NATIONAL NEWSPAPER OF THE YEAR



Have a mince pie and relax about your BMI ANJANA AHUJA, PAGE 21

How readers fared against superforecasters BIG READ, PAGE 19

Crimea blast Ukraine hits Russian ship

Flames erupt around the Russian warship Novocherkassk in the port of Feodosia, located on the eastern side of the Crimea peninsula.

The Ukrainian air force said it had struck the 112-metre vessel with cruise missiles at about 2.30am local time, claiming it had destroyed the large landing ship in another significant blow to Moscow's Black Sea fleet.

The unverified image posted by the Ukraine air force shows a fireball over the naval facility, attributing the large explosion to "the detonation of ammunition, since a large amphibious ship is used to transport equipment, weapons and personnel".

Russia's defence ministry confirmed that the Novocherkassk had been damaged in a Ukrainian missile attack, according to state news agency Interfax. Warship strike & EU funding plan page 4 Jonathan Guthrie page 20



Banks axe 60,000 jobs as Wall St reels from deal drought and crunched fees

Global lenders feel pain
 Half of losses in US
 Post-Covid hiring reversed
 UBS drives Europe cuts

OWEN WALKER

EUROPEAN BANKING CORRESPONDENT

Global banks axed more than 60,000 jobs in 2023, marking one of the heaviest years for cuts since the financial crisis and reversing much of the hiring after the Covid-19 pandemic.

Investment banks suffered a second consecutive year of plummeting fees as dealmaking and public listings dried up, leaving Wall Street trying to protect profit margins by reducing headcount.

Elsewhere, the takeover of Credit Suisse by UBS resulted in at least 13,000 fewer roles at the combined bank, with further cuts expected in the year ahead.

"There is no stability, no investment, no growth in most banks - and there are likely to be more job cuts," said Lee Thacker, owner of financial services

headhunting firm Silvermine Partners, adding: "There are some very nice gifts being sent to bosses at the moment."

Twenty of the world's biggest banks cut a total of at least 61,905 jobs in 2023, according to Financial Times calculations. That compares with more than 140,000 jobs slashed by the same lenders in the financial crisis of 2007-08.

The FT used company disclosures and its own reporting to compile the data and did not include smaller banks or

'If you run a division and your boss asks for savings, you cut or you get fired'

Lee Thacker, banking headhunter

minor staff cuts, meaning the overall total will be higher.

Previous years with extensive job losses, such as 2015 and 2019, were driven by large-scale cuts at European lenders struggling to cope with historic low interest rates.

But at least half of 2023's reductions came on Wall Street, where investment banking businesses struggled to cope with the speed of interest rate rises. In many instances, lenders were reversing their recruitment spree coming out of the pandemic, when pent-up demand for dealmaking sparked a talent war.

However, the biggest cuts by a single institution came at UBS as it began to digest its former rival. Credit Suisse had already planned to slash 9,000 roles but UBS was expected to cut further and

faster as it wound down much of its former competitor's accident-prone investment bank.

The second-biggest cutter was Wells Fargo, which this month revealed it had lowered its global headcount by 12,000 to 230,000. The bank said it had spent \$186mn on severance in the third quarter alone, with chief executive Charlie Scharf announcing it had set aside a further \$1bn, suggesting tens of thousands more jobs were at risk.

Other Wall Street lenders resumed redundancy programmes in 2023, having skipped them since the start of the pandemic. Citigroup cut 5,000 jobs, Morgan Stanley 4,800, Bank of America 4,000, Goldman Sachs 3,200 and JPMorgan Chase 1,000. Collectively, the big US banks cut at least 30,000 staff.

"The revenues aren't there, so this is partly a response to overexpansion. But there is also a simpler explanation: political cost-cutting," said Thacker. "If you run a division and your boss asks for savings, you cut or you get fired."

Data from Coalition Greenwich, a financial benchmarking group, showed the biggest banks cut staff by 4 per cent in the first half of the year alone, with more cuts coming in the second.

Yet the reductions were not as deep as the more significant falls in revenues, which Gaurav Arora, global head of competitor analytics at Coalition, said was due to banks being optimistic about a return to dealmaking in the new year.

"Some banks are hesitating because of the amount of dry powder sitting on the sidelines," he said.

Briefing

▶ Labour looks at asylum claims processing overseas The party is exploring ways to process applications abroad in a bid to bring down the number of small boats crossing the English Channel, as leader Sir Keir Starmer prepares for a general

election next year. - PAGE 2

▶ Israel conflict warning Defence minister Yoav Gallant has said the risk of regional strife is rising, warning that Israel is under attack from the West Bank, Gaza, Lebanon, Syria, Iraq, Yemen and Iran. - PAGE 6

▶ OakNorth hires Turner The digital lender backed by SoftBank has appointed as chair Lord Adair Turner, who led the City watchdog in the financial crisis, as it considers a listing in London, the US or both. - PAGE 10

▶ UK stuck in 5G slow lane Mobile users have the slowest average download speeds of any G7 country, despite ministers' emphasis on making the technology "the cornerstone" of the digital economy.- PAGE 2

► Sweden Nato bid advance Stockholm's application to join has been backed by a committee in the Turkish parliament, lifting one of the last hurdles to an entry bid the alliance sees as critical for Europe's security.- PAGE 5

► Blackstone targets Europe The commercial property owner has poured more into European real estate than any other region over the past year, as it sought bargains from market turmoil and distressed sellers.— PAGE 7

▶ UN warning for rich world Trade chief Rebeca Grynspan has accused rich countries of using the green transition as an excuse to boost their economies at the expense of developing nations, by exploiting old WTO rules.- PAGE 4

▶ Property reinsurers resist Reinsurance groups have held out against calls to lower prices or soften terms for extreme weather cover, signalling the affordability pressures that affect the global economy will persist. - PAGE 8



Egypt's ancient treasures get \$1.2bn modern home

A 20-year building project is nearing completion within sight of the Giza pyramids as a museum dedicated to ancient Egyptian civilisation prepares to open next year. Cairo hopes the \$1.2bn project can boost the country's crucial tourism industry and establish itself as a centre for global scholarship. The complex has 12 galleries but top billing goes to boy king Tutankhamun and his gilded shrines, jewellery, sandals and even linen underwear. Monumental launch ▶ PAGE 6

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First-time buyers fall to near-decade low as more rely on parents for help

JOSHUA OLIVER PROPERTY CORRESPONDENT

The number of first-time buyers climbing on to the housing ladder is on track to hit a 10-year low as higher mortgage rates make purchasers ever more reliant on the "Bank of Mum and Dad".

The number of mortgages obtained by first-time buyers is down nearly a quarter this year compared with 2022, according to data from trade body UK Finance. If the trend continues until December 31, as analysts expect, it would mark the fewest first-home purchases since 2013.

First-time buyers have suffered from the end of the government's Help to Buy scheme in March, as well as a sharp rise in mortgage costs from near 2 per cent on average in early 2022 to about 5 per cent today, forcing them to lean more on their families for financial help. "It's not just about the numbers who are buying. It's about who is buying and the social consequences of who is able to buy," said Lucian Cook, head of residential research at estate agency Savills.

The number of first-time buyers was higher than some analysts had expected, given the mortgage shock. "But that is very heavily reliant on the Bank of Mum and Dad," Cook added.

Demand from people seeking to join the housing ladder remains high, driven partly by record rent rises, but expensive mortgages mean fewer people can afford to do so.

It has become harder to buy on a single income. Couples buying together make up two-thirds of first-time buyers, up from half a decade ago, according to research company Capital Economics. Meanwhile, the percentage receiving financial help from parents had soared to about 60 per cent this year, up from 46 per cent in 2022, according to Savills.

Tim Bannister, director of property data at online property portal Rightmove, said many buyers were "looking at cheaper locations, smaller homes or extending mortgage terms in order to still find a home that suits their budget".

On average, people leaving London to purchase their first home moved a record 25.5 miles outside the capital, committing to longer commutes and locations further afield for affordable homes, according to agency Hamptons.

Higher borrowing costs have put the brakes on the broader housing market. About 1mn homes will be sold by the end of 2023, according to research by property portal Zoopla, the lowest in a decade and well below the long-term average of 1.2mn.

World Markets

STOCK MARKETS				CURRENCIES						GOVERNMENT BONDS			
	Dec 26	Prev	%chg	Pair	Dec 26	Prev	Pair	Dec 26	Prev	Yield (%)	Dec 26	Prev	Chg
S&P 500	4770.08	4754.63	0.32	\$/€	1.103	1.101	€/\$	0.907	0.908	US 2 yr	4.36	4.33	0.03
Nasdaq Composite	15055.14	14992.97	0.41	\$/£	1.271	1.272	£/\$	0.787	0.786	US 10 yr	3.90	3.90	0.01
Dow Jones Ind	37500.93	37385.97	0.31	£/€	0.868	0.866	€/£	1.152	1.155	US 30 yr	4.05	4.05	0.00
FTSEurofirst 300	1883.08	1880.51	0.14	¥/\$	142.600	142.375	¥/€	157.237	156.790	UK 2 yr	4.02	4.02	0.00
Euro Stoxx 50	4521.47	4524.86	-0.07	¥/£	181.174	181.044	£ index	81.351	81.531	UK 10 yr	3.68	3.68	0.00
FTSE 100	7697.51	7694.73	0.04	SFr/€	0.943	0.942	SFr/£	1.087	1.088	UK 30 yr	4.06	4.06	0.00
FTSE All-Share	4213.05	4209.79	0.08	CDVDTO						JPN 2 yr	0.04	0.03	0.01
CAC 40	7568.82	7571.40	-0.03	CRYPTO		Dos	26	Drovi	0/ oba	JPN 10 yr	0.63	0.61	0.02
Xetra Dax	16706.18	16687.42	0.11	Ditagin (\$)		Dec		Prev 500.67	%chg -3.08	JPN 30 yr	1.60	1.58	0.02
Nikkei	33305.85	33254.03	0.16	Bitcoin (\$)	-	42247.		589.67 271.37	-2.18	GER 2 yr	2.44	2.44	0.00
Hang Seng	16340.41	16621.13	-1.69	Ethereum		2221.	.94 Z	2/1.3/	-2.10	GER 10 yr	1.96	1.96	0.00
MSCI World \$	3152.49	3152.26	0.01	COMMOD	ITIES					GER 30 yr	2.18	2.18	0.00
MSCI EM \$	993.25	992.28	0.10			Dec	26	Prev	%chg				
MSCI ACWI \$	721.30	721.17	0.02	Oil WTI \$		76.	.00	73.56	3.32				
FT Wilshire 2500	6181.82	6168.70	0.21	Oil Brent \$	3	81.	.59	79.07	3.19			Prices are latest	t for edition
FT Wilshire 5000	48171.80	48063.90	0.22	Gold \$		2041.	.70 2	035.55	0.30	-	D	ata provided by N	



NATIONAL

Immigration

Labour plans offshore asylum process

Starmer seizes on 'small boats' issue with eye on prospect of early poll

JIM PICKARD

Labour is exploring ways to process asylum seekers' claims abroad in a bid to bring down the number of small boats crossing the English Channel, as the main opposition party prepares for a 2024 general election.

Sir Keir Starmer has ruled out keeping Rishi Sunak's plan to send asylum seekers who arrive in the UK to Rwanda if he wins power. The prime minister this month introduced emergency legis-

AI fridges cut

readmissions

Patient monitoring

to hospital

LAURA HUGHES

in the health service.

easier for us to do that."

population ages.

said.

in NHS pilot

A pilot scheme using artificial intelli-

gence in kettles and fridges to monitor

discharged hospital patients in Eng-

land has reduced unplanned readmis-

sions by 77 per cent, its creators have

The Onward Care scheme, developed in

partnership with Buckinghamshire

Healthcare NHS Trust in south-east

England, is the first of its kind to be used

"AI is here to work with us," said Jenny

Ricketts, deputy chief operating officer

for the trust. "Not to do the job for us.

People, especially the elderly, like

human contact. The AI just makes it

The system operates by linking AI

electronic sensors on kettles and fridges

to detect changes in drinking and eating

patterns. Variances are then flagged

with a member of the Onward Care pro-

Health leaders are increasingly seek-

ing to use artificial intelligence to reduce

the burden on the health system, with

the demand for care set to rise as the UK

ment and food services company

Sodexo, has been running for 12 months

in Buckinghamshire. Sodexo is in dis-

cussions about extending the scheme to

Adrian McCourt, managing director

of the Onward Care service, said the

pilot had supported about 140 people at

home for 12 weeks after they were dis-

He estimated that on average 40 per

cent of "frail" patients who may not

have fully recovered are readmitted to

hospital within six months of being dis-

charged. Under the pilot, he said, this

figure has been reduced by 77 per cent.

assistant is put in people's homes. Data

we get a notification which prompts us

to investigate," McCourt said. "We also

have sensors on fridges and kettles,

which we use to understand whether

hydration and nutrition is changing."

is fed into a central dashboard.

A box similar to Amazon's Alexa voice

"If a patient's behaviour is changing

other trusts around the country.

charged from hospital.

The pilot, co-led by facilities manage-

gramme who can arrange help.

lation to set his flagship migration policy in motion after the Supreme Court ruled it unlawful.

But the Labour leader is looking at other methods of deterring people from entering Britain via irregular means, say party aides, such as processing their asylum claims offshore.

The discussions inside Labour, which holds a roughly 20-point polling lead over the Conservatives, come as shadow ministers finalise their policy proposals for the manifesto in case Sunak calls an election in May.

Morgan McSweeney, Labour's director of campaigns, told Starmer's shadow cabinet this month they needed to complete their policy work by February 8 in case of a snap vote. Most political commentators expect Sunak to call the election for the autumn of 2024, given his party's poor polling ratings.

But on a trip to Estonia last week, Starmer said he wanted Labour to be ready for the possibility of a surprise election earlier in the year. "I've had my whole team on a general election footing for some time now," he said.

Most of Labour's manifesto has been drawn up through its national policymaking body. More than 100 policies have been approved, including a £28bn a year "green prosperity plan", various employment reforms and the abolition of the House of Lords.

However, Starmer's team is expected

to hold back a handful of surprise policies for the final manifesto document.

Finding credible ways to address irregular migration is seen by Starmer as part of an attempt to win back former supporters who switched to the Tories in 2019, when Labour suffered its worst defeat in living memory.

According to official data, 29,090 people had made the Channel crossing as of December 14 2023 — a figure that represents a political challenge despite having dropped from the previous year.

Sunak in January pledged he would "stop the boats", and this month he vowed to work with Giorgia Meloni, Italy's prime minister, to review international rules on asylum. With its strong polling lead, Labour wants to address the issue without falling foul of international law or public opinion. Starmer has said he will look at "any scheme that might work" so long as it did not run into the legal barriers that have halted the Rwanda scheme.

One senior Labour figure denied a report in The Times the party was "drawing up legally watertight alternatives" to Rwanda, saying talks were still in their early stages. "There's not a policy that's ready to go," he said.

One policy Labour is expected to embrace is "upstreaming", where people could apply for asylum before arriving in the UK, which is how the Ukraine refugee scheme works.

5G networks

Mobile users suffer worst download speeds in G7

YASEMIN CRAGGS MERSINOGLU

Mobile users in Britain endured the slowest average 5G download speeds of any G7 country in 2023, according to data, despite ministers' emphasis on the benefits of the technology to economic growth.

UK mobile users had an average 5G download speed of 118.2 megabits per second between August 1 and October 29 2023, down 13 per cent from 136.5 mbps in the same period in 2022, according to a study by research company Opensignal shared with the Financial Times.

That was significantly slower than in France, where mobile users tracked by Opensignal had the fastest average 5G download speed of 221.1 mbps, and left Britain as the worst-performing member of the group of advanced economies. In 2022, the UK was the joint third best-performing country.

The UK has lagged behind other nations on high-speed fifth-generation mobile phone networks in part due to disruption caused by the government's ban on kit from Huawei, the Chinese telecoms equipment maker, amid national security concerns.

The UK was second to last on average 5G upload speeds, unchanged from 2022, with mobile users tracked by Opensignal experiencing 14.6 mbps between August and October 2023. Only Japan was behind at 12.5 mbps.

The UK government said in April that it had met its goal to deliver a basic 5G signal for the majority of the population by 2027.

At the same time, it set a new target for coverage of standalone 5G — which it said would enable applications such as remote healthcare and self-driving cars — to all populated areas by 2030.

Technology secretary Michelle Donelan said 5G would be "the cornerstone" of the UK's digital economy and that widespread adoption of the technology could result in £159bn in productivity benefits by 2035.

Dean Bubley, director at advisory firm Disruptive Analysis, said 5G had been rolled out "fairly slowly" in the UK.

In addition to the Huawei ban and planning permission rules for towers that enable the high-speed technology, he said there had been "no real pull for the average user to deliberately seek it out".

Among the users it tracked, Opensignal also reported a decline in average 5G download speeds in 11 out of 12 UK regions between August 1 and October 29 2023, compared with the same period in 2022.

Speeds in Northern Ireland fell 28 per cent year on year, the largest decline in percentage terms, while the biggest drop in absolute terms of 35.3 mbps was registered in the East Midlands. London experienced no significant change.

Sam Fenwick, principal analyst at Opensignal, said one of the main factors behind the declines was the extra traffic on the UK's 5G networks, which had created "some congestion during the busiest times of day".

The government said it had taken steps to make it "easier and cheaper" for operators to deploy 5G "whilst protecting our telecoms networks". These included updating planning rules and introducing measures that supported upgrades of sites to 5G, it said.

Extra time First black ref for Premier League game since 2008



Sam Allison, left, became the first black referee to take charge of a Premier League match for 15 years yesterday when he officiated at Bramall Lane, where Sheffield United lost 2-3 to visitors Luton Town. The league's first black referee was Uriah Rennie, who oversaw his final top-flight game in 2008 — Mike Egerton/PA

HM Revenue & Customs

VAT checks on businesses and wealthy stepped up

EMMA AGYEMANG

The tax authority increased its scrutiny of value added tax avoidance in 2022-23, opening 23 per cent more cases than the previous year, new data has shown.

HM Revenue & Customs opened 109,413 VAT cases in the 12 months to March 31 2023, compared with 88,673 in the year before, a freedom of information request has revealed.

Tax experts said the increased scrutiny was part of the department's efforts to maximise tax revenues.

"VAT is a very complex tax to get right," said Ray Grove, head of corporate tax and trade at Thomson Reuters, a content and technology company.

"This complexity can open the door for mistakes to be made, which is why HMRC . . . and so many other tax authorities are investing so much of their compliance work into this area."

Interventions undertaken by the tax office included making inquiries into the financial affairs of both individuals and businesses, as well as visiting their premises.

HMRC's enforcement work on VAT is done through three different teams, known as directorates, which focus on large businesses; midsized businesses and wealthy individuals; and small businesses and other individuals.

The FOI response showed that in the past year HMRC focused primarily on wealthy individuals and midsized businesses, with the number of interventions targeting this group increasing by 60 per cent from 3,253 cases in 2021-22 to 5,203 in 2022-23.

The shift in resourcing showed HMRC was "increasingly focusing on those tax-

payers that are most likely to be responsible for collecting large values of VAT, and thus are prone to high-value VAT accounting errors", said Phil Munn, a VAT partner at RSM UK, an accountancy firm.

He added that there had been a big increase in the number of physical visits made by HMRC to his clients in the past year. While he acknowledged these may partly have been due to the tax authority "catching up" on in-person visits in the wake of the pandemic, it was also a sign that it wanted to ensure the correct

amount of tax was being paid.

"They're very concerned about errors and avoidance and evasion," Munn added. "Making tax digital and Brexit created significant changes in the VAT system and they haven't really had an opportunity to test the effect that has had on the taxpayer community."

between the amount of tax that HMRC estimates it should collect and what is actually paid — was estimated by the agency to be £7.6bn in the 2021-22 tax year.

HMRC said in the FOI response that

The VAT "tax gap" — the difference

the VAT gap had been on a downward trend, dropping from 14 per cent in 2005-06 to 5.4 per cent in 2021-22.

"We have introduced legislation and enhanced requirements for online reporting and registration which are helping to reduce error, avoidance and evasion," it added.

"We continue to work with customers, agents, trade and representative bodies to provide tax education and guidance, resulting in preventive measures which ensure tax is correctly accounted for without the need for further intervention."

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Online shopping

Royal Mail to take on rivals with introduction of parcel lockers

OLIVER TELLING

Royal Mail is planning to introduce parcel lockers that will allow people to collect their own online shopping orders in a drive to modernise and keep up with rivals such as Amazon.

The former state-owned group was "actively working" on installing lockers that will store parcels until collection by customers, copying a service offered by the US ecommerce company and other competitors, said Nick Landon, chief commercial officer.

The proposals are the latest attempt by the 507-year-old postal service to meet the growing demand for 24-hour online shopping deliveries.

Royal Mail remains the UK's largest delivery group but has lost market share as postal workers resisted plans to change working practices and the company struggled to adapt to the changing market.

The lockers, which will enable consumers to collect online purchases at their own convenience rather than have to wait at home for a delivery, could also reduce the group's dependence on postal workers as it continues to face

criticism for high vacancies and low staff morale.

The rise of ecommerce globally has led to an increase in parcel lockers, which have enabled other couriers to cut labour costs.

Landon said in an interview that both consumers and shippers were "becoming increasingly reliant" on parcel lockers, and that Royal Mail needed to ensure it was "addressing all of the market". "It won't be long" until they were developed, he added.

InPost, the Polish group that had

installed more than 4,800 parcel locker units across the UK as of last year, reported a nine-fold increase in global revenues to \$1.8bn in the four years to 2022, in a sign of growing competition in the delivery sector.

Alex Irving, logistics industry analyst at Bernstein, said InPost, which unlike Royal Mail is profitable, was opening new locations "all the time". He added that this was a "cheaper way of doing things" than hiring postal workers to deliver packages.

Royal Mail's leading market position

Unlocking profits: Royal Mail believes that parcel lockers of the kind operated by its GLS sister company will be key to growth Valery Kloubert/FT

has weakened further after postal employees walked out for 18 days last year, prompting retailers to send more parcels through rival couriers. The company's share of UK parcel volumes dropped from 34 per cent to 25 per cent between 2020 and 2022, according to mail services group Pitney Bowes.

In exchange for a higher pay deal, Royal Mail in April agreed changes to delivery start times and Sunday working with the postal workers' union. But the group continues to struggle with vacancies and low service levels.

In December, Ofcom, the industry regulator, said it was "concerned that Royal Mail's performance has not shown any signs of improvement and . . . it has been unable to provide us with a timeline for when its performance will improve".

Landon said the company was focusing on reaching a "position where we are profitable" and a "position where we are growing and winning back market share on the back of great service".

This would be "first demonstrated with what we deliver this Christmas and then really focused service enhancements going into next year", he added.

NATIONAL

Craft ale boom proves a path to salvation for monastery

Britain's only Trappist ale wins fans and provides work suited to the order's ideals

EUAN HEALY — LEICESTERSHIRE

Shortly after noon every day, the monks of Mount St Bernard, nestled in a shallow valley in rural Leicestershire, pause their brewing and bottling and head to the abbey for midday prayer.

When Father Joseph Delargy arrived 37 years ago, the monastery near the town of Coalville supported itself with an in-house dairy farm. Today, as abbot, he oversees the production of Britain's only Trappist ale: Tynt Meadow, a strong, multi-award-winning beer that flies off the shelves in their warehouse every Christmas.

"You can't rush it. It happens in its own time, it happens in God's time," said Delargy, 62, adding that the slow and silent work of making the tipple made it a fitting addition to the contemplative nature of monastic life.

Since it was launched in 2017, demand for Tynt Meadow has surged. With orders coming in from as far afield as Mexico, the brewery has hired its first few specialist staff and marginally increased its yield for the craft ale, now close to 105,000 litres a year.

While Trappist beer is well established in mainland Europe - where there are 13 breweries, all tied to monasteries of the Catholic religious order -Mount St Bernard is the sole UK-based producer.

Nevertheless, it is fast gaining ground on overseas counterparts. Thanks in part to the wider craft ale boom, exports to the Netherlands and Belgium, which is home to six of the 13 breweries, now account for more than half of sales.

Tynt Meadow, named after the plot of land on which the monastery was founded in 1835, has an alcohol percentage by volume of 7.4 per cent. Brewed where monks once washed their clothes, cooked their meals and ate, the dark drink made from English ingredients tastes heavily of peat and chocolate, and retails from £3.30 per 330ml bottle.

"[Mainland Europeans] are the experts but they want our beer," said Delargy. "I hope somehow that when people are drinking that they're taking some of the spirit of the monastery with them."

Mount St Bernard's brewing operation is in some ways a return to its roots. After modern farming methods and fierce milk pricing left the dairy farm unviable and their home near closure, the monks turned to booze to achieve financial stability, taking inspiration from their predecessors who made beer in the 19th century.

The monastery is now back on a firm financial footing, but both Delargy and brewery manager Peter Grady stressed that profits were used only to pay for its upkeep. Any surplus goes to charities in the local community.

"This is a monastery with a brewery. They [the monks] don't want it to be a



Joseph Delargy, abbot and brewery director at Mount St Bernard. Below, the bottling line for Tynt Meadow ale Andrew Fox/FT

Cheers: Father



brewery with a monastery," said Grady. But "without the brewery . . . they would just run their reserves down".

Grady, who came on board during the pandemic to help the monks balance their religious duties with the growing business, added that although more alcohol could be produced and the price of Tynt Meadow raised significantly, the monastery had an obligation to ensure its products were affordable.

Like many other businesses over the past two years, Mount St Bernard has been hit by rising costs and tighter margins because of the surge in inflation. The commitment to fair prices has left Grady with little wriggle room.

"Our margins have got squeezed in the past few years because everything's gone up. The malt went up 42 per cent. I can't increase the price of the beer by 42 per cent," he said.

Although demand tends to slump in the summer, it peaks in the lead-up to

Christmas as consumers begin buying 'This is a presents for friends and family. The monastery brewery expects to sell 25-33 per cent of what it has produced over the past year with a in the six weeks to December 25. brewery. In a push to boost sales at other times of the year and draw new customers, They [the

monks]

it to be a

brewery

monastery'

with a

don't want

fruitier "blonde" Trappist beer with an ABV of 5 per cent. Ross Adams, head brewer, said that "7.4 per cent doesn't really suit British drinking culture". Grady, who ran a bar before losing his

Mount St Bernard will in Easter launch a

job when Covid struck, noted that while the stability of the brewery meant stability for Mount St Bernard, religious and business life did not always meet.

"They [the monks] say to me: 'There's nothing that can't wait until tomorrow," he said. "They're seeing it from the monastic point of view, not from a commercial point of view. There's no brewery without the monastery, and there's no monastery without the brewery."







INTERNATIONAL

Black Sea

Ukraine strikes Russian warship in Crimea

Kyiv says landing vessel laden with materiel destroyed by missiles

BEN HALL — EUROPE EDITOR

Ukraine's military says it has destroyed a large Russian landing ship at a port in Crimea, marking another significant blow to Russia's Black Sea fleet.

The Ukrainian air force said yesterday that it had struck the Novocherkassk in the port of Feodosia, located on the eastern side of the peninsula. The 112-metre Ropucha-class vessel was hit with cruise missiles at about 2.30am local time, it added.

Unverified social media footage reposted by Lieutenant General Mykola Oleschuk, commander of Ukraine's air force, showed a fireball over the naval facility. Yuriy Ignat, spokesman for the Ukrainian air force, attributed the large explosion to "the detonation of ammunition, since a large amphibious ship is used to transport equipment, weapons and personnel".

Russia's defence ministry confirmed that the Novocherkassk had been damaged in a Ukrainian guided-missile attack, according to state news agency Interfax.

Sergei Aksyonov, the Kremlin-appointed governor of Crimea which was annexed by Moscow in 2014, said one person had died and several buildings were damaged.

Ukraine's strikes against Russia's Black Sea fleet using British and French supplied Storm Shadow and Scalp

Despite Ukraine not having a significant navy, the campaign has forced Russia to redeploy ships

cruise missiles, which have a range in excess of 250km, and Ukrainian-made aerial and naval drones, have been a rare bright spot in a year of military disappointments for Kyiv.

Despite Ukraine not having a significant navy, the campaign has periodically forced Russian commanders to redeploy ships away from its main naval base at Sevastopol out of missile range.

Together with better coastal and air defence capabilities, the strategy has enabled Ukraine to break Russia's blockade of commercial ships in the Black Sea by pushing the Russian navy away from the port of Odesa and the coast. This has, in effect, re-established a viable shipping route for Kyiv's exports, although it is not fully secure.

Other previous wins for Ukraine include a strike using several cruise missiles in September that penetrated Russia's air defences and destroyed the

headquarters of the Black Sea fleet in Sevastopol.

Kyiv claimed to have killed 34 Russian personnel, including top naval commanders, in the attack but Moscow denied there were any fatalities.

Also in September, Ukraine said it had destroyed a sophisticated Russian S-400 air defence system covering the whole of the peninsula and damaged a landing ship and submarine in separate strikes.

Ukraine scored its biggest naval success of the war in April last year when it sunk the Moskva, Russia's Black Sea fleet flagship, using a domestically developed Neptune anti-ship missile. Opinion Jonathan Guthrie page 14

Budget crisis

EU prepares €20bn Kyiv funding plan to swerve Hungary veto

PAOLA TAMMA AND HENRY FOY BRUSSELS

The EU is preparing a back-up plan to funnel as much as €20bn to Ukraine using a debt structure that sidesteps the objections of Hungary's Viktor Orbán about funding the country.

After EU leaders failed to agree a €50bn four-year package for Ukraine this month, officials have been looking for alternatives to save Kyiv from a looming budget crisis given the likelihood that EU differences will not be resolved.

Officials involved in talks said a model funded by debt had gained traction as the most practical way to provide support if Orbán refused to drop his veto at a summit planned for February 1.

This scheme would involve participating member states issuing guarantees to the EU budget, enabling the European Commission to borrow up to €20bn on capital markets for Kyiv next year, people briefed on the discussions said.

The precise terms were still under discussion and the final amount would be set according to Ukraine's needs, the people added.

The arrangement echoes the structure used in 2020 when Brussels provided up to €100bn in cheap financing to EU countries for work support schemes during the Covid pandemic.

Crucially, the option would not require guarantees from all 27 members, provided states with top credit ratings were involved. That would allow the EU to sidestep Hungary's veto.

Some countries, including Germany and the Netherlands, would need parliamentary approval for their guarantees, a process officials hope could be completed in time to provide aid by March.

One of the people said there was no "technical problem" with finding ways to provide budget finance to Kyiv but that politically "it is more complicated".

If EU leaders agree on this plan on February 1, it would provide reassurance to the IMF to release its next tranche of funding for Ukraine of about \$900mn, the people said.

That should provide sufficient funds for Kyiv to avoid having to print money to sustain its deficit, which would risk inflation spiralling, the people said.

One downside of this scheme is that it would be limited to loans and could not

include grants. Member states could still decide to

provide grants bilaterally, the people said. Another option under consideration

involves rolling over the funding structure used this year, under which the EU provided €18bn in cheap loans to Ukraine. This option would require a weighted majority of countries to agree.

Officials stress that their preferred option is to approve the unaltered aid package proposed in June but blocked by Hungary. That top-up to the EU budget covers a four-year timeline and includes €4bn for other priorities, including defence investments and migration.

The EU has promised Ukraine it will provide funding by March at the latest, according to officials briefed on a call between G7 finance ministers last week.

The commission declined to comment.

Balkans. Protests

Serbia opposition vows to resist 'stolen' election

Activists warn of Russian influence after poll they say was marred by fake voters

MARTON DUNAI — BUDAPEST CAMILLA BELL-DAVIES — BELGRADE

Serbia's opposition has vowed to keep up the protests aimed at overturning the results of this month's election they said had been stolen by the ruling party of President Aleksandar Vučić.

Police in Serbia have in recent days arrested at least 38 people, including those detained when a large protest near Belgrade city hall on Christmas Day turned violent. Further demonstrations were planned for yesterday and the rest of the week, and several opposition MPs have also staged a hunger strike after locking themselves inside the electoral commission building.

Elections this month for the Serbian parliament and several municipalities, including in the capital, ended with a resounding victory for Vučić's Progressive party.

The opposition and international monitors said the vote was "stolen" by the ruling party, and have issued warnings about government violence and Russian influence over the country's politics.

"We have a major crisis here," Borko Stefanović, an opposition MP and former deputy speaker of parliament, told the Financial Times. "Protests will continue every day . . . Vučić and his regime are going back to their old radical, violent, pro-Russian ways. This should worry everyone."

Vučić said the protests were a foreignbacked attempt to overthrow his government. Aleksandr Botsan-Kharchenko, Russia's ambassador to Belgrade, told Russian media after meeting Vučić that the president had "irrefutable evidence" that the west was encouraging the demonstrations. Dmitry Peskov, Kremlin spokesman, said there had been "processes and attempts by third forces, including from abroad, to provoke such unrest in Belgrade".

Opposition activists said the Belgrade protest had been peaceful until hooligans appeared and began throwing rocks and other objects, which prompted riot police to react and begin arresting people. Stefanović said this sequence of events appeared to have been orchestrated.



Serbs gather at Belgrade's police HQ to denounce the Christmas Day arrests of dozens of people protesting against the election that returned Aleksandar Vučić to power Zorana Jevtic/Reuters

The opposition has accused the Vučić government of intimidation and election fraud, and said it had bussed in fake voters to artificially boost support for the ruling party.

EU flags have been waved at the protests alongside placards referring to the Otpor movement that in 2000 brought down Slobodan Milošević, the Yugoslav leader who died in 2006 while on trial for alleged war crimes.

Many demonstrators see parallels between Vučić and Milošević. Vučić began his political career as propaganda minister under Milosevic during the Balkan wars of the 1990s - and are seeking to invoke the spirit of the movement that removed him to galvanise people in smaller towns outside Bel-

grade. "I'm fighting for democracy in this country, that's our main reason to be here," said Milos, 28, an advertising professional who joined the Belgrade protest. "My voice was not heard at the election because there was a lot of manipulation and those were not honest elections. We're all hoping that our presence

here can push in the right direction to hold those elections again in a fair climate."

He added: "I love this country, I love this city, so I'll keep fighting for democracy until the last breath."

Ana Brnabić, the outgoing prime minister, has thanked the Russian secret service for information it provided before election day on the opposition's plans to protest against an election loss. "This probably won't be very popular with those from the west but . . . I feel it's very important to stand up for Serbia and thank the Russian security services that had this information and shared it with us," Brnabić said on Serbian televi-

This recent closeness to the Kremlin is in contrast to the preceding months and the apparent westward pivot by Belgrade. The Balkan country is a candidate for EU membership and has pledged to work with the west on key issues such as the status of neighbouring Kosovo.

While most western governments remained silent during the Christmas

'Vučić and his regime are going back to their old radical, violent, pro-Russia ways. This should

worry

everyone'

holidays, an exception was the US, whose ambassador Christopher Hill warned protesters to respect the result of the elections. "Serbia's leaders and its citizens

should remember: the legitimacy of democratic processes depends on transparency and on the readiness of all parties, winning or losing, to respect the will of the people as expressed at the ballot box," Hill wrote on the social media platform X. "Violence and vandalism against state institutions have no place in a democratic society."

The comments were criticised by prowestern opposition activists, who complained that it appeared Vučić was being backed both from Moscow and Washington.

"This clear support from both sides means Vučić is just trading deals," said Savo Manojlović, leader of the Kreni-Promeni protest movement. "With Russia it's about sanctions, and with the west it's about Kosovo. The sad truth is, in a sensitive geopolitical time every major power prefers a corrupt leader that they can do deals with."

FINANCIAL



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Rich world accused of using green policies to hold back poor

ANDY BOUNDS AND JAVIER ESPINOZA BRUSSELS

Rich countries are using the green transition as an excuse to boost their own economies at the expense of developing ones, exploiting outdated World Trade Organization rules, according to the UN's trade chief.

