First Citizens

Abercrombie

TTD MONTHLY FIXED INCOME FUND

Annual Report

for the financial year ending June 30, 2025

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MANAGEMENT DISCUSSIONS AND ANALYSIS

Gross Domestic Product (GDP) Growth in T&T for 2024 came in at 2.5% despite weakness in natural gas prices throughout the year, particularly H1'24. The growth momentum has since been reversed in 2025, with latest data from the Central Statistical Office (CSO) indicating a contraction in GDP of 2.1% for Q1'25 as a result of both the energy and non-energy sector contracting by 4.8% and 1% respectively. Looking ahead, the recovery trajectory of the energy sector is expected in the medium term, supported by new upstream investments, including BP's Mento project (which had first gas in May 2025), and the recently signed deal with ExxonMobil, however, the recent imposition of a 15% tariff by the United States (US) on Trinidad and Tobago's exports introduces a level of uncertainty. Government fiscal accounts will be supported by stronger natural gas prices, though weaker oil prices will weigh slightly; the fiscal deficit will narrow as a result to an average of 2.3% of GDP between 2026 -2028 according to S&P.

Global growth is projected to decelerate in 2025, with weakening trade, and rising geopolitical tensions putting downward pressure on activity. A significant development in early 2025 is the escalation of a global trade war, sparked by the US administration's aggressive tariff policy. Fitch Ratings forecasts that the global economy will expand by 1.6% for both 2025 and 2026 and will accelerate to 2.1% by 2027. Monetary easing by major Central Banks, particularly the US Federal Reserve, and the redistribution of trade will support global economic activity. Energy prices have experienced some volatility thus far in 2025, with the policy stance of the US, geopolitical conflicts, and OPEC+ production policies influencing the landscape. Forecasts from the US Energy Information Administration (EIA) show that WTI oil price will decline, averaging USD64.16/barrel (2025), dropping further to USD47.77/barrel (2026). Brent is expected to follow a similar trend, forecasted by the US EIA to average USD67.80/barrel (2025), and USD51.43/barrel (2026). Natural gas on the other hand is expected to gradually increase from an average price of USD3.66 per MMBtu (2025) to USD4.45 (2026).

The Abercrombie TTD Monthly Fixed Income Fund is an open-ended mutual fund that seeks to generate attractive current income along with principal preservation. This is achieved through investment in high-quality debt instruments denominated in both TT Dollars and US Dollars. The universe of investment assets comprise a range of short to intermediate term high-quality debt instruments issued by governments, central banks, statutory bodies, authorities and corporations both public and private, treasury bills, treasury notes and certificates of deposit. The Fund carries a low risk level with zero fluctuations in the Net Asset Value of the Fund.

The investment strategy overview involved an analysis of current and projected economic conditions, fiscal and monetary policy whilst taking into consideration the return objectives and risk parameters of the Fund. Given the interest rate environment and economic outlook on both the domestic and global fronts, the Fund's execution pipeline was concentrated on the shorter end of the curve to reduce market value volatility and interest rate sensitivity whilst benefitting from attractive yields. Given the expectation for continued economic uncertainty, the portfolio's asset mix is positioned conservatively to withstand any potential headwinds. Financial market conditions are monitored on an ongoing basis in order to assess any potential portfolio impacts.

SUMMARY OF INVESTMENT PORTFOLIO
As at June 30, 2025

Net Asset Value of the Fund (Total): **TTD $5,907,163,319**

Net Asset Value of the Fund (By Subgroups):

1. Asset Type

Category	% Of Net Asset Value
Bonds	48.01
Cash Equivalents	34.38
Cash	16.62
Money Market Funds	0.99
Total	**100%**

2. Domicile of Investment

Category	% Of Net Asset Value
Trinidad & Tobago	87.74
North America	12.26
Total	**100%**

3. Currency

Category	% Of Net Asset Value
TTD	86.03
USD	13.97
Total	**100%**

SUMMARY OF INVESTMENT PORTFOLIO (continued)
As at June 30, 2025

Top 10 Positions

1. ***By Credit Exposure***

Issuer	% Of Net Asset Value
FIRST CITIZENS GROUP	41.15
GOVERNMENT OF TRINIDAD & TOBAGO	27.25
GOVT OF THE UNITED STATES OF AMERICA	6.45
REPUBLIC FINANCE HOLDINGS LIMITED	4.31
SCOTIABANK TRINIDAD AND TOBAGO LIMITED	3.44
ANSA GROUP OF COMPANIES	1.90
NIPDEC	1.83
GUARDIAN HOLDINGS LIMITED	1.45
HOUSING DEVELOPMENT CORPORATION	1.35
MASSY HOLDINGS LIMITED	1.25
Total	**90.38%**

2. ***By Individual Holdings***

Investment	% Of Net Asset Value
FIRST CITIZENS GROUP CASH ACCOUNTS	16.58
GOTT 3.15% FXRB DUE 22.06.26	4.75
COP IN GOTT TT$2000MM TRIPLE TR 3.50%	2.69
GORTT TT$1B 3.71% FXRB DUE 28.08.2027	2.05
FCB ITC CD @ 4.00% 365 DAYS 24.06.26	1.95
COP IN NIPDEC TT$310.5M FR MED TERM BOND	1.75
GOTT $1.268B 4.90% DUAL TR FXRB 24.06.29	1.69
GOTT $2.5B 2.80% FXRB DUE 2026	1.67
FCB ITC CD @ 4.00% 364 DAYS MAT 24.03.26	1.54
FIRST CITIZENS GROUP CASH ACCOUNTS	16.58
Total	**34.67%**

SUMMARY OF INVESTMENT PORTFOLIO (continued)
As at June 30, 2025

Net Asset Value Methodology

In accordance with the terms of the Fund's Trust Deed, distributions to unitholders are at the Trustee's discretion. The fair value reserve relating to unrealized gains on the fair value of financial assets is considered by the Trustee to be distributable when realized and therefore does not rank for immediate distribution.

