allowing the sub-funds to benefit from the diversity and experience of professional portfolio managers. The investment activities of the sub-funds include a wide range of specialised approaches and techniques used by the managers. Further information on the individual sub-funds and their investment objectives is detailed within the various profile sections of each sub-fund.

Principal risks and uncertainties

The major risks to which the Company is exposed are market price risk, liquidity risk and counterparty risk. Further details surrounding the scope and measures to mitigate these risks as implemented by the various sub-funds can be found in the following notes: ACH - Note 16, DCH - Note 16, and finally for LCH - Note 16.

Directors' Responsibilities Statement

The directors of the Company are as set out on page 3.

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law. Irish law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). Under Irish law the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial

position as at the end of the financial year and of the profit or loss of the Company for the financial year.

In preparing the 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 the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act 2014; 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 adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

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 and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware. Furthermore, the directors have taken all steps that ought to have been taken in order to make themselves aware of any relevant audit information and established that the Company's auditors have been made aware of that information.

**DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT
IN RESPECT OF THE FINANCIAL STATEMENTS**

Statement of Corporate Governance

(a) General Requirements

The Board of Directors note the issuance by the Irish Funds Industry Association ("IF") of the Corporate Governance Code for Collective Investment Schemes and Management Companies (the "Code"). The Board of Directors adopted this Code on 28 October 2014.

The Board of Directors has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year.

(b) Internal control and risk management systems in relation to financial reporting

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual financial statements and semi-annual financial statements. The annual and semi-annual financial statements of the Company are required to be approved by the Board of Directors of the Company and filed with the Central Bank of Ireland. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings.

The Board evaluates and discusses significant accounting and reporting issues as the need arises.

The independent Administrator is appointed to maintain the accounting records and is authorised and regulated by the Central Bank of Ireland and must comply with the rules imposed by the Central Bank of Ireland. The financial statements are prepared by the Administrator in compliance with IFRS and other relevant legislation. The Administrator uses various internal controls and checklists to ensure that the financial statements include complete and appropriate disclosures required under IFRS and relevant legislation. In addition, from time to time the Board also examines and evaluates the Administrators' financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. As part of the review procedures the Board of Directors receives reports on the audit process.

(c) Shareholder meetings

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Act 2014. Although the Directors may convene an extraordinary general meeting of the Company at any time,

the Directors are required to convene an annual general meeting of the Company within eighteen months of incorporation and fifteen months of the date of the previous annual general meeting thereafter.

Two members present, either in person or by proxy, constitute a quorum at a general meeting provided that the quorum for a general meeting convened to consider any alteration to the class rights of shares is two shareholders holding or representing by proxy at least one third of the issued shares of the relevant sub-fund or class.

(d) Board of Directors

The Board of Directors is responsible for managing the business affairs of the Company.

Accounting Records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records comprise the use of appropriate systems and procedures and employment of competent persons. The Directors of the Company have employed Citco Fund Services (Ireland) Limited as the Administrator. The accounting records of the Company are located at the address of the Administrator. The Administrator is authorised and regulated by the Central Bank of Ireland and must comply with the rules and regulations imposed by the Central Bank.

Transactions with Connected Parties

In accordance with the Central Bank's AIF Rulebook any transaction carried out with the Company by its Board of Directors, Investment Advisor, Depository or by delegates or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interests of the Shareholders. In addition to those transactions, there are also transactions carried out by connected parties on behalf of the Company to which the Directors have no direct access and in respect of which the Directors must rely upon assurances from its delegates that the connected parties carrying out these transactions do carry them out on a similar basis.

Further, Shareholders should refer to the Prospectus which identifies many of the connected party transactions and the general nature of the contractual arrangements with the principal connected parties but it is not exhaustive of all connected party transactions. Shareholders should also refer to the provisions of the Prospectus dealing with conflicts of interest.

Therefore, having regard to confirmations from the Company's management and its relevant delegates, the Directors are satisfied that (i) there are arrangements (as evidenced by written procedures documented by the Board of Directors) in place to ensure that the obligations described above are applied to all transactions with connected parties; and (ii) transactions with connected parties entered into during the period complied with these obligations.

DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT
IN RESPECT OF THE FINANCIAL STATEMENTS

Note 7 details related party transactions in the period as required by IFRS. However, Shareholders should understand that not all “connected parties” are related parties as such latter expression is defined by those International Financial Reporting Standards. Details of fees paid to related parties and certain connected parties are disclosed separately in the statement of comprehensive income.

Remuneration Policy

The Alternative Investment Fund Manager (“AIFM”), which is The Capital Holdings Funds plc, has implemented a remuneration policy (the “Remuneration Policy”) in line with the provisions of Article 13 of the Directive 2011/61/EC on Alternative Investment Fund Managers (“AIFMD”), in particular Annex II, and of the European Securities and Markets Authority’s (“ESMA’s”) “Guidelines on sound remuneration policies under the AIFMD” (the “ESMA Guidelines”). The Remuneration Policy is designed to inter-alia ensure that any relevant conflicts of interest can be managed appropriately at all times.

Diversity

There is no specific diversity policy in place for the Company, rather, the Board of Directors is comprised of individuals that possess skills, knowledge and experience that are relevant to the Company’s affairs. The Board of Directors deems reasonable that new appointments should be made on merit, taking account of the specific skills, knowledge and experience needed to ensure a rounded and diverse Board.

Events since the end of the period

We are not aware of any significant events post the end of the reporting period.

Resignation and appointment of directors

Mike Kirby, who has acted as Chairman of the Company since it re-domiciled to Ireland in 2014, has announced his intention to retire. The Board thanks him for his steadfast support and advice and wishes him well in his retirement. Nicola Meaden Grenham, currently a director of the Company, will replace him as Chair, subject to regulatory approval.

We note that the Irish Funds’ “Corporate Governance Code for Collective Investment Schemes and Management Companies” (the “Code”), which has been adopted by the Company, requires that there shall be a chairperson of the Company who is a non-executive director (section 5.1 of the Code). Nicola Marie Langford Grenham was approved by the board of the Company (the “Board”) to take this position at a board meeting of the Company held on 23 April 2024 (the “**23 April board meeting**”).

It is noted that:

1. the Board’s approval is subject to approval by the Central Bank of Ms Grenham’s individual questionnaire application (the “IQ”), which will be submitted via the Central Bank’s

online system (Portal) shortly after the 23 April board meeting. The Central Bank’s approval of Ms Grenham’s IQ will be received on a date subsequent to the 23 April board meeting, which date was approved by the Board to be the effective date of Ms Grenham’s appointment as a chairperson (the “**Effective Date**”);

2. the chairperson of the Company prior the 23 April board meeting was the non-executive director Mike Kirby, who resigned as a director and chairperson on 23 April 2024;
3. Ms Grenham is an acting executive director of the Company and it is intended for her to continue to act as such post-appointment as a chairperson; and
4. based on 1-3 above, certain deviations from the Code arose, namely:
 - a) based on 1 and 2 above, there will be a certain period of time (ie between the 23 April board meeting and the Effective Date) within which the Company will not have a formally appointed chairperson (the “**Period**”). As such, there will be contravention of section 5.1 of the Code for a short period of time; and
 - b) based on 3, Ms Grenham’s appointment as a chairperson of the Company contravenes the requirement of section 5.1 of the Code that the chairperson needs to be a non-executive director.

The Code is a voluntary industry code which is not legally binding and, as such, deviations from the Code are allowed. This is subject to the condition that, where the Code has been adopted by the Company, any subsequent non-application of its provisions by the Board and the reasons for same should be noted in the audited annual financial statements of the Company (section 2.2 of the Code). The following note serves as the statement required under section 2.2 of the Code for the purposes of the deviations noted in 4.a) and 4.b) above.

The Board had considered Ms Grenham’s extensive experience, relevant qualifications, competence and skills, including those of exercise of leadership, management and sound judgement, and has decided that it was in the best interest of the Company and its shareholders to:

1. not appoint an interim non-executive chairperson during the Period, as (i) Ms Grenham was the best candidate for this role at the time; (ii) her approval as a chairperson by the Central Bank was expected to be imminent post-23 April; and (iii) the Period was sufficiently short not to warrant the appointment of an interim non-executive chairperson;
2. appoint Ms Grenham as a chairperson of the Company, while Ms Grenham remains appointed as an executive director of the Company;

DIRECTORS' REPORT AND DIRECTORS' RESPONSIBILITIES STATEMENT
IN RESPECT OF THE FINANCIAL STATEMENTS

3. re-consider point 2 above, if, in future, any matters which may change the Board's decision arise, including any conflicts of interests concerning Ms Grenham. It was noted that the chairperson is reviewed by the Board at least once every 3 years as per section 5.4 of the Code; and
4. rely on section 25.6 of the Articles of Association of the Company for the duration of the Period, noting that this section provides that where no chair has been formally appointed, the directors present may chose one of their number to be appointed chairperson of that meeting.

On behalf of the Board of Directors



M. Kirby



D. van Duijn

23 April 2024

Statutory provisions regarding profit appropriation

The Board of Directors may at its discretion propose to the general meeting of shareholders in accordance with the Articles of Association that the Company pays a dividend out of distributable reserves.

Dividends

The Board of Directors proposes that in respect of the accounts for 2023, no dividend is declared.

Proposed profit appropriation

The Board of Directors proposes to add or subtract, whatever is applicable, the total result for 2023 of each sub-fund to or from, whatever is applicable, the accumulated results of operation of the respective sub-fund.

Execution of voting rights by the Company

Voting rights relating to investments of any of the sub-funds will be executed as the Board of Directors thinks fit in the best interest of the respective sub-funds on a case by case basis.

AIFM Remuneration

The disclosures in this report are made in respect of the AIFM Remuneration Policy and how it applies to the AIF and to the Remuneration Policy and how it applies to the AIF and to the persons who are responsible for portfolio management and risk management.

Total amount of fixed remuneration (directors fees) for the year ended 31 December 2023 paid by the AIFM to its staff: €165,000 (2022: €165,000).

Total amount of variable remuneration for the year ended 31 December 2023 paid by the AIFM to its staff: None (2022: None).

Number of AIFM officers and staff as at 31 December 2023: 9 (2022: 9).

Total amount of compensation paid by the AIFM to its staff during year ended 31 December 2023¹ €165,000 (2022: €165,000).

Total amount paid by the AIFM to other members of staff who have a material impact on the risk profile of the Company during the year ended 31 December 2023: None (2022: None).

DEPOSITARY REPORT TO THE SHAREHOLDERS OF
THE CAPITAL HOLDINGS FUNDS PLC

We, Citco Bank Nederland N.V. Dublin Branch, appointed Depositary to The Capital Holdings Funds plc (the "Company"), provide this report solely in favour of the shareholders of the Company for the period from 1 January 2023 to 31 December 2023 (the "Period"). This report is provided in accordance with current Depositary obligations under the Central Bank of Ireland (the "CBI") AIF Rulebook, Chapter 5 (iii). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligations under the AIF Rulebook, we have enquired into the conduct of the Company, in its capacity as Alternative Investment Fund Manager (the "AIFM"), for the Period and we hereby report thereon to the shareholders of the Company as follows;

We are of the opinion that the Company has been managed during the Period in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional document and by the CBI under the powers granted to the CBI by the investment fund legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.

Paul Fay

For and on behalf of

Citco Bank Nederland N.V. Dublin Branch

23 April 2024

¹ The total amount of compensation paid by the AIFM has been allocated to each AIF based on their pro rata share of the average total net assets of the sub-funds.



Independent auditors' report to the members of The Capital Holdings Funds plc

Report on the audit of the financial statements

Opinion

In our opinion, The Capital Holdings Funds plc's financial statements:

- give a true and fair view of the Company's and sub-funds' assets, liabilities and financial position as at 31 December 2023 and of their results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Statement of Financial Position of the Company and each of its sub-funds as at 31 December 2023;
 - the Statement of Comprehensive Income of the Company and each of its sub-funds for the year then ended;
 - the Statement of Cash Flows of the Company and each of its sub-funds for the year then ended;
 - the Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares of the Company and each of its sub-funds for the year then ended;
 - the Condensed Schedule of Investments for each of the sub-funds as at 31 December 2023; and
 - the notes to the financial statements for the Company and for each of its sub-funds, which include a description of the accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



Conclusions relating to going concern

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 and sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's and sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report and Directors' Responsibilities Statement in Respect of the Financial Statements, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report and Directors' Responsibilities Statement in Respect of the Financial Statements for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report and Directors' Responsibilities Statement in Respect of the Financial Statements.



Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they 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 and sub-funds' ability to continue as going concerns, 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.

Auditors' 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 auditors' 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 (Ireland) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
-

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads 'Joanne Kelly'.

Joanne Kelly
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

23 April 2024

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Assets					
Current assets					
Financial assets at fair value through profit or loss	2.4, 5	18,030	45,965	87,899	123,470
Due from investment companies and brokers	2.7	400	5,513	13,320	19,233
Prepayments on investments	2.8	-	-	1,000	1,000
Other accounts receivable	2.9	13	24	134	171
Cash and cash equivalents	2.5	2,797	752	4,836	8,385
Total assets		21,240	52,254	107,189	152,259
Liabilities					
Current liabilities					
Short term borrowings	2.10	(37)	(44)	(55)	(136)
Advisory and performance fees payable		(51)	(114)	(253)	(418)
Other accounts payable and accrued expenses	2.11	(47)	(61)	(109)	(217)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(135)	(219)	(417)	(771)
Net assets attributable to holders of redeemable participating shares	2.12	21,105	52,035	106,772	151,488

¹ In the total column all transactions between the various sub-funds have been eliminated.

The financial statements were approved by the Board of Directors on 23 April 2024 and signed on its behalf by:



M. Kirby
Director



D. van Duijn
Director

STATEMENT OF FINANCIAL POSITION


As at 31 December 2023	ACH	DCH	LCH
Net asset value per Class A redeemable participating share US\$	185.82	225.91	307.76
Number of Class A redeemable participating shares in issue	105,253	179,696	199,930
Net asset value per Class B redeemable participating share €	111.40	-	194.29
Number of Class B redeemable participating shares in issue	12,561	-	210,974
Net asset value per Class C redeemable participating share US\$	-	232.70	-
Number of Class C redeemable participating shares in issue	-	49,161	-

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Assets					
Current assets					
Financial assets at fair value through profit or loss	2.4, 5	21,182	61,753	99,530	151,406
Due from investment companies and brokers	2.7	1,394	12,670	45,689	59,753
Other accounts receivable	2.9	11	3	205	219
Cash and cash equivalents	2.5	1,686	20	8,886	10,592
Total assets		24,273	74,446	154,310	221,970
Liabilities					
Current liabilities					
Short term borrowings	2.10	(32)	(39)	(48)	(119)
Advisory and performance fees payable		(63)	(170)	(400)	(633)
Other accounts payable and accrued expenses	2.11	(60)	(93)	(122)	(275)
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		(155)	(302)	(570)	(1,027)
Net assets attributable to holders of redeemable participating shares	2.12	24,118	74,144	153,740	220,943

¹ In the total column all transactions between the various sub-funds have been eliminated.

The financial statements were approved by the Board of Directors on 25 April 2023 and signed on its behalf by:



M. Kirby
Director



D. van Duijn
Director

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022	ACH	DCH	LCH
Net asset value per Class A redeemable participating share US\$	170.59	209.93	285.66
Number of Class A redeemable participating shares in issue	131,183	232,257	334,335
Net asset value per Class B redeemable participating share €	105.08	-	183.94
Number of Class B redeemable participating shares in issue	15,512	-	295,770
Net asset value per Class C redeemable participating share US\$	-	215.17	-
Number of Class C redeemable participating shares in issue	-	117,985	-

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Income					
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:					
- Realised gains/(losses)	2.4	1,547	5,065	11,405	16,768
- Change in unrealised gains/(losses)	2.4	887	677	(1,351)	(903)
Interest income	2.13	11	-	114	125
Dividend income	2.14	-	-	131	131
Fee rebate	7	-	-	485	485
Other income		-	-	19	19
Total income/(loss)		2,445	5,742	10,803	16,625
Operating expenses					
Advisory and performance fees		(331)	(768)	(1,682)	(2,781)
Administration fees		(53)	(70)	(69)	(192)
Audit fees	6	(19)	(25)	(54)	(98)
Other operating expenses		(123)	(253)	(480)	(856)
Total operating expenses		(526)	(1,116)	(2,285)	(3,927)
Operating profit/(loss)		1,919	4,626	8,518	12,698
Finance costs					
Commitment fee relating to short term borrowings		(16)	(33)	(111)	(160)
Interest expense short term borrowings	2.13	(9)	(13)	(11)	(33)
Interest expense	2.13	(2)	(8)	(18)	(28)
Total finance costs		(27)	(54)	(140)	(221)
Profit/(loss) before taxation		1,892	4,572	8,378	12,477
Taxation	2.17	-	-	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		1,892	4,572	8,378	12,477

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

¹ In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Income					
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:					
- Realised gains/(losses)	2.4	559	5,805	(2,888)	2,387
- Change in unrealised gains/(losses)	2.4	(5,936)	(24,936)	(45,837)	(64,427)
Interest income	2.13	3	-	37	40
Dividend income	2.14	-	-	808	808
Fee rebate	7	-	-	724	724
Total income/(loss)		(5,374)	(19,131)	(47,156)	(60,468)
Operating expenses					
Advisory and performance fees		(384)	(1,181)	(2,532)	(4,097)
Administration fees		(53)	(67)	(63)	(183)
Audit fees	6	(27)	(38)	(79)	(144)
Other operating expenses		(108)	(268)	(451)	(827)
Total operating expenses		(572)	(1,554)	(3,125)	(5,251)
Operating profit/(loss)		(5,946)	(20,685)	(50,281)	(65,719)
Finance costs					
Commitment fee relating to short term borrowings		(25)	(100)	(199)	(324)
Interest expense short term borrowings	2.13	(6)	(17)	(49)	(72)
Interest expense	2.13	-	(4)	(17)	(21)
Total finance costs		(31)	(121)	(265)	(417)
Profit/(loss) before taxation		(5,977)	(20,806)	(50,546)	(66,136)
Taxation	2.17	-	-	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		(5,977)	(20,806)	(50,546)	(66,136)

