
US DOLLAR ANNUAL REPORT 2024

ECONOMIC BACK-DROP & MACRO SITUATION

We expected to see a busy political agenda in 2024 with a US election scheduled towards the end of the year coupled with numerous major elections around the globe. The campaign for the US Presidency was too close to call once Kamala Harris had replaced Joe Biden as the Democratic candidate. Ultimately Donald Trump won the election, with a larger than expected Republican majority. There remains much speculation as to how many and to what scale his election pledges will be delivered and their impact on US growth and inflation.

US inflation, measured using consumer prices, continued to fall during the year. Having started the year at an annual rate of 3.4% US consumer prices fell to a low of 2.4% in September before picking up to 2.9% by the end of the year. Housing/Shelter made a significant contribution to inflation throughout the year, along with healthcare costs that continued to grow.

The much-anticipated interest rate cuts started to come through in the second half of the year when we saw central bank rates fall by 1%, with the US Federal Reserve's lower bound ending the year at 4.5%. This process started with a larger than expected ½% reduction in September followed by ¼% cuts in November and December. Looking ahead, messaging from the US Fed President, at the December meeting, tempered hopes for interest rate reduction in 2025 and beyond.

US jobs data continued to be closely scrutinised for signs that the US economy was weakening. During the year the unemployment rate rose from 3.7% to a high of 4.3% before falling slightly, showing that some strength remained.

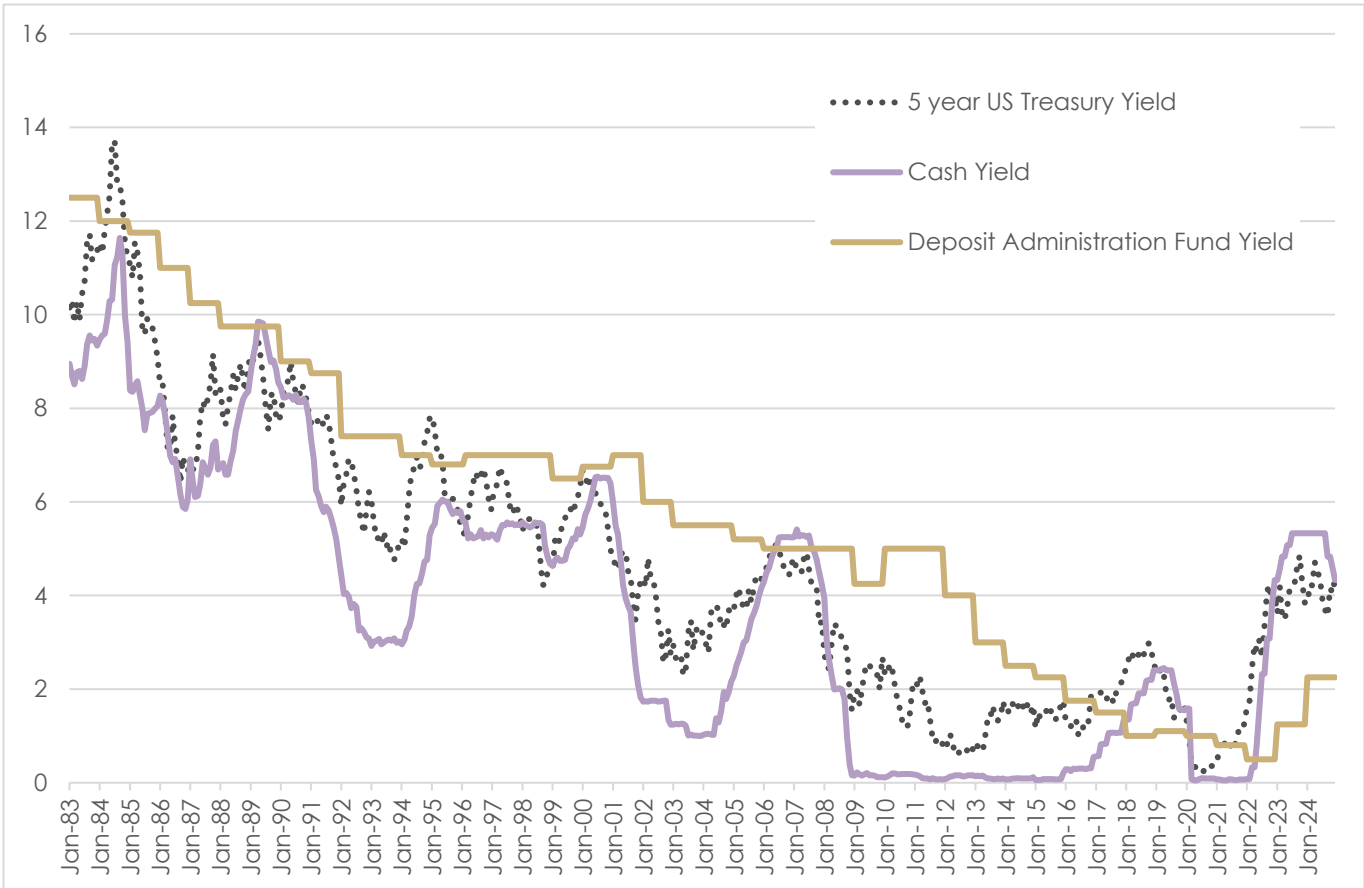
US FINANCIAL MARKETS

Bonds traditionally perform best in falling interest rate environments, with longer dated bonds outperforming shorter dated securities, however, 2024 was different. Cash and short dated bonds once again outperformed longer dated bonds. US dominance of equity markets continued and major American equity markets delivered returns approaching 25% with a small number of companies delivering most of the growth.