"Many trade rules forbid policies that can be used by developing countries. And the developed countries have more fiscal space to subsidise in the areas that are good for 'quote, unquote', the environment," Rebeca Grynspan, secretarygeneral of United Nations Conference on Trade and Development, told the Financial Times in an interview.

She said the international trading system, which had allowed states such as South Korea and her native Costa Rica to progress, was no longer working for the poorest.

"Trade and investment have been the two pillars for developing countries to really go on to a path of dynamic growth. And now it will be as important for dynamic, sustainable growth," she said. But they now face two big problems,

locked out of markets by the fast pace of

technological change and new barriers in rich countries.

"The least digitally prepared countries are falling farther behind in digital," said Grynspan.

"The other problem is that industrial policy is back, but especially in the most developed countries. And so that could affect developing countries' ability to compete." The US has enacted the landmark

Inflation Reduction Act with \$369bn of subsidies and tax breaks for domestically produced goods such as electric vehicles. The EU has responded in kind with increased subsidies and policies to stimulate production of silicon chips, critical minerals and green technology.

"Developing countries see a lot of these policies as protectionist. They don't have the fiscal space to go the path of subsidies, so they have to go the path of restrictions to trade or even duties or taxes," she said.

Grynspan attacked the EU for taking Indonesia to the WTO over its restrictions on nickel exports and requirement

to process the ore locally. She said the Jakarta government

wanted to move up the value chain by making products from the nickel.

"They don't want it to be exported in the raw form, but with value added. So they were taken to arbitration in the WTO. They lost in the first instance precisely because global trade rules have not been adjusted," she said.

She said that the Agreement on Trade-Related Investment Measures should be reformed.

Jakarta has appealed but because the US has blocked the formation of a WTO appellate body, the case has stalled.

The EU is considering taking enforce-



Rebeca Grynspan: believes poorer states are victims of digital divide

ment actions such as tariffs on Indonesian goods. It makes for a "chaotic system" where richer, bigger countries have more power.

Grynspan also attacked the EU's new green rules banning imports from deforested land as too punitive. "If you only punish the population and don't help them have a sustainable income from a sustainable forest . . . what is the way forward?"

Brussels's tax on imports of steel, cement and other carbon-intensive products, the carbon border adjustment mechanism, was also iniquitous because it was based on developing countries paying the same carbon price as EU ones, she said.

Under the Paris Agreement of 2015 to reduce greenhouse gas emissions, countries that had historically emitted more agreed to take on themselves a bigger burden of the costs than developing nations.

"The whole issue of common but differentiated responsibility has been marginalised," she said.

"Paris is not a restaurant menu that you can choose from. That was an integral part of the deal," Grynspan added.

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INTERNATIONAL

Argentines hit by prices surge following Milei 'shock therapy'

Devaluation damps festive mood even among consumers used to rising costs

CIARA NUGENT — BUENOS AIRES

In the lead-up to Christmas, Rosa Álvarez would expect the Buenos Aires delicatessen where she works to be flooded with orders for the staples of festive celebrations in Argentina from charcuterie boards to cow tongue and beef roulade.

But with prices rising at their fastest rate since the 1990 hyperinflation crisis, they have had no requests. "I get it, because in my house too I've held back on food," said Álvarez, 39, noting that the price of products such as sliced ham had more than doubled in two months.

"I have to pay for petrol, electricity and diapers first, which are also going up... Christmas is going to be more austere this year."

Argentines have grappled with rapid price rises all year, with annual inflation topping 160 per cent last month, largely due to expansive money printing under the recently departed left-leaning Peronist government.

That was before Javier Milei, the libertarian president, launched his "shock

'You don't know the real value of anything because merchants are raising their prices so constantly'

therapy" economic plan, starting with a 54 per cent devaluation of the peso's official exchange rate to 800 per dollar.

The move has unleashed even greater price rises in December. Ecolatina, an economics consultancy, has projected that month-on-month inflation will be around 25 per cent — from 12.8 per cent in November — which would take the annual rate to 210.3 per cent.

"Several days this week we have had to update prices twice a day because our suppliers keep sending us new price lists," Álvarez said. "This is Argentina, so I'm used to inflation, but I've never experienced anything like this."

Prices of staples such as rice, bread, pasta and milk rose up to 50 per cent in a week after the devaluation, according to a survey by newspaper Infobae.

Part of what is driving the rapid increases, analysts say, is Milei's push to readjust distorted relative prices. Under previous governments, subsidies, price controls and economic restrictions restrained the prices of key domestically produced goods such as oil and beef, as well as services such as public transport, healthcare and the internet, keeping increases well below inflation.

Petrol prices have risen almost 80 per cent since the start of December due to the devaluation and expiry of price-fixing agreements, reaching 620 pesos the equivalent of 66 cents at the black market exchange rate for dollars, which is closely watched because few can access the official rate to convert pesos.

Beef, the centrepiece of many Christmas dishes and New Year's Eve barbecues, has risen 40 per cent to roughly 6,000 pesos per kilo (\$6.40) in Buenos Aires' butchers. However, Milei's government last week struck a deal with big supermarket chains to fix the price at 4,900 pesos per kilo until December 31.

Most salaries have not been keeping pace with the increases, experts say. The average for registered workers stood at 420,700 pesos in October, a figure that does not reflect the roughly half of workers in the informal economy, who tend to earn far less. Argentina's minimum wage for regulated workers in December is 156,000 pesos.

"I keep working the same amount but I have less and less money," said Gustavo Gómez, 61, electrical goods vendor, who said his family would have to sacrifice some dishes, including *Vitel Toné*, an Argentine favourite that he makes with beef tongue topped with a tuna sauce.

"We're at a point where you don't know the real value of anything, because merchants are raising their prices so constantly."

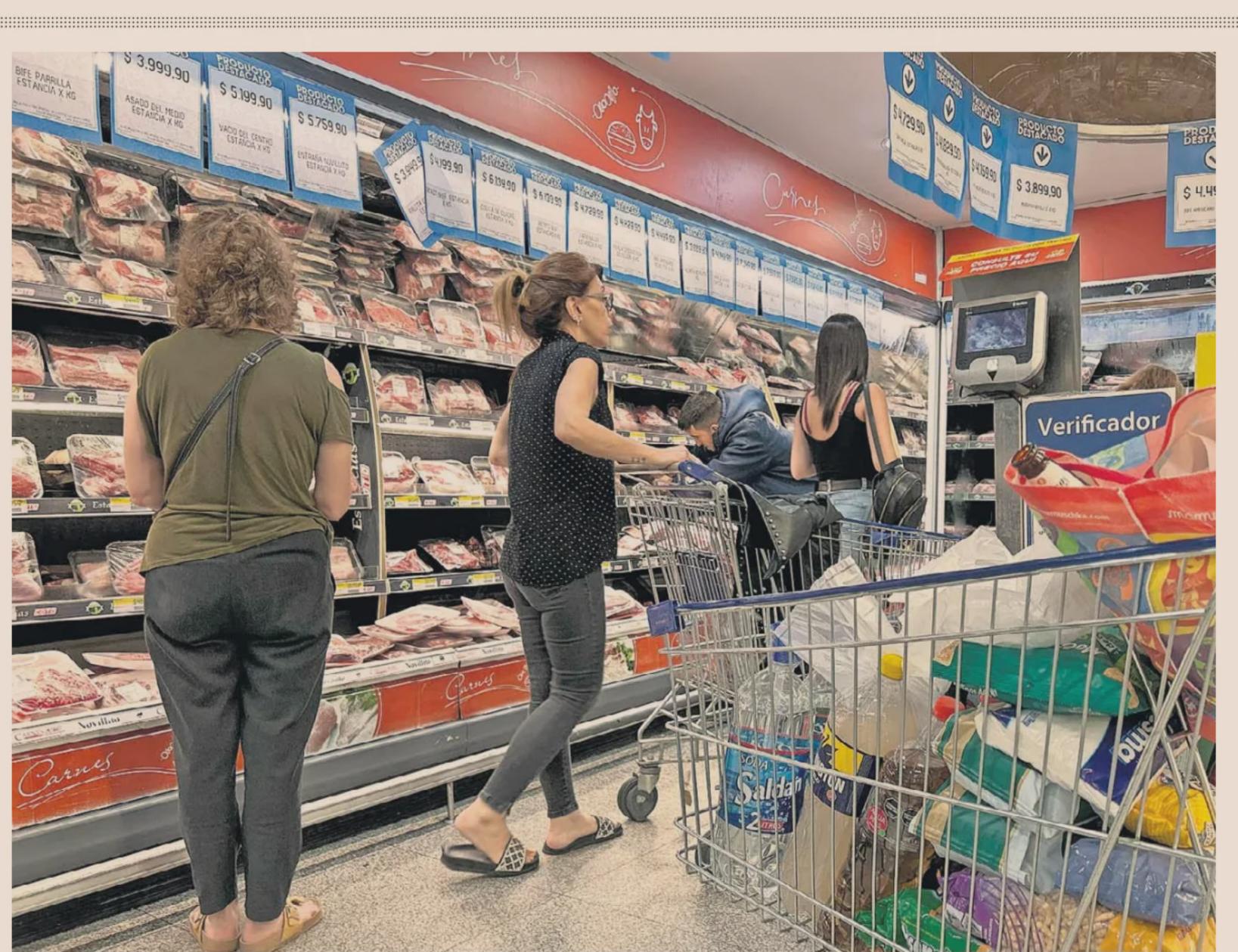
Analysts warn there is a risk of an even faster inflationary spiral in the coming months if wages rise to match price adjustments. But Santiago Manoukian, head of research at Ecolatina, said an impending recession was likely to prevent that. "We're anticipating a drop in demand for consumption because families will be forced to prioritise paying fixed costs such as energy bills, which will put a brake on [retail] price rises," he said.

Household consumption fell 6.9 per cent in November compared with October on seasonally adjusted terms, according to a report from Argentina's Chamber of Commerce and Services.

JPMorgan Chase has predicted a rapid drop in economic activity, including a 3 per cent contraction in 2024. Inflation was likely to remain high for the first half of the year, said Lucila Barbeito, an analyst. "Assuming that [the government's] stabilisation programme proves successful, we project that we should see a single-digit monthly inflation rate in the second half of the year," she said.

Four in 10 Argentines are already living in poverty, and campaign groups have warned that figure will rise as inflation leaves more people unable to afford basic goods.

Eduardo Alejandro Solimo, 57, a butcher who has raised his prices by roughly 50 per cent this month, warned a painful year for Argentines was inevitable. "People need to withstand this period until wages and prices level out, because our prices weren't sustainable," he said. "We needed a change to improve things in the long run."



'[We expect] a drop in demand because families will be forced to prioritise paying fixed costs such as energy bills'

Unkind cut: a
supermarket in
Buenos Aires,
where Javier
Milei's 'shock
therapy' has
been reflected
by a sharp rise
in meat prices
Stringer/AFP/Getty Images



Military alliance

Sweden's application to Nato clears critical stage in Turkey

AYLA JEAN YACKLEY — ISTANBUL

A key committee in the Turkish parliament has approved Sweden's application to join Nato, removing one of the last hurdles to the long-stalled entry bid that the alliance has said is critical for Europe's security after Russia's full invasion of Ukraine.

The assent of the foreign affairs committee yesterday means only the agreement of Turkey's parliament is needed to ratify Stockholm's bid, although it was not clear when that vote would be held. Hungary has also withheld its approval of the bloc's expansion, linking its consent to Turkey's stance.

Sweden dropped its centuries-old policy of military non-alignment after Russia launched a war against Ukraine in February 2022, applying with neighbouring Finland to join Nato.

Turkey approved Finland's bid this year, and US president Joe Biden and European leaders have urged Turkey's president Recep Tayyip Erdoğan to admit Sweden, arguing that it would strengthen the bloc's defences.

But Erdoğan opposed the Nordic country's entry, demanding it first crack down on Kurdish and other political dissidents whom he views as "terrorists".

Sweden this year passed an antiterrorism law and a court jailed a man for funding the armed Kurdistan Workers' party, listed as a terrorist organisation by Turkey and the EU.

Fuat Oktay, head of the foreign relations committee and member of the ruling party, was quoted as telling lawmakers during the debate that Erdoğan's government was "pleased" with Stockholm's measures, though it expected more work to halt terrorism financing.

Erdoğan has also linked ratification to the sale of F-16 fighter jets from the US, saying this month that he expected Washington to "simultaneously" approve the sale of the warplanes in exchange for the green light on Sweden.

"There is progress on the F-16 issue. Our president confirmed with the US president in very clear terms that [Biden] will undertake efforts on the F-16s in Congress after Sweden becomes a member," Burak Akçapar, deputy foreign minister, told the parliamentary committee during the debate, according to the Anka news agency.

Biden and Erdoğan this month held a phone call to discuss Sweden's application to Nato and Turkey's desire to buy the 40 new F-16 jets and modernisation kits for its existing fleet.

INTERNATIONAL

Potential escalation

Israel warns of attacks on multiple fronts

Defence minister says war in seven arenas under way as tensions with Iran rise

NERI ZILBER — TEL AVIV RAYA JALABI — BEIRUT

Israel's defence minister has warned of a growing risk of a regional conflict in the Middle East as tensions rise with Iran.

Yoav Gallant yesterday told a parliamentary committee that Israel was being attacked in a "multi-arena war" from seven areas, which he identified as Gaza, the West Bank, Lebanon, Syria, Iraq, Yemen and Iran.

He said: "We have already responded

and acted in six of these arenas, and I say here in the most explicit way: anyone who acts against us is a potential target. There is no immunity for anyone."

Israel declared war on Hamas in Gaza following the surprise cross-border attack on October 7, and launched a military operation in the occupied West Bank against Hamas and other militant operatives.

Israel has exchanged daily fire with the Iran-backed Hizbollah militia in Lebanon across their shared frontier, with episodes intensifying.

A senior Iranian general based in Syria, Reza Mousavi, was killed in an air strike on Monday that Iranian officials attributed to Israel.

Tehran vowed that Israel would "pay" for his death.

It remained unclear whether Israel had actually targeted Iran, Yemen or Iraq directly.

Gallant's comments come after the US announced late on Christmas Day that it had struck three facilities used by the Iran-backed Kataib Hizbollah militia and others in Iraq.

That strike was ordered as retaliation for a drone attack earlier in the day on a military base hosting US troops in Erbil, northern Iraq, that critically injured one US service member. Iraqi officials said that the US strikes had killed one militant and injured 18 others.

The US secretary of defence, Lloyd

Austin, said he and Joe Biden would "not hesitate to take necessary action to defend the United States, our troops, and our interests". There are 2,500 US troops in Iraq.

"While we do not seek to escalate conflict in the region, we are committed and fully prepared to take further necessary measures to protect our people and our facilities," Austin said.

Also yesterday, Egyptian authorities confirmed that a drone, likely to have been launched from Yemen by Iranbacked Houthi rebels, had been intercepted over the Red Sea town of Dahab.

The Houthis have launched ballistic missiles and drones at Israel since the start of the hostilities in Gaza, some of which have been intercepted by Israel's regional allies and the US military.

The Houthis in recent weeks have also escalated attacks against shipping in the Red Sea, forcing vessels to divert around the Horn of Africa. The US last week announced the formation of an international naval task force to protect shipping through Red Sea chokepoints.

Amid mounting Israeli military losses and growing international condemnation of the humanitarian crisis in Gaza, Israeli officials in recent days have emphasised that the war against Hamas will take time.

Gallant, in his remarks to the parliamentary committee yesterday, said it would be a "long, hard war".

Bandit raids

Ethno-religious tensions

on central Nigerian villages leave 160 dead

AANU ADEOYE — LAGOS

At least 160 people have been killed by armed gangs of bandits in central Nigeria, according to local officials and human rights groups, the worst outbreak of violence this year in a region where ethno-religious tensions have simmered for decades.

The attacks, which began on Saturday and continued into Christmas Day, targeted 20 villages across the Bokkos and Barkin Ladi areas of Plateau state.

Monday Kassah, Bokkos acting local government chair, told reporters that 113 bodies had been recovered yesterday, with rescue operations still continuing. "The attacks were well co-ordinated. Not fewer than 20 different communities were attacked by the bandits," he said.

Dickson Chollom, a member of the state parliament, told the AFP news agency that "at least 50 people were killed" in attacks on four villages in nearby Barkin Ladi. The Nigeria office of Amnesty International, the human rights group, said the toll had risen to more than 140, "as more dead bodies of those who tried to escape the attacks are found by search teams".

No group has claimed responsibility for the attacks that also left more than 300 injured and forced villagers to flee their homes.

However, the region and other parts of central and northern Nigeria are plagued by roving armed groups, referred to locally as bandits, that pillage villages on motorcycles, rustle cattle and kidnap people, including schoolchildren, for profit. The bandits also have interests in illegal mining across the region.

Plateau, where Nigeria's predominantly Muslim north and the Christian south converge, an area known as the Middle Belt, has also been particularly vulnerable to decades-long intercommunal violence between different ethnic and religious groups.

There are also fights over dwindling resources such as water and land between itinerant herders and sedentary farmers.

Successive Nigerian governments have failed to stem the tide of violence.

The Christmas attack is the most serious since more than 100 people were killed by unknown assailants in communities across Plateau in May.

A total of 421 people had been killed in these attacks in the six months to October, according to a tally by a local

newspaper. The clashes feed into Nigeria's declining economic output and high food price inflation, as many farmers have been

driven away from their land. Amnesty said Nigerian authorities had failed in their duty to "end frequent deadly attacks on rural communities of Plateau state" and blamed President Bola Tinubu for his "empty" promises to enact lasting security measures to halt the violence.

"Nigerian authorities must impartially and effectively investigate these

"Tinubu must do more than merely condemning these horrific attacks. Suspected perpetrators must be promptly

A presidential spokesperson did not

Egypt. Ancient treasures

Cairo museum prepares for monumental launch

Millions of tourists expected to visit \$1.2bn GEM facility at end of 20-year building project

HEBA SALEH — CAIRO

Colossal statues of pharaohs on granite thrones adorn the great staircase at Cairo's new Grand Egyptian Museum, while a steel atrium soars above the building, engineered to draw in cooler air currents to ease the desert heat.

The vast complex, sited close to the pyramids plateau in Giza, is nearing completion and almost ready for its launch scheduled for next year - nearly 20 years after construction began.

Cairo has vaunted the GEM as the largest museum in the world devoted to a single civilisation and is counting on the \$1.2bn project to boost the country's crucial tourism industry.

Egyptologists and archeologists also hope that with its 100,000 pharaonic and predynastic artefacts, modern conservation laboratories and research facilities, the museum will serve as a centre for international scholarship.

"Like any good museum, the GEM will tell a story," said Ahmed Issa, minister of tourism and antiquities. "This will be about how 30 dynasties over a few thousand years created one of the earli-

est states in history." The museum complex features 12 galleries, covering the periods from prehistoric times to the end of the Roman era in Egypt. Pride of place will be given to treasures from the tomb of the boy king Tutankhamun, who lived 35 centuries ago. Displayed in two dedicated galleries, the 5,600 objects in the king's collection include gilded shrines, chariots, painted sarcophagi, jewellery, leather sandals and even his linen underwear.

The museum "will focus on kingship and the formation of a state, how society functioned and the values the ancient Egyptians developed to govern their lives, in preparation for judgment and the afterlife", said Issa.

Designed by Ireland's Heneghan Peng Architects, the GEM's diagonal lines, asymmetric masses and pyramid shapes evoke the aesthetic of the ancient civilisation it celebrates.

Visitors enter through pyramidshaped portals surrounded by hieroglyphic inscriptions with the names of the country's ancient rulers, and huge windows provide panoramic views of the Giza pyramids. An 11 metre-high



Royal ascent: colossal statues of pharaohs flank the museum's grand staircase, above and below - Fareed

Kotb/Anadolu via Getty

statue of King Ramses II, which once stood in a Cairo square, dominates the front of the atrium.

A series of tall, inverted pyramids that reach the ceiling flank the sides of the grand staircase and were one of the most challenging elements of the design, says Besix-Orascom Construction, the joint venture that built the museum.

"It was extremely difficult to build," said George Kyrillos, deputy project manager at the company. "There are 23 inverted pyramids, which are steel structures carrying the building . . .



each has three sides, and where it meets the next pyramid and the ceiling there can be up to 10 facets touching at the same point at a height of 33 metres. You can't have even the slightest deviation."

Issa's hope is that the museum, funded mainly by Japanese loans, will "reinvent Cairo as an exclusive destination", rather than a stopover on the way to the coast or the antiquities of Upper Egypt in places such as Luxor. A new airport has opened nearby, and transport links and hotels are being constructed.

"We hope to welcome up to 5mn visitors [to the GEM] in our first year and that the numbers will grow once people report back on their experience," he added.

Issa recently said Egypt was on track to reach its target of 15mn tourists by the end of the year, despite the instability created by the war in neighbouring Gaza. That would top the 14.7mn figure for 2010, the highest number on record.

Tourism is a crucial foreign currency earner in Egypt, which is struggling with an acute dollar shortage and a heavy debt load equivalent to almost 93 per cent of gross domestic product, according to the IMF. Tourism accounted for 12

per cent of GDP and employed a tenth of In a country with an overstretched budget and many antiquities to preserve, some worry about the cost of run-

Ahmed Issa, minister of tourism

'Like any

museum,

the GEM

will tell a

story'

good

the workforce just before the coronavirus pandemic, IMF figures show.

private partnership to create a sustainable income stream". The government has contracted Hassan Allam Holding, one of Egypt's biggest private construction companies, to operate the museum and run commercial facilities such as a conference centre, retail and dining areas to raise revenue. A board of trustees headed by the

tourism minister will oversee the

ning such a vast museum. Issa said the

answer was to devise "a model of public-

arrangement. Visitors have been allowed into the museum's atrium since February, however the galleries remain off limits. No firm launch date has been decided, but Moftah said it would be in 2024 when work in the surrounding streets was completed.

"It will be a huge event that the whole world will speak about," he said. "Kings, presidents and heads of state will attend."

attacks," Amnesty said.

brought to justice."

respond to requests for comment.

Political influence

Crypto players step up political donations as mood sours against industry in Washington

SCOTT CHIPOLINA — LONDON **ALEX ROGERS** — WASHINGTON

Crypto companies have increased donations to US politicians sharply as sentiment in Washington hardens against the digital assets market.

Companies including Coinbase, the Nasdaq-listed exchange, stablecoin operator Circle and a16z, the crypto investing arm of venture capitalists Andreessen Horowitz, are directing more funds towards electing pro-crypto legislators and influencing stalled bills in Congress ahead of the presidential election next year. They have been joined by venture capital and digital asset investors such as Ron Conway, Fred Wilson and the

Winklevoss twins. Last week, Coinbase, Circle and a16z were among companies to put \$78mn into Fairshake, a federal super political action committee that can take unlimited money from business and individuals to spend on elections, to be directed towards "pro-crypto leadership".

"We're going to do whatever it takes to depoliticise crypto," said Faryar Shirzad, chief policy officer at Coinbase.

"Our lobbying, our grassroots work and now Fairshake will create room for a public debate on the merits, instead of our industry being used as a political football for demagogues who don't understand the social benefits of the technology."

The super Pac marks a political step up for an industry that has collectively spent small amounts in previous years. Coinbase is projected to spend just \$4mn on lobbying this year, while Circle has spent just \$760,000 since 2021, according to public filings.

But the mood in Washington is increasingly being shaped by crypto critics, notably Elizabeth Warren, the Democratic senator. In October, she and about 100 lawmakers sent a letter to the White House and Treasury calling for a crackdown on illicit crypto activity following reports that digital assets had played a role in fundraising by militant groups in the Middle East.

"Digital assets are creating a national security risk," Warren told the Financial Times recently. "It's not about one bad actor, it's about an entire system that permits the transfer of value with no restrictions . . . The something in crypto that attracts these criminals is the fact that it's unregulated," she added. "In fact, some of the crypto actors aggressively advertise that they do not follow international money laundering rules, holding a giant sign up that says, 'launder your money here'."

Political swipes against crypto have risen in recent months after Sam Bankman-Fried, the former FTX chief executive and one of the biggest individual donors and crypto advocates, was convicted for fraud. Rival Binance admitted failing to protect against money laundering and sanctions evasion, further souring the mood against crypto on Capitol Hill.

Fairshake said its formation was in part a "reaction to key members of Congress's failure to pass a clear regulatory and legal framework" for crypto.

The fines and penalties handed to companies such as Binance this year



have been for violations of existing federal securities and money laundering laws. Potential crypto-specialist rules that have failed to make significant headway include ones that cover stablecoins, digital tokens that are akin to a dollar in digital markets and pegged to the US currency.

Highlighting the challenge the industry faces, crypto's recent scandals have even united typical adversaries, such as Warren and the banking industry.

Last December, Warren proposed a bill designed to bring the crypto industry up to speed with the anti-laundering obligations that govern the rest of the established financial world. "We appreciate Senator Warren's collaboration with the financial sector to combat illicit finance in all its forms," said Gregg Rozansky, senior associate general

counsel at the Bank Policy Institute. At a Senate hearing this month, Warren teed up a question about crypto to Jamie Dimon, chief executive of JPMorgan, who reiterated his distaste for the sector. "If I was the government, I'd

close it down," he said. "The fact he said it so bluntly on such a high-profile stage showed me there was no downside to it. He's not afraid of the crypto industry," said one crypto lobbyist in Washington DC.

The Fairshake super Pac is also on the hunt for new allies as another political cycle in Washington comes to an end. To date, Fairshake has spent a modest \$292,000, much of which has gone to Patrick McHenry, the former chair of the House financial services committee, but who will not be seeking re-election in 2024. As committee chair, McHenry had co-sponsored legislation on the oversight of the use of stablecoins.

But November's elections are beginning to loom large in calculations on fundraising. "If Democrats win the presidential election . . . then yes there will almost certainly be major challenges from a regulatory perspective in the upcoming years," said Orlando Cosme, founder and managing attorney at law firm OC Advisory.

"So I view the increased lobbying effort as more of an attempt to impact this election and make sure that procrypto candidates, from both sides of the aisles, are elected," he added.

Companies & Markets

Blackstone in property asset bargain hunt across Europe

- Focus shifts to region amid turmoil
- Owners under pressure to clear debt

JOSHUA OLIVER

Blackstone invested more in European real estate than in any other region in 2023, as the largest commercial property owner picked up bargains from market turmoil and distressed sellers.

Real estate dealmaking collapsed this

year as sharp rises in rates strained a sector heavily reliant on cheap debt.

Deal volumes were down by half in the third quarter, according to MSCI data.

Blackstone cut back its spending on

Blackstone cut back its spending on new property investments from about \$47bn in 2022 to about \$9bn in the first three quarters of 2023. Unusually, however, it allocated more than 55 per cent of its investments to European assets. The group normally invests most in the

Sector picks by the group 'are intersecting with distress and dislocation'

Kathleen McCarthy, Blackstone

US, and would typically allocate 20-30 per cent to European real estate.

The shift suggests that buying opportunities are appearing earlier in Europe as real estate investors navigate the downturn caused by higher rates.

Indebted owners, including public companies and private investors, feel pressure to sell assets to pay off debt, and some are facing debt maturities.

"In Europe, our sector picks are intersecting with distress and dislocation, explaining why we have been more active in Europe this year relative to other regions," said Kathleen McCarthy, global co-head of real estate at Blackstone.

McCarthy said the firm had \$40bn of dry powder — funds raised but not yet invested — and was targeting investment in parts of the market with "the strongest cash flow growth and favourable supply-demand fundamentals", including logistics warehouses, data centres and the "living" sector that includes flats and student accommodation.

Many European real estate owners loaded up on cheap debt when rates were low or negative. Of €640bn in European private real estate debt issued from 2019 to 2022, more than a quarter, €176bn, may be impossible to refinance when it comes due between 2024 and 2027 because of lower property values, tighter lending conditions and higher debt costs, according to real estate advisers CBRE.

This year the rise in debt costs has hit valuations hard and left many companies scraping to pay down debts, creating opportunities.

Fergus Hicks, real estate strategist at UBS asset management, said prices in Europe and the UK were correcting faster. "We expect the UK market to bottom out first, followed by the rest of Europe, while the lagged response in US valuations means that we expect these to bottom out last."

The crunch has created issues in parts of Blackstone's business. It has had to limit investor redemptions from its flagship Blackstone Real Estate Income Trust. But elsewhere, it has acquired property from funds under liquidity pressure, part of a run of more than 100 deals in Europe so far this year.

Among about €5bn of European deals, Blackstone in April reached a £700mn agreement to take Industrials Reit private, acquiring the UK-listed company's 7mn sq ft portfolio of industrial and warehouse space.

Many listed real estate firms have traded at heavy discounts to their net asset value this year, making it difficult for them to raise equity and more vulnerable to takeovers.

Seoul force Label behind BTS to give K-pop star system a US tryout in acquisition push



Hybe will debut girl group Katseye in the US next year in a test for the model abroad — Christopher Polk/Billboard/Getty Images

SONG JUNG-A — SEOUL

The Korean music label behind K-pop exponent BTS is trying to export its star "production system" to the US as it accelerates an acquisition push.

The company was on the hunt for labels to compete with industry participants including Universal Music Group and Sony, Hybe chief executive Jiwon Park said.

Hybe will debut a six-member girl group called Katseye in the US next year, the first test of the label's model overseas. K-pop has gone global after dominating the charts in South Korea for decades.

"K-pop is no longer performed by Korean singers only," said Park. "Rather, it is a genre of music produced with the Korean system." Hybe was "thinking hard over how to build fandoms" in the US.

Won14.3tn (\$11bn) to the economy over the past decade, according to the Hyundai Research Institute.

K-pop idols are known for their fan bases and the gruelling, years-long

training before their debut. Management companies spend years developing an act, picking final members for a group after training many potential candidates.

The US group "is an attempt to globalise and localise K-pop's methodology", said Park. "We hope Katseye will succeed in the US and prove that the K-pop's success formula of developing and training high-quality artists works regardless of regions and nationalities."

Hybe's new group comes after the company has made a series of US acquisitions. In 2021 it took over Ithaca Holdings, a label founded by Justin Bieber's manager Scooter Braun, for more than \$1bn.

Braun serves as chief executive of Hybe America and is working to expand its operations in the US, including orchestrating BTS member Jung Kook's solo project.

This year Hybe acquired Atlantabased hip-hop label Quality Control Music for Won273bn (\$211mn) and Latin music company Exile Content for an undisclosed price.

"We are trying to expand our port-

folio and create a system based on strong IPs like Universal Music, Warner Music and Sony to compete better on the global stage," said Park. "We can make additional acquisitions in the US and Japan. We are looking for good assets there."

Hybe this year failed to acquire SM Entertainment, the K-pop label behind boy band EXO and girl group Aespa. Hybe's chair Bang Si-hyuk had said there was a need to create a "national champion" to take on the US operators.

The label lost the acquisition battle

after the music affiliate of Kakao, operator of South Korea's dominant messaging app, launched a higher tender offer to buy a 35 per cent stake in SM for Won1.25tn.

Despite the failed attempt. Park

Despite the failed attempt, Park stressed that the company had managed to dispel investor worries about its dependence on BTS, currently on hiatus, by creating other popular groups, such as NewJeans and Seventeen.

Park said he expected the overseas acquisitions to help the company reduce its reliance on K-pop.

AstraZeneca to buy China cancer drug group Gracell

HANNAH KUCHLER

AstraZeneca is set to make one of its first acquisitions in China, announcing plans to acquire Gracell Biotechnologies for up to \$1.2bn to increase its investment in cell therapies for treating cancer.

The Anglo-Swedish drugmaker has been trying to use its status as one of the largest drugmakers in China by sales to hunt for potential deals.

But, like rival large pharmaceutical companies, it has mainly signed licensing agreements for particular drugs, rather than outright acquisitions.

Under the terms of the deal, Astra-Zeneca will acquire all of Gracell's fully diluted share capital at a price of \$2 per ordinary share in cash, plus \$0.30 per share more if it hits a regulatory milestone. This would lead to a transaction value of \$1.2bn, an 86 per cent premium to the company's share price on December 22. The deal is expected to close in the first quarter of 2024.

AstraZeneca said yesterday that the proposed acquisition would add a potential new treatment for multiple myeloma, a type of bone marrow cancer. Susan Galbraith, executive vice-president of oncology research and development at AstraZeneca, said the deal would accelerate the company's cell therapy strategy in blood cancers. It is already developing innovative but hard-to-produce immunotherapy CAR-T treatments.

She said the new drug candidate was a "potential best-in-class treatment" that uses a "differentiated manufacturing process" and could also be used to treat autoimmune diseases.

This year, Pascal Soriot, Astra-Zeneca's chief executive, expressed excitement about the "explosion" of biotech companies in China after a tour of the country. He insisted the market was "completely open" for investment from multinationals such as AstraZeneca.

In August, AstraZeneca signed a deal with China's CanSino Biologics for the production of its potential mRNA vaccines. In November, the drugmaker announced a licensing agreement with Shanghai-based Eccogene for a potential obesity pill.

William Cao, Gracell's chief executive, said it was looking forward to working with AstraZeneca "to accelerate our shared goal of bringing transformative cell therapies to more patients living with debilitating diseases".

Nature-based threats more than a mite risky for board members

ASIA-PACIFIC

Nic
Fildes

he tiny varroa mite, the parasitic scourge of the world's bee population, seems an unlikely catalyst for litigation against corpo-

rate directors.

Yet a legal opinion published in Australia has highlighted the threat posed by the mites as an example of the nature-related risks that board members need to consider as part of their duties. Directors who fail to so could be found liable for breaching their duty of care and diligence under Australia's Corporations Act.

It seems unlikely that there will be any class actions launched over the varroa mite, which emerged on Australia's shores last year and triggered a lockdown of bee hives.

But the legal opinion says, left untreated, the varroa mites will kill all honey bee colonies across Australia. "This is not just a risk to companies involved in honey production. It also impacts those with direct and supply chain dependencies on pollination services from honey bees, such as agriculture and food and beverage," it says.

The Australian legal opinion was commissioned by investment and advisory firm Pollination Law alongside the UK-based Commonwealth Climate and Law Initiative and echoed a similar warning issued to New Zealand companies. More jurisdictions, including the UK, are expected to issue opinions over time as the antipodean lawyers spur a global discussion.

A precedent for the focus on nature was Australia's "Hutley opinion", issued in 2016, that argued company directors were liable to disclose and manage climate risk.

That opinion, which shares an author with the new nature-risk guidance, has proved globally influential and its impact in Australia is palpable. The number of top Australian listed companies now reporting against climate-related financial disclosure guidelines hit 75 per cent in March compared with only 10.5 per cent in 2017, according to data cited by the legal opinion.

Pollination Law anticipates a similar trajectory for nature-risk compliance

'Why are we in this mess

we treated nature as

something different

from the economy'

in the first place? Because

after the international framework by the Taskforce on Nature-related Financial Disclosures was launched in New York in September. The TNFD provides guidelines for companie

lines for companies to frame their response to climate change and nature-related risks.

In Australia, which has been ravaged by bushfires, floods and extreme heat in the past three years, sectors that have a direct dependence on nature include agriculture, forestry, fisheries, construction and water services. These account for almost 16 per cent of gross domestic product, according to the Pollination Law legal opinion.

But it is those industries that seem less exposed directly but are nonetheless dependent on nature for their supply chains — such as mining, chemicals, aviation, real estate and tourism —

where boards need to think about how those risks feed into their obligations. Reputational risk could also come into play if a company gets on the wrong side of a natural disaster, causing investors to turn on the company.

Rohitesh Dhawan, chief executive of the International Council on Mining and Metals, told the FT's Mining Summit in October that the sector had treated nature as its "garbage bin" in the past.

