



WEISS KOREA OPPORTUNITY FUND

# HALF-YEARLY FINANCIAL REPORT

and Unaudited  
Financial Statements

for the period ended 30 June 2024

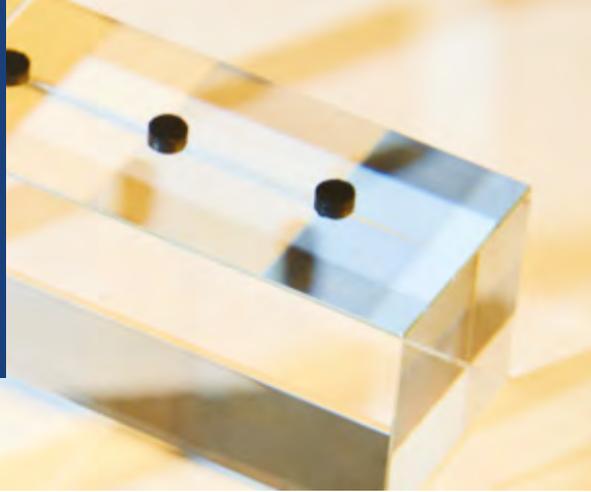


For more information visit

[www.weisskoreaopportunityfund.com](http://www.weisskoreaopportunityfund.com)



# CONTENTS



## 01 COMPANY OVERVIEW

---

- 6 Company Performance
- 8 The Company
- 8 Investment Objective and Dividend Policy
- 9 Investment Policy
- 9 Investment Process
- 10 Why South Korea?
- 11 South Korean Preference Shares
- 12 Top 10 Holdings
- 14 Holdings by Portfolio Sector
- 15 Total Return Performance and Dividend Record

## 02 STRATEGIC REPORTS

---

- 18 Chair's Report
- 20 Investment Manager's Report

## 03 FINANCIAL STATEMENTS

---

- 28 Statement of Financial Position
- 29 Statement of Comprehensive Income
- 30 Statement of Changes in Equity
- 31 Statement of Cash Flows
- 32 Notes to the Unaudited Financial Statements

## 04 GOVERNANCE

---

- 44 Statement of Principal and Emerging Risks and Uncertainties
- 47 Directors' Responsibility Statement

## 05 FURTHER INFORMATION

---

- 50 Board of Directors
- 52 Weiss Asset Management
- 54 How to Invest in Weiss Korea Opportunity Fund

## 06 SHAREHOLDER INFORMATION

---

- 58 Share Buybacks
- 58 Net Asset Value
- 59 Corporate Information

## 07 ENDNOTES

---

- 60 Endnotes and Alternative Performance Measures





# COMPANY OVERVIEW

# COMPANY PERFORMANCE

## Performance Summary

Statistics as at 30 June 2024

<b>Total Net Assets<sup>1</sup></b> <b>£122,617,033</b> (As at 31 December 2023: £116,849,704)	<b>Net Asset Value (“NAV”) Per Share<sup>2</sup></b> <b>£1.77</b> (As at 31 December 2023: £1.69)	<b>Mid-Market Share Price</b> <b>£1.66</b> (As at 31 December 2023: £1.68)
--	---	--

## Financial Highlights

<b>2024 NAV Return<sup>3,4</sup></b> <b>6.4%</b> (Since inception: 129.1% <sup>5</sup> )	<b>2024 Benchmark Return<sup>6,7</sup></b> <b>1.8%</b> (Since inception: 76.4%)	
<b>Portfolio Discount*</b> <b>49.9%</b> (31 December 2023: 49.7%)	<b>Share Price Discount<sup>8</sup></b> <b>-6.2%</b> (31 December 2023: -0.4%)	<b>Fund Dividend Yield<sup>9</sup></b> <b>3.1%</b> (31 December 2023: 3.2%)
<b>Average Trailing 12-Month P/E Ratio of Preference Shares Held<sup>10</sup></b> <b>7.3x</b> (31 December 2023: 4.8x)	<b>P/B Ratio of Preference Shares Held<sup>11</sup></b> <b>0.3</b> (31 December 2023: 0.3)	<b>Annualised Total Expense Ratio<sup>12</sup></b> <b>2.1%</b> (31 December 2023: 2.1%)

### \*Portfolio Discount

The portfolio discount represents the discount of WKOF’s actual NAV to the value of what the NAV would be if WKOF held the respective common shares of issuers rather than preference shares on a one-to-one basis.

As at close of business on 20 September 2024, the latest published NAV per Share was £1.63 and the Share Price was £1.57.



# COMPANY SUMMARY

## THE COMPANY

Weiss Korea Opportunity Fund Ltd. (“WKOF” or the “Company”) was incorporated with limited liability in Guernsey as a registered closed-ended investment company on 12 April 2013. The Company’s shares were admitted to trading on AIM of the London Stock Exchange (the “LSE”) on 14 May 2013.

The Company is managed by Weiss Asset Management LP (the “Investment Manager” or “WAM”), a Boston-based investment management company registered with the Securities and Exchange Commission and the Commodity Futures Trading Commission in the United States of America.

## INVESTMENT OBJECTIVE AND DIVIDEND POLICY

The Company’s investment objective is to provide Shareholders with an attractive return on their investment, predominantly through long-term capital appreciation. The Company is geographically focussed on South Korean companies. Specifically, the Company invests primarily in listed preference shares issued by companies incorporated in South Korea, which in many cases trade at a discount to the corresponding common shares of the same companies. Since the Company’s admission to AIM, the Investment Manager has assembled a portfolio of South Korean preference shares that it believes are undervalued and could appreciate based on the criteria that it selects. The Company may, in accordance with its investment policy, also invest some portion of its assets in other securities, including exchange-traded funds, futures contracts, options, swaps and derivatives related to South Korean equities, and cash and cash equivalents. The Company does not have any concentration limits.

The Company intends to return to Shareholders all dividends received, net of withholding tax, on an annual basis.

# INVESTMENT POLICY

The Company is geographically focussed on South Korean companies. Some of the considerations that affect the Investment Manager's choice of securities to buy and sell may include the discount at which a preference share is trading relative to its respective common share, dividend yield and its liquidity, among other factors. Not all of these factors will necessarily be satisfied for particular investments.

Preference shares are selected by the Investment Manager at its sole discretion, subject to the overall control of the Board of Directors of the Company (the "Board").

From time to time, the Company may purchase certain credit default swaps on the sovereign debt of South Korea and put options on the iShares MSCI South Korea ETF ("EWY") as general market and portfolio hedges, but did not hedge its exposure to interest rates or foreign currencies during the period ended 30 June 2024. Please see additional information about the nature of these hedges in the Investment Manager's Report within.

## Investment Process

**The Investment Manager monitors the discounts and yields on the universe of South Korean preference shares as well as events or catalysts that could affect preference share discounts leading to material price changes.**

**Multiple criteria are used to rank and calculate the returns for each preference share, including but not limited to:**

- ▶ **The discount that the preference share is trading at relative to its common share**
- ▶ **Expected dividend yield**
- ▶ **Future catalysts or events**
- ▶ **Management quality**
- ▶ **Fundamentals of the Company**
- ▶ **Market impact from entering and exiting our position**

**The Investment Manager expects the Company to remain close to fully invested as long as the opportunity set remains attractive. Where preference share liquidity requires, WKOF uses the Samsung Kodex 200 ETF as a substitute for cash.**

## WHY SOUTH KOREA?

The future of the South Korean economy looks promising. The global success of companies like Hyundai, LG Electronics and Amorepacific stimulates other areas of the South Korean economy both through the demand for intermediary goods and the demand for services by the workers at these companies. In addition, South Korea has emerged as one of the world's most innovative countries as it:

- Filed the highest number of patent applications relative to GDP in 2022.<sup>13</sup>
- High credit rating on its sovereign debt. South Korea was rated higher than Japan by Moody's, S&P, and Fitch.<sup>14</sup>
- Ranked 8th largest exporter in the world in 2023.<sup>15</sup>
- Ranked 14th largest economy by GDP in the world in 2023.<sup>16</sup>

South Korean companies are a key part of the value chain in some of the world's most exciting industries, such as electric vehicles, 5G technology and smartphones. The country also boasts a high GDP per capita, one of the lowest government debt/GDP ratios of any country, large foreign exchange reserves, and low levels of unemployment.

Although its population is ageing, the general education level of South Korea's work force is increasing. This provides a pool of talent that can be tapped for future growth.

Index Name	P/E Ratio	P/B Ratio	Dividend yield
Nifty Index (India)	23.1	3.9	1.2%
S&P 500 (US)	26.4	4.9	1.3%
Nikkei 225 (Japan)	23.5	2.1	1.6%
FTSE 100 (UK)	13.12	1.9	4.0%
Shanghai Composite (China)	11.79	1.2	2.9%
Hang Seng Index (HK)	9.54	1.0	4.4%
TAIEX (Taiwan)	21.8	2.6	2.4%
<b>KOSPI 200 (South Korea)</b>	<b>14.0</b>	<b>1.0</b>	<b>1.8%</b>

The South Korean stock market appears fundamentally cheap relative to other equity markets. This cheap valuation can be largely explained by the historically poor corporate governance displayed by the major South Korean conglomerates. However, events over the last several years indicate a trend of awareness and improvements in corporate governance. There was a large increase in publicly traded South Korean companies subject to activist demands in 2023, relative to previous years, with many of these demands coming from local investors.

One underlying thesis of our strategy is that improved corporate governance will attract more investors to South Korea. The Investment Manager's Report sets out some examples of improvements in corporate governance that have taken place during the most recent six months. Over time, we believe that this is likely to narrow the discount of the preference shares held in WKOF's portfolio, thus increasing the value of WKOF's holdings.

## SOUTH KOREAN PREFERENCE SHARES

Many of the largest companies in the South Korean market issue preference shares in addition to their common shares. These preference shares are equity shares that receive the same dividend per share as the voting common shares plus an additional percentage of the preference shares' par value per share. In return for this higher dividend, preference shares are non-voting in normal circumstances, although they do have voting rights in certain situations. Many of these preference shares trade at significant discounts to the corresponding common shares despite receiving a slightly higher dividend amount as the common shares and, therefore, provide preference shareholders with higher yields than the corresponding common shares.

The majority of South Korean preference shares were issued in the mid-1990s, when the South Korean government pressured chaebols (family-owned South Korean conglomerates) to raise equity and reduce debt within their capital structures. By issuing non-voting shares, the founders of the South Korean companies were able to raise equity capital without diluting their voting control. The additional payment as a percentage of par value that preference shares paid out to investors, albeit nominal today, was sufficiently large relative to the dividends in the 1990s to attract investors. Today, there are 116 South Korean preference shares outstanding with an aggregate market capitalisation of approximately £38.6 billion.<sup>17</sup>

Although preference shares typically do not have voting rights, an economic or financial model that values equity on the discounted value of future cash flows would imply that the preference shares of these companies should be trading at roughly the same price as the corresponding common shares. Further, preference shares are not associated with over-priced speculative companies; rather, many of the leading companies in the South Korean economy have preference shares outstanding.