- **Net Assets Attributable to Shareholders** = Total Equity + Fair Value Reserve – Undistributed Surplus
- **Net Asset Value Per Unit** = $\frac{\text{Net Assets Attributable to Shareholders}}{\text{Number of units outstanding}}$

Disclosure(s):

- 100% of the Net Asset Value of this Fund is represented by Long positions
- The investment summary reflects the holdings as at the date specified. This is subject to change due to ongoing portfolio transactions. Quarterly updates are available.

Conflict of Interest Declaration

Any transaction executed with a related party was handled in accordance with the Groups Conflict of Interest Policy.

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TTD MONTHLY FIXED INCOME FUND

FUND'S DIRECTORY
For the year ended June 30, 2025

Trustee
First Citizens Trustee Services Limited
5th Floor East, Albion Plaza
22-24 Victoria Avenue
Port of Spain
Trinidad & Tobago

Register Office
5th Floor East, Albion Plaza
22-24 Victoria Avenue
Port of Spain
Trinidad and Tobago

Investment Manager
First Citizens Portfolio and
Investment Management Services Limited
17 Wainwright Street
St. Clair
Trinidad and Tobago

Fund Administrator & Custodian
First Citizens Depository Services Limited
4th and 5th Floors, Albion Plaza
22-24 Victoria Avenue
Port of Spain
Trinidad and Tobago

Legal Advisor
Pollonais, Blanc, de la Bastide & Jacelon
17-19 Pembroke Street
Port of Spain
Trinidad and Tobago

Fund Distribution Agent
First Citizens Investment Services Limited
17 Wainwright Street
St. Clair
Trinidad and Tobago

Auditor
Pricewaterhouse Coopers
11 - 13 Victoria Avenue,
Port of Spain, 100902
Trinidad and Tobago

Banker
First Citizens Bank Limited
9 Queen's Park East
Port of Spain
Trinidad & Tobago

STATEMENT OF TRUSTEE'S RESPONSIBILITIES
For the year ended June 30, 2025

The Trustee is responsible for the following:

preparing and fairly presenting the accompanying financial statements of The Abercrombie TTD Monthly Fixed Income Fund "the Fund", which comprise the statement of financial position as at 30 June 2025, the statements of comprehensive income and changes in equity and cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;

- ensuring that the Fund keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of the Fund's operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations; and
- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, the Trustee utilised the IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, the Trustee chose those considered most appropriate in the circumstances.

Nothing has come to the attention of the Trustee to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

The Trustee affirms that it has carried out its responsibilities as outlined above.

____________________ Trustee	____________________ Trustee
19 September 2025	19 September 2025

INDEPENDENT AUDITOR'S REPORT
For the year ended June 30, 2025

To the unitholders of
The Abercrombie TTD Monthly Fixed Income Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Abercrombie TTD Monthly Fixed Income Fund (the Fund) as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 30 June 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of the Trustee and those charged with governance for the financial statements

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Trustee 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, the Trustee 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 the Trustee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad, West Indies T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

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 judgement and maintain professional scepticism 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 the Trustee.

- Conclude on the appropriateness of the Trustee'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 those charged with governance 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.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
25 September 2025

STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 30 June 2025 $'000	As at 30 June 2024 $'000
Assets			
Investment securities			
Fair value through other comprehensive income (FVOCI)	4a	1,987,441	2,437,629
Fair value through profit or loss (FVPL)	4b	1,991,974	1,559,142
Amortised cost	4c	823,918	683,492
Income receivable		62,223	36,944
Cash and cash equivalents	5	1,040,239	1,127,744
Total assets		5,905,795	5,844,951
Liabilities			
Other payables		953	963
Due to related parties	6 (a)	7,629	5,622
Total liabilities		8,582	6,585
Equity			
Equity	7	5,897,213	5,838,366
Total equity		5,897,213	5,838,366
Total liabilities and equity		5,905,795	5,844,951

The notes on pages 14 to 46 are an integral part of these financial statements.

On 19 September 2025, the Board of Directors of First Citizens Trustee Services Limited, the Trustee of The Abercrombie TTD Monthly Fixed Income Fund authorised these financial statements for issue.

Director   Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Income			
Net interest income	8	182,857	158,944
Net realised loss on sale of investment securities		(7,817)	(1,592)
Net foreign exchange (loss)/gain		(35)	10
Net unrealised gain on investment securities (FVPL)		174	422
Total net income		175,179	157,784
Expenses			
Management and trustee fees	6 (a)	(102,689)	(89,988)
Other administrative expenses	6 (b)	(1,139)	(1,039)
Net impairment write back on financial assets	10 (a) (x)	1,380	1,051
Total expenses		(102,448)	(89,976)
Operating profit for the year transferred to retained earnings		72,731	67,808
Other comprehensive income for the year transferred to equity			
Fair value gains/(losses) arising during the year		18,008	(15,032)
Total comprehensive income for the year		90,739	52,776

The notes on pages 14 to 46 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
(Expressed in Trinidad and Tobago Dollars)