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

¹ In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the year ended 31 December 2023	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Net assets attributable to holders of redeemable participating shares at 1 January	24,118	74,144	153,740	220,943
Decrease due to redeemable participating shares repurchased	(4,905)	(26,681)	(55,346)	(81,932)
Net increase/(decrease) from share transactions	(4,905)	(26,681)	(55,346)	(81,932)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	1,892	4,572	8,378	12,477
Net assets attributable to holders of redeemable participating shares at 31 December	21,105	52,035	106,772	151,488

¹ In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the year ended 31 December 2022	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Net assets attributable to holders of redeemable participating shares at 1 January	32,320	110,264	224,717	308,049
Increase from redeemable participating shares issued	722	50	1,090	1,862
Decrease due to redeemable participating shares repurchased	(2,947)	(15,364)	(21,521)	(22,832)
Net increase/(decrease) from share transactions	(2,225)	(15,314)	(20,431)	(20,970)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	(5,977)	(20,806)	(50,546)	(66,136)
Net assets attributable to holders of redeemable participating shares at 31 December	24,118	74,144	153,740	220,943

¹ In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Cash flows from operating activities					
Profit/(loss) before taxation		1,892	4,572	8,378	12,477
Adjustments for:					
Interest income		(11)	-	(114)	(125)
Other income		-	-	(19)	(19)
Finance costs		27	54	140	221
Foreign exchange (gains)/losses on cash and cash equivalents		(2)	-	83	81
Net changes in:					
Due from investment companies and brokers		994	7,157	32,369	40,520
Prepayments on investments		-	-	(1,000)	(1,000)
Other accounts receivable		(2)	(21)	71	48
Advisory and performance fees payable		(12)	(56)	(147)	(215)
Other accounts payable and accrued expenses		(13)	(32)	(13)	(58)
Financial assets at fair value through profit or loss		3,154	15,788	11,548	27,855
Interest income received		11	-	114	125
Other income received		-	-	19	19
Finance costs paid		(27)	(54)	(140)	(221)
Net cash from operating activities		6,011	27,408	51,289	79,708
Cash flows from financing activities					
Short term borrowings		5	5	7	17
Paid on redeemable participating shares repurchased		(4,905)	(26,681)	(55,346)	(81,932)
Net cash from financing activities		(4,900)	(26,676)	(55,339)	(81,915)
Net increase/(decrease) in cash and cash equivalents		1,111	732	(4,050)	(2,207)
Cash and cash equivalents at 1 January		1,686	20	8,886	10,592
Cash and cash equivalents at 31 December	2.5	2,797	752	4,836	8,385

¹ In the total column all transactions between the various sub-funds have been eliminated.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022	Notes	ACH US\$000	DCH US\$000	LCH US\$000	Total US\$000 ¹
Cash flows from operating activities					
Profit/(loss) before taxation		(5,977)	(20,806)	(50,546)	(66,136)
Adjustments for:					
Interest income		(3)	-	(37)	(40)
Finance costs		31	121	265	417
Foreign exchange (gains)/losses on cash and cash equivalents		4	-	33	37
Net changes in:					
Due from investment companies and brokers		(1,394)	(4,991)	(37,091)	(43,476)
Other accounts receivable		-	28	185	213
Advisory and performance fees payable		(30)	(401)	(520)	(951)
Other accounts payable and accrued expenses		8	(5)	(46)	(43)
Financial assets at fair value through profit or loss		7,483	41,445	111,788	132,523
Financial liabilities at fair value through profit or loss		(62)	-	(1,872)	(1,934)
Interest income received		3	-	37	40
Finance costs paid		(31)	(121)	(265)	(417)
Net cash from operating activities		32	15,270	21,931	20,233
Cash flows from financing activities					
Short term borrowings		5	7	(990)	(978)
Proceeds from redeemable participating shares issued		100	50	1,090	1,240
Paid on redeemable participating shares repurchased		(2,947)	(15,364)	(21,521)	(22,832)
Net cash from financing activities		(2,842)	(15,307)	(21,421)	(22,570)
Net increase/(decrease) in cash and cash equivalents		(2,810)	(37)	510	(2,337)
Cash and cash equivalents at 1 January		4,496	57	8,376	12,929
Cash and cash equivalents at 31 December	2.5	1,686	20	8,886	10,592

¹ In the total column all transactions between the various sub-funds have been eliminated.

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

The Company is an umbrella fund with segregated liability between its sub-funds. The active sub-funds are currently:

- Asian Capital Holdings (“ACH”)
- Discovery Capital Holdings (“DCH”)
- Leveraged Capital Holdings (“LCH”)

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

2.1. Basis of preparation

These financial statements have been prepared in accordance with IFRS and IFRS Interpretations Committee interpretations as adopted by the European Union (“IFRS”) and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

These financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the entity’s financial statements are disclosed in Note 5.

The following interpretations are mandatory for the Company’s accounting years beginning on or after 1 January 2023 or later years:

Standards and amendments to existing standards effective 1 January 2023

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2023 that have a material effect on the financial statements of the Company.

New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been early adopted in preparing

these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the Board of Directors and is prepared on a basis consistent with the measurement and recognition principles of IFRS.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

A structured entity often has some or all of the following features or attributes:

- a) restricted activities;
- b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Company considers all of its investments in other funds to be investments in unconsolidated structured entities. The Company generally invests in structured entities whose objectives range from achieving medium to long term capital growth and whose investment strategy may include the use of leverage. The structured entities are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The structured entities finance their operations by issuing redeemable shares which are generally puttable at the holder’s option and entitle the holder to a proportional stake in the respective fund’s net assets. The Company holds redeemable shares in each of its structured entities.

2.3 Foreign currency translation

Functional and presentational currency:

Items included in the Company’s financial statements are measured in US dollar for all sub-funds. The US dollar is considered the presentation and functional currency for all sub-funds because it is the currency of the primary economic environment in which the Company operates. It reflects the Company’s main activity of investing in US equities and or US dollar denominated investment companies as well as the currency in which the majority of the Company’s redeemable participating shares are issued.

Transactions and balances:

The values of monetary assets and liabilities which are denominated in a foreign currency are translated using the exchange rate at the balance sheet date. Transactions during the year are translated at

NOTES TO THE FINANCIAL STATEMENTS

the rate of exchange prevailing on the date of the transaction. Realised and unrealised gains and losses resulting from the translation of investments, cash and cash equivalents are reflected in the statement of comprehensive income within net gain/(loss) on financial assets and liabilities at fair value through profit or loss.

2.4 Financial assets and financial liabilities at fair value through profit or loss

Classification:

Investments in investment companies have been designated as financial assets at fair value through profit or loss. All other investments are held for trading and are acquired or incurred principally for the purpose of selling or repurchasing in the short term. Investments sold short are liabilities held for trading and as such are considered financial liabilities at fair value through profit or loss.

Recognition, derecognition and measurement:

Investment transactions are recorded on the trade date. Financial assets and financial liabilities at fair value through profit and loss are initially recognised at fair value. Transaction costs are accounted for as expenses in the statement of comprehensive income. Realised and unrealised gains and losses are determined on an average cost basis.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss in the period in which they arise.

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.

Investments held by the Company are carried at fair value, determined as follows:

Investments in investment companies are initially recognised as financial assets at fair value through profit or loss and are valued on the basis of net asset value ("NAV") per share as reported by the administrators or investment managers of those entities as at the end of the reporting period in accordance with industry practice.

Such values may be adjusted by the Board of Directors in its judgment to reflect market movements since the report date and to better reflect the fair valuation of such investment.

For investments other than investment companies, traded on a securities exchange, fair value is generally determined by reference to last traded prices on the exchange, without adjustment for transaction costs necessary to realise the asset or extinguish

the liability. If traded in over-the-counter markets, instruments are stated by reference to prices obtained from dealers or counterparties.

Forward foreign exchange contracts are considered financial assets or financial liabilities at fair value through profit or loss and are recorded on the trade date and are valued at the applicable foreign exchange rates.

Fair value estimation:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Transfers between levels of the fair value hierarchy:

Transfers between levels of the fair value hierarchy (if any) are deemed to have occurred at the beginning of the reporting period.

Investments in investment funds:

When investing in investment funds, the Company typically invests in funds that are not regulated.

A copy of the full portfolio of each sub-fund at the end of the reporting period, including a statement of changes made to the portfolio of each sub-fund during the period, can be obtained on request by investors free of charge at the office of the Administrator.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash at current bank accounts, cash held on deposit, money market instruments, and bank overdrafts. Borrowing costs are recognised immediately as an expense.

The statement of cash flows is presented using the indirect method.

2.6 Margin accounts

Margin accounts represent margin deposits held in respect of financial derivative instruments.

2.7 Due from and due to investment companies and brokers

Amounts due from and due to investment companies and brokers represent receivables for securities sold and payables for securities purchased that have been contracted but not yet settled or delivered at the end of the reporting period, respectively.

2.8 Prepayments on investments

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within the timeframe established by the market concerned, are initially measured at amortised cost, including transaction costs.

2.9 Other accounts receivable

Other accounts receivable are measured at their nominal value.

2.10 Borrowings from bank and other counterparties

Borrowings from bank and other counterparties are recognised at fair value net of transaction costs incurred. Borrowing costs are recognised immediately as an expense.

2.11 Other accounts payable and accrued expenses

Other accounts payable and accrued expenses are measured at their amortised cost.

2.12 Redeemable participating shares

Redeemable participating shares are redeemable at the shareholders' option at either the end of the month or the end of the calendar quarter (depending on the sub-fund) on giving a certain number of days notice (depending on the sub-fund as specified in the Prospectus) and are classified as financial liabilities. The cost of distributions on these shares, if applicable, is recognised in the statement of changes in net assets attributable to holders of redeemable participating shares. Redemptions are paid at the NAV of the respective class of shares as of the close of business of such date of redemption. Payment shall be made as soon as practicable but in any event no later than 30 days following the applicable redemption date. Redemptions are normally paid in cash but, at the sole discretion of the Company, the Company may elect to distribute securities in kind.

2.13 Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all debt instruments using their nominal values.

2.14 Dividends

Dividend income and expense are recognised on the ex-dividend date and when the right to receive payment is established. Dividend income is shown gross of withholding taxes. The withholding taxes are shown separately in the statements of comprehensive income.

2.15 Expenses

Expenses are charged to the statements of comprehensive income on an accrual basis. Expenses charged at the Company level are allocated to the various sub-funds and the individual classes based on the classes' relative NAVs.

2.16 Soft commissions

The Company or its Investment Advisor does not receive any soft commissions.

2.17 Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the "TCA"). On that basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment redemption, transfer or cancellation of shares and any deemed disposal of shares for Irish tax purposes arising as a result of holding shares for a period of eight years or more.

No Irish tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Investor (as defined in Section 739D of the TCA) or who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with Schedule 2B of the TCA is held by the Company or where the Company has been authorised by Irish Revenue to make gross payments in absence of appropriate declarations.

Distributions, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

3. CAPITAL MANAGEMENT POLICES AND PROCEDURES

The Company is established as an umbrella investment company and the investment objectives and policies for each sub-fund are formulated by the Company at the time of creation of each sub-fund and are specified in the relevant Annex to the Prospectus.

Under its two tier system, the Company does not invest directly, but operates through a variety of investment vehicles. Generally, each such investment vehicle is advised by a principal portfolio manager and its team, allowing the Company to benefit from the diversity and experience of professional portfolio managers (the "Managers"). The investment activities of the Company include a wide range of specialised approaches and techniques used by several Managers, who are allowed to operate within their area of expertise with minimal exposed limitations. The Company does not supervise or control the decisions of the Managers, but adds or withdraws capital according to its strategy and its judgment of their performance.

The Board of Directors monitors and reviews compliance of the investment activities with the principal objectives stated in the Prospectus. The Company's objectives, policies and processes for managing capital are unchanged from the preceding reporting period and the Company has complied with them.

The amount of redemptions that the Company may accept at each redemption date is not limited by a gate, apart from in respect of Class C shares. The Company endeavours to manage

NOTES TO THE FINANCIAL STATEMENTS

the liquidity profile of its assets with the aim of being able to meet envisaged redemption or repurchase requests and pay redemption or repurchase proceeds, provided that redemption or repurchase of shares and payment of redemption or repurchase proceeds may be delayed or suspended as a result of limitations and/or emergencies described in the Prospectus.

Under certain circumstances, as described in the Prospectus, the Company has the power to suspend the right of the holders of shares to require the Company to redeem shares and/or to pay redemption proceeds.

The Company may seek to hedge against currency fluctuations of any class of shares, provided that hedging instruments are available on a timely basis and on acceptable terms.

4. DETERMINATION OF NET ASSET VALUE FOR SUBSCRIPTIONS AND REDEMPTIONS

Net Asset Value (NAV)

The following note sets out the basis of determination of the NAV used for subscriptions and redemptions during the year which may differ from the basis used in the preparation of these financial statements. The NAV of the Company at the close of the last business day of any month is the then aggregate fair market value of the Company's total assets minus its liabilities, other than those attributable to holders of redeemable participating shares, divided by the number of shares then outstanding. In particular (a) listed securities are taken at the last reported bid price (for financial assets) or the last traded ask price (for financial liabilities) on the principal exchange on which they are traded (b) unlisted investments are valued with reference to an independent pricing source, taking into account quotes obtained from dealers and/or market makers, or else the fair-market value as determined by the Board of Directors, and (c) investments in sub-funds are taken at their latest reported NAV, which may be adjusted by the Board of Directors in its judgment to reflect market movements since the report date, by reference to a recognised market index.

Estimation

Because of the nature and scope of the Company's assets, the complexity of their valuation in certain cases, and the inevitable delays in reporting by portfolio managers, the monthly calculations of the NAV of each class of shares by the Administrator are estimates according to its best judgment (following the method above described and set out in detail in the Prospectus and the Memorandum and Articles of Incorporation) which may not

necessarily correspond with the actual NAV on the relevant date. However, the Company does not make retroactive adjustments in the NAVs previously used for subscriptions and redemptions. Therefore, such transactions are final and binding when made notwithstanding any different later determination. Additionally, the investment companies partly or wholly owned by the Company are typically not publicly traded and management's determination of valuation is considered a fair value estimate. The ultimate amount to be received upon a sale of these investments may differ from the estimates.

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

5.a. Financial assets and liabilities at fair value through profit or loss

The Company 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:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as NAV reported by the administrators of the investment companies in which the Company has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company's Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model's results have historically aligned most closely to actual market transactions.

NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2023:

Asian Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Asia	-	15,616	195	15,811
Greater China	-	2,196	-	2,196
Total investment companies	-	17,812	195	18,007
Forward FX contracts	-	23	-	23
Total financial assets at fair value through profit or loss	-	17,835	195	18,030
Discovery Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Emerging Managers	-	45,965	-	45,965
Total financial assets at fair value through profit or loss	-	45,965	-	45,965
Leveraged Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	-	64,695	-	64,695
Event Driven	-	4,584	320	4,904
Macro and Other	-	17,496	203	17,699
Total investment companies	-	86,775	523	87,298
Forward FX contracts	-	601	-	601
Total financial assets at fair value through profit or loss	-	87,376	523	87,899

NOTES TO THE FINANCIAL STATEMENTS

The following table analyses within the fair value hierarchy the Company's assets and liabilities (by class) not measured at fair value as at 31 December 2023 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	19,233	-	19,233
Prepayments on investments	-	1,000	-	1,000
Other accounts receivable	-	171	-	171
Cash and cash equivalents	8,385	-	-	8,385
Total	8,385	20,404	-	28,789
Liabilities				
Short term borrowings	(136)	-	-	(136)
Advisory and performance fees payable	-	(418)	-	(418)
Other accounts payable and accrued expenses	-	(217)	-	(217)
Total	(136)	(635)	-	(771)

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Asian Capital Holdings				
Investment companies:				
Asia	-	14,954	337	15,291
Greater China	-	5,788	-	5,788
Total investment companies	-	20,742	337	21,079
Forward FX contracts	-	103	-	103
Total financial assets at fair value through profit or loss	-	20,845	337	21,182
Discovery Capital Holdings				
Investment companies:				
Emerging Managers	-	60,769	984	61,753
Total financial assets at fair value through profit or loss	-	60,769	984	61,753

NOTES TO THE FINANCIAL STATEMENTS

Leveraged Capital Holdings	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	-	66,114	3,167	69,281
Event Driven	-	7,948	-	7,948
Macro and Other	-	18,202	296	18,498
Total investment companies	-	92,264	3,463	95,727
Forward FX contracts	-	3,803	-	3,803
Total financial assets at fair value through profit or loss	-	96,067	3,463	99,530

The following table analyses within the fair value hierarchy the Company's assets and liabilities (by class) not measured at fair value as at 31 December 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	59,753	-	59,753
Other accounts receivable	-	219	-	219
Cash and cash equivalents	10,592	-	-	10,592
Total	10,592	59,972	-	70,564
Liabilities				
Short term borrowings	(119)	-	-	(119)
Advisory and performance fees payable	-	(633)	-	(633)
Other accounts payable and accrued expenses	-	(275)	-	(275)
Total	(119)	(908)	-	(1,027)

5.b. Investments over 5% of net assets of the Company

Investments over 5% of net assets of the Company as at 31 December 2023 were:

	31/12/23 US\$000	% of NAV
Investment by LCH in DCH	28,424	18.8
Sunriver Fund Ltd	7,727	5.1
The Tudor BVI Global Fund Ltd	7,657	5.1

Investments over 5% of net assets of the Company as at 31 December 2022 were:

	31/12/22 US\$000	% of NAV
Investment by LCH in DCH	31,059	14.1

NOTES TO THE FINANCIAL STATEMENTS

5.c. Investments in sub-funds of the Company

The Company has adopted the policy to fully disclose all cross-investments in sub-funds of the Company. All cross-investments in sub-funds of the Company are shown below.