Ongoing corporate governance improvements, increased dividend payouts and investor activism continue to serve as catalysts for preference share discounts narrowing. The Company invests in a portfolio of discounted South Korean preference shares, including South Korean market heavyweights such as LG Chem Ltd., Hyundai Motor Company, Amorepacific Corp. and LG Electronics Inc.

## TOP 10 HOLDINGS

### 1 LG ELECTRONICS INC., PRF.

13% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -56%

LG Electronics is a household brand in home appliances, with various product lines including washing machines, televisions, refrigerators, and smart phones. According to market research firm Omdia, the company has a significant portion of TV market share.<sup>18</sup>



### 2 SAMSUNG KODEX 200 ETF.

10% OF WKOF NAV    DISCOUNT TO COMMON SHARE: N/A

WKOF will utilise South Korean equity exposure via an ETF (exchange traded fund) as a substitute for cash as it builds new positions to continue offering South Korean equity exposure to its investors.



### 3 AMOREPACIFIC CORP., PRF.

8% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -72%

Established in 1945, Amorepacific develops beauty and cosmetic products while operating over 30 brands, including Mamonde and Laneige. Amorepacific's portfolio of products includes perfume, skin care, make up, hair care, oral care and body care products. The brand also includes a premium tea product.<sup>19</sup>



### 4 CJ CHEILJEDANG CORP, PRF.

7% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -60%

CJ CheilJedang is a leading food company in South Korea, focussed on processing food ingredients into groceries such as refined sugar, flour, and processed meats. The company also operates a number of food brands that specialise in home meal replacements and snacks, including names like Bibigo and Petitzel. CJ CheilJedang also operates in the bio industry, and produces plant-based protein and amino acids.<sup>20</sup>



### 5 HANWHA CORPORATION 3RD PRF.

7% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -44%

Hanwha Corporation specialises in producing and trading chemicals, aerospace & defence products, and energy products. It also deals in the construction and financial services industries. A Fortune Global 500 company, Hanwha Corporation's subsidiaries include South Korea's oldest life insurance company and Hanwha Solutions, a leading domestic manufacturer of solar cell panels.<sup>21</sup>

## TOP 10 HOLDINGS (continued)

6

### LG CHEM LTD., PRF.

5% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -30%

South Korea's largest chemical company by market capitalisation, LG Chem manufactures and sells petrochemical products and advanced materials, including plastics and EV batteries. Its EV battery business and subsidiary, LG Energy Solution, is the largest EV battery maker in the world.<sup>22</sup>



Source: LG Energy Solution



Source: iStockphoto

### HYUNDAI MOTOR COMPANY, 3RD PRF.

5% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -38%

Hyundai Motor Company is one of South Korea's leading car manufacturers by market share, producing and selling more than 4.2 million units globally in 2023.<sup>23</sup>

7

8

### MIRAE ASSET SECURITIES CO., LTD., 2<sup>ND</sup> PRF.

5% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -51%

Mirae Asset Securities Co., Ltd is the largest investment banking and stock brokerage company by market cap in South Korea. It offers securities trading, equity underwriting, investment banking services and wealth management. Mirae Asset conducts business globally, including the United States, United Kingdom, Brazil and China.<sup>24</sup>



Source: Mirae Asset Securities



Source: LG H&H Co., Ltd.

### LG HOUSEHOLD & HEALTH CARE LTD., (“LG H&H”) PRF.

4% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -56%

LG H&H is a major South Korean consumer goods company that manages cosmetics, household goods and beverages business. It is also the exclusive manufacturer and distributor of Coca Cola brand products in South Korea.<sup>25</sup>

9

10

### DOOSAN CORPORATION PRF.

4% OF WKOF NAV    DISCOUNT TO COMMON SHARE: -60%

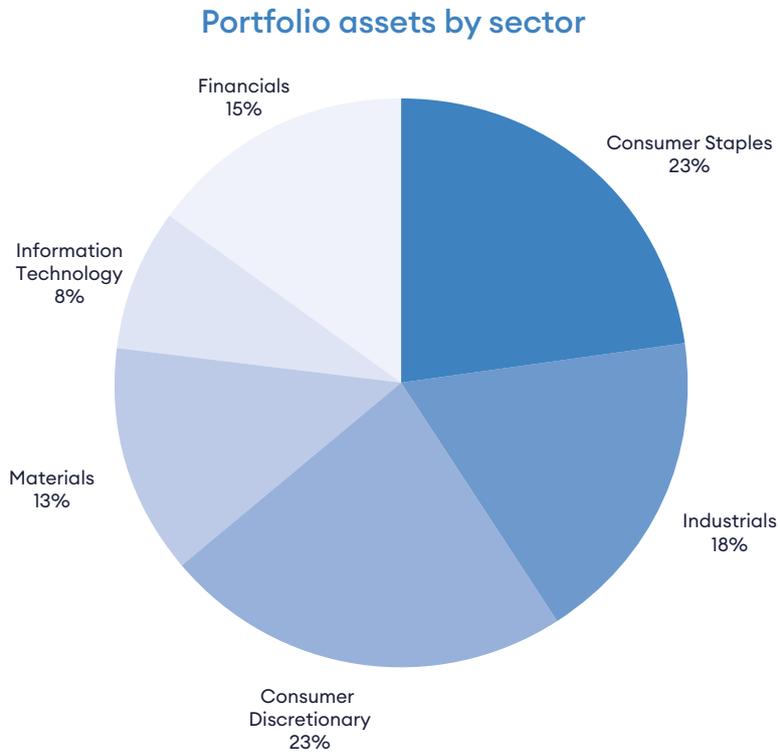
Doosan operates as a diversified manufacturing and service company. Doosan conducts electronic components production, logistics equipment manufacturing, information technology consulting, and other businesses. Doosan provides services worldwide.<sup>26</sup>



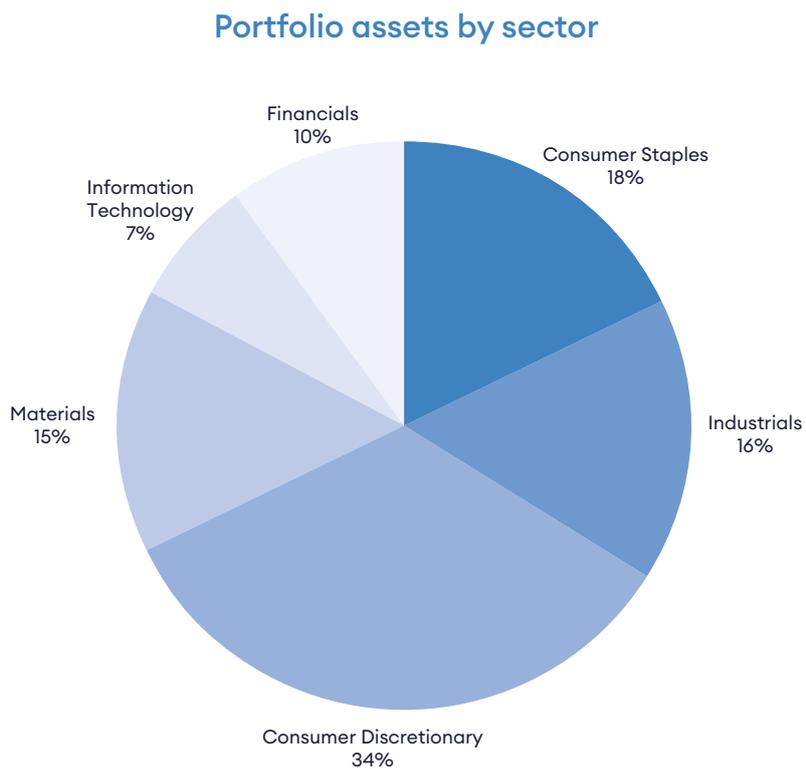
Source: Doosan Fuel Cell Corp

# HOLDINGS BY PORTFOLIO SECTOR

The Fund’s holdings by portfolio sector as at 30 June 2024 taken from Northern Trust data:

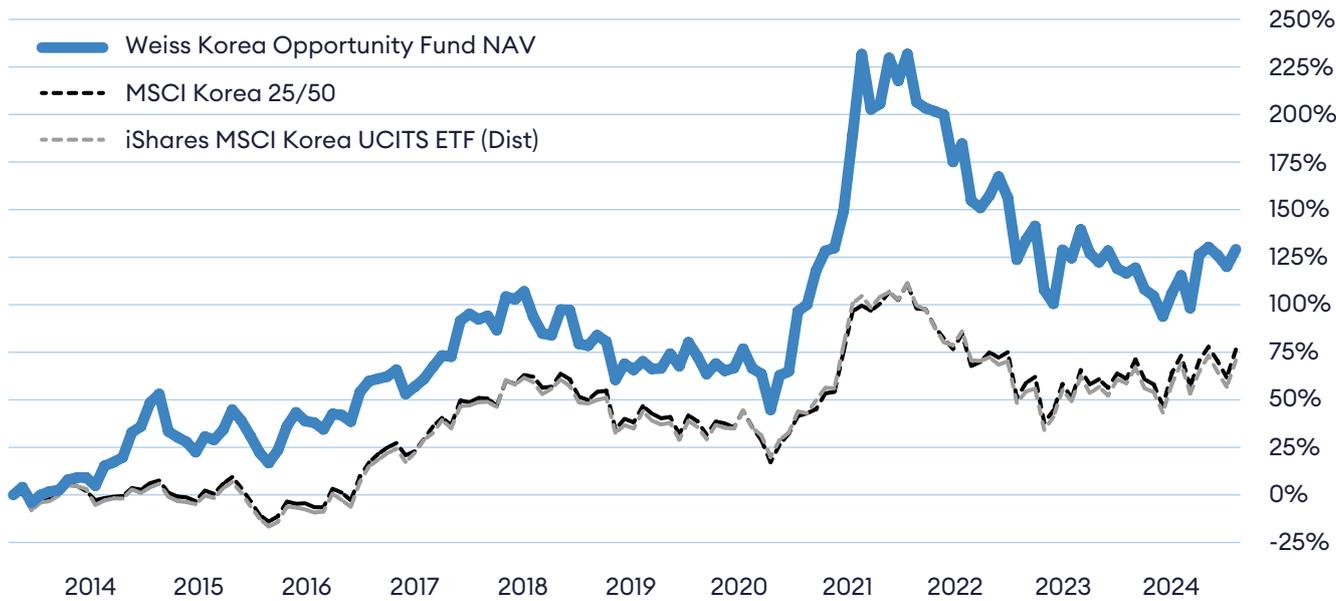


As at 31 December 2023:

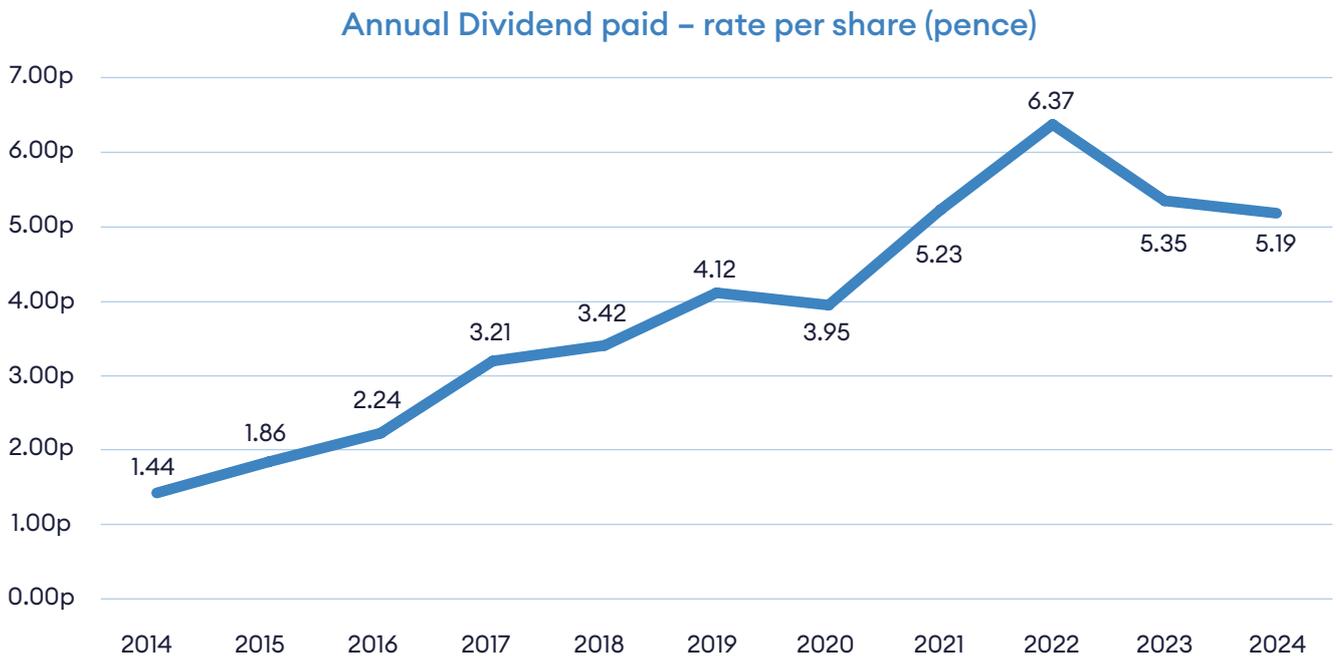


# TOTAL RETURN PERFORMANCE AND DIVIDEND RECORD

The Fund’s total return performance since inception is shown below:



The Fund’s historic dividend record since inception is shown below:





# STRATEGIC REPORTS



# CHAIR'S REPORT

For the period ended 30 June 2024

## Investment Performance

I am pleased to report that during the period from 1 January 2024 to 30 June 2024, WKOF's NAV in pounds Sterling ("GBP") increased by 6.4%, including reinvested dividends,<sup>27</sup> out-performing the reference MSCI South Korea 25/50 Net Total Return Index (the "Korea Index")<sup>28</sup> by 4.6%. Since the admission of WKOF to AIM in May 2013, NAV has increased by 129.1%, including reinvested dividends,<sup>29</sup> compared to the Korea Index returns of 76.4%, a cumulative outperformance of 52.7% since inception.

## Dividend

The Directors declared an interim dividend of 5.1851 pence per share on 14 May 2024, equating to a 3.1% net dividend yield over the past 12 months, to distribute the income received by WKOF in respect of the year ended 31 December 2023. This dividend was paid to all Shareholders on 24 June 2024.

## Share Buybacks

The Board is also authorised to repurchase up to 40% of WKOF's outstanding Ordinary Shares in issue as of 30 June 2024. To date, WKOF has repurchased 12.6% of Ordinary Shares issued at admission and continues to have the intention to repurchase shares if they trade at a significant discount to NAV in the future. The share price was generally in line with NAV but traded at a slight discount over the period. We will also keep shareholders informed of any share repurchases through public announcements.

## Realisation Opportunity

WKOF offers shareholders the regular opportunity to elect to realise all, or a part, of their shareholding in WKOF (the "Realisation Opportunity") once every two years, on the anniversary of WKOF's admission date, with the next Realisation Opportunity taking place in May 2025.

## Your Investment Manager

Shareholders have been fortunate to have access to WAM as their investment managers since launch. WKOF remains the only listed vehicle that your Investment Manager runs and, despite best efforts to grow the fund, it remains only a small part of the \$2.7 billion of WAM's assets under management. Your Board and your Investment Manager continue to review the challenges and opportunities associated with this situation.

## Promotion of the Company

Through Singer Capital Markets ("Singers"), the Company continues its established investor relations and marketing outreach to wealth managers, institutions and private clients. With regards to retail shareholders, either direct or through platforms, meaningful engagement continues to prove challenging. Your Board continues to review the Company's ability to grow and attract new shareholders, as well as monitoring how it represents value for money for all shareholders.

## CHAIR'S REPORT (continued)

### Outlook

Whilst WKOF was not immune to the significant market gyrations of recent weeks, the 'Corporate Value-Up Programme' in Korea has provided support for WKOF's investment thesis: that improved corporate governance in Korean companies would help close the discount between their preference shares and their ordinary shares. However, the extent to which governance improvements will be adopted by companies and enforced by the government is difficult to gauge currently. As your Investment Manager explains in the next pages, in the coming weeks and months they should have a better understanding of the extent to which these governance improvements are real and what their impact on WKOF might be, and the Board will keep developments in this regard under review.

I look forward to communicating with you about WKOF's activities in the future. If any Shareholders wish to speak with the Board, please contact Singers, and we will be happy to answer any questions you may have.

**Krishna Shanmuganathan**

Chair

23 September 2024

# INVESTMENT MANAGER'S REPORT

For the period ended 30 June 2024

## WKOF Performance Attribution

At the end of June 2024, WKOF held a portfolio of 32 South Korean preference shares. As a reminder, the economic rights of South Korean preference shares are generally the same or slightly better than the corresponding common shares, yet the preference shares often trade at substantial discounts to the common shares. WKOF's returns, on a currency-neutral basis, are driven by five primary factors:

- The performance of the Korean equity market generally as indicated by the Korea Index;
- The discounts of the preference shares WKOF holds narrowing or widening relative to their corresponding common shares;
- The performance of the common shares (which correspond to the preference shares held by WKOF) relative to the performance of the Korean equity market;
- Excess dividend yields of the preference shares held by WKOF; and
- Fees, expenses and other factors.



## INVESTMENT MANAGER'S REPORT (continued)

In order to compare WKOF's relative return to the Korea Index, we report the attribution of these aforementioned factors to WKOF's performance. The following table provides this performance attribution for the last 12 months and for the period since the inception of WKOF in May 2013 to 30 June 2024.

### Performance Attribution Table

Return Component <sup>30</sup>	Year-to-Date	Last 12 Months	Since Inception
The Korea Index	1.8%	9.6%	76.4%
Discount Narrowing of Preferred Shares	5.1%	5.2%	72.1%
WKOF common Shares vs the Korea Index	0.6%	-8.6%	-32.5%
Excess Dividend Yield of Preferred Shares Owned	1.3%	1.5%	14.3%
Fees, Expenses and Others	-2.4%	-1.9%	-1.2%
<b>NAV Performance</b>	<b>6.4%</b>	<b>5.8%</b>	<b>129.1%</b>

WKOF's investment thesis at inception was based on the likelihood that WKOF's NAV would perform well, largely due to (i) decreases in the large discounts of the preference shares held by WKOF relative to their corresponding common shares and (ii) the related excess dividend yields caused by these large discounts. This has, indeed, generally been the case as these two factors have collectively been the main contributors to WKOF's outperformance relative to the Korea Index since inception. At present, we continue to remain confident in both of these theses.

In September 2013, shortly after inception, the preference shares held by WKOF traded at a 55.5% discount to their corresponding common shares and the dividend yield was 1.7%. As at 30 June 2024, the discount and dividend yield were 49.9% and 3.1%, respectively. We are focussed on returns since inception because we believe that due to high levels of idiosyncratic volatility, any data that is gathered over a one-year period is unlikely to be a reliable guide for future performance.

## Review of the Korean Macro Environment

In May, the OECD increased its projected 2024 GDP growth rate for Korea from 2.2% (as of February) to 2.6%. President Yoon announced a 26 trillion KRW programme to further support the semiconductor industry, which has been a key driver of export growth. The OECD also revised its inflation forecast for Korea, expecting inflation to cool from 5% to under 3% during 2024. Should inflation ease, the Bank of Korea could reduce its policy rate over time which could have a meaningful impact on the Korean consumer, as household debt remains at close to 99% of GDP as of the first quarter of 2024 (the highest of 34 countries listed in a study by the Institute for International Finance). However, the Bank of Korea announced in May it was delaying policy rate cuts due to the more recent weakness of the won relative to the US dollar and the wide interest rate gap between the two countries.<sup>31</sup>

Throughout the first half of 2024, North Korea continued to engage in hostile acts towards South Korea. As previously noted in the 2023 Annual Report, news articles have reported on North Korea's increasingly aggressive actions, including conducting strategic cruise missile tests for "a super-large warhead"<sup>32</sup>, as well as launching approximately 1,600<sup>33</sup> trash-filled balloons toward South Korea, which has recently led to a temporary suspension of international air travel<sup>34</sup> over the Korean peninsula. Foreign policy experts have acknowledged the heightened tension and animosity in the region, even though missile tests, military drills,

## INVESTMENT MANAGER'S REPORT (continued)

and rhetorical provocations are “nothing new” in North Korea.<sup>35</sup> Over the years, the patterns for tit-for-tat exchanges between the Koreas have been well documented, and we expect North Korea to continue its current aggressive behaviour<sup>36</sup> and South Korea to respond with its military drills near the border<sup>37</sup> or even threats to develop an indigenous nuclear programme<sup>38</sup> at least until the United States presidential elections later this year. With plentiful reasons for caution, WKOF continues to maintain a higher exposure in Korean sovereign Credit Default Swaps (“CDS”) protection compared to prior years.

Index Name	P/E Ratio	P/B Ratio	Dividend Yield
Nifty Index (India)	23.1	3.9	1.2%
S&P 500 (US)	26.4	4.9	1.3%
Nikkei 225 (Japan)	23.5	2.1	1.6%
FTSE 100 (UK)	13.1	1.9	4.0%
Shanghai Composite (China)	11.8	1.2	2.9%
Hang Seng Index (HK)	9.5	1.0	4.4%
TAIEX (Taiwan)	21.8	2.6	2.4%
<b>KOSPI 200 (S. Korea)</b>	<b>14.0</b>	<b>1.0</b>	<b>1.8%</b>
<b>WKOF Portfolio Holdings</b>	<b>5.7</b>	<b>0.4</b>	<b>3.6%</b>

Korean equities and the portfolio holdings of WKOF continue to offer apparent valuation discounts relative to other countries' equity markets as represented by the price-to-earnings ratios (“P/E ratios”) and price-to-book ratios (“P/B ratios”) listed above.

As previously discussed, WKOF's current portfolio discount, calculated as the weighted average discount of the preference shares owned by WKOF relative to the prices of such preference shares' corresponding common shares, was 49.9%. In addition, the KOSPI 200 has depressed valuation multiples as shown in the table above relative to the average of other major indices.