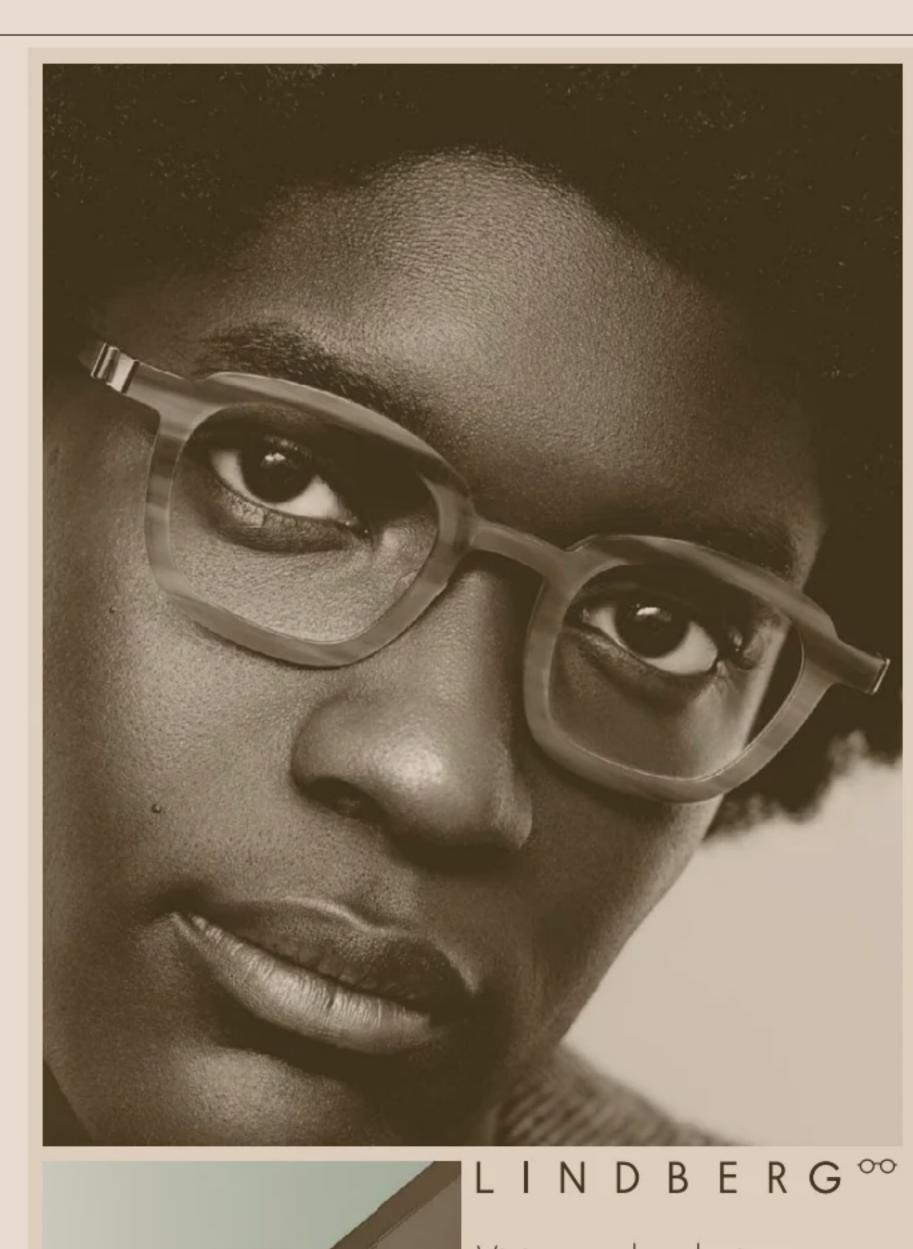
"Why are we in this mess in the first place? Because we treated nature as something different from the economy," he said. Dhawan added that the mining sector is learning that an investment in natural capital "will pay dividends" and that TNFD provides the framework for that discussion.

Pollination Law anticipates that a "pincer move" of increasing regulation around nature protection and the risk of litigation will force company directors to adapt quickly, and that the bar for TNFD requirements will rise over time.

Those fearing an onslaught of class actions over nature obligations should, however, note that there has been no successful litigation against Australian company directors based on the Hutley opinion's views around climate duties. This reflects the moves that boards have made to adapt and the bar for prosecution is high.

A high-profile case in the UK High Court this year against the directors of oil company Shell by environmental groups claiming that they had breached their duties under UK law to properly manage the "material and foreseeable" risks from climate change nonetheless shows there is appetite. That legal attempt failed, but it highlighted that boards need to start to treat environmental risk as second nature.

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Financials. Mortgage start-ups

SoftBank suffers reversal after bet on US lender Better backfires

Japanese group's investment soured as interest rates rose and the Spac craze ended

ORTENCA ALIAJ
AND ERIC PLATT — NEW YORK
DAVID KEOHANE — TOKYO

In April 2021, SoftBank was so eager to back US mortgage lender Better Home & Finance that it wrote a \$500mn cheque and was prepared to hand its newly acquired voting rights to Vishal Garg, the start-up's founder and chief executive.

The investment followed months of talks between Better and SoftBank's Vision Fund, led by Rajeev Misra, a top lieutenant of the Japanese group's founder and chief executive Masayoshi Son, according to people familiar with the matter.

At the suggestion of SoftBank executives, Better soon after cut a deal to go public via a special purpose acquisition company, choosing one set up by Icelandic billionaire Thor Björgólfsson. As part of the transaction, which valued Better at \$7bn, SoftBank said it would invest a further \$1.3bn.

Now, with Better battling to survive in a mortgage market hit by higher interest rates, the investment is shaping up to be a fresh blow to SoftBank's reputation as one of the world's savviest investors weeks after the office-sharing group WeWork, another of its bets, filed for bankruptcy.

While Better has avoided WeWork's fate, its shares have collapsed by 95 per cent since the group finally went public in August after a two-year delay as the Securities and Exchange Commission investigated claims from a former employee that it had misrepresented the health of the business. Since Soft-Bank's investment, Garg has become such a polarising figure that Better lists him as a risk factor in regulatory filings.

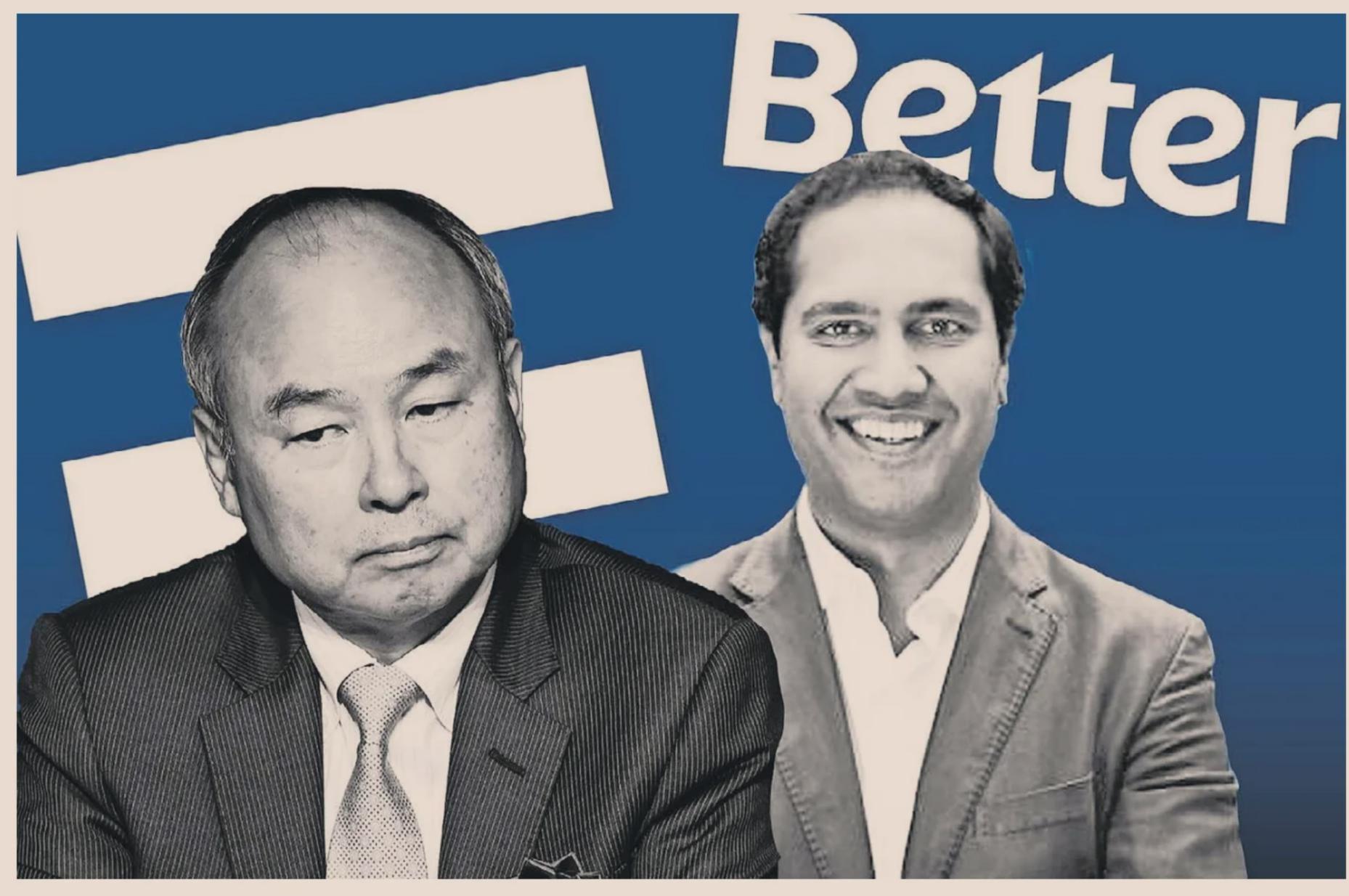
SoftBank has struggled to contain losses on some of the investments made during the era of low interest rates, when the valuation of fast-growing companies was driven to unsustainable heights. The Japanese company was forced to wire \$1.5bn to a number of WeWork's lenders days before the group filed for bankruptcy.

It was not the only blue-chip investor dazzled by Garg's promise to "digitally disrupt" America's \$15tn mortgage market. Goldman Sachs and venture capital firm Kleiner Perkins both invested before SoftBank did.

The 45-year-old Garg has said he was inspired to start Better in 2015 with money saved for a downpayment on a house that he claims he lost to an all-cash buyer because of the mortgage industry's archaic processes. Better promises a quicker and cheaper approvals process.

Riding the US house price boom, Better's valuation hit \$4bn in November 2020 and shot up to \$6bn six months later when SoftBank injected \$500mn, before peaking at \$7bn in the Spac deal announced in May 2021.

Under the terms of the Spac, SoftBank promised to invest another \$1.3bn through SB Northstar, the division that managed its investments in public equities and was run by Akshay Naheta until his departure in early 2022. SoftBank made the investment knowing that its voting rights could not exceed 9.4 per cent for regulatory reasons.



SoftBank chief Masayoshi Son, left, and Better Home & Finance boss Vishal Garg. The Japanese group was not the only blue-chip investor dazzled by Garg's promise to 'digitally disrupt' the \$15tn US mortgage market - FT montage/ Its initial gung-ho backing of Better has left SoftBank a key player, owning a stake of almost 20 per cent, as the mortgage group's struggles have deepened. Since 2021, Better has axed over 90 per cent of its staff and racked up losses of almost \$1.65bn over the period.

In June, two months before finally completing its Spac deal, Better warned it could go out of business without a final \$550mn SoftBank had promised when the transaction closed.

In August, the SEC opted not to recommend enforcement action after investigating the former employee's claims. Better had denied the allegations.

"We had a duty to all shareholders to raise capital on the best terms we could achieve," Kevin Ryan, Better's president and chief financial officer, said of the Spac deal. "We worked tirelessly with counsel, the SEC and others over two and a half years to close the most attractive deal that was available," he told the Financial Times.

SoftBank's willingness to bankroll Better was emblematic of a period in which start-up founders held unusually large sway as investors vied to back companies that often put grandiose ambitions before profits.

As SoftBank sought to deploy its \$100bn Vision Fund, a technology investment fund backed by Saudi Arabia, it sometimes meant writing large cheques to outdo rivals. Son last year acknowledged that he should have been more selective in his investments and questioned the Vision Fund's strategy of allowing the start-ups it had backed to expand aggressively.

In the autumn of 2021, as the Spac market cooled and higher inflation raised expectations that the Federal Reserve would raise interest rates, Soft-Bank sought to row back from the terms of its deal with Better, according to two people familiar with the matter.
SoftBank offered to continue funding
Better if it agreed to stay private and
wait for conditions in the mortgage
industry to improve, the people said,
but the US company declined because it

would have had to stomach significantly

worse terms. The offer was one of sev-

eral options SoftBank assessed, they added. SoftBank declined to comment.

Faced with a continued deterioration in Better's finances, the terms of the Spac were overhauled at the end of November 2021. Under the new agreement, SoftBank agreed to immediately inject \$650mn into the company, which would convert into Better shares once the Spac deal happened. It also prom-

a convertible debt deal on completion.

Within weeks of receiving the \$650mn, Garg attracted widespread criticism after firing 900 staff via Zoom shortly before Christmas. He was put on leave to "reflect and refocus" over the holiday period but returned a few weeks later.

ised to provide at least \$550mn through

In early 2022, Better disclosed that a number of senior employees had "openly questioned" the CEO's role. Once it became clear Garg would stay, several executives left, prompting Better to take the unusual step of listing its CEO's leadership as a risk factor in its filings with regulators.

Better said the business "has not experienced any leadership issues in over two years". In August, Garg told the FT: "Over the past two years, I've spent a lot of time getting leadership training, learning to become a more empathetic leader." He declined to be interviewed for this article.

Charles Elson, a corporate governance expert at the University of Delaware, said that continuing to describe the CEO as a risk raised questions.

"That is one of the most amusing risk

'To warn
about the
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factors I've ever seen," he said. "To warn you about the challenges that he presents in such a negative way makes you wonder why he remains CEO."

Better has said the public storm that followed the Zoom sackings prompted some institutions to cut ties with it. In multiple securities filings, Better has

some institutions to cut ties with it. In multiple securities filings, Better has said that Garg's "leadership style" and "continuing leadership" were a factor in a decision by Barclays to wind down a \$500mn credit line it had provided to the group.

People familiar with Barclays dispute

this account, saying that Better cancelled the facility because it was no longer originating enough mortgage loans. Better declined to comment further and Barclays declined to comment.

Having in the end received a further \$525mn from SoftBank in August after going public, Better is hoping that the prospect of the Federal Reserve cutting interest rates next year reignites the once-booming mortgage market.

Shortly after the Spac deal closed, Better also disclosed that several senior executives had been awarded multimillion-dollar bonuses for completing the transaction.

Garg was given almost \$10mn, with half paid upfront and the rest dependent on the company hitting certain profitability targets. The award came after the Better founder was given a \$25mn cash bonus in 2021. He also repaid a loan of more than \$40mn to Better using shares he owns in the company.

With the shares trading at just over 60 cents, Better's most pressing challenge is to lift the price to the \$1 threshold required to retain its Nasdaq listing.

In August, WeWork embarked on a reverse stock split to comply with a similar requirement at the New York Stock Exchange. According to people familiar with the matter, Better is considering a similar move.

Insurance

Reinsurers resist calls to reduce prices for extreme weather cover

IAN SMITH

Property reinsurers are resisting calls to lower prices or soften terms for cover against extreme weather, brokers say, signalling there will be no let-up in affordability pressures that have had ripple effects throughout the global economy.

Property catastrophe reinsurance, which insurers buy to share extreme weather-related losses claimed by homes and businesses they insure, has surged in price over the past 18 months, supporting a recovery in reinsurers' underwriting profits and share prices.

Senior industry figures have called on reinsurers to cut prices and increase the amount of risk they are willing to absorb to relieve pressure on insurers and their customers.

As annual reinsurance negotiations near their conclusion, senior brokers say this is not happening. One critical sticking point is the "retention": the level of losses insurers agree to fund before reinsurance kicks in. Reinsurers are not prepared to lower the existing retention level, according to brokers.

"We have not really seen a willingness on the part of the reinsurance community to step back down," said David Priebe, president of reinsurance broker Guy Carpenter.

This made the market more challenging for primary insurers, he said, adding that by refusing to do more to share costs linked to extreme weather-related

'We have not really seen a willingness on the part of the reinsurance community to step back'

losses, reinsurers were risking their "relevance" over the long term.

Brokers told the Financial Times that the negotiations for the January renewals were more orderly than last year's talks, and that some reinsurers were again providing more cover.

Michael Van Slooten, head of business intelligence in global insurance brokerage Aon's reinsurance division, said there was "clearly more appetite [from reinsurers] out there", adding: "[But] it's still difficult, this is not an easy marketplace to navigate."

Rating agency Fitch said it expected reinsurance rates to continue to increase year on year in January, but at a slower pace, less than 10 per cent on average, according to a note last month. Price increases would be most significant in loss-affected regions, it said. The cost of reinsurance in catastrophe-hit US areas rose by as much as double in the last annual renewals round.

Brokers say there is still reluctance among reinsurers to take on exposure to increasingly frequent "secondary" catastrophes, such as severe thunderstorms, as opposed to the biggest threats such as hurricanes. Secondary events are the main factor behind forecasts that annual insured losses from natural catastrophes are expected to hit \$100bn this year for the fourth consecutive year.

Reinsurers say factors including climate change, inflation and property and wealth accumulation in stormaffected areas have forced them to push up their prices. Executives stress the need for premiums high enough to reflect increased risk and inflation.

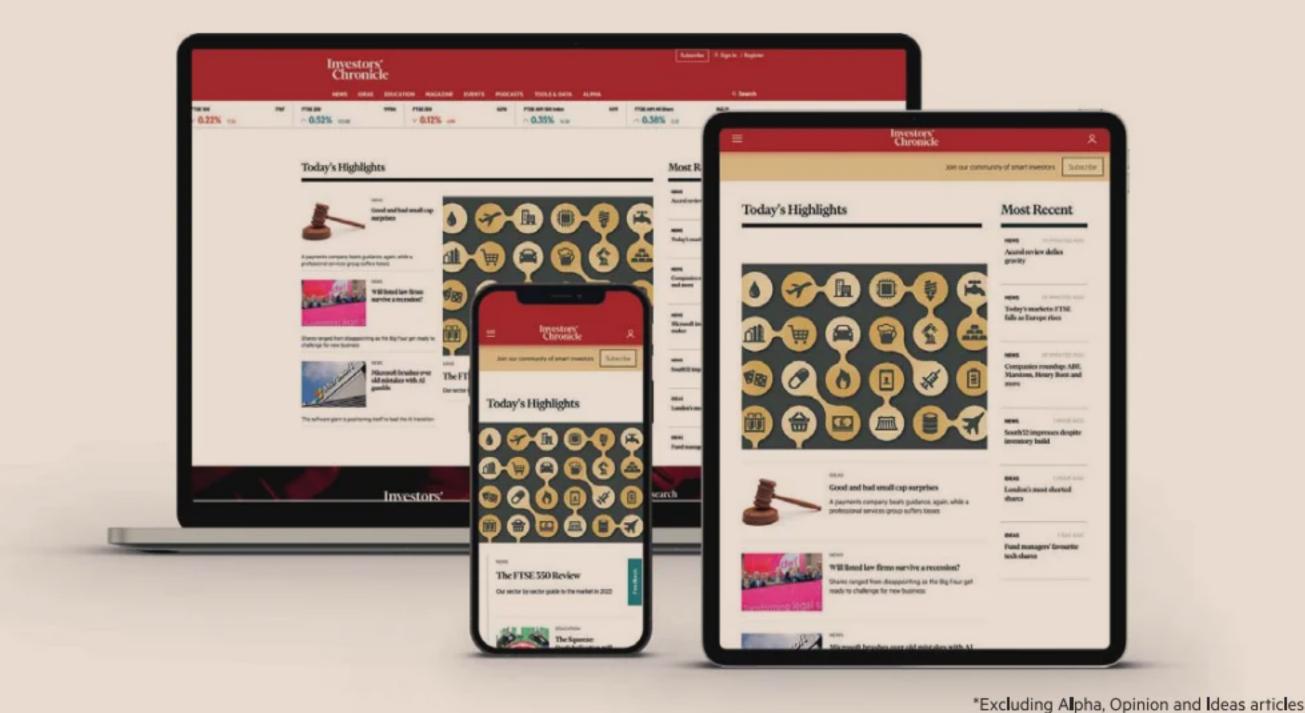
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COMPANIES & MARKETS

'Royal Match' ascends to the throne of mobile games

Debut puzzle app from Turkish developer Dream ousts Microsoft-owned 'Candy Crush Saga' as the world's top earning smartphone title

TIM BRADSHAW

Puzzle app Royal Match, developed by a small team in Istanbul, has overtaken Microsoft-owned Candy Crush Saga as the most lucrative mobile game in the world, outshining other smartphone titles during a lacklustre 12 months for the industry.

Royal Match became the biggest mobile game by monthly revenue globally in July and has held the top spot since then, according to data.ai, which tracks consumer spending on Apple and Android app stores. Launched in 2021, it is the debut title from Dream Games, a Turkish start-up valued at \$2.75bn early last year.

For more than a decade, King's Candy Crush Saga has been one of the world's most consistently popular games on any platform, hitting \$20bn in cumulative revenue this year. Now part of Microsoft after its \$75bn buyout of Activision Blizzard, Candy Crush has spent only six months outside the top 10 highest-revenue mobile games since it was released in late 2012, according to data.ai.

Consumer spending on Royal Match more than doubled in the year to October, increasing the game's annual gross revenue run rate (before paying out app store fees) to \$2bn, said Soner Aydemir, Dream Games co-founder and chief executive.

Royal Match grew so much in what has been another challenging year for mobile games, its creators and investors say, thanks to a focus on quality and mass-market appeal, in a sector that often sees short-term money-spinners launched into Apple's and Google's app stores by a few developers on a low budget.

"We strongly believe quality is the best business plan," Aydemir said.

Data.ai is forecasting the mobile games market will decline about 3 per cent this year globally, including in China, making *Royal Match* — alongside Scopely's Monopoly Go! — a scarce new hit. "They have had a very impressive year," said Lexi Sydow, head of insights at data.ai.

Royal Match is a "match-three" puzzle



Overtaken: 'Candy Crush Saga' has been one of the most consistently popular mobile games on any platform, hitting cumulative revenue of \$20bn this year

game, which would typically involve lining up tiles or icons to clear a grid. These have become the most popular casual gaming genre since they were popularised by Bejeweled in the early 2000s.

While it spawned many imitators, Candy Crush Saga came to dominate the match-three market, ranking number one by consumer spend on mobile app stores for nearly 127 consecutive months, according to data.ai.

At least, until this summer. Aydemir said his players were more loyal and willing to spend more on in-game items than in other puzzle apps. More than 90 per cent of Royal Match users who have played the game for a year go on to play it for a second year, he added.

Part of Royal Match's success is its mass-market appeal, with an easy-tolearn puzzle element and bright and breezy storyline that draws a wider audience than the fantasy battlers or casino games that typically dominate the revenue charts, Sydow said.

With about 55mn monthly active users, it has succeeded in persuading players to spend more on average than Candy Crush's much larger audience of approximately 160mn does, according to data.ai.

Dream Games' investors are hoping that it can outlast other pretenders to Candy Crush's throne, such as Playrix's Gardenscapes and Homescapes, which briefly outsold King's hit in 2020.

"So many mobile games are a bit glitchy or the graphics aren't that good but Royal Match is a luxury experience," said Rob Moffat, an early investor in Dream Games with Balderton Capital, the London-based venture capital firm. "Nothing ever breaks, it's a really clear clean art style. They think about every detail."

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Dream has also invested heavily in advertising to bring in new players and lure back lapsed ones, at a time when many mobile games developers have struggled to navigate Apple's privacy changes, which have impeded ad targeting of "whales" or big spenders in the past few years.

"There's this idea that in a climate

where it's more difficult to find your whales, it might be smarter to go broader," said Sydow.

Next year, Dream Games plans to capitalise on its success by launching a follow-up, Royal Kingdom, that Aydemir hopes will "extend the story and the universe" of *Match*'s lead character, King Robert. Royal Kingdom, which introduces Robert's brother Richard, is being tested in the UK and other select markets.

"What we are focusing on is a little bit different to our competitors," said Aydemir.

"We are focusing on building an [intellectual property] and characters and a universe, with a well-crafted product to create a high-quality game with long-term and mass appeal."

Dream Games wants to avoid being a "one-hit wonder", said Danny Rimer, a partner at investor Index Ventures, who sits on its board. "They have higher expectations for themselves."

The start-up was founded in 2019 by former executives at Peak Games, another Turkish mobile developer that was acquired in 2020 by US rival Zynga. Dream Games, which now employs 200 people and is profitable, recently brought on Ed Catmull, co-founder of digital animation pioneer Pixar, as a strategic adviser.

"When I first started playing Royal Match, I was struck by the unusual attention to the quality of the game's visuals," said Catmull, who has passed 5,000 levels on the game, according to Aydemir.

Aydemir is an admirer of Pixar and its parent, Walt Disney, for both their output and their organising principles, and has watched *The Lion King* musical five times and the Frozen stage show twice.

Dream Games has a 35-seat cinema in its Istanbul office where all staff, including software engineers, regularly watch movies — then spend hours afterwards analysing what makes them good or bad.

"It builds a creative culture in the company," Aydemir said. "We also play very bad games to understand why they are not good enough."





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UK COMPANIES

Financials

OakNorth puts FSA ex-chief in chair role

SoftBank-backed digital lender considers dual listing in London and US

AKILA QUINIO AND EMMA DUNKLEY

OakNorth, the digital lender backed by SoftBank, has appointed a former City watchdog head to the role of chair as it considers a stock market listing in London, the US or both.

Lord Adair Turner, who served as chair of the Financial Services Authority during the financial crisis, rejoins OakNorth after sitting on the board as senior independent director until 2017.

The appointment of Turner, who

replaces Cyrus Ardalan, will add extensive regulatory experience to the board and comes as OakNorth considers plans for an initial public offering.

Rishi Khosla, co-founder and chief executive of OakNorth, told the Financial Times that Turner, who left the bank to focus on green initiatives, has had a "number of successes in the climate space" and has "extensive financial services experience".

OakNorth, which launched in 2015 as a digital lender focused on small and medium-sized businesses, was most recently valued at \$2.8bn in 2019 in a funding round led by Japanese conglomerate SoftBank's Vision Fund, making it one of the UK's most valuable fintechs.

OakNorth turned a profit just over a year after it launched.

Khosla said OakNorth could list on the stock exchange in the future

'There's a chicken and an egg issue: you need growth investors and you need the growth companies'

although the trading venue has yet to be decided. "It's something we may look at going forward," he said. "In terms of which venue, when and if we decide to go public, we'll evaluate the various options. We're incredible proponents

[of making the] UK a really strong place to scale businesses." He added: "Clearly the macro environment for a listing today is not attractive."

Khosla said the bank was also looking at ways of listing on more than one exchange to access a bigger pool of investors. "One idea we have had . . . is how do you take the dual-listing concept and create some type of flow between the London market and a market which has that depth of growth investors."

London has suffered from a string of listed companies shifting to New York over the past year and was dealt a blow after Arm, the Cambridge chipmaker, opted to float in the US earlier this year.

Khosla, a former Conservative party

donor, said the "elephant in the room" was the lack of available growth capital in the UK, which he described as a "big gap" in London's capital markets compared to the US.

"There's a chicken and an egg issue there: you need the growth investors and you need the growth companies as well," said Khosla. "Most companies on the London Stock Exchange aren't growth companies and therefore there are not a lot of growth investors on the stock market."

The UK bank, which typically lends between £500,000 and £25mn to businesses and property developers in the UK, posted pre-tax profits of £152mn in 2022, up from £134.5mn a year before.

Retail

John Lewis bosses say stores will be 'at the heart' of revamp

LAURA ONITA

The bosses of John Lewis and Waitrose have promised staff that they will prioritise retail as they press on with their turnaround of the lossmaking group.

Departing chair Dame Sharon White and chief executive Nish Kankiwala told workers at the UK's largest employeeowned company in November they had to operate under a "one retail mindset", whether it was Waitrose and John Lewis or its financial services and build-torent divisions.

"At the heart of what we want to do, we want to be a brilliant retailer that delights our customer . . . That is the strategy . . . and that's what we're really going to focus on, day in, day out, everywhere we go," Kankiwala said, according to the retailer's internal magazine seen by the Financial Times.

Staff will be presented with a fuller plan "in January or February". The updated strategy will centre around four pillars — "We will be Distinctively Us, The Partner Difference, Simple and Productive, and Fix the Basics" — that are meant to improve interactions with customers, simplify the business and increase productivity.

Since White joined the mutual in 2020 from media regulator Ofcom, she has set out to substantially increase the profits the group makes from financial services and building rental homes on its property, in a move away from its core retail business amid increased competition in the sector.

The Financial Times revealed in September that workers at Waitrose were at risk of losing their jobs if they did not agree to more flexible hours to boost productivity and keep costs down.

John Lewis typically posts its annual results in March for the year to January. The company warned in September that it would take two more years to complete a turnaround as it posted a loss before tax of £57.3mn in the six months to July 29.

Kankiwala, who was appointed in March as its first CEO, told staff: "We don't really want to be copying somebody else, or being a second version of something . . . the [new] strategy and plan is a partnership plan. It's not a PLC plan or a private equity plan."

John Lewis's back-to-basics strategy is similar to that of Marks and Spencer, which has made notable progress with its turnaround efforts in recent years after decades of false dawns.

Kankiwala said the senior team would manage the company "as an independent partnership with greater cash generation, but we will be a partnership", signalling that the employee-owned model

would remain intact. This year White had explored selling a minority stake in the business to raise cash. The plan, which was subsequently shelved, was met with fierce resistance internally as it threatened to erode the company's unusual structure, and it was publicly criticised by high-profile

In October, White announced she would step down by February 2025, her

Property. Climate goals

Burden of history weighs on commercial refits

Race is on to improve energy efficiency at thousands of

buildings across the country

JOSHUA OLIVER

In London's Mayfair, the lofty neoclassical staircase of 66 Grosvenor Street has been freshly painted a sophisticated grey. The lick of paint has more to it than just a modern colour palette.

The experimental paint job also embeds compounds designed to attract and break down pollutants in the air, explained Andy Creamer, who has overseen a recent overhaul of the building to bring the 300-year-old Georgian town house, now used as offices, up to modern energy efficiency standards.

Creamer is responsible for a £90mn environmental retrofit across the 300acre historic London estate of Grosvenor, the Duke of Westminster's property company, which is due to overhaul 1mn sq ft by the end of the year.

The daunting scale of the project, which has involved ripping out 50 gas boilers and installing more than 2,000 sensors to monitor temperature and air flow to make heating and ventilation more efficient, attests to the huge challenge facing landlords to bring Britain's old and draughty building stock up to modern standards.

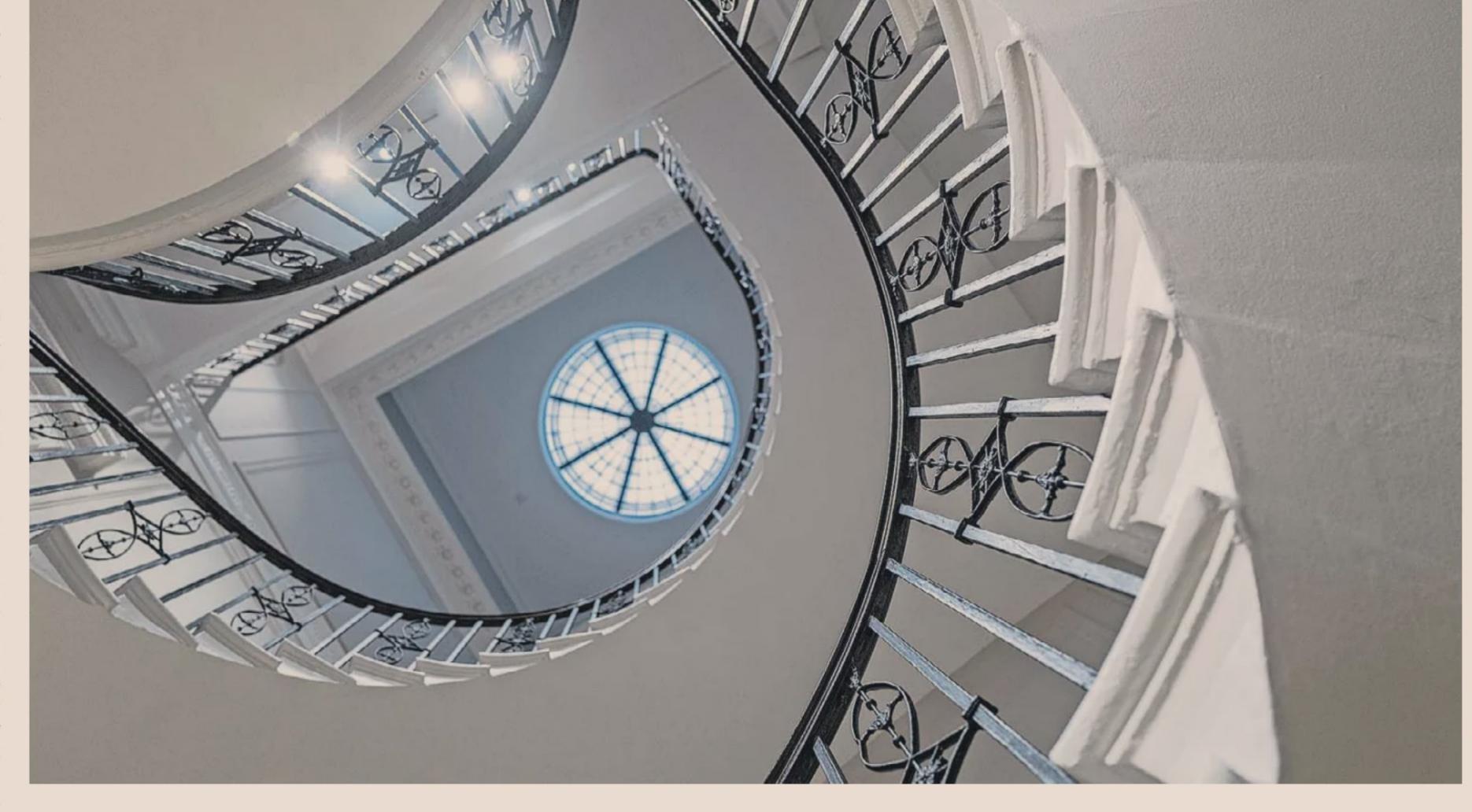
The project is a forerunner of the difficulties many other commercial landlords and homeowners will ultimately have to face if the UK is going to meet its climate goals.

"It's very easy to convince yourself that now is not the right time," said Creamer, a brisk, cheerful man with more than a decade of experience at Grosvenor. "We can't wait 10 years."

The government recently walked back proposed 2025 deadlines for residential landlords to improve energy efficiency, but commercial property owners face tougher timelines.

Three-quarters of commercial floorspace in England is rated EPC C or lower, according to the think-tank Centre for Cities, meaning it would need to be upgraded by 2030 if the government pushes ahead with current proposed regulations.

The UK Green Building Council, an industry group, said that energy consumption from commercial property sectors such as offices would need to fall 59 per cent to achieve net zero by 2050.



Step change: a staircase at grade 2-listed 66 Grosvenor Street in Mayfair, which has been refurbished in line with climate requirements Charlie Bibby/FT

The group in December said the UK was "significantly" behind the progress needed on reducing building emissions. Uncertainty over those regulations has led some landlords to delay.

"We are advising clients to spend sometimes in the region of millions of pounds to upgrade their buildings," said Ollie Morris, director of sustainability at real estate firm CBRE. "And the justified comeback is, 'Do we actually need to do this?""

Some gains can be achieved by simply running buildings more efficiently. Mike Edwards, director at engineering firm Arup, said some owners could achieve 15-20 per cent energy savings by "tuning the building like you would tune a car".

But ultimately, particularly leaky older buildings will need upgrades. Some owners are moving ahead of the government requirements to avoid being left behind.