Investments in sub-funds of the Company as at 31 December 2023 were:

	Invested in	31/12/23 US\$000	% of NAV
Investment by LCH in DCH	DCH	28,424	18.8

Investments in sub-funds of the Company as at 31 December 2022 were:

	Invested in	31/12/22 US\$000	% of NAV
Investment by LCH in DCH	DCH	31,059	14.1

5.d. Forward foreign exchange contracts

The Company enters into forward foreign exchange transactions for the Euro Class B shares normally with the aim of seeking to hedge the Euro exposure back to the US dollar. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial assets at fair value through profit or loss as at 31 December 2023 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
ACH	1,365	1,488	02/02/2024	23
LCH	39,650	(43,226)	02/02/2024	601
Total				624

Included under financial assets at fair value through profit or loss as at 31 December 2022 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
ACH	1,640	(1,648)	13/01/2023	103
LCH	53,750	(53,851)	13/01/2023	3,803
Total				3,906

NOTES TO THE FINANCIAL STATEMENTS

6. AUDIT FEES

The audit fees disclosed in the financial statements do not only relate to the Company's statutory audit. The auditors' remuneration comprises:

	31/12/23 US\$000	31/12/22 US\$000
Statutory audit	(98)	(101)
Tax advisory services	-	(43)
Total auditors' remuneration	(98)	(144)

7. RELATED PARTY TRANSACTIONS

The following parties should be considered related parties because together they ultimately control the Company: the members of the Board of Directors and LCH Investments NV (including its Board of Directors) in its capacity as Investment Advisor.

Additionally, the following parties, having transactions with the Company, are related because they are affiliated to one of the sponsoring institutions or one of the Directors of the Company:

- Edmond de Rothschild (Suisse) SA: in its capacity as Swiss Paying Agent and Representative Agent (annual fee €11,000; 2022: €11,000);
- KB Associates: as service provider to the Company (annual fee €189,000; 2022: €189,000).

Additionally, transactions with any of the sub-funds could be considered related party transactions, since all sub-funds share the same Board of Directors. Transactions with related parties are done on terms that are considered to be in conformity with market rates and are considered to be in the best interest of shareholders.

As detailed in the Prospectus some Directors are entitled to receive a fixed annual fee for their services. The total fees payable to these Directors on an annual basis amount to €165,000 (31 December 2022: €165,000).

In order to avoid double charging of fees on cross investments in sub-funds, the Investment Advisor has agreed to rebate the full amount of advisory fees and performance fees charged on cross investments in any of the sub-funds. The rebate amount is shown in the statement of comprehensive income under Fee rebate.

Details of any fees payable to the Investment Advisor to the Company and the Agent are detailed in the respective related party disclosures of each individual sub-fund. No fees were outstanding at the end of the year with respect to any of the other related parties listed above.

8. EXCHANGE RATE

The following exchange rate prevailing as at 31 December 2023 was used for ACH: €1.00 = US\$1.1061 and for all other funds €1.00 = US\$1.1037 (31 December 2022: for ACH: €1.00 = US\$1.0671 and for all other funds €1.00 = US\$1.0704).

9. DESCRIPTION OF MATERIAL CHANGES TO THE PROSPECTUS DURING THE REPORTING PERIOD

There were no material changes to the Prospectus during the reporting period.

10. SEGREGATION OF LIABILITY

Under the provisions of the Companies Act the Directors shall maintain for each sub-fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant sub-fund. The Shareholders shall only be entitled to the assets and profits of that sub-fund in which they participate. The Company shall be considered one single legal entity. With regard to third parties, in particular towards the Company's creditors, the Company shall be responsible for all liabilities incurred by a sub-fund exclusively based on the assets of this relevant sub-fund. Among the Shareholders, the liabilities of each sub-fund shall only be incurred to the respective sub-fund. As at the date of the Financial Statements, the Directors are not aware of any existing or contingent liability of any sub-fund of the Company.

NOTES TO THE FINANCIAL STATEMENTS

11. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

With effect from 8 January 2024 the lender of the line of credit was changed from Amatheia Lending Designated Activity Company to Citco Bank Nederland NV with all material terms remaining the same.

12. DATE OF APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 23 April 2024.



ASIAN CAPITAL HOLDINGS PROFILE¹

Asian Capital Holdings Profile¹

The principal objective of ACH is the appreciation in capital.

ACH predominantly invests indirectly through underlying funds. Generally, each underlying fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers.

Hence, ACH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations. Moreover, due to its two-tier system, ACH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

The recommendation of investment managers is entrusted to the Investment Advisory Committee of the Investment Advisor whose members meet regularly to review and select managers in order to position ACH optimally in changing markets.

ACH started operating on 31 March 1993 in Luxembourg and transferred its assets and liabilities to a sub-fund of the Company on 1 March 2017.

ACH has been categorised as an article 6 financial product for the purposes of the Sustainable Finance Disclosure Regulation (“SFDR”). For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying ACH do not take into account the EU criteria for environmentally sustainable economic activities.

The financial year end of ACH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by ACH monthly, at net asset value (NAV) per share.

Shares may be redeemed to ACH on the last valuation day of each month, provided that a redemption request must be received no later than the 25th calendar day of the month preceding the month for which the redemption is requested.

¹ The information on this page has not been audited since this information does not form part of the audited financial statements.

ASIAN CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class A - US\$	NAV per share Class B - € ²	Performance % ³
31/03/93*	49.52	-	-
31/12/93	67.93	-	37.2
31/12/94	57.38	-	(15.5)
31/12/95	57.21	-	(0.3)
31/12/96	60.25	-	5.3
31/12/97**	51.65	-	(14.3)
31/12/98**	43.64	-	(15.5)
31/12/99**	85.13	-	95.1
31/12/00**	64.80	-	(23.9)
31/12/01**	69.81	-	7.7
31/12/02**	68.53	-	(1.8)
31/12/03**	88.21	-	28.7
31/12/04**	94.38	-	7.0
31/12/05**	107.39	-	13.8
31/12/06**	118.62	-	10.5
31/12/07**	145.80	106.49	22.9
31/12/08**	90.17	65.98	(38.2)
31/12/09**	108.93	79.41	20.8
31/12/10**	117.92	85.55	8.3
31/12/11**	100.99	73.02	(14.4)
31/12/12**	107.84	77.35	6.8
31/12/13**	118.80	84.81	10.2
31/12/14**	127.54	91.15	7.4
31/12/15**	129.21	92.23	1.3
31/12/16**	124.27	87.37	(3.8)
31/12/17**	159.20	110.25	28.1
31/12/18**	136.55	91.96	(14.2)
31/12/19	162.68	106.49	19.1
31/12/20	211.95	136.18	30.3
31/12/21	208.40	132.22	(1.7)
31/12/22	170.59	105.08	(18.1)
31/12/23	185.82	111.40	8.9

* First valuation date

** A dividend of US\$0.25 per Class A share and the equivalent amount in Euro per Class B (based on the then prevailing FX rate per Class B and for the first time in 2008) was paid during each year referred to in respect of the preceding year.

¹ Any data or information relating to periods prior to the transfer date of 1 March 2017 relates to the period that ACH was incorporated in Luxembourg. Furthermore, the data on this page has not been audited since this information does not form part of the audited financial statements.

² Launched at €100.00 on 27 September 2007

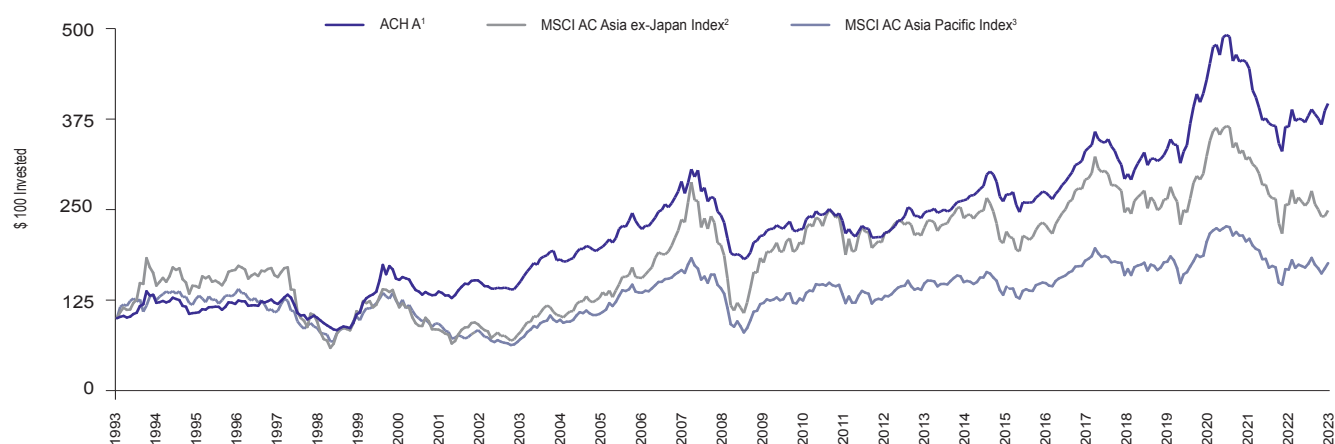
³ Of Class A shares

Past performance is not necessarily a guide to future performance.

ASIAN CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

	ACH % ²	MSCI AC Asia ex Japan	MSCI AC Asia Pacific Index
1 year p.a.	8.9	3.6	8.8
3 years p.a.	(4.3)	(8.7)	(5.4)
5 years p.a.	6.4	1.5	2.9
Since Inception p.a.	4.6	3.3	1.9

Value of US\$100 Invested



¹ Any data or information relating to periods prior to the transfer date of 1 March 2017 relates to the period that ACH was incorporated in Luxembourg. Furthermore, the data on this page has not been audited since this information does not form part of the audited financial statements

² Of Class A shares, adjusted for dividend payments

ASIAN CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	31/12/23 US\$000	31/12/22 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	18,030	21,182
Due from investment companies and brokers	2	400	1,394
Other accounts receivable	2	13	11
Cash and cash equivalents	2, 3	<u>2,797</u>	<u>1,686</u>
Total assets		<u>21,240</u>	<u>24,273</u>
Liabilities			
Current liabilities			
Short term borrowings	2, 3	(37)	(32)
Advisory and performance fees payable	6	(51)	(63)
Other accounts payable and accrued expenses	2, 7	<u>(47)</u>	<u>(60)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(135)</u>	<u>(155)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>21,105</u>	<u>24,118</u>
Net asset value per Class A redeemable participating share		US\$185.82	US\$170.59
Net asset value per Class B redeemable participating share		€111.40	€105.08

The notes on pages 54 to 67 are an integral part of these financial statements

ASIAN CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	8	1,547	559
- Change in unrealised gains/(losses)	8	887	(5,936)
Interest income	2	<u>11</u>	<u>3</u>
Total income/(loss)		2,445	(5,374)
Operating expenses			
Advisory and performance fees	9	(331)	(384)
Administration fees	10	(53)	(53)
Audit fees		(19)	(27)
Other operating expenses	11	<u>(123)</u>	<u>(108)</u>
Total operating expenses		(526)	(572)
Operating profit/(loss)		1,919	(5,946)
Finance costs			
Commitment fee relating to short term borrowings	3	(16)	(25)
Interest expense short term borrowings	2, 3	(9)	(6)
Interest expense	2	<u>(2)</u>	<u>-</u>
Total finance costs		(27)	(31)
Profit/(loss) before taxation		1,892	(5,977)
Taxation	2	<u>-</u>	<u>-</u>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>1,892</u>	<u>(5,977)</u>

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

ASIAN CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		24,118	32,320
Increase from redeemable participating shares issued	5	-	722
Decrease due to redeemable participating shares repurchased	5	<u>(4,905)</u>	<u>(2,947)</u>
Net increase/(decrease) from share transactions		(4,905)	(2,225)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>1,892</u>	<u>(5,977)</u>
Net assets attributable to holders of redeemable participating shares at 31 December		<u>21,105</u>	<u>24,118</u>

The notes on pages 54 to 67 are an integral part of these financial statements

ASIAN CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Cash flows from operating activities			
Profit/(loss) before taxation		1,892	(5,977)
Adjustments for:			
Interest income		(11)	(3)
Finance costs		27	31
Foreign exchange (gains)/losses on cash and cash equivalents		(2)	4
Net changes in:			
Due from investment companies and brokers		994	(1,394)
Other accounts receivable		(2)	-
Advisory and performance fees payable		(12)	(30)
Other accounts payable and accrued expenses		(13)	8
Financial assets at fair value through profit or loss		3,154	7,483
Financial liabilities at fair value through profit or loss		-	(62)
Interest income received		11	3
Finance costs paid		(27)	(31)
Net cash from operating activities		6,011	32
Cash flows from financing activities			
Short term borrowings		5	5
Proceeds from redeemable participating shares issued		-	100
Paid on redeemable participating shares repurchased		(4,905)	(2,947)
Net cash from financing activities		(4,900)	(2,842)
Net increase/(decrease) in cash and cash equivalents		1,111	(2,810)
Cash and cash equivalents at 1 January		1,686	4,496
Cash and cash equivalents at 31 December	2, 3	2,797	1,686

The notes on pages 54 to 67 are an integral part of these financial statements

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	31/12/23 US\$000	31/12/22 US\$000
Cash at bank:		
Cash US\$	2,795	1,684
Cash €	<u>2</u>	<u>2</u>
Total cash and cash equivalents	<u>2,797</u>	<u>1,686</u>

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period, ACH maintained a line of credit with Amathea Lending Designated Activity Company, on which ACH paid an interest rate of 1.65% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line. At the end of the reporting period, the committed line of credit amounted to US\$3 million (31 December 2022: US\$5 million).

ACH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period, ACH had drawn an amount of US\$0.04 million (31 December 2022: US\$0.03 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

4.a. Financial assets and liabilities at fair value through profit or loss

ACH 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:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as NAV reported by the administrators of the investment companies in which ACH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2023:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Asia	-	15,616	195	15,811
Greater China	-	2,196	-	2,196
Total investment companies	-	17,812	195	18,007
Forward FX contracts	-	23	-	23
Total financial assets at fair value through profit or loss	-	17,835	195	18,030

As at 31 December 2023, the Board of Directors made fair value adjustments, as noted in note 2.4 on page 37 and are shown in the Level 3 investments in the table above. Fair value adjustments of US\$195,000 (2022: US\$337,000), representing 0.92% (2022: 1.40%) of the net asset value at year-end, were applied to the Level 3 investments. The Level 3 investments fair value are shown net of the fair value adjustments in the table above. The fair value adjustments made by the Board of Directors amounted to 50% of the reported value of the underlying investment company (2022: 50%). A 10% change in this range would have an impact of plus or minus US\$19,500 (2022: US\$33,700). 10% is deemed to be a reasonable shift.

The following table presents the movement of Level 3 investments for the year ended 31 December 2023 by category of investment:

	Asia US\$000	Total US\$000
Opening balance	337	337
Sales	(201)	(201)
Transfers into/(out of) Level 3	217	217
Gains/(losses) recognised	(158)	(158)
Closing balance	195	195

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the year ended 31 December 2023, transfers to Level 3 were the result of investment positions becoming subject to liquidity restrictions.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Asia	-	14,954	337	15,291
Greater China	-	5,788	-	5,788
Total investment companies	-	20,742	337	21,079
Forward FX contracts	-	103	-	103
Total financial assets at fair value through profit or loss	-	20,845	337	21,182

ASIAN CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following table presents the movement of Level 3 investments for the year ended 31 December 2022 by category of investment:

	Asia US\$000	Total US\$000
Opening balance	-	-
Transfers into/(out of) Level 3	674	674
Gains/(losses) recognised	(337)	(337)
Closing balance	337	337

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the year ended 31 December 2022, transfers to Level 3 were the result of investment positions becoming subject to liquidity restrictions.

The following table analyses within the fair value hierarchy ACH's assets and liabilities (by class) not measured at fair value as at 31 December 2023 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	400	-	400
Other accounts receivable	-	13	-	13
Cash and cash equivalents	2,797	-	-	2,797
Total	2,797	413	-	3,210
Liabilities				
Short term borrowings	(37)	-	-	(37)
Advisory and performance fees payable	-	(51)	-	(51)
Other accounts payable and accrued expenses	-	(47)	-	(47)
Total	(37)	(98)	-	(135)

The following table analyses within the fair value hierarchy ACH's assets and liabilities (by class) not measured at fair value as at 31 December 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	1,394	-	1,394
Other accounts receivable	-	11	-	11
Cash and cash equivalents	1,686	-	-	1,686
Total	1,686	1,405	-	3,091
Liabilities				
Short term borrowings	(32)	-	-	(32)
Advisory and performance fees payable	-	(63)	-	(63)
Other accounts payable and accrued expenses	-	(60)	-	(60)
Total	(32)	(123)	-	(155)

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4.b. Condensed schedule of investments

A condensed schedule of investments of ACH as at 31 December 2023 was:

	31/12/23 US\$000	% of NAV
Zennor Japan Fund	4,266	20.2
Indus Select Fund Ltd	4,257	20.2
Fenghe Asia (USTE) Fund Ltd	4,033	19.1
Lafayette UCITS ICAV - Dalton Asia Pacific UCITS Fund	2,399	11.4
Value Partners Classic Fund	2,196	10.4
Other investments	879	4.1
Total financial assets at fair value through profit or loss	18,030	

A condensed schedule of investments of ACH as at 31 December 2022 was:

	31/12/22 US\$000	% of NAV
Indus Select Fund Ltd	4,168	17.3
Fenghe Asia (USTE) Fund Ltd	4,104	17.0
Zennor Japan Fund	3,715	15.4
Tree Line Asia Fund	3,305	13.7
Value Partners Classic Fund	2,312	9.6
TX Capital Value Fund	2,295	9.5
Other investments	1,283	5.3
Total financial assets at fair value through profit or loss	21,182	

4.c. Forward foreign exchange contracts

ACH enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the Euro exposure back to the US dollar. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

Included under financial assets at fair value through profit or loss as at 31 December 2023 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	1,365	1,488	02/02/2024	23
Total				23

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Included under financial assets at fair value through profit or loss as at 31 December 2022 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	1,640	(1,648)	13/01/2023	<u>103</u>
Total				<u>103</u>