## Korean Corporate Governance and Portfolio Discussion

In the 2023 Annual Report, we discussed the potential impact of the Corporate Value-Up Programme (“CVUP”) that was first announced in February 2024. We cautiously expressed our optimism that South Korea could gradually improve its corporate governance standards, which could lead to a positive response in the equity market, similar to recent developments in Japan.

Additional information was announced during March 2024, including possible changes to the Stewardship Code for the first time in seven years and the reduction of tax burdens on companies that increase shareholder returns through dividend payments or share buybacks. However, in April, the Democratic Party won a majority of the 300 seats in the National Assembly, the national legislature of South Korea, with a 67% voter turnout, the highest voter turnout in 32 years. As the opposition party, this implies a higher likelihood that future tax cuts on inheritance and corporate income may not pass the legislative body, as the opposition party could perceive these tax cuts as favouring the wealthy, which would be unpopular among their constituents.<sup>39</sup>

## INVESTMENT MANAGER'S REPORT (continued)

In May, a more detailed version of the CVUP was announced, but it lacked specifics and made adherence to the programme voluntary. In summary, it states that companies should voluntarily disclose on an annual basis the actions they plan to take to improve minority shareholder returns and corporate governance standards. Some of the examples provided included plans for treasury stock cancellation, dividend and share repurchases, disclosures over potential conflicts of interest, and reporting quantifiable metrics relative to competitors in their industry.<sup>40</sup>

Since June, some additional and more specific announcements have been made which could benefit shareholders:

- A more detailed tax benefit plan was released, which includes a tax credit of up to 5% of the increase in shareholder return.
- The Financial Services Commission (“FSC”) proposed a new rule requiring companies with more than 5% of their outstanding stock in treasury to provide additional disclosures about the purpose and intent of these holdings. In the past, minority investors have been negatively impacted by South Korean companies’ use of outstanding treasury shares to opportunistically dilute minority shareholders.
- The nominee for the head of the FSC, Korea’s top regulator, advocated scrapping a plan to increase capital gains taxes.<sup>41</sup> Investors are concerned about the potential for an increase in the capital gains tax from 20% to 25% when the annual return from a financial investment is greater than 300 million won. The implementation of this tax has been postponed for two years but is currently scheduled for January 1, 2025. While President Yoon Suk Yeol is in favour of eliminating or deferring the increased tax, Representative Jin Sung-joon who leads the policy committee for the opposition party, has stated it should be implemented as scheduled.<sup>42</sup>
- The FSC Governor called for expanding the scope of a board of directors’ fiduciary duty to include shareholders (rather than just the company).<sup>43</sup>

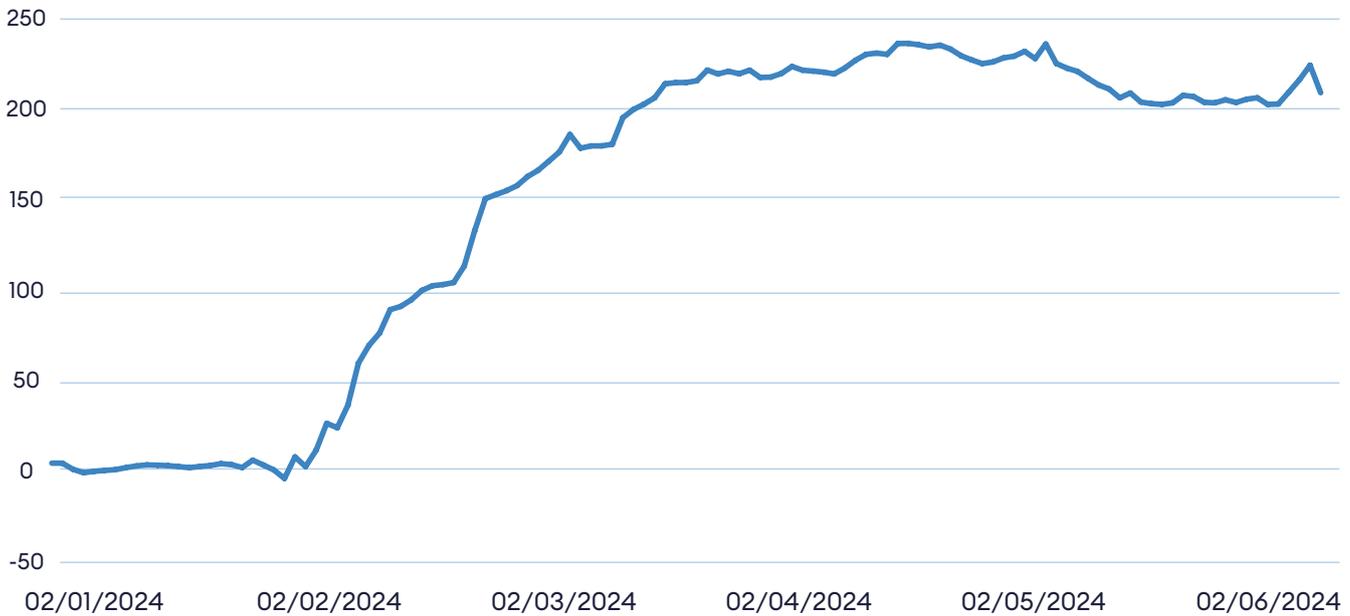
Until more details are known, it is challenging to determine the potential effectiveness of the CVUP and its impact on the market. Despite the uncertainty, we think that by the end of the year, investors will most likely have additional clarity on the direction of corporate governance improvements and react accordingly.

During the first half of 2024, we reduced WKOF’s exposure to Hyundai Motors (“HMC”) from approximately 22% at the end of 2023 to 10% as of the end of June 2024. This change in the portfolio was motivated by HMC’s discount compression from approximately a 44% to 38% discount during the period, as well as the availability of deeper discounts available in other South Korean preference shares.<sup>44</sup>

After reducing exposure to LG Chem’s preference shares throughout 2023, HMC was WKOF’s largest position at the end of 2023. In last year’s Half Yearly report, we discussed the improved corporate governance from HMC’s management in terms of shareholder returns and the cheapness of the preference shares expressed in a forward dividend yield of nearly 9%. During the first quarter of this year, market observers highlighted HMC as one of the main beneficiaries of CVUP due to its depressed valuations and potential catalysts for improvement.<sup>45</sup> During the same period, we also observed increased market interest in HMC’s preference shares in the media<sup>46</sup> and among foreign investors. For instance, foreign investors increased their holdings of HMC’s preference shares by approximately 200 million GBP in the first fiscal quarter of 2024.

INVESTMENT MANAGER’S REPORT (continued)

Foreign Investor Net Purchase Value of HMC Preference Shares (million GBP)



Regular readers of our investment manager reports and monthly factsheets are likely to be familiar with our portfolio rebalancing strategy. WKOF deliberately rotates from narrower to wider discount preference shares to offer a portfolio with larger average portfolio discounts to our investors. The existence of wider discounts in the preference share universe, such as LG Electronics preference shares at greater than 55% discount and Amorepacific Corp at greater than 70% discount, caused us to materially reduce HMC’s portfolio weight. However, a by-product of this approach may result in higher-than-expected holdings in cash or securities held as cash replacements (such as a Korean index ETF) when there is not matching liquidity in the positions that we are exiting and entering. As a result, the Samsung KODEX 200 ETF, which tracks the local KOSPI 200 index, peaked at 17% of NAV but has been reduced to under 10% as of July 2024.

Hedging

WKOF pursues its investment strategy with a portfolio that is generally long-only. However, as further described in WKOF’s Annual Report and Audited Financial Statements for the year ended 31 December 2017 and in subsequent Annual Reports, the Board approved a hedging strategy intended to reduce exposure to extreme events that would negatively affect Shareholders’ Investments in WKOF because of political tensions in Northeast Asia.

WKOF has limited its use of hedging instruments to purchases of CDS and put options on the MSCI Korea 25/50 Index, securities we believe would generate high returns if Korea experienced geopolitical disaster, and do not introduce material new risks into the portfolio. These catastrophe hedges are not expected to make money in most states of the world. We expect that, as with any insurance policy, WKOF’s hedges will lose money most of the time.

## INVESTMENT MANAGER'S REPORT (continued)

The table below provides details about the hedges as of 30 June 2024. Note that outside of the general market and portfolio hedges described herein, WKOF has generally not hedged interest rates or currencies.

CDS Notional Amount (GBP)	Cost Paid as a % of Notional Value per Annum (Spread)	Expiration Date
79,104,530	0.245%	20/06/2025

## Concluding Remarks

We wish to again express our thanks to our long-term shareholders for their patience. We continue to remain disciplined and focussed on attempting to capitalise on a rare economic anomaly in the form of Korean preference shares trading at steep discounts to the corresponding common shares despite largely equivalent economic rights. Whilst we believe more information about CVUP will be known by the market over the coming months, it is difficult to determine whether the CVUP will offer a clear path forward for valuation rerating in South Korea.

This rare economic anomaly has also become more widely recognised, with more investment options for investors to access the preference share universe itself. In addition, the investable preference share market has become smaller and less liquid as the discounts on larger companies with more liquid preference shares have narrowed. We are keeping a close eye on these developments - and their impact on WKOF. We look forward to updating you again in the future.

### Weiss Asset Management LP

23 September 2024





# FINANCIAL STATEMENTS

## Statement of Financial Position

As at 30 June 2024

	Notes	As at 30 June 2024 (Unaudited) £	As at 31 December 2023 (Audited) £
<b>Assets</b>			
Financial assets at fair value through profit or loss	10	120,543,997	112,427,879
Other receivables		281,490	1,627,052
Margin account		1,423,038	1,396,037
Cash and cash equivalents		1,856,504	3,364,287
<b>Total assets</b>		<b>124,105,029</b>	<b>118,815,255</b>
<b>Liabilities</b>			
Derivative financial liabilities	11	568,698	903,381
Due to broker		254,449	271,189
Other payables		664,849	790,981
<b>Total liabilities</b>		<b>1,487,996</b>	<b>1,965,551</b>
<b>Net assets</b>		<b>122,617,033</b>	<b>116,849,704</b>
<b>Represented by:</b>			
<b>Shareholders' equity and reserves</b>			
Share capital	12	33,912,856	33,912,856
Other reserves		88,704,177	82,936,848
<b>Total Shareholders' equity</b>		<b>122,617,033</b>	<b>116,849,704</b>
<b>Net Assets Value per Ordinary Share</b>	7	<b>1.7702</b>	<b>1.6870</b>

The Notes on pages 32 to 41 form an integral part of these Financial Statements.

The Financial Statements on pages 28 to 41 were approved and authorised for issue by the Board of Directors on 23 September 2024.