Grosvenor's decision to spend on big retrofits ahead of the deadlines reflects its advantages as a large, private landlord with deep pockets.

For other owners facing a huge rise in

the cost of debt and a lack of demand for many older offices as people shift to working from home, financial survival is higher on the priority list than green projects.

The practical difficulties are also daunting, particularly in historic properties that make up vast swaths of towns and cities. "As a landlord with a single property or two properties, it's horrendous," Creamer said.

About 600,000 commercial properties in the UK are historic buildings dating from before 1919, according to research by Grosvenor.

High on the list of challenges to refitting these properties is finding enough skilled workers. About 100,000 people work on historical buildings in the UK, according to research by consultancy Capital Economics.

That workforce would need to double to complete necessary retrofit work by 2050, with particularly intense demand for electricians and heating and ventilation installers. The research suggests the gap in the workforce will bite as retrofit work ramps up in the 2030s unless the government and industry

invest in building the workforce. Supply chains have also been strained by the increase in demand for green technology in buildings. "Lead times are awful for air source heat pumps in particular," said Creamer, who added that he can wait up to three months for new heat pump orders. is not the right time.

'It's very

convince

yourself

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easy to

The planning system and heritage protections can add painful delays. Grosvenor looks after 500 Grade I and II listed buildings and structures. Creamer said that in one row of 15 his-

toric town houses in Buckingham Palace Road, the company applied for permission to install heat pumps, new glazing and solar roof tiles. The nearly identical applications were approved on 14 of the 15 buildings, but refused on the last one because a different planner had worked on that file.

He praised local authorities such as the City of Westminster, which has formed a retrofit task force to speed up approvals. Nearly 80 per cent of the city is covered by a conservation area. But, he said: "The retention of heritage has often taken precedence over futureproofing the properties."

stakeholders including former John Lewis boss Andy Street.

five-year tenure making her the shortest-serving chair in the mutual's history. John Lewis Partnership declined to comment.

Sport

Ratcliffe scores at home to net deal for \$1.3bn stake in Manchester United

SAMUEL AGINI AND ARASH MASSOUDI

Sir Jim Ratcliffe has agreed to buy a roughly \$1.3bn stake in Manchester United, ending more than a year of uncertainty over the English football club's ownership and highlighting continued investor appetite for sports assets.

The agreement to acquire the 25 per cent stake came after a last-ditch board meeting before Christmas to end weeks of delays to football's highest-profile transaction, and valued the club at about \$6.3bn including debt.

It is the latest in a series of recordbreaking sports deals, including private equity tycoon Josh Harris's \$6bn acquisition of the Washington Commanders NFL franchise.

British chemicals billionaire Ratcliffe and the Glazer family that owns Manchester United had agreed on the broad terms to buy a non-controlling stake in the English Premier League club in November, but a formal announcement had been repeatedly pushed back.

Ratcliffe, the founder of Ineos, said: "As a local boy and a life-long supporter

of the club, I am very pleased that we have been able to agree a deal with the Manchester United board that delegates us management responsibility of the football operations . . . we are here for the long term and recognise that a lot of challenges and hard work lie ahead."

However, he faces an uphill task to restore United to "the very top of English, European and world football", as the club has fallen behind local rivals Manchester City in the battle for top honours.

One person close to the deal said the announcement was accelerated following a Financial Times report about some board members' concerns for equal treatment of minority shareholders in future transactions involving Ratcliffe and the Glazers.

People close to the Glazers and United said that efforts had been made to address those concerns. However, the deal was pushed through without two of the independent board directors present, according to three people with knowledge of the matter. Another person said that efforts to address the concerns for minority shareholders had

enabled the vote. United declined to comment.

Board members had raised concerns about potential future deals and whether they would allow the Glazers to cash out on terms that would not be extended to other shareholders.

Executive co-chairs Avram Glazer and Joel Glazer said: "Sir Jim and Ineos bring a wealth of commercial experience as well as significant financial commitment . . . through Ineos Sport, Manchester United will have access to seasoned high-performance professionals, experienced in creating and leading elite teams from both inside and outside the game."

There is no guaranteed path to control but Ratcliffe could increase his shareholding over time, the person added. The deal is subject to approval by authorities including the Premier League. He is to acquire the shares through an Isle of Man entity called Trawlers, in a nod to a famous quote by former Manchester United forward and captain Eric Cantona.

The situation had been complicated because United has two classes of stock and the plc is headquartered in the Cay-

> Rashford of Manchester United and teammates celebrate a penalty goal against Everton in November Michael Regan/Getty Images

Marcus

man Islands. The New York-traded A shares have inferior voting rights to the B shares held exclusively by the Glazers.

UK fund manager Lindsell Train, Ricky Sandler's Eminence Capital and Chicago-based Ariel Investments are among the biggest holders of the A shares, which are largely held by nonfamily shareholders. Hedge fund billionaire Leon Cooperman has also accumulated a stake. Sandler has previously threatened to oppose any deal that treats minority shareholders differently from the Glazers.

Ratcliffe has agreed to acquire around 25 per cent of the Glazers' super-voting B shares and 25 per cent of the New York-traded A shares. Each B share has 10 times the voting rights of a single A share.

Ordinarily the B shares would convert into A shares on sale by the Glazers. The announcement said the board had recommended that shareholders tender their shares and approve legal changes that permit the transfer of B shares without conversion.

The British tycoon had previously reformulated the bid because of concerns that arose when his original proposal for majority control envisaged buying out only the Glazer family's B shares without extending an offer to A shareholders. Ratcliffe subsequently changed the proposal to buy 25 per cent of each share class.

The six Glazer siblings own 110mn B shares. Selling 25 per cent of the total at \$33 would generate more than \$900mn for the family, who acquired the club for about £790mn in 2005. The deal would value United's equity at roughly \$5.4bn.

The New York-listed club's stock exchange filings warn that the "concentration of voting power in our Class B shares may harm the value of our Class A ordinary shares" by "delaying, deferring or preventing a change in control", "impeding a merger, consolidation, takeover or other business combination", or "causing us to enter into transactions or agreements that are not in the best interests of all shareholders".

Ratcliffe's proposal values United at \$33 a share. The A shares closed at less than \$20 each on Friday. Ratcliffe will also inject \$300mn of fresh capital into the club.

COMPANIES & MARKETS

Fintech. Super-apps

SEC blows whistle on Nigerian who tried to buy Premier League club

Probe finds large-scale fraud amid what short seller called an 'exceptionally obvious' scam

AANU ADEOYE — LAGOS AKILA QUINIO — LONDON ORTENCA ALIAJ — NEW YORK

In May this year, the head offices of Tingo Group in Lagos had none of the markers of a global multimillion-dollar technology company.

Occupying two floors in a high-rise building in the old commercial district, there was broken furniture, fewer than 20 staff and none of the buzz of an operation with millions of customers.

What a months-long investigation by the Securities and Exchange Commission found instead was what the US watchdog described as a "massive fraud" involving "billions of dollars of fictitious transactions" - all under the helm of one man: Dozy Mmobuosi.

The 45-year-old London-based Nigerian entrepreneur, who sought to buy Sheffield United, the English Premier League club, this year, inflated the profits of three companies by forging documents to swindle investors, according to the complaint.

In November, the SEC halted trading in Nasdaq-listed Tingo Group and Agri-Fintech securities after finding inaccuracies in their disclosures. The move followed a report by Hindenburg Research, the US-based short seller, in June that called the company an "exceptionally obvious scam", and caused Tingo's share price to nosedive.

"Tingo Mobile is a fiction," the SEC said this week in a 72-page complaint. "Its purported assets, revenues, expenses, customers and suppliers are virtually entirely fabricated." The scale of the fraud was "staggering".

The charges against Tingo are another blow to the reputation of fintech "superapps", which have emerged in the past decade and have sought to disrupt banking by offering payments and other services such as instant messaging and trading. Investors have bet that these entrants' most promising growth prospects lie in emerging markets such as Nigeria, where the need for banking services is most acute.

"This is the most obvious fraud we've ever seen and people just refused to see it for what it was," said Tunde Leye, partner at SBM, a Lagos-based risk intelligence company. SBM analysts visited Tingo's supposed phone factory and food processing plant and found the site empty, Leye said.

Last week Mmobuosi stepped down as Tingo chief executive and board member as the SEC seeks to bar him permanently from serving as an officer or director of a public company.

In a statement reported in the Nigerian press on Friday, Mmobuosi called the SEC's allegations "baseless". He "will contest them with unwavering resolve".

The statement read: "He is committed to co-operating with the legal process to ensure a thorough and fair examination of the facts, which he believes will ultimately lead to his exoneration."

Tingo said it "intends to vigorously defend itself in relation to the SEC complaint".

The origins of the alleged scam date to 2019 when Mmobuosi used fake documents to portray Tingo Mobile as a healthy business, according to the complaint. The Nigeria-based entity, which claims it provides farmers with microloans, weather forecasts and an online



The complaint says that Tingo, led by Dozy Mmobuosi, who tried to buy **English Premier** League club **Sheffield United** this year,

inflated its accounts with billions of dollars of bogus transactions Andrew Couldridge/ Action Images/Reuters;

Al Drago/Bloomberg

marketplace, had only about \$15 in its account that year, the SEC says.

He then allegedly used these false documents to transfer Tingo Mobile to two public companies at "grossly inflated" valuations.

In 2021, Tingo Mobile was sold through an all-stock reverse merger to OTC-traded Agri-Fintech, which in turn sold it to Nasdaq-listed Tingo Group a year later, also through an all-stock merger. The transactions valued Tingo at more than \$1bn and gave it access to US capital markets.

Advisers included Dentons, the law firm, which declined to comment.

Mmobuosi once sent purportedly audited statements of Tingo Mobile to the group's chair, when in fact no audit had occurred, according to the SEC. The company reported that it had a cash and cash equivalent balance of \$461.7mn for the 2022 financial year. In reality, it held less than \$50 in its accounts.

The entrepreneur had previously sought to list Tingo Mobile via Delaware-registered Tingo International Holdings, which he controlled. But the application was rejected by Nasdaq.

In April this year, Tingo co-chair Christophe Charlier resigned, citing his unwillingness to sign off on the group's financial statements and the "lack of communication and teamwork in the management of the company".

The SEC alleges that Mmobuosi who once described himself as a "special kid" growing up whose school nickname was "the General" - used the money to lead a lavish lifestyle buying "luxury cars" and travelling on "private jets".



In Lagos, some say they had expressed doubts about the reality of Mmobuosi's business. It claimed it had 9mn users, but "almost no one in the industry has ever met someone that uses the product", said Iyinoluwa Aboyeji, a Nigerian technology entrepreneur.

Asked in May about its customer base, Auwal Maude, head of Tingo Mobile Nigeria, said that the farmers using the app were all based in the north of the country. The executive could not produce any of the Tingo mobile phones it claimed to distribute to farmers.

Hindenburg started investigating after being alerted by market participants. How a company without a verifiable product was able to attract so much investment in the open market hinged on its Nasdaq listing and the clean audit it received from Deloitte Israel, according to Nathan Anderson, Hindenburg founder.

He said: "How many people are going to believe in a Nigerian fintech group

'Assets, revenues, expenses, customers and suppliers are virtually entirely fabricated'

that claims to offer mobile services to 9mn rural farmers [when] no one can find where any of it was? How do you go from that to Nasdaq and over \$1bn market valuation? Deloitte and Nasdaq are what lent it credibility."

The reason Deloitte Israel audited a Nigeria-based company listed in the US is unclear. The Big Four firm has offices in both countries.

Deloitte Israel said: "Professional standards prohibit our commenting on client matters."

In a private placement presentation that referred to the company's 2021 results, Tingo boasted about a "strategic partnership" with Visa to help with that strategy. In February, Andrew Uaboi, head of Visa's West Africa operations, saluted a deal that would "help to digitise the entire value chain for farmers . . . and support the financial inclusion agenda across the continent".

clients and partners were "required to ensure that they comply with applicable legal requirements and regulation" and it had "a robust process to assess compliance and to work with our clients to address issues that arise".

Benjamin White, who is registered as the majority shareholder of China Strategic Investments Limited. The adviser, who confirmed that he was granted shares in Tingo Group (the first iteration of which was set up as early as 2002) for "consultancy work", advertised the fundraising before the transactions on the Nasdaq, according to regulatory filings and documents and emails seen by the FT.

their returns tripled.

He said he was astonished by the SEC complaint. "I have not seen any evidence of a fraud and would be extremely surprised if there was a fraud." He had "not been involved" in any fraud.

Tingo's founder also enlisted the services of Chris Cleverly, a barrister in the UK with experience working on "whitecollar fraud and organised transnational crime cases", according to his chambers. The cousin of UK Home Secretary James Cleverly became Tingo's president and board member.

Bilal Brahim, chief executive at Fame, a farmers' network in Nigeria, said Chris of Tingo shares.

Chris Cleverly declined to comment. Anderson said he had "never seen anything like" Tingo. "For a decent fraud case, there might be a couple of material misrepresentations where management will try to lie about a big

After the SEC charges, Visa said all its

In the UK, Mmobuosi was helped by

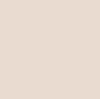
White sought to raise more from investors in February 2020 ahead of the US listing, charging a 15 per cent performance fee, telling prospective investors he expected returns of "well over 10x". White said his company had raised more than £20mn from investors, who agreed to a performance fee if

Cleverly had approached him to buy software, offering to trade about £20mn

thing or two." Here, what was faked was

Additional reporting by Stephen Foley and Stefania Palma

"an entire conglomerate".



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Banks

BofA's bet on trading pays off in year of pressure from higher rates

STEPHEN GANDEL — NEW YORK

In 2021, Bank of America's markets analytics platform, which was designed to predict volatility, started flashing warning lights. The platform, known as Glass, was pointing to a sharp rise in short-term interest rates. BofA switched the positioning of its trading book and told clients to do the same.

It was, in retrospect, a very good call as the US Federal Reserve started a series of rate increases that took investors off guard. It also points to a rare bright spot for BofA in a year when much of the rest of its business has been under pressure from rising interest rates.

Revenue from BofA's sales and trading business rose \$1.1bn, or 9 per cent in the first nine months of the year versus a year ago. That handily outperformed rivals, including Citigroup, JPMorgan Chase, Goldman Sachs and Morgan Stanley, which had seen revenue declines of between 3 per cent and 13 per cent in their markets businesses.

"Trading revenues are going to hit a record at Bank of America," said Barclays bank analyst Jason Goldberg. "None of the other banks can say that."

Three years ago, Bank of America chief executive Brian Moynihan placed a wager on the lender's sales and trading division, even as its best-known Wall Street executive, Tom Montag, was on his way out.

One of Montag's former lieutenants, Jim DeMare, who took over BofA's markets business, convinced Moynihan in late 2020 to put some of the pandemicera deposits flooding into the bank to work in the trading business.

DeMare consolidated trading desks, and recruited a Goldman partner, Carlos Fernandez-Aller, to run currency trading. The bank doubled down on commodities, expanding its trading in metals used in batteries and other lowcarbon transition materials.

As the size of BofA's trading business has grown, so have the risks the bank is taking. BofA had long shunned block trading, for example, which is when a bank buys a big chunk of stock from a client at a slight discount in the hope of a quick flip at the market price or higher. It now ranks first in blocks, up from fifth in 2020, according to Dealogic.

Although BofA did not have a single day in which its traders collectively lost money in the first nine months of 2023, its daily average risk position — the most a bank could lose on a typical day - is more than double what it was before the recent retooling of its trading operations.

That metric, which is also influenced by market volatility, rose to an average of \$129mn in 2022. The bank has brought down its risk this year to an average of \$94mn in the first nine months. Results from the Federal Reserve's annual stress test earlier this year showed that BofA's trading operations would lose considerably less than rivals' in a market downturn.

Unlike the trading desk, the bank's treasury team was not so well positioned for rising rates. That means success in trading has done little to aid BofA's ailing stock price, which has been weighed down by large unrealised losses in its long-term bond portfolio. Shares of BofA are flat this year, compared with JPMorgan's 24 per cent rise, or the low double-digit improvements at Citigroup, which is undergoing a big restructuring, and Goldman, which has struggled with its diversification efforts. Additional reporting by Nicholas Megaw and Tabby Kinder

The great speculative era has defied war and disease and will not be stopped lightly



n most Hollywood horror movies, the monster is incredibly hard to kill. Not until the final moments of the film will it be dispatched and, even then, enough doubt will be

created to leave room for a sequel. So it has been with the great speculative era on the financial markets. A pandemic, a Russo-Ukraine war and even substantially higher interest rates have

not finished off the risk-taking bonanza. Take the technology sector as a starter. Much of its value lies in the future profits companies are expected to earn because of their superior growth potential. When bond yields rise as they have this year, investors should in theory use a higher rate to discount those future profits taking into account the time stocks have to be held to receive them.

That means valuations should fall, not rise. But the price/earnings ratio of the US technology sector is well above its three-year average and the sector's shares have jumped more than 50 per cent so far this year.

Second, take the overall market valuation, as measured by the cyclically adjusted price/earnings ratio, or Cape. This averages profits over 10 years to allow for the economic cycle. In March 2022, as the US Federal Reserve started to push up interest rates, the Cape was 34; on the latest figures, the ratio has dropped only to 31, still well above the historical average. And markets have continued to rally in December.

Then there is bitcoin. The late, lamented Charlie Munger, the longterm colleague of Warren Buffett, said that investing in cryptocurrencies was "absolutely crazy, stupid gambling".

As if to prove his point, the past 18 months have seen the collapse of the crypto exchange FTX, and Binance one of its biggest competitors - suffering a \$4.3bn fine for money laundering and the forced departure of its founder.

There could not be more alarm bells sounding if the entire New York City fire department was racing, with sirens blazing, past investors' doors. But the bitcoin price has more than doubled this year. One explanation for the continuation of investors' risk appetite is that, while nominal interest rates have risen over the past couple of years, they have been outpaced by inflation; the real returns on cash and bonds have not been attractive. That has maintained the allure of risky assets.

Now inflation has fallen, real interest rates are mildly positive in the US, making cash and bonds theoretically more appealing. But investors do not expect this to last. The stock market rally in November was driven by the widespread expectation that the Federal

There could not be more alarm bells sounding if the entire New York City fire department was racing past investors' doors

Reserve would be able to start cutting rates in 2024.

But there is more to the frenzy than the prospect of a change in monetary policy. Surveys show that American voters are not happy with their economy, even though it has actually been doing remarkably well. In the third quarter, gross domestic product grew at an annualised rate of 5.2 per cent.

The economy has been supported by fiscal policy, with the budget deficit running at about 5.7 per cent of GDP in the current year. In other words, American pocketbooks are sufficiently flush that they can afford a little gamble.

So what could finally bring the speculative era to an end? In any individual asset class, a collapse usually arrives when investors lose confidence in the fundamentals that have been driving prices higher.

For tech stocks, this could occur if regulation (or geopolitical tensions) severely damage their profits outlook, For crypto, regulation is also a risk, as is the collapse of an exchange that results in big losses for institutional investors. But it does not seem as if the boom in tech stocks and crypto is being driven by the use of large amounts of leverage. Historically, the trigger for a more general collapse in risk appetites has been a tightening in credit conditions.

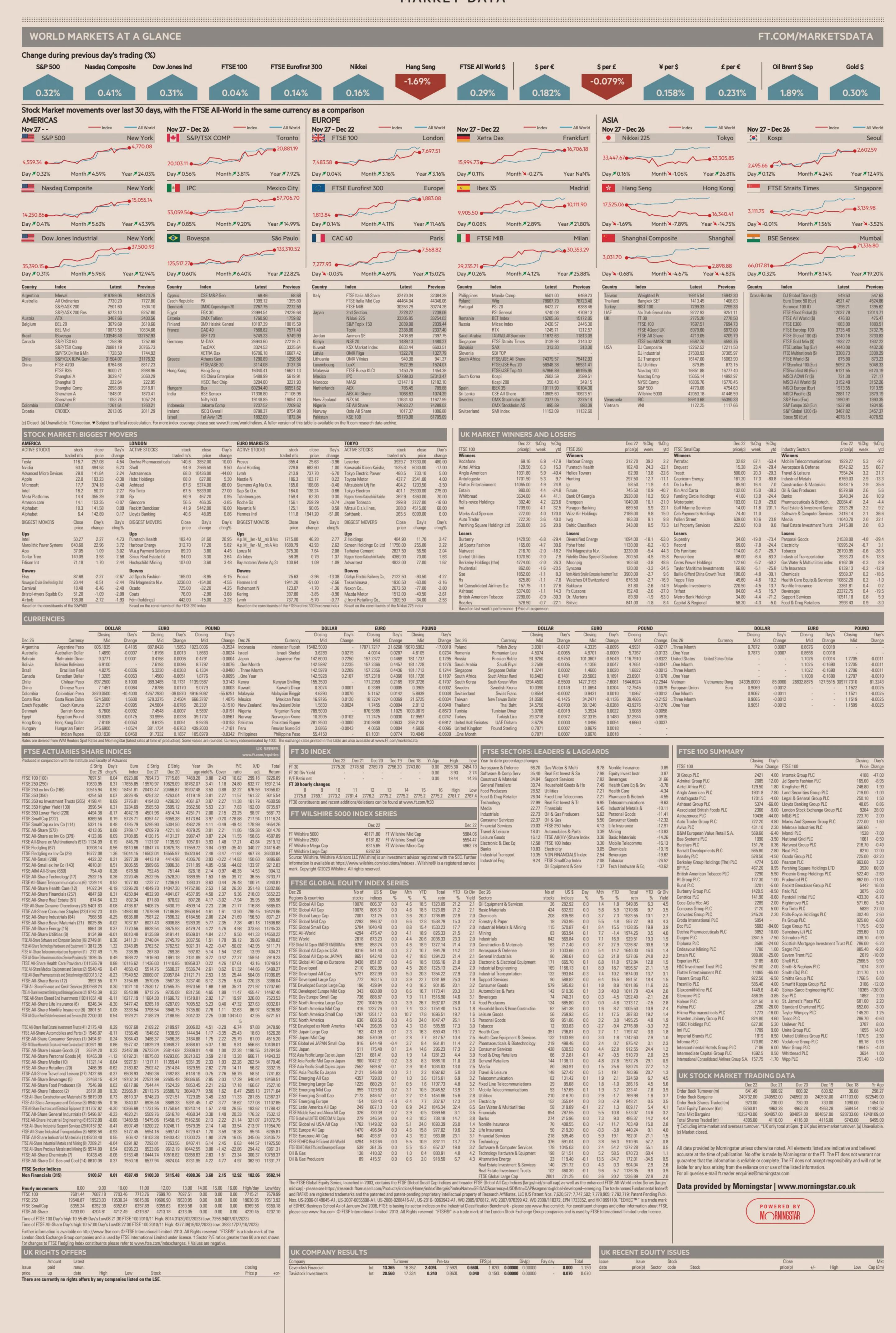
That was the reason for the plunge in mortgage-backed securities in 2007 and 2008, which then filtered through to concern about the banking system. So it might be that a sharp fall in tech stocks or crypto would simply cause speculators to switch to another asset class.

A more general collapse in risk appetite may require a dramatic geopolitical event, such as war between the US and China over Taiwan, or a central bank miscalculation in monetary policy, either by failing to contain inflation or being too tight for too long and causing a deep recession. These may seem like extreme outcomes but it usually takes an explosion to kill a movie monster.

Philip Coggan is a financial journalist and author of 'More: The 10,000-Year Rise of the World Economy'

Wednesday 27 December 2023 ★ FINANCIAL TIMES

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MARKET DATA

FT500: THE WORLD'S LARGI	EST COMPANIES				
Stock Price Day Chg High Low Yld P/E MCap m	Stock Price Day Chg High Low Yld P/E MCap m	Stock Price Day Chg High Low Yld P/E MCap m	Stock Price Day Chg High Low Yld P/E MCap m	Stock Price Day Chg High Low Yld P/E MCap m	Stock Price Day Chg High Low Yld P/E MCap m
ANZ Bank	Citic Secs 15.32 -0.10 19.18 13.54 3.47 10.10 5135.56 CK Hutchison 40.90 0.25 54.55 38.35 7.14 5.45 20042.09 CNOOC 12.42 0.08 14.28 9.75 11.15 4.07 70834.71 HangSeng 89.20 1.40 135.50 84.10 5.03 12.40 21818.89 HK Exc&Cir 255.40 -2.00 382.40 238.20 2.79 28.10 41428.55 MTR 29.65 0.25 43.00 27.10 4.41 19.81 23584.94 SandsCh 22.50 -0.25 31.45 18.7435.97 23298.49 SHK Props 82.75 0.05 115.90 75.40 5.97 10.05 30679.55 Tencent 274.00 -38.60 411.00 263.60 0.85 12.51 333367.14 India (Rs) Bhartiart1 999.85 10.30 1045.95 735.80 0.42 73.30 72279.05 HDFC Bk 1682.45 11.60 1757.5 1460.25 0.96 18.24 153504.53 Hind Unilevr 2584.75 9.15 2769.65 2393 1.53 58.22 72999.54 HsngDevFin 2724.3 -23.05 2927.4 2160 1.16 18.17 61324.4 ICICI Bk 995.10 0.80 1043.7 796.00 0.84 16.93 83893.69 ITC 456.45 1.25 499.70 326.00 2.91 27.02 68434.09 L&T 3490.05 12.10 3525 2058 0.64 42.65 57663.5 0ilNatGas 207.35 3.40 212.00 141.60 6.84 6.84 31354.71 Relianceln 2578.05 13.00 2856 2180 0.36 24.34 209671.64 SBI NewA 638.05 1.30 660.40 499.35 1.85 8.01 68446.86 SunPhrmInds 1247.5 3.85 1267.95 922.45 0.96 33.60 359978.33 Tata Cons 3795.55 -28.45 3929 3070.25 1.35 29.82 165068.08 Israel (ILS) TevaPha 37.93 0.19 41.25 26.375.23 11785.41 Italy (€) Enel 6.72 0.05 6.77 5.01 5.75 16.95 75226.21 ENI 15.29 0.09 15.83 11.69 5.70 5.80 56836.92 Generali 19.16 0.08 20.06 16.58 6.00 7.24 32900.73 IntSPaolo 2.65 0.02 2.72 2.07 6.14 8.03 53294.54 Unicred 24.42 0.08 25.78 13.20 4.01 5.74 47994.05 Japan (¥) AstellasPh 1667.5 -4.00 2360.5 1600.5 3.88 8.98 21161.39 Bridgestne 5932 -69.00 6245 4548 3.19 11.56 29689.05 Canon 3700 13.00 3912 2790.5 3.46 14.65 34606.76 CntJpRwy 3549 -29.00 3926 2984 0.75 13.47 25634.43		Richemort 115.95 -1.60 161.10 102.95 1.94 17.83 72856.81	Brisch-Myers	
Close Prev price Day change MollerMrsk 12785.00 12440.00 345.00 2. Intel 50.27 48.00 2.27 4.	The state of the s	OSE Prev price Day change Week change % change % change % change % change % Month change % change % change % change % change % 2.35 3332.00 -589.65 -17.70 -47.13 -18.8 -17.89 3.00 312.60 -38.60 -12.35 -1.80 -12.8 -15.64	Red Ratings Bi	Day's Mth's Spread d Bid chge chge vs e yield yield US Dec 22 US\$	Ratings Bid Bid chge chge vs pon S* M* F* price yield yield yield US
LibertyGbl 17.35 17.18 0.17 0. Cintas Corp 600.04 595.24 4.80 0.	99 1.06 7.6 7.10 Nike 107 81 34.95 7.1 8.13 Fedex 253 23 4.28 6.9 -7.69 Aon Cp 288	7.88 108.04 -0.17 -0.15 -14.60 -12.0 0.26 3.22 248.03 5.19 2.09 -31.97 -9.6 -1.74	HCA Inc. 04/24 8.36 BB- Ba2 BB 113.7 High Yield Euro Aldesa Financial Services S.A. 04/21 7.25 B 71.1	5 4.24 0.00 0.12 - FleetBoston Financial Corp. 01/28 The Goldman Sachs Group, Inc. 02/28 0 28.23 0.00 0.64 25.98 NationsBank Corp. 03/28	6.88 BBB+ Baa1 A- 129.00 2.54 -0.01 -0.05 - 5.00 BBB+ A3 A 117.21 2.47 0.00 0.32 - 6.80 BBB+ Baa1 A- 127.69 2.72 -0.01 0.06 - 6.94 BBB+ Baa2 A- 128.27 2.80 0.00 -0.11 -

	Close	Prev	[Day	W	/eek	Mont
	price	price	change	change %	change	change %	change 9
MollerMrsk	12785.00	12440.00	345.00	2.77	685.00	8.8	26.9
Intel	50.27	48.00	2.27	4.73	1.34	7.7	14.2
LibertyGbl	17.35	17.18	0.17	0.99	1.06	7.6	7.1
Cintas Corp	600.04	595.24	4.80	0.81	34.95	7.1	8.1
Vodafone	69.16	69.00	0.16	0.23	4.28	6.9	-7.6
Anglo American	1931.80	1924.00	7.80	0.41	100.00	5.9	-13.7
JohnsonCn	57.22	56.74	0.48	0.85	2.62	5.7	9.2
ShnEtsuCh	5767.00	5750.00	17.00	0.30	285.00	5.5	10.3
CanImp	64.17	63.31	0.86	1.36	2.42	5.4	19.5
BkMontrl	130.21	129.16	1.05	0.81	5.42	5.2	17.9
Petrobras	38.94	38.62	0.32	0.83	1.59	5.2	3.2
SmsungEl	76600.00	75900.00	700.00	0.92	3000.00	5.1	6.8
SandsCh	22.50	22.75	-0.25	-1.10	1.30	4.9	4.6
Vale	77.37	76.39	0.98	1.28	2.53	4.8	4.8
RollsRoyce	302.40	299.80	2.60	0.87	9.70	4.2	26.9
ChShenEgy	25.95	25.35	0.60	2.37	0.45	4.2	3.5
CanadPcR	105.41	105.07	0.34	0.32	3.47	3.8	8.4
FordMtr	12.46	12.35	0.11	0.89	0.33	3.7	19.8
CanNatRs	86.48	86.13	0.35	0.41	2.68	3.6	-2.6
WalMrtMex	71.30	70.70	0.60	0.85	1.89	3.6	2.4
Based on the FT Global 50	00 companies in I	ocal currency					

INTEREST R	RATE	S: 0	FFICI	AL								
Dec 22	Rate				_	Current	_	-	Since	_	-	Last
US	Fed Fu	ınds				5.25-5.50		26	3-07-2023		5.0	0-5.25
US	Prime					8.50		26	6-01-2023			8.25
US	Discou	unt				5.50		01	-08-2023			5.25
Euro	Repo					4.0		14	-09-2023			3.438
UK	Repo					5.25		03	3-08-2023			5.00
Japan	0'nigh	t Call				0.00-0.10		01	-02-2016			0.00
Switzerland	Libor 1	Target				1.25-0.25		15	-01-2015		-0.7	50.25
INTEREST R	RATE	ES: M	ARK	ET								
		Over		C	hange			One	Three	S	ix	One
Dec 22 (Libor: Dec 21)		night	Da	У	Week	Month	m	onth	month	mont	th	year
US\$ Libor	5.	06157	0.01	0	0.000	-0.001	5.46	984	5.61272	5.6155	2 6	.04143
Euro Libor	-0.	64957	-0.06	4	0.000	0.001	-0.61	943	-0.58057	-0.5560	0 -0	.48571
£ Libor	0.	18063	-0.00	5	0.000	0.001	4.20	130	5.33210	4.7447	0 0	.81363
Swiss Fr Libor						-0.002	-0.77		-0.75300	-0.7028		.55320
Yen Libor						0.000	-0.08		-0.02617	0.0716		.04867
Euro Euribor						-0.011		5500	3.93100	3.8950		.58100
Sterling CDs						0.000		0000	0.63000	0.7850		
US\$ CDs						0.000		2000	5.55000	5.5500		
Euro CDs						0.000	3.88	3000	3.90000	3.8100	0	
	Sho	ort	7 D	ays	0	ne	Th	ree	Si	ix	0	ne
Dec 22	ter	m	notice mon			onth	mo	nth	mor	nth	y	ear
Euro	3.63	3.93	3.47	3.77	3.73	4.03	3.75	4.05	3.66	3.96	3.26	3.56
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	5.27	5.47	5.29	5.49	5.32	5.52	5.45	5.65	5.45	5.65	5.28	5.48

			-			w.ft.com/con	
Energy		Price*		Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Feb	74.95		Corn◆	Mar	472.75	0.2
Brent Crude Oil‡		81.59		Wheat♦	Mar	616.50	4.0
RBOB Gasoline†	Jan	2.16		Soybeans •	Jan	1299.50	2.2
Natural Gas†	Feb	2.38	-0.23	Soybeans Meal♦	Jan	399.20	3.8
Base Metals (LME 3 M	onths)			Cocoa (ICE Liffe)	Mar	3558.00	-12.0
Aluminium		2324.00		Cocoa (ICE US)♥	Mar	4295.00	-16.0
Aluminium Alloy		1580.00	55.00	Coffee(Robusta)⊕	Jan	3078.00	-101.0
Copper		8570.00	-36.00	Coffee (Arabica)♥	Mar	192.50	-0.3
Lead		2071.00	8.00	White Sugar⊕		589.50	2.8
Nickel		16550.00	-285.00	Sugar 11♥		20.12	-0.5
Tin		24775.00	-465.00	Cotton♥	Mar	79.97	0.2
Zinc		2602.50	49.50	Orange Juice♥	Jan	331.05	2.4
Precious Metals (PM Lor	ndon Fix)			Live Cattle♣	Mar	168.48	-0.2
Gold		2041.70	6.15	Feeder Cattle	May	134.88	
Silver (US cents)		2418.50	21.50	Lean Hogs◆	Feb	71.35	0.7
Platinum		958.00	-6.00				
Palladium		1208.00	-13.00			% Chg	% Ch
Bulk Commodities					Dec 21	Month	Yea
Iron Ore		139.42		S&P GSCI Spt	552.67	-0.36	-8.7
Baltic Dry Index		2094.00		DJ UBS Spot	99.93	-1.46	-11.2
Richards Bay ICE Futures		100.50	0.00	TR/CC CRB TR	304.25	-2.67	2.5
				LEBA EUA Carbon	58.91	-1.98	129.9
				LEBA UK Power	1048.00	-37.43	-39.6

	Close	Prev	[Day	W	eek	Mor
	price	price	change	change %	change	change %	change
Naspers N	2742.35	3332.00	-589.65	-17.70	-47.13	-18.8	-17.
Tencent	274.00	312.60	-38.60	-12.35	-1.80	-12.8	-15
Nike	107.88	108.04	-0.17	-0.15	-14.60	-12.0	0.
Fedex	253.22	248.03	5.19	2.09	-31.97	-9.6	-1.
Aon Cp	288.38	291.67	-3.29	-1.13	-21.34	-7.9	-12
ShenwanHong	0.07	0.07	0.00	-1.39	0.00	-6.6	-10
ChUncHK	4.52	4.61	-0.09	-1.95	-0.19	-5.8	-10
China Vanke	6.97	7.07	-0.10	-1.41	-0.30	-5.4	-15
GuosenSec	8.34	8.42	-0.08	-0.95	-0.39	-5.3	-13
Altria	40.27	40.36	-0.10	-0.24	-2.08	-5.1	-2
Ambev	13.73	13.71	0.02	0.15	-0.76	-5.1	2
Richemont	115.95	117.55	-1.60	-1.36	-4.35	-4.9	2
HaitongSecs	3.97	4.02	-0.05	-1.24	-0.12	-4.1	-14
CICI Bk	995.10	994.30	0.80	0.08	-43.10	-4.1	7
Hermes Intl	1941.20	1992.20	-51.00	-2.56	-31.30	-4.1	-0
Renault	37.69	38.07	-0.38	-1.00	-1.21	-4.0	9
Volkswgn	119.60	119.75	-0.15	-0.13	-4.85	-4.0	-4
PingAnIns	32.90	33.20	-0.30	-0.90	-1.00	-3.8	-15
Citic Ltd	7.39	7.46	-0.07	-0.94	-0.20	-3.5	-1
GenMills	64.41	64.51	-0.10	-0.16	-2.20	-3.4	-1.