THE US DOLLAR DEPOSIT ADMINISTRATION FUND

The following chart details the fund's 2024 declared rate of 2.25%, along with cash returns and the yield on 5 year US Government Bonds (known as Treasuries).

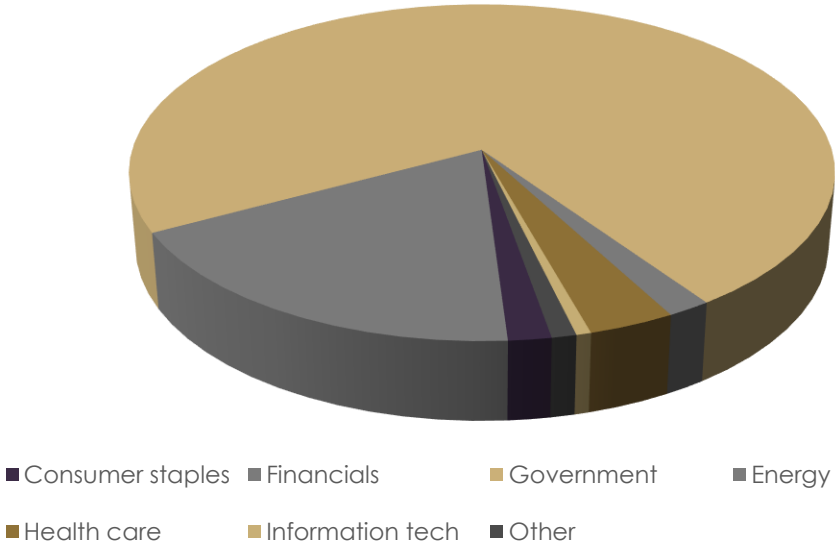
PERFORMANCE COMPARISON CHART



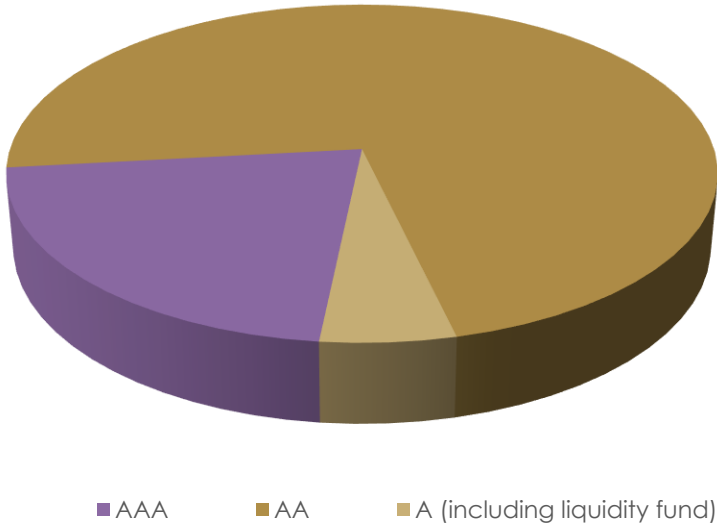
At the year-end the portfolio was 73% allocated to government and government related bonds with the balance in corporate bonds. The portfolios sensitivity to changes in interest rates, measured using modified duration, was at 2 years having increased from 1.5 years at the start of 2024.

This defensive positioning helped the performance of the assets backing the Deposit Administration Fund and our fund managers continue to actively manage the portfolio, adapting it to a rapidly changing world.

ASSET DISTRIBUTION BY SECTOR



ASSET DISTRIBUTION BY CREDIT RATING



A WORLD *of* DIFFERENCE

Registered Head Office address: Utmost Worldwide Limited, Utmost House, Hirzel Street, St Peter Port, Guernsey, Channel Islands GY1 4PA.

Utmost Corporate Solutions is the trading name used by Utmost Worldwide Limited and a number of Utmost companies.

Utmost Worldwide Limited is incorporated in Guernsey under Company Registration No. 27151 and regulated in Guernsey as a Licensed Insurer by the Guernsey Financial Services Commission under the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended).

Websites may make reference to products that are not authorised or regulated and/or are not available for offering to planholders in certain jurisdictions.

T +44 (0) 1481 715 400
F +44 (0) 1481 715 390
E EBInvestCustomerService@utmostworldwide.com
W utmostinternational.com