	Net assets attributable to unitholders $'000	Fair value reserve $'000	Retained earnings $'000	Total equity $'000
Year ended 30 June 2025				
Balance at beginning of year	5,813,306	(36,842)	61,902	5,838,366
Comprehensive income				
Operating profit for the year	--	--	72,731	72,731
Other comprehensive income for the year	--	18,008	--	18,008
Total comprehensive income	--	18,008	72,731	90,739
Transactions with unitholders				
Subscriptions	3,332,859	--	--	3,332,859
Redemptions	(3,292,195)	--	--	(3,292,195)
Distributions to unitholders	--		(72,556)	(72,556)
Total transactions with unitholders	40,664	--	(72,556)	(31,892)
Balance at end of year	5,853,970	(18,834)	62,077	5,897,213
Year ended 30 June 2024				
Balance at beginning of year	5,909,903	(21,810)	64,374	5,952,467
Comprehensive income				
Operating profit for the year	--	--	67,808	67,808
Other comprehensive income for the year	--	(15,032)	--	(15,032)
Total comprehensive income	--	(15,032)	67,808	52,776
Transactions with unitholders				
Subscriptions	3,611,813	--	--	3,611,813
Redemptions	(3,708,410)	--	--	(3,708,410)
Distributions to unitholders	--	--	(70,280)	(70,280)
Total transactions with unitholders	(96,597)	--	(70,280)	(166,877)
Balance at end of year	5,813,306	(36,842)	61,902	5,838,366

The notes on pages 14 to 46 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 June 2025 $'000	2024 $'000
Cash flows from operating activities			
Operating profit for the year		72,731	67,808
Unrealised gain on investment securities - FVPL		(174)	(422)
Net impairment write back on financial assets	10 (a) (x)	(1,380)	(1,051)
Increase in receivables		(25,279)	(5,939)
Increase/(decrease) in liabilities		1,997	(1,240)
Purchase of investment securities		(2,997,026)	(2,846,601)
Proceeds from maturities/sales of investment securities		2,893,518	2,803,612
Net cash (used in)/generated from operating activities		(55,613)	16,167
Cash flows from financing activities			
Subscriptions		3,332,859	3,611,813
Redemptions		(3,292,195)	(3,708,410)
Distributions paid		(72,556)	(70,280)
Net cash used in financing activities		(31,892)	(166,877)
Net decrease in cash and cash equivalents		(87,505)	(150,710)
Cash and cash equivalents at beginning of the year		1,127,744	1,278,454
Cash and cash equivalents at end of the year	5	1,040,239	1,127,744

The notes on pages 14 to 46 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

1 Description of the Fund

The following brief description of The Abercrombie TTD Monthly Fixed 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.

(a) *General information*

The Fund is an open-ended mutual fund domiciled and registered in Trinidad and Tobago and accordingly, there are no limits to the number of units which may be issued. It was established by First Citizens Bank Limited under a Trust Deed dated 25 September 1998, which was subsequently amended forming Trust Deed and Rules dated 17 October 2014.

In July 2007, First Citizens Trustee Services Limited was appointed Trustee of the Fund. The Fund's investment activities are managed by First Citizens Portfolio and Investment Management Services Limited (the Investment Manager), with First Citizens Depository Services Limited as its custodian and administrator. The Fund Distributor is First Citizens Investment Services Limited.

(b) *Subscriptions*

Subscriptions to the Fund are made by investors at a price per unit of $20 each. Units may be subscribed at an initial minimum value of $500.

(c) *Redemptions*

Units are redeemed without charge at a price per unit (bid price) based on the net asset value per unit at the date of receipt of the request for redemption. The Trustee seeks to maintain as far as is reasonably possible a bid price of $20 per unit. An investor can redeem the whole or part of his/her units in the form prescribed by the Trustee to the extent that his/her remaining units is not reduced below $500.00. This redemption can be in the form of cash or via electronic channels. Units having an aggregate value up to TT$1M may be redeemed in cash on the same business day of the request. Units up to an aggregate of TT$100,000.00 may be redeemed on the same business day via electronic channels, excluding automated teller machines. Units having an aggregate value of greater than TT$1M may be redeemed in cash within three (3) business days of request.

(d) *Distributions*

In accordance with the terms of the Trust Deed, distributions are made monthly out of the operating profits of the Fund. Investors have the option to either receive a cash distribution, or to reinvest income distributions into units at the prevailing subscription price as at the date of distribution.

(e) *Management and trustee fees*

Trustee fees are payable to the Trustee at a rate of 0.25% per annum on the average net assets of the Fund.

Investment management and custodian fees collectively are payable up to a maximum of 2.50% per annum on the average net assets of the Fund.

Distribution fees are payable to the distributor of the fund at a rate of 0.25% per annum on the average net assets of the Fund.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

1 Description of the Fund (continued)

(f) *Taxation*

Tax on income is withheld on distributions paid to non-resident unitholders at the rates applicable to the country in which the unitholders reside. Distribution income of the Fund will be subject to a deduction of tax in accordance with the current law.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) *Basis of preparation*

The financial statements of The Abercrombie TTD Monthly Fixed Income Fund have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

These financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(i) Standards, amendments and interpretations which are effective and have been adopted by the Fund in the accounting period.