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

ACH has no share capital for accounting purposes as all of ACH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the NAV of redeemable participating shares of ACH and the number of shares in issue during the year ended 31 December 2023 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2023	22,379	1,739	24,118
Redemptions	(4,551)	(354)	(4,905)
Net increase/(decrease) in redeemable participating shares resulting from operations	<u>1,729</u>	<u>163</u>	<u>1,892</u>
Redeemable participating shares at 31 December 2023 – US\$	19,557	1,548	21,105
Redeemable participating shares at 31 December 2023 - €	<u>-</u>	<u>1,399</u>	<u>-</u>
Shares	Class A	Class B	Total
Shares outstanding at 1 January 2023	131,183	15,512	146,695
Redemptions	<u>(25,930)</u>	<u>(2,951)</u>	<u>(28,881)</u>
Shares outstanding at 31 December 2023	<u>105,253</u>	<u>12,561</u>	<u>117,814</u>
Net asset value per redeemable participating share at 31 December 2023	US\$185.82	€111.40	

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The data relating to the NAV of redeemable participating shares of ACH and the number of shares in issue during the year ended 31 December 2022 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2022	29,924	2,396	32,320
Subscriptions	722	-	722
Redemptions	(2,899)	(48)	(2,947)
Net increase/(decrease) in redeemable participating shares resulting from operations	<u>(5,368)</u>	<u>(609)</u>	<u>(5,977)</u>
Redeemable participating shares at 31 December 2022 – US\$	22,379	1,739	24,118
Redeemable participating shares at 31 December 2022 - €	-	1,630	-
Shares	Class A	Class B	Total
Shares outstanding at 1 January 2022	143,591	16,012	159,603
Subscriptions	3,555	-	3,555
Redemptions	<u>(15,963)</u>	<u>(500)</u>	<u>(16,463)</u>
Shares outstanding at 31 December 2022	131,183	15,512	146,695
Net asset value per redeemable participating share at 31 December 2022	US\$170.59	€105.08	

The data relating to the NAV of redeemable participating shares of ACH and the number of shares in issue for the past three years is summarised below:

As at 31 December	2023	2022	2021
Total NAV (US\$000)	21,105	24,118	32,320
Total shares Class A	105,253	131,183	143,591
Total shares Class B	12,561	15,512	16,012
NAV per share Class A (US\$)	185.82	170.59	208.40
NAV per share Class B (€)	111.40	105.08	132.22
Total income/(loss) (US\$000)	2,445	(5,374)	(63)
Total operating expenses (US\$000)	(526)	(572)	(727)
Total finance costs (US\$000)	(27)	(31)	(38)
Taxes (US\$000)	<u>-</u>	<u>-</u>	<u>-</u>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations (US\$000)	1,892	(5,977)	(828)

ASIAN CAPITAL HOLDINGS
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6. ADVISORY AND PERFORMANCE FEES PAYABLE

As at	31/12/23 US\$000	31/12/22 US\$000
Advisory fees	(51)	(63)
Total	(51)	(63)

7. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	31/12/23 US\$000	31/12/22 US\$000
Payable to the Administrator	(8)	(9)
Audit fees payable	(19)	(20)
Depository fees payable	(4)	(4)
Other Administrator fees	(13)	(12)
Other accounts payable	(3)	(15)
Total	(47)	(60)

8. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the year ended 31 December	2023 US\$000	2022 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	3,047	920
Realised loss on financial assets and liabilities at fair value through profit or loss	(1,500)	(361)
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	1,547	559
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	3,215	433
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	(2,328)	(6,369)
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	887	(5,936)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	2,434	(5,377)

In respect of the ACH Class B Euro denominated shares, ACH seeks to hedge against currency fluctuations in non-Euro denominated portfolio investments. The profit or loss on such hedging is shown above.

ASIAN CAPITAL HOLDINGS
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9. ADVISORY AND PERFORMANCE FEES

For the year ended 31 December	2023 US\$000	2022 US\$000
Advisory fees	<u>(331)</u>	<u>(384)</u>
Total	<u>(331)</u>	<u>(384)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the NAV of Class A Shares and Class B Shares. Such fees accruing on the basis of the NAV prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realised and unrealised appreciation in the NAV of Class A Shares and Class B Shares (taking into account realised and unrealised gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the NAV per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue monthly and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

No performance fees were accrued in 2023 and 2022.

10. ADMINISTRATION FEES

The Administration fees are calculated based on the net assets of ACH at the last business day of each month. The per annum fee rates were as follows: 0.05% on the first US\$50 million, 0.04% on the next US\$50 million and 0.03% on net assets in excess of US\$100 million.

11. OTHER OPERATING EXPENSES

For the year ended 31 December	2023 US\$000	2022 US\$000
Directors fees	(20)	(16)
Depositary fees	(25)	(25)
Other Administrator fees	(9)	(7)
Other professional fees	(22)	(18)
Legal fees	(3)	(2)
Paying agent and related fees	–	(1)
Professional liability insurance	(10)	(11)
Regulatory fees	(2)	(2)
Miscellaneous expenses	<u>(32)</u>	<u>(26)</u>
Total	<u>(123)</u>	<u>(108)</u>

ASIAN CAPITAL HOLDINGS
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12. ONGOING CHARGES

The ongoing charges and performance fees of ACH have been calculated as follows:

For the year ended 31 December	2023 %	2022 %
Ongoing charges	<u>2.45</u>	<u>2.33</u>
Total	<u>2.45</u>	<u>2.33</u>

The ongoing charges, as defined in EU Commission regulation 583-2010 and document 10-674 of the Committee of European Securities Regulators, represent the total costs of ACH in the reporting period, expressed as a percentage of the average monthly NAV. Furthermore, any performance fees charged by the Investment Advisor are shown separately.

Underlying investment managers charge additional fees, namely investment management fees and performance fees. These additional fees, if included in the numbers stated above, and calculated based on a best estimation would increase the ongoing charges to 3.38% (2022: 3.52%) and the performance fees to 0.11% (2022: nil) based on the net performance of ACH for the year.

In addition to investment management fees and performance fees, underlying investment companies might incur operational expenses that are included in the NAV of these companies and are not charged separately. Since these operating expenses are typically not disclosed in the prospectus of these companies they are difficult to estimate by ACH and are not included in the numbers stated above.

13. PORTFOLIO TURNOVER RATE

The portfolio turnover rate of ACH has been calculated as follows:

For the year ended 31 December	2023 %	2022 %
Portfolio turnover rate	<u>(2.6)</u>	<u>(0.7)</u>

The portfolio turnover rate reflects the sum of the total gross amount of purchases and sales of investments of ACH in the reporting period, minus the sum of the total amount of subscriptions and redemptions of redeemable participating shares, expressed as a percentage of the average monthly net assets.

14. RELATED PARTY TRANSACTIONS

The following parties should be considered related parties because together they ultimately control ACH: the members of the Board of Directors and LCH Investments NV (including its Board of Directors) in its capacity as Investment Advisor.

Transactions with related parties are done on terms that are considered to be in conformity with market rates.

Please refer to note 2.12 of the Company and note 6, 9 and 11 above for further information about transactions that took place with related and affiliated parties, including the total amount of such transactions, any outstanding balances as at the end of the reporting period and the total amount of expenses incurred by ACH relating to these transactions.

The total personal interest of the members of the Board of Directors of the Company, the Board of Directors of LCH Investments NV and the Company Secretary in redeemable participating shares of ACH during the year ended 31 December 2023 was:

31 December	Position at 2022	Purchases/ (Sales)	Position at 2023
Shares of ACH	390	-	390

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15. EXCHANGE RATE

The following exchange rate prevailing as at 31 December 2023 was used: €1.00 = US\$1.1061 (2022: US\$1.0671).

16. FINANCIAL RISK FACTORS

ACH's investment activities expose it to various types of risks that are associated with the financial assets and liabilities and markets in which it invests. ACH is exposed to market risk, liquidity risk, counterparty risk and other risks (risk of using derivatives). The risk management policies employed by ACH to manage these risks are discussed below.

16.1 Market risk

(a) Price risk

ACH invests in other funds and is susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Board of Directors manages this risk by monitoring the performance of each underlying investment closely on a weekly and monthly basis.

ACH is exposed to transferable securities price risk and derivative price risk. This arises from investments held by ACH for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than USD, the price initially expressed in foreign currency and then converted into USD will also fluctuate because of changes in foreign exchange rates.

ACH has also performed a sensitivity analysis. The relationship between movements in the MSCI China Index (with a weighting of 60%) and the MSCI AC Asia ex. Japan Index (with a weighting of 40%) and the NAV of ACH is uncertain and subject to change at any time and should not be relied upon in assessing likely future relationships. Notwithstanding this, as required by IFRS, the following details ACH's estimated sensitivity to a 5% general increase and decrease in the above combined indices.

As at 31 December 2023, if the combined indices had increased or decreased by an additional 5% during 2023, (2022: 5%) with all other variables held constant and based on the actual change during 2023 of the NAV and the combined indices, the increase or decrease in net assets attributable to holders of redeemable shares for the year might have amounted to 1.95% (2022: 1.87%).

(b) Foreign exchange risk

ACH operates internationally and holds both monetary and non-monetary assets denominated in currencies other than USD, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Portfolios, through the underlying investments, will be primarily invested in US dollar-denominated investments and their assets are valued in US dollars. ACH (with respect to each of the Portfolios), through the underlying investments, may also invest a portion of its assets in equity securities and other investments denominated in currencies other than the US dollar, including the Euro, and in other financial instruments, the prices of which are determined with reference to currencies other than the US dollar. To the extent un-hedged, the value of ACH's non-dollar denominated assets will fluctuate with US dollar exchange rates as well as with price changes of ACH's investments in the various local markets and currencies. Thus, an increase in the value of the US dollar (or, for Class B shareholders, the Euro) compared to the other currencies in which the underlying investment may make its investments will reduce the effect of increases and magnify the US dollar (or Euro) equivalent of the effect of decreases in the prices of ACH's securities and other investments in their local markets. Conversely, a decrease in the value of the US dollar (or Euro) will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of a Fund's non-US dollar (or non-Euro) securities or other investments. The portfolio managers of the underlying investments may use spot currency transactions, forward currency contracts and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

ACH may seek to hedge against currency fluctuations of any class of shares, provided that hedging instruments are available on a timely basis and on acceptable terms. The related hedging costs and the gains or losses attributable to the hedging transactions will be credited or charged to the class of shares on behalf of which such transactions were effected. There can be no assurance that such hedging transactions will be effective. Although ACH may hedge against currency fluctuations of either the Class A shares or the Class B shares, currently ACH anticipates that it will seek to hedge against currency fluctuations solely with respect to the Class B shares.

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The carrying amount of ACH's direct foreign currency denominated financial assets and financial liabilities at the reporting date is detailed in notes 3 and 4.

As at 31 December 2023 and 31 December 2022, foreign exchange risk does not present a significant risk.

(c) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Board of Directors manages this risk by monitoring fluctuations in the market interest rates on a monthly basis.

As at 31 December 2023 and 31 December 2022, cash flow and fair value interest rate risk do not present a significant risk.

16.2 Liquidity risk

Liquidity risk is the risk that ACH may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. ACH is exposed to monthly cash redemptions of redeemable shares provided that a redemption request must be received no later than the 25th calendar day of the month preceding the month for which the redemption is requested. ACH's liquidity risk is managed through the diversification of the investment program by strategy and by manager as well as by redemption terms of the investment vehicles and the liquidity of their investments. There can be no assurance that this diversification will provide protection from a market downfall or illiquidity.

The success of ACH's investment program depends to a great extent upon the ability of the portfolio managers of the underlying investments to assess correctly the future course of price movements of stocks, bonds, commodities and currencies. There can be no assurance that the portfolio managers will accurately predict such movements. In addition, certain of the investments in which a substantial portion of each Portfolio's capital may be invested, from time to time, may have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the ability of the portfolio manager to execute trade orders at desired prices. Moreover, because illiquid investments may be difficult to value, the NAV of a class of shares may fluctuate widely from one period to the next. The risk of illiquidity is also increased by the prevalence of requirements by portfolio advisers with whom ACH wishes to invest that ACH agree to minimum holding periods and redemption periods in underlying investments that are generally longer than ACH's own redemption period.

As a result of disrupted market conditions such as a rapid and catastrophic price movements in markets in which ACH invests, determination of the NAV of each class of shares, the right to redeem shares or the market maker facility could be suspended or restricted resulting in illiquidity of the shares during such suspension.

The following table details the ordinary redemption periods of the underlying investment companies in which ACH has invested as well as any other financial assets through profit or loss as at 31 December 2023.

Redemption period	≤3 months US\$000	3-12 months US\$000	>1 year ¹ US\$000	Total US\$000
Notice period:				
Cash and other assets	3,233	-	-	3,233
30 days or less	17,812	-	-	17,812
More than 90 days	-	-	195	195
Total assets	21,045	-	195	21,240

¹ This category includes investments in funds that are in liquidation and for which there is no statutory right of redemption.

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The following table details the ordinary redemption periods of the underlying investment companies in which ACH has invested as well as any other financial assets through profit or loss as at 31 December 2022.

Redemption period	≤3 months US\$000	3-12 months US\$000	>1 year ¹ US\$000	Total US\$000
Notice period:				
Cash and other assets	3,194	-	-	3,194
30 days or less	18,447	-	337	18,784
45 days	2,295	-	-	2,295
Total assets	23,936	-	337	24,273

¹ This category includes investments in funds that are in liquidation and for which there is no statutory right of redemption.

The table above shows by when investments could be normally redeemed even if subject to an early redemption fee, and not taking into account initial lock-ups.

The following table details ACH's liquidity analysis for its financial liabilities based on contractual undiscounted cash flow as at 31 December 2023 and shows when the liabilities become due.

	Less than 1 month US\$000	1 - 3 months US\$000	>3 months US\$000
Short term borrowings	(37)	-	-
Advisory and performance fees payable	(51)	-	-
Other accounts payable and accrued expenses	(47)	-	-
Net assets attributable to holders of redeemable participating shares	-	(21,105)	-
Total	(135)	(21,105)	-

The following table details ACH's liquidity analysis for its financial liabilities based on contractual undiscounted cash flow as at 31 December 2022 and shows when the liabilities become due.

	Less than 1 month US\$000	1 - 3 months US\$000	>3 months US\$000
Short term borrowings	(32)	-	-
Advisory and performance fees payable	(63)	-	-
Other accounts payable and accrued expenses	(60)	-	-
Net assets attributable to holders of redeemable participating shares	-	(24,118)	-
Total	(155)	(24,118)	-

16.3 Counterparty creditworthiness

ACH is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

To the extent that ACH engages, directly or through the underlying investments, in principal transactions, including, but not limited to, swap transactions, forward foreign currency transactions and bonds and other fixed income securities and/or to the extent that ACH makes use of the services of a counterparty for the custody of its assets, ACH must rely on the creditworthiness of its counterparty.

ASIAN CAPITAL HOLDINGS
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Insolvency of, gross negligence, wilful misconduct and/or fraud by the counterparty may prevent payment in part or in full or on time, and may cause losses.

ACH manages this risk by evaluating the creditworthiness of its direct counterparties. ACH's indirect exposure to counterparty risk through its investments in underlying investments is monitored by management as part of its due diligence process.

In the following table the Depositary and custodians appointed by ACH are listed together with the most relevant credit ratings for those firms as well as the financial assets and liabilities through profit or loss held at the Depositary and custodians and the outstanding cash balances, if any, as at the end of the reporting period.

Financial assets and liabilities through profit or loss:

As at 31 December	Moody's	S&P	2023 US\$000	2022 US\$000
Citico Bank Nederland NV, Dublin Branch	Not rated	Not rated	18,030	21,182
Total			18,030	21,182

Net cash balances:

As at 31 December	2023 US\$000	2022 US\$000
Citico Bank Nederland NV, Dublin Branch	2,797	1,686
Total	2,797	1,686

16.4 Other risks

Use of derivatives

Derivatives refer to financial instruments which derive their performance at least in part from the performance of an underlying asset, index or interest rate. Financial instruments such as futures, forward contracts and other derivatives may be used by the underlying investment portfolio managers both for speculative purposes and for hedging other investments. ACH does not control or monitor on a regular basis the investments of the portfolio managers. ACH may have a significant exposure to derivatives risks. However, as a two-tier company, its liability is limited by investing, as it does, through multiple separate legal entities. If the derivative exposure in ACH became material, that would subject the investors to a higher risk of loss and volatility and would make the pricing of the assets more difficult because, among other things, of the leveraged effect of such investments, the added credit risk of issuing counterparties, and the potential for illiquidity in certain circumstances. ACH does not have a percentage limitation on hedging of its Portfolio.

Hedging against a decline in the value of a portfolio investment does not eliminate fluctuations in the values of portfolio investments or prevent losses if the values of such investments decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio investments' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio investments should increase. The portfolio managers of the underlying investments may utilise hedges, or choose not to hedge, based on judgements about economic or other factors that prove to be incorrect.

It is the policy of ACH to transact the majority of its direct investments in securities and contractual commitment activity with broker-dealers and banks that management considers to be well established/first rated.

Share class and currency risk

ACH constitutes a single legal entity, but the assets of the Class A Portfolio will be invested for the benefit of the Class A Shareholders and the assets of the Class B Portfolio will be invested for the benefit of the Class B Shareholders. However, while liabilities attributed to a class of shares (including any borrowings relating specifically to a Portfolio) will only be allocated to that class, a creditor of ACH will generally not be bound to satisfy its claims from a particular class. Rather, such creditor could seek, to the extent the liabilities exceeded the assets of the class to which the liabilities are associated, to satisfy its claim from ACH's assets as a whole. Thus, if a creditors' claim

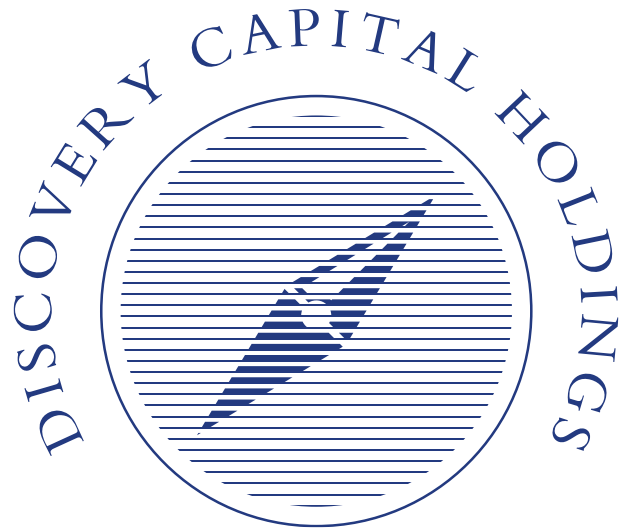
ASIAN CAPITAL HOLDINGS
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relating to a particular class of shares exceeds the assets attributable to that class of shares, the remaining assets of ACH (the other class of shares) may be subject to such claim.