Dec 22	Rate					Current		Since		La	ast			Day's	Month's	Year	Return	Return
US	Fed Fu	ınds			į	5.25-5.50		26-07-2023		5.00-5.			Index	change	change	change	1 month	1 year
US	Prime					8.50		26-01-2023			25	Markit IBoxx						
US	Discou	unt				5.50		01-08-2023		5.	.25	ABF Pan-Asia unhedged	213.07	0.10	1.65	4.59	2.72	4.92
Euro	Repo					4.0		14-09-2023		3.4	38	Corporates(£)	-			-		-
UK	Repo					5.25		03-08-2023			.00	Corporates(€)						
Japan	0'nigh					0.00-0.10		01-02-2016			.00	Eurozone Sov(€)	-	-	-	-	-	
Switzerland	Libor `	Target			-	1.25-0.25		15-01-2015		-0.750.	.25	Gilts(£)			*			
INTEREST I	DATE	ес. м	A DK	ET							- 1	Overall(f)	-					
INTEREST	\AIL	.J. M	AKK	E								Overall(€)			*	* .	*	1
		Over			ange		One	Three	Si		ne	FTSE						
Dec 22 (Libor: Dec 21)		night	Da		Week	Month	month	month	mont	- 1	ear	Sterling Corporate (£)					-	
US\$ Libor		06157	0.01		0.000	-0.001	5.46984	5.61272	5.6155			Euro Corporate (€)	104.47	-0.05	*		0.54	-1.73
Euro Libor		64957	-0.08		0.000	0.001	-0.61943	-0.58057	-0.5560			Euro Emerging Mkts (€)	739.95	-6.50			-1.39	-1.03
£ Libor	0.	18063	-0.00	05	0.000	0.001	4.20130	5.33210	4.7447			Eurozone Govt Bond	110.04	-0.19			-0.34	-0.64
Swiss Fr Libor						-0.002	-0.77540	-0.75300	-0.7028			CREDIT INDICES		Day's	Week's	Month's	Series	Series
Yen Libor						0.000	-0.06005	-0.02617	0.0716				Index	change	change	change	high	low
Euro Euribor						-0.011 0.000	3.86500 0.50000	3.93100 0.63000	3.8950 0.7850		UU	Markit iTraxx						
Sterling CDs US\$ CDs						0.000	5.42000	5.55000	5.5500			Crossover 5Y	316.22	0.00	-4.68	-58.35	475.45	316.22
Euro CDs						0.000	3.88000	3.90000	3.8100			Europe 5Y	59.02	0.00	-0.26	-9.20	90.18	58.55
Luio GDS												Japan 5Y	58.99	0.03	-0.99	-5.70	80.75	58.67
	Sh)ays		ne	Three		Six	One		Senior Financials 5Y	67.56	0.00	-0.62	-11.40	103.71	66.60
Dec 22	ter			tice		nth	month		onth	year		Markit CDX						
Euro	3.63	3.93	3.47	3.77	3.73	4.03	3.75 4.0				.56	Emerging Markets 5Y	166.98	0.00	-5.30	-21.69	245.20	166.98
Sterling	F 07	F 47	F 00	F 40	0.45	0.55	0.58 0.6				.05	Nth Amer High Yld 5Y	357.46	0.00	-9.32	-50.80	447.71	355.63
US Dollar	5.27	5.47	5.29	5.49	5.32	5.52	5.45 5.6				48	Nth Amer Inv Grade 5Y	56.16	0.00	-1.69	-7.55	81.85	55.22
Japanese Yen Libor rates come from	-0.30	-0.10	-0.30	-0.10	-0.25	0.05	-0.15 0.0			0.00 0.	_	Websites: markit.com, ftse.com. All indice	es shown are un	hedged Curre	encies are sho	wn in bracket	ts after the inc	lex names

	Price	Yie	ld	Month	Value			No o
	Dec 22	Dec 22	Pre	ev return	stock	Marke	et	stocks
Can 4.25% ' 26	108.23	1.380	1.32	29 1.32	5.25	71022.9	4	{
Fr 0.10% 25	98.50	1.380	1.41	5 0.15	12.79	260686.9	3	18
Swe 1.00% 25	129.01	1.595	1.60	0.32	35.93	237724.5	4	7
UK 0.125% 26	99.55	0.325	0.39	90 1.32	13.45	548790.1	0	3
							×	
UK 2.00% 35	254.15	0.260	0.33		9.08	548790.1		3
US 0.625% 26	96.50	2.374	2.38		42.42	1678490.8		48
US 3.625% 28	107.12	1.898	1.85	55 1.79	16.78	1678490.8	9	48
value. In line with ma amount.		UK Gilts i	inflation fa	-				
value. In line with ma amount.	arket convention, for	VT S	inflation fa	ctor is applied to		r markets it i		ed to pa
value. In line with ma amount.	arket convention, for	VT S	PREA	ctor is applied to		r markets it i	is applie	d to pa
value. In line with ma amount.	N YEAR GO	VT S Spread vs	PREA Spread	ctor is applied to		markets it i	Spread vs	Spread
value. In line with ma amount. BONDS: TE	N YEAR GO	VT S Spread vs	PREA Spread vs	ctor is applied to		markets it i	Spread vs	Spread v:
value. In line with ma amount. BONDS: TE	N YEAR GO Bid Yield	VT S Spread vs Bund	PREA Spread vs T-Bonds	DS		Bid Yield	Spread vs Bund	Spread vs.
value. In line with ma amount. BONDS: TE Australia Austria	N YEAR GO Bid Yield 3.96	VT S Spread vs Bund 2.11	PREA Spread vs T-Bonds 0.04	DS Netherlands		Bid Yield 2.12	Spread vs Bund 1	Spread v: 1-Bond: -1.80
value. In line with ma amount. BONDS: TE Australia Austria Canada	Bid Yield 3.96 2.32	VT S Spread vs Bund 2.11 0.47	Spread vs T-Bonds 0.04 -1.60	DS Netherlands New Zealand		Bid Yield 2.12 4.41	Spread vs Bund 1 0.27 2.57	Spread V: T-Bond: -1.80 -0.50
value. In line with ma amount. BONDS: TE Australia Austria Canada Denmark	Bid Yield 3.96 2.32 3.22	VT S Spread vs Bund 2.11 0.47 1.37	Spread vs T-Bonds 0.04 -1.60 -0.70	Netherlands New Zealand Norway		Bid Yield 2.12 4.41 3.36	Spread vs Bund 1 0.27 2.57 1.52	ed to pa
value. In line with ma amount. BONDS: TE Australia Austria Canada Denmark Finland	Bid YEAR GO Bid Yield 3.96 2.32 3.22 2.05	VT S Spread vs Bund 2.11 0.47 1.37 0.20	Spread vs T-Bonds 0.04 -1.60 -0.70 -1.87	Netherlands New Zealand Norway Portugal		Bid Yield 2.12 4.41 3.36 2.25	Spread vs Bund 1 0.27 2.57 1.52 0.41	Spread vo. T-Bonds 0.56 -0.56 -1.63
value. In line with ma amount.	Bid Yield 3.96 2.32 3.22 2.05 2.29	VT S Spread vs Bund 2.11 0.47 1.37 0.20 0.44	PREA Spread vs T-Bonds 0.04 -1.60 -0.70 -1.87 -1.63	Netherlands New Zealand Norway Portugal Spain		Bid Yield 2.12 4.41 3.36 2.25 2.55	Spread vs Bund 1 0.27 2.57 1.52 0.41 0.70	Spread v: T-Bond: -1.80 -0.56 -1.67

	Red			Ratings		Bid	Bid	Day's chge	Mth's chge	Spread v:
Dec 22	date	Coupon	S*	M*	F*	price	yield	yield	yield	US
High Yield US\$ HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	
High Yield Euro Aldesa Financial Services S.A.	04/21	7.25			В	71.10	28.23	0.00	0.64	25.98
Emerging US\$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60		-	0.34
Colombia	01/26	4.50		Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00		Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50		Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00		B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.38
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42
Interactive Data Pricing a other London close. *S - S						mpany. US	\$ denomi	inated bor	nds NY cl	ose; all
VOLATILITY	INDIC	CES								
		Dec	26	Day Chn	g	Prev	52	wk high	52	wk low
VIX		13.	25	0.2	2	13.03		30.81		11.81
VXD		15.	98	4.0	4	11.94		31.86		3.10

VOLATILITY INL	JICE2							
	Dec 26	Day Ch	ng	Pre	ev 5	2 wk high	52	2 wk low
/IX	13.25	0.	22	13.0	13	30.81		11.81
/XD	15.98	4.	04	11.9	14	31.86		3.10
XN	17.27	0.	65	16.6	12	32.60		5.85
/DAX	13.25	-0.	16	13.4	1	93.30		
CBOE. VIX: S&P 500 index Op	tions Volatility, VXD: D	JIA Index (Options Vo	latility, V	XN: NASI	AQ Index	Options V	olatility
Deutsche Borse. VDAX: DAX								
			NIT					
BONDS: BENCHI	1ARK GOVE	KNME	NI					
	Red		Bid	Bid	Day chg	Wk chg	Month	Year
	Date	Coupon	Price	Yield	yield	yield	chg yld	chg yld
Australia		-			-			-
	05/32	1.25	80.82	3.96	-0.01	-0.14	-0.42	0.17
	02/50	1.00	102.83	1.64	0.01	-0.19	-0.54	0.00
Austria	02/29	0.50	91.24	2.32	-0.01	-0.08	-0.48	-0.52
	02/47	1.50	77.72	2.82	0.01	-0.04	-0.50	-0.04
Belgium	06/27	0.80	95.26	2.23	-0.03	-0.11	-0.52	-0.41
201310111	06/47	1.60	76.47	3.01	0.02	-0.05	-0.56	-0.13
Canada	03/25	1.25	96.42	4.41	0.02	0.09	-0.07	0.73
andud	06/30	1.25	88.62	3.22	0.08	0.03	-0.36	0.73
	12/48	2.75	93.64	3.12	0.13	0.14	-0.27	0.01
Denmark								
Jenmark	11/29	0.50	91.49	2.05	-0.01	-0.08	-0.49	-0.52
	11/52	0.25	57.51	2.27	0.02	-0.02	-0.51	0.03
Finland	09/24	0.00	97.60	3.45	-0.02	-0.05	-0.24	0.81
	09/29	0.50	90.53	2.29	-0.01	-0.10	-0.48	-0.55
rance	05/28	0.75	94.03	2.19	-0.02	-0.13	-0.55	-0.51
	05/48	2.00	83.99	2.93	0.03	-0.05	-0.56	-0.16
Germany	08/29	0.00	90.20	1.85	-0.01	-0.09	-0.47	-0.48
	08/50	0.00	56.58	2.16	0.03	-0.02	-0.48	0.00
Greece		-	-	-	-	-	-	
	01/28	3.75	104.81	2.50	-0.05	-0.18	-0.66	-1.23
reland		-	-	-	-	-	-	-
	05/26	1.00	96.86	2.37	-0.05	-0.11	-0.44	-0.14
	02/45	2.00	87.31	2.80	0.01	-0.05	-0.59	-0.31
taly	02/25	0.35	97.00	3.16	-0.04	-0.11	-0.31	-0.05
	05/30	0.40	94.18	1.35	-0.01	-0.23	-0.54	-0.84
	03/48	3.45	91.94	3.97	-0.02	-0.15	-0.64	-0.51
Japan	04/25		99.98	0.07	0.00	-0.04	-0.01	-0.03
- Charles	12/29	0.10	98.84	0.30	0.02	-0.07	-0.04	-0.07
	12/49	0.40	75.43	1.55	0.02	-0.06	-0.08	0.13
Vetherlands	07/27	0.75	95.36	2.12	-0.03	-0.12	-0.51	-0.39
venierianus								
New Zeelee I	01/47	2.75	105.56	2.43	0.03	-0.02	-0.50	-0.06
New Zealand	05/31	1.50	81.81	4.41	0.03	-0.11	-0.43	0.10
	09/40	2.50	122.93	2.63	0.03	-0.16	-0.33	0.41
Norway	08/30	1.38	88.33	3.36	0.03	0.18	-0.21	0.26
Poland		-	-	-	-	-	-	
	07/27	2.50	92.46	4.84	0.03	0.12	-0.45	-1.98
	04/47	4.00	91 51	E //1	0.00	0.00	-0.13	-1 25

40	D-II									All stocks 0.67 15.76 0.69 0.40 0.62
48	Poland									
market		07/27	2.50	92.46	4.84	0.03	0.12	-0.45	-1.98	See FTSE website for more details www.ftse.com/products/indices/gilts
ed to par		04/47	4.00	81.51	5.41	0.00	0.09	-0.13	-1.35	©2018 Tradeweb Markets LLC. All rights reserved. The Tradeweb FTSE
ou to par	Portugal	04/27	4.13	105.87	2.25	-0.04	-0.14	-0.52	-0.54	Gilt Closing Prices information contained herein is proprietary to
	Spain		-	-	-	-	-	-	-	Tradeweb; may not be copied or re-distributed; is not warranted to be
		10/29	0.60	89.54	2.55	-0.02	-0.13	-0.56	-0.56	accurate, complete or timely; and does not constitute investment advice.
		10/46	2.90	91.90	3.42	0.01	-0.10	-0.61	-0.19	Tradeweb is not responsible for any loss or damage that might result from the use of
Spread	Sweden	06/30	0.13	118.52	0.53	-0.01	-0.12	-0.57	0.53	
VS		03/39	3.50	117.60	2.14	-0.02	-0.11	-0.65	0.02	All data provided by Morningstar unless otherwise noted. All elements listed are
T-Bonds	Switzerland	04/28	4.00	113.37	0.81	-0.01	0.12	-0.14	-0.57	at the time of publication. No offer is made by Morningstar, its suppliers, or the
-1.80		06/29	0.00	96.03	0.74	0.01	0.11	-0.14	-0.66	Morningstar's suppliers, warrant or guarantee that the information is reliable
0.50	United Kingdom		-		-	-	-	-	-	Morningstar's suppliers accept responsibility and will not be liable for any loss
-0.56		07/27	1.25	92.76	3.42	-0.04	-0.30	-0.68	-0.18	use of the listed information. For all queries e-mail ft.reader.enquiries@momi
-1.67		07/47	1.50	61.42	4.06	-0.02	-0.12	-0.61	0.13	Data associated by Massissatas I consumersion
-1.37	United States		-	-	-	-	-	-	-	Data provided by Morningstar www.morning
-3.39		03/25	0.50	94.94	4.68	-0.01	-0.13	-0.37	0.55	
-3.18		02/30	1.50	86.91	3.92	0.01	-0.03	-0.44	0.23	POWERED BY
0.00		02/50	0.25	65.51	1.94	0.04	0.06	-0.30	0.31	AN - DUILLOCTAD
	Interactive Data Pricing and Reference Dat		Data Se		pany.					\ M\times \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
										III Ziminooniii

126.71	94.16 1.35	28.22	70783	1.1 2	Zoetis	195.1	2 0.1	14 201.9	2 141.52	0.72	41.
50.30	24.73 2.03	-123.83	211938.3	32 2	Zoom	73.1	4 0.6	64 85.1	3 58.87	-	157.
628.33	370.62 0.49	75.08	174755.6	65	/enezuela	(VEF)					
180.93	144.95 2.94	31.63	375162.3		Bco de Vnz		8 0.6	68 9.2	0 2.18	99.41	,
70.43	47.90 2.50	19.21	38948.1	16 E	Bco Provno	1 17.9	0 0.4	40 7940	0 6.80	-	3.
169.41		10.85	487279.4	46							
147.87					Closing pric	ces and hig	hs & low	s are in tra	ded curren	cy (with	varia
18.90				73 0					alisation is		
593.00			80079.7	77 t					52 week pe		
42.80				1	ex-divide	nd					
50.36					ex-capita	al redistribu	ıtion				
65.58					price at t	ime of susp	pension				
21.89		-2.38	2973.4 540108.3								
629.97	302.14 0.74	75.25	340100.	33							
Ш	BONDS: 0	SLOE	BAL II	NVES	TMEN	IT GR	ADE				
										Day's	M
			Red			Ratings		Bid	Bid	chge	0
1)ec 22		date	Coupon	S*	M*	F*	price	yield	yield	У
Ī	JS\$										
F	leetBoston Financia	al Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-(
T	he Goldman Sachs Gro	oup, Inc.	02/28	5.00	BBB+	A3	Α	117.21	2.47	0.00	(
1	NationsBank Corp		03/28	6.80	BBB+	Baa1	Α-	127.69	2.72	-0.01	(
	STE LLC		04/28	6.94	BBB+	Baa2	Α-	128.27	2.80	0.00	-(
	Inited Utilities PL		08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-(
B	Barclays Bank plc		01/29	4.50	A	A1	A+	96.46	5.02	0.00	(
	uro										
	lectricite de Franc		04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	(
	he Goldman Sachs Gro		02/31	3.00	BBB+	A3	Α	124.42	0.68	0.00	-
	he Goldman Sachs Gro	oup, Inc.	02/31	3.00	BBB+	A3	Α	121.70	0.93	0.00	(
F	inland		04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-(
Y	en en										
. 1	Mexico		06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-(
£	Sterling										
	nnogy Fin B.V.		06/30	6.25	BBB	Baa2	Α-	128.68	3.20	0.00	-(
i	nnogy Fin B.V.		06/30	6.25	BBB	Baa2	Α-	137.45	2.19	-0.03	-
	nteractive Data Pric					a Services co	ompany.	US \$ denon	ninated bond	s NY clo	ise; a
C	lose. *S - Standard	& Poor	s, M - Mo	ody's, F - F	itch.						

		Red		Change	e in Yield		52 V	Veek	Amn
Dec 22	Price £	Yield	Day	Week	Month	Year	High	Low	£r
	-			-	-	-	-	-	
		-		-					
Tr 0.125pc '24	99.53	5.09	-0.78	-2.12	1.80	39.07	99.53	96.23	35.5
Tr 2pc '25	96.89	3.91	-1.01	-6.46	-15.91	10.14	97.82	92.80	39.9
Tr 0.125pc '26	92.87	3.70	-1.07	-5.61	-16.29	6.02	92.87	87.71	35.3
Tr 1.25pc '27	92.78	3.42	-0.87	-6.04	-19.72	-4.74	93.30	86.03	40.9
Tr 0.5pc '29	86.75	3.35	-1.18	-5.90	-20.99	-5.10	87.71	78.59	28.9
Tr 1pc '32	82.93	3.43	-0.87	-4.19	-19.10	-4.19	110.14	74.53	35.9
Tr 4.25pc '36	105.55	3.68	-0.81	-3.41	-17.30	-3.66	109.78	94.63	31.6
Tr 4.5pc '42	106.44	4.01	-0.50	-2.20	-15.04	1.26	113.53	92.93	28.3
Tr 3.75pc '52	95.05	4.04	-0.49	-1.94	-14.59	4.39	103.90	79.70	25.1
Tr 4pc '60	100.64	3.97	-0.25	-1.73	-14.44	7.30	111.84	83.11	25.1
Gilts benchmarks &		_	_		_	£100 nomi	nal of stock		

6	0.09	-0.07	0.73	Price indices				Days	- 1	otai	netum	netum	
18	0.02	-0.36	0.19	Fixed Coupon		Dec 22		chg %			month	1 year	Yield
3	0.14	-0.27	0.01	1 Up to 5 Years		83.14		0.13	243	5.41	1.86	4.13	3.62
1	-0.08	-0.49	-0.52	2 5 - 10 Years		151.29		0.25	329		4.98	5.39	3.41
12	-0.02	-0.51	0.03	3 10 - 15 Years		160.79		0.32	381		6.97	5.42	3.72
12	-0.05	-0.24	0.81	4 5 - 15 Years		152.81		0.28		3.02	5.68	5.56	3.56
1	-0.10	-0.48	-0.55	5 Over 15 Years		212.93		0.33	379		10.48	1.68	3.98
12	-0.13	-0.55	-0.51	7 All stocks		137.08		0.24	314	2.45	5.72	3.60	3.84
13	-0.05	-0.56	-0.16				Davis	Ma	nth	Year's	Total	Return	Return
1	-0.09	-0.47	-0.48	Index Linked	Dec 22		Day's				Return	1 month	
13	-0.02	-0.48	0.00	1 Up to 5 Years	337.55		hg % 0.13		g % I.45	chg % 4.26	2883.17	1.45	1 year 5.32
-	-	-	-	2 Over 5 years	547.07		0.13		7.96	0.07	4196.28	7.96	0.70
15	-0.18	-0.66	-1.23	3 5-15 years	473.68		0.44		1.34	5.71	3866.68	4.34	6.69
-	-	-	-	4 Over 15 years	599.02		0.50).44	-3.77	4451.47	10.44	-3.37
15	-0.11	-0.44	-0.14	5 All stocks	520.84		0.38		5.56	0.66	4078.06	6.56	1.36
1	-0.05	-0.59	-0.31	3 MII SIULKS	320.04		0.30		7.50	0.00	4070.00	0.30	1.50
14	-0.11	-0.31	-0.05	Yield Indices	Dec 22	Dec 21	Y	r ago			Dec 22	Dec 21	Yrago
1	-0.23	-0.54	-0.84	5 Yrs	3.34	3.37		3.49	20 Yrs		4.01	4.03	3.94
12	-0.15	-0.64	-0.51	10 Yrs	3.56	3.59		3.70	45 Yrs		3.84	3.85	3.61
0	-0.04	-0.01	-0.03	15 Yrs	3.87	3.89		3.89					
12	-0.07	-0.04	-0.07										
6	-0.06	-0.08	0.13			inflatio	on 0%	i)			inflatio	n 5%	
13	-0.12	-0.51	-0.39	Real yield	Dec 22	Dur yrs	Pre	vious	Yr ago	Dec 22		Previous	Yr ago
13	-0.02	-0.50	-0.06	Up to 5 yrs	0.22	2.32		0.27	0.16	-0.19		-0.16	-0.25
13	-0.11	-0.43	0.10	Over 5 yrs	0.68	19.17		0.71	0.41	0.65		0.67	0.37
13	-0.16	-0.33	0.41	5-15 yrs	0.23	9.28		0.27	0.31	0.12		0.15	0.21
13	0.18	-0.21	0.26	Over 15 yrs	0.79	25.07		0.81	0.43	0.77		0.79	0.41
*	-	-	-	All stocks	0.67	15.76		0.69	0.40	0.62	15.85	0.64	0.35
13	0.12	-0.45	-1.98	See FTSE website for more						Allen			
10	0.09	-0.13	-1.35	©2018 Tradeweb Markets						74.0	- 1		1
14	-0.14	-0.52	-0.54	Gilt Closing Prices informa						10	rad	ewe	n
-	-	-	-	Tradeweb; may not be cop							Ida	CVVC	-10
17	-0.13	-0.56	-0.56	accurate, complete or time	ly; and does n	ot consti	tute in	ivestmen'	t advice.				

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12	-0.11	-0.65	0.02	All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate
11	0.12	-0.14	-0.57	at the time of publication. No offer is made by Morningstar, its suppliers, or the FT. Neither the FT, nor
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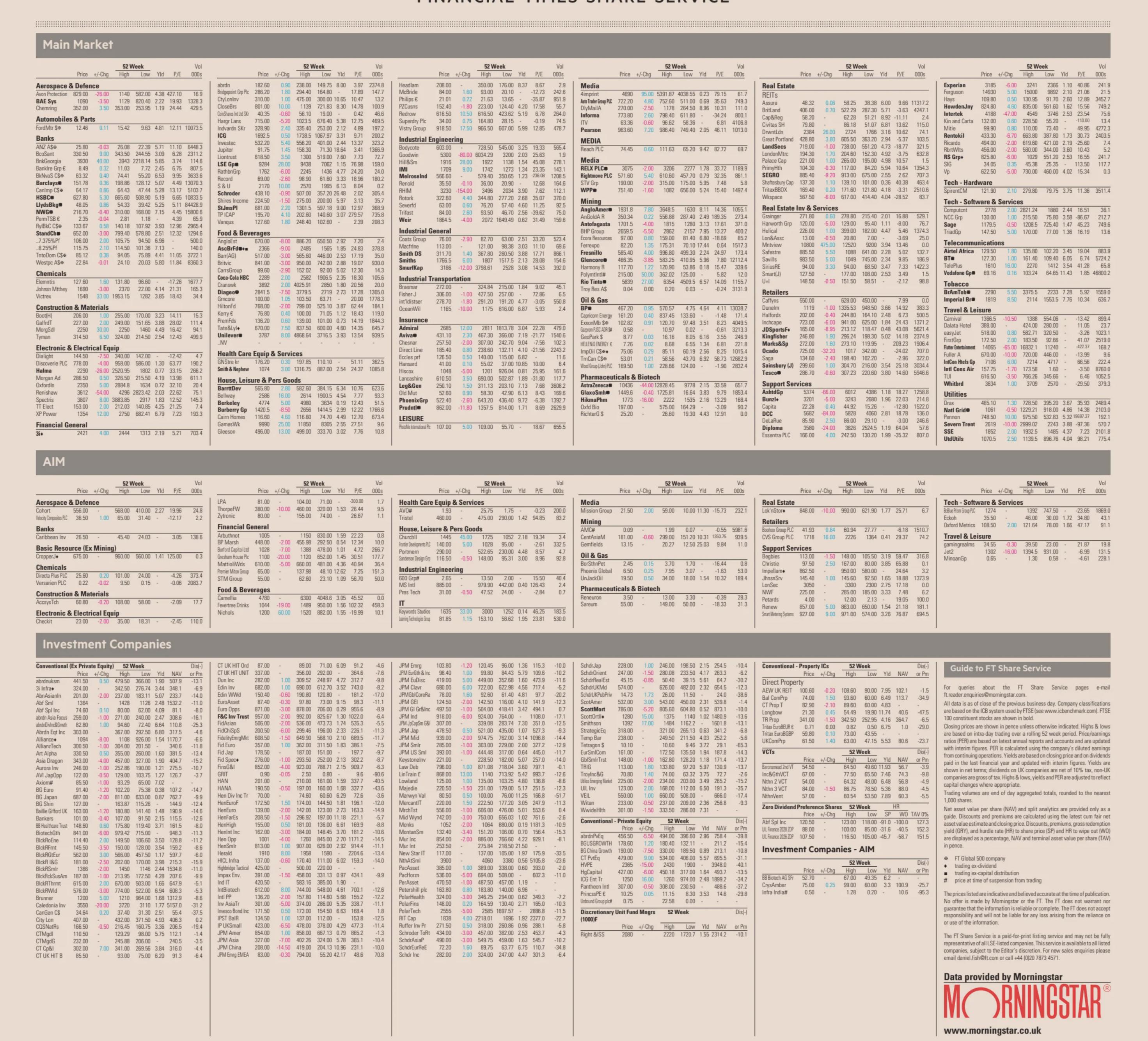


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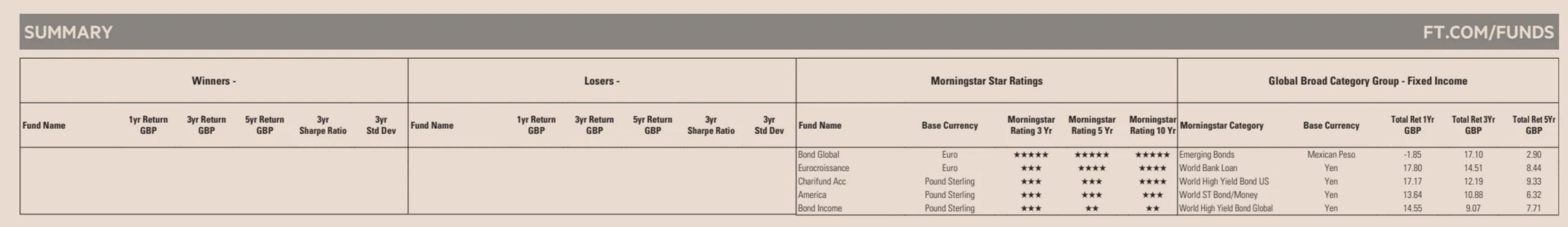
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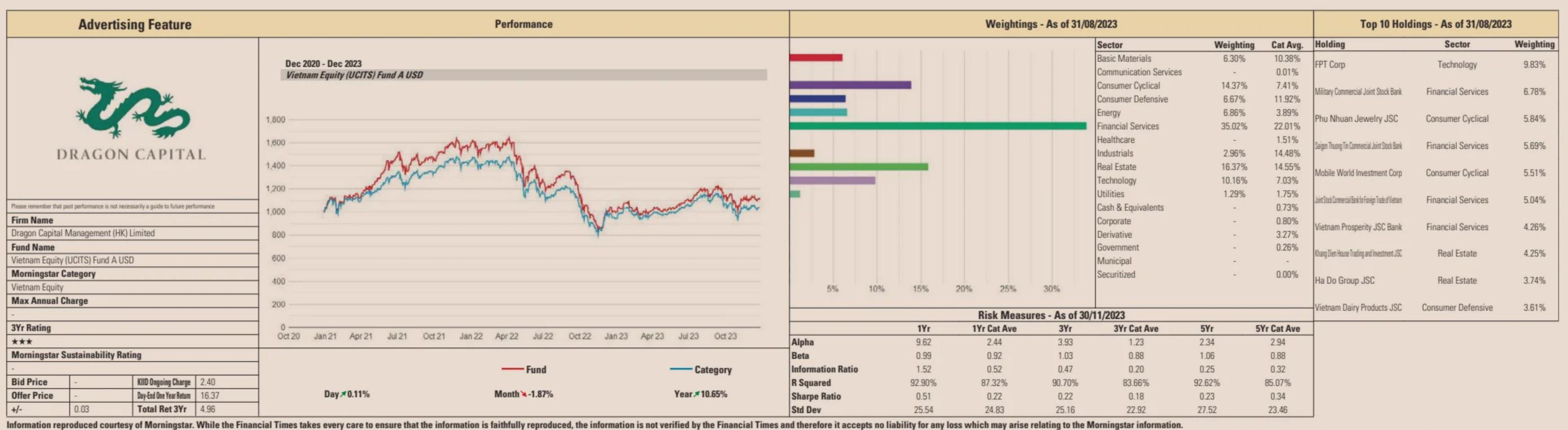
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FCA Recognised

Bid Offer +/- Yield 1Yr 3Yr Fund

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Bid Offer +/- Yield 1Yr 3Yr Fund

US Equity Growth Fund USD B \$ 57.95 - 0.10 0.00 33.77 1.67 US Flexible Equity Fund USD B \$ 29.17 - 0.06 0.00 34.61 10.18 US Mid-Cap Growth Fund USD C \$ 19.50 - 0.08 0.00 23.18 -2.21 US Small Cap Blend Fund USD B \$ 24.04 - 0.22 0.00 15.58 5.11 US Smaller Companies Fund USD B \$ 38.11 - 0.51 0.00 14.72 -0.89

Global Sustainable Total Return Bond USD B \$ 10.03 - 0.01 0.00 3.62

Multi Asset Open Strategic Fund W-ACC-GBP £ 1.56 - 0.00 - 4.63 2.07 Open World Fund W-ACC-GBP £ 2.43 - 0.02 1.04 8.26 7.46 Strategic Bond Fund W-ACC-GBP £ 1.25 - 0.00 3.42 6.92 -3.45 UK Opportunities Fund W-ACC-GBP 247.00 - 3.20 1.26 0.78 -0.32 UK Smaller Companies W-ACC-GBP £ 3.85 - 0.02 2.18 9.77 12.14 Index Sterling Corporate Bond Fund P-ACC-GBP £ 0.89 - 0.00 - 9.11 -5.05 Index UK Gilt Fund P-ACC-GBP £ 0.77 - 0.00 - 3.47 -8.87 Sustainable Asia Equity Fund W-ACC-GBP £ 1.71 - -0.02 0.68 -9.65 -5.63 Sustainable Multi Asset Balanced Fund W-ACC-GBP £ 0.99 - 0.00 1.86 7.51 Sustainable Multi Asset Consenative Fund W-ACC-GBP £ 0.94 - 0.00 - 5.67 Sustainable Multi Asset Growth Fund W-ACC-GBP £ 1.01 - 0.00 1.86 7.89

Bid Offer +/- Yield 1Yr 3Yr Fund

Hermes Property Unit Trust **Property & Other UK Unit Trusts** £ 6.01 6.45 -0.08 4.05 -9.58 -1.83

Bid Offer +/- Yield 1Yr 3Yr



61 Aldwych, London WC2B 4AE. Dealing team: +352 27 62 22 233 Emerging Markets Equity Fund \$126.62 - 2.18 0.00 9.34 -4.39 Emerging Markets Equity ESG Fund \$142.90 - 2.20 0.00 9.58 -6.61 Emerging Markets Active Equity Fund \$121.14 - 1.52 0.00 3.77 -8.35 merging Markets Frontier Equity Fund \$185.44 - 0.48 0.99 7.28 4.90 Emerging Markets Blended Debt Fund \$ 56.86 - 0.09 4.70 12.89 -7.28 Emerging Markets Blended Debt ESG Fund \$ 87.21 - -0.99 0.00 5.48 -6.27 Emerging Markets Debt Fund \$ 62.56 - 0.09 5.24 13.87 -7.42 Emerging Markets Corporate Debt Fund \$ 59.34 - 0.06 6.10 4.42 -7.94 Emerging Markets Local Currency Bond Fund \$ 65.44 - -0.01 4.82 13.43 -2.24

(IRL) **CG** Asset Management Limited 25 Moorgate, London, EC2R 6AY Dealing: Tel. +353 1434 5098 Fax. +353 1542 2859 FCA Recognised CG Portfolio Fund Plc Absolute Return Cls M Inc £ 134.51 135.12 0.00 - 1.82 2.62 Capital Gearing Portfolio GBP P £ 36933.20 37136.84 -0.46 1.79 1.05 2.51 Capital Gearing Portfolio GBP V £ 179.60 180.59 -0.01 1.80 1.04 2.51

£159.84 160.32 -0.34 1.92 -2.55 -0.72 Dollar Hedged GBP Inc £ 92.82 93.10 -0.29 1.84 0.88 -3.05 Real Return Cls A Inc £191.94 192.52 -0.05 2.40 -2.22 -1.06 UK Index-Linked Bond G Inc £ 103.57 103.89 -0.17 - -

EdenTree Investment Management Ltd PO Box 3733, Swindon, SN4 4BG, 0800 358 3010 **Authorised Inv Funds** Amity Balanced For Charities A Inc 93.49 - - 1.58 - 10.97 5.01 Amity Global Equity Inc for Charities A Inc 153.00 - - 0.80 3.10 7.87 7.27 EdenTree European Equity Cls A Inc 345.20

investment management

Bid Offer +/- Yield 1Yr 3Yr Fund



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Algebris Investments (IRL) €152.08 - 0.30 0.00 8.56 8.40 Algebris Core Italy I EUR Algebris Core Italy R EUR €143.24 - 0.28 0.00 7.76 8.67 Algebris Financial Credit I EUR €192.94 - -0.05 0.00 11.28 0.98 Algebris Financial Credit R EUR €164.79 - -0.04 0.00 10.50 0.36 Algebris Financial Credit Rd EUR € 94.67 - -0.02 6.12 10.49 0.39 Algebris Financial Equity B EUR €192.23 - -0.08 0.00 20.18 20.95 Algebris Financial Equity R EUR €159.98 - -0.08 0.00 18.99 19.79 Algebris Financial Income I EUR €202.30 - -0.12 0.00 13.44 10.02 Algebris Financial Income R EUR €182.36 - -0.12 0.00 12.43 9.03 Algebris Financial Income Rd EUR €106.17 - -0.07 4.95 12.43 9.03 Algebris Global Credit Opportunities I EUR € 138.48 - -0.17 0.00 10.81 2.21 Algebris Global Credit Opportunities R EUR € 134.69 - -0.16 0.00 10.44 1.82 Algebris Global Credit Opportunities Rd EUR €113.77 - -0.14 3.94 10.55 1.95 Algebris IG Financial Credit I EUR €105.61 - 0.08 0.00 10.33 -1.58 Algebris IG Financial Credit R EUR €103.44 - 0.08 0.00 9.77 -2.06 Algebris Sust. World B €115.96 - 0.86 0.00 14.58 Algebris Sust. World R €114.21 - 0.84 0.00 13.10



