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MERCHANT BANK

Audited Financial Statements

For The Year Ended 31st December, 2024

ANSA MERCHANT BANK LIMITED

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

MERCHANT BANK LIMITED

CONTENTS

ANSA MERCHANT BANK LIMITED

ABRIDGED AUDITED FINANCIAL RESULTS
YEAR ENDED 31ST DECEMBER, 2024

MERCHANT BANK LIMITED

CHAIRMAN'S STATEMENT

The ANSA Merchant Bank Limited Group delivered a robust consolidated before-tax profit of $185 million for the financial year ending 31 December, 2024. While this represents a slight decline from the prior year's $201 million, after-tax profit saw a notable increase from $130 million to $162 million. The Banking Segment had an overall decline in its after-tax profitability by approximately 25%. However, the Life and General insurance operations increased by more than 100%, after eliminating intra-group dividends. Total assets experienced a modest 3.6% contraction, closing at $9.9 billion in 2024 compared to $10.3 billion in 2023. This was primarily influenced by a reduction in Loans & Advances in the merchant banking operations. Basic and diluted earnings per share rose from $1.51 to $1.90.

Banking

Operating in an increasingly competitive landscape, our Banking Segment continues to evolve and expand. ANSA Merchant Bank remains a trusted financial partner to sovereign and corporate clients across the Caribbean. Meanwhile, ANSA Bank Limited made significant advances in 2024 with the official public launch of its cutting-edge digital banking platform. Our ANSA Mutual Funds also remained strong competitors in their respective categories and we anticipate their continued success in the market.

As part of our commitment to sustainability, we established the Natural Capital Hub in 2022 under our Environmental, Social and Governance (ESG) strategy. In 2024, we released the 2023 Natural Capital Report, a pioneering corporate sustainability report for the English-speaking Caribbean.

Insurance

Our Insurance Segment - comprising TATIL, TATIL Life, COLFIRE, Trident (Barbados), and TATIL RE (St. Lucia) - continues to be well-capitalized, boasting one of the strongest balance sheets in the regional insurance industry. TATIL has maintained its A- (Excellent) rating from international rating agency AM Best, underscoring its financial strength.

The integration of TATIL and COLFIRE is progressing smoothly, with the acquisition already making a positive impact on the Group's financial performance. COLFIRE policyholders now benefit from the enhanced financial strength and strategic synergies of the ANSA Merchant Bank Group.

Dividend & Future Outlook

The Board of Directors has approved a final dividend of **$1.00 per share** (2023: $1.00), bringing total dividends for the 2024 financial year to **$1.20 per share** (2023: $1.20). The final dividend will be disbursed on **26 May, 2025**, to shareholders recorded as of **15 May, 2025**.

Looking ahead, the Group is well-positioned for continued growth. We remain committed to strategic investments in information technology across our retail banking and insurance operations - investments that will drive efficiency, enhance customer experience and deliver long-term value for all stakeholders.

As we embark on another year, I extend my heartfelt appreciation to our employees, senior executives and Boards of Directors for their dedication and hard work. To our valued customers, thank you for your continued trust and support. We remain committed to delivering world-class financial solutions and exceptional service as we move forward.

A. Norman Sabga
A. Norman Sabga
Chairman

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANSA MERCHANT BANK LIMITED

Report on the Audit of the Summary Separate and Consolidated Financial Statements

Opinion

The summary separate and consolidated financial statements, which comprise the separate and consolidated statements of financial position as at 31 December 2024, and the separate and consolidated statements of income, separate and consolidated statements of comprehensive income, separate and consolidated statements of changes in equity and separate and consolidated statements of cash flows for the year then ended, and related summary notes, are derived from the audited separate and consolidated financial statements of ANSA Merchant Bank Limited ("Parent") and its subsidiaries ("the Group") for the year ended 31 December 2024.

In our opinion, the accompanying summary separate and consolidated financial statements are consistent, in all material respects, with the audited separate and consolidated financial statements, on the basis described in Note 2i.

Summary Separate and Consolidated Financial Statements

The summary separate and consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards. Reading the summary separate and consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate and consolidated financial statements and the auditor's report thereon.

The Audited Separate and Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited separate and consolidated financial statements in our report dated 19 March 2025. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were most significant in our audit of the separate and consolidated financial statements of the current period.

Responsibilities of Management and the Audit and Risk Committee for the Summary Separate and Consolidated Financial Statements

Management is responsible for the preparation of the summary separate and consolidated financial statements on the basis described in Note 2i.

Auditor's Responsibility for the Audit of the Summary Separate and Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary separate and consolidated financial statements are consistent, in all material respects, with the audited separate and consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

EY

Port of Spain
TRINIDAD
19 March 2025

SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

(Expressed in thousands of Trinidad and Tobago dollars)

Parent 31 Dec 2023	Parent 31 Dec 2024		Group 31 Dec 2024	Group 31 Dec 2023
		Assets		
272,033	398,808	Cash and short-term funds	1,090,136	943,136
–	–	Fixed deposits	8,214	8,496
733,013	730,513	Net investment in leased assets and other instalment loans	1,009,440	1,001,505
1,144,764	507,809	Loans and advances	1,774,964	2,250,288
1,102,823	953,365	Investment securities	4,219,319	4,391,591
5,313	6,982	Interest receivable	37,633	28,015
30,573	30,105	Other debtors and prepayments	48,135	59,800
–	–	Reinsurance contract assets	330,564	252,138
15,353	18,680	Taxation recoverable	28,517	26,357
1,089,510	1,114,510	Investment in subsidiaries	–	–
–	–	Investment properties	154,265	153,838
2,746	3,167	Property and equipment	252,928	223,716
23,227	21,173	Intangible assets	708,602	692,020
8,368	7,283	Right-of-use assets	37,864	39,716
6,837	2,036	Deferred tax assets	51,201	48,999
8,436	7,092	Employee benefits asset	176,798	180,801
4,442,996	**3,801,523**	**Total assets**	**9,928,580**	**10,300,416**
		Liabilities		
2,152,570	1,521,420	Customers' deposits and other funding instruments	3,572,356	4,084,214
8,575	7,570	Lease liabilities	38,251	37,194
17,789	10	Bank overdraft	10	17,789
98,044	132,003	Accrued interest and other payables	444,314	368,916
600,000	600,000	Debt securities in issue	600,000	600,000
3,751	–	Taxation payable	–	7,915
11,687	10,182	Deferred tax liabilities	101,236	125,359
914	897	Employee benefits liability	11,385	9,268
–	–	Investment contract liabilities	295,658	289,010
–	–	Insurance contract liabilities	2,153,169	2,038,571
2,893,330	**2,272,082**	**Total liabilities**	**7,216,379**	**7,578,236**
		Equity		
667,274	667,274	Stated capital	667,274	667,274
238,124	247,891	Statutory reserve fund	263,835	254,068
191	(2,057)	Fair value reserve/(deficit)	(142,278)	(61,289)
3,969	4,042	General loan loss reserve	8,417	11,035
653	653	Foreign currency reserve/(deficit)	(1,130)	(2,172)
639,455	611,638	Retained earnings	1,915,646	1,852,813
1,549,666	1,529,441	Equity attributable to the equity holders of the parent	2,711,764	2,721,729
–	–	Non-controlling interest	437	451
1,549,666	**1,529,441**	**Total equity**	**2,712,201**	**2,722,180**
4,442,996	**3,801,523**	**Total liabilities and equity**	**9,928,580**	**10,300,416**

These abridged financial statements were approved by the Board of Directors and authorised for issue on 18 March 2025 and signed on its behalf by:

A. Norman Sabga — Ian R. De Souza

A. Norman Sabga
Chairman

Ian R. De Souza
Managing Director

SEPARATE AND CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2023	Parent 2024		Group 2024	Group 2023
–	–	Net insurance service result	92,072	50,515
–	–	Net insurance financial result	(56,092)	(61,617)
116,462	110,939	Finance charges, loan fees and other interest income	188,039	192,390
99,895	95,301	Investment income	254,356	263,829
35,931	24,456	Revenue from contracts with customers	9,319	21,191
45,400	68,368	Other income	155,939	118,548
(86,730)	(91,021)	Interest expense	(118,721)	(108,623)
19,026	4,063	Credit loss recovery/(expense) on net investment in leased assets, loans and advances, and investment securities	(8,980)	6,300
229,984	212,106	**Net operating income**	515,932	482,533
(2,860)	(3,978)	Marketing expenses	(7,062)	(8,186)
(38,597)	(52,857)	Personnel expenses	(126,221)	(105,957)
(5,024)	(5,445)	Depreciation and amortisation	(60,234)	(54,008)
(4,136)	(4,136)	Management fees	(13,469)	(13,152)
(23,458)	(38,818)	General administrative expenses	(124,021)	(100,563)
(74,075)	(105,234)	**Total operating expenses**	(331,007)	(281,866)
155,909	106,872	**Net profit before taxation**	184,925	200,667
(44,910)	(20,682)	Taxation	(22,677)	(71,374)
110,999	86,190	**Profit for the year**	162,248	129,293
		Profit/(loss) attributable to:		
110,999	86,190	Equity holders of the Parent	162,267	129,311
–	–	Non-controlling interest	(19)	(18)
110,999	86,190		162,248	129,293
		Basic and diluted earning per share ($ per share)	1.90	1.51
		Weighted average number of shares ('000)	85,605	85,605

SEPARATE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2023	Parent 2024		Group 2024	Group 2023
110,999	86,190	**Profit for the year**	162,248	129,293
		Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
		Net loss on investment securities at fair value through		
–	–	other comprehensive income	(79,560)	(61,070)
–	–	Income tax effect	19,671	18,608
–	–	Revaluation of property	(1,840)	–
151	(1,191)	Other movements	13,336	(4,827)
		Experience gains/(losses) on defined		
537	(1,422)	benefit plans	(14,047)	(15,012)
(162)	426	Income tax effect	4,345	5,541
375	(996)		(9,702)	(9,471)
526	(2,187)		(58,095)	(56,760)
		Other comprehensive income/(loss) that may be reclassified subsequently to profit and loss, net of tax		
		Debt instruments at fair value through other comprehensive income		
		Net change in fair value during		
1,062	(2,248)	the year	(13,860)	1,710
		Changes in allowance for		
(128)	46	expected credit losses	(185)	(208)
(315)	700	Income tax effect	700	(315)
619	(1,502)		(13,345)	1,187
		Exchange differences on translation		
(20)	–	of foreign operations	943	(732)
		Total comprehensive income		
112,124	82,501	**for the year, net of tax**	91,751	72,988
		Attributable to:		
112,124	82,501	Equity holders of the Parent	91,770	73,006
–	–	Non-controlling interest	(19)	(18)
112,124	82,501		91,751	72,988

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

Parent	Stated capital	Statutory reserve fund	General loan loss reserve	Fair value (deficit)/ reserve	Foreign currency reserve	Retained earnings	Total equity
Balance as at 1 January 2023	667,274	230,274	3,884	(871)	673	639,034	1,540,268
Profit for the year	–	–	–	–	–	110,999	110,999
Other comprehensive income/(loss) for the year	–	–	–	1,062	(20)	83	1,125
Transfer to general loan loss reserve	–	–	85	–	–	(85)	–
Transfer to statutory reserve fund	–	7,850	–	–	–	(7,850)	–
Dividends (Final 2022 and Interim 2023)	–	–	–	–	–	(102,726)	(102,726)
Balance as at 31 December 2023	667,274	238,124	3,969	191	653	639,455	1,549,666
Balance as at 1 January 2024	667,274	238,124	3,969	191	653	639,455	1,549,666
Profit for the year	–	–	–	–	–	86,190	86,190
Other comprehensive loss for the year	–	–	–	(2,248)	–	(1,441)	(3,689)
Transfer to general loan loss reserve	–	–	73	–	–	(73)	–
Transfer to statutory reserve fund	–	9,767	–	–	–	(9,767)	–
Dividends (Final 2023 and Interim 2024)	–	–	–	–	–	(102,726)	(102,726)
Balance as at 31 December 2024	667,274	247,891	4,042	(2,057)	653	611,638	1,529,441

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

Group	Stated capital	Statutory reserve fund	General loan loss reserve	Fair value deficit	Foreign currency deficit	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as at 1 January 2023	667,274	246,218	11,298	(1,929)	(1,440)	1,830,015	2,751,436	676	2,752,112
Profit/(loss) for the year	–	–	–	–	–	129,311	129,311	(18)	129,293
Other comprehensive loss for the year	–	–	–	(59,360)	(732)	3,787	(56,305)	–	(56,305)
Transfer from general loan loss reserve	–	–	(276)	–	–	276	–	–	–
Transfer to statutory reserve fund	–	7,850	–	–	–	(7,850)	–	–	–
Dividends (Final 2021 and Interim 2022)	–	–	–	–	–	(102,726)	(102,726)	(207)	(102,933)
Other reserve movements	–	–	13	–	–	–	13	–	13
Balance as at 31 December 2023	667,274	254,068	11,035	(61,289)	(2,172)	1,852,813	2,721,729	451	2,722,180
Balance as at 1 January 2024	667,274	254,068	11,035	(61,289)	(2,172)	1,852,813	2,721,729	451	2,722,180
Profit/(loss) for the year	–	–	–	–	–	162,267	162,267	(19)	162,248
Other comprehensive (loss)/income for the year	–	–	–	(81,924)	943	10,484	(70,497)	–	(70,497)
Transfer from general loan loss reserve	–	–	(2,618)	–	–	2,618	–	–	–
Transfer to statutory reserve fund	–	9,767	–	–	–	(9,767)	–	–	–
Dividends (Final 2022 and Interim 2023)	–	–	–	–	–	(102,726)	(102,726)	–	(102,726)
Other reserve movements	–	–	–	935	99	(43)	991	5	996
Balance as at 31 December 2024	667,274	263,835	8,417	(142,278)	(1,130)	1,915,646	2,711,764	437	2,712,201

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2023	Parent 2024		Group 2024	Group 2023
		Cash flows from operating activities		
155,909	106,872	Profit before taxation	184,925	200,667
		Adjustments for:		
1,226	1,299	Employee benefits	(2,232)	(2,547)
–	–	Gain on disposal of property and equipment	(4,594)	(20,513)
2,955	3,027	Depreciation and amortisation	49,723	53,806
2,069	2,417	Depreciation of right-of-use assets	10,758	9,358
(7,340)	(5,654)	Credit loss recovery on investment securities	(12,841)	(15,486)
(3,586)	(3,530)	Amortisation of investment securities and interest capitalised	(14,558)	(14,018)
(11,686)	1,591	(Credit loss recovery)/ credit loss expense on net investment in leased assets and loans and advances	23,061	8,933
–	–	(Credit loss recovery)/credit loss expense on insurance receivables	(1,240)	253
(22,859)	(8,232)	Gain on revaluation of investment securities	(17,595)	(49,307)
(4,235)	(9,309)	Gain on sale of investment securities	(31,560)	(18,876)
(85,611)	(94,160)	Interest income	(279,964)	(267,697)
86,730	91,021	Finance costs	118,721	108,623
1,269	(3,256)	Foreign exchange losses/(gains)	(12,954)	263
114,841	82,086	Operating profit/(loss) before changes in operating assets and liabilities	9,650	(6,541)
114,841	82,086	Carried forward operating profit before changes in operating assets and liabilities	9,650	(6,541)
(598,882)	637,865	(Increase)/decrease in investment in leased assets and loans and advances	467,389	(746,933)
(9,995)	468	(Increase)/decrease in other debtors and prepayments	11,665	(1,902)
214,414	(631,150)	Increase/(decrease) in customers' deposits and other funding instruments	(511,858)	480,770
6,488	24,744	Increase/(decrease) in accrued interest and other payables	75,398	(27,401)
(39,488)	31,905	(Increase)/decrease in Central Bank reserve account	62,241	10,576
–	–	Increase in insurance and investment contract liabilities	42,820	359,681
(312,622)	145,918		157,305	68,250
(78,282)	(88,596)	Finance costs paid	(108,198)	(98,208)
83,319	92,492	Interest received on investment securities	270,348	241,550
(18,320)	(19,290)	Taxes paid	(28,531)	(53,404)
(325,905)	130,524	Net cash (used in)/generated from operating activities	290,924	158,188

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

Parent 2023	Parent 2024		Group 2024	Group 2023
		Cash flows from investing activities		
–	–	Placement of fixed deposits	–	(3,000)
–	–	Maturity of fixed deposits	–	2,997
–	–	Proceeds from sale of property and equipment	17,195	30,193
(2,768)	(2,727)	Additions to property and equipment, leases and intangible assets	(113,429)	(379,249)
–	–	Purchase of investment property	(474)	(6,791)
(1,498,399)	(2,570,857)	Purchase of investment securities	(4,391,930)	(3,214,951)
1,493,324	2,747,245	Sale or maturity of investment securities	4,552,460	3,246,668
(50,000)	(25,000)	Net cash outflow from the purchase of interests and capital injection in subsidiary	(25,000)	(287,145)
(57,843)	148,661	Net cash (used in)/generated from investing activities	38,822	(611,278)
		Cash flows from financing activities		
(102,726)	(102,726)	Dividends paid	(102,726)	(102,726)
(102,726)	(102,726)	Net cash used in financing activities	(102,726)	(102,726)
(486,474)	176,459	**Net (decrease)/increase in cash and cash equivalents**	227,020	(555,816)
600,989	114,515	**Cash and cash equivalents at the beginning of the year**	619,235	1,175,051
114,515	290,974	**Cash and cash equivalents at the end of the year**	846,255	619,235
		Represented by:		
114,515	290,974	Cash and cash equivalents	846,255	619,235
114,515	290,974		846,255	619,235
		Supplemental information:		
83,318	92,492	Interest and dividends received	447,428	430,407
78,282	88,596	Interest paid	108,198	98,208

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

1. Principal activities of the Group

ANSA Merchant Bank Limited (the 'Bank' or 'Parent') is domiciled and was incorporated in the Republic of Trinidad and Tobago on 3 March 1977. Its registered office is located at ANSA Centre, 11 Maraval Road, Port of Spain. The Bank is licensed under the provisions of the Financial Institutions Act 2008 to carry on the following classes of business:

- Confirming House/Acceptance House
- Finance House/Finance Company
- Leasing Corporation
- Mortgage Institution
- Merchant Bank
- Trust Company
- Unit Trust
- Financial Services

The Bank has also been granted full Authorised Dealer Status by the Central Bank of Trinidad and Tobago under Section 5 of the Exchange Control Act, Chapter 79:50 and is authorised to take deposits, grant credit facilities and otherwise deal in foreign currency consistent with the terms of its licence.

The ANSA Merchant Bank Group (the 'Group') is a financial services group comprising of the Parent and nine subsidiaries at 31 December 2024. The Group is engaged in a wide range of banking and financial related activities and carries on all classes of long-term and short-term insurance business and the rental of property in Trinidad and Tobago and the Caribbean. The ultimate parent of the Group is ANSA McAL Limited ('Ultimate Parent') which is incorporated in the Republic of Trinidad and Tobago.

2. Accounting policies

i) Basis of preparation

These abridged financial statements of the Group have been prepared in accordance with the Guidelines on the Publication of Abridged Financial Statements issued by the Central Bank of Trinidad and Tobago in conjunction with Section 80 (1A) of the Financial Institution Act.