Foreign exchange hedging activity in connection with the Class B Portfolio, as well as subscription and redemption activity of shares in any class may have negative or positive cash flow implications for ACH's underlying portfolio.

17. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

With effect from 8 January 2024 the lender of the line of credit was changed from Amatheia Lending Designated Activity Company to Citco Bank Nederland NV with all material terms remaining the same.



DISCOVERY CAPITAL HOLDINGS PROFILE¹

The principal objective of DCH is the appreciation in capital through gaining exposure to underlying funds who are in a development phase and in underlying funds with limited history and on managers of underlying funds with small amounts of assets under management. DCH has not paid any dividend since its inception.

Under its two-tier system, DCH does not invest directly but operates through underlying funds. Generally, each underlying fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers. Hence, DCH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations.

Moreover, due to its two-tier system, DCH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

DCH's investment policy includes conferring assets on portfolio managers who are in a development phase and in investment vehicles with limited history and on managers with small amounts of assets under management.

The recommendation of investment managers is entrusted to the Investment Advisory Committee of the Investment Advisor whose members meet regularly to review and select managers in order to position DCH optimally in changing markets.

DCH started operating on 1 February 2000 in Curaçao (as Galilei Fund NV and was renamed into Discovery Capital Holdings NV on 10 April 2013) and merged with a sub-fund of the Company on 1 January 2015. Since its inception, DCH has been able to realise a considerable increase in the net asset value ("NAV") per share, substantially above US stockmarket indices and with lower volatility. However, past performance is not necessarily a guide to future performance.

DCH has been categorised as an article 6 financial product for the purposes of the Sustainable Finance Disclosure Regulation ("SFDR"). For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying DCH do not take into account the EU criteria for environmentally sustainable economic activities.

The financial year end of DCH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six month period to 30 June is also published.

Shares are issued by DCH monthly, at NAV per share. Shares are issued in US dollar. Shares may be redeemed at the end of each quarter with 45 business days' notice at NAV (in the case of Class C up to a certain maximum as outlined in the prospectus). The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

¹ The information on this page has not been audited since this information does not form part of the audited financial statements.

DISCOVERY CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

Date	NAV per share Class A - US\$	NAV per share Class C - US\$ ³	Performance %
31/01/00†	500.00		
31/12/00	641.18		28.2
31/12/01	708.40		10.5
31/12/02	713.43		0.7
31/12/03	832.33		16.7
31/12/04	1,072.03		28.8
31/12/05	1,244.88		16.1
31/12/06	1,352.46		8.6
31/12/07	1,681.60		24.3
31/12/08	1,370.74		(18.5)
31/12/09	1,271.57		(7.2)
31/12/10	1,363.49		7.2
31/12/11	1,368.98		0.4
31/12/12	1,594.03		16.4
31/12/13††	188.16		18.0
31/12/14	185.60		(1.4)
31/12/15	177.17		(4.5)
31/12/16	184.02		3.9
31/12/17	204.46		11.1
31/12/18	188.87	189.47	(7.6)
31/12/19	208.77	210.81	10.5
31/12/20	255.83	259.67	22.5
31/12/21	259.07	264.21	1.3
31/12/22	209.93	215.17	(19.0)
31/12/23	225.91	232.70	7.6

	DCH %	S&P500 ² %
1 year p.a.	7.6	25.6
3 years p.a.	(4.1)	9.5
5 years p.a.	3.6	15.1
Since Inception p.a.	6.5	6.7

¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that DCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

² S&P500 (70% dividends reinvested)

³ Launched at US\$210.35 on 31 January 2018

† Inception at 31 January 2000

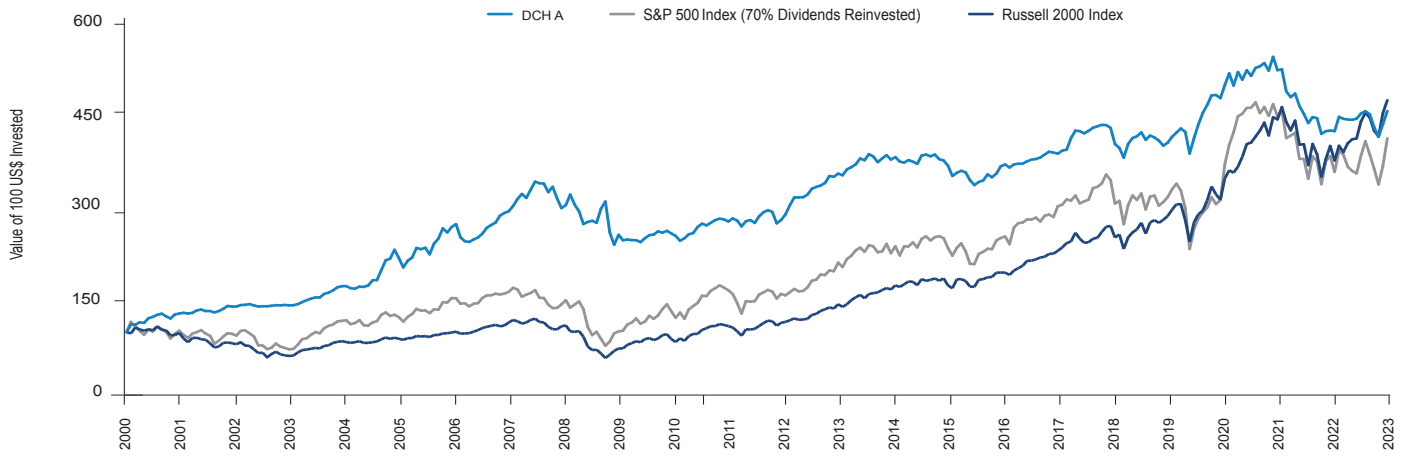
†† Split of 10 for 1 on 30 June 2013

Important note: The performance of DCH up to 30 June 2013 represents the investment return actually achieved by Leveraged Capital Holdings NV (LCH) in its portfolio of smaller emerging managers. DCH became available to investors other than to LCH on 1 July 2013.

Past performance is not necessarily a guide to future performance.

DISCOVERY CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

Value of US\$100 Invested



¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that DCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	31/12/23 US\$000	31/12/22 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	45,965	61,753
Due from investment companies and brokers	2	5,513	12,670
Other accounts receivable	2	24	3
Cash and cash equivalents	2, 3	<u>752</u>	<u>20</u>
Total assets		<u>52,254</u>	<u>74,446</u>
Liabilities			
Current liabilities			
Short term borrowings	2, 3	(44)	(39)
Advisory and performance fees payable	6	(114)	(170)
Other accounts payable and accrued expenses	2, 7	<u>(61)</u>	<u>(93)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(219)</u>	<u>(302)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>52,035</u>	<u>74,144</u>
Net asset value per Class A redeemable participating share		US\$225.91	US\$209.93
Net asset value per Class C redeemable participating share		US\$232.70	US\$215.17

The notes on pages 76 to 87 are an integral part of these financial statements

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	8	5,065	5,805
- Change in unrealised gains/(losses)	8	<u>677</u>	<u>(24,936)</u>
Total income/(loss)		5,742	(19,131)
Operating expenses			
Advisory and performance fees	9	(768)	(1,181)
Administration fees	10	(70)	(67)
Audit fees		(25)	(38)
Other operating expenses	11	<u>(253)</u>	<u>(268)</u>
Total operating expenses		(1,116)	(1,554)
Operating profit/(loss)		4,626	(20,685)
Finance costs			
Commitment fee relating to short term borrowings	3	(33)	(100)
Interest expense short term borrowings	2, 3	(13)	(17)
Interest expense	2	<u>(8)</u>	<u>(4)</u>
Total finance costs		(54)	(121)
Profit/(loss) before taxation		4,572	(20,806)
Taxation	2	<u>-</u>	<u>-</u>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>4,572</u>	<u>(20,806)</u>

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		74,144	110,264
Increase from redeemable participating shares issued	5	-	50
Decrease due to redeemable participating shares repurchased	5	<u>(26,681)</u>	<u>(15,364)</u>
Net increase/(decrease) from share transactions		(26,681)	(15,314)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>4,572</u>	<u>(20,806)</u>
Net assets attributable to holders of redeemable participating shares at 31 December		<u>52,035</u>	<u>74,144</u>

DISCOVERY CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Cash flows from operating activities			
Profit/(loss) before taxation		4,572	(20,806)
Adjustments for:			
Finance costs		54	121
Net changes in:			
Due from investment companies and brokers		7,157	(4,991)
Other accounts receivable		(21)	28
Advisory and performance fees payable		(56)	(401)
Other accounts payable and accrued expenses		(32)	(5)
Financial assets at fair value through profit or loss		15,788	41,445
Finance costs paid		(54)	(121)
Net cash from operating activities		27,408	15,270
Cash flows from financing activities			
Short term borrowings		5	7
Proceeds from redeemable participating shares issued		-	50
Paid on redeemable participating shares repurchased		(26,681)	(15,364)
Net cash from financing activities		(26,676)	(15,307)
Net increase/(decrease) in cash and cash equivalents		732	(37)
Cash and cash equivalents at 1 January		20	57
Cash and cash equivalents at 31 December	2, 3	752	20

The notes on pages 76 to 87 are an integral part of these financial statements

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	31/12/23 US\$000	31/12/22 US\$000
Cash at bank:		
Cash US\$	743	12
Cash €	<u>9</u>	<u>8</u>
Total cash and cash equivalents	<u>752</u>	<u>20</u>

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period, DCH maintained a line of credit with Amatheia Lending Designated Activity Company, on which DCH paid an interest rate of 1.65% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line. At the end of the reporting period, the committed line of credit amounted to US\$5 million (31 December 2022: US\$20 million).

DCH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period, DCH had drawn an amount of US\$0.04million (31 December 2022: US\$0.04 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

4.a. Financial assets and liabilities at fair value through profit or loss

DCH 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:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as NAV reported by the administrators of the investment companies in which DCH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2023:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Emerging Managers	-	45,965	-	45,965
Total financial assets at fair value through profit or loss	-	45,965	-	45,965

As at 31 December 2023, the Board of Directors made no fair value adjustments. A sensitivity analysis on the fair value of Level 3 investments has not been performed as the write down provision amounts are not significant.

The following table presents the movement of Level 3 investments for the year ended 31 December 2023 by category of investment:

	Emerging Managers US\$000	Total US\$000
Opening balance	984	984
Transfers into/(out of) Level 3	(608)	(608)
Gains/(losses) recognised	(376)	(376)
Closing balance	-	-

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the period ended 31 December 2023, transfers out of Level 3 were the result of investment positions becoming subject to lesser liquidity restrictions.

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Emerging Managers	-	60,769	984	61,753
Total financial assets at fair value through profit or loss	-	60,769	984	61,753

As at 31 December 2022, the Board of Directors made no fair value adjustments. A sensitivity analysis on the fair value of Level 3 investments has not been performed as the write down provision amounts are not significant.

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following table presents the movement of Level 3 investments for the year ended 31 December 2022 by category of investment:

	Emerging Managers US\$000	Total US\$000
Opening balance	-	-
Transfers into/(out of) Level 3	610	610
Gains/(losses) recognised	374	374
Closing balance	984	984

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the year ended 31 December 2022, transfers out of Level 3 were the result of investment positions becoming subject to no liquidity restrictions.

The following table analyses within the fair value hierarchy DCH's assets and liabilities (by class) not measured at fair value as at 31 December 2023 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	5,513	-	5,513
Other accounts receivable	-	24	-	24
Cash and cash equivalents	752	-	-	752
Total	752	5,537	-	6,289
Liabilities				
Short term borrowings	(44)	-	-	(44)
Advisory and performance fees payable	-	(114)	-	(114)
Other accounts payable and accrued expenses	-	(61)	-	(61)
Total	(44)	(175)	-	(219)

The following table analyses within the fair value hierarchy DCH's assets and liabilities (by class) not measured at fair value as at 31 December 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	12,670	-	12,670
Other accounts receivable	-	3	-	3
Cash and cash equivalents	20	-	-	20
Total	20	12,673	-	12,693
Liabilities				
Short term borrowings	(39)	-	-	(39)
Advisory and performance fees payable	-	(170)	-	(170)
Other accounts payable and accrued expenses	-	(93)	-	(93)
Total	(39)	(263)	-	(302)

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

4.b. Condensed schedule of investments

A condensed schedule of investments of DCH as at 31 December 2023 was:

	31/12/23 US\$000	% of NAV
Hill City Capital Offshore Fund Ltd	6,246	12.0
Sunriver Fund Ltd	5,544	10.7
Clearline Capital Partners Offshore Ltd	5,201	10.0
Armistice Capital Offshore Fund Ltd	5,165	9.9
Castleknight Offshore Fund Ltd	5,152	9.9
ACK Asset Partners Cayman Ltd	5,103	9.8
North Peak Capital Fund II Ltd	3,574	6.9
Honeycomb Offshore Fund Ltd	3,007	5.8
Bornite Offshore Fund Ltd	2,667	5.1
Other investments	4,306	8.2
Total financial assets at fair value through profit or loss	45,965	

A condensed schedule of investments of DCH as at 31 December 2022 was:

	31/12/22 US\$000	% of NAV
Hill City Capital Offshore Fund Ltd	7,792	10.5
Armistice Capital Offshore Fund Ltd	7,246	9.8
Castleknight Offshore Fund Ltd	6,386	8.6
Sunriver Fund Ltd	6,014	8.1
Bornite Offshore Fund Ltd	4,872	6.6
North Peak Capital Fund II Ltd	4,857	6.6
Honeycomb Offshore Fund Ltd	4,467	6.0
ACK Asset Partners Cayman Ltd	4,450	6.0
Clearline Capital Partners Offshore Ltd	4,138	5.6
Freshford Fund Ltd	4,090	5.5
Other investments	7,441	10.0
Total financial assets at fair value through profit or loss	61,753	

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

DCH has no share capital for accounting purposes as all of DCH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the NAV of redeemable participating shares of DCH and the number of shares in issue during the period to 31 December 2023 are summarised below:

US\$000	Class A	Class C	Total
Redeemable participating shares at 1 January 2023	48,758	25,386	74,144
Redemptions	(11,052)	(15,629)	(26,681)
Net increase/(decrease) in redeemable participating shares resulting from operations	2,889	1,683	4,572
Redeemable participating shares at 31 December 2023 - US\$	40,595	11,440	52,035

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

Shares	Class A	Class C	Total
Shares outstanding at 1 January 2023	232,257	117,985	350,242
Redemptions	(52,561)	(68,824)	(121,385)
Shares outstanding at 31 December 2023	179,696	49,161	228,857
Net asset value per redeemable participating share at 31 December 2023	US\$225.91	US\$232.70	

The data relating to the NAV of redeemable participating shares of DCH and the number of shares in issue during the period to 31 December 2022 are summarised below:

US\$000	Class A	Class C	Total
Redeemable participating shares at 1 January 2022	68,700	41,564	110,264
Subscriptions	50	-	50
Redemptions	(7,003)	(8,361)	(15,364)
Net increase/(decrease) in redeemable participating shares resulting from operations	(12,989)	(7,817)	(20,806)
Redeemable participating shares at 31 December 2022 - US\$	48,758	25,386	74,144

Shares	Class A	Class C	Total
Shares outstanding at 1 January 2022	265,175	157,313	422,488
Subscriptions	224	-	224
Redemptions	(33,142)	(39,328)	(72,470)
Shares outstanding at 31 December 2022	232,257	117,985	350,242
Net asset value per redeemable participating share at 31 December 2022	US\$209.93	US\$215.17	

The data relating to the NAV of redeemable participating shares of DCH and the number of shares in issue for the past three years is summarised below:

As at 31 December	2023	2022	2021
Total NAV (US\$000)	52,035	74,144	110,264
Total shares Class A	179,696	232,257	265,175
Total shares Class C	49,161	117,985	157,313
NAV per share Class A (US\$)	225.91	209.93	259.07
NAV per share Class C (US\$)	232.70	215.17	264.21
Total income/(loss) (US\$000)	5,742	(19,131)	3,516
Total operating expenses (US\$000)	(1,116)	(1,554)	(1,980)
Total finance costs (US\$000)	(54)	(121)	(120)
Taxes (US\$000)	-	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations (US\$000)	4,572	(20,806)	1,416

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

6. ADVISORY AND PERFORMANCE FEES PAYABLE

As at	31/12/23 US\$000	31/12/22 US\$000
Advisory fees	(114)	(170)
Total	(114)	(170)

7. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	31/12/23 US\$000	31/12/22 US\$000
Payable to the Administrator	(11)	(21)
Audit fees payable	(24)	(25)
Depository fees payable	(6)	(12)
Other Administrator fees	(17)	(18)
Other accounts payable	(3)	(17)
Total	(61)	(93)

8. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the year ended 31 December	2023 US\$000	2022 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	6,050	9,994
Realised loss on financial assets and liabilities at fair value through profit or loss	(985)	(4,189)
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	5,065	5,805
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	4,637	1,420
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	(3,960)	(26,356)
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	677	(24,936)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	5,742	(19,131)

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

9. ADVISORY AND PERFORMANCE FEES

For the year ended 31 December	2023 US\$000	2022 US\$000
Advisory fees	<u>(768)</u>	<u>(1,181)</u>
Total	<u>(768)</u>	<u>(1,181)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the NAV of Class A Shares and 1.0% per annum of the NAV of Class C Shares. Such fees accruing on the basis of the NAV prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 5% of the net realised and unrealised appreciation in the NAV of Class A Shares and Class C Shares (taking into account realised and unrealised gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the NAV per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue monthly and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

No performance fees were accrued in 2023 and 2022.