Chartered Asset Management Pte Ltd Other International Funds CAM-GTF VCC CAM GTi VCC RAIC VCC

EdenTree European Equity Cls B Inc 349.30 - 1.00 - 14.71 10.42 EdenTree Global Equity Cls A Inc 349.20 - 2.10 0.70 13.63 3.74 EdenTree Global Equity Cls B Inc 352.40 - 2.20 1.26 14.24 4.30 EdenTree Responsible and Sust S Dtd Bd B 95.87 - 0.15 2.46 5.85 -0.34 EdenTree Sterling Bond Cls A Inc 88.05 - 0.15 4.38 7.30 -2.78 EdenTree Sterling Bond Cls B Inc 100.00 - 0.17 4.38 7.97 -2.16 EdenTree UK Equity Cls A Inc 221.70 - 0.40 1.62 4.96 -0.69 EdenTree UK Equity Cls B Inc 221.30 - 0.40 2.21 5.56 -0.14 EdenTree UK Equity Opps Cls A Inc 288.10 - 0.70 1.29 8.89 0.76 American EUR Unhedged Class €179.99 - 1.67 0.00 20.56 11.90 EdenTree UK Equity Opps Cls B Inc 294.30 - 0.80 1.90 9.55 1.33 American Fund USD Class \$197.85 Edentree Global Impact Bond B 88.86 - - 0.01 2.94 7.09 -\$ 299701.56 299701.56 299701.56 12981.26 - -6.36 3.78 Edentree Green Future B Net Inc 104.30 - 0.70 0.83 7.70 - American Fund GBP Unhedged £ 156.33 - 1.84 0.00 19.48 9.91 \$780.49 - -32.39 - 12.31 4.69 EdenTree Managed Income Cls A Inc 123.80 - 0.40 - 7.03 5.18 \$ 1.64 1.64 0.03 2.06 5.74 -1.66 EdenTree Managed Income Cls B Inc 132.80 - 0.40 - 7.56 5.73

Findlay Park Funds Plc 30 Herbert Street, Dublin 2, Ireland Tel: 020 7968 4900 FCA Recognised American Fund GBP Hedged £ 96.12 - 1.04 0.00 23.66 6.74

Janus Henderson Asia Pacific Capital Growth Fund A Acc 1089.00 - - 5.00 0.21 -4.39 -8.51 Janus Henderson Asian Dividend Income Unit Trust Inc 75.21 - 0.15 5.60 -1.66 -0.96 Janus Henderson Cautious Managed Fund A Acc 298.10 - 0.90 -Janus Henderson Cautious Managed Fund A Inc 142.80 - 0.50 - 7.38 2.94 Janus Henderson European Growth Fund A Acc 310.10 - -0.10 -

Janus Henderson Investors

www.janushenderson.com

Authorised Inv Funds



Consistent Unit Tst Mgt Co Ltd (1200)F Stuart House, St John's Street, Peterborough, PE1 5DD Dealing & Client Services 0345 850 8818

Authorised Inv Funds 59.42 59.42 0.16 1.62 -3.04 3.44 Consistent UT Inc Consistent UT Acc 162.90 162.90 0.40 0.59 -2.98 3.46 247.40 247.40 0.30 3.77 8.73 6.80 Practical Investment Inc. 1611.00 1611.00 2.00 0.58 8.70 6.20 Practical Investment Acc

Euronova Asset Management UK LLP Smaller Cos Cls One Shares € 54.92 - 0.98 0.00 5.19 0.79 - 0.63 0.00 4.68 -0.43 Smaller Cos Cls Two Shares € 34.88

Smaller Cos Cls Three Shares € 17.41

Smaller Cos Cls Four Shares € 22.94

Asia Fund W-ACC-GBP

Asia Pacific Ops W-Acc

Cash Fund W-ACC-GBP

Emerging Mkts NAV

0.32 0.00 4.69 -1.20 - 0.41 0.00 4.65 -0.66

Foord International Fund | R \$ 47.06 - 0.38 0.00 -5.03 0.53 Foord Global Equity Fund (Lux) | R \$ 16.81 - 0.20 0.00 5.76 -1.54 Foord Global Equity Fund (Sing) | B \$ 20.14 - 0.23 0.00 6.24 -1.37 Foord International Trust (Gsy) \$ 45.88 - 0.37 0.00 -5.00 0.55

Foord Asset Management
Website: www.foord.com - Email: info@foord.com

FCA Recognised - Luxembourg UCITS

Janus Henderson China Opportunities Fund A Acc 940.90 - -32.30 - -23.88 -19.43 Janus Henderson Emerging Markets Opportunities Fund A Acc 188.00 - -1.00 0.75 -2.59 -6.73 Janus Henderson European Selected Opportunities Fund A Acc 2511.00 - 2.00 - 16.25 8.33 Janus Henderson Fixed Interest Monthly Income Fund Inc 17.67 - 0.00 4.60 5.24 -4.26 Janus Henderson Global Equity Fund Acc 4504.00 - 14.00 0.00 4.67 2.54 Janus Henderson Global Equity Income Fund A Inc 65.79 - 0.13 3.42 3.28 6.54 Janus Henderson Global Sustainable Equity Fund A Inc 515.00 - 2.20 0.00 12.96 3.88 Janus Henderson Global Technology Leaders Fund A Acc. 3620.00 - -7.00 0.00 37.38 6.76 Janus Henderson Instil UK Index Opportunities A Acc £ 1.19 - 0.01 - 6.16 7.97 Janus Henderson Multi-Asset Absolute Return Fund A Acc 168.90 - 0.10 1.33 5.36 4.38 Janus Henderson Multi-Manager Active Fund A Acc 266.10 - 0.10 - 6.61 2.61 Janus Henderson Multi-Manager Distribution Fund A Inc 125.70 - 0.00 3.41 5.10 0.74 Janus Henderson Multi-Manager Diversified Fund A Acc 89.99 - 0.03 2.99 5.10 -0.94 Janus Henderson Multi-Manager Global Select Fund Acc 332.80 - 0.30 0.14 10.68 5.74 Janus Henderson Multi-Manager Income & Growth Fund A Acc 194.60 - 0.00 - 5.65 1.10 Janus Henderson Multi-Manager Income & Growth Fund A Inc 147.10 - 0.00 - 5.62 1.10 Janus Henderson Multi-Manager Managed Fund A Acc 325.80 - 0.30 0.30 6.64 2.48 Janus Henderson Multi-Manager Managed Fund A Inc 314.40 - 0.30 0.31 6.65 2.49 Janus Henderson Sterling Bond Unit Trust Acc 215.30 - 0.30 - 6.90 - 5.68 Janus Henderson Sterling Bond Unit Trust Inc 57.59 - 0.07 - 6.89 -5.69 Janus Henderson Strategic Bond Fund A Inc 102.90 - 0.10 3.31 2.10 -5.43 Janus Henderson Absolute Return Fund A Acc 176.50 - 0.30 0.64 6.84 3.15 Janus Henderson UK Alpha Fund A Acc 145.80 - 1.10 1.66 8.64 0.09 Janus Henderson UK Equity Income & Growth Fund A Inc 499.20 - 2.30 - 1.15 7.64 Janus Henderson US Growth Fund A Acc 2020.00 - 0.00 0.00 25.15 6.34

\$514.89 - 2.63 0.00 -7.80 -2.46 AEF Ltd Usd AEF Ltd Eur - 2.01 0.00 -9.11 -3.44

The Antares European Fund Limited

Other International

Artemis Fund Mana

57 St. James's Street, Lor

Authorised Inv Funds

Artemis SmartGARP UK Eq.

Artemis Corporate Bond I

Artemis SmartGARP Eur Eq

Artemis European Opps I

Artemis SmartGARP GloEmr Eq

Artemis SmartGARP Glo Eq.

Artemis Global Income I

Artemis Global Select I A

Artemis High Income I Q I

Artemis Monthly Dist I Inc Artemis Positive Future Fi

Artemis Strategic Assets

Artemis Strategic Bond I C

Artemis Target Return Bond

Artemis UK Select Fund Class

Artemis UK Smaller Cos I

Artemis US Select I Acc

Artemis UK Special Sits I Acc 831.61 - 3.19 - 13.06 6.53

Artemis US Abs Return I Hdg Acc 113.41 - -0.22 0.24 1.35 0.27

Artemis US Extended Alpha I Acc 371.14 - -0.27 0.00 15.99 9.51

Artemis US Smlr Cos I Acc 329.34 - 1.02 0.00 9.90 1.10

340.02 - 0.08 0.15 19.91 7.60

Artemis Income I Inc





Dodge & Cox Worldwide Funds

www.dodgeandcox.worldwide.com 020 3713 7664

48-49 Pall Mall, London SW1Y 5JG.



£ 14.43

£ 2.81

Asian Dividend Fund W-ACC-GBP £ 2.29 - -0.01 3.11 -1.17 3.49

- -0.16 0.83 -7.14 -7.51

- -0.01 1.38 -0.50 0.76

£ 1.08 - 0.01 1.76 4.58 1.89

£ 7.21 - -0.16 2.31 3.70 -9.24







agers ondon S	Ltd (12 SW1A 1LI	00)F D 080	: 00 092 2	051		(UK)	Brooks Macdonald International Third Floor, No 1 Grenville Stre +44 (0) 1534 700 104 (Int.) +44	eet, St He	lier, J	lersey, J			JEF
I Acc	2451.24	-	13.31	-	2.74	13.45	Brooks Macdonald Interna				nds Li	mited	
I Acc	106.59	177	0.19	-	10.05	-2.20	Euro High Income	€1.2532	-	0.0010	2.50	5.90	-4.6
I Acc	488.17	1-1	-0.80	-	14.31	12.03	High Income	£0.6695	-	0.0015	3.77	8.23	-4.8
Acc	143.55	-	0.09	-	17.82	6.25	Sterling Bond	£1.2985	-	0.0030	2.06	8.07	-4.9
q I Acc	175.16	17.	-0.33	-	8.59	7.08	Brooks Macdonald Interna	tional M	ulti S	trategy	Fund	Limite	ed
I Acc	390.00	-	0.24	3.06	2.38	7.41	Cautious Balanced Strategy	£1.2875	-	0.0025	0.00	6.59	-0.9
Inc	115.00	-	0.19	3.43	7.97	10.15	Cautious Balanced Strategy A	£0.9208	-	0.0019	1.77	7.14	-
Acc	175.06	-	0.17	0.95	7.04	4.52	Balanced Strategy	£0.9571	-	0.0017	1.02	8.10	-
Inc	70.72	-	0.08	6.38	10.30	1.96	Balanced Strategy A	£0.9582	-	0.0017	0.02	7.03	-
	258.51	-	1.03	4.08	8.86	9.19	Growth Strategy	£2.0356	-	0.0049	0.00	9.61	1.4
nc	70.95	-	0.09	_	5.67	4.71	Growth Strategy A	£0.9731	-	0.0024	0.01	8.95	-
Fund	63.21	-	0.31	0.00	-5.10	_	High Growth Strategy	£2.8544	-	0.0064	0.00	10.14	2.0
I Acc	100.02	-	0.26	_	5.11	6.98	High Growth Strategy A	£0.9736	-	0.0022	0.73	10.70	-
Q Acc	108.47	-	0.19	4.40	7.33	-0.91	US\$ Growth Strategy	\$1.8778	-	-0.0117	0.00	18.44	-0.5
1 Acc	113.25	-	0.23	4.26	8.65	2.18	Dealing Daily. Initial Charge Nil	for A class	ses an	d up to 2	2% for	other cl	asse
s I Acc	855.55	-	5.33	-	18.75								
I Acc	2124.07	-	12.09	2.23	77.00	8.86							

FCA Recognised Dodge & Cox Worldwide Funds plc - Global Bond Fund EUR Accumulating Class € 16.87 - -0.09 0.00 7.18 4.25 EUR Accumulating Class (H) € 11.27 - 0.01 0.00 8.57 -1.18 - -0.07 - 3.27 1.98 EUR Distributing Class € 11.63 EUR Distributing Class (H) € 7.73 - 0.01 2.41 4.94 -3.32 GBP Distributing Class £ 12.40 - -0.05 2.14 2.05 1.36 GBP Distributing Class (H) £ 8.35 - 0.01 2.38 5.78 -2.51 USD Accumulating Class \$ 13.39 - 0.01 0.00 11.12 0.63 Dodge & Cox Worldwide Funds plc-Global Stock Fund USD Accumulating Share Class \$ 33.57 - 0.40 - 19.17 11.11 GBP Accumulating Share Class £ 43.52 - 0.31 0.00 13.54 13.29 EUR Accumulating Share Class € 45.81 - 0.24 - 14.93 15.10 Sustainable Emerg Mkts Equity Fund A-ACC Shares £ 1.52 - 0.01 - -13.81 -0.91 GBP Distributing Class (H) £ 15.23 - 0.18 0.24 16.88 9.09 Dodge & Cox Worldwide Funds plc-U.S. Stock Fund USD Accumulating Share Class \$ 42.93 - 0.42 - 15.47 12.19

Sustainable European Equity Fund W-ACC-GBP £ 5.90 - 0.01 - 12.26 3.88 Sustainable Global Equity Fund W-ACC-GBP £ 34.43 - 0.12 - 7.03 0.28 Japan Fund W-ACC-GBP £ 6.29 - 0.05 1.39 13.54 7.99 GBP Accumulating Share Class £ 52.64 - 0.26 0.00 9.99 14.40 Japan Smaller Companies Fund W-ACC-GBP £ 3.70 - 0.02 0.63 8.60 -4.46 GBP Distributing Share Class £ 31.26 - 0.16 0.83 9.79 14.32 Select 50 Balanced Fund PI-ACC-GBP £ 1.18 - 0.00 1.58 5.63 0.98 EUR Accumulating Share Class € 50.60 - 0.17 - 11.36 16.22 Special Situations Fund W-ACC-GBP £ 44.91 - 0.27 3.30 5.25 10.33 GBP Distributing Class (H) £ 16.75 - 0.17 0.16 13.79 10.34 Short Dated Corporate Bond Fund W-ACC-GBP £ 11.24 - 0.02 3.64 8.06 0.50 Sustainable Water & Waste W-ACC-GBP £ 1.22 - 0.00 0.53 9.92 3.58 Sustainable Water & Waste W-INC-GBP £ 1.20 - 0.00 0.54 9.94 3.54 UK Select Fund W-ACC-GBP £ 3.92 - 0.01 - 8.89 7.29 Global Dividend Fund W-ACC-GBP £ 3.21 - 0.00 2.60 8.02 7.26 Global Enhanced Income W-ACC-GBP £ 2.52 - 0.01 - 8.77 7.27 Global Property Fund W-ACC-GBP £ 1.93 - 0.00 - 4.50 1.02 Global Special Sits W-ACC-GBP £ 59.13 - 0.15 0.54 11.86 5.68 Index Emerging Markets P-ACC-GBP £ 1.65 - -0.02 2.95 -0.40 -3.63 Index Europe ex UK P-ACC-GBP £ 2.10 - 0.00 - 13.53 7.64 Index Japan P-ACC-GBP £ 2.07 - 0.01 2.02 11.04 2.72 DRAGON CAPITAL Index Pacific ex Japan P-Acc-GBP £ 1.90 - 0.00 3.89 -1.70 3.18 Index UK P-ACC-GBP £ 1.66 - 0.00 - 6.40 8.75 Cuircocc Suctainable Clobal Facility V GRP Arc. £ 11.80 -Sustainable Money Builder Income Fund W-ACC-GBP £ 13.00 - 0.03 4.34 8.88 -4.45 Dragon Capital Multi Asset Allocator Adventurous Fund W-ACC-GBP £ 2.28 - 0.00 1.39 10.24 5.02 www.dragoncapital.com Fund information:info@dragoncapital.com Multi Asset Allocator Defensive Fund W-ACC-GBP £ 1.37 - 0.00 - 6.12 -1.72 Other International Funds Multi Asset Allocator Growth Vietnam Equity (UCITS) Fund A USD \$ 27.74 - 0.03 0.00 10.65 3.21

Multi Asset Balanced Incon

Multi Asset Income & Grow

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Multi Asset Allocator Strates

Fundsmith LLP (1200)F FIL Investment Services (UK) Limited (1200)F PO Box 10846, Chelmsford, Essex, CM99 2BW 0330 123 1815 Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, KT20 6RP www.fundsmith.co.uk, enquiries@fundsmith.co.uk Callfree: Private Clients 0800 414161 **Authorised Inv Funds** Broker Dealings: 0800 414 181 643.23 - -1.87 0.20 11.20 5.08 Fundsmith Equity T Acc 585.74 - -1.70 - 11.19 5.08 Fundsmith Equity T Inc Allocator World Fund W-ACC-GBP £ 2.88 - 0.00 1.38 11.74 7.36 American Fund W-ACC-GBP £ 61.34 0.13 0.00 20.77 4.42 - 0.01 - 5.98 13.51 American Special Sits W-ACC-GBP £ 23.93

China Fund W-Accumulation (UK) £ 2.14 - -0.07 0.33 -23.54 -18.90 funds@gam.com, www.funds.gam.com Enhanced Income Fund W-INC-GBP £ 0.83 - 0.00 6.93 5.03 9.27 LAPIS GBL TOP 50 DIV.YLD-Na-D £ 118.48 - 0.86 3.05 -2.31 8.75 European Fund W-ACC-GBP £ 26.37 - 0.02 - 12.26 9.86 GBP Distributing Share class £ 28.89 - 0.20 - 11.98 12.51 Extra Income Fund W-ACC-GBP £ 1.36 - 0.00 4.47 9.94 -1.82 LAPIS GBL MED DEV 25.YLD-Na-D £ 90.44 - 0.67 - - - M&G Charbord Charities Fixed Interest Fund (Charbord Charities Fixed Interest Fund (Charbord Charbord Char

Property & Other UK Unit Trusts Lothbury Property Trust GBP £ 1527.17 1569.12 -15.51 3.63 -11.84 -5.90

(UK)

1427.08 - 5.50 5.97 2.82 7.56

155 Bishopsgate, London EC2M 3TQ +44(0) 20 3551 4900

www.mandg.co.uk/charities Enq./Dealing: 0800 917 4472

Lothbury Property Trust (UK)

M & G Securities (1200)F

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Charifund Inc

PO Box 9038, Chelmsford, CM99 2XF



uinness Global Equity Income Y GBP Dist £ 19.78 - 0.08 - 8.74 10.78

Guinness Global Innovators Y GBP Acc £ 32.13 - 0.42 0.00 31.97 8.77

MMIP Investment Management Limited	(GSY)
Regulated	
Multi-Manager Investment Programmes PCC Limited	

UK Equity Fd Cl A Series 01 £ 3080.40 3080.41 -231.75 - -2.98 13.94

Diversified Absolute Rtn Fd USD Cl AF2 \$1688.02 - 45.93 - -1.51 1.32

Diversified Absolute Return Stlg Cell AF2 £ 1579.00 - -1.96 - 0.70 2.45

M&G Charibond Charities Fixed Interest Fund (Charibond) Acc £ 41.29 - 0.03 3.19 6.78 -1.27

M&G Charity Multi Asset Fund Inc £ 0.89 - 0.00 4.42 5.32 6.73

M&G Charity Multi Asset Fund Acc £ 111.61 - 0.30 3.99 5.32 6.73

Thoughtful Investing.

								Guinness Sustainable Global Equity 1 GBP Acc £ 11.80 -	
Index US P-ACC-GBP	£	3.93	-	0.00	1.24	17.32	12.01	Survivor Survivor Survivor Supply 1 Survivor 4 - 11 - 500	0.
Index World P-ACC-GBP	£	3.02	-	0.00	1.59	15.30	9.62		
MoneyBuilder Balanced Fund W-ACC-GBP	£	0.62	-	0.00	-	4.87	2.72		
MoneyBuilder Dividend Fund W-INC-GBP	£	1.28	-	0.01	4.35	5.35	9.41		

Multi Asset Open Advent W-ACC-GBP £ 1.83 - 0.01 1.87 5.98 4.79

Multi Asset Open Defen W-ACC-GBP £ 1.38 - 0.00 2.48 4.00 0.05

Multi Asset Open Growth Fund W-ACC-GBP £ 1.73 - 0.01 2.11 5.75 4.34

oth Fund W-ACC-GBP	t	1.06	_	0.00	1 30	0.00	2.69	HPB Assurance Ltd	
								Anglo Intl House, Bank Hill, Douglas, Isle of Man, IM1 4LN 01638 563490	
me Fund W-INC-GBP	Ĺ	0.95		0.00	4.67	2.69	-1.26	International Insurances	
wth Fund W-INC-GBP	£	1.01	-	0.00	4.73	4.10	0.46	Holiday Property Bond Ser 1 £ 0.50 - 0.00 0.00 0.40 1.15	
und W-INC-GBP	£	0.86		0.01	5.84	2.80	-2.73	Holiday Property Bond Ser 2 £ 0.64 - 0.01 0.00 - 0.90	
egic Fund W-ACC-GBP	£	1.67	-	0.00	1.36	7.34	0.38	<u> </u>	
									4

Marwyn Asset Mana	gement Li	mite	ed		(CYM)
Regulated					

Emerging Markets Fund Personal Class Units 2072.20 - -1.00 1.48 -12.47 -2.10

(UK) McInroy & Wood Portfolios Limited Easter Alderston, Haddington, EH41 3SF 01620 825867 Authorised Inv Funds Balanced Fund Personal Class Units 6064.50 - 5.60 1.40 3.87 3.51 Income Fund Personal Class Units 2905.50 - 2.60 2.40 3.33 4.56

Brown Advisory Funds plc http://www.brownadvisory.com Tel: 020 3301 8130 FCA Recognised Global Leaders Fund USD C \$ 24.66 - 0.09 0.00 26.59 6.79 Global Leaders Sustainable Fund USD C \$ 14.85 - 0.05 0.00 25.32 6.54 Global Sustainable Total Return Bond GBP B £ 9.45 - 0.01 2.70 2.86 -

(IRL)

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Milltrust	Internationa	al Managed	Investments	ICAV (IRL)
	trust.com, +44(0		www.milltrust.co	

negulateu					
British Innovation Fund	£121.92	-	2.89	0.00 -	-
MAI - Buy & Lease (Australia	A\$ 103.45	-	0.50	0.00 -16.53	1.41
MAI - Buy & Lease (New Zealand	NZ\$ 91.20	-	-6.06	0.00 -7.20	-2.67
Milltrust Global Emerging Markets Fund - Class A	\$ 90.23	-	-0.26	0.00 -1.74	-7.62

Platinum Capital Mana Other International Funds	ge	ment	Ltd				
	\$	153.87	-	-	-	7.11	53
Platinum Global Growth UCITS Fund	\$	9.01	-	0.08	0.00	13.33	-12
Bloticum Countriel Browners HOTE Carel CIP HILLIST Place C	0	0.42		0.70	0.00	10.02	15

Ram Active Investments SA www.ram-ai.com

Royal London

Authorised Inv Funds

80 Fenchurch Street, London EC3M 4BY

Other International Funds						
RAM Systematic Emerg Markets Eq	\$ 235.25	235.25	1.24	-	11.82	3.98
RAM Systematic European Eq	€547.57	547.57	-0.60	-	7.78	5.84
RAM Systematic Funds Global Sustainable Income Eq	\$ 163.40	163.40	1.13	0.00	11.92	7.76
RAM Systematic Long/Short European Eq	€149.69	149.69	-0.06	-	-3.29	4.47

Stonehage Fleming Investment Management Ltd (IRL) www.stonehagefleming.com/gbi

Regulated	COIII				
SF Global Best Ideas Eq B USD ACC	\$262.95	-	2.44	0.00 21.45	2.74
SF Global Best Ideas Eq D GBP INC	£315.25	-	3.25	0.00 16.23	4.51





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17

Contact data@ft.com

or +44 (0) 20 7873 3132

British Innovation Fund	£ 121.92	-	2.89	0.00	-	-	
MAI - Buy & Lease (Austra	alia) A\$ 103.45	-	0.50	0.00 -	16.53	1.41	
MAI - Buy & Lease (New Zeal	and)NZ\$ 91.20	-	-6.06	0.00	7.20	-2.67	
Milltrust Global Emerging Markets Fund - C	lass A \$ 90.23	-	-0.26	0.00	-1.74	-7.62	

Milltrust International Managed Investments SPC

Milltrust Alaska Brazil Fund SP A \$113.94 - 0.97 0.00 47.57 15.40

Milltrust Laurium Africa Fund SP A \$ 95.47 - -2.86 0.00 -7.22 -0.05

Milltrust Marcellus India Fund SP \$140.09 - 0.67 0.00 11.66 5.76

Milltrust Singular ASEAN Fund SP Founders \$ 127.06 - 0.51 0.00 -1.07 -5.34

Milltrust SPARX Korea Equity Fund SP A \$ 125.20 - -0.20 0.00 22.71 -7.63

Milltrust Xingtai China Fund SP A \$ 82.37 - -0.90 - -17.85 -16.42

The Climate Impact Asia Fund SP A \$ 71.33 - -0.17 0.00 -4.89

The Climate Impact Asia Fund (Class B) \$ 70.39 - -0.18 0.00 -5.37 -

em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com

Platinum All Star Fund - A	\$ 153.87	-	-	-	7.11	3.23
Platinum Global Growth UCITS Fund	\$ 9.01	-	0.08	0.00	13.33 -	12.54
Platinum Essential Resources UCTS Fund SICAV USD Class E	\$ 9.42	-	-0.70	0.00	-19.83	13.34
Platinum Global Dividend UCITS Fund	\$ 46.52	-	0.36	0.00	-1.27	-5.75

Artificial Intelligence I USD ACC \$ 18.83 18.83 0.19 0.00 33.36 2.34

China Stars I USD Acc \$ 9.18 9.18 0.09 0.00 -16.70 -17.40

Emerging Market Stars I USD Acc \$ 11.89 - 0.01 0.00 9.48 -7.04

European Ex UK Inc EUR Acc € 15.63 15.63 -0.02 - 11.48 11.68

Global Insurance I GBP £ 10.37 - 0.04 - 1.20 13.39

Global Technology I USD \$ 89.48 - 1.21 0.00 48.49 0.92

Healthcare Blue Chip Fund I USD Acc \$ 19.21 19.21 0.19 0.00 3.67 6.75

Healthcare Dis I Acc USD \$ \$ 12.21 - 0.21 0.00 2.95 -6.55

Healthcare Opps I USD \$ 68.03 - 0.76 - 5.02 2.21

Income Opportunities B2 I GBP Acc £ 3.17 3.17 0.00 - 6.96 11.01

Smart Energy I USD Acc \$ 9.92 9.92 0.19 0.00 12.34 -

Smart Mobility I USD Acc \$ \$ 8.94 8.94 0.12 0.00 9.29 -

\$ 14.55 - -0.01 0.00 5.43 -6.31

\$ 41.73 41.73 **0.57** - 8.33 1.46

\$ 38.73 38.73 0.53 0.00 21.26 7.98

£ 13.17 13.17 0.08 - 10.86 4.05

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RAM Systematic Funds Global Sustainable Income Eq	\$ 163.40 163.40	1.13	0.00	11.92	7.76
RAM Systematic Long/Short European Eq	€149.69 149.69	-0.06	-	-3.29	4.47

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Royal London UK Growth Trust 642.90 - 1.80 - 7.53 6.30

Royal London UK Income With Growth Trust 208.60 - 0.70 4.92 4.32 6.16

Royal London US Growth Trust 434.40 - 2.30 0.00 22.68 12.97

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Superfund Green Gold	\$931.60	-	-0.90	0.00 -20.46 -12.34
Superfund Green Silver	\$792.05	-	-3.62	0.00 -27.47 -16.81
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Superfund Green US\$	\$682.49	-	-1.85	0.00 -25.31 -12.02

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TM New Court Equity Growth Fund - Inc	£ 22.02	-	0.03	0.00 13.62	4.35

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Toscafund Asset Management LLP www.toscafund.com								
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Tosca Mid Cap GBP	£114.24	-	-5.35	0.00	-34.66	-14.20		
Tosca Opportunity B USD	\$252.81	-	-15.03	0.00	-29.95	-19.96		
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Casis Crescent Global Medium Equity Fund USD A (Dist)	\$	14.06	-	0.05	0.78	5.55	1.26
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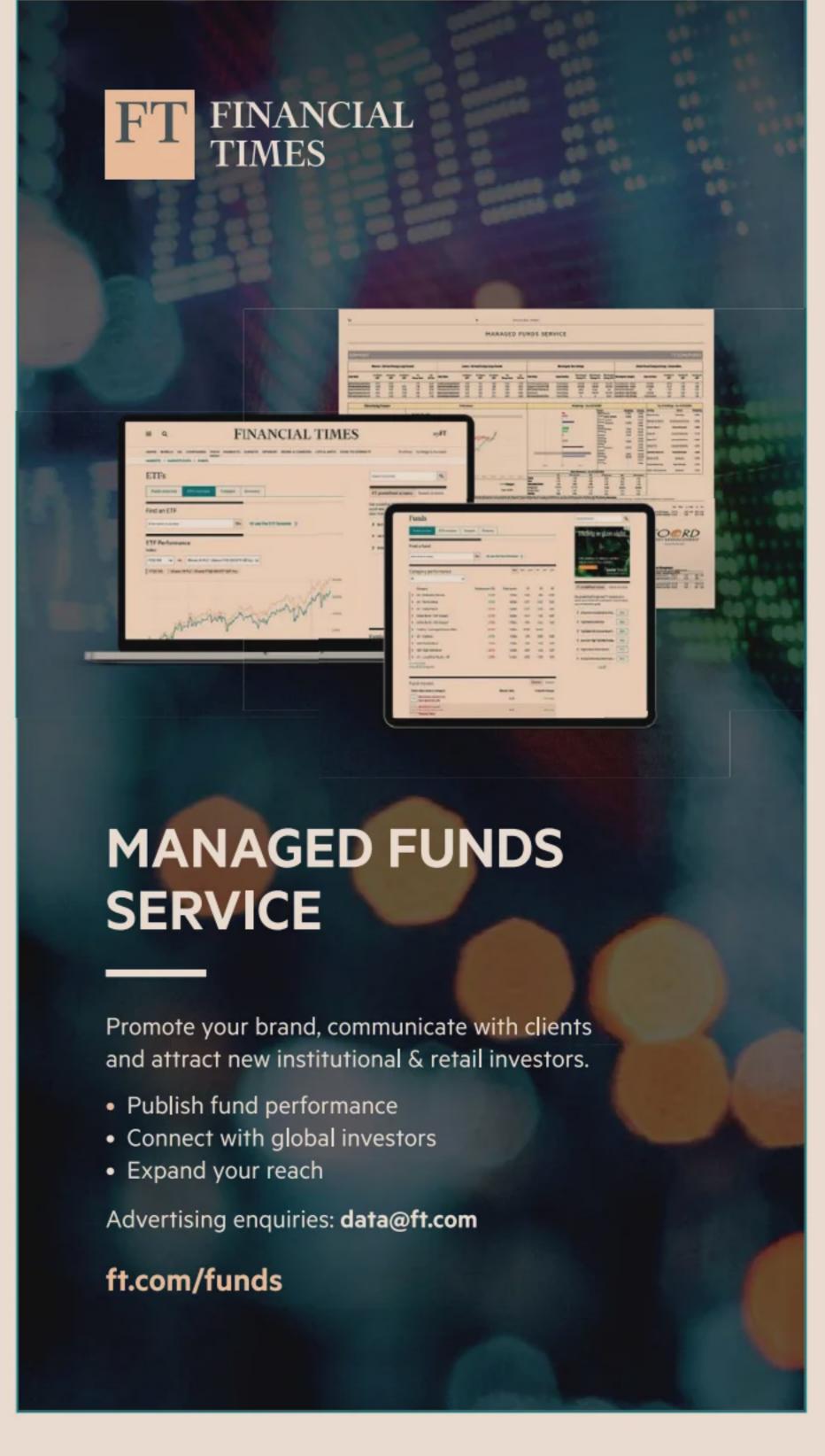
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Slater Growth A Acc	603.37 603.3	3.58	0.00	-5.06	-2.15	
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Guide to Data

Omnia Fund Ltd

Estimated NAV

Other International Funds

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Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

Treatment of manager's periodic capital charge: The letter C denotes that the trust deducts all or part of the manager's/operator's periodic charge from capital, contact the manager/operator for full details of the effect of this course of action. Exit Charges: The letter E denotes that an exit charge may be made when you sell units, contact the manager/operator for full details.

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Slater Artorius

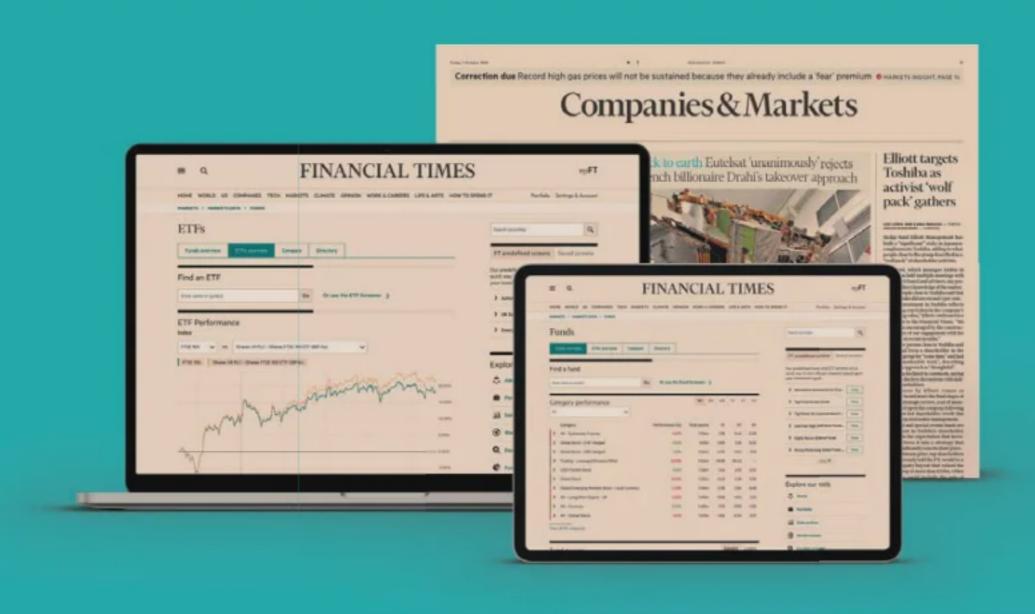
Time: Some funds give information about the timing of price quotes. The time shown alongside the fund manager's/operator's name is the valuation point for their unit trusts/OEICs, unless another time is indicated by the symbol alongside the individual unit trust/OEIC name. The symbols are as follows: * 0001 to 1100 hours; 1101 to 1400 hou denotes that the managers/operators will normally deal on the price set at the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers/operators must deal at a forward price on request, and may move to forward pricing: The letter F denotes that that managers/operators deal at the price to be set at the next valuation.

Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers/operators. Scheme particulars, prospectus, key features and reports: The most recent particulars and documents may be obtained free of charge from fund managers/operators. * Indicates funds which do not price on Fridays.