The abridged financial statements were derived from the audited financial statements of ANSA Merchant Bank Limited for the year ended 31 December 2024 which have been prepared in accordance with IFRS Accounting Standards. The full audited financial statements of the Group can be accessed at each of its offices during normal business hours and on our website (https://tt.ansamerchantbank.com).

These abridged financial statements have been prepared in accordance with accounting policies set out in the respective notes to the audited financial statements, consistently applied from period to period. All new and revised accounting standards and interpretations that are mandatory for the period under review and which are relevant to the Group have been adopted. Additionally, these abridged financial statements were prepared on the basis that it will continue to operate as a going concern.

The abridged financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements.

Presentation of financial statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

The Group presents its statement of financial position broadly in order of liquidity.

Basis of consolidation

The abridged consolidated financial statements comprise the financial statements of ANSA Merchant Bank Limited and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

2. Accounting policies (continued)

i) Basis of preparation (continued)

Basis of consolidation (continued)

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the statement of income. Any investment retained is recognised at fair value.

The Bank established open-ended mutual funds in the following periods:

- 2005: ANSA Secured Fund
- 2007: ANSA US$ Secured Fund
- 2010: ANSA TT$ Income Fund and ANSA US$ Income Fund

The Bank acts as the sponsor, investment manager, administrator and distributor of the Funds.

These mutual funds are financed through the issue of units to investors in the funds. The Group generates fees from managing the assets of the mutual funds and the Group's retirement benefit plans on behalf of third party interests. For the year ended 31 December 2024, the Group earned $8.39 million (2023: $8.44 million) in management fees from the retirement plans and $13.44 million (2023: $13.4 million) from the mutual funds.

The Group holds an interest of $72.3 million in sponsored funds as at 31 December 2024 (2023: $71.6 million). The maximum exposure to loss in these funds is the carrying value of the assets held by the Group.

The Bank re-assessed whether or not it controls any investee in accordance with IFRS 10, 'Consolidated Financial Statements.' This assessment also extended to the Bank's open-ended mutual funds. The criteria for control includes:

- The power to govern the financial and operating policies;
- Exposure, or rights, to variable returns from its involvement; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

2. Accounting policies (continued)

i) Basis of preparation (continued)

Basis of consolidation (continued)

Based on the application of this criteria, the Bank has consolidated the Funds into these financial statements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The Parent accounts for investments in subsidiaries on a cost basis.

ii) Change in accounting policies and disclosures

The accounting policies adopted in the preparation of these abridged financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023 except for the adoption of new standards and interpretations noted below.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

iii) Statement of compliance

Whilst the audited financial statements were prepared under IFRS Accounting Standards, all the notes necessary for a fair presentation in accordance with IFRS Accounting Standards have not been included in these abridged financial statements. The disclosures to the notes in these abridged financial statements are limited to those numbers that were considered material and necessary to present a true and fair view of the performance of the Group.

iv) Functional and presentation currency

The abridged financial statements are presented in Trinidad and Tobago dollars (TTD) which is the functional currency of the Parent and all values are rounded to the nearest thousand, except when otherwise indicated. Group companies whose functional currency is not TTD has been converted to TTD for this presentation.

3. Related party transactions and balances

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The Bank is ultimately owned by ANSA McAL Limited, incorporated in Trinidad and Tobago, which owns 82.48% of the stated capital of the Bank.

A number of transactions are entered into with related parties in the normal course of business. These include hire purchase, leased assets, premium financing, deposits, insurance coverage and foreign currency transactions. These transactions were carried out on commercial terms and at market rates.

The related assets, liabilities, income and expense from these transactions are as follows:

Parent 2023	Parent 2024		Group 2024	Group 2023
		Loans, investments and other assets		
50,067	55,433	ANSA McAL Group	239,945	233,636
66,010	71,987	Subsidiaries	–	–
2,066	1,683	Directors and key management personnel	4,482	13,586
165,975	141,156	Other related parties	156,181	190,419
284,118	270,259		400,608	437,641
		Deposits and other liabilities		
245,341	162,132	ANSA McAL Group	454,373	507,268
183,106	180,070	Subsidiaries	–	–
–	–	Directors and key management personnel	64,758	62,777
–	105,991	Other related parties	156,656	156,656
428,447	448,193		675,787	726,701

NOTES TO THE ABRIDGED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in thousands of Trinidad and Tobago dollars)

3. Related party transactions and balances (continued)

Parent 2023	Parent 2024		Group 2024	Group 2023
		Interest and other income		
15,224	32,985	ANSA McAL Group	113,380	55,988
21,202	31,904	Subsidiaries	–	–
90	74	Directors and key management personnel	234	572
1,380	3,740	Other related parties	3,957	4,608
37,896	68,703		117,571	61,168
		Interest and other expense		
8,202	9,996	ANSA McAL Group	32,368	35,259
2,062	4,924	Subsidiaries	–	–
–	–	Directors and key management personnel	3,334	3,338
–	6,828	Other related parties	9,592	2,203
10,264	21,748		45,294	40,800

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management compensation

Parent 2023	Parent 2024		Group 2024	Group 2023
11,857	15,079	Short-term benefits	36,303	49,212
122	155	Contribution to defined contribution plans	209	183
253	322	Post employment benefits	322	253
12,232	15,556		36,834	49,648

4. Contingent liabilities

The Parent's and Group's potential liability, for which there are equal and offsetting claims, against its customers in the event of a call on these commitments is as follows:

Parent 2023	Parent 2024	Group 2024	Group 2023
–	–	768	839

5. Events after the reporting period

On 7 March 2025, the Central Bank of Trinidad and Tobago wrote to ANSA McAL Limited in its capacity as Controlling Shareholder of ANSA Merchant Bank Limited and its subsidiaries, directing the completion of a legal entity restructure of the ANSA Merchant Bank Limited Financial Group pursuant to Section 67(1) of the Financial Institutions Act, 2008. The restructure will ultimately result in the creation of a Financial Holding Company for the ANSA Merchant Bank Financial Group. Work has commenced to ensure compliance with this directive.

EY Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ANSA SECURED FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ANSA Secured Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in Unitholders' capital and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the A*uditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Trustee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements
(Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EY

Port of Spain
TRINIDAD
19 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2024	2023
Assets			
Cash and cash equivalents	4	4,355	5,595
Interest receivable		1,712	1,142
Investment securities	5	111,571	121,967
Other receivables		4	–
Total assets		117,642	128,704
Liabilities			
Management fee payable		200	2,050
Trustee fees payable		45	48
Distributions payable		372	397
Other payables		422	459
Total liabilities		1,039	2,954
Net assets		**116,603**	**125,750**
Unitholders' Capital			
Unitholders' balances	6	116,305	125,339
Capital deficit		(1,152)	–
Retained fund surplus		1,450	411
		116,603	**125,750**

The financial statements were approved by the Trustee and authorised for issue on 17 March 2025 and signed on their behalf by:

: Trustee

: Trustee

The accompanying notes form an integral part of these financial statements.

ANSA SECURED FUND

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER, 2024

EXPRESSED IN TRINIDAD & TOBAGO DOLLARS

ansa MERCHANT BANK LIMITED | ansa SECURED FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2024	2023
Income			
Interest and dividend income	7	5,835	5,554
Net foreign exchange translation and other gains		621	17
Net realised and unrealised gains on investment securities	8	207	620
Total income		6,663	6,191
Expenses			
Management fees	9	(3,900)	(4,300)
Impairment (expense)/write back		(20)	188
Trustee fees	9	(184)	(189)
Other expenses		(46)	(125)
Total expenses		(4,150)	(4,426)
Total income for the year		**2,513**	**1,765**
Other comprehensive (loss)/income that may be reclassified subsequently to profit and loss			
Debt instruments at fair value through other comprehensive income			
Net change in fair value during the year		(1,152)	–
Changes in allowance for expected credit losses		50	–
		(1,102)	–
Total comprehensive income for the year		**1,411**	**1,765**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Unitholders' balances	Retained fund surplus	Capital deficit	Total
Balance as at 1 January 2023	127,943	224	–	128,167
Total comprehensive income for the year	–	1,765	–	1,765
Redemption of units	(2,604)	–	–	(2,604)
Distribution to Unitholders	–	(1,578)	–	(1,578)
Balance as at 31 December 2023	125,339	411	–	125,750
Total comprehensive income for the year	–	2,513	–	2,513
Redemption of units	(9,034)	–	–	(9,034)
Revaluation of FVOCI investments	–	50	(1,152)	(1,102)
Distribution to Unitholders	–	(1,524)	–	(1,524)
Balance as at 31 December 2024	**116,305**	**1,450**	**(1,152)**	**116,603**

The accompanying notes form an integral part of these financial statements.

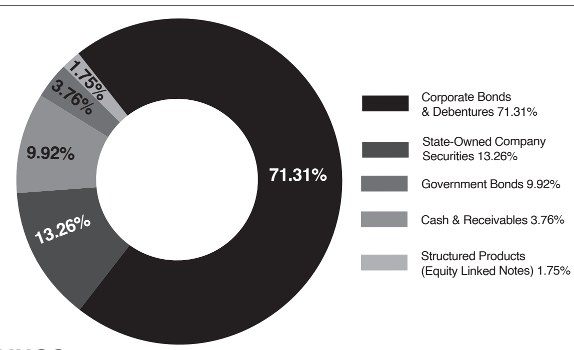
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2024	2023
Cash flows from operating activities			
Total comprehensive income for the year		2,513	1,765
Adjustments:			
Amortisation on investment securities		(730)	(282)
Gains on sale of investment securities	8	(207)	(620)
Impairment expense/(write back)		20	(188)
Foreign exchange (gains)/losses		(173)	356
Surplus before working capital changes		1,423	1,031
Changes in assets/liabilities:			
Increase in interest receivable		(570)	(452)
(Decrease)/increase in payables		(1,915)	2,080
Net cash flows (used in)/provided by operating activities		(1,062)	2,659
Cash flows from investing activities			
Purchase of investments		(153,963)	(68,604)
Proceeds from maturity/sale of investments		164,343	62,130
Net cash flows provided by/(used in) investing activities		10,380	(6,474)
Cash flows from financing activities			
Redemption of units		(9,034)	(2,604)
Distribution to Unitholders		(1,524)	(1,578)
Net cash flows used in financing activities		(10,558)	(4,182)
Net decrease in cash and cash equivalents		(1,240)	(7,997)
Cash and cash equivalents at the beginning of the year		5,595	13,592
Cash and cash equivalents at the end of the year	4	**4,355**	**5,595**
Supplemental information:			
Interest received		4,712	4,814
Distributions paid		1,550	1,584

The accompanying notes form an integral part of these financial statements.

PORTFOLIO MIX



TOP 10 HOLDINGS

SECURITY	% OF PORTFOLIO
AT&T 5.25% DUE 2037	5.95%
CONSTELLATION BRANDS 2.25% DUE 2031	5.87%
BRITISH AMERICAN TOBACCO PLC 3.557% DUE 2027	5.87%
KINDER MORGAN INC. 6.95% DUE 2038	5.83%
SHERWIN-WILLIAMS 3.45% DUE 2027	5.80%
T-MOBILE 5.75% DUE 2034	5.67%
UNITED MEXICAN STATES 6.05% SNR DUE 2040	5.35%
GENERAL MOTORS 4.0% DUE 2025	5.35%
MASCO CORPORATION 7.75% DUE 2029	5.02%
CARIBBEAN AIRLINES FIXED RATE LOAN 5.875% USD64.2M	4.99%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

1. Description of the Fund

The following brief description of the ANSA Secured Fund (the 'Fund') is provided for general information purposes only. Reference should be made to the Trust Deed and Prospectus of the Fund for more complete information.

General

The Fund is an open-ended mutual fund registered in Trinidad and Tobago, and established by ANSA Merchant Bank Limited (the 'Bank' or 'Fund Manager') under a Trust Deed dated 28 August 2005. The Bank whose registered address is 11C Maraval Road, Port of Spain, Trinidad and Tobago, is the Sponsor, Investment Manager, Administrator and Distributor of the Fund.

The principal activity of the Fund is to provide investors having similar investment objectives the opportunity to access professional investment management in achieving maximum income returns, minimisation of risk and reasonable safety of capital values.

It is the objective of the Fund to maintain a price of TT$1,000 per Unit.

The Unitholders of the Fund have the right to vote with respect to certain matters related to the Fund.

At Unitholder meetings, Unitholders are entitled, inter alia, to:

(i) require the removal of the Trustee and/or approve the appointment of a new Trustee; and
(ii) sanction any modification, alteration or addition to the provisions of the Trust Deed unless the Trustee and the Sponsor certify in writing that they are of the opinion that the modification (a) does not materially prejudice the interests of the Unitholders, does not operate to release the Trustee from any material obligation to the Unitholders and does not materially increase the amount of expenses chargeable on the assets of the Fund; or (b) is necessary in order to make possible compliance with any fiscal, statutory or official requirement; or (c) is made to correct a manifest error.

The Bank has guaranteed 100% return of the principal invested in the Fund (not including distributions which have been re-invested in units) subject to a minimum period of investment, and a fixed minimum yield on the units held subject to a defined period of time established at the time of purchase. All initially invested units in the Fund have met the minimum period of investment for the principal guarantee and all units are beyond the definite period of time for the fixed minimum yield and are therefore not subject to the fixed minimum yield.

The Trustee of the Fund is CIBC Caribbean Bank (Trinidad & Tobago) Limited.

As at 30 September 2009, subscriptions to the Fund were suspended as a result of the prevailing market conditions. This was carried out in line with the provisions set out in the prospectus.

2. Accounting policies

i) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for the fair value measurement of trading investment securities and other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest (SPPI).

The financial statements are presented in Trinidad and Tobago Dollars (TTD) which is the functional currency and all values are rounded to the nearest thousand, except when otherwise indicated.

Statement of compliance

The financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards.

Presentation of financial statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Fund.

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023 except for the adoption of new standards and interpretations noted below.

New and amended standards and interpretations

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of the Fund. These are described in more detail below. The Fund has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of each new standard or amendment is described below:

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1 – Effective 1 January 2024

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

These amendments had no material impact on the Fund.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 – Effective 1 January 2024

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

These amendments had no material impact on the Fund's financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. **Accounting policies** (continued)

ii) **Changes in accounting policies and disclosures** (continued)

New and amended standards and interpretations (continued)

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 – Effective 1 January 2024

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require information to be provided about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

These amendments had no material impact on the Fund.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.
Disclosures

- The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.
- The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

These amendments had no impact on the Fund's financial statements.

2. **Accounting policies** (continued)

ii) **Changes in accounting policies and disclosures** (continued)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- **Lack of Exchangeability – Amendments to IAS 21**
  Effective for annual periods beginning on or after 1 January 2025. In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21).

  The amendments to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed.

  When applying the amendments, an entity cannot restate comparative information.

- **Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**
  Effective for annual periods beginning on or after 1 January 2026.
  In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

  - Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
  - Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
  - Clarifies the treatment of non-recourse assets and contractually linked instruments.
  - Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**
  Effective for annual periods beginning on or after 1 January 2027.

  In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

  Statement of profit or loss

  An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

  IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**
  Effective for annual periods beginning on or after 1 January 2027.

  In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

  IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted.

  IFRS 19 will not impact the Fund.

Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting as a first-time adopter
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition
- IFRS 7 Financial Instruments: Disclosures – Disclosure of Deferred Difference between Fair Value and Transaction Price
- IFRS 7 Financial Instruments: Disclosures – Introduction and credit risk disclosures
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities
- IFRS 9 Financial Instruments – Transaction price
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'
- IAS 7 Statement of Cash Flows – Cost Method

iii) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and at bank, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Bank overdrafts, should they exist, are disclosed separately under 'liabilities' on the statement of financial position.

iv) Financial instruments

Financial assets

a. Initial recognition and subsequent measurement

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Amortised cost and effective interest method

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised separately in the statement of comprehensive income and is included in 'interest income'.

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through statement of income on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding ("the SPPI test").

Financial assets at fair value through other comprehensive income (FVOCI)

Equity instruments at fair value through other comprehensive income (FVOCI)

On initial recognition, the Fund can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of re-sale in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the statement of income on disposal of the investments.

Debt instruments at fair value through other comprehensive income (FVOCI)

The Fund applies the category under IFRS 9 of debt instruments measured at fair value through other comprehensive income when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- the contractual cash flows of an asset give rise to payments on specified dates that are SPPI on the principal amount outstanding ("the SPPI test").

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

The Fund does not have any equity instruments that are carried at FVOCI on initial application of IFRS 9 – *Financial Instruments.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Financial assets at fair value through statement of income (FVSI)

Investments in equity instruments are classified as at FVSI, unless the Fund designates an investment that is not held for trading as at FVOCI on initial recognition. The Fund has designated all investments in equity instruments that are held for trading as FVSI on initial application of IFRS 9.

Debt instruments that do not meet the amortised cost criteria are measured at FVSI. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVSI are measured at FVSI. A debt instrument may be designated as at FVSI upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Fund has not designated any debt instrument as FVSI.

Debt instruments are reclassified from amortised cost to FVSI when the business model is changed such that the amortised cost criteria is no longer met. Reclassification of debt instruments that are designated as at FVSI on initial recognition is not allowed. The Fund has not designated any debt instrument as FVSI.

Financial assets at FVSI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of comprehensive income. The net gain or loss recognised in the statement of comprehensive income is included in the 'investment income' line item.

Interest income on debt instruments as at FVSI is included in the net gain or loss described above.

Dividend income on investments in equity instruments at FVSI is recognised in the statement of comprehensive income when the Fund's right to receive the dividends is established in accordance with IFRS 15 - *Revenue* and is included in the net gain or loss described above.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

Therefore,

- for financial assets that are classified as at FVSI, the foreign exchange component is recognised in the statement of comprehensive income;
- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'other gains and losses' line item in the statement of comprehensive income;
- for debt instruments that are designated as at FVOCI, any foreign exchange component is recognised in the statement of comprehensive income; and
- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'other gains and losses' line item in the statement of comprehensive income.

b. Impairment of financial assets

The Fund records an allowance for expected credit losses (ECLs) for debt financial assets not held at FVSI, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

The Fund uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Fund's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on an individual basis.

The Fund has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Significant increase in credit risk

The Fund continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Fund assesses whether there has been a significant increase in credit risk since initial recognition.

The Fund also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving an investment to the watch list, to non-investment grade, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Definition of default and cure

The Fund considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Fund also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Fund carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Fund's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Calculation of Expected Credit Losses (ECLs)

When estimating the ECLs, the Fund considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs. When relevant, it also incorporates how defaulted financial assets are expected to be recovered.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- *Probability of Default (PD):*

  The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

Calculation of Expected Credit Losses (ECLs) (continued)

- *Exposure at Default (EAD):*

  The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

  The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

- *Loss Given Default (LGD):*

  The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD.

For investments, the Fund primarily relies on international external credit rating agencies to provide data for PDs and LGDs.

Forward-looking information

In its ECL models, the Fund relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The mechanics of the ECL method are summarised below:

Stage 1

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Fund calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2

When a financial instrument has shown a significant increase in credit risk since origination, the Fund records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For financial instruments considered credit-impaired (as defined in Note 2 above), the Fund recognises the LTECLs for these financial instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

In most instances, LGDs are determined on an individual investment basis, including discounting the expected cash flows at the original EIR.

c. Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of comprehensive income. On derecognition of an equity instrument that is classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of comprehensive income, but is reclassified to retained earnings. On derecognition of debt instruments at FVOCI, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit and loss.