10. ADMINISTRATION FEES

The Administration fees are calculated based on the net assets of DCH at the last business day of each month. The per annum fee rates were as follows: 0.04% on the first US\$50 million, 0.03% on the next US\$50 million and 0.02% on net assets in excess of US\$100 million.

11. OTHER OPERATING EXPENSES

For the year ended 31 December	2023 US\$000	2022 US\$000
Directors fees	(53)	(58)
Depositary fees	(35)	(37)
Other Administrator fees	(26)	(26)
Other professional fees	(61)	(67)
Legal fees	(7)	(7)
Professional liability insurance	(35)	(37)
Regulatory fees	(5)	(6)
Miscellaneous expenses	<u>(31)</u>	<u>(30)</u>
Total	<u>(253)</u>	<u>(268)</u>

12. ONGOING CHARGES

The ongoing charges and performance fees of DCH have been calculated as follows:

For the year ended 31 December	2023 %	2022 %
Ongoing charges	<u>2.02</u>	<u>1.84</u>
Total	<u>2.02</u>	<u>1.84</u>

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The ongoing charges, as defined in EU Commission regulation 583-2010 and document 10-674 of the Committee of European Securities Regulators, represent the total costs of DCH in the reporting period, expressed as a percentage of the average monthly NAV. Furthermore, any performance fees charged by the Investment Advisor are shown separately.

Underlying investment managers charge additional fees, namely investment management fees and performance fees. These additional fees, if included in the numbers stated above, and calculated based on a best estimation would increase the ongoing charges to 3.49% (2022: 3.13%) and the performance fees to 1.48% (2022: 0.42%) based on the net performance of DCH for the year.

In addition to investment management fees and performance fees, underlying investment companies might incur operational expenses that are included in the NAV of these companies and are not charged separately. Since these operating expenses are typically not disclosed in the Prospectus of these companies they are difficult to estimate by DCH and are not included in the numbers stated above.

13. PORTFOLIO TURNOVER RATE

The gross portfolio turnover rate of DCH has been calculated as follows:

For the year ended 31 December	2023	2022
	%	%
Portfolio turnover rate	<u>9.1</u>	<u>(7.8)</u>

The portfolio turnover rate reflects the sum of the total gross amount of purchases and sales of investments of DCH in the reporting period, minus the sum of the total amount of subscriptions and redemptions of redeemable participating shares, expressed as a percentage of the average monthly net assets.

14. RELATED PARTY TRANSACTIONS

The following parties should be considered related parties because together they ultimately control DCH: the members of the Board of Directors and LCH Investments NV (including its Board of Directors) in its capacity as Investment Advisor.

Additionally, transactions with LCH could be considered related party transactions, since DCH and LCH have the same Board of Directors. Transactions with related parties are done on terms that are considered to be in conformity with market rates.

Please refer to note 2.12 of the Company and note 6, 9 and 11 above for further information about transactions that took place with related and affiliated parties, including the total amount of such transactions, any outstanding balances as at the end of the reporting period and the total amount of expenses incurred by DCH relating to these transactions.

During 2023, LCH subscribed an amount of nil (2022: nil) and redeemed US\$5 million (2022: US\$17 million) from DCH.

As at 31 December 2023, LCH owned 54.62% (2022: 41.89%) of the net assets of DCH.

The total personal interest of the members of the Board of Directors of the Company, the Board of Directors of LCH Investments NV and the Company Secretary in redeemable participating shares of DCH during the year ended 31 December 2023 was:

31 December	Position at 2022	Purchases/ (Sales)	Position at 2023
Shares of DCH	-	-	-

15. EXCHANGE RATE

The following exchange rate prevailing as at 31 December 2023 was used: €1.00 = US\$1.1037 (2022: US\$1.0704).

16. FINANCIAL RISK FACTORS

DCH's investment activities expose it to various types of risks that are associated with the financial assets and liabilities and markets in which it invests. DCH is exposed to market risk, liquidity risk, counterparty risk and other risks (risk of using derivatives). The risk management policies employed by DCH to manage these risks are discussed below.

16.1 Market risk

(a) Price risk

DCH invests in other funds and is susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Board of Directors manages this risk by monitoring the performance of each underlying investment closely on a weekly and monthly basis.

DCH is exposed to transferable securities price risk and derivative price risk. This arises from investments held by DCH for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than USD, the price initially expressed in foreign currency and then converted into USD will also fluctuate because of changes in foreign exchange rates.

DCH has also performed a sensitivity analysis. The relationship between movements in the S&P500 Index and the NAV of DCH is uncertain and subject to change at any time and should not be relied upon in assessing likely future relationships. Notwithstanding this, as required by IFRS, the following details DCH's estimated sensitivity to a 5% general increase and decrease in the S&P500 index.

As at December 31, 2023, if the S&P500 Index had increased or decreased by an additional 5% during 2023 (2022: 5%), with all other variables held constant and based on the actual change during 2023 of the NAV and the S&P500 Index, the increase or decrease in net assets attributable to holders of redeemable shares for the year might have amounted to 3.28% (2022: 1.68%).

(b) Foreign exchange risk

DCH operates internationally and holds both monetary and non-monetary assets denominated in currencies other than USD, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Portfolios, through the underlying investments, will be primarily invested in US dollar-denominated investments and their assets are valued in US dollars. DCH (with respect to each of the Portfolios), through the underlying investments, may also invest a portion of its assets in equity securities and other investments denominated in currencies other than the US dollar and in other financial instruments, the prices of which are determined with reference to currencies other than the US dollar. To the extent un-hedged, the value of DCH's non-dollar denominated assets will fluctuate with US dollar exchange rates as well as with price changes of DCH's investments in the various local markets and currencies. Thus, an increase in the value of the US dollar compared to the other currencies in which the underlying investment may make its investments will reduce the effect of increases and magnify the US dollar equivalent of the effect of decreases in the prices of DCH's securities and other investments in their local markets. Conversely, a decrease in the value of the US dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of a Fund's non-US dollar securities or other investments. The portfolio managers of the underlying investments may use spot currency transactions, forward currency contracts and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

DCH may seek to hedge against currency fluctuations of any class of shares, provided that hedging instruments are available on a timely basis and on acceptable terms. The related hedging costs and the gains or losses attributable to the hedging transactions will be credited or charged to the class of shares on behalf of which such transactions were effected. There can be no assurance that such hedging transactions will be effective. Although DCH may hedge against currency fluctuations of either the Class A shares or the Class C shares, currently DCH anticipates that it will not seek to hedge against currency fluctuations for any of the current share classes.

The carrying amount of DCH's direct foreign currency denominated financial assets and financial liabilities at the reporting date is detailed in note 3 and 4.

As at 31 December 2023 and 31 December 2022, foreign exchange risk does not present a significant risk.

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

(c) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Board of Directors manages this risk by monitoring fluctuations in the market interest rates on a monthly basis.

As at 31 December 2023 and 31 December 2022, cash flow and fair value interest rate risk do not present a significant risk.

16.2 Liquidity risk

Liquidity risk is the risk that DCH may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. DCH is exposed to quarterly cash redemptions of redeemable shares and has a 45 business days' notice period for redemption requests. DCH's liquidity risk is managed through the diversification of the investment program by strategy and by manager as well as by redemption terms of the investment vehicles and the liquidity of their investments. There can be no assurance that this diversification will provide protection from a market downfall or illiquidity.

The success of DCH's investment program depends to a great extent upon the ability of the portfolio managers of the underlying investments to assess correctly the future course of price movements of stocks, bonds, commodities and currencies. There can be no assurance that the portfolio managers will accurately predict such movements. In addition, certain of the investments in which a substantial portion of each Portfolio's capital may be invested, from time to time, may have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the ability of the portfolio manager to execute trade orders at desired prices. Moreover, because illiquid investments may be difficult to value, the NAV of a class of shares may fluctuate widely from one period to the next. The risk of illiquidity is also increased by the prevalence of requirements by portfolio advisers with whom DCH wishes to invest that DCH agree to minimum holding periods and redemption periods in underlying investments that are generally longer than DCH's own redemption period.

As a result of disrupted market conditions such as a rapid and catastrophic price movement in markets in which DCH invests, determination of the NAV of each class of shares, the right to redeem shares or the market maker facility could be suspended or restricted resulting in illiquidity of the shares during such suspension.

The following table details the ordinary redemption periods of the investment companies in which DCH has invested as well as any other financial assets through profit or loss as at 31 December 2023.

Redemption period	≤3 months US\$000	3-12 months US\$000	>1 year ¹ US\$000	Total US\$000
Notice period:				
Cash and other assets	6,289	-	-	6,289
30 days or less	6,241	-	-	6,241
45 days	12,435	-	-	12,435
60 days	25,114	-	-	25,114
75 days	2,175	-	-	2,175
Total assets	52,254	-	-	52,254

¹ This category includes investments in funds that are in liquidation and for which there is no statutory right of redemption.

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following table details the ordinary redemption periods of the investment companies in which DCH has invested as well as any other financial assets through profit or loss as at 31 December 2022.

Redemption period	≤3 months US\$000	3-12 months US\$000	>1 year ¹ US\$000	Total US\$000
Notice period:				
Cash and other assets	12,693	-	-	12,693
30 days or less	9,728	-	-	9,728
45 days	10,480	-	-	10,480
60 days	29,652	-	-	29,652
90 days	11,872	-	-	11,872
More than 90 days	-	-	21	21
Total assets	74,425	-	21	74,446

¹ This category includes investments in funds that are in liquidation and for which there is no statutory right of redemption.

The following table details DCH's liquidity analysis for its financial liabilities based on contractual undiscounted cash flow as at 31 December 2023 and shows when the liabilities become due.

	Less than 1 month US\$000	1 - 3 months US\$000	>3 months US\$000
Short term borrowings	(44)	-	-
Advisory and performance fees payable	(114)	-	-
Other accounts payable and accrued expenses	(61)	-	-
Net assets attributable to holders of redeemable participating shares	-	(52,035)	-
Total	(219)	(52,035)	-

The following table details DCH's liquidity analysis for its financial liabilities based on contractual undiscounted cash flow as at 31 December 2022 and shows when the liabilities become due.

	Less than 1 month US\$000	1 - 3 months US\$000	>3 months US\$000
Short term borrowings	(39)	-	-
Advisory and performance fees payable	(170)	-	-
Other accounts payable and accrued expenses	(93)	-	-
Net assets attributable to holders of redeemable participating shares	-	(74,144)	-
Total	(302)	(74,144)	-

16.3 Counterparty creditworthiness

DCH is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation..

To the extent that DCH engages, directly or through the underlying investments, in principal transactions, including, but not limited to, swap transactions, forward foreign currency transactions and bonds and other fixed income securities and/or to the extent that DCH makes use of the services of a counterparty for the custody of its assets, DCH must rely on the creditworthiness of its counterparty.

DISCOVERY CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

Insolvency of, gross negligence, wilful misconduct and/or fraud by the counterparty may prevent payment in part or in full or on time, and may cause losses.

DCH manages this risk by evaluating the creditworthiness of its direct counterparties. DCH's indirect exposure to counterparty risk through its underlying investments is monitored by management as part of its due diligence process.

In the following table the Depositary and custodians appointed by DCH are listed together with the most relevant credit ratings for those firms as well as the financial assets and liabilities through profit or loss held at the Depositary and custodians and the outstanding cash balances, if any, as at the end of the reporting period.

Financial assets and liabilities through profit or loss:

As at 31 December	Moody's	S&P	2023 US\$000	2022 US\$000
Citco Bank Nederland NV, Dublin Branch	Not rated	Not rated	<u>45,965</u>	<u>61,753</u>
Total			<u>45,965</u>	<u>61,753</u>

Net cash balances:

As at 31 December	2023 US\$000	2022 US\$000
Citco Bank Nederland NV, Dublin Branch	<u>752</u>	<u>20</u>
Total	<u>752</u>	<u>20</u>

16.4 Other risks

Share class and currency risk

DCH constitutes a single legal entity, but the assets of the Class A Portfolio will be invested for the benefit of the Class A Shareholders and the assets of the Class C Portfolio will be invested for the benefit of the Class C Shareholders. However, while liabilities attributed to a class of shares (including any borrowings relating specifically to a Portfolio) will only be allocated to that class, a creditor of DCH will generally not be bound to satisfy its claims from a particular class. Rather, such creditor could seek, to the extent the liabilities exceeded the assets of the class to which the liabilities are associated, to satisfy its claim from DCH's assets as a whole. Thus, if a creditors' claim relating to a particular class of shares exceeds the assets attributable to that class of shares, the remaining assets of DCH (the other class of shares) may be subject to such claim.

Subscription and redemption activity of shares in any class may have negative or positive cash flow implications for DCH's underlying portfolio.

17. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

With effect from 8 January 2024 the lender of the line of credit was changed from Amatheia Lending Designated Activity Company to Citco Bank Nederland NV with all material terms remaining the same.

DCH received a request for redemption of all Class C shares.



LEVERAGED CAPITAL HOLDINGS PROFILE¹

The principal objective of Leveraged Capital Holdings (“LCH”) is the appreciation in capital through investment in equity strategies, both long and short, and to a lesser extent in other strategies, including global macro. LCH has not paid any dividend since its inception.

Under its two-tier system, LCH does not invest directly but operates through underlying funds. Generally, each underlying fund is advised by a single portfolio manager and its team. The investment activities of the funds thereby comprise a wide range of specialised approaches and techniques used by the managers. Hence, LCH benefits from the collective services of a group of highly skilled investment managers who are allowed to operate within their area of expertise without imposed limitations.

Moreover, due to its two-tier system, LCH is highly flexible in engaging and, when necessary, disengaging the services of investment managers, while at the same time limiting the financial and legal exposure to the size of its investment in an offshore fund.

The recommendation of investment managers is entrusted to the Investment Advisory Committee of the Investment Advisor whose members meet regularly to review and select managers in order to position LCH optimally in changing markets.

LCH started operating on 30 November 1969 in Curaçao (as Leveraged Capital Holdings NV) under the sponsorship of the Edmond de Rothschild Group and merged with a sub-fund of the Company on 1 January 2015. ECH merged its operations with LCH with effect from 1 March 2020 and TCH merged its operations with LCH with effect from 1 April 2020.

Since its inception, LCH has been able to realise a considerable increase in the net asset value (“NAV”) per share, substantially above US stock market indices and with lower volatility. However, past performance is not necessarily a guide to future performance.

LCH has been categorised as an article 6 financial product for the purposes of the Sustainable Finance Disclosure Regulation (“SFDR”). For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying LCH do not take into account the EU criteria for environmentally sustainable economic activities.

The financial year end of LCH is 31 December. In addition to the annual report, which contains audited financial statements, an unaudited interim report for the six-month period to 30 June is also published.

Shares are issued by LCH monthly, at net asset value (NAV). Shares are issued in US\$ (Class A) and Euro (Class B).

LCH will seek to hedge against currency fluctuations of the Class B shares, provided that hedging instruments are available on a timely basis and on acceptable terms.

Shares may be redeemed at the end of each quarter with 45 business days’ notice at NAV. The redemption of shares may be postponed under certain circumstances, as described in the prospectus.

¹ The information on this page has not been audited since this information does not form part of the audited financial statements.

LEVERAGED CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

	LCH		S&P 500		S&P 500 ²	
	NAV per share US\$	Performance ³ %	Index US\$	Performance %	Index US\$	Performance %
1969†	19.10		93.81		93.81	
1969	19.70		92.06		92.26	
1970	16.80	-15	92.15	-	94.79	+3
1971	20.28	+21	102.09	+11	107.29	+13
1972	22.99	+13	118.05	+16	126.55	+18
1973	22.48	-2	97.55	-17	106.95	-15
1974	23.82	+6	68.56	-30	77.71	-27
1975	27.25	+14	90.19	+32	105.25	+35
1976	34.30	+26	107.46	+19	128.82	+22
1977	36.46	+6	95.10	-12	117.93	-8
1978	45.09	+24	96.11	+1	123.70	+5
1979	65.72	+46	107.94	+12	144.33	+17
1980	107.79	+64	135.76	+26	188.23	+30
1981	96.44	-11	122.55	-10	176.20	-6
1982	129.90	+35	140.64	+15	210.51	+19
1983	159.10	+22	164.93	+17	254.59	+21
1984	153.79	-3	167.24	+1	266.79	+5
1985	202.63	+32	211.28	+26	347.05	+30
1986	231.06	+14	242.17	+15	407.58	+17
1987	239.52	+4	247.08	+2	425.00	+4
1988	267.66	+12	277.72	+12	489.98	+15
1989	350.38	+31	353.40	+27	638.47	+30
1990	340.53	-3	330.22	-7	611.99	-4
1991	462.90	+36	417.09	+26	790.48	+29
1992	543.15	+17	435.71	+4	843.29	+7
1993††	66.71	+23	466.45	+7	919.32	+9
1994	59.23	-11	459.27	-2	924.73	+1
1995	77.39	+31	615.93	+34	1,262.00	+36
1996	93.29	+21	740.74	+20	1,541.34	+22
1997	113.35	+22	970.43	+31	2,044.53	+33
1998	124.37	+10	1,229.23	+27	2,617.03	+28
1999	168.66	+36	1,469.25	+20	3,155.61	+21
2000	161.03	-5	1,320.28	-10	2,858.53	-9
2001	154.20	-4	1,148.08	-13	2,509.09	-12
2002	147.24	-5	879.72	-23	1,945.14	-22
2003	165.02	+12	1,111.92	+26	2,489.34	+28
2004	182.31	+10	1,211.92	+9	2,745.81	+10
2005	199.14	+9	1,248.29	+3	2,864.79	+4
2006	219.47	+10	1,418.30	+14	3,298.22	+15
2007	276.32	+26	1,468.36	+4	3,459.78	+5
2008	209.21	-24	903.25	-38	2,164.34	-37
2009	241.78	+16	1,115.10	+23	2,717.54	+26
2010	274.54	+14	1,257.64	+13	3,108.59	+14
2011	244.96	-11	1,257.60	-	3,153.86	+1
2012	266.13	+9	1,426.19	+13	3,633.48	+15
2013	306.07	+15	1,848.36	+30	4,779.04	+32
2014	316.54	+3	2,058.90	+11	5,398.91	+13
2015	295.89	-7	2,043.94	-1	5,439.21	+1

¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

² 70% dividends reinvested

³ of Class A US\$ shares

† Inception at 30 November 1969

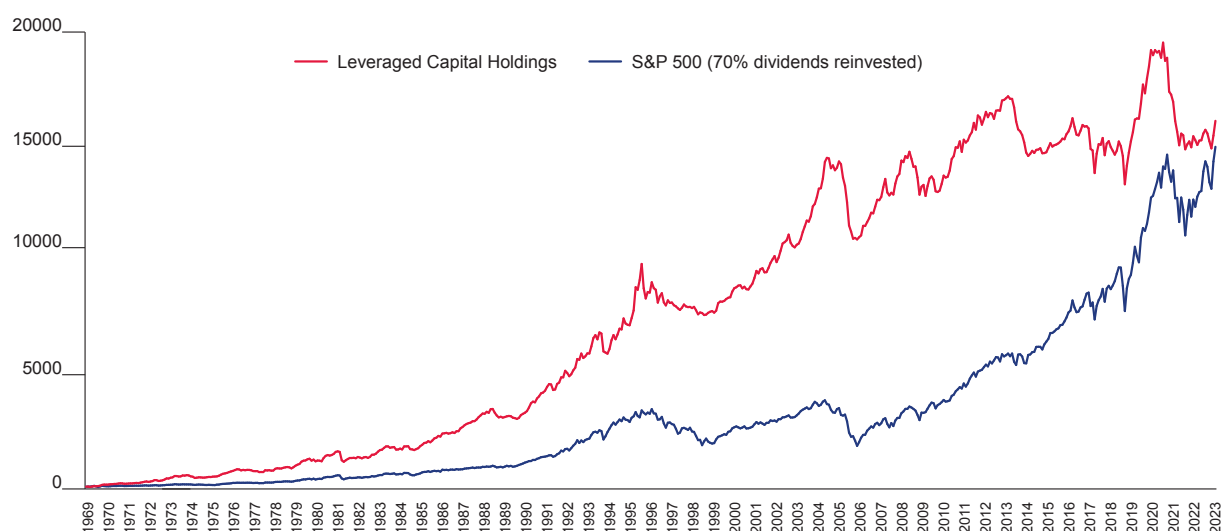
†† Split of 10 for 1 on 17 February 1993

LEVERAGED CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

	LCH		S&P 500		S&P 500 ²	
	NAV per share US\$	Performance ³ %	Index US\$	Performance %	Index US\$	Performance %
2016	281.51	-5	2,238.83	+10	6,048.70	+11
2017	303.26	+8	2,673.61	+19	7,323.89	+21
2018	264.09	-13	2,506.78	-6	6,961.66	-5
2019	290.49	+10	3,230.78	+29	9,097.25	+31
2020	338.11	+16	3,756.07	+16	10,711.77	+18
2021	360.46	+7	4,766.18	+27	13,725.67	+28
2022	285.66	-21	3,839.50	-19	11,183.12	-19
2023	307.76	+8	4,769.83	+24	14,049.71	+26

	LCH %	S&P500 ² %	Cash ⁴ %
1 year p.a.	7.7	25.6	5.4
3 years p.a.	(3.1)	9.5	2.7
5 years p.a.	3.1	15.1	2.2
Since Inception p.a.	9.9	9.7	5.1
Value of US\$100 since inception	US\$16,113	US\$14,977	US\$1,478

Value of US\$100 Invested at Inception



¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

² S&P 500 (70% dividends reinvested)

³ of Class A US\$ shares

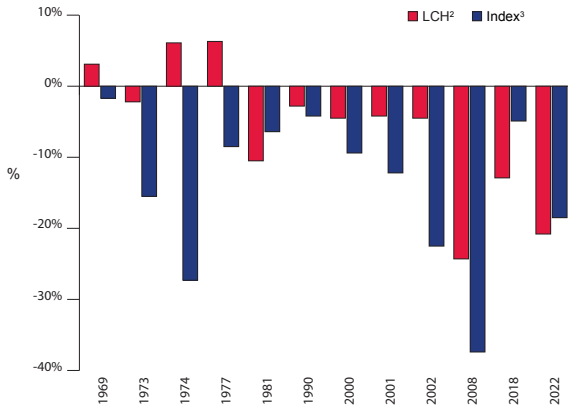
⁴ 3 month US\$ Libor

† Inception at 30 November 1969

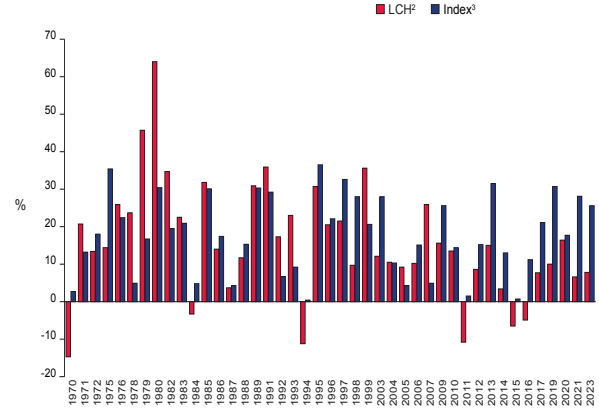
†† Split of 10 for 1 on 17 February 1993

LEVERAGED CAPITAL HOLDINGS
PERFORMANCE SINCE INCEPTION¹

LCH Performance in Down Markets



LCH Performance in Up Markets



¹ Any data or information relating to periods prior to the merger date of 1 January 2015 relates to the period that LCH was incorporated in Curaçao. Furthermore, the information on this page has not been audited since this information does not form part of the audited financial statements.

² Performance shown for LCH Class A USD, net of fees. Monthly data for LCH only available from 1 Jan 1978.

³ S&P 500 Index (70% dividends reinvested).

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF FINANCIAL POSITION

As at	Notes	31/12/23 US\$000	31/12/22 US\$000
Assets			
Current assets			
Financial assets at fair value through profit or loss	2, 4	87,899	99,530
Due from investment companies and brokers	2	13,320	45,689
Prepayments on investments	2	1,000	-
Other accounts receivable	2	134	205
Cash and cash equivalents	2, 3	<u>4,836</u>	<u>8,886</u>
Total assets		<u>107,189</u>	<u>154,310</u>
Liabilities			
Current liabilities			
Short term borrowings	2, 3	(55)	(48)
Advisory and performance fees payable	6	(253)	(400)
Other accounts payable and accrued expenses	2, 7	<u>(109)</u>	<u>(122)</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(417)</u>	<u>(570)</u>
Net assets attributable to holders of redeemable participating shares	2, 5	<u>106,772</u>	<u>153,740</u>
Net asset value per Class A redeemable participating share		US\$307.76	US\$285.66
Net asset value per Class B redeemable participating share		€194.29	€183.94

The notes on pages 97 to 110 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Income			
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss:			
- Realised gains/(losses)	8	11,405	(2,888)
- Change in unrealised gains/(losses)	8	(1,351)	(45,837)
Interest income	2	114	37
Dividend income		131	808
Fee rebate	14	485	724
Other income		19	-
Total income/(loss)		10,803	(47,156)
Operating expenses			
Advisory and performance fees	9	(1,682)	(2,532)
Administration fees	10	(69)	(63)
Audit fees		(54)	(79)
Other operating expenses	11	(480)	(451)
Total operating expenses		(2,285)	(3,125)
Operating profit/(loss)		8,518	(50,281)
Finance costs			
Commitment fee relating to short term borrowings	3	(111)	(199)
Interest expense short term borrowings	2, 3	(11)	(49)
Interest expense	2	(18)	(17)
Total finance costs		(140)	(265)
Profit/(loss) before taxation		8,378	(50,546)
Taxation	2	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		8,378	(50,546)

All amounts arose solely from continuing operations. There are no gains or losses other than those dealt with in the statement of comprehensive income.

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Net assets attributable to holders of redeemable participating shares at 1 January		153,740	224,717
Increase from redeemable participating shares issued	5	-	1,090
Decrease due to redeemable participating shares repurchased	5	<u>(55,346)</u>	<u>(21,521)</u>
Net increase/(decrease) from share transactions		(55,346)	(20,431)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		<u>8,378</u>	<u>(50,546)</u>
Net assets attributable to holders of redeemable participating shares at 31 December		<u>106,772</u>	<u>153,740</u>

The notes on pages 97 to 110 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS
STATEMENT OF CASH FLOWS

For the year ended 31 December	Notes	2023 US\$000	2022 US\$000
Cash flows from operating activities			
Profit/(loss) before taxation		8,378	(50,546)
Adjustments for:			
Interest income		(114)	(37)
Other income		(19)	-
Finance costs		140	265
Foreign exchange (gains)/losses on cash and cash equivalents		83	33
Net changes in:			
Due from investment companies and brokers		32,369	(37,091)
Prepayments on investments		(1,000)	-
Other accounts receivable		71	185
Advisory and performance fees payable		(147)	(520)
Other accounts payable and accrued expenses		(13)	(46)
Financial assets at fair value through profit or loss		11,548	111,788
Financial liabilities at fair value through profit or loss		-	(1,872)
Interest income received		114	37
Other income received		19	-
Finance costs paid		(140)	(265)
Net cash from operating activities		51,289	21,931
Cash flows from financing activities			
Short term borrowings		7	(990)
Proceeds from redeemable participating shares issued		-	1,090
Paid on redeemable participating shares repurchased		(55,346)	(21,521)
Net cash from financing activities		(55,339)	(21,421)
Net increase/(decrease) in cash and cash equivalents		(4,050)	510
Cash and cash equivalents at 1 January		8,886	8,376
Cash and cash equivalents at 31 December	2, 3	4,836	8,886

The notes on pages 97 to 110 are an integral part of these financial statements

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Capital Holdings Funds plc (the “Company”) was incorporated in Ireland on 13 March 2014 and was authorised as a Retail Investor AIF by the Central Bank of Ireland on 19 December 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out in note 2 to the financial statements of The Capital Holdings Funds plc.

3. CASH AND CASH EQUIVALENTS

As at	31/12/23 US\$000	31/12/22 US\$000
Cash at bank:		
Cash US\$	4,827	8,864
Cash €	9	22
Total cash and cash equivalents	4,836	8,886

For purposes of the statement of cash flows, cash and cash equivalents comprise cash at current bank accounts, cash held on deposit and bank overdrafts.

During the reporting period, LCH maintained a line of credit with Amathea Lending Designated Activity Company, on which LCH paid an interest rate of 1.65% per annum on amounts drawn down and a commitment fee of 0.50% per annum on the un-drawn portion of the credit line. At the end of the reporting period, the committed line of credit amounted to US\$20 million (31 December 2022: US\$40 million).

LCH has pledged all of its investments as collateral. The sale of such pledged assets requires the release of these assets by the Depository. At the end of the reporting period, LCH had drawn an amount of US\$0.05 million (31 December 2022: US\$0.05 million).

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

4.a. Financial assets and liabilities at fair value through profit or loss

LCH 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:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as NAV reported by the administrators of the investment companies in which LCH has invested.

Level 3: Inputs are unobservable inputs for the asset or liability. This includes financial assets or liabilities for which the Board of Directors made fair value adjustments because of the illiquidity of such financial assets and liabilities.

Level 3 valuations are reviewed on a periodic basis by the Company’s Board of Directors. The Board of Directors considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry. The main technique used in fair valuing the Level 3 assets has been to apply a discount to the corresponding Level 3 valuations as best estimated by the Board of Directors. In selecting the most appropriate valuation model the Board of Directors performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

LEVERAGED CAPITAL HOLDINGS
NOTES TO THE FINANCIAL STATEMENTS

The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2023:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	-	64,695	-	64,695
Event Driven	-	4,584	320	4,904
Macro and Other	-	17,496	203	17,699
Total investment companies	-	86,775	523	87,298
Forward FX contracts	-	601	-	601
Total financial assets at fair value through profit or loss	-	87,376	523	87,899

As at 31 December 2023, the Board of Directors made fair value adjustments, as noted in note 2.4 on page 37 and are shown in the Level 3 investments in the table above. Fair value adjustments of US\$1.4 million (2022: US\$2.1 million), representing 1.28% (2022: 1.39%) of the NAV at year-end, were applied to the Level 3 investments. The Level 3 investments fair value are shown net of the fair value adjustments in the table above. The fair value adjustments made by the Board of Directors amounted to 50% to 100% of the reported value of the underlying investment companies (2022: 25% to 100%). A 10% change in this range would have an impact of plus or minus US\$136,000 (2022: US\$214,000). 10% is deemed to be a reasonable shift.

The following table presents the movement of Level 3 investments for the year ended 31 December 2023 by category of investment:

	Equity Long Biased US\$000	Event Driven US\$000	Macro and Other US\$000	Total US\$000
Opening balance	3,167	-	296	3,463
Purchases	-	206	-	206
Sales	(4,615)	-	(43)	(4,658)
Transfer in/(out of) Level 3	-	435	-	435
Gains/(losses) recognised	1,448	(321)	(50)	1,077
Closing balance	-	320	203	523

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the year ended 31 December 2023, there were no transfers between the different levels of the hierarchy.

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The following is a summary of the financial assets at fair value through profit or loss as at 31 December 2022:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Investment companies:				
Equity Long Biased	-	66,114	3,167	69,281
Event Driven	-	7,948	-	7,948
Macro and Other	-	18,202	296	18,498
Total investment companies	-	92,264	3,463	95,727
Forward FX contracts	-	3,803	-	3,803
Total financial assets at fair value through profit or loss	-	96,067	3,463	99,530

The following table presents the movement of Level 3 investments for the year ended 31 December 2022 by category of investment:

	Equity Long Biased US\$000	Macro and Other US\$000	Total US\$000
Opening balance	-	603	603
Purchases	2,061	-	2,061
Sales	(1,715)	-	(1,715)
Transfers into/(out of) Level 3	7,334	-	7,334
Gains/(losses) recognised	(4,513)	(307)	(4,820)
Closing balance	3,167	296	3,463

Transfers between levels of the fair value hierarchy, for the purpose of preparing the above table, are deemed to have occurred at the beginning of the reporting period. During the year ended 31 December 2022, transfers out of Level 3 were the result of investment positions becoming subject to no liquidity restrictions.

The following table analyses within the fair value hierarchy LCH's assets and liabilities (by class) not measured at fair value as at 31 December 2023 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	13,320	-	13,320
Prepayments on investments	-	1,000	-	1,000
Other accounts receivable	-	134	-	134
Cash and cash equivalents	4,836	-	-	4,836
Total	4,836	14,454	-	19,290
Liabilities				
Short term borrowings	(55)	-	-	(55)
Advisory and performance fees payable	-	(253)	-	(253)
Other accounts payable and accrued expenses	-	(109)	-	(109)
Total	(55)	(362)	-	(417)

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The following table analyses within the fair value hierarchy LCH's assets and liabilities (by class) not measured at fair value as at 31 December 2022 but for which fair value is disclosed:

	Level 1 US\$000	Level 2 US\$000	Level 3 US\$000	Total US\$000
Assets				
Due from investment companies and brokers	-	45,689	-	45,689
Other accounts receivable	-	205	-	205
Cash and cash equivalents	8,886	-	-	8,886
Total	8,886	45,894	-	54,780
Liabilities				
Short term borrowings	(48)	-	-	(48)
Advisory and performance fees payable	-	(400)	-	(400)
Other accounts payable and accrued expenses	-	(122)	-	(122)
Total	(48)	(522)	-	(570)

4.b. Condensed schedule of investments

A condensed schedule of investments of LCH as at 31 December 2023 was:

	31/12/23 US\$000	% of NAV
Discovery Capital Holdings	28,424	26.6
The Tudor BVI Global Fund Ltd	7,657	7.2
Pershing Square Holdings	7,144	6.7
Crake Global Feeder Fund ICAV	7,122	6.7
Other investments	37,552	35.1
Total financial assets at fair value through profit or loss	87,899	

A condensed schedule of investments of LCH as at 31 December 2022 was:

	31/12/22 US\$000	% of NAV
Discovery Capital Holdings	31,059	20.2
Crake Global Feeder Fund ICAV	10,555	6.9
Third Point Ultra Ltd	7,948	5.2
Other investments	49,968	32.4
Total financial assets at fair value through profit or loss	99,530	

4.c. Forward foreign exchange contracts

LCH enters into forward foreign exchange transactions for the Euro Class B shares, normally with the aim of seeking to hedge the Euro exposure back to the US dollar. Forward foreign exchange contracts are held for trading and are valued at the forward rate and are marked to market on the valuation date.