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current (Effective 1 January 2024). The amendments aim to promote consistency in applying the requirements by helping the fund determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
- Amendments to IAS 1 - Non-current liabilities with covenants (Effective 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Summary of material accounting policies (continued)

a. *Basis of preparation (continued)*

(i) *Standards, amendments and interpretations which are effective and have been adopted by the Fund in the accounting period (continued)*

- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements (Effective 1 January 2024). The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows, and the exposure to liquidity risk.
- IFRS S1 - General requirements for disclosure of sustainability-related financial information (Effective 1 January 2024). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- IFRS S2 - Climate-related disclosures information (Effective 1 January 2024). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities

(ii) *Standards, amendments and interpretations issued to existing standards that are not yet effective and have not been early adopted by the Fund*

- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (Effective 1 January 2026). The amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

  The amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.
- IFRS1/IFRS 7/IFRS 9/IFRS10/IAS 7 - Annual Improvement to IFRS Accounting Standards volume 11 (Effective 1 January 2026)
- IFRS 18- Presentation and Disclosures in Financial Statements (Effective 1 January 2027) will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Fund is in the process of assessing the impact of the new and revised standards not yet effective on the financial statements and does not anticipate any material impact.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Summary of material accounting policies (continued)

b. *Foreign currency transactions*

Functional and presentation currency
The primary activity of the Fund is to invest in securities denominated in Trinidad and Tobago dollars. Subscriptions and redemptions of units are denominated in Trinidad and Tobago dollars. The performance of the Fund is measured and reported to the investors in Trinidad and Tobago dollars. The Trustee considers the Trinidad and Tobago dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Trinidad and Tobago dollars which is the Fund's functional and presentation currency. The exchange rate between the TT dollar and US dollar as at the 30 June 2025 was TT$6.6926 = US$1.00 (2024: TT$6.6926 = US$1.00). This rate represents the First Citizens Group (the "Group") midrate.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are recognised in the statement of Profit or Loss and Other comprehensive income.

c. *Financial assets and financial liabilities*

The Fund's financial assets and liabilities are recognised in the statement of financial position when it becomes party to the contractual obligation of the instrument.

(i) Financial assets
The Fund classifies its financial assets based on the following business models:

- Hold to collect
- Hold to collect and sell
- Hold for trading

- *Hold to Collect - Amortised cost*
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses (ECL) allowance recognised and measured as described in note 10.a. (iv). Interest income from these financial assets is included in "net interest income" using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the Statement of Profit or Loss and Other Comprehensive Income and presented in other gains/ (losses) together with foreign exchange gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the Statement of Profit or Loss and Other Comprehensive Income.

- *Hold to Collect and Sell - Fair value through other comprehensive income (FVOCI)*
Assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI).

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

3 Summary of material accounting policies (continued)

c. *Financial assets and financial liabilities (continued)*

(i) *Financial assets (continued)*

- *Hold to Collect and Sell - Fair value through other comprehensive income (FVOCI) (continued)*

Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit or loss.
When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net investment income". The interest income from these financial assets is included in "Net investment income" using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the Statement of Profit or Loss and Other Comprehensive Income and presented in "Net gains/ (losses)" together with "foreign exchange gains and losses". Impairment losses are presented as a separate line item in the Statement of Profit or Loss and Other Comprehensive Income.

- *Hold for Trading - Fair value through profit or loss (FVPL)*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in Statement of Profit or Loss and Other Comprehensive Income and presented net within net gain or loss in the period in which it arises.

- *Debt instruments*
  Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as government and corporate bonds.
  Classification and subsequent measurement of debt instruments depend on:
  (i) the Fund's business model for managing the asset and
  (ii) the cash flow characteristics of the asset.

  Fund's business model

  The business model reflects how the Fund manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Fund's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows from the sale of assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Management's identification of and response to various risks, which includes but not limited to liquidity risk, market risk, credit risk and interest rate risk.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Summary of material accounting policies (continued)

c. *Financial assets and financial liabilities (continued)*

(i) *Financial assets (continued)*

- Management considers, in classifying its assets, the level of historical sales and forecasted liquidity requirements.

  Arising out of the assessment, the portfolios were deemed to have the business models identified as follows:

Amortised Cost (Hold to Collect)	**FVOCI (Hold to Collect & Sell)**	**Fair value through profit or loss (Hold for Trading)**
Debt instruments with a modified duration of less than or equal to three (3) years at recognition	Debt instruments with a modified duration greater than three (3) years at recognition	Debt instruments with tenors less than or equal to one (1) year which can be easily liquidated within three (3) business days
Income receivable		Cash and cash equivalents
Due from related parties		

- *Solely payments of principal and interest (SPPI)*

  Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether flows represent SPPI. In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

  The Fund reclassifies debt instruments when and only when its business model for managing those assets changes. The classification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

  Impairment

  The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

  - An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
  - The time value of money; and
  - Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Summary of material accounting policies (continued)

c. *Financial assets and financial liabilities (continued)*

(i) *Financial assets (continued)*

- *Solely payments of principal and interest (SPPI) (continued)*

Impairment (continued)

- Note 10a. (iv) provides more detail of how the expected credit loss allowance is measured.

For receivables and related party balances, the Fund applies the simplified approach permitted by IFRS 9. Note 10 a. (iv) gives further details.

Recognition/de-recognition of financial assets

All purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the financial asset. Financial assets are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all risks and rewards of ownership.