Financial liabilities

a. Initial recognition and subsequent measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the statement of comprehensive income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Fund's financial liabilities include fees payable, distributions payable, amounts due to related parties and other payables.

b. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

v) Fair valuation of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs at the close of business at the end of the reporting period for listed instruments.

For financial instruments not traded in an active market, the fair value is determined using appropriate internal valuation techniques. These pricing models consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates.

Consequently, estimates made do not necessarily reflect the amounts that the Fund would realise in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

v) Fair valuation of financial instruments (continued)

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, interest and other receivables, management fee payable, distributions payable, trustee fees payable, and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

Investment securities

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value. This process relies on available market data to generate a yield curve for each country in which valuations were undertaken, using interpolated results where there were no market observable rates.

In pricing callable bonds, where information is available, the price of a callable bond is determined as at the call date using the Yield to Worst. For bonds with irregular cash flows (sinking funds, capitalisation of interest, moratoria, amortisations or balloon payments) a process of iteration using the Internal Rate of Return is used to arrive at bond values. Yields on all tax-free bonds are grossed-up to correspond to similar taxable bonds at the prevailing rate of corporation tax.

Determination of fair value and fair values hierarchy

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

<u>Level 1</u>

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

<u>Level 2</u>

Included in the Level 2 category are financial assets that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Fund’s own models whereby the majority of assumptions are market observable.

2. Accounting policies (continued)

v) Fair valuation of financial instruments (continued)

Determination of fair value and fair values hierarchy (continued)

<u>Level 3</u>

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Fund has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

vi) Revenue recognition

Revenue for the Fund is generated from interest as well as dividend income on investments held on behalf of the unitholders.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Fund recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is accrued until the investment contractually becomes three months in arrears at which time the interest is suspended and then accounted for on a cash basis until the investment is brought up to date.

Investment income

The Fund calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVSI is recognised using the contractual interest rate in net trading income and net gains/(losses) on financial assets at fair value through statement of income, respectively.

Dividend income

Dividend income is recognised when the Fund's right to receive payment is established.

Other income and expenditure

Other income and expenditure are brought into account on the accruals basis.

vii) Subscriptions and redemptions

Subscriptions and redemptions are accounted for on the accruals basis. Subscriptions and redemptions to the Fund are made by investors at a price of $1,000 per unit. Units may be subscribed at a minimum initial value of $50,000 and thereafter, the minimum amount of an additional investment is $5,000 in value, except in the instance of reinvestment of distributions. There are no limits as to the number of units that can be redeemed at any one time.

viii) Expenses

Fees are recognised on an accrual basis. Refer to Note 9 for management, administration and distribution fees. Audit fees are included within other expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

ix) Distributions to Unitholders

Distributions to Unitholders are recognised when they are ratified by the Trustee and are paid out quarterly.

x) Taxation

With respect to dividends which are derived locally, no income tax is payable by residents of Trinidad and Tobago.

xi) Functional and presentation currency

The Fund's functional currency is the Trinidad and Tobago Dollar (TTD), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in TTD. Therefore, the TTD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the TTD.

xii) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago Dollars at rates of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities are translated using exchange rates that existed at the date of the initial transaction. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of comprehensive income.

xiii) Unitholders' Capital

Classification of redeemable shares

Redeemable shares are classified as equity instruments when:

- The redeemable shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on the statement of income, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable shares having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund.
- The effect of substantially restricting or fixing the residual return to the redeemable Unitholders.

The issuance, acquisition and cancellation of redeemable shares are accounted for as equity transactions.

3. Significant accounting judgements and estimates

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Fund's exposure to risks and uncertainties include:

- Financial instruments' risk management (Note 11)
- Fund management (Note 14)

i) Judgement

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of financial instruments

The measurement of impairment losses under IFRS 9 across all categories of financial instruments requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Fund's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Fund's criteria for assessing if there has been a significant increase in credit risk and if so allowances for financial instruments should be measured on a LTECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macro-economic scenarios and economic inputs and the effect on PDs, EADs and LGDs
- Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Valuation of investments

Fair values are based on quoted market prices for the specific instrument, comparisons with other similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of judgement and applying judgement in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors.

4. Cash and cash equivalents	**2024**	**2023**
Cash at bank	2,173	3,648
Short-term funds	2,182	1,947
	4,355	**5,595**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

5. Investment securities

	2024	2023
Investment securities designated at fair value through other comprehensive income	70,929	–
Investment securities designated at amortised cost	40,642	121,967
Total investment securities	**111,571**	**121,967**

Investment securities designated at amortised cost

	2024	2023
Government securities	5,001	13,505
State-owned company securities	10,305	10,341
Corporate bonds and debentures	25,336	98,121
	40,642	**121,967**

Investment securities designated at fair value through OCI

	2024	2023
Government securities	283	–
State-owned company securities	9,318	–
Corporate bonds and debentures	61,328	–
	70,929	**–**

Impairment allowance for investment securities

The following table shows the credit quality and the maximum exposure to credit risk based on the Fund's credit rating system, aging and year-end stage classification.

Investment securities designated at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	40,685	–	–	40,685
ECL allowance as at 31 December 2024	(43)	–	–	(43)
Net exposure as at 31 December 2024	**40,642**	**–**	**–**	**40,642**
ECL allowance as at 1 January 2024	(73)	–	–	(73)
Credit loss income	30	–	–	30
At 31 December 2024	**(43)**	**–**	**–**	**(43)**
Gross carrying amount as at 31 December 2023	122,040	–	–	122,040
ECL allowance as at 31 December 2023	(73)	–	–	(73)
Net exposure as at 31 December 2023	**121,967**	**–**	**–**	**121,967**
ECL allowance as at 1 January 2023	(260)	–	–	(260)
ECL on new instruments issued during the year	(16)	–	–	(16)
Credit loss income	203	–	–	203
At 31 December 2023	**(73)**	**–**	**–**	**(73)**

5. Investment securities (continued)

Impairment allowance for investment securities (continued)

Investment securities designated at FVOCI

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	70,929	–	–	70,929
ECL allowance as at 31 December 2024	(50)	–	–	(50)
Net exposure as at 31 December 2024	**70,879**	**–**	**–**	**70,879**
ECL allowance as at 1 January 2024	–	–	–	–
ECL on new instruments issued during the year	(50)	–	–	(50)
At 31 December 2024	**(50)**	**–**	**–**	**(50)**
Gross carrying amount as at 31 December 2023	–	–	–	–
ECL allowance as at 31 December 2023	–	–	–	–
Net exposure as at 31 December 2023	**–**	**–**	**–**	**–**
ECL allowance as at 1 January 2023	–	–	–	–
ECL on new instruments issued during the year	–	–	–	–
At 31 December 2023	**–**	**–**	**–**	**–**

6. Unitholders' balances

	2024	2023
Authorised:		
Unlimited number of units		
Reconciliation of Unitholders' balances:		
Units outstanding at the beginning of the year	125,339	127,943
Units redeemed	(9,034)	(2,604)
Units outstanding at the end of the year	**116,305**	**125,339**
Guaranteed net asset value per unit	1,000	1,000
Total Unitholders' balances	**116,305**	**125,339**

7. Interest and dividend income

	2024	2023
Interest income from financial assets designated at amortised cost	3,954	5,407
Interest income from financial assets designated at fair value through other comprehensive income	1,881	–
Dividend income	–	147
	5,835	**5,554**

8. Net realised and unrealised gains on investment securities

	2024	2023
Realised gain on sale of investment securities	207	620
	207	**620**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

9. Fees

The Investment Manager is paid quarterly from the assets of the Fund in the form of management fees, administrator fees and distributor fees, calculated on the basis of the average net asset value in that quarter, pro-rated where necessary on the basis of number of days remaining or elapsed in the quarter, according to an annual rate not to exceed a cumulative total of 5.50% on the average net asset value of the Fund.

The Trustee is paid from the assets of the Fund a fee not exceeding an annual rate of 0.20% on the average net asset value and such fee shall be subject to a minimum annual fee of $10,000, exclusive of VAT.

	2024	2023
Management fees	3,900	4,300
Trustee fees	184	189
	4,084	**4,489**

10. Fair value of financial instruments

i) Carrying amounts and fair values

The following table summarises the carrying amounts and fair values of the Fund's financial assets and liabilities as at 31 December.

2024	Carrying values	Fair values	Unrecognised loss
Financial assets			
Cash and cash equivalents	4,355	4,355	–
Investment securities	111,571	111,269	(302)
Other receivables	4	4	–
Interest receivable	1,712	1,712	–
Total financial assets	**117,642**	**117,341**	**(302)**
Financial liabilities			
Management fee payable	200	200	–
Trustee fees payable	45	45	–
Distributions payable	372	372	–
Other payables	422	422	–
Total financial liabilities	**1,039**	**1,039**	**–**
2023			
Financial assets			
Cash and cash equivalents	5,595	5,595	–
Investment securities	121,967	121,066	(901)
Interest receivable	1,142	1,142	–
Total financial assets	**128,704**	**127,803**	**(901)**
Financial liabilities			
Management fee payable	2,050	2,050	–
Trustee fees payable	48	48	–
Distributions payable	397	397	–
Other payables	459	459	–
Total financial liabilities	**2,954**	**2,954**	**–**

10. Fair value of financial instruments (continued)

ii) Determination of fair value and fair value hierarchies

2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at amortised cost for which fair values are disclosed				
Government securities	1,301	3,700	–	5,001
State-owned company securities	–	10,302	–	10,302
Corporate bonds and debentures	15,548	9,305	184	25,037
	16,849	**23,307**	**184**	**40,340**
Investment debt securities measured and designated at fair value through OCI				
Government securities	283	–	–	283
State-owned company securities	–	9,318	–	9,318
Corporate bonds and debentures	61,328	–	–	61,328
	61,611	**9,318**	**–**	**70,929**

2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at amortised cost for which fair values are disclosed				
Government securities	9,857	3,777	–	13,634
State-owned company securities	–	10,425	–	10,425
Corporate bonds and debentures	37,077	59,768	162	97,007
	46,934	**73,970**	**162**	**121,066**

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant un-observable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted securities	Discounted cashflows	Rate of return	8% to 12%	2% increase/(decrease) in the rate of return would result in decrease/(increase) in fair value by $40/($40)

iii) Transfers between Level 1 and 2

For the years ended 31 December 2024 and 31 December 2023, there were no transfer of assets between Level 1 and Level 2.

iv) Movements in Level 3 financial instruments	**2024**	**2023**
Balance at 1 January	162	183
Additions	22	–
Losses recognised	–	(21)
Balance at 31 December	**184**	**162**

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

11. Risk management

Introduction

Risk is inherent in the Fund's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

This process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to credit risk, liquidity risk and market risk.

Role of the Trustee

The Trustee is the custodian of the Fund and their responsibility is that of safeguarding Unitholders' interests. The Trustee approves all distribution of income from the Fund and ensures that the Fund is externally audited every year. They also ensure that all provisions within the prospectus are followed by the Investment Manager and all regulatory requirements are fulfilled.

Risk management structure

The Bank which acts as the Fund Sponsor, Distributor, Administrator and Investment Manager, is ultimately responsible for identifying and controlling risks. The Bank is also responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Bank in compliance with the policies approved by the Board of Directors.

Treasury management

The Fund employs the Treasury function of the Bank, which is responsible for managing the Fund's assets and liabilities and the overall financial structure. The Treasury function is also primarily responsible for the funding and liquidity risks of the Fund.

Concentrations of risk

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Fund's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Fund's procedures include specific monitoring control to focus on the maintenance of a diversified portfolio.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise credit risk, interest rate risk, currency risk and equity price risk each of which are considered below and include, where relevant, the sensitivity of the Fund's financial result on movements in certain market risk variables.

Credit risk management

Credit risk to the Fund is the potential that a counterparty will fail to meet its stated obligations in accordance with agreed terms. It is the Fund's policy to enter into financial arrangements with a variety of creditworthy counterparties and monitor the size of the exposure to any one issuer and the duration of the investment. The Fund's exposure to credit risk is limited to the value of its investment securities portfolio. The Bank, in its capacity as Investment Manager, is responsible for identifying and controlling credit risk.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Fund's portfolio, could result in losses that are different from those provided at the statement of financial position date. Management therefore carefully manages its exposure to credit risk.

The following table shows the maximum exposure to credit risk which represents a worst case scenario of credit risk exposure, without taking account of any collateral held or other credit enhancements. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

11. Risk management (continued)

	Gross maximum exposure	
	2024	**2023**
Cash and cash equivalents	4,355	5,595
Interest receivable	1,712	1,142
Investment securities	111,521	121,967
	117,588	**128,704**

Cash and cash equivalents

These funds are placed with highly rated local banks. Management therefore considers the risk of default of these counterparties to be very low.

Credit quality

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures. PDs and LGDs for non-traded instruments as well as local debt instruments were based on three notches below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. EAD equals the amortised security balance plus accrued interest.

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Investment debt securities measured at amortised cost

Stage 1	**2024**	**2023**
Gross balance	40,685	122,040
ECL	(43)	(73)
	40,642	**121,967**
ECL as a % of Gross balance	0.11%	0.06%

Investment debt securities measured and designated at fair value through other comprehensive income

Stage 1	**2024**	**2023**
Gross balance	70,929	–
ECL	(50)	–
	70,879	**–**
ECL as a % of Gross balance	0.07%	0.00%

There were no investment debt securities classified as stage 2 and 3 for the years ended 31 December 2024 and 31 December 2023.

Currency risk

The Fund takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its statement of financial position and cash flows. The Bank in its capacity as Investment Manager sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Fund's exposure to foreign currency exchange rate risk at 31 December, arising primarily from monetary financial assets denominated in United States Dollars (USD). The Fund had no financial liabilities denominated in currencies other than the reporting currency.

The final line of the table, illustrates the effect of a reasonably possible movement of the USD against the TTD, with all other variables held constant on the statement of comprehensive income.

Financial assets	**USD 2024**	**USD 2023**
Cash and cash equivalents	2,188	2,624
Interest receivable	1,526	704
Investment securities	91,493	94,015
Net currency risk exposure	**95,207**	**97,343**
Reasonably possible change in currency rate	5%	5%
Effect on income for the year	**4,760**	**4,867**

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

11. **Risk management** (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund manages its interest rate exposure by investing in fixed and variable rate instruments.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Bank, in its capacity as Investment Manager, sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the Bank's Treasury department.

There was no impact of interest rate risk to the Fund as no floating rate non-trading financial assets and financial liabilities were held in 2024 and 2023.

Liquidity risk

Liquidity risk is the risk that the Fund will be unable to liquidate positions to satisfy commitments to Unitholders for redemptions due to market conditions. This is managed by maintaining an adequate position in assets with maturities of less than one year.

The table analyses the Fund's financial liabilities into the relevant maturity funding based on the remaining period as at 31 December to the contractual maturity date.

11. **Risk management** (continued)

Liquidity risk (continued)

2024	**Up to one year**	**Over one year**	**Total**
Financial liabilities			
Management fee payable	200	–	200
Trustee fees payable	45	–	45
Distributions payable	372	–	372
Other payables	422	–	422
Total financial liabilities	**1,039**	**–**	**1,039**
2023			
Financial liabilities			
Management fee payable	2,050	–	2,050
Trustee fees payable	48	–	48
Distributions payable	397	–	397
Other payables	459	–	459
Total financial liabilities	**2,954**	**–**	**2,954**

Equity price risk

Equity price risk is the risk that the fair value of equities will decrease as a result of decreases in equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Fund's investment portfolio.

There was no impact of equity price risk to the Fund as no equities were held in 2024 and 2023.

12. **Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled based on contractual undiscounted cashflows.

	2024			**2023**		
	Less than 12 months	**Over 12 months**	**Total**	**Less than 12 months**	**Over 12 months**	**Total**
Assets						
Cash and cash equivalents	4,355	–	4,355	5,595	–	5,595
Investment securities	25,309	86,262	111,571	76,054	45,913	121,967
Other receivables	4	–	4	–	–	–
Interest receivable	1,712	–	1,712	1,142	–	1,142
Total assets	**31,380**	**86,262**	**117,642**	**82,791**	**45,913**	**128,704**
Liabilities						
Management fee payable	200	–	200	2,050	–	2,050
Trustee fees payable	45	–	45	48	–	48
Distributions payable	372	–	372	397	–	397
Other payables	422	–	422	459	–	459
Total liabilities	**1,039**	**–**	**1,039**	**2,954**	**–**	**2,954**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

13. Related party transactions and balances

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Related party transactions are carried out on commercial terms and at market rates. The related assets, liabilities, income and expenses from these transactions are as follows:

	2024	2023
Assets		
Sponsor company	–	9,000
Liabilities		
Sponsor company	204	2,080
Unitholders' balances		
Sponsor company	1,295	1,295
Other related parties	63,238	63,091
	64,532	**64,386**
Income		
Sponsor company	53	217
Expenses		
Sponsor company	3,900	4,300
Distributions		
Sponsor company	16	16
Other related parties	788	788
	804	**804**

14. Fund management

When managing capital, which is represented by Unitholders' balances, the objectives of the Fund Manager are:

- To comply with the requirements set out in the Fund's prospectus and Trust Deed;
- To safeguard the Fund's ability to continue as a going concern so that it can continue to provide returns for Unitholders; and
- To maintain a strong capital base to support the development of its business.

The Fund endeavours to invest in appropriate investments while maintaining sufficient liquidity to meet redemptions where necessary, such liquidity being augmented by short-term borrowings or disposal of investment securities where necessary.

The Fund complied with the requirements set out in the Prospectus and Trust Deed during the reported financial periods and no changes were made to the Fund's objectives, policies and processes from the previous year.

15. Commitments and contingencies

The Fund has no capital commitments nor any contingencies for the years ended 31 December 2024 and 31 December 2023.

As Sponsor, ANSA Merchant Bank Limited will guarantee a 100% return of the principal invested in Units of the Fund by investors subject to a minimum period of investment provided that and so long as ANSA Merchant Bank Limited is the Investment Manager.

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ANSA US$ SECURED FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ANSA US$ Secured Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in Unitholders' capital and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Trustee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements
(Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EY

Port of Spain
TRINIDAD
19 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Notes	2024	2023
Assets			
Cash and cash equivalents	4	1,634	371
Investment securities	5	6,362	8,281
Interest receivable		78	49
Total assets		8,074	8,701
Liabilities			
Management fee payable		200	100
Trustee fees payable		3	3
Distributions payable		72	74
Other payables		3	4
Total liabilities		278	181
Net assets		**7,796**	**8,520**
Unitholders' Capital			
Unitholders' balances	6	7,625	8,422
Capital reserve		4	–
Retained fund surplus		167	98
		7,796	**8,520**

The financial statements were approved by the Trustee and authorised for issue on 17 March 2025 and signed on their behalf by:

: Trustee

: Trustee

The accompanying notes form an integral part of these financial statements.