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Included under financial asset at fair value through profit or loss as at 31 December 2023 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	39,650	(43,226)	02/02/2024	601
Total				601

Included under financial asset at fair value through profit or loss as at 31 December 2022 are the following forward foreign exchange contracts that were outstanding with Citco Bank Nederland NV, Dublin Branch, an affiliate of the Administrator:

	Purchases €000	(Sales) US\$000	Maturity date	Unrealised appreciation/ (depreciation) US\$000
	53,750	(53,851)	13/01/2023	3,803
Total				3,803

5. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

LCH has no share capital for accounting purposes as all of LCH's shares are redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The data relating to the NAV of redeemable participating shares of LCH and the number of shares in issue during the year ended 31 December 2023 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2023	95,507	58,233	153,740
Redemptions	(38,622)	(16,724)	(55,346)
Net increase/(decrease) in redeemable participating shares resulting from operations	4,647	3,731	8,378
Redeemable participating shares at 31 December 2023 - US\$	61,532	45,240	106,772
Redeemable participating shares at 31 December 2023 - €	-	40,990	-
Shares	Class A	Class B	Total
Shares outstanding at 1 January 2023	334,335	295,770	630,105
Redemptions	(134,405)	(84,796)	(219,201)
Shares outstanding at 31 December 2023	199,930	210,974	410,904
Net asset value per redeemable participating share at 31 December 2023	US\$307.76	€194.29	

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The data relating to the NAV of redeemable participating shares of LCH and the number of shares in issue during the year ended 31 December 2022 are summarised below:

US\$000	Class A	Class B	Total
Redeemable participating shares at 1 January 2022	135,980	88,737	224,717
Subscriptions	1,090	-	1,090
Redemptions	(14,767)	(6,754)	(21,521)
Net increase/(decrease) in redeemable participating shares resulting from operations	<u>(26,796)</u>	<u>(23,750)</u>	<u>(50,546)</u>
Redeemable participating shares at 31 December 2022 - US\$	95,507	58,233	153,740
Redeemable participating shares at 31 December 2022 - €	<u>-</u>	<u>54,403</u>	<u>-</u>
Shares	Class A	Class B	Total
Shares outstanding at 1 January 2022	377,242	326,564	703,806
Subscriptions	3,425	-	3,425
Redemptions	<u>(46,332)</u>	<u>(30,794)</u>	<u>(77,126)</u>
Shares outstanding at 31 December 2022	334,335	295,770	630,105
Net asset value per redeemable participating share at 31 December 2022	US\$285.66	€183.94	

The data relating to the NAV of redeemable participating shares of LCH and the number of shares in issue for the past three years is summarised below:

As at 31 December	2023	2022	2021
Total NAV (US\$000)	106,772	153,740	224,717
Total shares Class A	199,930	334,335	377,242
Total shares Class B	210,974	295,770	326,564
NAV per share Class A (US\$)	307.76	285.66	360.46
NAV per share Class B (€)	194.29	183.94	238.99
Total income/(loss) (US\$000)	10,803	(47,156)	13,547
Total operating expenses (US\$000)	(2,285)	(3,125)	(4,832)
Total finance costs (US\$000)	(140)	(265)	(234)
Taxes (US\$000)	<u>-</u>	<u>-</u>	<u>-</u>
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations (US\$000)	8,378	(50,546)	8,481

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6. ADVISORY AND PERFORMANCE FEES PAYABLE

As at	31/12/23 US\$000	31/12/22 US\$000
Advisory fees	(253)	(400)
Total	(253)	(400)

7. OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As at	31/12/23 US\$000	31/12/22 US\$000
Payable to the Administrator	(10)	(10)
Audit fees payable	(54)	(56)
Depository fees payable	(6)	(7)
Other Administrator fees	(29)	(31)
Other accounts payable	(10)	(18)
Total	(109)	(122)

8. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the year ended 31 December	2023 US\$000	2022 US\$000
Realised gain on financial assets and liabilities at fair value through profit or loss	14,999	14,751
Realised loss on financial assets and liabilities at fair value through profit or loss	(3,594)	(17,639)
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss	11,405	(2,888)
Change in unrealised gain on financial assets and liabilities at fair value through profit or loss	6,569	6,953
Change in unrealised loss on financial assets and liabilities at fair value through profit or loss	(7,920)	(52,790)
Net change in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss	(1,351)	(45,837)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	10,054	(48,725)

In respect of the LCH Class B Euro denominated shares, LCH seeks to hedge against currency fluctuations in non-Euro denominated portfolio investments. The profit or loss on such hedging is shown above.

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9. ADVISORY AND PERFORMANCE FEES

For the year ended 31 December	2023 US\$000	2022 US\$000
Advisory fees	<u>(1,682)</u>	<u>(2,532)</u>
Total	<u>(1,682)</u>	<u>(2,532)</u>

LCH Investments NV is entitled to an amount in cash of 1.5% per annum of the NAV of Class A shares and Class B shares. Such fees accruing on the basis of the NAV prior to taking into account any accrued performance fees as described below and payable monthly.

The Investment Advisor is entitled to a performance fee calculated in respect of each calendar year payable in cash of 3% of the net realised and unrealised appreciation in the NAV of Class A shares and Class B shares (taking into account realised and unrealised gains and losses, and expenses) subject to a “high water mark” provision. This means that no performance fee is accrued or paid until the NAV per Share on which the performance fee was previously accrued and paid has been surpassed. This fee will accrue monthly and be payable at the end of the financial year to which such fee relates (or upon a redemption with respect to redeemed Shares).

No performance fees were accrued in 2023 and 2022.

10. ADMINISTRATION FEES

The Administration fees are calculated based on the net assets of LCH at the last business day of each month. The per annum fee rates were as follows: 0.05% on the first US\$50 million, 0.04% on the next US\$50 million and 0.03% on net assets in excess of US\$100 million. The net assets of LCH for this purpose shall exclude the amount of LCH’s investment in DCH.

11. OTHER OPERATING EXPENSES

For the year ended 31 December	2023 US\$000	2022 US\$000
Directors fees	(106)	(108)
Depositary fees	(38)	(43)
Other Administrator fees	(53)	(52)
Other professional fees	(122)	(124)
Legal fees	(37)	(12)
Paying agent and related fees	(2)	(3)
Professional liability insurance	(62)	(60)
Regulatory fees	(12)	(10)
Miscellaneous expenses	<u>(48)</u>	<u>(39)</u>
Total	<u>(480)</u>	<u>(451)</u>

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12. ONGOING CHARGES

The ongoing charges and performance fees of LCH have been calculated as follows:

For the year ended 31 December	2023 %	2022 %
Ongoing charges	<u>2.13</u>	<u>1.97</u>
Total	<u>2.13</u>	<u>1.97</u>

The ongoing charges, as defined in EU Commission regulation 583-2010 and document 10-674 of the Committee of European Securities Regulators, represent the total costs of LCH in the reporting period, expressed as a percentage of the average monthly NAV. Furthermore, any performance fees charged by the Investment Advisor are shown separately.

Underlying investment managers charge additional fees, namely investment management fees and performance fees. These additional fees, if included in the numbers stated above, and calculated based on a best estimation would increase the ongoing charges to 2.90% (2022: 2.85%) and the performance fees to 0.22% (2022: 0.14%) based on the net performance of LCH for the year.

In addition to investment management fees and performance fees, underlying investment companies might incur operational expenses that are included in the NAV of these companies and are not charged separately. Since these operating expenses are typically not disclosed in the prospectus of these companies they are difficult to estimate by LCH and are not included in the numbers stated above.

13. PORTFOLIO TURNOVER RATE

The gross portfolio turnover rate of LCH has been calculated as follows:

For the year ended 31 December	2023 %	2022 %
Portfolio turnover rate	<u>33.0</u>	<u>(31.1)</u>

The portfolio turnover rate reflects the sum of the total gross amount of purchases and sales of investments of LCH in the reporting period, minus the sum of the total amount of subscriptions and redemptions of redeemable participating shares, expressed as a percentage of the average monthly net assets.

14. RELATED PARTY TRANSACTIONS

The following parties should be considered related parties because together they ultimately control LCH: the members of the Board of Directors and LCH Investments NV (including its Board of Directors) in its capacity as Investment Advisor.

Additionally, transactions with DCH could be considered related party transactions, since DCH and LCH have the same Board of Directors. Transactions with related parties are done on terms that are considered to be in conformity with market rates.

Please refer to note 2.12 of the Company and note 4, 6, 9 and 11 above for further information about transactions that took place with related and affiliated parties, including the total amount of such transactions, any outstanding balances as at the end of the reporting period and the total amount of expenses incurred by LCH relating to these transactions.

LCH shares some of the same sponsoring institutions and has the same Board of Directors as DCH. In order to avoid double charging to LCH shareholders, the Investment Advisor of DCH rebates the full amount of advisory fees and incentive fees charged to DCH based on LCH's proportionate holding in DCH. The rebate amount is shown in the statement of comprehensive income under fee rebate.

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The total personal interest of the members of the Board of Directors of the Company, the Board of Directors of LCH Investments NV and the Company Secretary in redeemable participating shares of LCH during the year ended 31 December 2023 was:

31 December	Position at 2022	Purchases/ (Sales)	Position at 2023
Shares of LCH	85,488	-	85,488

15. EXCHANGE RATE

The following exchange rate prevailing as at 31 December 2023 was used: €1.00 = US\$1.1037 (2022: US\$1.0704).

16. FINANCIAL RISK FACTORS

LCH's investment activities expose it to various types of risks that are associated with the financial assets and liabilities and markets in which it invests. LCH is exposed to market risk, liquidity risk, counterparty risk and other risks (risk of using derivatives). The risk management policies employed by LCH to manage these risks are discussed below.

16.1 Market risk

(a) Price risk

LCH invests in other funds and is susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Board of Directors manages this risk by monitoring the performance of each underlying investment closely on a weekly and monthly basis.

LCH is exposed to transferable securities price risk and derivative price risk. This arises from investments held by LCH for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than USD, the price initially expressed in foreign currency and then converted into USD will also fluctuate because of changes in foreign exchange rates.

LCH has also performed a sensitivity analysis. The relationship between movements in the S&P500 Index and the NAV of LCH is uncertain and subject to change at any time and should not be relied upon in assessing likely future relationships. Notwithstanding this, as required by IFRS, the following details LCH's estimated sensitivity to a 5% general increase and decrease in the S&P500 index.

As at 31 December 2023, if the S&P500 Index had increased or decreased by an additional 5% during 2023 (2022: 5%), with all other variables held constant and based on the actual change during 2023 of the NAV and the S&P500 Index, the increase or decrease in net assets attributable to holders of redeemable shares for the year might have amounted to 2.14% (2022: 1.64%).

(b) Foreign exchange risk

LCH operates internationally and holds both monetary and non-monetary assets denominated in currencies other than USD, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Portfolios, through the underlying investments, will be primarily invested in US dollar-denominated investments and their assets are valued in US dollars. LCH (with respect to each of the Portfolios), through the underlying investments, may also invest a portion of its assets in equity securities and other investments denominated in currencies other than the US dollar, including the Euro, and in other financial instruments, the prices of which are determined with reference to currencies other than the US dollar. To the extent un-hedged, the value of LCH's non-dollar denominated assets will fluctuate with US dollar exchange rates as well as with price changes of LCH's investments in the various local markets and currencies. Thus, an increase in the value of the US dollar (or, for Class B shareholders, the Euro) compared to the other currencies in which the underlying investment may make its investments will reduce the effect of increases and magnify the US dollar (or Euro) equivalent of the effect of decreases in the prices of LCH's securities and other investments in their local markets. Conversely, a decrease in the value of the US dollar (or Euro) will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of a Fund's non-US dollar (or non-Euro) securities or other investments. The portfolio managers of the underlying investments may use spot currency transactions, forward currency contracts and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

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LCH may seek to hedge against currency fluctuations of any class of shares, provided that hedging instruments are available on a timely basis and on acceptable terms. The related hedging costs and the gains or losses attributable to the hedging transactions will be credited or charged to the class of shares on behalf of which such transactions were effected. There can be no assurance that such hedging transactions will be effective. Although LCH may hedge against currency fluctuations of either the Class A shares or the Class B shares, currently LCH anticipates that it will seek to hedge against currency fluctuations solely with respect to the Class B shares.

The carrying amount of LCH's direct foreign currency denominated financial assets and financial liabilities at the reporting date is detailed in notes 3 and 4.

As at 31 December 2023 and 31 December 2022, foreign exchange risk does not present a significant risk.

(c) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Board of Directors manages this risk by monitoring fluctuations in the market interest rates on a monthly basis.

As at 31 December 2023 and 31 December 2022, cash flow and fair value interest rate risk do not present a significant risk.

16.2 Liquidity risk

Liquidity risk is the risk that LCH may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. LCH is exposed to quarterly cash redemptions of redeemable shares and has a 45 business days' notice period for redemption requests. LCH's liquidity risk is managed through the diversification of the investment program by strategy and by manager as well as by redemption terms of the investment vehicles and the liquidity of their investments. There can be no assurance that this diversification will provide protection from a market downfall or illiquidity.

The success of LCH's investment program depends to a great extent upon the ability of the portfolio managers of the underlying investments to assess correctly the future course of price movements of stocks, bonds, commodities and currencies. There can be no assurance that the portfolio managers will accurately predict such movements. In addition, certain of the investments in which a substantial portion of each Portfolio's capital may be invested, from time to time, may have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the ability of the portfolio manager to execute trade orders at desired prices. Moreover, because illiquid investments may be difficult to value, the NAV of a class of shares may fluctuate widely from one period to the next. The risk of illiquidity is also increased by the prevalence of requirements by portfolio advisers with whom LCH wishes to invest that LCH agree to minimum holding periods and redemption periods in underlying investments that are generally longer than LCH's own redemption period.

As a result of disrupted market conditions such as a rapid and catastrophic price movement in markets in which LCH invests, determination of the NAV of each class of shares, the right to redeem shares or the market maker facility could be suspended or restricted resulting in illiquidity of the shares during such suspension.

The following table details the ordinary redemption periods of the investment companies in which LCH has invested as well as any other financial assets through profit or loss as at 31 December 2023.

Redemption period	≤3 months US\$000	3-12 months US\$000	>1 year ¹ US\$000	Total US\$000
Notice period:				
Cash and other assets	19,890	-	-	19,890
30 days or less	8,207	-	-	8,207
45 days	48,108	7,144	-	55,252
60 days	18,868	-	-	18,868
65 days	4,449	-	-	4,449
More than 65 days	-	-	523	523
Total assets	99,522	7,144	523	107,189

¹ This category includes investments in funds that are in liquidation and for which there is no statutory right of redemption.

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The following table details the ordinary redemption periods of the investment companies in which LCH has invested as well as any other financial assets through profit or loss as at 31 December 2022.

Redemption period	≤3 months US\$000	3-12 months US\$000	>1 year ¹ US\$000	Total US\$000
Notice period:				
Cash and other assets	58,584	-	-	58,584
30 days or less	8,735	-	-	8,735
45 days	48,814	-	-	48,814
60 days	29,914	-	-	29,914
90 days	4,784	-	-	4,784
More than 90 days	-	-	3,479	3,479
Total assets	150,831	-	3,479	154,310

¹ This category includes investments in funds that are in liquidation and for which there is no statutory right of redemption.

The table above shows by when investments could be normally redeemed even if subject to an early redemption fee, and not taking into account initial lock-ups.

The following table details LCH's liquidity analysis for its financial liabilities based on contractual undiscounted cash flow as at 31 December 2023 and shows when the liabilities become due.

	Less than 1 month US\$000	1 - 3 months US\$000	>3 months US\$000
Short term borrowings	(55)	-	-
Advisory and performance fees payable	(253)	-	-
Other accounts payable and accrued expenses	(109)	-	-
Net assets attributable to holders of redeemable participating shares	-	(106,772)	-
Total	(417)	(106,772)	-

The following table details LCH's liquidity analysis for its financial liabilities based on contractual undiscounted cash flow as at 31 December 2022 and shows when the liabilities become due.

	Less than 1 month US\$000	1 - 3 months US\$000	>3 months US\$000
Short term borrowings	(48)	-	-
Advisory and performance fees payable	(400)	-	-
Other accounts payable and accrued expenses	(122)	-	-
Net assets attributable to holders of redeemable participating shares	-	(153,740)	-
Total	(570)	(153,740)	-

16.3 Counterparty creditworthiness

LCH is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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To the extent that LCH engages, directly or through the underlying investments, in principal transactions, including, but not limited to, swap transactions, forward foreign currency transactions and bonds and other fixed income securities and/or to the extent that LCH makes use of the services of a counterparty for the custody of its assets, LCH must rely on the creditworthiness of its counterparty. Insolvency of, gross negligence, wilful misconduct and/or fraud by the counterparty may prevent payment in part or in full or on time, and may cause losses.

LCH manages this risk by evaluating the creditworthiness of its direct counterparties. LCH's indirect exposure to counterparty risk through its underlying investments is monitored by management as part of its due diligence process.

In the following table the Depositary and custodians appointed by LCH are listed together with the most relevant credit ratings for those firms as well as the financial assets and liabilities through profit or loss held at the Depositary and custodians and the outstanding cash balances, if any, as at the end of the reporting period.

Financial assets and liabilities through profit or loss:

As at 31 December	Moody's	S&P	2023 US\$000	2022 US\$000
Citco Bank Nederland NV, Dublin Branch	Not rated	Not rated	87,899	99,530
Total			87,899	99,530

Net cash balances:

As at 31 December	2023 US\$000	2022 US\$000
Citco Bank Nederland NV, Dublin Branch	4,836	8,886
Total	4,836	8,886

16.4 Other risks

Use of derivatives

Derivatives refer to financial instruments which derive their performance at least in part from the performance of an underlying asset, index or interest rate. Financial instruments such as futures, forward contracts and other derivatives may be used by the underlying investment portfolio managers both for speculative purposes and for hedging other investments. LCH does not control or monitor on a regular basis the investments of the portfolio managers. LCH may have a significant exposure to derivatives risks. However, as a two-tier company, its liability is limited by investing, as it does, through multiple separate legal entities. If the derivative exposure in LCH became material, that would subject the investors to a higher risk of loss and volatility and would make the pricing of the assets more difficult because, among other things, of the leveraged effect of such investments, the added credit risk of issuing counterparties, and the potential for illiquidity in certain circumstances. LCH does not have a percentage limitation on hedging for either of the Portfolios.

Hedging against a decline in the value of a portfolio investment does not eliminate fluctuations in the values of portfolio investments or prevent losses if the values of such investments decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio investments' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio investments should increase. The portfolio managers of the underlying investments may utilise hedges, or choose not to hedge, based on judgments about economic or other factors that prove to be incorrect.

It is the policy of LCH to transact the majority of its direct investments in securities and contractual commitment activity with broker-dealers and banks that management considers to be well established/first rated.

Share class and currency risk

LCH constitutes a single legal entity, but the assets of the Class A Portfolio will be invested for the benefit of the Class A Shareholders and the assets of the Class B Portfolio will be invested for the benefit of the Class B Shareholders. However, while liabilities attributed to a class of shares (including any borrowings relating specifically to a Portfolio) will only be allocated to that class, a creditor of LCH will

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generally not be bound to satisfy its claims from a particular class. Rather, such creditor could seek, to the extent the liabilities exceeded the assets of the class to which the liabilities are associated, to satisfy its claim from LCH's assets as a whole. Thus, if a creditor's claim relating to a particular class of shares exceeds the assets attributable to that class of shares, the remaining assets of LCH (the other class of shares) may be subject to such claim.

Foreign exchange hedging activity in connection with the Class B Portfolio, as well as subscription and redemption activity of shares in any class may have negative or positive cash flow implications for LCH's underlying portfolio.

17. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

With effect from 8 January 2024 the lender of the line of credit was changed from Amatheia Lending Designated Activity Company to Citco Bank Nederland NV with all material terms remaining the same.