(ii) *Financial liabilities*

Financial liabilities are classified and subsequently measured at amortised cost. Financial liabilities include due to related parties and other payables. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished (that is, when the obligation specified in the contract is discharged, cancelled or expired).

d. *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e. *Provisions*

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where there are a number of similar obligations, the likelihood that an outflow will be required if settlement is determined by considering the class of the obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Summary of material accounting policies (continued)

f. *Net assets attributable to unitholders*

The Fund issues one class of units. These are redeemable at the holder's option and are classified as equity in accordance with IAS 1 (Amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'.
Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value calculated in accordance with the Fund's regulations.

The units are carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercises the right to put the unit back to the Fund. Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption.

Should the redeemable units' terms and conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

g. *Interest income*

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income for all interest bearing- instruments on an accrual basis using the effective interest method based on the initial carrying amount. Interest income includes coupons earned on fixed income investments, loans and accrued discount and premium on treasury bills and other discounted instruments.
The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or the amortised cost of a financial liability. The calculation does not consider expected credit losses and include transaction costs, premium, discounts and all fees paid or received that are integral to the effective interest rate, such as origination fees.

For financial assets that are credit impaired (stage 3), interest income is calculated by applying the effective interest rate (EIR) to the carrying value net of the expected credit loss provision. For financial assets classified as Purchased or Originated Credit Impaired (POCI), the Fund calculates credit-adjusted effective interest rate, which is calculated based on the amortised cost of these financial assets instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

h. *Expenses*

Expenses are accounted for on the accrual basis.

i. *Subscriptions and redemptions*

Subscriptions and redemptions are accounted for on the accrual basis.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

2 Summary of material accounting policies (continued)

j. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

k. *Distributions*

Distributions are accounted for on the accrual basis in accordance with the Trust Deed and Rules. Distribution is declared to all investors on the last day of each calendar month out of the net profits and accretions to the Fund, if any, in such month after deduction of all fees and expenses. These are recognised in the Statement of Changes in Equity.

l. *Going concern*

The financial statements are prepared on the assumption that the Fund is a going concern and will continue in operation for the foreseeable future unless the Sponsor intends to either liquidate the Fund or to cease operations or has no realistic alternative but to do so. If such an intention or need exists, the financial statements will be prepared on a non-going concern basis.

The war in Ukraine is not expected to have a significant impact on the Fund. Management has determined that there is no material uncertainty that casts doubt on the Fund's ability to continue as a going concern. It expects that the war in Ukraine might have some impact, though not significant, in relation to the effects on some future asset valuations due to volatility in equity or debt security prices and foreign exchange rates.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

3 Critical accounting estimates and judgements

The Fund makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

(i) Fair value of financial instruments

The Fund uses the discounted cash flow method to determine the fair value of financial assets not traded in active markets. The discounted cash flow method discounts the cash flows of the financial assets at an appropriate yield plus a credit spread where applicable. The Group's credit spread methodology utilises gradient tenors and currency specific spreads.The appropriate credit spread for the agency or corporate fixed income security is determined using a cubic spline interpolation of the appropriate currency and credit rating category in the credit spread matrix on a per cash flow basis. This singular credit spread is then added to the discount spot rates to value the facility using the discounted cash flow method.

The models used to determine fair values are validated, and periodically reviewed by experienced personnel at Group Market Risk.

The carrying amount of fair value through other comprehensive income financial assets would decrease by $147,526,590 if the discount rate used in the discounted cash flow analysis is increased by 300 basis points from management's estimates (2024: $201,874,081). The carrying amount of financial assets at fair value through profit or loss would decrease by
$29,615,213 if the discount rate used in the discounted cash flow analysis is increased by 300 basis points from management's estimates (2024: $22,915,774).

(ii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 10
a. (vi), which also sets out key sensitivities of the ECL to changes in these elements. In the current environment additional factors were taken into consideration (note 10a. (iv) and 10 a. (v)).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL;
- Establishing groups of similar financial assets for the purpose of measuring ECL;
- Determination of macroeconomics drivers and forecasting macroeconomic scenarios;
- Recovery rates on unsecured exposures; and
- Drawdown of approved facilities.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

3 Critical accounting estimates and judgements (continued)

(iii) *Loss Given Default (LGD)*

The Loss Given Default rate on corporate senior unsecured bonds is estimated to be 60% based on the International Swaps and Derivatives Association Standard Credit Default Swap contract specification for North American corporate issuers. The LGD rate on sovereign senior unsecured bonds is estimated to be 46% based on the average LGD rate on Sovereign bonds during the period 1983 to 2023 as reported by Moody's Investors Service.

4 Investment securities

a. *Investments – Fair value through other comprehensive income (FVOCI)*

	30 June 2025 $'000	30 June 2024 $'000
Government debt securities	1,623,299	1,770,862
Corporate debt securities	364,142	666,767
	1,987,441	2,437,629
Movement		
Balance at the beginning of year	2,437,629	2,389,553
Additions	588,989	562,850
Maturities/sale of investment securities	(1,058,720)	(500,710)
Net unrealised gain/(loss) on revaluation of FVOCI	18,008	(15,032)
Net impairment of financial assets at FVOCI	1,535	968
Balance at the end of year	1,987,441	2,437,629

b. *Investments - Fair value through profit or loss (FVPL)*

	2025	2024
Government debt securities	--	146,015
Corporate debt securities	1,991,974	1,413,127
	1,991,974	1,559,142
Movement		
Balance at the beginning of year	1,559,142	1,852,415
Additions	2,192,873	1,796,690
Maturities/sale of investment securities	(1,760,215)	(2,090,385)
Net unrealised gain on revaluation of FVPL	174	422
Balance at the end of year	1,991,974	1,559,142

c. *Investments - Amortised cost*

	2025	2024
Government debt securities	704,396	636,838
Corporate debt securities	119,522	46,654
	823,918	683,492