ANSA US$ SECURED FUND

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER, 2024

EXPRESSED IN UNITED STATES DOLLARS

ansa MERCHANT BANK LIMITED | ansa US$ SECURED FUND

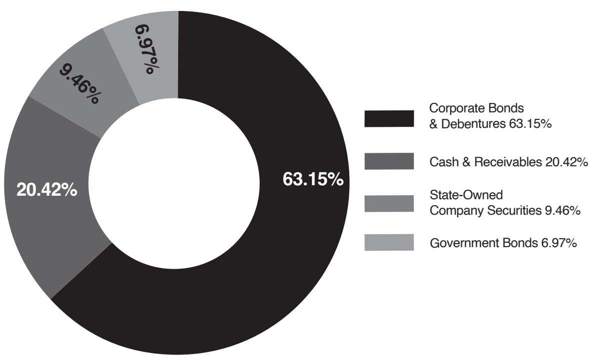
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Notes	2024	2023
Income			
Interest and dividend income	7	484	477
Other gains		6	19
Net realised and unrealised gains on investment securities	8	20	64
Total income		510	560
Expenses			
Management fees	9	(350)	(300)
Impairment (expense)/write back		(1)	44
Trustee fees	9	(12)	(13)
Other expenses		(7)	(11)
Total expenses		(370)	(280)
Total income for the year		**140**	**280**
Other comprehensive income that may be reclassified subsequently to profit and loss			
Debt instruments at fair value through other comprehensive income			
Net change in fair value during the year		4	–
Changes in allowance for expected credit losses		3	–
Net change in fair value during the year		7	–
Total comprehensive income for the year		**147**	**280**

The accompanying notes form an integral part of these financial statements.

PORTFOLIO MIX



TOP 10 HOLDINGS

SECURITY	% OF PORTFOLIO
CARIBBEAN AIRLINES FIXED RATE LOAN 5.875% USD64.2M	9.46%
GENERAL MOTORS 4.0% DUE 2025	7.74%
AT&T 2.30% DUE 2027	6.39%
AESGEN 5.00% DUE 2025	6.26%
RELIANCE INDUSTRIES 3.667% DUE 2027	6.21%
UNITED MEXICAN STATES 3.75% SNR DUE 2028	6.14%
SHERWIN-WILLIAMS 3.45% DUE 2027	5.23%
BRITISH AMERICAN TOBACCO PLC 3.557% DUE 2027	5.04%
KINDER MORGAN 4.30% DUE 2025	4.49%
US TREASURY BILL DUE 2025	4.48%

STATEMENT OF CHANGES IN UNITHOLDERS' CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Unitholders' balances	Retained fund (deficit)/surplus	Capital reserve	Total
Balance as at 1 January 2023	9,845	(104)	–	9,741
Total comprehensive income for the year	–	280	–	280
Redemption of units	(1,423)	–	–	(1,423)
Distribution to Unitholders	–	(78)	–	(78)
Balance as at 31 December 2023	**8,422**	**98**	**–**	**8,520**
Total comprehensive income for the year	–	140	–	140
Redemption of units	(797)	–	–	(797)
Revaluation of FVOCI investments	–	–	4	4
Distribution to Unitholders	–	(71)	–	(71)
Balance as at 31 December 2024	**7,625**	**167**	**4**	**7,796**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Notes	2024	2023
Cash flows from operating activities			
Total comprehensive income for the year		140	280
Adjustments:			
Interest capitalised		–	(9)
Impairment expense/(write back)		1	(44)
Amortisation on investment securities		(81)	(14)
Unrealised gains on investment securities	8	–	(50)
Gains on sale of investment securities	8	(20)	(14)
Surplus before working capital changes		40	149
Changes in assets/liabilities:			
Increase in interest receivable		(29)	(9)
Increase in payables		97	96
Net cash flows provided by operating activities		109	236
Cash flows from investing activities			
Purchase of investments		(8,960)	(859)
Proceeds from maturity/sale of investments		10,982	1,596
Net cash flows provided by investing activities		2,022	737
Cash flows from financing activities			
Redemption of units		(797)	(1,423)
Distribution to Unitholders		(71)	(78)
Net cash flows used in financing activities		(868)	(1,501)
Net increase/(decrease) in cash and cash equivalents		1,263	(528)
Cash and cash equivalents at the beginning of the year		371	899
Cash and cash equivalents at the end of the year	4	**1,634**	**371**
Supplemental information:			
Interest received		373	455
Distributions paid		73	81

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

1. Description of the Fund

The following brief description of the ANSA US$ Secured Fund (the 'Fund') is provided for general information purposes only. Reference should be made to the Trust Deed and Prospectus of the Fund for more complete information.

General

The Fund is an open-ended mutual fund registered in Trinidad and Tobago, established by ANSA Merchant Bank Limited (the 'Bank' or 'Fund Manager') under a Trust Deed dated 1 September 2007. The Bank whose registered address is 11c Maraval Road, Port of Spain, Trinidad and Tobago is the Sponsor, Investment Manager, Administrator and Distributor of the Fund.

The principal activity of the Fund is to provide investors having similar investment objectives the opportunity to access professional investment management in achieving maximum income returns, minimisation of risk and reasonable safety of capital values.

It is the objective of the Fund to maintain a price of US$200 per Unit.

The Fund's capital is made up of two classes of Units. Class A Units which will be issued to investors pursuant to the terms of the Prospectus and the Trust Deed and the Class B Units which will be issued to the Fund Sponsor (ANSA Merchant Bank Limited).

The Class B Unitholder is not entitled to receive any dividends and has no rights to the Fund's assets upon termination of the Fund, save and except for its original investment and any accretion thereto.

The Unitholders of the Fund have the right to vote with respect to certain matters related to the Fund. Voting by Class A Unitholders takes place at meetings which may be convened annually by the Trustee or which may be called by the Trustee at the request of a Unitholder or Unitholders holding not less than 25% of the outstanding units of the Fund.

At Unitholder meetings, Unitholders are entitled, inter alia, to:

(i) require the removal of the Trustee and/or approve the appointment of a new Trustee; and

(ii) sanction any modification, alteration or addition to the provisions of the Trust Deed unless the Trustee and the Sponsor certify in writing that they are of the opinion that the modification (a) does not materially prejudice the interests of the Unitholders, does not operate to release the Trustee from any material obligation to the Unitholders and does not materially increase the amount of expenses chargeable on the assets of the Fund; or (b) is necessary in order to make possible compliance with any fiscal, statutory or official requirement; or (c) is made to correct a manifest error.

The Bank has guaranteed 100% return of the principal invested in the Fund (not including distributions which have been re-invested in units) subject to a minimum period of investment, and a fixed minimum yield on the units held subject to a defined period of time established at the time of purchase. All initially invested units in the Fund have met the minimum period of investment for the principal guarantee and all units are beyond the definite period of time for the fixed minimum yield and are therefore not subject to the fixed minimum yield.

The Trustee of the Fund is CIBC Caribbean Bank (Trinidad & Tobago) Limited.

As at 30 June 2009, subscriptions to the Fund were suspended as a result of the prevailing market conditions. This was carried out in line with the provisions set out in the prospectus.

2. Accounting policies

i) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for the fair value measurement of trading investment securities and other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest (SPPI).

The financial statements are presented in United States Dollars (USD) which is the functional currency and all values are rounded to the nearest thousand, except when otherwise indicated.

Statement of compliance

The financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards.

Presentation of financial statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Income and expenses will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Fund.

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023 except for the adoption of new standards and interpretations noted below.

New and amended standards and interpretations

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of the Fund. These are described in more detail below. The Fund has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of each new standard or amendment is described below:

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1 – Effective 1 January 2024

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

These amendments had no material impact on the Fund.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 – Effective 1 January 2024

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

These amendments had no material impact on the Fund's financial statements.

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 – Effective 1 January 2024

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 – Effective 1 January 2024 (continued)

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require information to be provided about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

These amendments had no material impact on the Fund.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

Disclosures

- The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.
- The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

These amendments had no material impact on the Fund's financial statements.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

- **Lack of Exchangeability – Amendments to IAS 21**
  Effective for annual periods beginning on or after 1 January 2025.
  In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21).

  The amendments to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed.

  When applying the amendments, an entity cannot restate comparative information.

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

- **Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**
  Effective for annual periods beginning on or after 1 January 2026.
  In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

  - Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
  - Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
  - Clarifies the treatment of non-recourse assets and contractually linked instruments
  - Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**
  Effective for annual periods beginning on or after 1 January 2027.

  In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

  Statement of profit or loss
  An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

  IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**
  Effective for annual periods beginning on or after 1 January 2027.

  In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

  IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted.

  IFRS 19 will not impact the Fund.

Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting as a first-time adopter
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition
- IFRS 7 Financial Instruments: Disclosures – Disclosure of Deferred Difference between Fair Value and Transaction Price
- IFRS 7 Financial Instruments: Disclosures – Introduction and credit risk disclosures
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities
- IFRS 9 Financial Instruments – Transaction price
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'
- IAS 7 Statement of Cash Flows – Cost Method

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

iii) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and at bank, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Bank overdrafts, should they exist, are disclosed separately under 'liabilities' on the statement of financial position.

iv) Financial instruments

Financial assets

a. Initial recognition and subsequent measurement

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Amortised cost and effective interest method

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised separately in the statement of comprehensive income and is included in 'interest income'.

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through statement of income on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding ("the SPPI test").

Financial assets at fair value through other comprehensive income (FVOCI)

Equity instruments at fair value through other comprehensive income (FVOCI)

On initial recognition, the Fund can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of re-sale in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the statement of income on disposal of the investments.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (FVOCI) (continued)

Debt instruments at fair value through other comprehensive income (FVOCI)

The Fund applies the category under IFRS 9 of debt instruments measured at fair value through other comprehensive income when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- the contractual cash flows of an asset give rise to payments on specified dates that are SPPI on the principal amount outstanding ("the SPPI test").

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

The Fund does not have any equity instruments that are carried at FVOCI on initial application of IFRS 9 – *Financial Instruments*.

Financial assets at fair value through statement of income (FVSI)

Investments in equity instruments are classified as at FVSI, unless the Fund designates an investment that is not held for trading as at FVOCI on initial recognition. The Fund has designated all investments in equity instruments that are held for trading as FVSI on initial application of IFRS 9.

Debt instruments that do not meet the amortised cost criteria are measured at FVSI. In addition, debt instruments that meet the amortised cost criteria but are designated at FVSI are measured at FVSI. A debt instrument may be designated as at FVSI upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Fund has not designated any debt instrument as at FVSI.

Debt instruments are reclassified from amortised cost to FVSI when the business model is changed such that the amortised cost criteria is no longer met. Reclassification of debt instruments that are designated as at FVSI on initial recognition is not allowed. The Fund has not designated any debt instrument as FVSI.

Financial assets at FVSI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of comprehensive income. The net gain or loss recognised in the statement of comprehensive income is included in the 'investment income' line item.

Interest income on debt instruments as at FVSI is included in the net gain or loss described above.

Dividend income on investments in equity instruments at FVSI is recognised in the statement of comprehensive income when the Fund's right to receive the dividends is established in accordance with IFRS 15 - *Revenue* and is included in the net gain or loss described above.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Foreign exchange gains and losses (continued)

Therefore,

- for financial assets that are classified as at FVSI, the foreign exchange component is recognised in the statement of comprehensive income;
- for equity instruments that are designated as at FVOCI, any foreign exchange component is recognised in other comprehensive income;
- for debt instruments that are designated as at FVOCI, any foreign exchange component is recognised in the statement of comprehensive income; and
- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'other gains and losses' line item in the statement of comprehensive income.

b. Impairment of financial assets

The Fund records an allowance for expected credit losses (ECLs) for debt financial assets not held at FVSI, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The Fund uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Fund's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on an individual basis.

The Fund has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Significant increase in credit risk

The Fund continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Fund assesses whether there has been a significant increase in credit risk since initial recognition.

The Fund also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving an investment to the watch list, to non-investment grade, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Definition of default and cure

The Fund considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Fund also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Fund carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

Definition of default and cure (continued)

It is the Fund's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Calculation of Expected Credit Losses (ECLs)

When estimating the ECLs, the Fund considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs. When relevant, it also incorporates how defaulted financial assets are expected to be recovered.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- *Probability of Default (PD):*

  The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- *Exposure at Default (EAD):*

  The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

  The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

- *Loss Given Default (LGD):*

  The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD.

For investments, the Fund primarily relies on international external credit rating agencies to provide data for PDs and LGDs.

Forward-looking information

In its ECL models, the Fund relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

The mechanics of the ECL method are summarised below: (continued)

Stage 1

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Fund calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2

When a financial instrument has shown a significant increase in credit risk since origination, the Fund records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For financial instruments considered credit-impaired (as defined in Note 2 above), the Fund recognises the LTECLs for these financial instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.

In most instances, LGDs are determined on an individual investment basis, including discounting the expected cash flows at the original EIR.

c. Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of comprehensive income. On derecognition of an equity instrument that is classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of comprehensive income, but is reclassified to retained earnings. On derecognition of debt instruments at FVOCI, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit and loss.

Financial liabilities

a. Initial recognition and subsequent measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the statement of comprehensive income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Fund's financial liabilities include fees payable, distributions payable, amounts due to related parties and other payables.

b. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2. Accounting policies (continued)

v) Fair valuation of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs at the close of business at the end of the reporting period for listed instruments.

For financial instruments not traded in an active market, the fair value is determined using appropriate internal valuation techniques. These pricing models consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates.

Consequently, estimates made do not necessarily reflect the amounts that the Fund would realise in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, interest and other receivables, management fee payable, distributions payable, trustee fees payable, and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

Investment securities

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value. This process relies on available market data to generate a yield curve for each country in which valuations were undertaken, using interpolated results where there were no market observable rates.

In pricing callable bonds, where information is available, the price of a callable bond is determined as at the call date using the Yield to Worst. For bonds with irregular cash flows (sinking funds, capitalisation of interest, moratoria, amortisations or balloon payments) a process of iteration using the Internal Rate of Return is used to arrive at bond values. Yields on all tax-free bonds are grossed-up to correspond to similar taxable bonds at the prevailing rate of corporation tax.

Determination of fair value and fair values hierarchy

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

v) Fair valuation of financial instruments (continued)

Determination of fair value and fair values hierarchy (continued)

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques: (continued)

Level 2

Included in the Level 2 category are financial assets that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Fund's own models whereby the majority of assumptions are market observable.

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Fund has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

vi) Revenue recognition

Revenue for the Fund is generated from interest as well as dividend income on investments held on behalf of the unitholders.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Fund recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is accrued until the investment contractually becomes three months in arrears at which time the interest is suspended and then accounted for on a cash basis until the investment is brought up to date.

Investment income

The Fund calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVSI is recognised using the contractual interest rate in net trading income and net gains/(losses) on financial assets at fair value through statement of income, respectively.

Dividend income

Dividend income is recognised when the Fund's right to receive payment is established.

Other income and expenditure

Other income and expenditure are brought into account on the accruals basis.

2. Accounting policies (continued)

vii) Subscriptions and redemptions

Subscriptions and redemptions are accounted for on the accruals basis. Subscriptions and redemptions to the Fund are made by investors at a price of $200 per unit. Units may be subscribed at a minimum initial value of $5,000 and thereafter, the minimum amount of an additional investment is $500 in value, except in the instance of reinvestment of distributions. There are no limits as to the number of units that can be redeemed at any one time.

viii) Expenses

Fees are recognised on an accrual basis. Refer to Note 9 for management, administration and distribution fees. Audit fees are included within other expenses.

ix) Distributions to Unitholders

Distributions to Unitholders are recognised when they are ratified by the Trustee and are paid out quarterly.

x) Taxation

With respect to dividends which are derived locally, no income tax is payable by residents of Trinidad and Tobago.

xi) Functional and presentation currency

The Fund's functional currency is the United States Dollar (USD), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in USD. Therefore, the USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the USD.

xii) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are expressed in United States dollars at rates of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities are translated using exchange rates that existed at the date of the initial transaction. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of comprehensive income.

xiii) Unitholders' Capital

Classification of redeemable shares

Redeemable shares are classified as equity instruments when:

- The redeemable shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable shares having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund.
- The effect of substantially restricting or fixing the residual return to the redeemable Unitholders.

The issuance, acquisition and cancellation of redeemable shares are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

3. Significant accounting judgements and estimates

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Fund's exposure to risks and uncertainties includes:

- Financial instruments' risk management (Note 11)
- Fund management (Note 14)

i) Judgement

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial instruments requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Fund's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Fund's criteria for assessing if there has been a significant increase in credit risk and if so allowances for financial instruments should be measured on a LTECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macro-economic scenarios and economic inputs, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into the ECL models

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Valuation of investments

Fair values are based on quoted market prices for the specific instrument, comparisons with other similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of judgement and applying judgement in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors.

4. Cash and cash equivalents

	2024	2023
Cash at bank	99	129
Short-term funds	1,535	242
	1,634	**371**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rate.

5. Investment securities

	2024	2023
Investment securities designated at fair value through statement of income	–	952
Investment securities designated at fair value through other comprehensive income	3,771	–
Investment securities designated at amortised cost	2,591	7,329
Total investment securities	**6,362**	**8,281**
Investment securities designated at fair value through statement of income		
Managed Funds	–	952
	–	**952**
Investment securities designated at amortised cost		
Government bonds	358	423
State-owned company securities	755	755
Corporate bonds and debentures	1,478	6,151
	2,591	**7,329**
Investment securities designated at fair value through other comprehensive income		
Government bonds	1,188	–
Corporate bonds	2,583	–
	3,771	**–**

Impairment allowance for investment securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Fund's credit rating system, aging and year-end stage classification.

Investment securities designated at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	2,595	–	–	2,595
ECL allowance as at 31 December 2024	(4)	–	–	(4)
Net exposure as at 31 December 2024	**2,591**	**–**	**–**	**2,591**
ECL allowance as at 1 January 2024	(6)	–	–	(6)
Other credit loss movements, repayments etc.	2	–	–	2
At 31 December 2024	**(4)**	**–**	**–**	**(4)**
Gross carrying amount as at 31 December 2023	7,335	–	–	7,335
ECL allowance as at 31 December 2023	(6)	–	–	(6)
Net exposure as at 31 December 2023	**7,329**	**–**	**–**	**7,329**
ECL allowance as at 1 January 2023	(51)	–	–	(51)
Other credit loss movements, repayments etc.	45	–	–	45
At 31 December 2023	**(6)**	**–**	**–**	**(6)**

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

5. **Investment securities** (continued)

Impairment allowance for investment securities (continued)

Investment securities designated and measured at FVOCI

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	3,771	–	–	3,771
ECL allowance as at 31 December 2024	(3)	–	–	(3)
Net exposure as at 31 December 2024	**3,769**	**–**	**–**	**3,769**
ECL allowance as at 1 January 2024	–	–	–	–
ECL on new instruments issued during the year	(3)	–	–	(3)
At 31 December 2024	**(3)**	**–**	**–**	**(3)**

6. **Unitholders' balances**

	2024	2023
Authorised:		
Unlimited number of units		
Reconciliation of Unitholders' balances:		
Units outstanding at the beginning of the year	42,109	49,225
Units redeemed	(3,985)	(7,116)
Units outstanding at the end of the year	**38,124**	**42,109**
Guaranteed net asset value per unit	200	200
Total Unitholders' balances	**7,625**	**8,422**

7. **Interest and dividend income**

	2024	2023
Interest income from financial assets designated at amortised cost	394	434
Interest income from investments designated at fair value through through other comprehensive income	62	–
Dividend income	28	43
	484	**477**

8. **Net realised and unrealised gains on investment securities**

Realised gains on sale of investment securities	20	14
Unrealised gains on investments held at year end designated at fair value through statement of income	–	50
	20	**64**

9. **Fees**

The Investment Manager is paid quarterly from the assets of the Fund in the form of management fees, administrator fees and distributor fees, calculated on the basis of the average net asset value in that quarter, pro-rated where necessary on the basis of number of days remaining or elapsed in the quarter, according to an annual rate not to exceed a cumulative total of 5.50% on the average net asset value of the Fund.