**Krishna Shanmuganathan**  
Chair

**Gill Morris**  
Audit and Risk Committee Chair

## Statement of Comprehensive Income

For the period ended 30 June 2024

	Notes	For the period ended 30 June 2024 (Unaudited) £	For the period ended 30 June 2023 (Unaudited) £
<b>Income</b>			
Net changes in fair value of financial assets at fair value through profit or loss	8	8,955,523	(1,851,203)
Net changes in fair value of derivative financial instruments through profit or loss	9	334,628	36,181
Net foreign currency losses		(317,329)	(486,385)
Dividend income		2,945,724	392,104
Bank interest income		2,788	9,801
<b>Total income/(loss)</b>		<b>11,921,334</b>	<b>(1,899,502)</b>
<b>Expenses</b>			
Operating expenses		(1,915,084)	(1,947,468)
<b>Total operating expenses</b>		<b>(1,915,084)</b>	<b>(1,947,468)</b>
Profit/(loss) for the period before dividend withholding tax		10,006,250	(3,846,970)
Dividend withholding tax		(647,437)	(86,263)
<b>Profit/(loss) for the period after dividend withholding tax</b>		<b>9,358,813</b>	<b>(3,933,233)</b>
<b>Profit/(loss) and total comprehensive income/(loss) for the period</b>		<b>9,358,813</b>	<b>(3,933,233)</b>
<b>Basic and diluted earnings/(loss) per Share</b>	6	<b>0.1351</b>	<b>(0.0568)</b>

All items derive from continuing activities.

Following review of the AIC SORP and its impact on the Statement of Comprehensive Income, the Board has decided not to follow the recommended income and capital split. This is due to the fact that the Company's dividend policy is not influenced by its expense policy. See page 8 for details of the Company's dividend policy.

The Notes on pages 32 to 41 form an integral part of these Financial Statements.

## Statement of Changes in Equity

For the period ended 30 June 2024

For the period ended 30 June 2024 (Unaudited)	Note	Share capital £	Other reserves £	Total £
<b>Balance as at 1 January 2024</b>		<b>33,912,856</b>	<b>82,936,848</b>	<b>116,849,704</b>
Total comprehensive income for the period		-	9,358,813	9,358,813
<b>Transactions with Shareholders, recorded directly in equity</b>				
Distributions paid	4	-	(3,591,484)	(3,591,484)
<b>Balance as at 30 June 2024</b>		<b>33,912,856</b>	<b>88,704,177</b>	<b>122,617,033</b>

For the period ended 30 June 2023 (Unaudited)	Notes	Share capital £	Other reserves £	Total £
<b>Balance as at 1 January 2023</b>		<b>33,986,846</b>	<b>93,093,647</b>	<b>127,080,493</b>
Total comprehensive loss for the period		-	(3,933,233)	(3,933,233)
<b>Transactions with Shareholders, recorded directly in equity</b>				
Purchase of Realisation Shares	12	(73,990)	-	(73,990)
Distributions paid	4	-	(3,709,107)	(3,709,107)
<b>Balance as at 30 June 2023</b>		<b>33,912,856</b>	<b>85,451,307</b>	<b>119,364,163</b>

The Notes on pages 32 to 41 form an integral part of these Financial Statements.

## Statement of Cash Flows

For the period ended 30 June 2024

	Notes	For the period ended 30 June 2024 (Unaudited) £	For the period ended 30 June 2023 (Unaudited) £
<b>Cash flows from operating activities</b>			
Profit/(loss) and total comprehensive income/(loss) for the period		9,358,813	(3,933,233)
Adjustments for:			
Net change in fair value of financial assets held at fair value through profit or loss	8	(8,955,523)	1,851,203
Exchange losses on cash and cash equivalents		557,166	1,147,298
Net change in fair value of derivative financial instruments held at fair value through profit or loss	9	(334,628)	(36,181)
Increase in receivables excluding dividends		(13,594)	(18,444)
Increase in other payables excluding withholding tax		172,882	92,894
Dividend income		(2,298,287)	(305,841)
Dividend received		3,358,429	3,626,410
Purchase of financial assets at fair value through profit or loss		(39,218,509)	(9,766,020)
Proceeds from the sale of financial assets at fair value through profit or loss		40,041,173	10,921,807
<b>Net cash generated from operating activities</b>		<b>2,667,922</b>	<b>3,579,893</b>
<b>Cash flows from investing activities</b>			
Opening of derivative financial instruments		87	20
Closure of derivative financial instruments		(141)	-
(Increase)/decrease in margin account		(27,001)	1,014,745
<b>Net cash (used in)/generated from investing activities</b>		<b>(27,055)</b>	<b>1,014,765</b>
<b>Cash flows from financing activities</b>			
Repurchase of realisation Shares	12	-	(73,990)
Distributions paid	4	(3,591,484)	(3,709,107)
<b>Net cash used in financing activities</b>		<b>(3,591,484)</b>	<b>(3,783,097)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(950,617)</b>	<b>811,561</b>
<b>Exchange losses on cash and cash equivalents</b>		<b>(557,166)</b>	<b>(1,147,298)</b>
Cash and cash equivalents at the beginning of the period		3,364,287	2,890,620
<b>Cash and cash equivalents at the end of the period</b>		<b>1,856,504</b>	<b>2,554,883</b>

The Notes on pages 32 to 41 form an integral part of these Financial Statements.

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

For the period ended 30 June 2024

## 1. General information

The Company was incorporated with limited liability in Guernsey, as a closed-ended investment company on 12 April 2013. The Company's Shares were admitted to trading on AIM of the London Stock Exchange ("LSE") on 14 May 2013.

The Investment Manager of the Company is Weiss Asset Management LP.

At the Annual General Meeting ("AGM") held on 27 July 2016, the Board approved the adoption of the new Articles of Incorporation in accordance with Section 42(1) of The Companies (Guernsey) Law, 2008 (the "Law").

## 2. Significant accounting policies

### a. Statement of compliance

The Financial Statements of the Company for the period ended 30 June 2024 have been prepared in accordance with IFRS adopted by the European Union and the AIM Rules of the London Stock Exchange. They give a true and fair view and are in compliance with the Law.

### b. Basis of preparation

The Financial Statements are prepared in pounds sterling (£), which is the Company's functional and presentational currency. They are prepared on a historical cost basis modified to include financial assets at fair value through profit or loss.

The Financial Statements, covering the period from 1 January to 30 June 2024, are not audited.

The accounting policies adopted are consistent with those used in the Annual Report and Audited Financial Statements for the year ended 31 December 2023.

The Financial Statements do not include all the information and disclosures required in the Annual Report and Audited Financial Statements and should be read in conjunction with the Annual Report and Audited Financial Statements for the year ended 31 December 2023. The Auditor's Report contained within the Annual Report and Audited Financial Statements provided an unmodified opinion.

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities at the date of these Financial Statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

### c. Going concern

The Company has continued in existence following the fourth Realisation Opportunity and will continue to operate as a going concern unless a determination to wind up the Company is made. Given this, the Directors will propose further realisation opportunities for Shareholders who have not previously elected to realise all of their Ordinary Shares.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 2. Significant accounting policies (continued)

#### c. Going concern (continued)

Such opportunities will be made using a similar mechanism to previously announced Realisation Opportunities. The next Realisation Opportunity will take place during May 2025. The Board and the Investment Manager believe the investment policy continues to be valid.

Based on the fact that the assets currently held by the Company consist mainly of securities that are readily realisable, whilst the Directors acknowledge that the liquidity of these assets needs to be managed, the Directors believe that the Company has adequate financial resources to meet its liabilities as they fall due for at least twelve months from the date of this report, and that is appropriate for the Financial Statements to be prepared on a going concern basis.

### 3. Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,600 (2023: £1,200). The amounts disclosed as taxation in the Statement of Comprehensive Income relate solely to withholding tax levied in South Korea on distributions from South Korean companies at an offshore rate of 22 %.

### 4. Dividends to Shareholders

Dividends, if any, will be paid annually each year. An annual dividend of 5.1851 pence per Share (£3,591,484) was approved on 14 May 2024 and paid on 24 June 2024 in respect of the year ended 31 December 2023. An annual dividend of 5.3517 pence per Share (£3,709,107) was approved on 2 May 2023 and paid on 9 June 2023 in respect of the year ended 31 December 2022.

### 5. Significant accounting judgements, estimates and assumptions

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The significant judgements, estimates, and assumptions made by management when applying the Company's accounting policies, as well as the key sources of estimation uncertainty, were the same for these Financial Statements as those that applied to the Annual Report and Audited Financial Statements for the year ended 31 December 2023.

### 6. Basic and diluted earnings/(loss) per Share

The total basic and diluted earnings per Ordinary Share of £0.1351 (30 June 2023: loss of (£0.0568)) for the Company has been calculated based on the total profit after tax for the period of £9,358,813 (30 June 2023: loss of (£3,933,233)) and the weighted average number of Ordinary Shares in issue during the period of 69,265,582 (for the period ended 30 June 2023: 69,296,302).

### 7. Net Asset Value per Ordinary Share

The NAV of each Share of £1.7702 (as at 31 December 2023: £1.6870) is determined by dividing the net assets of the Company attributed to the Ordinary Shares of £122,617,033 (as at 31 December 2023: £116,849,704) by the number of Ordinary Shares in issue at 30 June 2024 of 69,265,582 (as at 31 December 2023: 69,265,582 Ordinary Shares in issue).

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 8. Net changes in fair value on financial assets at fair value through profit or loss

	For the period ended 30 June 2024 (Unaudited) £	For the period ended 30 June 2023 (Unaudited) £
Realised gain on investments	8,933,426	3,906,098
Realised loss on investments	(4,936,664)	(1,015,368)
Unrealised gains on investments	11,507,212	10,119,230
Unrealised losses on investments	(6,548,451)	(14,861,163)
Net changes in fair value on financial assets at fair value through profit or loss	8,955,523	(1,851,203)

### 9. Net changes in fair value on derivative financial instruments at fair value through profit or loss

	For the period ended 30 June 2024 (Unaudited) £	For the period ended 30 June 2023 (Unaudited) £
Unrealised gain on credit default swaps	334,628	36,181
Net changes in fair value on financial derivatives at fair value through profit or loss	334,628	36,181

### 10. Financial assets at fair value through profit or loss

	As at 30 June 2024 (Unaudited) £	As at 31 December 2023 (Audited) £
Cost of investments at beginning of the period/year	147,569,038	145,672,008
Purchases of investments in the period/year	39,201,769	18,311,604
Disposal of investments in the period/year	(40,041,174)	(22,149,787)
Net realised gains on investments in the period/year	3,996,762	5,735,213
Cost of investments held at end of the period/year	150,726,395	147,569,038
Unrealised loss on investments	(30,182,398)	(35,141,159)
Financial assets at fair value through profit or loss	120,543,997	112,427,879

Financial assets are valued at the bid-market prices ruling as at the close of business at the Statement of Financial Position date, net of any accrued interest which is included in the Statement of Financial Position as an income related item. The Directors are of the opinion that the bid-market prices are the best estimate of fair value in accordance with the requirements of IFRS 13 'Fair Value Measurement'. Movements in fair value are included in the Statement of Comprehensive Income.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 11. Derivative financial instruments at fair value through profit or loss

	As at 30 June 2024 (Unaudited) £	As at 31 December 2023 (Audited) £
Cost of derivatives at beginning of the period/year	(1,835,637)	(1,835,637)
Opening of derivatives in the period/year	(87)	-
Closure of derivatives in the period/year	141	-
Net cost of derivatives held at end of the period/year	(1,835,583)	(1,835,637)
Unrealised gain on derivative financial instruments at fair value through profit or loss	1,266,885	932,256
Net fair value on derivative financial instruments at fair value through profit or loss	(568,698)	(903,381)

The following are the composition of the Company's derivative financial instruments at period/year end:

	Assets (Unaudited) £	As at 30 June 2024 Liabilities (Unaudited) £	Assets (Audited) £	As at 31 December 2023 Liabilities (Audited) £
Derivatives held for trading:				
Credit default swaps	-	(568,698)	-	(903,381)
Total	-	(568,698)	-	(903,381)

### 12. Share capital

The share capital of the Company consists of an unlimited number of Ordinary Shares of no par value.