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Pub comedy intoxicated with the spirit of silliness

Theatre openings reviewed by Alice Saville

ot everything's good because it's old," runs writer and director Isobel McArthur's rueful prologue/apology at the start of her highly unfaithful adaptation of The Fair Maid of the West at the Swan Theatre. No excuses needed. McArthur has taken a seldom-staged Elizabethan play by Thomas Heywood firmly in hand, turning it into a lightly historical knees-up of a show, with all the spirit of her similarly iconoclastic breakout hit, *Pride and Prejudice* (*sort of).*

She has stuck to the play's original setting in this Royal Shakespeare Company production: a rambunctious pub, where barmaid Liz (Amber James) charms and outwits a motley rabble of customers. But where her forebear Heywood was interested in Liz's sexual virtue, echoing contemporary concerns about the chastity of another powerful single woman, Elizabeth I, here McArthur flips the script. Now it's Liz's wealthy would-be lover Spencer (Philip Labey) whose merit is called into question. After an excruciating attempted proposal (troubadours in silk pantaloons are involved), he learns he must earn her affections, not buy them.

But the play's truest romance is between punter and pub. McArthur fills the timbers of the Swan Theatre with gleefully ahistorical tavern atmosphere: this boozy bunch wear leather jerkins but put Fleetwood Mac on the jukebox and eat pork scratchings as wonky remote-controlled rats scuttle among their feet. The message? The pub is an inclusive space where class differences are banished and outsiders welcomed in.

These themes don't lose their bite, even when the scene shifts to Spain in the second act — and the pub-dwellers learn that they're not the only ones who can dish out xenophobic stereotypes (jokes about their love of cricket and gravy feature heavily). Soon, the king of Spain shows up to reconcile this story's



Above: Amber James as Liz in 'The Fair Maid of the West'. Above right: Jacob Fortune-Lloyd in Tom Stoppard's 'Rock 'n' Roll'

THE LIFE OF A SONG

Written for Martin Scorsese's 1977 film of the same name, starring Robert De Niro and Liza Minnelli, 'New

York, New York' became a career reviving hit for Frank Sinatra. Áine Kim Kennedy tells its ft.com/arts



lovers and thrill the audience with an unexpected (and joyfully anachronistic) gay romance.

It's not sophisticated stuff, but nor were Heywood's playhouse-filling comedies. This is broad, populist humour with a big heart, delivered by a sizeable cast who are visibly enjoying each other's company. Emmy Stonelake is all bluff charm as Liz's friend Clem, Tom Babbage gets belly laughs galore as garrulous pub regular Windbag and James shines as Liz, her fierce entrepreneurial spirit a welcome reminder that few Elizabethan women confined themselves to starching their ruffs and rouging their cheeks.

Sometimes, this fair maid strays so far from her origins that it's hard to remember what all this silliness is in aid of. But a leatherbound, gold-tooled copy of the original play sits on the bar, centre stage, a reminder that the text is still there for anyone who chooses to seek it. To January 14, rsc.org.uk

Set in a time of tumult, as Prague falls to Soviet Russia and English communists fall out of love with the ideologies that were once their guiding lights, this London revival of Tom Stoppard's Rock 'n' Roll has wordy fascinations. It's unashamedly intellectual in a way that no 2023 play would dare to be, laced with ancient Greek poetry and theoretical philosophy that jostle up against and clash with the jagged music its younger protagonists adore.



The Fair Maid of the West

Swan Theatre, Stratford-upon-Avon ****

Rock 'n' Roll Hampstead Theatre, London ****

For cerebral, drifting postgrad student Jan (Jacob Fortune-Lloyd), his LP records are everything: black gold to be treasured, even as officials in his native Czechoslovakia try to stamp out these "western" sounds. But back at Cambridge, his staunchly Marxist former tutor Max (Nathaniel Parker) is less sure, forever caught between ideological purity and the uncomfortable reality that his protégé's life is being destroyed. Max's wife, Eleanor (Nancy Carroll), is bent on breaking him out of his rigid worldview, too. She's dying of cancer and, in an agonising scene, she pushes him to understand love as something deeper, richer than the product of mate-

rial circumstances. This is a play that's full of clashes between brain and heart, between intellectual thought and passionate, fallible body. But Nina Raine's production doesn't make you feel the music that courses through Jan's veins and haunts Max's dropout hippie daughter, Esme. A soundtrack of 1960s and '70s rock

anthems drifts too softly, too foggily into the dimly lit spaces between scenes, while the appearance of a hauntingly voiced, long-haired young guitar player (is it the ancient spirit Pan? Or the banished Pink Floyd luminary Syd Bar-

rett?) feels like a hackneyed distraction. The play's constant shifts in time and location are often unclear, too, with designer Anna Reid's furniture-filled stage not quite capturing the stark visual distinctions between eastern and western Europe. Raine's production doesn't find a convincing way of bringing this story's strands together into one resounding whole, or showing the way that rock music wasn't just a soundtrack: it was a way of life worth sacrificing everything for.

Still, Rock 'n' Roll has undeniable power as a stark warning against complacency. Jan is unable to believe that his country is tipping into totalitarianism, pinning his hopes on Czech sonic rebels The Plastic People of the Universe even as their fans are silenced, one by one. It's a richly detailed evocation of the era on both sides of the Iron Curtain: a time of secret gigs, futile petitions, academic rivalries as fierce as blood feuds. And it's a fascinating insight into Stoppard's own story as a Czech émigré, watching and listening closely as the ideas his radical compatriots lived by toppled to the ground.

To January 27, hampsteadtheatre.com

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Year of raving, dancing — and breathing

FT pop critic Ludovic Hunter-Tilney chooses his top 10 albums of 2023

The Chemical Brothers: For That Beautiful Feeling

Mature rave music? Isn't that a contradiction in terms, like Christian gangsta rap or extreme soft rock? Turns out no, it's not. For That Beautiful Feeling finds The Chemical Brothers in full control of vision and practice after 34 years together, delivering a perfectly weighted set of front-foot stormers and armsflung-wide emotional peaks. It's the product of experience, knowing when to let go and when to reel it back in.

Lana Del Rey: Did You Know That There's a Tunnel Under Ocean Blvd

My four-star review, based on a single pre-release listen at the record label's offices, would now be a five-star one. Lana Del Rey's latest is an epic exercise in Californian mythmaking, a sumptuous musical version of Hollywood's dream factory. Lana is lit in gorgeous close-up as she sings. Her intimate tone beckons us closer even as the persona that she has made for herself holds us at a distance. In the phone-sized era of Tik-Tok, this is big-screen music-making.

Jonny Greenwood and Dudu Tassa: Jarak Qaribak

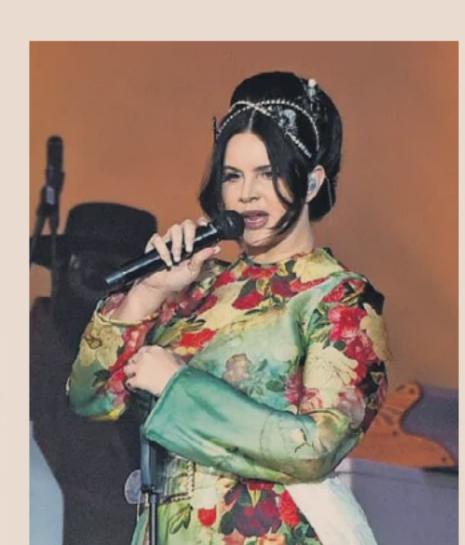
Events have overtaken this intriguing collaboration between Radiohead's Jonny Greenwood and Israeli rock musician Dudu Tassa. Jarak Qaribak is a collection of covers of Arabic songs, sung by guest vocalists from across the Arab world. The project's fantasy of harmonious Middle Eastern relations has been shredded by the Israel-Hamas war. But the album is imaginative and eclectic. To be overtaken by events isn't the same as being sunk by them.

Nation of Language: Strange Disciple

Spotify's annual Wrapped feature, whereby the streaming giant tells users with creepy bonhomie what they've been listening to over the year, informs me that I have streamed Nation of Language's "Surely I Can't Wait" more than any other track. This grandly emotive new wave/synth-pop throwback distils the strengths of the New York band's fine third album: stylised but not mannered, a blend of feeling and poise.

Kelela: Raven

In Raven's liner notes Kelela writes about the feelings of "isolation and alienation I've always had as a Black femme in dance music, despite its black



Mythmaking: Lana Del Rey

origins". In this way, the Marylandraised singer's second album continues the dance-floor-reclaiming campaign conducted by Beyoncé's Renaissance. But the results are more introspective and immersive. Her singing is melodious and unforced, while the beats build and ebb with subtle shifts in tempo.

Lankum: False Lankum

Shane MacGowan is gone but his spirit survives in Lankum. By that I don't mean the Pogues' frontman's wild spirit of anarchy and intoxication, but rather his treatment of traditional Irish (and British) music as a living form. The Dublin band's fourth album brings horror-film dynamics to suicide ballad "Go Dig My Grave" and a powerful sense of grief to murder ballad "Lord Abore and Mary Flynn". These darkly gothic songs cut deep.

Ryuichi Sakamoto: 12

Ryuichi Sakamoto's 12 was released on the Japanese musician's 71st birthday in January, just a few months before his death. Its sparse instrumental tracks were made after a cancer diagnosis in 2021. He plays piano at a glacial pace,

backed by an electronic shimmer. Rhythm is provided by the sound of his breathing. The use of respiration to keep time in slow-motion music that resists the passage of time through sustain, echo and repetition is mesmerising.

Sampha: Lahai

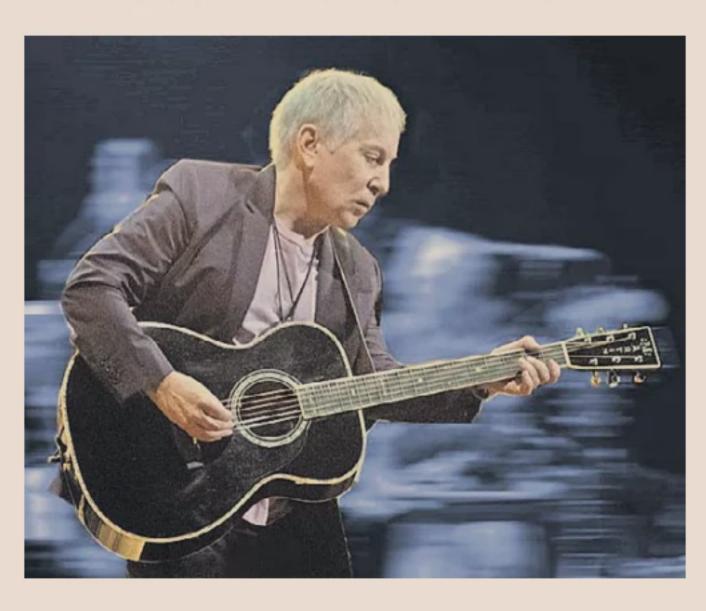
When Sampha was a child, he used to fall asleep listening to Stevie Wonder. Somewhere in his imagination pathways were forming that would one day lead to Lahai, the Londoner's follow-up to his 2017 Mercury prizewinning album Process. Its richly composed songs about time and growth have an auteur's unclassifiable stamp. In lesser hands the melodic and rhythmic layering might get convoluted, but the singer's warmth and clarity of thought always shine through.

Paul Simon: Seven Psalms

What a gem from Paul Simon. Seven Psalms find the 82-year-old contemplating death and testing the possibilities of faith. Singing in a still vibrant voice and accompanying himself on acoustic guitar, he places himself at the meditative endpoint of the folk-pop from his youth. Just over 30 minutes long, this compact, profound album resembles a pocketsized psalter from his Jewish upbringing or a Christian book of hours, an aid to devotion.

Kali Uchis: Red Moon in Venus

"Love is the message" was how Kali Uchis introduced her third album. It's a well-worn message, but the Los Angeles-based singer brings it to life with a flourish. The main style is soulful R&B, classily orchestrated and sung in a style reminiscent of Mariah Carey. "What's the point of all the pretty things in the world if I don't have you?" Uchis croons with a sigh in "Blue". Even breakups sound infatuating in this impressively lovestruck album.



Paul Simon's 'Seven Psalms' tests the possibilities of faith

FT BIG READ. ECONOMICS

At the beginning of the year, the FT asked readers to test their skills of prediction against professional forecasters. The results offer insights into how to make your expectations for 2024 more accurate. By Joanna S Kao and Eade Hemingway

The art of superforecasting

very day, Peter Stamp goes into his home office in northern Germany and clears all distractions for an hour. He opens his laptop and scans through a list of more than 140 questions that ask about the future. These questions span global conflicts, currency movements and economic policy. Stamp scans each one, thinking through whether his predictions have changed from the day before.

"I'm trying to cover topics from all angles imaginable, even weird ones from political sites I totally disagree with, but they might offer a perspective that's valuable," Stamp says. "Then in the end [I'm] weighing the arguments found and thinking about what else might influence my opinion."

Stamp is a "superforecaster", an analyst of sorts whose forecasts can be proven over time to be more accurate than those of the general public. Since 2020, he has worked for Good Judgment, a company that aggregates such forecasts for major corporations, investment managers and governments, and popularised the term. He's made predictions on more than 800 questions in the past three years with a goal of working across as many subjects as possible.

Stamp has always considered himself to be good with numbers and is a member of Mensa. But those aren't the traits that he says make him a great superforecaster. Instead his flexibility and openmindedness are the biggest contributors to his success, he says. "And practice . . . Two or three thousand hours of actual practice."

The art of superforecasting has its origins in the work of Philip Tetlock, one of the founders of Good Judgment. Tetlock began studying how experts make geopolitical and economic predictions when he was an associate psychology professor at UC Berkeley in 1984.

Over the next 19 years, he and his team gathered more than 250 experts across academia, the government and the media to make 28,000 predictions. As a whole, he found that expert predictions did little better than chance.

He and a team of experts, including his research and life partner Barbara Mellers, went on to compete in a series of forecasting tournaments launched by the US government in 2011. Their intention was to identify what exactly makes a forecaster accurate.

One of the most surprising things they learnt was that forecasting was a skill that could be honed and developed. They would go on to conclude that there are three ways to improve accuracy: having more information, decreasing bias and decreasing the impact of

irrelevant variables. Geopolitical forecasting has gained traction in the past decade as businesses have encountered shocks from Brexit and Trump's presidency to the Ukraine war. Famke Krumbmüller, director of EY's geostrategic business group, says forecasting is about adapting strategies to the future.

For example, she says, "if you make an investment into a country, if you change your supply chains, where should you go less and where should you go more? If you acquire a new business in a certain country, what is the likelihood that the government might intervene on your transaction?"

To help illustrate what makes a superforecaster worthy of the name, the Financial Times asked readers and Good Judgment superforecasters to make predictions on 10 questions early this year, spanning from gross domestic product growth rates to viewership of the Fifa women's world cup final.

The reader poll had approximately 8,500 respondents, but was more casual than scientific and only lasted for one week rather than the whole year. Still, the results shed interesting light on what we think about when we think about the future.

The FT readers were admittedly at a disadvantage; unlike at Good Judgment, our poll didn't come with any training, formal community, continuing feedback or stakes. Over 10 questions, it is clear those things make a difference.

Using a scoring system that ranges from 0.5 (or pure guessing) to 1 (perfect choices) over nine questions, FT readers scored a 0.73 while superforecasters scored 0.91.

(Of the 10 questions that were posed at the end of January, we could only confidently resolve six by the time of publication, though we can fairly confidently assume three more.)

'Both forecasting groups

were correct inflation

would come down. The

question was what the

timing looks like'

Unlike readers, the Good Judgment superforecasters were also able to

100 30 70 90 Correct answer <5% 100 30 90 Source: Good Judgment Superforecaster figures have been converted from probabilities for each answer to a single vote for the answer with the highest probability in order to be able to compare them to FT readers

"I think the value of our group is that we're not all trying to come to the exact same number, but rather referencing different viewpoints. It's what together all of that represents that becomes important", says Alice Dorman, a superforecaster who says she's not a cryptosavvy person.

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Sharing information and encouraging open-minded thinking was what made teams of superforecasters so powerful. "We have the advantage of some subject matter experts chiming in," Dorman says. "And that's hugely helpful to those of us who are generalists."

What will the global annual inflation rate be in October 2023?

In February, 43 per cent of superforecasters correctly predicted that the most likely range for the global annual inflation rate in October 2023 was 6 to 7.5 per cent. Only 17 per cent of FT readers made the same guess.

Warren Hatch, Good Judgment's chief

executive, says that the key to keep in mind with a question that involves a change over time is the timeframe in which it happens. He points out that both FT readers and superforecasters generally agreed that inflation was transitory and that "we were not entering an era of multiyear, 70s-style hyperinflation". What was different, however, was how forecasters looked at the timeline.

90

In 1992, Daniel Kahneman and Jack Knetsch introduced the concept of "scope insensitivity". For a question that involves a factor that changes over time, the probability of an event happening by a certain date should not be the same probability as the same event happening at a later date.

"[Experienced forecasters] will ask themselves, 'Will inflation be below a level X by date Y?' They'll immediately think about different date Y's. And they'll also think about different level X's. So they'll almost have a mental matrix that they're putting together.

Now, you can do this really quickly, even just a minute or two so you can get a slightly better informed view about what the probabilities look like in addition to the direction," Hatch says. "Both forecasting groups were correct that inflation would come down. The question that remained was what the timing looks like."

How many European countries and territories will set a record high temperature in 2023?

One skill to hone as a superforecaster is how to react to news while taking into account psychological biases, based on longstanding beliefs or recent personal experiences.

This summer offers a good example. "I had been to Spain in May just after the tremendous heatwave so I was aware of what was going on. But again, I didn't want to let those kinds of subjective feelings get in the way of a projection," says Steve Roth, a superforecaster based in New York who began forecasting in 2014 with Good Judgment during a tournament.

Roth says that if he had just gone on his initial gut feeling, he would have predicted more than two temperature records would have been broken. Instead, he looked at eight years of temperature records. In four of the last eight years, one or two records were broken. In the other years, either none or more than two had been broken. He and 37 per cent of superforecasters correctly predicted in February that only one or two broken records was most probable.

He says that regardless of his own point of view, he had to put that aside for the data, avoiding what psychologists

'What we really want to do is zoom out. How often do leaders in that strong of a position disappear for any reason?'

call "belief perseverance," maintaining a belief even when it is disproved.

While the superforecasters had seen news stories throughout the summer about records being set in specific cities and average temperatures rising, average rises do not equate to records hit. Neither do records in cities necessarily translate to records in countries.

"People are reading about the warming climate, the hottest year of the world, etc, etc, etc and that encompasses everything as opposed to very, very specific locations and events," said Roth.

Will Vladimir Putin cease to be the president of the Russian Federation before January 12024?

FT readers and superforecasters generally agreed it was unlikely Putin would no longer be president by the end of the year, but more superforecasters were sure Putin would stay in post (which we assume will be the case with only a handful of days remaining of 2023).

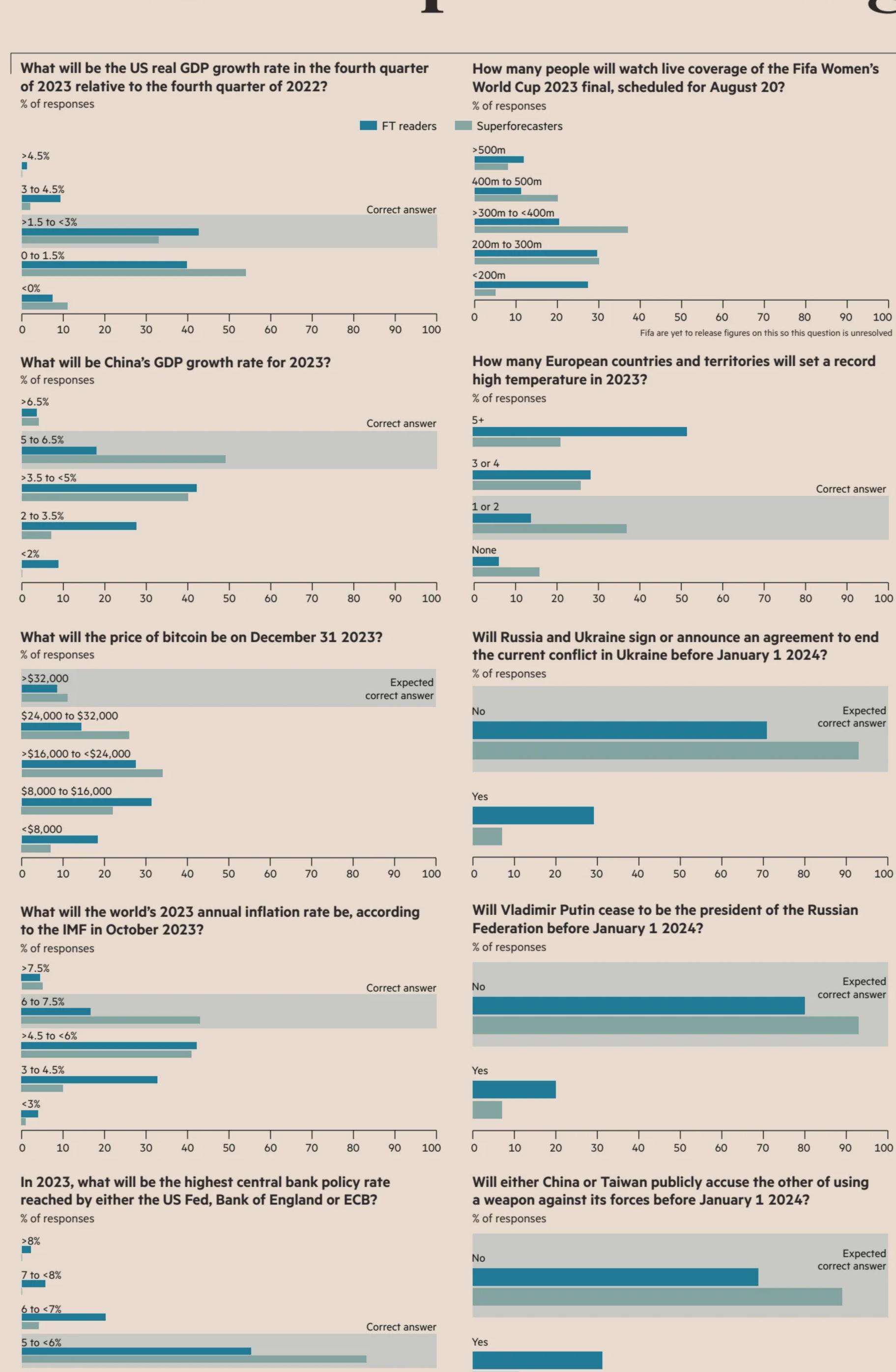
Hatch says that to avoid bias, it is best to establish a base rate. "What we really want to do is zoom out. How often do leaders in that strong of a position disappear over the course of a year for any reason? That is super, super low. It just doesn't happen that often," Hatch says.

Kahneman and longtime collaborator Amos Tversky call this balancing act the "outside and inside" perspectives. The outside view refers to the general case and inside refers to the specifics. Kahneman and Tversky found that people tended to anchor their judgments around the first number they considered, so to avoid anchoring biases, superforecasters are trained to anchor their probabilities first on the general, then adjust to the specifics of the case.

The superforecast for 2024

We spoke with six superforecasters in mid-December, and asked them if they thought next year would be easier or harder to forecast, or about the same as 2023. They all agreed it might be about the same, but possibly more difficult with the large number of elections coming up around the world.

Stamp, who gave the year an 80 per cent chance of being the same difficulty and 10 per cent chances of it being respectively less or more difficult to predict, explained his reasoning in a lengthy email, with factors including the ages of China and Iran's presidents. "Sorry for the long answer," he concluded, "but in a sense you were lucky: this is only a short and quick version of a forecast. Usually, they are longer."



update their predictions as the year went on. So although it wasn't exactly a fair contest, our experiment does give insight into what goes into a real superforecast - and what amateur prognosticators need to bear in mind. Here, we break down some key questions:

What will the price of bitcoin be on December 31 2023?

Some questions feel harder to predict than others. Bitcoin's volatility is far higher than even the most unstable fiat currencies. In the month of January, bitcoin rose from \$16,000 to \$23,000 and as of the time of publication, it is now worth more than \$42,000.

If those numbers are surprising, that could be an advantage. Tetlock's early research showed that having subject matter expertise didn't equate to having an upper hand. Being an expert often anchored people in opinions and made it harder to synthesise additional information.

The FT View



FINANCIAL TIMES

'Without fear and without favour'

ft.com/opinion

Who wants to be a modern CEO?

Bosses of listed companies must keep a dizzying number of plates spinning

Not so long ago, the priorities for the boss of a publicly listed company seemed so much simpler: manage and expand the business effectively enough to earn a decent return for shareholders. This may be an overly rose-tinted view of the past. But such times are gone.

Consider the plates the modern chief executive must keep spinning. As well as dealing with geopolitical uncertainty, mounting government regulation, high inflation and interest rates, there is rising populism, cyber attacks and advances in artificial intelligence. Then there is managing reputation risk including compliance with arduous governance codes - disclosure requirements and pledges on sustainability.

Hybrid working brings another set of pressures. And keeping staff motivated

and loyal is a full-time job in itself from rewarding and managing scarce talent to bridging the intergenerational divide and deciding when to engage publicly on contentious political and social issues. The pressure is constant to do and say the "right" thing.

CEOs need to handle all this while submitting to much greater scrutiny of their pay and conduct inside and outside the workplace, by employees, shareholders, the media and the public. Corporate leaders are expected to be "authentic" and vulnerable, but when mistakes are made the reckoning is swift. Bosses of businesses ranging from BP, the energy company, to NatWest bank have abruptly departed this year.

Boards of directors, meanwhile, are often ill-equipped to counsel on how to confront this plethora of challenges. Tensions between chairs and chief executives are rising; relationships between directors and executive teams are fraying. No surprise, perhaps, that tenures of CEOs have declined sharply - from a median of six years among S&P 500 companies in 2013 to 4.8 years in 2022.

Who would want to be a chief executive today? There is, in fact, still a healthy supply of individuals striving to reach the top of publicly listed companies. Many may be strategic thinkers who are ambitious, visionary and natural leaders; being a raging narcissist helps in getting to the top. The escalating financial rewards are a draw, too. From 1978 to 2022, US CEO pay based on realised remuneration grew by 1,209 per cent, adjusting for inflation. This was well above the 932 per cent growth in the S&P 500 in the same period, and the 465 per cent rise in incomes in the top 0.1 per cent of earners. The median US worker's annual remuneration rose by a puny 15.3 per cent.

The cult of the CEO that prevailed in the 1990s persists. But in today's complex environment, boards would do better to create a more distributed structure at the top to spread risk and responsibilities. Companies should strive for

a strong executive team with complementary skill sets. This can be particularly helpful if an unplanned succession expected to be has to take place. Staff may prefer it too. 'authentic' and vulnerable, but when mistakes

Corporate

leaders are

are made the

reckoning

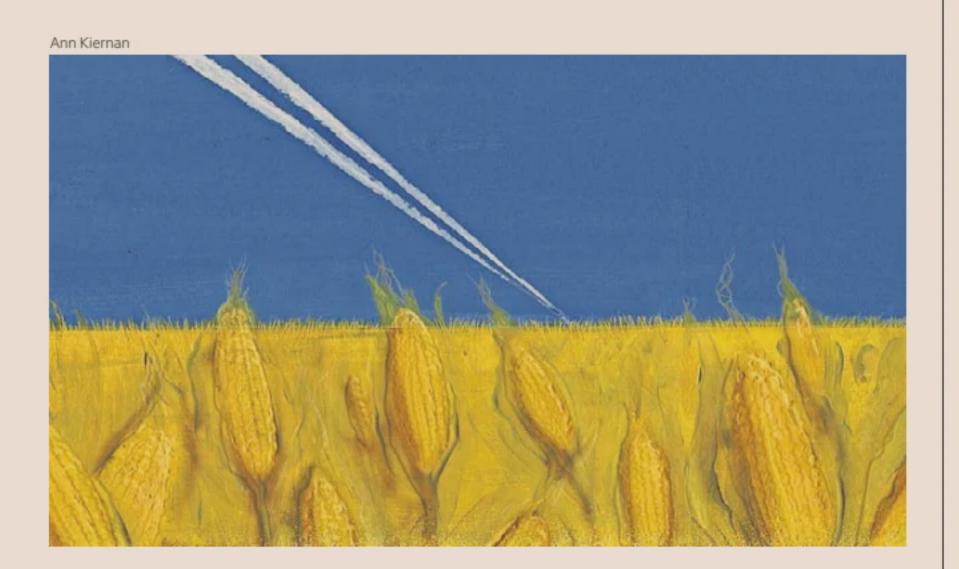
is swift

In turn, boards need to be more effective advisers and overseers of a company's risk profile — from stress testing and scenario planning to understanding how risks intertwine. They should better inform themselves, not just about how black swan events might hit the business model and strategy but also on structural shifts, from the energy transition to changing social norms. Outside advice may be a solution; consultants are at the ready, often charging hefty fees. Business leaders must be careful, though, not to outsource their thinking.

All of this is necessary not only to assist chief executives facing increasingly impossible jobs, but to guard against the over-mighty boss who might have a misguided faith in their own infallibility. But for those aspiring to these top roles, the message must be this: take the job at your own peril.

Opinion Society

Ukrainian refugees plant seeds of a second life





played host to Ukrainian refugees because of a man called Ilya Neustadt. A Jewish Ukrainian, he was studying economics in Belgium when Germany invaded in 1940.

Britain took Ilya in. This may have saved him from the camps. He later became a distinguished academic, a mentor to my parents and a family friend. It was by similar happenstance that a seven-year-old Ukrainian found himself standing in our London back garden in May 2022.

"Why have we come to England if the Russians are shooting missiles at England too?" Oleksii asked. He pointed to the white trails stretching out across the blue sky. His mother Mariya* explained that the trails had been left by airliners taking holidaymakers to and from Gatwick airport.

We grew sweetcorn together. Roots pushed out into British soil: weakly at first, then strongly

Their own home is near Kyiv's main airport. The area took a pasting in the first few days of the invasion because Vladimir Putin hoped to land troops near there.

Mariya bundled her two children into her car and drove lickety split to Moldova and safety. She arrived in the UK a couple of months later with nothing more than the clothes the family was wearing, a single suitcase and enthusiasm for 19th-century literature.

This column would be more arresting if I could write that my wife and I battled intransigent British bureaucracy to get Mariya and her boys out of Moldova. One colleague had epic difficulties with the visa-wrangling nabobs of the Home Office.

But for us, everything worked like clockwork. The Homes for Ukraine team at Bromley Council were fast, well-informed and efficient. A kind old official who looked like Santa turned up to welcome Mariya and her boys. He advised me to put a picket fence across the middle of our garden so the two-year-old could not fall into

the pond. I sweated over this job for most of one hot Saturday in June. Returning from the park that afternoon, Oleksii vaulted the fence so he could inspect the new infrastructure. Little Dmytro appeared too. Solicitously, Oleksii lifted his brother over the barrier so he could also see what I had been doing from behind the fence that was supposed to keep him out.

The garden has been the scene of much other activity: kickabouts, swingball duels and some well-meaning but overenthusiastic help with watering.

We planted sweetcorn together. My family had regarded this as an insipid food, encountered floating despondently in lukewarm soup in British canteen serving areas. Mariya said that a person has not lived until they have eaten maize cooked straight off the plant.

Roots pushed out into British soil: weakly at first, then strongly. The ears of corn were delicious.

The family, members of Ukraine's Russian-speaking community like President Volodymyr Zelenskyy, now switch comfortably between that language and English. Mariya has to stay on the boys' case to ensure they keep up their Ukrainian.

The house share has worked out. We have become friends. Mariya says it is like borscht, her signature dish. Get the ingredients right and the recipe will succeed.

She found places for her kids at nursery and the local school. She took a part-time job — well below her pay and seniority back home as an IT project manager. But she is glad of the work. It is a step on the ladder.

Now she has secured a small flat on the street where we live. It is another step on the ladder.

For Mariya, the UK is both daunting and fascinating. But she is young, enterprising and hopeful. These are useful qualities for new arrivals in London, a city that can be merciless as well as accommodating to those of limited means. Like every refugee ever, Mariya is learning to crack the codes of a foreign society. We have tried to explain the UK to her. We did not bother unpicking the class system. We do not understand that ourselves; perhaps nobody does.

No one knows how this story ends, either. Mariya wants to resume her interrupted life in Ukraine. But even a brief trip exposes her children to the Russian bombing she has sacrificed so much to avoid. Both armies are stalemated in the east, in conditions the men of my family experienced on the

western front in the first world war. Meanwhile, Ukraine risks becoming, in the words of a gloomy friend who helps sweep up after African conflicts, "just another of the world's forgotten wars".

But this spring, I will plant sweetcorn. And this autumn, we will eat the fresh cobs and think of Ilya and Mariya.

*some names have been changed

The writer is the former head of Lex

Letters

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Cutting aid and neglecting peace will not end the migrant crisis

Your analysis of the impact of migration and asylum issues on European politics ("Pushing Europe to the right", The Big Read, December 23) highlighted the way in which political leaders focus on deterrence, controls and pushbacks. Instead, we recommend they look at the root causes of human displacement, and at how better to support refugees and migrants along their often perilous routes.

First, they should address the reasons why people leave their homes in the first place - resolving or preventing conflict, improving governance, addressing climate change, providing financial and other support. Cutting aid and neglecting

peace are evidently false economies. Second, when people have no choice but to move, it is often underdeveloped states that shoulder the responsibility for receiving them, not Europe. Providing those countries with the resources they need — investing in education, work, healthcare, housing and so on — would both reduce the need for refugees and migrants to travel onwards and benefit the communities who host them.

Third, wealthy states can also do more at home, such as visas for family reunification, education or work, and seasonal employment opportunities. Better migration management would help to meet employment gaps in European countries — a fact

acknowledged across the political spectrum, as your article notes. It would also reduce pressure on asylum systems, with fewer migrants seeing them as the only option to enter a country legally.

Fourth, we can engage more closely with refugees and migrants along their routes - providing advice on how and where to access protection systems, for example, or on applying for resettlement or work or study visas.

But there must be fair, efficient and modern asylum and protection systems at the journey's end, to deal humanely and legally with refugees and vulnerable migrants or enable the return, in safety and dignity, of those found not to need international

protection or who do not have another reason to remain.

To be clear, all those who arrive at borders in search of safety must be granted territorial access to seek asylum. Denial of this right risks violating international law.

But we can think bigger and engage at every point along these migratory routes. This would save lives, benefit millions and assuage the fears stoked by populists. It is both the right and smart thing to do.

Filippo Grandi **UN High Commissioner for Refugees Amy E Pope**

Director General, International Organization for Migration Geneva, Switzerland

Biden's one compelling argument to avert defeat

Edward Luce is an astute observer of US electoral politics but his latest column misses the moment (Opinion, December 21). In a regular election against a normal opponent by all historical precedents Joe Biden is a sure loser. His only chance is to persuade enough voters that Donald Trump is indeed a mortal threat to the US republic as Luce himself agrees. Democrats cannot reasonably be expected to find more compelling ways of asking people to vote for them. **Robert Denham** Oakland, CA, US

Here's another reason for Americans to back Trump

Edward Luce's perceptive summary of the state of play in the 2024 US elections (Opinion, December 21) concludes with this truth: "Democrats need to find more compelling ways of asking people to vote for them." Oblivious to the polling that shows Joe Biden's approval rating decreases while Donald Trump's increases with each new indictment, the Democrats of the Colorado Supreme Court who would bar Trump from the ballot have, instead, given the people one more reason to vote for Trump. Michael J (Mike) Bond Mercer Island, WA, US

Veil of untruth?

Jamileh-Sadat Alamolhoda, wife of Iran president Ebrahim Raisi, said that the hijab should not be used as "a weapon for those who want to show their hostility to the Islamic republic" (Interview, December 13).

On the contrary, she is weaponising the hijab against the critics of the Islamic republic by twisting the truth. These critics have nothing against the hijab but a lot against the way the government's agents are cracking down on women not wearing it (properly). **Reinhart Pabst** Bereldange, Luxembourg

Houthis, global trade and Israel's Hamas war

Your report on the recent uptick in Houthi attacks operating from Yemen should come as little surprise to the international community (Report, December 13).