The Trustee is paid from the assets of the Fund a fee not exceeding an annual rate of 0.15% on the average net asset value and such fee shall be subject to a minimum annual fee of TT$10,000, exclusive of VAT.

	2024	2023
Management fees	350	300
Trustee fees	12	13
	362	**313**

10. **Fair value of financial instruments**

i) **Carrying amounts and fair values**

The following table summarises the carrying amounts and fair values of the Fund's financial assets and liabilities as at 31 December.

2024	**Carrying values**	**Fair values**	**Unrecognised gain**
Financial assets			
Cash and cash equivalents	1,634	1,634	–
Investment securities	6,362	6,566	205
Interest receivable	78	78	–
Total financial assets	**8,074**	**8,278**	**205**
Financial liabilities			
Management fee payable	200	200	–
Trustee fees payable	3	3	–
Distributions payable	72	72	–
Other payables	3	3	–
Total financial liabilities	**278**	**278**	**–**
2023			
Financial assets			
Cash and cash equivalents	371	371	–
Investment securities	8,281	8,368	87
Interest receivable	49	49	–
Total financial assets	**8,701**	**8,788**	**87**
Financial liabilities			
Management fee payable	100	100	–
Trustee fees payable	3	3	–
Distributions payable	74	74	–
Other payables	4	4	–
Total financial liabilities	**181**	**181**	**–**

ii) **Determination of fair value and fair value hierarchies**

2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at amortised cost for which fair values are disclosed				
Government securities	358	–	–	358
State-owned company securities	–	753	–	753
Corporate bonds and debentures	1,467	–	217	1,684
	1,825	**753**	**217**	**2,795**
Investment securities measured and designated at fair value through OCI				
Government securities	1,188	–	–	1,188
Corporate bonds and debentures	2,583	–	–	2,583
	3,771	**–**	**–**	**3,771**

2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at amortised cost for which fair values are disclosed				
Government securities	426	–	–	426
State-owned company securities	–	754	–	754
Corporate bonds and debentures	1,933	4,115	188	6,236
	2,359	**4,869**	**188**	**7,416**
Investment securities measured and designated at fair value through SOI				
Managed Funds	–	952	–	952
	–	**952**	**–**	**952**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

10. Fair value of financial instruments (continued)

ii) Determination of fair value and fair value hierarchies (continued)

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant un-observable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted securities	Discounted cashflows	Rate of return	8% to 12.00%	2% increase/(decrease) in the rate of return would result in decrease/(increase) in fair value by $323/($323)

iii) Transfers between Level 1 and 2

For the years ended 31 December 2024 and 31 December 2023, there were no transfer of assets between Level 1 and Level 2.

iv) Movements in Level 3 financial instruments

	2024	2023
Balance at 1 January	188	216
Additions	29	–
Gains/(losses) recognised	–	(28)
Balance at 31 December	**217**	**188**

11. Risk management

Introduction

Risk is inherent in the Fund's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

This process of risk management is critical to the Fund's continuing profitability. It is exposed to credit risk, liquidity risk and market risk.

Role of the Trustee

The Trustee is the custodian of the Fund and their responsibility is that of safeguarding Unitholders' interests. The Trustee approves all distribution of income from the Fund and ensures that the Fund is externally audited every year. They also ensure that all provisions within the prospectus are followed by the Investment Manager and all regulatory requirements are fulfilled.

Risk management structure

The Bank which acts as the Fund Sponsor, Distributor, Administrator and Investment Manager, is ultimately responsible for identifying and controlling risks. The Bank is also responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Bank in compliance with the policies approved by the Board of Directors.

Treasury management

The Fund employs the Treasury function of the Bank, which is responsible for managing the Fund's assets and liabilities and the overall financial structure. The Treasury function is also primarily responsible for the funding and liquidity risks of the Fund.

11. Risk management (continued)

Concentrations of risk

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Fund's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Fund's procedures include specific monitoring control to focus on the maintenance of a diversified portfolio.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise credit risk, interest rate risk, currency risk and equity price risk each of which are considered below and include, where relevant, the sensitivity of the Fund's financial result on movements in certain market risk variables.

Credit risk management

Credit risk to the Fund is the potential that a counterparty will fail to meet its stated obligations in accordance with agreed terms. It is the Fund's policy to enter into financial arrangements with a variety of creditworthy counterparties and monitor the size of the exposure to any one issuer and the duration of the investment. The Fund's exposure to credit risk largely arises from its investment securities portfolio. The Bank, in its capacity as Investment Manager, is responsible for identifying and controlling credit risk.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Fund's portfolio, could result in losses that are different from those provided at the statement of financial position date. Management therefore carefully manages its exposure to credit risk.

The following table shows the maximum exposure to credit risk which represents a worst case scenario of credit risk exposure, without taking account of any collateral held or other credit enhancements. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

	Gross maximum exposure 2024	2023
Cash and cash equivalents	1,634	371
Interest receivable	78	49
Investment securities	6,359	8,281
	8,071	**8,701**

Cash and cash equivalents

These funds are placed with highly rated local banks. Management therefore considers the risk of default of these counterparties to be low.

Credit quality

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures. PDs and LGDs for non-traded instruments as well as local debt instruments were based on three notches below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. EAD equals the amortised security balance plus accrued interest.

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Investment debt securities measured at amortised cost

Stage 1	**2024**	**2023**
Gross balance	2,595	7,335
ECL	(4)	(6)
	2,591	**7,329**
ECL as a % of Gross balance	0.17%	0.08%

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

11. Risk management (continued)

Credit quality (continued)

Investment debt securities measured and designated at fair value through OCI

Stage 1	2024	2023
Gross balance	3,771	–
ECL	(3)	–
	3,769	**–**
ECL as a % of Gross balance	0.07%	0.00%

There were no investment debt securities classified as stage 2 and 3 for the years ended 31 December 2024 and 31 December 2023.

Currency risk

As at 31 December 2024 and 31 December 2023, all of the Fund's assets and liabilities are denominated in United States Dollars and therefore the Fund has no exposure to foreign currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund manages its interest rate exposure by investing in fixed and variable rate instruments.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Bank, in its capacity as Investment Manager, sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily by the Bank's Treasury department.

There was no impact of interest rate risk to the Fund as no floating rate non-trading financial assets and financial liabilities were held in 2024 and 2023.

11. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Fund will be unable to liquidate positions to satisfy commitments to Unitholders for redemptions due to market conditions. This is managed by maintaining an adequate position in assets with maturities of less than one year.

The table analyses the Fund's financial liabilities into the relevant maturity funding based on the remaining period as at 31 December to the contractual maturity date.

	Up to one year	Over one year	Total
2024			
Financial liabilities			
Management fee payable	200	–	200
Trustee fees payable	3	–	3
Distributions payable	72	–	72
Other payables	3	–	3
Total financial liabilities	**278**	**–**	**278**
2023			
Financial liabilities			
Management fee payable	100	–	100
Trustee fees payable	3	–	3
Distributions payable	74	–	74
Other payables	4	–	4
Total financial liabilities	**181**	**–**	**181**

Equity price risk

Equity price risk is the risk that the fair value of equities will decrease as a result of decreases in equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Fund's investment portfolio.

There was no impact of equity price risk to the Fund as no equities were held in 2024 and 2023.

12. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled based on contractual undiscounted cashflows.

	2024			2023		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Assets						
Cash and cash equivalents	1,634	–	1,634	371	–	371
Investment securities	2,035	4,324	6,359	4,207	4,074	8,281
Interest receivable	78	–	78	49	–	49
Total assets	**3,747**	**4,324**	**8,071**	**4,627**	**4,074**	**8,701**
Liabilities						
Management fee payable	200	–	200	100	–	100
Trustee fees payable	3	–	3	3	–	3
Distributions payable	72	–	72	74	–	74
Other payables	3	–	3	4	–	4
Total liabilities	**278**	**–**	**278**	**181**	**–**	**181**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

13. Related party transactions and balances

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Related party transactions are carried out on commercial terms and at market rates. The related assets, liabilities, income and expenses from these transactions are as follows:

	2024	2023
Liabilities		
Sponsor company	**200**	**100**
Unitholders' balances		
Sponsor company	1,000	1,000
Other related parties	694	694
	1,694	**1,694**
Expenses		
Sponsor company	**350**	**300**
Distributions		
Other related parties	**7**	**7**

14. Fund management

When managing capital, which is represented by Unitholders' balances, the objectives of the Fund Manager are:

- To comply with the requirements set out in the Fund's prospectus and Trust Deed;
- To safeguard the Fund's ability to continue as a going concern so that it can continue to provide returns for Unitholders; and
- To maintain a strong capital base to support the development of its business.

The Fund endeavours to invest in appropriate investments while maintaining sufficient liquidity to meet redemptions where necessary, such liquidity being augmented by short-term borrowings or disposal of investment securities where necessary.

The Fund complied with the requirements set out in the Prospectus and Trust Deed during the reported financial periods and no changes were made to the Fund's objectives, policies and processes from the previous year.

15. Commitments and contingencies

The Fund has no capital commitments nor any contingencies for the years ended 31 December 2024 and 31 December 2023.

As Sponsor, ANSA Merchant Bank Limited will guarantee a 100% return of the principal invested in Units of the Fund by investors subject to a minimum period of investment provided that and so long as ANSA Merchant Bank Limited is the Investment Manager.

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ANSA TT$ INCOME FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ANSA TT$ Income Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in Unitholders' capital and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Trustee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements
(Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EY

Port of Spain
TRINIDAD
19 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2024	2023
Assets			
Cash and cash equivalents	4	36,247	18,204
Interest receivable		4,348	2,406
Investment securities	5	311,877	333,105
Total assets		352,472	353,715
Liabilities			
Management fee payable		1,091	946
Trustee fees payable		135	136
Distributions payable		111	116
Other payables		57	43
Total liabilities		1,394	1,241
Net assets		**351,078**	**352,474**
Unitholders' Capital			
Unitholders' balances at par	6	324,506	325,498
Capital (deficit)/reserve		(1,902)	430
Retained fund surplus		28,474	26,546
		351,078	**352,474**

The financial statements were approved by the Trustee and authorised for issue on 17 March 2025 and signed on their behalf by:

: Trustee

: Trustee

The accompanying notes form an integral part of these financial statements.

ANSA TT$ INCOME FUND

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER, 2024

EXPRESSED IN
TRINIDAD & TOBAGO DOLLARS

ansa MERCHANT BANK LIMITED | ansa TT$ INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2024	2023
Income			
Interest and dividend income	7	17,512	20,282
Net foreign exchange translation and other gains/(losses)		1,367	(830)
Total income		18,879	19,452
Expenses			
Net realised and unrealised losses on investment securities	8	(3,794)	(10,907)
Management fees	9	(6,326)	(6,228)
Impairment (expense)/write back		(121)	1,123
Trustee fees	9	(542)	(582)
Other expenses		(61)	(350)
Total expenses		(10,844)	(16,944)
Total income for the year		**8,035**	**2,508**
Other comprehensive (loss)/income that may be reclassified subsequently to profit and loss			
Debt instruments at fair value through other comprehensive income			
Net change in fair value during the year		(2,332)	581
Changes in allowance for expected credit losses		148	(64)
		(2,184)	517
Total comprehensive income for the year		**5,851**	**3,025**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Note	Unitholders' balances at par	Retained fund surplus	Capital (deficit)/reserve	Total
Balance as at 1 January 2023		370,515	35,048	(151)	405,412
Issue of units	6	23,864	–	–	23,864
Redemption of units	6	(73,245)	–	–	(73,245)
Distribution to Unitholders		–	(6,582)	–	(6,582)
Unitholders' transfer of losses	6	4,364	(4,364)	–	–
Revaluation of FVOCI investments		–	(64)	581	517
Total income for the year		–	2,508	–	2,508
Balance as at 31 December 2023		325,498	26,546	430	352,474
Issue of units	6	19,245	–	–	19,245
Redemption of units	6	(20,311)	–	–	(20,311)
Distribution to Unitholders		–	(6,181)	–	(6,181)
Unitholders' transfer of losses	6	74	(74)	–	–
Revaluation of FVOCI investments		–	148	(2,332)	(2,184)
Total income for the year		–	8,035	–	8,035
Balance as at 31 December 2024		**324,506**	**28,474**	**(1,902)**	**351,078**

The accompanying notes form an integral part of these financial statements.

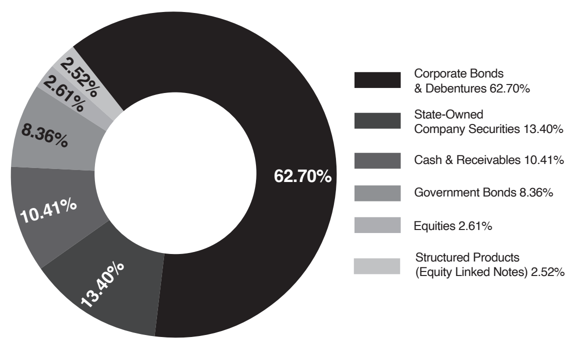
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2024	2023
Cash flows from operating activities			
Total income for the year		8,035	2,508
Adjustments:			
Interest capitalised		–	(4,024)
Impairment expense/(write back)		121	(1,123)
Amortisation on investment securities		(654)	(91)
Unrealised losses on investment securities	8	4,646	6,431
(Gains)/losses on sale of investment securities	8	(852)	4,476
Foreign exchange (gains)/losses		(1,408)	893
Surplus before working capital changes		9,888	9,070
Changes in assets/liabilities:			
Increase in interest receivable		(1,942)	(295)
Increase in payables		153	380
Net cash flows provided by operating activities		8,099	9,155
Cash flows from investing activities			
Purchase of investments		(221,088)	(154,708)
Proceeds from maturity/sale of investments		238,279	203,221
Net cash flows provided by investing activities		17,191	48,513
Cash flows from financing activities			
Issue of units	6	19,245	23,864
Redemption of units	6	(20,311)	(73,245)
Distribution to Unitholders		(6,181)	(6,582)
Net cash flows used in financing activities		(7,247)	(55,963)
Net increase in cash and cash equivalents		18,043	1,705
Cash and cash equivalents at the beginning of the year		18,204	16,499
Cash and cash equivalents at the end of the year	4	**36,247**	**18,204**
Supplemental information:			
Interest and dividend received		14,474	19,890
Distributions paid		6,177	6,589

The accompanying notes form an integral part of these financial statements.

PORTFOLIO MIX



TOP 10 HOLDINGS

SECURITY	% OF PORTFOLIO
KINDER MORGAN INC. 6.95% DUE 2038	5.84%
UNITED MEXICAN STATES 6.05% SNR DUE 2040	5.72%
GUARDIAN HOLDINGS LIMITED 4.83% DUE 2028	4.20%
NIPDEC 5.15 DUE 2025	3.94%
CONSTELLATION BRANDS 2.25% DUE 2031	3.91%
BRITISH AMERICAN TOBACCO PLC 3.557% DUE 2027	3.91%
CONOCOPHILLIPS 6.95% DUE 2029	3.70%
MCDONALDS 3.6% DUE 2030	3.69%
GENERAL MOTORS 4.0% DUE 2025	3.09%
ORACLE 6.5% DUE 2038	3.02%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)

1. Description of the Fund

The following brief description of the ANSA TT$ Income Fund (the 'Fund') is provided for general information purposes only. Reference should be made to the Trust Deed and Prospectus of the Fund for more complete information.

General

The Fund is an open-ended mutual fund registered in Trinidad and Tobago, and established by ANSA Merchant Bank Limited (the 'Bank' or 'Fund Manager') under a Trust Deed dated 23 November 2010. The Bank whose registered address is 11C Maraval Road, Port of Spain, Trinidad & Tobago, is the Sponsor, Investment Manager, Administrator and Distributor of the Fund.

The principal activity of the Fund is to provide investors having similar investment objectives the opportunity to access professional investment management in achieving maximum income returns, minimisation of risk and reasonable safety of capital values.

The Fund may invest in securities and contracts, including sovereign debt, issued in countries other than Trinidad and Tobago, which are expected to provide high income yield and not expected to cause deterioration in capital values.

The Fund's capital is made up of two classes of Units. Class A Units which are issued to investors pursuant to the terms of the Prospectus and the Trust Deed and Class B Units which were issued to the Fund Sponsor (ANSA Merchant Bank Limited).

The Class B Unitholder is not entitled to receive any dividends and has no rights to the Fund's assets upon termination of the Fund, save and except for its original investment and any accretion thereto.

The Unitholders of the Fund have the right to vote with respect to certain matters related to the Fund. Voting by Class A Unitholders takes place at meetings which may be convened annually by the Trustee or which may be called by the Trustee at the request of the Class B Unitholder or a Unitholder(s) holding not less than 25% of the outstanding units of the Fund.

At Unitholder meetings, Unitholders are entitled, inter alia, to:

(i) require the removal of the Trustee and/or approve the appointment of a new Trustee; and

(ii) sanction any modification, alteration or addition to the provisions of the Trust Deed unless the Trustee and the Sponsor certify in writing that they are of the opinion that the modification (a) does not materially prejudice the interests of the Unitholders, does not operate to release the Trustee from any material obligation to the Unitholders and does not materially increase the amount of expenses chargeable on the assets of the Fund; or (b) is necessary in order to make possible compliance with any fiscal, statutory of official requirement; or (c) is made to correct a manifest error.

The Trustee of the Fund is First Citizens Trustee Services Limited.

2. Accounting policies

i) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for the fair value measurement of trading investment securities and other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest (SPPI).

The financial statements are presented in Trinidad and Tobago Dollars (TTD) which is the functional currency and all values are rounded to the nearest thousand, except when otherwise indicated.

Statement of compliance

The financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards.

Presentation of financial statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Income and expenses will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Fund.

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023 except for the adoption of new standards and interpretations noted below.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New and amended standards and interpretations

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1 – Effective 1 January 2024

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

These amendments had no material impact on the Fund.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 – Effective 1 January 2024

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

These amendments had no material impact on the Fund's financial statements.

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 – Effective 1 January 2024

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 – Effective 1 January 2024 (continued)

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require information to be provided about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

These amendments had no material impact on the Fund.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

Disclosures

- The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.
- The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

These amendments had no material impact on the Fund's financial statements.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

- **Lack of Exchangeability – Amendments to IAS 21**
  Effective for annual periods beginning on or after 1 January 2025.
  In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21).

  The amendments to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed.

  When applying the amendments, an entity cannot restate comparative information.

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

- **Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**
  Effective for annual periods beginning on or after 1 January 2026.
  In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

  - Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
  - Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
  - Clarifies the treatment of non-recourse assets and contractually linked instruments
  - Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**
  Effective for annual periods beginning on or after 1 January 2027.

  In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

  Statement of profit or loss
  An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

  IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**
  Effective for annual periods beginning on or after 1 January 2027.

  In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

  IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted.