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
<b>Authorised</b>		
Unlimited Ordinary Shares at no par value	-	-
<b>Issued at no par value</b>		
69,265,582 (2023: 69,265,582) Ordinary Shares at no par value	-	-

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 12. Share capital (continued)

#### Reconciliation of number of Shares

	As at 30 June 2024 (Unaudited) No. of Shares	As at 31 December 2023 (Audited) No. of Shares
Ordinary Shares at the beginning of the period/year	69,265,582	69,307,078
Purchase of Realisation Shares	-	(41,496)
<b>Total Ordinary Shares in issue at the end of the period/year</b>	<b>69,265,582</b>	<b>69,265,582</b>

#### Treasury Shares

	As at 30 June 2024 (Unaudited) No. of Shares	As at 31 December 2023 (Audited) No. of Shares
Treasury Shares at the beginning of the period/year	11,752,246	11,710,747
Prior year adjustment for repurchase of Ordinary Shares	-	3
Redesignation of Realisation Shares	-	41,496
Total Shares at the end of the period/year	11,752,246	11,752,246

#### Share capital account

	As at 30 June 2024 (Unaudited) £	As at 31 December 2023 (Audited) £
Share capital at the beginning of the period/year	33,912,856	33,986,846
Purchase of Realisation Shares	-	(73,990)
Total Share capital at the end of the period/year	33,912,856	33,912,856

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 12. Share capital (continued)

#### *Ordinary Shares*

The Company has a single class of Ordinary Shares, which were issued by means of an initial public offering on 14 May 2013, at 100 pence per Share.

The rights attached to the Ordinary Shares are as follows:

a) The holders of Ordinary Shares shall confer the right to all dividends in accordance with the Articles of Incorporation of the Company.

b) The capital and surplus assets of the Company remaining after payment of all creditors shall, on winding-up or on a return (other than by way of purchase or redemption of own Ordinary Shares) be divided amongst the Shareholders on the basis of the capital attributable to the Ordinary Shares at the date of winding up or other return of capital.

c) Shareholders present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting have on a show of hands, one vote and, on a poll, one vote for every Share.

d) On 13 March 2023, being 61 days before the Subsequent Realisation Date, the Company published a circular pursuant to the Realisation Opportunity, entitling the Shareholders to serve a written notice during the election period (a "Realisation Election") requesting that all or a part of their Ordinary Shares be re-designated to Realisation Shares, subject to the aggregate NAV of the continuing Ordinary Shares on the last business day before the Reorganisation Date being not less than £50 million.

e) On 12 May 2023, 41,496 Ordinary Shares, which represented 0.06% of the Company's issued Ordinary Share capital were redesignated as Realisation Shares.

On 24 May 2023, the Company announced that, due to the very limited number of elections received for the Realisation Opportunity, all Realisation Shares were compulsory redeemed utilising the Company's existing cash reserves, with an accompanying record date of 26 May 2023 ("Redemption Date"). The Redemption price was 177.62 pence per Realisation Share, equivalent to the unaudited Net Asset Value per Realisation Share as at 15 May 2023.

All Realisation Shares that were redeemed have been re-designated as Ordinary Shares and held in Treasury.

#### *Share buyback and cancellation*

During the period ended 30 June 2024, the Company purchased Nil shares (31 December 2023: Nil) of its own Shares at a consideration of £Nil (31 December 2023: £Nil) under its general buyback authority originally granted to the Company in 2014.

The Company has 69,265,582 Ordinary Shares in issue as at 30 June 2024 (as at 31 December 2023: 69,265,582).

The Company has 11,752,246 Treasury Shares in issue as at 30 June 2024 (as at 31 December 2023: 11,752,246).

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 13. Related-party transactions and material agreements

#### Related-party transactions

##### a) Directors' remuneration and expenses

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £150,000 per annum.

The annual Directors' fees comprise £38,800 to Krishna Shanmuganathan as Chair, £36,125 to Gill Morris as Chair of the Audit and Risk Committee and £33,500 to Wendy Dorey.

The Company had 3 Directors during the period ended 30 June 2024 (period ended 30 June 2023: 4 Directors). During the period ended 30 June 2024, Directors' fees of £54,213 (period ended 30 June 2023: £66,750) were charged to the Company and £Nil remained payable at the end of the period (as at 31 December 2023: £Nil).

##### b) Shares held by related parties

The Directors who held office at 30 June 2024 and up to the date of this Report held the following number of Ordinary Shares beneficially:

	As at 30 June 2024		As at 31 December 2023	
	Ordinary Shares (Unaudited)	% of issued share capital (Unaudited)	Ordinary Shares (Audited)	% of issued share capital (Audited)
Krishna Shanmuganathan	-	-	-	-
Gill Morris	3,934	0.01%	3,934	0.01%
Wendy Dorey	2,552	0.00%	2,552	0.00%

There have been no changes in the interests of the above Directors during the period.

The Investment Manager is principally owned by Dr Andrew Weiss and certain members of the Investment Manager's senior management team. As at 30 June 2024, Dr Andrew Weiss and his immediate family members held an interest in 7,316,888 Ordinary Shares (as at 31 December 2023: 7,316,888) representing 10.56% (as at 31 December 2023: 10.56%) of the Ordinary issued share capital of the Company.

As at 30 June 2024, employees and partners of the Investment Manager other than Dr Andrew Weiss, their respective immediate family members or entities controlled by them or their immediate family members held an interest in 390,408 Ordinary Shares (as at 31 December 2023: 390,408) representing 0.6% (as at 31 December 2023: 0.6%) of the Ordinary issued share capital of the Company.

##### c) Investment management fee

The Company's Investment Manager is Weiss Asset Management LP. In consideration for its services provided by the Investment Manager under the Investment Management Agreement (IMA) dated 8 May 2013, the Investment Manager is entitled to an annual management fee of 1.5 % of the Company's NAV accrued daily and payable within 14 days after each month end. The Investment Manager is also entitled to reimbursement of certain expenses incurred by it in connection with its duties.

The IMA will continue in force until terminated by the Investment Manager or the Company, giving to the other party thereto not less than 12 months' notice in writing. For the period ended 30 June 2024, investment management fees and charges of £903,606 (for the period ended 30 June 2023: £964,912) were charged to the Company and £154,662 (as at 31 December 2023: £136,205) remained payable at the period/year end.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 14. Fair value measurement

IFRS 13 'Fair Value Measurement' requires the Company to establish a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under IFRS 13 'Fair Value Measurement' are set as follows:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfers have occurred. During the period ended 30 June 2024, there were no transfers from Level 2 to Level 1 (for the year ended 31 December 2023: £Nil).

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include South Korean preference shares and exchange traded options.

The Company holds investments in derivative financial instruments which are classified as Level 2 within the fair value hierarchy. These consist of credit default swaps with a fair value of £568,698 (as at 31 December 2023: £903,381). The Company held no investments in derivative financial instruments classified as Level 1 within the fair value hierarchy (as at 31 December 2023: £Nil).

The fair value of credit default swaps is determined by estimating future default probabilities using market standard models. The principal input into the model is the credit curve. Credit spreads are observed directly from broker data or third party vendors. The significant model inputs are observable in the marketplace or set in the contract.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 14. Fair value measurement (continued)

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy as of 30 June 2024:

	Level 1 £	Level 2 £	Level 3 £	Total As at 30 June 2024 (Unaudited) £
Financial assets/(liabilities) at fair value through profit or loss:				
South Korean preference shares	120,543,997	-	-	120,543,997
Financial derivative liabilities	-	(568,698)	-	(568,698)
Total net assets	120,543,997	(568,698)	-	119,975,299

	Level 1 £	Level 2 £	Level 3 £	Total As at 31 December 2023 (Audited) £
Financial assets/(liabilities) at fair value through profit or loss:				
South Korean preference shares	112,427,879	-	-	112,427,879
Financial derivative liabilities	-	(903,381)	-	(903,381)
Total net assets	112,427,879	(903,381)	-	111,524,498

Cash and cash equivalents include cash in hand and deposits held with banks.

Amounts due to brokers and other payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses. Amounts due from brokers and other receivables represent the contractual amounts and rights due to the Company for settlement of trades and income.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 15. NAV reconciliation

The Company announces its NAV to the LSE daily, on each UK business day. The following is a reconciliation of the NAV per Share attributable to participating Shareholders as presented in these Financial Statements, using IFRS to the NAV per Share reported to the LSE:

	As at 30 June 2024		As at 31 December 2023	
	NAV (Unaudited) £	NAV per Participating Share (Unaudited) £	NAV (Audited) £	NAV per Participating Share (Audited) £
Net Asset Value reported to the LSE	122,664,959	1.7709	118,740,038	1.7143
Adjustment to accruals and cash	(3,514)	(0.0001)	47,184	0.0007
Adjustment for dividend income	(44,412)	(0.0006)	(1,937,518)	(0.0280)
Net Assets Attributable to Shareholders per Condensed Financial Statements	122,617,033	1.7702	116,849,704	1.6870

The published NAV per Share of £1.7709 (as at 31 December 2023: £1.7143) is different from the accounting NAV per Share of £1.7702 (as at 31 December 2023: £1.6870) due to the adjustments noted above.

### 16. Subsequent events

These Financial Statements were approved for issuance by the Board on 23 September 2024. Subsequent events have been evaluated until this date.

No further subsequent events have occurred.





# GOVERNANCE

# STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

For the period ended 30 June 2024

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit and Risk Committee (the "Committee") at its meetings and annually by the Board. The Board believes that the Company has adequate and effective systems in place to identify, mitigate, and manage the risks to which it is exposed.

## Emerging Risks

In order to recognise any new risks that may impact the Company and to ensure that appropriate controls are in place to manage those risks, the Committee undertakes a regular review of the Company's Risk Matrix. This review took place on two occasions during the period.

### *Geopolitical Risks*

Risks to global growth have been heightened as a result of the conflict in the Ukraine and the Middle East. The level of tension between North and South Korea fluctuates. There is a heightened risk of malicious cyber activity. Through the Management Engagement Committee (the "MEC"), the Company asks its service providers to confirm that they have appropriate safeguards in place to mitigate the risk of cyber-attacks and remote working (including minimising the adverse consequences arising from any such attack), that they provide regular updates to the Board on cyber security and conduct ongoing monitoring of industry developments in this area. None of the Service Providers have reported any problems regarding cyber security when questioned by the MEC.