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

4 Investment securities (continued)

	30 June 2025 $'000	30 June 2024 $'000
c. Investments - Amortised cost (continued)		
Movement		
Balance at the beginning of year	683,492	408,865
Additions	215,164	487,061
Maturities/sale of investment securities	(74,583)	(212,517)
Net impairment of financial assets at amortised cost	(155)	83
Balance at the end of year	823,918	683,492

5 Cash and cash equivalents

	2025 $'000	2024 $'000
Balances with banks	981,748	1,070,330
Short term investments	58,491	57,414
	1,040,239	1,127,744

6 (a) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

First Citizens Bank Limited acts as the Bank of the Fund with a banking relationship similar to that of any non-related bank.

The Trustee of the Fund is First Citizens Trustee Services Limited, which receives a fee based on the average net asset value of the Fund. Total trustee fees for the year amounted to $14,638,097 (2024: $14,789,045), with $1,209,904 (2024: $1,200,029) in outstanding accrued fees due at the end of the year.

First Citizens Portfolio and Investment Management Services Limited is the Investment Manager of the Fund and receives in return a fee based on the average net assets of the Fund. Total investment management fees for the year amounted to $54,676,485 (2024: $41,480,184), with $5,053,747 (2024: $2,078,404) in outstanding accrued fees due at the end of the year.

First Citizens Depository Services Limited is the Custodian of the Fund, and receives in return a fee based on the average net assets of the Fund. Total custodian fees for the year amounted to $18,736,764 (2024: $18,929,878), with $1,548,676 (2024: $1,536,038) in outstanding accrued fees due at the end of the year.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

6 (a) **Related party transactions (continued)**

First Citizens Investment Services Limited is the distributor of the Fund and receives a fee based on the average net asset value of the Fund. Total distribution fees for the year amounted to $14,638,097 (2024: $14,789,045), with $1,209,904 (2024: $1,200,029) in outstanding accrued fees due at the end of the year.

	2025 $'000	2024 $'000
Other balances		
Cash and cash equivalents	972,845	1,034,537
Investment securities	1,376,974	1,106,208
Other - Due (to)/from related parties	(7,629)	393
Net assets attributable to unitholders	38,732	53,676
Income receivable	28,154	7,326
Interest income	27,282	10,261
Distributions	392	638

6 (b) Audit fees for the year ended 30 June 2025, totaled $424,462 (2024: 424,462). Other fees paid to the auditor for non-assurance services totalled $26,500 (2024: 26,500).

7 Net assets attributable to unitholders

In accordance with the terms of the Fund's Trust Deed, distributions to unitholders are at the Trustee's discretion. The fair value reserve relating to unrealised gains on the fair value of financial assets is considered by the Trustee to be distributable when realised and therefore does not rank for immediate distribution.
The table below illustrates the calculation of the operating net asset value (NAV) of a unit in the Fund at the statement of financial position date used for the execution of subscriptions and redemptions of units:

	2025 $'000	2024 $'000
Total equity	5,897,213	5,838,366
Add fair value reserve	18,834	36,842
Less undistributed surplus	(62,077)	(61,902)
Net assets attributable to unitholders	5,853,970	5,813,306
Movement		
Balance at beginning of year	5,813,306	5,909,903
Subscriptions	3,332,859	3,611,813
Redemptions	(3,292,195)	(3,708,410)
Balance at end of year	5,853,970	5,813,306

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

7 Net assets attributable to unitholders (continued)

	2025 $'000	2024 $'000
Calculation of net asset value per unit		
Number of units outstanding at year end	292,701	290,667
Net asset value per unit	20.00	20.00

8 Net interest income

Interest income	180,654	144,373
Amortisation of:		
Premiums	(4,367)	(4,790)
Discounts	6,570	19,361
Net interest income	182,857	158,944

9 Distributions

	2025 %	2024 %
Average rate of return without reinvestment option	1.25	1.20
Annualised effective yield with the reinvestment option	1.24	1.19

10 Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is governed by the Group's risk management policies. These policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. As part of its mandate, the Board establishes written principles for overall risk management, as well as ensuring that policies are in place covering specific areas of risk. The most significant types of risk are credit risk, liquidity risk, market risk and non-financial risks. Market risk includes currency risk, interest rate risk and other price risks including commodity and equity risk.

The Group utilizes the three lines of defense concept to manage risk. The first line encompasses the units which design and implement controls to mitigate the risks which they face, the second line are control functions such as risk management and finance functions which monitor the first
line against these standards/controls. The third line is the Group's internal audit function, which provides additional assurance and independent review of risk management and the control environment.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

To assist the Board of Directors in fulfilling its duties, two Board Sub-Committees are in place to monitor and report to the Board of Directors on the overall risks within the Group - the Board Enterprise Risk Management (BERM) Committee and the Board Credit Committee (BCC); and two Senior Management Committees – the Senior Management Enterprise Risk Management Committee (SMERMC) and the Asset Liability Committee (ALCO).

The Group Enterprise Risk Management unit, headed by the Group Chief Risk Officer (GCRO), reports to both Sub-Committees through the SMERMC. This unit is responsible for the identification, analysis, measurement, monitoring and control of credit, market and operational risks for the Group through the Group Credit Risk Management Unit (GCRM), Group Market Risk Unit (GMR), Group Operational Risk and Controls Unit (GORC). Group Enterprise Risk Management also facilitates the monitoring of the Group's risk profile in relation to its risk appetite and the impact of developments in the aforementioned risk areas on strategy and how strategy should be adjusted in light of these developments.