  IFRS 19 will not impact the Fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting as a first-time adopter
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition
- IFRS 7 Financial Instruments: Disclosures – Disclosure of Deferred Difference between Fair Value and Transaction Price
- IFRS 7 Financial Instruments: Disclosures – Introduction and credit risk disclosures
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities
- IFRS 9 Financial Instruments – Transaction price
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'
- IAS 7 Statement of Cash Flows – Cost Method

iii) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and at bank, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Bank overdrafts, should they exist, are disclosed separately under 'liabilities' on the statement of financial position.

iv) Financial instruments

Financial assets

a. Initial recognition and subsequent measurement

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Amortised cost and effective interest method

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised separately in the statement of comprehensive income and is included in 'interest income'.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Amortised cost and effective interest method (continued)

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through statement of income on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding ("the SPPI test").

Financial assets at fair value through other comprehensive income (FVOCI)

Equity instruments at fair value through other comprehensive income (FVOCI)

On initial recognition, the Fund can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of re-sale in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the statement of income on disposal of the investments.

Debt instruments at fair value through other comprehensive income (FVOCI)

The Fund applies the category under IFRS 9 of debt instruments measured at fair value through other comprehensive income when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- the contractual cash flows of an asset give rise to payments on specified dates that are SPPI on the principal amount outstanding ("the SPPI test").

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (FVOCI) (continued)

Debt instruments at fair value through other comprehensive income (FVOCI) (continued)

The Fund does not have any equity instruments that are carried at FVOCI on initial application of IFRS 9 – *Financial Instruments.*

Financial assets at fair value through statement of income (FVSI)

Investments in equity instruments are classified as at FVSI, unless the Fund designates an investment that is not held for trading as at FVOCI on initial recognition. The Fund has designated all investments in equity instruments that are held for trading as FVSI on initial application of IFRS 9.

Debt instruments that do not meet the amortised cost criteria are measured at FVSI. In addition, debt instruments that meet the amortised cost criteria but are designated at FVSI are measured at FVSI. A debt instrument may be designated as at FVSI upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Fund has not designated any debt instrument as at FVSI.

Debt instruments are reclassified from amortised cost to FVSI when the business model is changed such that the amortised cost criteria is no longer met. Reclassification of debt instruments that are designated as at FVSI on initial recognition is not allowed. The Fund has not designated any debt instrument as FVSI.

Financial assets at FVSI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of comprehensive income. The net gain or loss recognised in the statement of comprehensive income is included in the ‘investment income’ line item.

Interest income on debt instruments as at FVSI is included in the net gain or loss described above.

Dividend income on investments in equity instruments at FVSI is recognised in the statement of comprehensive income when the Fund’s right to receive the dividends is established in accordance with IFRS 15 - *Revenue* and is included in the net gain or loss described above.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

Therefore,

- for financial assets that are classified as at FVSI, the foreign exchange component is recognised in the statement of comprehensive income;
- for equity instruments that are designated as at FVOCI, any foreign exchange component is recognised in other comprehensive income;
- for debt instruments that are designated as at FVOCI, any foreign exchange component is recognised in the statement of comprehensive income; and
- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the ‘other gains and losses’ line item in the statement of comprehensive income.

b. Impairment of financial assets

The Fund records an allowance for expected credit losses (ECLs) for debt financial assets not held at FVSI, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

The Fund uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Fund's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on an individual basis.

The Fund has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Significant increase in credit risk

The Fund continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Fund assesses whether there has been a significant increase in credit risk since initial recognition.

The Fund also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving an investment to the watch list, to non-investment grade, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Definition of default and cure

The Fund considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Fund also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Fund carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Fund's policy to consider a financial instrument as ‘cured’ and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Calculation of Expected Credit Losses (ECLs)

When estimating the ECLs, the Fund considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs. When relevant, it also incorporates how defaulted financial assets are expected to be recovered.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- *Probability of Default (PD):*

  The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

Calculation of Expected Credit Losses (ECLs) (continued)

- *Exposure at Default (EAD):*

  The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

  The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The mechanics of the ECL calculations are outlined below and the key elements are as follows: (continued)

- *Loss Given Default (LGD):*

  The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD.

For investments, the Fund primarily relies on international external credit rating agencies to provide data for PDs and LGDs.

Forward-looking information

In its ECL models, the Fund relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Stage 1

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Fund calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2

When a financial instrument has shown a significant increase in credit risk since origination, the Fund records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For financial instruments considered credit-impaired (as defined in Note 2 above), the Fund recognises the LTECLs for these financial instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.

In most instances, LGDs are determined on an individual investment basis, including discounting the expected cash flows at the original EIR.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

c. Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of comprehensive income. On derecognition of an equity instrument that is classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of comprehensive income, but is reclassified to retained earnings. On derecognition of debt instruments at FVOCI, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit and loss.

Financial liabilities

a. Initial recognition and subsequent measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the statement of comprehensive income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Fund's financial liabilities include fees payable, distributions payable, amounts due to related parties and other payables.

b. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

v) Fair valuation of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs at the close of business at the end of the reporting period for listed instruments.

For financial instruments not traded in an active market, the fair value is determined using appropriate internal valuation techniques. These pricing models consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates.

Consequently, estimates made do not necessarily reflect the amounts that the Fund would realise in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

2. Accounting policies (continued)

v) Fair valuation of financial instruments (continued)

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, interest and other receivables, management fee payable, distributions payable, trustee fees payable, and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

Investment securities

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value. This process relies on available market data to generate a yield curve for each country in which valuations were undertaken, using interpolated results where there were no market observable rates.

In pricing callable bonds, where information is available, the price of a callable bond is determined as at the call date using the Yield to Worst. For bonds with irregular cash flows (sinking funds, capitalisation of interest, moratoria, amortisations or balloon payments) a process of iteration employing the Internal Rate of Return is used to arrive at bond values. Yields on all tax-free bonds are grossed-up to correspond to similar taxable bonds at the prevailing rate of corporation tax.

Determination of fair value and fair value hierarchies

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

Included in the Level 1 category are financial assets that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

Level 2

Included in the Level 2 category are financial assets that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Fund’s own models whereby the majority of assumptions are market observable.

2. Accounting policies (continued)

v) Fair valuation of financial instruments (continued)

Determination of fair value and fair value hierarchies (continued)

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Fund has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

vi) Revenue recognition

Revenue for the Fund is generated from interest as well as dividend income on investments held on behalf of the unitholders.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Fund recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is accrued until the investment contractually becomes three months in arrears at which time the interest is suspended and then accounted for on a cash basis until the investment is brought up to date.

Investment income

The Fund calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVSI is recognised using the contractual interest rate in net trading income and net gains/(losses) on financial assets at fair value through statement of income, respectively.

Dividend income

Dividend income is recognised when the Fund's right to receive payment is established.

Other income and expenditure

Other income and expenditure are brought into account on the accruals basis.

vii) Subscriptions and redemptions

Subscriptions and redemptions are accounted for at the Net Asset Value calculated on the business day prior to the date of the subscription or redemption. Units may be subscribed at a minimum initial value of $25,000 and thereafter, the minimum amount of an additional investment is $5,000 in value, except in the instance of reinvestment of distributions. There are no limits as to the number of units that can be redeemed at any one time.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

2. Accounting policies (continued)

viii) Expenses

Fees are recognised on an accrual basis. Refer to Note 9 for management, administration and trustee fees. Audit fees are included within other expenses.

ix) Distributions to Unitholders

Distributions to Unitholders are recognised when they are ratified by the Trustee and are paid out quarterly.

x) Taxation

With respect to dividends which are derived locally, no income tax is payable by residents of Trinidad and Tobago.

xi) Functional and presentation currency

The Fund's functional currency is the Trinidad and Tobago Dollar (TTD), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in TTD. Therefore, the TTD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the TTD.

xii) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling as at the statement of financial position date. Non-monetary assets and liabilities are translated using exchange rates that existed at the date of the initial transaction. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of comprehensive income.

xiii) Unitholders' Capital

Unitholders' subscriptions and redemptions measured at par value are recognised in the 'Unitholders' balance' line in the statement of financial position. The differences between the net asset value (NAV) of the Fund and its par value is recorded in the 'retained fund'.

Classification of redeemable shares

Redeemable shares are classified as equity instruments when:

- The redeemable shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on the statement of income, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable shares having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund.
- The effect of substantially restricting or fixing the residual return to the redeemable Unitholders.

The issuance, acquisition and cancellation of redeemable shares are accounted for as equity transactions.

3. Significant accounting judgements and estimates

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Fund's exposure to risks and uncertainties include:

- Financial instruments' risk management (Note 11)
- Fund management (Note 14)

i) Judgement

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of financial instruments

The measurement of impairment losses under IFRS 9 across all categories of financial instruments requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Fund's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Fund's criteria for assessing if there has been a significant increase in credit risk and if so allowances for financial instruments should be measured on a LTECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Valuation of investments

Fair values are based on quoted market prices for the specific instrument, comparisons with other similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of judgement and applying judgement in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors.

4. Cash and cash equivalents

	2024	2023
Cash at bank	6,716	9,768
Short-term funds	29,531	8,436
	36,247	**18,204**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

5. Investment securities

	2024	2023
Investment securities designated at fair value through statement of income	36,834	90,038
Investment securities designated at amortised cost	71,743	164,404
Investment securities designated at fair value through other comprehensive income	203,300	78,663
Total investment securities	**311,877**	**333,105**
Investment securities designated at fair value through statement of income		
Equity securities	9,102	14,681
Managed Funds	–	36,655
Government securities	7,642	7,865
State-owned company securities	12,360	16,769
Corporate bonds and debentures	7,730	14,068
	36,834	**90,038**
Investment securities designated at amortised cost		
Government securities	9,843	10,669
State-owned company securities	26,236	29,761
Corporate bonds and debentures	35,664	123,974
	71,743	**164,404**
Investment securities designated at fair value through other comprehensive income		
Government securities	14,559	32,828
State-owned company securities	7,615	–
Corporate bonds and debentures	181,126	45,835
	203,300	**78,663**

Impairment allowance for investment securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Fund's credit rating system, aging and year-end stage classification.

Investment securities designated at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	71,828	–	–	71,828
ECL allowance as at 31 December 2024	(85)	–	–	(85)
Net exposure as at 31 December 2024	**71,743**	**–**	**–**	**71,743**
ECL allowance as at 1 January 2024	(115)	–	–	(115)
Credit loss income	30	–	–	30
At 31 December 2024	**(85)**	**–**	**–**	**(85)**

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2023	164,519	–	–	164,519
ECL allowance as at 31 December 2023	(115)	–	–	(115)
Net exposure as at 31 December 2023	**164,404**	**–**	**–**	**164,404**
ECL allowance as at 1 January 2023	(1,172)	–	–	(1,172)
Credit loss income	1,057	–	–	1,057
At 31 December 2023	**(115)**	**–**	**–**	**(115)**

5. Investment securities (continued)

Impairment allowance for investment securities (continued)

Investment securities designated at FVOCI

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	203,300	–	–	203,300
ECL allowance as at 31 December 2024	(189)	–	–	(189)
Net exposure as at 31 December 2024	**203,111**	**–**	**–**	**203,111**
ECL allowance as at 1 January 2024	(39)	–	–	(39)
ECL on new instruments issued during the year	4	–	–	4
Other credit loss movements, repayments etc.	(154)	–	–	(154)
At 31 December 2024	**(189)**	**–**	**–**	**(189)**

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2023	78,663	–	–	78,663
ECL allowance as at 31 December 2023	(39)	–	–	(39)
Net exposure as at 31 December 2023	**78,624**	**–**	**–**	**78,624**
ECL allowance as at 1 January 2023	(103)	–	–	(103)
ECL on new instruments issued during the year	11	–	–	11
Other credit loss movements, repayments etc.	53	–	–	53
At 31 December 2023	**(39)**	**–**	**–**	**(39)**

6. Unitholders' balances at par

	2024	
Authorised: Unlimited number of units	**Units**	**$**
Reconciliation of Unitholders' balances:		
Units outstanding at the beginning of the year	650,995	325,498
Units issued	34,922	19,245
Units redeemed	(36,907)	(20,311)
Value of units above par issued and redeemed in the year	–	74
Units outstanding at the end of the year (value of units at par)	**649,010**	**324,506**
Unitholders' earnings above par		31,638
Unitholders' balance		356,144
Net asset value per unit on Unitholders' balance		548.75
Other Unitholder movements		(5,066)
Total net asset value of fund		351,078
Adjusted net asset value per unit		540.95

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

6. Unitholders' balances at par (continued)

	2023	
	Units	**$**
Authorised:		
Unlimited number of units		
Reconciliation of Unitholders' balances:		
Units outstanding at the beginning of the year	741,031	370,515
Units issued	43,449	23,864
Units redeemed	(133,485)	(73,245)
Value of units below par issued and redeemed in the year	–	4,364
Units outstanding at the end of the year (value of units at par)	**650,995**	**325,498**
Unitholders' earnings above par		31,963
Unitholders' balance		357,461
Net asset value per unit on Unitholders' balance		549.10
Other Unitholder movements		(4,987)
Total net asset value of fund		352,474
Adjusted net asset value per unit		541.44

7. Interest and dividend income

	2024	**2023**
Interest income from investments designated at fair value through statement of income	1,693	6,356
Interest income from investments designated at fair value through through other comprehensive income	6,545	1,732
Interest income from financial assets designated at amortised cost	8,554	10,334
Dividend income	720	1,860
	17,512	**20,282**

8. Net realised and unrealised (gains)/losses on investment securities

Realised (gains)/losses on sale of investment securities	(852)	4,476
Unrealised losses on investments held at year end designated at fair value through statement of income	4,646	6,431
	3,794	**10,907**

9. Fees

The Investment Manager is paid quarterly from the assets of the Fund in the form of management fees, administrator fees and distributor fees, calculated on the basis of the average net asset value in that quarter, pro-rated where necessary on the basis of number of days remaining or elapsed in the quarter, according to an annual rate not to exceed a cumulative total of 4.25% on the average net asset value of the Fund.

The Trustee is paid from the assets of the Fund a fee not exceeding an annual rate of 0.15% on the average net asset value and such fee shall be subject to a minimum annual fee of $75,000, exclusive of VAT.

	2024	**2023**
Management fees	6,326	6,228
Trustee fees	542	582
	6,868	**6,810**

10. Fair value of financial instruments

i) Carrying amounts and fair values

The following table summarises the carrying amounts and the fair values of the Fund's financial assets and liabilities as at 31 December.

2024	**Carrying values**	**Fair values**	**Unrecognised loss**
Financial assets			
Cash and cash equivalents	36,247	36,247	–
Investment securities	311,877	310,537	(1,340)
Interest receivable	4,348	4,348	–
Total financial assets	**352,472**	**351,132**	**(1,340)**
Financial liabilities			
Management fee payable	1,091	1,091	–
Trustee fees payable	135	135	–
Distributions payable	111	111	–
Other payables	57	57	–
Total financial liabilities	**1,394**	**1,394**	**–**
2023			
Financial assets			
Cash and cash equivalents	18,204	18,204	–
Investment securities	333,105	330,552	(2,553)
Interest receivable	2,406	2,406	–
Total financial assets	**353,715**	**351,162**	**(2,553)**
Financial liabilities			
Management fee payable	946	946	–
Trustee fees payable	136	136	–
Distributions payable	116	116	–
Other payables	43	43	–
Total financial liabilities	**1,241**	**1,241**	**–**

ii) Determination of fair value and fair value hierarchies

2024	**Level 1**	**Level 2**	**Total**
Investment securities measured and designated at fair value through SOI			
Equity securities	9,102	–	9,102
Government securities	2,953	4,689	7,642
State-owned company securities	–	12,360	12,360
Corporate bonds and debentures	7,730	–	7,730
	19,785	**17,049**	**36,834**
Investment securities designated at amortised cost for which fair values are disclosed			
Government securities	–	9,649	9,649
State-owned company securities	–	26,034	26,034
Corporate bonds and debentures	3,461	31,259	34,720
	3,461	**66,942**	**70,403**
Investment securities measured and designated at fair value through OCI			
Government securities	9,121	5,438	14,559
State-owned company securities	–	7,615	7,615
Corporate bonds and debentures	181,126	–	181,126
	190,247	**13,053**	**203,300**

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

10. Fair value of financial instruments (continued)

ii) Determination of fair value and fair value hierarchies (continued)

2023	**Level 1**	**Level 2**	**Total**
Investment securities measured and designated at fair value through SOI			
Equity securities	14,681	–	14,681
Managed Funds	11,565	25,090	36,655
Government securities	3,084	4,781	7,865
State-owned company securities	–	16,769	16,769
Corporate bonds and debentures	10,733	3,335	14,068
	40,063	**49,975**	**90,038**
Investment securities designated at amortised cost for which fair values are disclosed			
Government securities	–	10,610	10,610
State-owned company securities	–	29,907	29,907
Corporate bonds and debentures	3,465	117,869	121,334
	3,465	**158,386**	**161,851**
Investment securities measured and designated at fair value through OCI			
Government securities	27,298	5,530	32,828
Corporate bonds and debentures	45,835	–	45,835
	73,133	**5,530**	**78,663**

iii) Transfers between Level 1 and 2

For the years ended 31 December 2024 and 31 December 2023, there were no transfer of assets between Level 1 and Level 2.

iv) Movements in Level 3 financial instruments

For the years ended 31 December 2024 and 31 December 2023, there were no Level 3 financial instruments.

11. Risk management

Introduction

Risk is inherent in the Fund's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

This process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to credit risk, liquidity risk and market risk.

Role of the Trustee

The Trustee is the custodian of the Fund and their responsibility is that of safeguarding Unitholders' interests. The Trustee approves all distribution of income from the Fund and ensures that the Fund is externally audited every year. They also ensure that all provisions within the prospectus are followed by the Investment Manager and all regulatory requirements are fulfilled.

Risk management structure

The Bank which acts as the Fund Sponsor, Distributor, Administrator and Investment Manager, is ultimately responsible for identifying and controlling risks. The Bank is also responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Bank in compliance with the policies approved by the Board of Directors.

11. Risk management (continued)

Treasury management

The Fund employs the Treasury function of the Bank, which is responsible for managing the Fund's assets and liabilities and the overall financial structure. The Treasury function is also primarily responsible for the funding and liquidity risks of the Fund.

Concentrations of risk

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Fund's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Fund's procedures include specific monitoring control to focus on the maintenance of a diversified portfolio.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises credit risk, interest rate risk, currency risk and equity price risk each of which are considered below and include, where relevant, the sensitivity of the Fund's financial result on movements in certain market risk variables.

Credit risk management

Credit risk to the Fund is the potential that a counterparty will fail to meet its stated obligations in accordance with agreed terms. It is the Fund's policy to enter into financial arrangements with a variety of creditworthy counterparties and monitor the size of the exposure to any one issuer and the duration of the investment. The Fund's exposure to credit risk is limited to the value of its investment securities portfolio. The Bank, in its capacity as Investment Manager, is responsible for identifying and controlling credit risk.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Fund's portfolio, could result in losses that are different from those provided at the statement of financial position date. Management therefore carefully manages its exposure to credit risk.

The following table shows the maximum exposure to credit risk which represents a worst case scenario of credit risk exposure, without taking account of any collateral held or other credit enhancements. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

	Gross maximum exposure	
	2024	**2023**
Cash and cash equivalents	36,247	18,204
Interest receivable	4,348	2,406
Investment securities	302,586	318,385
	343,181	**338,995**

Cash and cash equivalents

These funds are placed with highly rated local banks. Management therefore considers the risk of default of these counterparties to be very low.