Rattled by its subordination in Yemen's national dialogue conference 2013-2014 - I was a contributing expert - the Zayidi Northern Houthis increased ties with the Iranian government, through the Iranian Revolutionary Guards without whom



"HE'S ALWAYS LIKE THIS AFTER CHRISTMAS - AND BEFORE"

the Houthis would have been unable to take control of the capital Sana'a in September 2014. Roll on almost a decade and the Houthis are conducting a successful campaign against a Saudi Arabia, UAE and US-backed Yemen coalition. The UN has a key role to play through the office of the special envoy, and the back channels used by the US during the negotiations on the Iran nuclear deal should be a conduit to support a Houthi ceasefire.

But without a strong international effort to support a ceasefire in the Israel-Hamas war, there is an increasing risk to global trade both across the Bab-el-Mandeb strait and the Strait of Hormuz.

Forgotten in this conflict are the millions of innocent Yemenis — already the poorest and most impoverished nation in the Arab world. Jonathan Tottman

Former Counsellor, EU External Action Rule of Law Service, Sana'a, Yemen Former UK Law Enforcement Counter Terrorism Attache to Yemen and Oman

Glorious hypocrisy

In "Academics push back against donors' influence after antisemitism claims at Penn" (Report, December 19) you quote the president of the American Association of University Professors worrying that "donors are trying to influence what can even be said, thought and taught on our campuses". As a complaint this would have some moral authority had her members not been frantically dictating what could be said, thought and taught on these campuses for the past decade. You either have freedom of thought and speech, or you don't: complaining that another group has outbid you on censorship is gloriously hypocritical. **Keith Craig** London SW7, UK

Higher pay awards are what UK economy needs

"Big", "high", "bumper", "generous", "inflationary".

All very subjective and value-laden terms used and quoted by your correspondent Delphine Strauss in profiling the state of the current UK pay market ("Big pay deals likely to keep rates higher for longer", Report, December 20).

But a 15 per cent increase is not much for people on £10 an hour? Or for an 18-year-old on the minimum wage of £7.49 per hour? They face the prospect of never being able to afford their own home and face a standard of living that will be worse than their parents' generation.

So how should the FT describe some of the pay packages for their parents' generation? What about, let us say, Michael O'Leary's €100mn bonus package, which was profiled last week (Report, December 18)? Stratospheric perhaps? Even obscene?

Or perhaps with more statistical accuracy, an amount that could instead take 100,000 low-paid workers, outside London, from the statutory minimum up to the Living Wage Foundation's real living wage rate of £12 an hour.

And what about the FTSE 100 companies, where the pay of chief executives was 80 times that of their median employee (Report, FT.com, December 18)?

"Unfair" possibly? Maybe "leaders setting a bad example"?

As the Resolution Foundation's book referenced in Martin Wolf's column "Britain needs a way out of its stagnation" (Opinion, December 6) argues, the UK will not break out of its stagnant, low pay/high inequality/low productivity model without substantial new investment in its people, their skills and their pay.

So, keep the higher UK pay awards coming please UK plc. **Duncan Brown**

Principal Associate, Institute of Employment Studies, London TW1, UK

Beloved in LA, the Dodgers have few fans elsewhere

In "Big hit that led to Ohtani's \$700mn home run", your writers referred to the Dodgers as "one of US baseball's most beloved clubs".

Let me assure you that outside of Los Angeles, the Dodgers are one of US baseball's most hated clubs precisely because of their ability to buy players like the Japanese superstar Shohei Ohtani while so many other clubs must try to compete on the cheap. Lou Panelli Seattle, WA, US

Things you don't know and can't measure

Benedict Evans (Opinion, FT Weekend, November 25) says that "part of the problem and conflict when it comes to discussing artificial general intelligence (AGI) is that it's an abstract concept without any clear or well-understood theoretical model".

We already understand the problem of such a situation because it exists at the Federal Reserve, which is unable to quantify the neutral real rate of interest and is reduced to "navigating by the stars", whatever that means. To quote Janet Yellen from 2017: "[The neutral rate's] value at any point in time cannot be estimated or projected with much precision."

Since 2017 we have experienced two serious episodes of volatility, followed in quick succession by inflation. Main Street investors have been repeatedly hammered. As the Russian saying goes: "The situation is hopeless but it is not serious." It is not serious because nothing is being done about it.

If AGI cannot be controlled, forget about it. The Fed experiment has been chaotic enough already. **Cathal Rabbitte**

Villars-sur-Ollon, Switzerland

Why Britain's museums are the envy of the world

Despite deep cuts in government funding over the decades, museums in the UK continue to grow in stature, drawing in audiences from across the globe. Much essential extra income is now derived from generous sponsorship and nimble marketing. In contributing to the success of the British Museum, the support of companies, including BP, should be welcomed ("Culture war: Museum's BP deal prompts court threat", Report, December 20). Urgent moves to combat climate change, quite rightly, enjoy widespread support. But will our children and grandchildren thank us if our museums can no longer afford to be the envy of the world. **Martin P Levy**

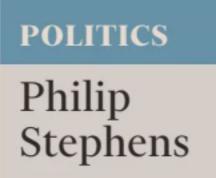
H Blairman & Sons, London SW1, UK

Nobody has a crystal ball, not even the invisible hand

John Turner writes (Letters, December 20) that the European Central Bank is "hell bent on making the mistakes of the past" and the bond market "is rarely, if ever, wrong". I beg to differ. Both can be wrong! Bond market implicit forward rates are rarely, if ever, right. Nobody has a crystal ball, not even the invisible hand. **Stéphane Magnan** Issy-les-Moulineaux, France

Opinion

What unionists could learn from Ireland's nationalists





he decisive shift in nationalist opinion during the Northern Ireland peace talks was recognition that persuasion is the only route to a united Ireland. It was not enough for the British to leave. The principle of popular consent was duly enshrined in the 1998 Good Friday Agreement. There is something to learn here for unionists worried about holding on to the province's Britishness.

The Democratic Unionist party, the largest unionist grouping, has been stalling a return to devolved government in Belfast by refusing to form a power-sharing executive with Sinn Féin

— now the biggest nationalist party but
not so long ago the political wing of the
IRA. The Belfast assembly has been rendered powerless even as public services
fall into serious disrepair.

The proximate cause of the DUP's anger is the deal struck by Rishi Sunak's government on post-Brexit trade between the EU and Northern Ireland. To maintain an open border between the province and the Irish Republic — mandated by the Good Friday accord — Sunak has agreed in effect to keep Northern Ireland in the EU customs union and subject to single market rules.

The DUP has a point, even if it is one the party might have thought more carefully about before campaigning in favour of Brexit. Over time regulatory checks in the Irish Sea may well tilt the economic balance towards all-Ireland trade and investment flows at the expense of those between Britain and the province. In unionist minds this is a slippery slope to Irish unity.

The insecurities thrown up by Brexit, however, are only one strand in a deepening concern that unionism is losing the argument. Secular trends also point in a nationalist direction. The latest census shows Catholics outnumber Protestants in the province. Sinn Féin is the largest party in the assembly. Removing the block on the executive would see Sinn Féin leader Michelle O'Neill appointed first minister, a post that hitherto has belonged to a unionist. That is not quite as dramatic as it sounds - power sharing would bestow equal authority on DUP leader Jeffrey Donaldson as deputy first minister - but

Ireland.

Many in the DUP still struggle to admit that the past cannot be recovered. Stormont will never again be the property of the Protestant ascendancy

established after partition. What's per-

symbolism counts for a lot in Northern

ceived as the British government's betrayal in signing the so-called Northern Ireland trade protocol with Brussels has heightened visceral fears of a united Ireland.

As it happens, demography is not political destiny. Northern Ireland Catholics are overwhelmingly national-

There have been signs the DUP is reconsidering its boycott. That would be the wise choice

ist and Protestants unionist, but opinion polls show a sizeable number of Catholics are as yet unconvinced of the merits of Irish unity. Young voters from both faiths are increasingly eschewing confessional politics by backing the Alliance party. These are the votes that will most likely decide North-

There have been recent signs the DUP is reconsidering its boycott. That would be the wise choice. The unionist cause has nothing to gain from retreat. Unionist abstentionism scarcely makes the case that Northern Ireland's prosperity rests with maintaining ties with the rest of the United Kingdom. What's required now of defenders of the union

is a leap of political imagination compa-

rable to that of Irish nationalism's

admission that unionism cannot be

coerced.

ern Ireland's constitutional future.

The contest, in other words, is one between persuaders. The outcome is not a foregone conclusion. The post-Brexit speculation about Irish unity has been overdone. The possibility that Sinn Féin may soon be the largest party in the Republic as well as in the north will doubtless heighten unionist anxieties further. But speculation about an inexorable march to a united Ireland ignores political

realities on both sides of the border.

Just as many Catholics in the north say they would opt to remain part of the UK if a vote were held today, so many nationalists in the Republic are beginning to question whether their emotional commitment to ending

emotional commitment to ending partition is enough to make a success of reunification. Lord make me chaste, St Augustine is reputed to have said, but not quite yet.

The Good Friday Agreement put the choice about Northern Ireland's constitutional future in the hands of voters on both sides of the border. For many, the issue is one of identity. But swing voters will make a hard-headed judgment as to whether nationalism or unionism promises a better future. If Northern Ireland remains in the UK it will be by consent. If they want to win the argument, unionists need to show British-

The writer is an FT contributing editor

ness works.

How Huawei found itself stuck in the middle

Robin Harding

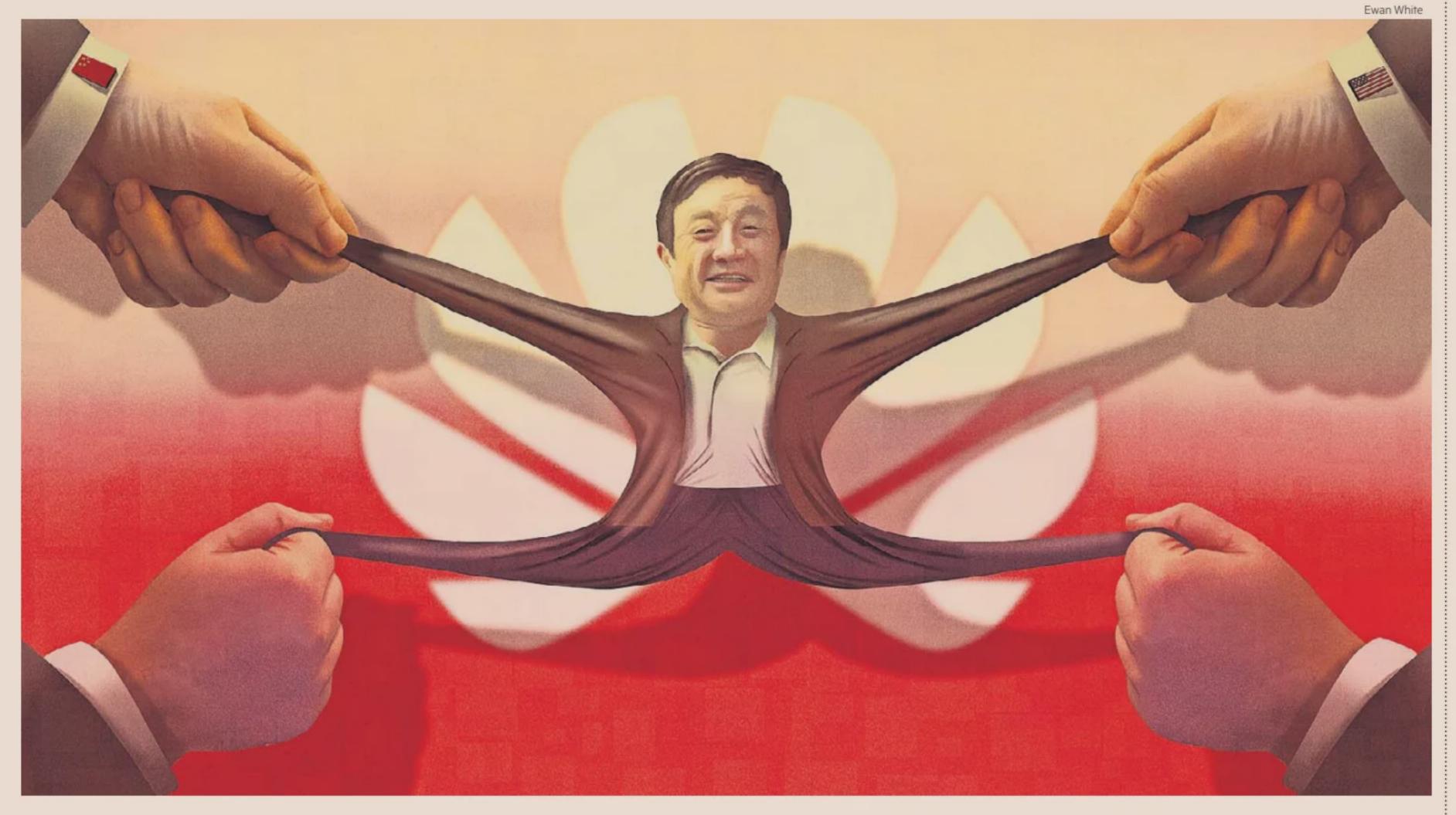


hat would it take for a large private company to betray its founding purpose, its customers and its staff? Such is the question raised by Huawei, the world's largest maker of telecoms equipment. US intelligence officials view it as a glove for the hand of China's military, a national security threat to be placed under sanctions and driven out of international phone networks. It views itself as an entrepreneurial, research-driven tech company, built on admiration for global business standards, owned by its employees and dedicated to serving the needs of its customers.

Judging which of these wholly incompatible versions is the real Huawei — which means judging whether its equipment can be used to spy or threaten a national communications network — is beyond the reach of any layman. Telecoms equipment is critical and yet unseen. No decisive evidence of a spying backdoor built into past generations of Huawei equipment has ever come to light, but it is impossible to prove they do not or will not exist, which is part of the company's problem.

What can be said with some confidence, though, is that Huawei's version seems real to its more than 200,000 employees. If it is a sham, the sham is elaborate and deeply rooted. That highlights two costs of the current push to "decouple" supply chains from China. First, by forcing an innovative company such as Huawei to duplicate technology lost to sanctions, it turns a \$23bn-a-year research budget away from developments that would benefit the world at large. Second, by cutting ties with the entrepreneurial Chinese private sector, the US is pushing such companies into the arms of a partner they have previously tried quite hard to avoid: the communist Chinese state.

Although Huawei's founder Ren Zhengfei famously served in the People's Liberation Army, the company's



history and structure is quite different to national champions such as CRRC, the state-controlled builder of high-speed trains. As the company tells it, Huawei got its start making cheap-and-cheerful telephone switches for rural Chinese exchanges in the 1980s, when almost nobody had a phone, and the main challenges were unreliable power supplies and rats eating the cabling. Huawei flopped in the Chinese mobile phone market in the 1990s — losing out to western suppliers such as Nokia — and almost went under several times.

None of this sounds like a company with state backing. Nor does the way Huawei ultimately took off. Without prospects in China, it went around the

The telecoms company
is caught up in a
US-China political
dispute beyond its control

world in the 2000s selling 3G phone networks, succeeding because its products were good value and solved problems for telephone operators. In 2003, after the dotcom bust, Huawei almost sold itself to Motorola for \$7.5bn, but the US side ultimately walked away.

More recently, the company has indeed become important to many levels of the party-state. When its chief financial officer Meng Wanzhou was arrested in Canada, Beijing was willing to damage diplomatic relations to get her back. Following sanctions, the state has stepped in with billions in subsidies, helping to prop up Huawei's semiconductor arm. The question is whether Huawei has incurred obligations in return.

Huawei's unusual employee ownership structure has been the subject of debate because it is indirect: staff hold shadow units issued by an entity that actually controls the shares. The legalities, though, are not that relevant. What matters is employees believe they own shares and both sides act as if they do. Every few years, Huawei employees go through an elaborate process to elect representatives, who choose the board — a system considerably more democratic than anything allowed in Chinese politics. Ren, the founder, has some veto powers and doubtless effective control, but limited influence over management is common at employee-owned companies around the world.

If Huawei is indeed the private company it claims to be, then consider what it would mean to spy on or sabotage its customers. Huawei tells employees they are owners. In a highly competitive market, it tells them to focus on the needs of the customer, and has achieved notable success by doing so. It tells everyone that cyber security is its highest priority and the accusations made by foreign

The state could compel Huawei to practice espionage, or patriots within the company might feel it their duty. But doing so would come with considerable

risks. If it ever came to light it would betray every promise made to customers, and every value the company claims to believe in.

Does that mean it is safe to buy Huawei? Not really. Just as a bank cannot have a credit rating higher than the sovereign that implicitly stands behind it in a crisis, a company cannot be more trustworthy than the government it must answer to — and the Chinese Communist party is not to be trusted.

Rather than viewing Huawei as a villain, however, it should be seen as a victim caught up in a political dispute beyond its control. China and the west may now be destined to fracture into separate technological spheres. The losers, regrettably, will be private companies on both sides of the divide that are trying their best to make the world work better. Follow national security advice on network safety — but do not demonise Huawei simply because it is Chinese.

robin.harding@ft.com

2023 A year in a word / n.

Magnificent Seven

(noun) grouping of tech stocks that has dominated US and global markets

For a short time at the start of 2023, stock markets behaved as recessionobsessed investors expected: badly.

But a drab start quickly gave way to a rally dominated by a clutch of big tech names stitched loosely together through the hot theme of artificial intelligence: Apple, Microsoft, Alphabet, Amazon, Tesla, Meta and Nvidia.

By June, their Magnificent Seven nickname was really starting to stick. Some element of top-heaviness is

a reasonably common feature in US equities, but the Magnificent Seven (or Mag7 for short) have taken that to new extremes.

At around the midpoint of 2023, these stocks had jumped in price by between 40 per cent and 180 per cent, pulling the benchmark S&P 500 index of US stocks up by some 14 per cent, making it one of the strongest starts to a year in two decades. Without the Mag7, however, the index was flat.

Since then, stock market strength has broadened out. Still, Charles Schwab calculates the Mag7 have gained more than 100 per cent this year and account for about 30 per cent of the index. Without them, the S&P 500 is up 11 per cent; with them, the performance is doubled. Their size is now so pronounced that they do not dominate just US stocks, but a large slice of the performance of global equity markets too.

Investors say this is no rerun of the ill-fated 1999 dotcom boom.
Rather, inflows are coming from conservative investors seeking companies that can weather a downturn, stockpickers convinced of the AI revolution, short-termists chasing high-flying stocks and index trackers following a broad index.

The danger, though, is that just one scandal or swipe of a regulator's pen could hit one stock and inflict pain on investors worldwide.

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Worried about your BMI? Have a mince pie and relax

Anjana Ahuja



he post-Christmas period is often a time for weighing things up, whether taking stock at the end of the year or preparing for the one ahead. For others, it is simply a time for weighing: stepping on the bathroom scales while reflecting mournfully on the quantity of turkey dinners, mince pies and sherries consumed.

The seasonal phenomenon of diner's remorse might well include a panicked estimate of body mass index, calculated by dividing weight in kilogrammes by height squared (height measured in metres). The reassuring news is that

some of those with a BMI above the World Health Organisation's "healthy" range might have less to worry about than previously thought. This year, the American Medical Association declared the index an "imperfect measure" of clinical health and "misleading about the effects of body fat mass on mortality rates". Nor, the medics asserted, should BMI alone be used to deny insurance reimbursement.

The thinning popularity of BMI reflects an expanding recognition that the measure is saddled with both scientific and historical baggage, making re-evaluation a sensible move. The index is intended to reflect adiposity, or levels of body fat, which in theory should translate neatly into risk for weight-related conditions such as heart disease and diabetes.

But the optimum range of 18.5 to 24.9 does not account for an individual's body shape, nor differing proportions of muscle, fat and bone. It is mislead-

ingly high, for example, for muscular athletes. It has also historically ignored non-white populations, and has its origins in a scientific preoccupation with what is normal, desirable or ideal, giving it a shady association with eugenics.

"I do think it's time to stop using BMI on its own," says David Stensel, a professor of exercise metabolism at Loughborough University in England and editorin-chief of the International Journal of Obesity. Some of those deemed overweight (BMI of 25-30), he told me, may be disease-free throughout life; some studies even suggest a health advantage. Adding in blood pressure or cholesterol level, Stensel adds, gives a truer picture of health.

To complicate matters, not all populations show the same risks at the same weights. For those of South Asian heritage, including me, the upper healthy cut-off is lower, at 23, reflecting increased diabetes risk. For African-

American women, it may be closer to 28. For these reasons, the so-called Edmonton Obesity Staging System, which prioritises weight loss for those with severe obesity, is gaining a medical following.

Still, Stensel does not believe BMI should be totally junked; its use in thou-

The measure's thinning popularity reflects an expanding recognition that it could be misleading

sands of studies across decades allows for large-scale comparisons. And that sums up its value: BMI captures the big picture on population-level risk reasonably well but loses its power when pinned to an individual. "If your BMI is in the 40s or 50s, your odds of developing diabetes are much higher than if it's in the 20s," Stensel says. "But someone with a BMI of 30 might never develop diabetes at all." It is about probabilities, not destiny.

Today, waist circumference (or waistto-hip ratio) is seen as a useful alternative or supplementary metric, because carrying fat close to vital organs is believed to be risky; interestingly, the paunch of the middle-aged male might explain why men are more vulnerable to heart disease than women. Other ways of gauging body fat include using calipers to measure skinfolds; bioelectrical impedance analysis, which involves passing a current through the body (more fat equals more resistance); underwater weighing (fat is more buoyant than bone or muscle); MRI; and dual X-ray absorptiometry (Dexa), which scans fat tissue, lean mass and bone density.

The science has certainly moved on from the 1830s, when the Belgian polymath Adolphe Quetelet began collating statistics on the *l'homme moyen*, or the average man. He calculated adult weight and height could be linked formulaically — and his anthropometric research attracted the attention of Francis Galton, who founded the 19th-century eugenics movement.

The Quetelet Index also appealed to

The Quetelet Index also appealed to 20th-century actuaries, who sought to quantify the link between corpulence and early death for insurance companies. In the 1970s, the formula was rediscovered and renamed BMI; the WHO adopted guidelines for it in 1995.

Nearly three decades later, the wisdom is changing once again. Lose weight not for vanity or to chase an arbitrary number, Stensel urges, but instead "to engage with life and to live the life you want".

It is a timely message of balance, moderation and hope — to which I shall gladly raise a glass.

The writer is a science commentator



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Financial concepts of 2023

Fixed income: yield theory

A Clinton-era political adviser once fantasised about being reincarnated as the bond market. Some 30 years on, the fixed income world has, at times, seemed more intimidating than ever.

The benchmark 10-year Treasury yield climbed to a 16-year high of more than 5 per cent in October, before falling back. The rise from under 1 per cent in 2020 has been a challenge for many financial sector businesses that hoovered up sovereign and corporate debt in the cheap-money era.

Strains became evident in the US banking sector in March. Silicon Valley Bank became the largest bank failure since 2008 after it was caught in a downward spiral caused by deposit flight and losses on bond sales.

Life insurers faced similar issues. Their portfolios of bonds can usually be held to maturity. But there were fears they would become forced sellers, after rising rates prompted some customers - notably in Italy and France - to cash in their policies. However, the pressure eased after June's announcement of a rescue deal for Italian insurer Eurovita, according to Italy's Generali.

Corporate debt markets are also vulnerable. Moody's reported more US corporate defaults in the first half of 2023 than in the entire previous year. With \$250bn of speculative-grade nonfinancial debt maturing in 2024, refinancing could be painful.

Pulling off debt-backed buyouts has become increasingly difficult. The private equity industry has grappled with some of the toughest conditions in its history. That is because rising yields lower asset values while raising the cost of capital. The real estate market has also suffered a double blow. The impact of higher yields has been compounded by declining office occupancy rates.

Slowing inflation has raised hopes that the tightening phase is drawing to a close. In mid-December, Wall Street reacted with euphoria to dovish comments by Jay Powell by pushing the yield on 10-year Treasuries below 4 per cent for the first time since August.

However, the battle against inflation is not yet won. Central bankers may yet wrongfoot the markets. Rate cuts may

be slower than expected. With the indebtedness of governments, businesses and households at a peacetime record, renewed evidence of financial strains may yet emerge.

Bank deposits: beta watch out

Over the past two years, analysts have increasingly deployed the term "deposit beta" to describe the sensitivity of lenders to customer deposits. A surge of interest rates has encouraged more depositors to seek better returns. Banks that failed to keep up have been left exposed.

Between spring 2022 and 2023, the US federal funds effective rate rose from almost zero to more than 5 per cent. Not all banks reacted quickly by lifting deposit rates. This was partly due to perceived deposit excess, which banks struggled to parlay into loans or investments.

But banks that relied on relatively cheap financing from depositors, worth \$18.2tn, soon noticed the shift in depositor behaviour. In the year to mid-April 2023, \$973bn left US banks, according to Fed data. Often these funds moved to money market funds.

Deposit betas jumped as a result. Large regional banks such as Zions Bank and KeyBank had an average sensitivity of 12 per cent in the second quarter of 2022. That increased by nearly 10 times by the second quarter of this year, according to Fitch data.

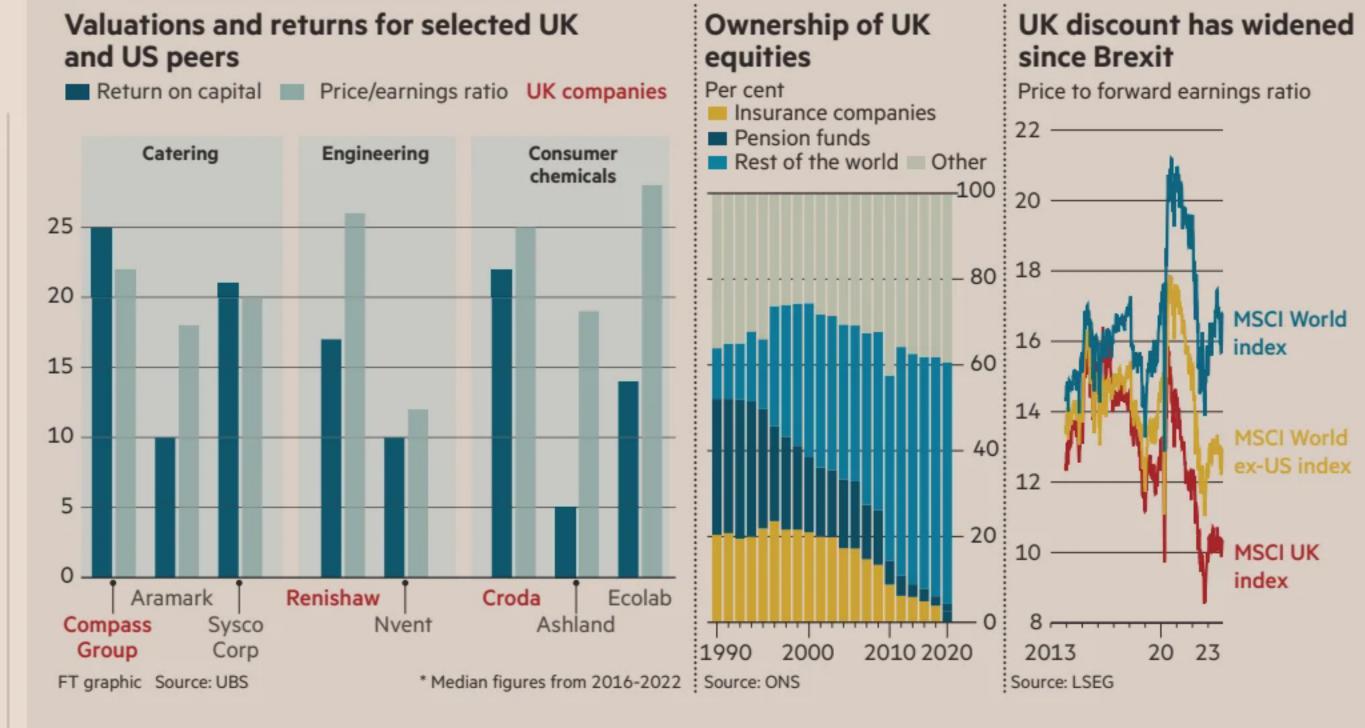
Curiously, most European and UK banks have not suffered the same fallout. In the UK, a highly competitive market for retail deposits and mortgages may have encouraged customers to stay put. Average betas there are around 50 per cent, according to Citi, compared with nearly half that a year ago. In France, where there are 55mn government-regulated savings accounts (Livret) that track market rates, they are a quarter lower.

Europe's deposit betas should rise to

30-40 per cent next year and potentially above 40 per cent in 2025, according to Andrea Filtri at Mediobanca. Even so, those sensitivities would pale in comparison with the sometimes triple-digit betas in

UK stock market: discount sore

Like-for-like comparisons between UK blue-chips and their US peers show that not all London-listed stocks trade at a discount. Yet overall, the UK market is valued at a big discount to other developed markets. That gap has widened since the Brexit vote. Divestment by UK pension funds is a longer-running trend.



Another year, another disappointing performance for the UK stock market.

The flow of new arrivals fell even below that of drought-stricken 2022. Meanwhile, the slate of quitters grew. As well as foreign takeovers and takeprivate deals, more companies contemplated switching their listings stateside. The common factor was the UK's valuation discount.

This has barely moved over the course of the year, remaining at about one-third against the benchmark US market on a price-toforward earnings basis. While US valuations are boosted by a few very highly valued tech groups, not all the gap can be explained this way. Small cap stocks are starting to

resemble an endangered species. Excluding funds, their number is down 30 per cent in five years. Their total capitalisation has fallen even faster, notes Charles Hall at Peel Hunt. As for takeouts, 22 of the 27 bids recorded this year were FTSE Small Cap and Aim companies. Many were in sectors such as tech and health that the government hopes to promote.

London of their own volition. Europe's largest tour operator Tui is considering delisting from London after a shift in trading volumes to Frankfurt.

Some companies are ditching

Building group CRH moved its primary listing from London to New York in September. The strong share price performance that followed boosted the returns of activist Cevian Capital, which backed the switch. Cevian is calling on education publisher Pearson to follow suit.

Not all businesses would benefit from relisting in the US, according to a UBS study of 60 big UK companies. After accounting for differences in profitability, valuation differences disappeared in two-fifths of cases.

Several factors are held responsible for the London market's malaise. Some analysts point to the Brexit vote, noting the widening of the valuation since 2016. The multidecade decline of UK pension and insurance investment in UK equities is another prime suspect. Policymakers have drawn up plans to revitalise the City of London.

Progress has so far been slow. only needed to record unrealised losses accounting for unrealised HTM losses

> Europe, Japan and emerging markets. Why not, some mused, force banks to mark everything to market and be done with it?

regulatory ratios of the median bank in

would have a "modest" impact on

Seductive as it sounds, this may not be the best solution. Banks are in the business of maturity "transformation". If the value of their long-duration assets swung wildly, their alternatives would be to raise a lot more capital or

lend at shorter durations. HTM makes sense as long as it is sensibly applied to small enough portfolios of securities, which have a small enough chance of needing to be sold. Regulators have now woken up to this. They should resist the temptation to forget the lesson as rates begin to fall.

Cost of capital: spread betting

When benchmark interest rates spiked, the cost of capital soared. But were these hurdle rates higher than expected in an era of tightening?

The answer lies in understanding both the "term premium" and "equity risk premium". Respectively, these compensate holders of longer-term government bonds and riskier stocks.

These two premiums cannot be officially observed but merely estimated and argued over. After shortterm government bond yields rose to levels not seen in more than a decade, the conceptual debate is intriguing.

According to the capital asset pricing model, a firm's cost of equity is an equity risk premium added to a riskfree rate. The latter rate used is, typically, the 10-year US Treasury yield. The term premium for the 10-year Treasury - the difference between owning a 10-year bond against buying a one-year Treasury in 10 consecutive years — turned positive in 2023. This had not happened since 2017. That positive premium probably reflected fears about the state of the US economy a decade from now.

The equity risk premium is more subjective. ERP is usually defined as the excess return, above the 10-year Treasury yield, an equity investor requires to hold a portfolio of stocks. There is a debate around how often an ERP needs to be refreshed. Historically, investors relied on a long-term average of this spread. But there is substantial evidence that risk premiums vary over time. Corporate finance consultants use ERP quarterly data, which has ranged between 6.75 per cent and 5 per cent since 2016. Scholar Aswath Damodaran's data shows the equity risk premium in a range from 4 per cent to 5 per cent since 2000.

Adjusting discount rates by 100 or 200 basis points can be pivotal in capital allocation decisions. A part of this calculation is precast within the risk-free rate. The rest depends on subjective judgment and artistry. Its accuracy can only be evaluated after the fact.



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the US during the first quarter of 2023. This was the year in which banks realised that they could no longer take

Bonds: maturity insecurity

their savers for granted.

How much is a bond worth? In 2023, investors learnt that it depended on what you intended to do with it.

Think, for instance, of the US regional banking crisis that kicked off with the collapse of Silicon Valley Bank. The lender had put depositor money into a large portfolio of US Treasury bonds whose value fell as interest rates rose.

The bank had classified the bonds as "held to maturity", which meant that it in a footnote. It was not forced to raise capital against them. But when wealthy tech customers withdrew their deposits in droves, HTM turned into "flog as fast as you can". Losses leapt from footnote to capital.

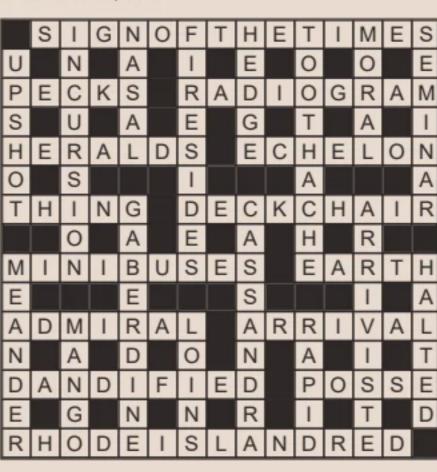
The debacle sparked a debate about whether the distinction between HTM and "available for sale" securities made any sense at all. Clearly, intent changes with circumstances. On top of that, HTM gives institutions the chance to flatter their accounts. The Wall Street Journal reported earlier this year that, in 2022, six financial institutions moved half a trillion dollars from AFS to HTM.

This, investors should note, is a bigger problem in the US, where banks have bigger holdings of debt securities. In April, the IMF said that fully

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ACROSS

1/9 Tripe and cobblers: prep's done for King Charles's dinner? (3,3,3,2,8) 10 Did swine and duck as tattoos (6) 11 Reversing roles (not mine, not indelicate), prepare for a difficult passage (5,8,2)

13 Album compilation some current prayer parts defraud (5,10) 17 Robber we hear not after ships, securing new way to raise funds (5,3,3,4) **18** Just underplays cryptic hint (6,3,6)

22 Arrange to take Doodlebug back over again? (2,4) 23/24 In case of which pap makes

unscheduled appearance? (8,11)

DOWN

2 What would be funny, doubling up about long laugher? (5)

3 In Jersey Zoo, Durrell's set up something outstanding (5) 4/23 Group of fine women taking on an

expert in fashion (3,3) 5 It's in keeping with the bride to be

faithful, so we hear (9) 6 Columns, not books etc, probing physical scale (9)

7 One may be represented by MC (4) 8 Area's premium beer keeps rocketing

12 Pretty dim, it leaving Red Sea port without cargo (7) 14 Heartless person bringing misery

aboard conveyance equipped with rack? **15** Incarcerating drunk men in a terrible

state (9) **16** Unusual putting game ahead of the

19 Something in the sea salt I almost forgot to write about (5)

20 A plumber, "Iron Man", repeatedly cut off supply (5)

Barking Hotel? (5,4)

21 Witness live projection (4) **23** See 4



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