The Asset Liability Committee's role is to manage and monitor the policies and procedures that address the financial risks associated with changing interest rates, foreign exchange rates and any factors that can affect the Group's liquidity. The ALCO seeks to limit risk to acceptable levels by monitoring and anticipating possible pricing differences between assets and liabilities across the Group via the Group Treasury and International Trade Centre. The Group Treasury and International Trade Centre's primary role and responsibility is to actively manage the Group's liquidity. The ALCO is also supported in some specific areas of activity by the Market Risk Committee.

The Group Internal Audit department is responsible for the independent review of risk management and the control environment and reports its findings and recommendations to the Board's Audit Committee.

The most significant types of financial risk are credit risk, market risk, concentration risk and liquidity risk. Market risk includes currency risk, interest rate and other price risk.

a. *Credit risk*

(i) *Definition*

The Fund is exposed to credit risk which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Fund is exposed arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and receivable balances.

(ii) *Management of risk*

Credit risk is mitigated to some extent by limiting the Fund's exposure to issuers with high credit ratings. The Fund also reduces this risk by prudent credit analysis of issuers to restrict questionable exposures in the Fund.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. Credit risk (continued)

(iii) *Credit risk grading*

The Fund uses the Group's internal credit risk grading or ratings which reflect its assessment of the risk profile or probability of default (PD) of counterparties. The Fund utilises one (1) rating model for all investment securities.

Investment securities

For sovereign and corporate investment securities, the ratings published by Standards and Poor's Rating Agency (S&P), Moody's, Fitch and Caricris where available, are used. For sovereigns with no S&P, Moody's, Fitch or Caricris rating, the Group's Economic Research Unit uses a model based on the S&P, Moody's or Fitch methodology to generate a rating. For corporate investment securities with no external rating, a rating is assigned using the Group's Borrower Risk Rating (BRR) model.

S&P, Moody's or Fitch published ratings are continuously monitored and updated. The PD's associated with each rating are determined based on realised default over the prior 12 months, as published by the rating agency. The ratings generated by the BRR model are also updated annually.

The Table below provides a comparative view of the rating models used by the First Citizens Group:

<table>
<tr><th></th><th>S&P Rating</th><th>Research & Analytics Risk Rating (Investment Securities)</th><th>FC Borrower Risk Rating (Corporate)</th><th>FC IG Code</th><th>Interpretation</th></tr>
<tr><td rowspan="4">Investment Grade</td><td>AAA, AA+</td><td>A+</td><td rowspan="2">1</td><td rowspan="2">98</td><td rowspan="2">Extremely Low Risk</td></tr>
<tr><td>AA, AA-</td><td>A</td></tr>
<tr><td>A+, A</td><td>A-</td><td>2</td><td>95</td><td>Very Low Risk</td></tr>
<tr><td>BBB+, BBB, BBB-</td><td>B+</td><td>3</td><td>90</td><td>Low Risk</td></tr>
<tr><td rowspan="4">Speculative Grade</td><td>BB+, BB, BB-</td><td>B</td><td>4</td><td>85</td><td>Moderate Risk</td></tr>
<tr><td>B+, B, B-</td><td>B-</td><td>5</td><td rowspan="2">80</td><td>High Risk</td></tr>
<tr><td>CCC+, CCC, CCC-, CC+, CC, CC-, C+, C, C-</td><td>C</td><td>6</td><td>Very High Risk</td></tr>
<tr><td>D</td><td>D</td><td>7</td><td>65</td><td>In Default</td></tr>
</table>

For 30 June 2025: 98.03% (2024: 93.61%) of the investments in debt securities and other bills have at least a BBB- based on Standards & Poor's Ratings.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. *Credit risk (continued)*

(iv) *Expected credit loss measurement*

The Fund applies the simplified approach to all amounts receivable and due from related parties. At initial recognition, the Fund recognises a loss allowance based on Lifetime ECLs. This approach does not require the significant estimation and judgement necessary to determine whether there have been changes in credit risk and whether such changes are significant. A provision matrix is used to measure the lifetime ECL.

For all investments, IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Fund.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. Please refer to note 10.a (v) for a description of how the Fund defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL within the next twelve (12) months. Instruments in Stages 2 or 3 have their ECL measured based on ECL on a lifetime basis. Please refer to note 10 a. (vi) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. Note 10 a. (vii) includes an explanation of how the Fund has incorporated this in its ECL model.
- Purchased or originated credit-impaired (POCI) financial assets are those assets that are credit- impaired on initial recognition. The ECL is always measured on a lifetime basis and is deemed “built-in” to the fair value on origination. A credit impaired effective interest rate is used to amortise these instruments to their maturity. Changes to the life-time ECL are adjusted in the amortised prices.

Further explanation is also provided on how the Fund determines appropriate groupings when ECL is measured on a collective basis refer to note 10a. (viii).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
(Initial recognition)	**(Significant increase in credit risk)**	**(Credit - impaired assets)**
12 month ECL	Lifetime ECL	Lifetime ECL

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 **Financial risk management (continued)**

a. *Credit risk (continued)*

(iv) *Expected credit loss measurement (continued)*

Significant increases in credit risk (SICR)

The Fund considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following criteria have been met.