## Principal Risks and Uncertainties

In respect of the Company's system of internal controls and reviewing its effectiveness, the Directors:

- are satisfied that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency, or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems, including material financial, operational, and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

The principal risks and uncertainties which have been identified and the steps which are taken by the Board to mitigate them are as follows:

### *Investment Risks*

The Company is exposed to the risk that its portfolio fails to perform in line with its investment objective and policy if markets move adversely or if the Investment Manager fails to comply with the investment policy. The Board reviews reports from the Investment Manager at the quarterly Board Meetings, with a focus on the performance of the portfolio in line with its investment policy. The Administrator is responsible for ensuring that all transactions are in accordance with the investment restrictions.

## STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES (continued)

### Principal Risks and Uncertainties (continued)

#### *Operational Risks*

The Company is exposed to the risk that the Investment Manager is unable to identify and secure suitable investments or is insufficiently focussed on the Company's investments and contractual requirements resulting in poor investment performance or an inability to invest available capital in an optimal way. The Investment Manager also has a key role in marketing to new and existing investors as well as regulatory compliance. A lack of resource or insufficient attention in this area may result in difficulty in attracting new shareholders or retaining existing shareholders. The Investment Manager reports to the Board on a quarterly basis and its performance is formally reviewed annually by the Management Engagement Committee. In addition, the Chair regularly interacts with those individuals responsible for the Company's investment activities.

The Company is exposed to the risk arising from any failures of systems and controls in the operations of the Investment Manager, Administrator, and the Custodian. The Board and its Committees regularly review reports from the Investment Manager and the Administrator on their internal controls. The Administrator will report to the Investment Manager any valuation issues which will be brought to the Board for final approval as required.

#### *Accounting, Legal and Regulatory Risks*

The Company is exposed to the risk that it may fail to maintain accurate accounting records, fail to comply with requirements of its Admission Document, and fail to meet listing obligations. The accounting records prepared by the Administrator are reviewed by the Investment Manager. The Administrator, Broker, and Investment Manager provide regular updates to the Board on compliance with the Admission Document and changes in regulation.

#### *Discount Management*

The Company is exposed to Shareholder dissatisfaction through its inability to manage the share price discount to NAV. The Board and its Broker monitor the share price discount (or premium) continuously and have engaged in Share buybacks from time to time to help minimise any such discount. The Board believes that it has access to sufficiently liquid assets to help manage the Share price discount. The Company's discount management programme is described within Note 17 of the Annual Report and Audited Financial Statements for the year ended 31 December 2023.

#### *Liquidity of Investments*

The South Korean preference shares typically purchased by the Company generally have smaller market capitalisations and lower levels of liquidity than their common share counterparts. These factors, among others, may result in more volatile price changes in the Company's assets as compared to the South Korean stock market or other more liquid asset classes. This volatility could cause the NAV to go up or down dramatically.

In order to realise its investments, the Company will likely need to sell its holdings in the secondary market, which could prove difficult if adequate liquidity does not exist at the time and could result in the values received by the Company being significantly less than their holding values. The liquidity of the market for preference shares may vary materially over time. There can be no guarantee that a liquid market for the Company's assets will exist or that the Company's assets can be sold at prices similar to the published NAV. Illiquidity could also make it difficult or costly for the Company to purchase securities, and this could result in the Company holding more cash than anticipated. The Investment Manager considers the liquidity of secondary trading in assessing and managing the liquidity of the Company's investments. The Board reviews the Company's resources and obligations on a regular basis with a view to ensuring that

## STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES (continued)

### Principal Risks and Uncertainties (continued)

sufficiently liquid assets are held for the expected day to day operations of the Company. However, if the Company were required to liquidate a substantial portion of its assets at a single time, it is likely that the market impact of the necessary sale transactions would impact the value of the portfolio materially.

#### *Fraud Risk*

The Company is exposed to fraud risk. The Committee continues to monitor the fraud, bribery, and corruption policies of the Company. The Board receives an annual confirmation from all service providers that there have been no instances of fraud or bribery.

#### *Financial Risks*

The financial risks, including market, credit, and liquidity risks, faced by the Company are set out in the annual report of the Company. These risks and the controls in place to reduce the risks are reviewed at the quarterly Board Meetings.

#### *Climate Risks*

Climate change is a growing area of focus for regulators, companies, investors and other stakeholders. Climate related risks include both physical risks from global warming and extreme weather events as well as transition risks (e.g. increased regulation) and litigation risks. Climate risks are incorporated in the Environmental, Social, and Governance (“ESG”) analysis under environmental factors in the annual financial statements.

# DIRECTORS' RESPONSIBILITY STATEMENT

For the period ended 30 June 2024

The Directors are responsible for preparing the Unaudited Half-Yearly Financial Report (the "Financial Statements"), which have not been audited by an independent auditor, and confirm that to the best of their knowledge:

- these Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the European Union and the AIM Rules of the London Stock Exchange ("LSE");
- these Financial Statements include a fair review of important events that have occurred during the period and their impact on the Financial Statements, together with a description of the principal risks and uncertainties of the Company for the remaining six months of the financial period as detailed in the Investment Manager's Report; and
- these Financial Statements include a fair review of related party transactions that have taken place during the six-month period which have had a material effect on the financial position or performance of the Company, together with disclosure of any changes in related-party transactions in the last Annual Report and Audited Financial Statements which have had a material effect on the financial position of the Company in the current period.

The Directors confirm that the Financial Statements comply with the above requirements.

On behalf of the Board,

**Krishna Shanmuganathan**

Chair

23 September 2024

**Gill Morris**

Audit and Risk Committee Chair





# FURTHER INFORMATION

## BOARD OF DIRECTORS

The Company had 3 Directors during the period ended 30 June 2024. All Directors are considered independent of the Investment Manager.



**Krishna Shanmuganathan**

(aged 50)

Krishna Shanmuganathan is Chair of the Company. He is also Chairman of abrdn Asia Focus plc. Prior to his experience as a public company director, he founded and ran Scylax Partners, a provider of specialist advisory services. Prior to Scylax, Krishna was a managing partner at Hakluyt & Company (Asia), a risk advisory company, having established and led the Asia Pacific offices of the firm based in Singapore. Krishna has also held research and analyst roles at Fidelity International and Cambridge Associates after a successful and varied career in the Foreign & Commonwealth Office. Krishna has Masters degrees from University of Cambridge and University of London, is British and resident in the United Kingdom. Krishna was appointed to the Board in 2022.



**Gillian Yvonne Morris**

(aged 61)

Gill is the Chair of the Audit and Risk Committee, appointed in 2021. She is also the Audit Chair for Aurigny Air Services Limited and The International Stock Exchange Limited and a non-executive director of CICAP GP Limited.

She is a qualified Chartered Accountant (ICAEW) and Chartered Tax Adviser (CIOT) having trained with Touche Ross & Co in London. She has also worked for Touche Ross and KPMG in Australia and KPMG in Guernsey. In 1994, she joined Specsavers Optical Group Limited, headquartered in Guernsey. Gill held several positions in the Specsavers Group including director of Specsavers Finance (Guernsey) Limited as well as Director of Tax and Treasury and latterly as Director of Risk and Government Affairs.

Gill has held a number of scrutiny roles in local government. She is currently treasurer for a number of local charities including the Institute of Directors in Guernsey. She is British, and a Guernsey resident.

## BOARD OF DIRECTORS (continued)



**Wendy Dorey**

(aged 51)

Wendy has over 25 years' experience in the financial services industry, working for a number of leading asset managers including Robert Fleming, Friends Ivory & Sime, M&G Asset Management and BNY Mellon. She started her career in investment marketing and distribution, winning a number of awards for her campaigns to direct investors and the Intermediary market. She was latterly head of business strategy and planning for M&G, where she led a number of corporate restructuring projects and product development initiatives.

Since becoming a resident of Guernsey, Wendy has taken on a portfolio of executive and non-executive roles. This includes being a Director of an investment consulting firm, as well as holding Non-Executive Directorships with a leading global Wealth Management firm and a premium-

listed fund on the London Stock Exchange. She was also appointed as a Commissioner for the Guernsey Financial Services Commission (GFSC) in 2015.

Wendy is a Fellow of the Institute of Directors and qualified as a Chartered Director in 2020. She was, until May 2023, the Chair of the Guernsey Branch of the Institute of Directors. Wendy is British and was appointed to the Board in 2022.

# WEISS ASSET MANAGEMENT

Weiss Asset Management is an investment management firm headquartered in Boston, MA registered with the U.S. Securities and Exchange Commission as an investment adviser and with the Commodity Futures Trading Commission as a commodity pool operator. In addition to WKOF, WAM manages multiple investment vehicles, including private hedge funds and an institutional separate account.

The firm was founded by Dr Andrew Weiss, an academic economist, who launched his first fund in 1991.

WAM employs deep fundamental and statistical analysis to find undervalued securities globally and seeks to maximise risk-adjusted returns for its investor base that includes charitable foundations, pension plans, endowments, hospitals, government entities and private investors.

WAM has been investing in the Korean market for over 20 years. Over this time, the firm has built out a dedicated night desk of 9 employees focussed on trading its Asian strategies, as well as strong relationships with a number of Korean brokers.

The firm has 100+ employees and assets under management of approximately £2.7 billion.

## Jack Hsiao

Managing Director



Jack joined WAM in February 2008; he is a Managing Director and a member of the Investment Committee. Prior to that, Jack interned at WAM from 2006-2008 while performing his undergraduate studies. Jack works from Boston and oversees all strategies in Asia including investments across preference shares, holding companies, bonds, distressed, value equities and other instruments. After graduating Valedictorian from his high school, Jack received his Bachelor degree in Economics from Harvard.

## WEISS ASSET MANAGEMENT (continued)



### Ethan Lim

Portfolio Manager

---

Ethan joined WAM in June 2015; he is a Portfolio Manager at the firm and is primarily responsible for managing the firm's investments in Korea, while overseeing the Asia team and other strategies during Asia hours. Prior to joining Weiss, Ethan interned at Goldman Sachs' Seoul office. Ethan graduated from Seoul National University, where he received a BS in Mechanical and Aerospace Engineering, a BA in Economics, and completed his Master's degree in Financial Engineering at Columbia University.



### Andrew Weiss

Founder and Chief Executive Officer

---

Andrew is the Founder and Chief Executive Officer of WAM. Andrew received his Ph.D. in Economics from Stanford University, was elected a fellow of the Econometric Society in 1989 and is currently Professor Emeritus of Economics at Boston University.

Andrew's academic research interests have included markets with imperfect information, macroeconomics, development economics, and labour economics. He ranks in the top 1% of published economists by citations, and his co-authored paper "Credit Rationing in Markets with Imperfect Information" with Joseph Stiglitz was prominently featured in the Nobel Prize committee statement for Stiglitz's 2001 Nobel Prize Award.

Andrew began his career as an Assistant Professor at Columbia University and as a Research Economist in the Mathematics Centre at Bell Laboratories. He has lectured at numerous major universities and international organisations and is the author of numerous articles published in professional journals.

Andrew began managing the predecessor to WAM's existing domestic hedge fund in 1991 and founded WAM in 2003. Andrew and WAM's strategies have been featured in articles in Forbes, Time, and Outstanding Investor Digest, as well as newspaper articles in the U.S. and Europe.