Credit quality

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures. PDs and LGDs for non-traded instruments as well as local debt instruments were based on three notches below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. EAD equals the amortised security balance plus accrued interest.

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Investment debt securities measured at amortised cost

Stage 1	**2024**	**2023**
Gross balance	71,828	164,519
ECL	(85)	(115)
	71,743	**164,404**
ECL as a % of Gross balance	0.12%	0.07%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

11. Risk management (continued)

Investment debt securities measured and designated at fair value through other comprehensive income

Stage 1	**2024**	**2023**
Gross balance	203,300	78,663
ECL	(189)	(39)
	203,111	**78,624**
ECL as a % of Gross balance	0.09%	0.05%

There were no investment debt securities classified as stage 2 and 3 for the years ended 31 December 2024 and 31 December 2023.

Currency risk

The Fund takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its statement of financial position and cash flows. The Bank in its capacity as Investment Manager sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Fund's exposure to foreign currency exchange rate risk at 31 December, arising primarily from monetary financial assets denominated in United States Dollars (USD). The Fund had no financial liabilities denominated in currencies other than the reporting currency.

The final line of the table, illustrates the effect of a reasonably possible movement of the USD against the TTD, with all other variables held constant on the statement of comprehensive income.

	USD 2024	**USD 2023**
Financial assets		
Cash and cash equivalents	29,531	8,436
Investment securities	226,926	235,757
Interest receivable	3,572	1,550
Net currency risk exposure	**260,029**	**245,743**
Reasonably possible change in currency rate	5%	5%
Effect on income for the year	**13,001**	**12,287**

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund manages its interest rate exposure by investing in fixed and variable rate instruments.

11. Risk management (continued)

Interest rate risk (continued)

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Bank, in its capacity as Investment Manager, sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the Bank's Treasury department.

There was no impact of interest rate risk to the fund as no floating rate non-trading financial assets and liabilities were held in 2024 and 2023.

Liquidity risk

Liquidity risk is the risk that the Fund will be unable to liquidate positions to satisfy commitments to Unitholders for redemptions due to market conditions. This is managed by maintaining an adequate position in assets with maturities of less than one year.

The table analyses the Fund's financial liabilities into the relevant maturity funding based on the remaining period as at 31 December to the contractual maturity date.

2024	**Up to one year**	**Over one year**	**Total**
Financial liabilities			
Management fee payable	1,091	–	1,091
Trustee fees payable	135	–	135
Distributions payable	111	–	111
Other payables	57	–	57
Total financial liabilities	**1,394**	**–**	**1,394**
2023			
Financial liabilities			
Management fee payable	946	–	946
Trustee fees payable	136	–	136
Distributions payable	116	–	116
Other payables	43	–	43
Total financial liabilities	**1,241**	**–**	**1,241**

Equity price risk

Equity price risk is the risk that the fair value of equities will decrease as a result of decreases in equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Fund's investment portfolio. The effect on equity due to a reasonably possible change in equity indices is as follows:

Market indices	**Change in equity price**	**Effect on income 2024** + / -	**Effect on income 2023** + / -
TTSE	+ / - 3%	273	440

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of Trinidad and Tobago Dollars)
(Continued)

12. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled based on contractual undiscounted cashflows.

	2024			2023		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Assets						
Cash and cash equivalents	36,247	–	36,247	18,204	–	18,204
Investment securities	52,822	259,055	311,877	155,741	177,364	333,105
Interest receivable	4,348	–	4,348	2,406	–	2,406
Total assets	**93,417**	**259,055**	**352,472**	**176,351**	**177,364**	**353,715**
Liabilities						
Management fee payable	1,091	–	1,091	946	–	946
Trustee fees payable	135	–	135	136	–	136
Distributions payable	111	–	111	116	–	116
Other payables	57	–	57	43	–	43
Total liabilities	**1,394**	**–**	**1,394**	**1,241**	**–**	**1,241**

13. Related party transactions and balances

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Related party transactions are carried out on commercial terms and at market rates. The related assets, liabilities, income and expenses from these transactions are as follows:

	2024	2023
Liabilities		
Sponsor company	**1,091**	**946**
Income		
Sponsor company	**–**	**–**
Expenses		
Sponsor company	**6,326**	**6,228**
Unitholders' balances		
Sponsor company	6,578	6,437
Directors and key management personnel	63,445	62,068
Other related parties	39,420	36,326
	109,443	**104,831**
Distributions		
Directors	1,101	1,080
Other related parties	666	616
	1,767	**1,696**

14. Fund management

When managing capital, which is represented by Unitholders' balances, the objectives of the Fund Manager are:

- To comply with the requirements set out in the Fund's prospectus and Trust Deed;
- To safeguard the Fund's ability to continue as a going concern so that it can continue to provide returns for Unitholders; and
- To maintain a strong capital base to support the development of its business.

The Fund endeavours to invest the proceeds from the issue of units in appropriate investments while maintaining sufficient liquidity to meet redemptions where necessary, such liquidity being augmented by short-term borrowings or disposal of investment securities where

The use of proceeds from the issue of units is monitored on a daily basis by the Fund Manager, based on guidelines set out in the Prospectus and the Trust Deed. The Fund complied with the requirements set out in the Prospectus and Trust Deed during the reported financial periods and no changes were made to the Fund's objectives, policies and processes from the previous year.

15. Commitments and contingencies

The Fund has no capital commitments nor any contingencies for the years ended 31 December 2024 and 31 December 2023.

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ANSA US$ INCOME FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ANSA US$ Income Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in Unitholders' capital and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Trustee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements
(Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EY

Port of Spain
TRINIDAD
19 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Notes	2024	2023
Assets			
Cash and cash equivalents	4	300	557
Interest receivable		125	75
Investment securities	5	9,648	9,114
Total assets		10,073	9,746
Liabilities			
Management fee payable		22	23
Trustee fees payable		4	4
Distributions payable		3	3
Other payables		7	44
Total liabilities		36	74
Net assets		**10,037**	**9,672**
Unitholders' Capital			
Unitholders' balances at par	6	9,092	8,968
Capital (deficit)/reserve		(73)	2
Retained fund surplus		1,018	702
		10,037	**9,672**

The financial statements were approved by the Trustee and authorised for issue on 17 March 2025 and signed on their behalf by:

: Trustee

: Trustee

The accompanying notes form an integral part of these financial statements.

ANSA US$ INCOME FUND

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER, 2024

EXPRESSED IN
UNITED STATES DOLLARS

ansa MERCHANT BANK LIMITED | ansa US$ INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Notes	2024	2023
Income			
Interest and dividend income	7	577	472
Net realised and unrealised gains on investment securities	8	8	53
Net foreign exchange translation and other gains		7	7
Total income		592	532
Expenses			
Management fees	9	(128)	(121)
Impairment (expense)/write back		(5)	61
Trustee fees	9	(15)	(14)
Other expenses		(9)	(6)
Total expenses		(157)	(80)
Total income for the year		**435**	**452**
Other comprehensive (loss)/income that may be reclassified subsequently to profit and loss			
Debt instruments at fair value through other comprehensive income			
Net change in fair value during the year		(75)	13
Changes in allowance for expected credit losses		5	(2)
		(70)	11
Total comprehensive income for the year		**365**	**463**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' CAPITAL

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Note	Unitholders' balances at par	Retained fund surplus	Capital (deficit)/ reserve	Total
Balance as at 1 January 2023		8,998	379	(11)	9,366
Issue of units	6	1,158	–	–	1,158
Redemption of units	6	(1,188)	–	–	(1,188)
Distribution to Unitholders		–	(127)	–	(127)
Revaluation of FVOCI investments	6	–	(2)	13	11
Total income for the year		–	452	–	452
Balance as at 31 December 2023		8,968	702	2	9,672
Issue of units	6	1,197	–	–	1,197
Redemption of units	6	(1,063)	–	–	(1,063)
Distribution to Unitholders		–	(134)	–	(134)
Unitholders' transfer of gains	6	(10)	10		–
Revaluation of FVOCI investments		–	5	(75)	(70)
Total income for the year		–	435	–	435
Balance as at 31 December 2024		**9,092**	**1,018**	**(73)**	**10,037**

The accompanying notes form an integral part of these financial statements.

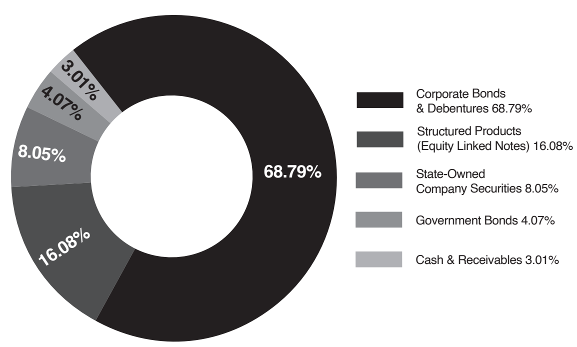
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

	Notes	2024	2023
Cash flows from operating activities			
Total income for the year		435	452
Adjustments:			
Impairment expense/(write back)		5	(61)
Amortisation on investment securities		(79)	(66)
Unrealised gains on investment securities	8	(3)	(22)
Gains on sale of investment securities	8	(5)	(31)
Surplus before working capital changes		353	272
Changes in assets/liabilities:			
Increase in interest receivable		(50)	(24)
(Decrease)/increase in payables		(38)	51
Net cash flows provided by operating activities		265	299
Cash flows from investing activities			
Purchase of investments		(10,754)	(7,366)
Proceeds from maturity/sale of investments		10,232	6,811
Net cash flows used in investing activities		(522)	(555)
Cash flows from financing activities			
Issue of units	6	1,197	1,158
Redemption of units	6	(1,063)	(1,188)
Distribution to Unitholders		(134)	(127)
Net cash flows used in financing activities		–	(157)
Net decrease in cash and cash equivalents		(257)	(413)
Cash and cash equivalents at the beginning of the year		557	970
Cash and cash equivalents at the end of the year	4	**300**	**557**
Supplemental information:			
Interest and dividend received		449	381
Distributions paid		134	127

The accompanying notes form an integral part of these financial statements.

PORTFOLIO MIX



TOP 10 HOLDINGS

SECURITY	% OF PORTFOLIO
CREDIT SUISSE 8.15% EQUITY LINKED NOTE DUE 2026	11.06%
GENERAL MOTORS 4.0% DUE 2025	8.12%
AT&T 5.25% DUE 2037	6.16%
RELIANCE INDUSTRIES 2.875% DUE 2032	5.95%
T-MOBILE 5.75% DUE 2034	5.87%
CONOCOPHILLIPS 6.95% DUE 2029	5.73%
UNITED MEXICAN STATES 6.05% SNR DUE 2040	5.56%
BRITISH AMERICAN TOBACCO PLC 3.557% DUE 2027	5.07%
SHERWIN-WILLIAMS 3.45% DUE 2027	5.03%
BARCLAYS PLC CONTINGENT 10.30% EQUITY LINKED NOTE DUE 2027	5.03%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)

1. Description of the Fund

The following brief description of the ANSA US$ Income Fund (the 'Fund') is provided for general information purposes only. Reference should be made to the Trust Deed and Rules of the Fund for more complete information.

General

The Fund is an open-ended mutual fund registered in Trinidad and Tobago, and established by ANSA Merchant Bank Limited (the 'Bank' or 'Fund Manager') under a Trust Deed dated 23 November 2010. The Bank whose registered office is 11C Maraval Road, Port of Spain, Trinidad and Tobago, is the Sponsor, Investment Manager, Administrator and Distributor of the Fund.

The principal activity of the Fund is to provide investors having similar investment objectives the opportunity to access professional investment management in achieving maximum income returns, minimisation of risk and reasonable safety of capital values.

The Fund may invest in securities and contracts, including sovereign debt, issued in countries other than Trinidad and Tobago, which are expected to provide high income yield and not expected to cause deterioration in capital values.

The Fund's capital is made up of two classes of Units. Class A Units which are issued to investors pursuant to the terms of the Prospectus and the Trust Deed and Class B Units which were issued to the Fund Sponsor (ANSA Merchant Bank Limited).

The Class B Unitholder is not entitled to receive any dividends and has no rights to the Fund's assets upon termination of the Fund, save and except for its original investment and any accretion thereto.

The Unitholders of the Fund have the right to vote with respect to certain matters related to the Fund. Voting by Class A Unitholders takes place at meetings which may be convened annually by the Trustee or which may be called by the Trustee at the request of the Class B Unitholder or a Unitholder(s) holding not less than 25% of the outstanding units of the Fund.

At Unitholder meetings, Unitholders are entitled, inter alia, to:

(i) require the removal of the Trustee and/or approve the appointment of a new Trustee; and

(ii) sanction any modification, alteration or addition to the provisions of the Trust Deed unless the Trustee and the Sponsor certify in writing that they are of the opinion that the modification (a) does not materially prejudice the interests of the Unitholders, does not operate to release the Trustee from any material obligation to the Unitholders and does not materially increase the amount of expenses chargeable on the assets of the Fund; or (b) is necessary in order to make possible compliance with any fiscal, statutory of official requirement; or (c) is made to correct a manifest error.

The Trustee of the Fund is First Citizens Trustee Services Limited.

2. Accounting policies

i) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for the fair value measurement of trading investment securities and other financial assets not held in a business model whose objective is to hold assets to collect contractual cash flows or whose contractual terms do not give rise solely to payments of principal and interest (SPPI).

The financial statements are presented in United States Dollars (USD) which is the functional currency and all values are rounded to the nearest thousand, except when otherwise indicated.

Statement of compliance

The financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards.

Presentation of financial statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Income and expenses will not be offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Fund.

2. Accounting policies

ii) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023 except for the adoption of new standards and interpretations noted below.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

ii) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1 – Effective 1 January 2024

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities as well as any facts and circumstances that indicate the entity may have difficulty complying with the covenants.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

These amendments had no material impact on the Fund.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 – Effective 1 January 2024

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

These amendments had no material impact on the Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 – Effective 1 January 2024

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require information to be provided about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

These amendments had no impact on the Fund.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

Disclosures

- The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.
- The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

These amendments had no impact on the Fund's financial statements.

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 (continued)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

- **Lack of Exchangeability – Amendments to IAS 21**
  Effective for annual periods beginning on or after 1 January 2025. In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21).

  The amendments to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed.

  When applying the amendments, an entity cannot restate comparative information.

- **Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**
  Effective for annual periods beginning on or after 1 January 2026.
  In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

  - Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
  - Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
  - Clarifies the treatment of non-recourse assets and contractually linked instruments
  - Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**
  Effective for annual periods beginning on or after 1 January 2027.

  In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

ii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

- **IFRS 18 – Presentation and Disclosure in Financial Statements** (continued)

  Statement of profit or loss
  An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

  IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**
  Effective for annual periods beginning on or after 1 January 2027.

  In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

  IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted.
  IFRS 19 will not impact the Fund.

Improvements to International Financial Reporting Standards

The annual improvements process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting as a first-time adopter
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition
- IFRS 7 Financial Instruments: Disclosures – Disclosure of Deferred Difference between Fair Value and Transaction Price
- IFRS 7 Financial Instruments: Disclosures – Introduction and credit risk disclosures
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities
- IFRS 9 Financial Instruments – Transaction price
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'
- IAS 7 Statement of Cash Flows – Cost Method

iii) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and at bank, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Bank overdrafts, should they exist, are disclosed separately under 'liabilities' on the statement of financial position.

2. Accounting policies (continued)

iv) Financial instruments

Financial assets

a. Initial recognition and subsequent measurement

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Amortised cost and effective interest method

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised separately in the statement of comprehensive income and is included in 'interest income'.

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through statement of income on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding ("the SPPI test").

Financial assets at fair value through other comprehensive income (FVOCI)

Equity instruments at fair value through other comprehensive income (FVOCI)

On initial recognition, the Fund can make an irrevocable election (on an instrument-by instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of re-sale in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to the statement of income on disposal of the investments.

Debt instruments at fair value through other comprehensive income (FVOCI)

The Fund applies the category under IFRS 9 of debt instruments measured at fair value through other comprehensive income when both of the following conditions are met:

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (FVOCI) (continued)

Debt instruments at fair value through other comprehensive income (FVOCI) (continued)

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- the contractual cash flows of an asset give rise to payments on specified dates that are SPPI on the principal amount outstanding ("the SPPI test").

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost.

The Fund does not have any equity instruments that are carried at FVOCI on initial application of IFRS 9 – *Financial Instruments.*

Financial assets at fair value through statement of income (FVSI)

Investments in equity instruments are classified as at FVSI, unless the Fund designates an investment that is not held for trading as at FVOCI on initial recognition. The Fund has designated all investments in equity instruments that are held for trading as FVSI on initial application of IFRS 9.

Debt instruments that do not meet the amortised cost criteria are measured at FVSI. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVSI are measured at FVSI. A debt instrument may be designated as at FVSI upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Fund has not designated any debt instrument as at FVSI.

Debt instruments are reclassified from amortised cost to FVSI when the business model is changed such that the amortised cost criteria is no longer met. Reclassification of debt instruments that are designated as at FVSI on initial recognition is not allowed. The Fund has not designated any debt instrument as FVSI.

Financial assets at FVSI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of comprehensive income. The net gain or loss recognised in the statement of comprehensive income is included in the 'investment income' line item.

Interest income on debt instruments as at FVSI is included in the net gain or loss described above.

Dividend income on investments in equity instruments at FVSI is recognised in the statement of comprehensive income when the Fund's right to receive the dividends is established in accordance with IFRS 15 - *Revenue* and is included in the net gain or loss described above.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

Therefore,

- for financial assets that are classified as at FVSI, the foreign exchange component is recognised in the statement of comprehensive income;
- for equity instruments that are designated as at FVOCI, any foreign exchange component is recognised in other comprehensive income;
- for debt instruments that are designated as at FVOCI, any foreign exchange component is recognised in the statement of comprehensive income; and

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

a. Initial recognition and subsequent measurement (continued)

Foreign exchange gains and losses (continued)

Therefore, (continued)

- for foreign currency denominated debt instruments measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'other gains and losses' line item in the statement of comprehensive income.

b. Impairment of financial assets

The Fund records an allowance for expected credit losses (ECLs) for debt financial assets not held at FVSI, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The Fund uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Fund's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on an individual basis.

The Fund has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Significant increase in credit risk

The Fund continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Fund assesses whether there has been a significant increase in credit risk since initial recognition.

The Fund also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving an investment to the watch list, to non-investment grade, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Definition of default and cure

The Fund considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Fund also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Fund carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Fund's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Calculation of Expected Credit Losses (ECLs)

When estimating the ECLs, the Fund considers among other factors the risk rating category and aging of the financial asset. Each of these is associated with different PDs, EADs and LGDs. When relevant, it also incorporates how defaulted financial assets are expected to be recovered.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

Calculation of Expected Credit Losses (ECLs) (continued)

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- *Probability of Default (PD):*

  The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- *Exposure at Default (EAD):*

  The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

  The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

- *Loss Given Default (LGD):*

  The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD.

For investments, the Fund primarily relies on international external credit rating agencies to provide data for PDs and LGDs.

Forward-looking information

In its ECL models, the Fund relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The mechanics of the ECL method are summarised below:

Stage 1
The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Fund calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2
When a financial instrument has shown a significant increase in credit risk since origination, the Fund records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

2. Accounting policies (continued)

iv) Financial instruments (continued)

Financial assets (continued)

b. Impairment of financial assets (continued)

Stage 3
For financial instruments considered credit-impaired (as defined in Note 2 above), the Fund recognises the LTECLs for these financial instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.

In most instances, LGDs are determined on an individual investment basis, including discounting the expected cash flows at the original EIR.

c. Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of comprehensive income. On derecognition of an equity instrument that is classified as FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the statement of comprehensive income, but is reclassified to retained earnings. On derecognition of debt instruments at FVOCI, cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit and loss.

Financial liabilities

a. Initial recognition and subsequent measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through the statement of comprehensive income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Fund's financial liabilities include fees payable, distributions payable, amounts due to related parties and other payables.

b. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognising of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

v) Fair valuation of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs at the close of business at the end of the reporting period for listed instruments.

For financial instruments not traded in an active market, the fair value is determined using appropriate internal valuation techniques. These pricing models consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

v) Fair valuation of financial instruments (continued)

The estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates.

Consequently, estimates made do not necessarily reflect the amounts that the Fund would realise in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, interest and other receivables, management fee payable, distributions payable, trustee fees payable, and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

Investment securities

The fair value of trading investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value. This process relies on available market data to generate a yield curve for each country in which valuations were undertaken, using interpolated results where there were no market observable rates.

In pricing callable bonds, where information is available, the price of a callable bond is determined as at the call date using the Yield to Worst. For bonds with irregular cash flows (sinking funds, capitalisation of interest, moratoria, amortisations or balloon payments) a process of iteration employing the Internal Rate of Return is used to arrive at bond values. Yields on all tax-free bonds are grossed-up to correspond to similar taxable bonds at the prevailing rate of corporation tax.

Determination of fair value and fair value hierarchies

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

<u>Level 1</u>

Included in the Level 1 category are financial assets that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

<u>Level 2</u>

Included in the Level 2 category are financial assets that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Fund's own models whereby the majority of assumptions are market observable.

2. Accounting policies (continued)

v) Fair valuation of financial instruments (continued)

Determination of fair value and fair value hierarchies (continued)

<u>Level 3</u>

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Fund has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

vi) Revenue recognition

Revenue for the Fund is generated from interest as well as dividend income on investments held on behalf of the unitholders.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial instruments designated at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Fund recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is accrued until the investment contractually becomes three months in arrears at which time the interest is suspended and then accounted for on a cash basis until the investment is brought up to date.

Investment income

The Fund calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVSI is recognised using the contractual interest rate in net trading income and net gains/(losses) on financial assets at fair value through statement of income, respectively.

Dividend income

Dividend income is recognised when the Fund's right to receive payment is established.

Other income and expenditure

Other income and expenditure are brought into account on the accruals basis.

vii) Subscriptions and redemptions

Subscriptions and redemptions are accounted for at the Net Asset Value calculated on the business day prior to the date of the subscription or redemption. Units may be subscribed at a minimum initial value of $3,000 and thereafter, the minimum amount of an additional investment is $500 in value, except in the instance of reinvestment of distributions. There are no limits as to the number of units that can be redeemed at any one time.

viii) Expenses

Fees are recognised on an accrual basis. Refer to Note 9 for management, administration and trustee fees. Audit fees are included within other expenses.

ix) Distributions to Unitholders

Distributions to Unitholders are recognised when they are ratified by the Trustees and are paid out quarterly.

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

2. Accounting policies (continued)

x) Taxation

With respect to dividends which are derived locally, no income tax is payable by residents of Trinidad and Tobago.

xi) Functional and presentation currency

The Fund's functional currency is the United States Dollar (USD), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in USD. Therefore, the USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the USD.

xii) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are expressed in United States dollars at rates of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities are translated using exchange rates that existed at the date of the initial transaction. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of comprehensive income.

xiii) Unitholders' Capital

Unitholders' subscriptions and redemptions measured at par value are recognised in the 'Unitholders' balance' line in the statement of financial position. The differences between the net assets (NAV) of the Fund and its par value is recorded in the 'retained fund'.

Classification of redeemable shares

Redeemable shares are classified as equity instruments when:

- The redeemable shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on the statement of income, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable shares having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund.
- The effect of substantially restricting or fixing the residual return to the redeemable Unitholders.

The issuance, acquisition and cancellation of redeemable shares are accounted for as equity transactions.

3. Significant accounting judgements and estimates

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Fund's exposure to risks and uncertainties include:

- Financial instruments' risk management (Note 11)
- Fund management (Note 14)

i) Judgement

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

3. Significant accounting judgements and estimates (continued)

i) Judgement (continued)

Impairment of financial instruments

The measurement of impairment losses under IFRS 9 across all categories of financial instruments requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Fund's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Fund's criteria for assessing if there has been a significant increase in credit risk and if so allowances for financial instruments should be measured on a LTECL basis and the qualitative assessment
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Valuation of investments

Fair values are based on quoted market prices for the specific instrument, comparisons with other similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of judgement and applying judgement in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors.

4. Cash and cash equivalents	**2024**	**2023**
Cash at bank	277	468
Short-term funds	23	89
	300	**557**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rate.

5. Investment securities	**2024**	**2023**
Investment securities designated at fair value through statement of income	401	1,303
Investment securities designated at amortised cost	1,599	3,662
Investment securities designated at fair value through other comprehensive income	7,648	4,149
Total investment securities	**9,648**	**9,114**
Investment securities designated at fair value through statement of income		
Managed Funds	–	166
State-owned company securities	401	402
Corporate bonds and debentures	–	735
	401	**1,303**
Investment securities designated at amortised cost		
Corporate bonds and debentures	1,599	3,662
	1,599	**3,662**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

5. Investment securities (continued)

Investment securities designated at fair value through other comprehensive income

State-owned company securities	400	–
Government bonds	405	1,648
Corporate bonds and debentures	6,843	2,501
	7,648	**4,149**

Impairment allowance for investment securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Fund's credit rating system, aging and year-end stage classification.

Investment securities designated at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	1,601	–	–	1,601
ECL allowance as at 31 December 2024	(2)	–	–	(2)
Net exposure as at 31 December 2024	**1,599**	**–**	**–**	**1,599**
ECL allowance as at 1 January 2024	(1)	–	–	(1)
Other credit loss movements, repayments etc.	(1)	–	–	(1)
At 31 December 2024	**(2)**	**–**	**–**	**(2)**

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2023	3,663	–	–	3,663
ECL allowance as at 31 December 2023	(1)	–	–	(1)
Net exposure as at 31 December 2023	**3,662**	**–**	**–**	**3,662**
ECL allowance as at 1 January 2023	(60)	–	–	(60)
Other credit loss movements, repayments etc.	39	–	–	39
Credit loss income	20	–	–	20
At 31 December 2023	**(1)**	**–**	**–**	**(1)**

5. Investment securities (continued)

Impairment allowance for investment securities (continued)

Investment securities designated at FVOCI

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2024	7,648	–	–	7,648
ECL allowance as at 31 December 2024	(7)	–	–	(7)
Net exposure as at 31 December 2024	**7,641**	**–**	**–**	**7,641**
ECL allowance as at 1 January 2024	(3)	–	–	(3)
ECL on new instruments issued during the year	(3)	–	–	(3)
Other credit loss movements, repayments etc.	(1)	–	–	(1)
At 31 December 2024	**(7)**	**–**	**–**	**(7)**

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 31 December 2023	4,149	–	–	4,149
ECL allowance as at 31 December 2023	(3)	–	–	(3)
Net exposure as at 31 December 2023	**4,146**	**–**	**–**	**4,146**
ECL allowance as at 1 January 2023	(5)	–	–	(5)
ECL on new instruments issued during the year	(1)	–	–	(1)
Other credit loss movements, repayments etc.	3	–	–	3
At 31 December 2023	**(3)**	**–**	**–**	**(3)**

6. Unitholders' balances at par

	2024	
Authorised:	Units	$
Unlimited number of units		
Reconciliation of Unitholders' balances:		
Units outstanding at the beginning of the year	89,690	8,968
Units issued	10,875	1,197
Units redeemed	(9,634)	(1,063)
Value of units above par issued and redeemed in the year	–	(10)
Units outstanding at the end of the year (value of units at par)	**90,931**	**9,092**
Unitholders' earnings above par		939
Unitholders' balance		10,031
Net asset value per unit on Unitholders' balance		110.31
Other Unitholder movements		6
Total net asset value of fund		10,037
Adjusted net asset value per unit		110.38

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

6. Unitholders' balances at par (continued)

	2023	
Authorised: Unlimited number of units	**Units**	**$**
Reconciliation of Unitholders' balances:		
Units outstanding at the beginning of the year	89,986	8,998
Units issued	10,876	1,158
Units redeemed	(11,172)	(1,188)
Value of unit below par issued and redeemed in the year		
Units outstanding at the end of the year (value of units at par)	**89,690**	**8,968**
Unitholders' earnings above par		754
		9,722
Unitholders' balance		
		108.40
Net asset value per unit on Unitholders' balance		
		(50)
Other Unitholder movements		
		9,672
Total net asset value of fund		
		107.84
Adjusted net asset value per unit		

7. Interest and dividend income

	2024	2023
Interest income from investments designated at fair value through statement of income	36	74
Interest income from investments designated at fair value through other comprehensive income	266	76
Interest income from financial assets designated at amortised cost	270	307
Dividend income	5	15
	577	**472**

8. Net realised and unrealised gains on investment securities

	2024	2023
Realised gains on sale of investment securities	5	31
Unrealised gains on investments held at year end designated at fair value through statement of income	3	22
	8	**53**

9. Fees

The Investment Manager is paid quarterly from the assets of the Fund in the form of management fees, administrator fees and distributor fees, calculated on the basis of the average net asset value in that quarter, pro-rated where necessary on the basis of number of days remaining or elapsed in the quarter, according to an annual rate not to exceed a cumulative total of 4.25% on the average net asset value of the Fund.

The Trustee is paid from the assets of the Fund a fee not exceeding an annual rate of 0.15% on the average net asset value and such fee shall be, subject to a minimum annual fee of $12,000, exclusive of VAT.

	2024	2023
Management fees	128	121
Trustee fees	15	14
	143	**135**

10. Fair value of financial instruments

i) Carrying amounts and fair values

The following table summarises the carrying amounts and the fair values of the Fund's financial assets and liabilities as at 31 December.

2024	**Carrying values**	**Fair values**	**Unrecognised loss**
Financial assets			
Cash and cash equivalents	300	300	–
Investment securities	9,648	9,593	(55)
Interest receivable	125	125	–
Total financial assets	**10,073**	**10,018**	**(55)**
Financial liabilities			
Management fee payable	22	22	–
Trustee fees payable	4	4	–
Distributions payable	3	3	–
Other payables	7	7	–
Total financial liabilities	**36**	**36**	**–**
2023			
Financial assets			
Cash and cash equivalents	557	557	–
Investment securities	9,114	9,030	(84)
Interest receivable	75	75	–
Total financial assets	**9,746**	**9,662**	**(84)**
Financial liabilities			
Management fee payable	23	23	–
Trustee fees payable	4	4	–
Distributions payable	3	3	–
Other payables	44	44	–
Total financial liabilities	**74**	**74**	**–**

ii) Determination of fair value and fair value hierarchies

2024	**Level 1**	**Level 2**	**Total**
Investment securities measured and designated at fair value through SOI			
State-owned company securities	**–**	**401**	**401**
Investment securities designated at amortised cost for which fair values are disclosed			
Corporate bonds and debentures	**–**	**1,544**	**1,544**
Investment securities measured and designated at fair value through OCI			
State-owned company securities	400	–	400
Government bonds	405	–	405
Corporate bonds and debentures	6,843	–	6,843
	7,648	**–**	**7,648**

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

10. Fair value of financial instruments (continued)

ii) Determination of fair value and fair value hierarchies (continued)

2023	**Level 1**	**Level 2**	**Total**
Investment securities measured and designated at fair value through SOI			
Managed Funds	166	–	166
State-owned company securities	–	402	402
Corporate bonds and debentures	238	497	735
	404	**899**	**1,303**
Investment securities designated at amortised cost for which fair values are disclosed			
Corporate bonds and debentures	**–**	**3,578**	**3,578**
Investment securities measured and designated at fair value through OCI			
Government bonds	1,648	–	1,648
Corporate bonds and debentures	2,501	–	2,501
	4,149	**–**	**4,149**

iii) Transfers between Level 1 and Level 2

For the years ended 31 December 2024 and 31 December 2023, there were no transfer of assets between Level 1 and Level 2.

iv) Movements in Level 3 financial instruments

For the years ended 31 December 2024 and 31 December 2023, there were no Level 3 financial instruments.

11. Risk management

Introduction

Risk is inherent in the Fund's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls.

This process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to credit risk, liquidity risk and market risk.

Role of the Trustee

The Trustee is the custodian of the Fund and their responsibility is that of safeguarding Unitholders' interests. The Trustee approves all distribution of income from the Fund and ensures that the Fund is externally audited every year. They also ensure that all provisions within the prospectus are followed by the Investment Manager and all regulatory requirements are fulfilled.

Risk management structure

The Bank which acts as the Fund Sponsor, Distributor, Administrator and Investment Manager, is ultimately responsible for identifying and controlling risks. The Bank is also responsible for the overall risk management approach and for approving the risk strategies, principles, policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Bank in compliance with the policies approved by the Board of Directors.

Treasury management

The Fund employs the Treasury function of the Bank, which is responsible for managing the Fund's assets and liabilities and the overall financial structure. The Treasury function is also primarily responsible for the funding and liquidity risks of the Fund.

11. Risk management (continued)

Concentrations of risk

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Fund's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Fund's procedures include specific monitoring control to focus on the maintenance of a diversified portfolio.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise credit risk, interest rate risk, currency risk and equity price risk each of which are considered below and include, where relevant, the sensitivity of the Fund's financial result on movements in certain market risk variables.

Credit risk management

Credit risk to the Fund is the potential that a counterparty will fail to meet its stated obligations in accordance with agreed terms. It is the Fund's policy to enter into financial arrangements with a variety of creditworthy counterparties and monitor the size of the exposure to any one issuer and the duration of the investment. The Fund's exposure to credit risk largely arises from its investment securities portfolio. The Bank, in its capacity as Investment Manager, is responsible for identifying and controlling credit risk.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Fund's portfolio, could result in losses that are different from those provided at the statement of financial position date. Management therefore carefully manages its exposure to credit risk.

The following table shows the maximum exposure to credit risk which represents a worst case scenario of credit risk exposure, without taking account of any collateral held or other credit enhancements. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

	Gross maximum exposure	
	2024	**2023**
Cash and cash equivalents	300	557
Interest receivable	125	75
Investment securities	9,641	9,114
	10,066	**9,746**

Cash and cash equivalents

These funds are placed with highly rated local banks. Management therefore considers the risk of default of these counterparties to be very low.

Credit quality

PDs and LGDs for traded instruments were based on the global credit ratings assigned to the instruments or the country for sovereign exposures. PDs and LGDs for non-traded instruments as well as local debt instruments were based on three notches below the credit rating of the sovereign in which the instrument is issued or on company ratings where they existed. EAD equals the amortised security balance plus accrued interest.

Analysis of gross carrying amount and the corresponding ECLs are as follows:

Investment debt securities measured at amortised cost

Stage 1	**2024**	**2023**
Gross balance	1,601	3,663
ECL	(2)	(1)
	1,599	**3,662**
ECL as a % of Gross balance	0.14%	0.02%

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

11. Risk management (continued)

Investment debt securities designated and measured at fair value through other comprehensive income

Stage 1	**2024**	**2023**
Gross balance	7,648	4,149
ECL	(7)	(3)
	7,641	**4,146**
ECL as a % of Gross balance	0.09%	0.08%

There were no investment debt securities classified as stage 2 and 3 for the years ended 31 December 2024 and 31 December 2023.

Currency risk

As at 31 December 2024 and 31 December 2023, all of the Fund's assets and liabilities are denominated in United States Dollars and therefore the Fund has no exposure to foreign currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund manages its interest rate exposure by investing in fixed and variable rate instruments.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Bank, in its capacity as Investment Manager, sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the Bank's Treasury department.

There was no impact of interest rate risk to the Fund as no floating rate non-trading financial assets and liabilities were held in 2024 and 2023.

11. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Fund will be unable to liquidate positions to satisfy commitments to Unitholders for redemptions due to market conditions. This is managed by maintaining an adequate position in assets with maturities of less than one year.

The table analyses the Fund's financial liabilities into the relevant maturity funding based on the remaining period as at 31 December to the contractual maturity date.

	Up to one year	**Over one year**	**Total**
2024			
Financial liabilities			
Management fee payable	22	–	22
Trustee fees payable	4	–	4
Distributions payable	3	–	3
Other payables	7	–	7
Total financial liabilities	**36**	**–**	**36**
2024			
Financial liabilities			
Management fee payable	23	–	23
Trustee fees payable	4	–	4
Distributions payable	3	–	3
Other payables	44	–	44
Total financial liabilities	**74**	**–**	**74**

Equity price risk

Equity price risk is the risk that the fair value of equities will decrease as a result of decreases in equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Fund's investment portfolio.

There was no impact of equity price risk to the Fund as no equities were held in 2024 and 2023.

12. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled based on contractual undiscounted cashflows.

	2024			**2023**		
	Less than 12 months	**Over 12 months**	**Total**	**Less than 12 months**	**Over 12 months**	**Total**
Assets						
Cash and cash equivalents	300	–	300	557	–	557
Investment securities	1,738	7,910	9,648	5,254	3,860	9,114
Interest receivable	125	–	125	75	–	75
Total assets	**2,163**	**7,910**	**10,073**	**5,886**	**3,860**	**9,746**
Liabilities						
Management fee payable	22	–	22	23	–	23
Trustee fees payable	4	–	4	4	–	4
Distributions payable	3	–	3	3	–	3
Other payables	7	–	7	44	–	44
Total liabilities	**36**	**–**	**36**	**74**	**–**	**74**

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Thousands of United States dollars)
(Continued)

13. Related party transactions and balances

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Related party transactions are carried out on commercial terms and at market rates. The related assets, liabilities, income and expenses for these transactions are as follows:

	2024	2023
Unitholders' balances		
Sponsor company	1,125	1,084
Directors and key management personnel	76	74
Other related parties	177	82
	1,378	**1,240**
Expense		
Sponsor company	**128**	**121**
Distributions		
Directors and key management personnel	1	1
Other related parties	2	1
	3	**2**

14. Fund management

When managing capital, which is represented by Unitholders' balances, the objectives of the Fund Manager are:

- To comply with the requirements set out in the Fund's prospectus and Trust Deed;
- To safeguard the Fund's ability to continue as a going concern so that it can continue to provide returns for Unitholders; and
- To maintain a strong capital base to support the development of its business.

The Fund endeavours to invest the proceeds from the issue of units in appropriate investments while maintaining sufficient liquidity to meet redemptions where necessary, such liquidity being augmented by short-term borrowings or disposal of investment securities where necessary.

The use of proceeds from the issue of units is monitored on a daily basis by the Fund Manager, based on guidelines set out in the Prospectus and the Trust Deed. The Fund complied with the requirements set out in the Prospectus and Trust Deed during the reported financial periods and no changes were made to the Fund's objectives, policies and processes from the previous year.

15. Commitments and contingencies

The Fund has no capital commitments nor any contingencies for the years ended 31 December 2024 and 31 December 2023.

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