Additionally, Andrew is a member of the Advisory Board of the University of California Centre for Effective Global Action, the Advisory Board for the Centre for Development Economics at Williams College and the Council on Foreign Relations. Andrew and his wife Bonnie are the founders of Child Relief International, a foundation dedicated to fighting poverty in less developed countries. Andrew is also a board member of the WAM Foundation, a non-profit focussed on maximising the alleviation of suffering worldwide.

# HOW TO INVEST IN WEISS KOREA OPPORTUNITY FUND

You can invest in the Fund through the following:

## Via the nominated broker

The nominated broker is Singer Capital Markets.

The Board encourages all of its Shareholders to exercise their rights and notes that many specialist platforms provide Shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost.

Please refer to your investment platform for more details or visit the Association of Investment Companies' ("AIC") website at [www.theaic.co.uk/aic/shareholder-voting-consumer-platforms](http://www.theaic.co.uk/aic/shareholder-voting-consumer-platforms) for information on which platforms support these services and how to utilise them.

## Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead.

You can find an adviser at [unbiased.co.uk](http://unbiased.co.uk) You may also buy investment trusts through stockbrokers, wealth managers and banks some of which are listed below:

- Hargreaves Lansdown
- Interactive Brokers
- AJ Bell
- Interactive Investor
- Barclays Wealth
- Equiniti Financial Services
- IQ Markets
- iDealing
- HSBC
- Halifax Share Dealing

To familiarise yourself with the Financial Conduct Authority ("FCA") adviser charging and commission rules, visit [fca.org.uk](http://fca.org.uk).





An aerial night photograph of a busy city intersection. The scene is filled with light trails from cars and buses, creating a sense of motion. In the background, a large, modern building with a curved, illuminated facade is visible. The sky is dark, and the city lights create a vibrant atmosphere. A dark blue rectangular box is overlaid on the right side of the image, containing the text 'SHAREHOLDER INFORMATION' in white, bold, sans-serif font.

# SHAREHOLDER INFORMATION

## SHARE BUYBACKS

In addition to the Realisation Opportunity, the Company has authority to repurchase on the open market up to 40% of its outstanding Ordinary Shares. During the period ended 30 June 2024, the Company purchased Nil shares (2023: Nil) of its own Shares at a consideration of £Nil (31 December 2023: £Nil) under its general buyback authority. For additional information on Share Buybacks refer to Note 17 of the Annual Report and Audited Financial Statements for the year ended 31 December 2023.

## NET ASSET VALUE

Northern Trust International Fund Administration Services (Guernsey) Limited (the “Administrator”) is responsible for calculating the Net Asset Value (“NAV”) per Share of the Company. Since 4 April 2022, the unaudited NAV per Ordinary Share is calculated on a daily basis and at the month end by the Administrator, and is announced by a Regulatory News Service and is available through the Company’s website [www.weisskoreaopportunityfund.com](http://www.weisskoreaopportunityfund.com).

# CORPORATE INFORMATION

## Directors (Non-Executive)

**Krishna Shanmuganathan** (Chair)  
**Gillian Yvonne Morris** (Audit and Risk Committee Chair)  
**Wendy Dorey** (Management Engagement Committee Chair)

## Registered Office

PO Box 255  
 Trafalgar Court  
 Les Banques  
 St. Peter Port  
 Guernsey  
 GY1 3QL

## Investment Manager and AIFM

Weiss Asset Management LP  
 222 Berkeley Street, 16th Floor  
 Boston, MA 02116  
 USA

## English Legal Adviser to the Company

Stephenson Harwood LLP  
 1 Finsbury Circus  
 London  
 EC2M 7SH

## Custodian and Principal Bankers

Northern Trust (Guernsey) Limited  
 PO Box 71  
 Trafalgar Court  
 Les Banques  
 St. Peter Port  
 Guernsey  
 GY1 3DA

## Company Secretary, Administrator and Designated Manager

Northern Trust International Fund  
 Administration Services (Guernsey) Limited  
 PO Box 255  
 Trafalgar Court  
 Les Banques  
 St. Peter Port  
 Guernsey  
 GY1 3QL

## Financial Adviser, Nominated Adviser and Broker

Singer Capital Markets  
 1 Bartholomew Lane  
 London  
 EC2N 2AX

## Guernsey Legal Adviser to the Company

Mourant Ozannes (Guernsey) LLP  
 Royal Chambers  
 St. Julian's Avenue  
 St. Peter Port  
 Guernsey  
 GY1 4HP

## Registrar

Link Market Services (Guernsey) Limited  
 Mont Crevelt House  
 Bulwer Avenue  
 St. Sampson  
 Guernsey  
 GY2 4LH

## Independent Auditor

KPMG Channel Islands Limited  
 Glatigny Court  
 Glatigny Esplanade  
 St. Peter Port  
 Guernsey  
 GY1 1WR

## Endnotes and Alternative Performance Measures

- 1,2,3 The NAV published in this annual report and audited financial statement will include dividends receivable as part of the NAV. Please refer to the Admission Document for more information regarding the announcement and payment of Korean dividends.
- 4,7 For WKOF, this return includes all dividends paid to WKOF's Shareholders and assumes that these dividends were reinvested in WKOF's Shares at the next date for which WKOF reports a NAV, at the NAV for that date. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex date of the distribution. iShares MSCI Korea UCITS ETF also assumes reinvestment of dividends.
- 5 Since inception of Weiss Korea Opportunity Fund on 14 May 2013. The WKOF return since inception is calculated on the basis of the Net Asset Value per Ordinary Share and not on the price of WKOF shares on AIM. The value of WKOF NAV per share performance since inception represents a total return, inclusive of all dividends paid to WKOF Shareholders since inception. The NAV per share may differ from the price at which shares of WKOF may be purchased or sold on AIM, and performance of NAV per share during any specific period may therefore not be reflective of the returns an investor would receive by investing in shares of WKOF during such period. For WKOF, this return includes all dividends paid to WKOF's Shareholders and assumes that these dividends were reinvested in WKOF's Shares at the next date for which WKOF reports a NAV, at the NAV for that date.
- 6,7 MSCI Korea 25/50 Net Total Return Index denominated in GBP. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex-date of the distribution.
- 8 If the share price of an investment company is lower than the NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium.
- 9 Calculated as the dividend per share over the last 12-months divided by the share price as of the date of this report.
- 10 The Average Trailing 12-Month P/E Ratio of Preference Shares Held is based on the consolidated diluted earnings per share over the trailing 12-month period as reported by Bloomberg, and is calculated as the total market value of WKOF's preference share portfolio on the report date divided by the total earnings allocable to WKOF based on WKOF's holdings on the report date. Investments with negative reported earnings are excluded.
- 11 P/B Ratio of Preference Shares Held is calculated as the weighted average price to book ratio of all preference shares held at 30 June 2023.
- 12 The annualised total expense ratio includes charges paid to the Investment Manager and other expenses divided by the average NAV for the year.
- 13 *WIPO IP Facts and Figures 2022*. (n.d.). World Intellectual Property Organization.
- 14 Most recent sovereign credit ratings from Moody's, S&P, and Fitch as of June 2024.
- 15 Leading export countries worldwide in 2023. (n.d.). Statista.
- 16 *GDP*. (n.d.). World Bank.
- 17 Bloomberg LP data as of 30 June 2024.
- 18 Samsung cements TV market lead in Q1 (May 2024). The Korea Economic Daily.
- 19 Brands. (n.d.). AmorePacific Group.
- 20 Brands. (n.d.). CJ Chejedang.
- 21 Subsidiaries Info. (n.d.). Hanwha Corporation.
- 22 Global Market Distribution of Battery Makers for electric vehicles in 2023. Statista.
- 23 Hyundai Motor Reports 2022 Global Sales and 2023 Goals. (2023). Hyundai.
- 24 Global Business. (n.d.). Mirae Asset Securities
- 25 Areas of Business. (n.d.). LG H&H.
- 26 Doosan Corporation. (n.d.). Doosan
- 27 This return includes all dividends paid to WKOF's Shareholders and assumes that these dividends were reinvested in WKOF's Shares at the next date for which WKOF reports a NAV, at the NAV for that date.
- 28 MSCI Korea 25/50 Net Total Return Index denominated in GBP. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex-date of the distribution.
- 29 Source: Bloomberg L.P. Weiss Asset Management LP Data retrieved as of 30 June 2024.
- 30 Bloomberg L.P. Weiss Asset Management LP. Data retrieved as of 30 June 2024.
- 31 Korea's Economic Growth Projected to Accelerate in 2024. Jones, Randall S. Published May 30, 2024.

## Endnotes and Alternative Performance Measures (continued)

- 32 “North Korea conducts test on new ‘super-large warhead’: State media”. Al Jazeera. 20 April 2024.
- 33 “(LEAD) N. Korea launches some 310 trash-carrying balloons: Seoul military”. Yun-hwan, Chae. Yonhap News Agency. June 10, 2024.
- 34 “Incheon airport suspends flights after North Korean balloons endanger aircraft”. Kim, Jeongmin. NK News. June 26, 2024.
- 35 “A Tenuous State of Affairs on The Korean Peninsula: Putting the Tension Back in the Bottle”. DePetris, Daniel R. 38North.org. June 14, 2024.
- 36 “North Korean leader’s sister hints at resuming flying trash balloons toward South Korea”. CBS News. July 14, 2024.
- 37 “ROK holds live-fire drills at islands near North Korea, largest in six years”. Kim, Jeongmin. NK News. June 26, 2024.
- 38 “Meet Na Kyung-won, the Woman Who Could Start a Whole New Nuclear Standoff”. Kirk, Donald. The Daily Best. Published July 14, 2024.
- 39 “South Korea’s 2024 General Election: Results and Implications”. Cha, Victor. Park, Jinwan. Lim, Andy. Center for Strategic & International Studies. Published April 10, 2024.
- 40 *Guidelines on Corporate Value-up Plan Unveiled to Support Listed Companies’ Voluntary Efforts to Boost Corporate Value*. Financial Services Commission Korea. May 02, 2024.
- 41 “FSC chair nominee calls for abolishing financial investment income tax”. Park, Anna J. The Korea Times. July 05, 2024.
- 42 “Korea feared to lose \$109 bil. if financial investment income tax goes into effect”. Park, Anna J. The Korea Times. May 10, 2024.
- 43 “Corporate boards’ fiduciary duty should be to shareholders: FSS head”. Kyung-min, Lee. The Korea Times. June 14, 2024.
- 44 Discount expressed is the average across all three HMC preference shares.
- 45 “Korean Stocks Have a New Driver: The Government”. Wilmot, Steven. The Wall Street Journal. February 24, 2024.
- 46 “The preferred stock index is 11% in a week, KOSPI’s rise overtakes 4.5 percent, Hyundai Motor’s B2 rose 26 percent to No. 1”. Geundo, Choi. Maeil Business Newspaper. February 08, 2024.

Printed by:

---

**perivan**

---

perivan.com



**WEISS KOREA OPPORTUNITY FUND LTD.**