Investment securities:

Criteria	*Hold to Collect/Hold to Collect and Sell Portfolio*	*Single "B" or High Yield Portfolio*
Absolute Measure	PD - 15% or higher	PD - 25% or higher
AND	AND	AND
Relative measure	One notch downgrade (Research & Analytics Risk Rating investment securities rating scale)	One notch downgrade (Research & Analytics Risk Rating investment securities rating scale)
OR	OR	OR
Absolute measure	Eurobonds in Trigger 3 CDS Breach	Eurobonds in Trigger 3 CDS Breach
Special Consideration	Evidence of cash flow strain and implied increased default risk	Evidence of cash flow strain and implied increased default risk

The Fund has not used the low credit risk exemption for any financial instruments in both years ended 30 June 2025 and 30 June 2024.

Significant decrease in credit risk (SDCR)

With respect to the cure for SICR, the Fund considers a significant decrease in credit risk has occurred when the following happens:

Investment securities:

Criteria	*Hold to Collect/Hold to Collect and Sell Portfolio*	*Single "B" or High Yield Portfolio*
Absolute Measure	PD - below 12.5%	PD -below 20%
AND	AND	AND
Relative measure	One notch upgrade (investment securities rating scale)	One notch upgrade (investment securities rating scale)
OR	OR	OR
Relative Measure	No Trigger 3 CDS breach for at least 10 consecutive trading days	No Trigger 3 CDS breach for at least 10 consecutive trading days
Special Consideration	Issuer has met contractual payments consistently for a period of one-year from initial classification of Stage 2	Issuer has met contractual payments consistently for a period of one-year from initial classification of Stage 2

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 **Financial risk management (continued)**

a. *Credit risk (continued)*

(v) *Definition of default and credit-impaired assets*

The Fund defines a financial instrument as in default or credit impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than ninety (90) days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower formally files for bankruptcy or there is a commencement of foreclosure proceedings.
- Restructure proceedings or an indication of the intention to restructure is initiated by the issuer (investment only).
- Bondholders triggering any Events of Default, triggering an immediate call on the investments.

The criteria above have been applied to all financial instruments held by the Fund and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), throughout the Fund's expected credit loss calculations.

An investment instrument is considered to no longer be in default (i.e. to have cured) when it has been restructured. An exception exists for credit impaired facilities at origination.

(vi) *Measuring ECL –Explanation of inputs, assumptions and estimation techniques*

The ECL is measured on either a twelve (12) month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the PD, EAD, and LGD, defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (as defined in note 10 a. (v), either over the next twelve (12) months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Fund expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). The EAD is calculated as the outstanding balance less the discounted collateral value.
- LGD is expressed as the percentage of loss expected to be incurred if the default occurs over the remaining expected lifetime of the investment security and represents management's expectation of the extent of loss on a defaulted exposure. LGD varies by seniority of claim and product type, while the availability of collateral is factored before LGD is considered.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. *Credit risk (continued)*

(vi) *Measuring ECL –Explanation of inputs, assumptions and estimation techniques (continued)*

PDs

The investment securities' PDs for sovereign and corporate instruments are taken from the Standard & Poor's (S&P) Annual Sovereign Default and Rating Transition Study and the Annual Global Corporate Default and Transition Study, respectively.

EAD

For amortising products EAD is based on the contractual repayments owed by the borrower over a twelve (12) month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment assumptions are also incorporated into the calculation.

LGD

For sovereign investment securities, LGDs are obtained from Moody's Investor Services' Data Report on Sovereign Global Default and Recovery Rates (1983-2022). Corporate investment securities LGDs are based on the standard terms for North American corporate entities CDS contracts, taken from Moody's Analytics' CDS-implied EDF™ Credit Measures and Fair-value Spreads.

(vii) *Forward-looking information incorporated in the ECL models*

Determination of macroeconomic scenarios and probabilities

For each country in which the Fund has investment securities, management performs a scenario analysis to determine the impact of future economic conditions on the PD in these countries. Two key Macroeconomic Variables (MEVs) which drive the economy are determined for each sovereign. These MEVs are largely determined by Management's judgement, based on knowledge of the sovereign and will only be used in the model if they correlate with the credit rating drivers and meet a priori expectations. The MEVs' impact on each of the sovereign's credit rating drivers is quantified through ordinary least squares regression. To establish scenarios, the MEVs are shocked such that the official forecast for each year moves up and down by a multiple of the historical standard deviation to establish a best and worst case. These new data points are inputted into the sovereign credit rating model and a new credit rating is derived in the worst and best cases for each sovereign. Data used in the update of the model as at 31 August 2024 incorporate the global economic conditions as at that particular point in time.

Credit ratings were forecasted for the next three years using these macro-economic scenarios. The weightings applied to the forecasted ratings were 60% for year 1, 20% each for year 2 and 3. These weightings were determined based on management's judgment and experience.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Management judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Economics Research Unit on a periodic basis and provide the best estimate view of the economy over the next three years. After three years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. *Credit risk (continued)*

(vii) *Forward-looking information incorporated in the ECL models (continued)*

The impact of these economic variables on the PD, EAD and LGD has been determined by performing regression analysis to understand the impact changes in these variables have had historically on default rates and LGD.

The most significant period-end assumptions used for the ECL estimate as at 30 June 2025 is GDP, given its significant impact on the financial performance of the Fund.

(viii) *Risk limit control and mitigation policies*

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, groups of borrowers, industry and country segments. The Fund monitors its concentration of credit exposure so that no single borrower default will have a material impact on the Fund. These limits are implemented and monitored by the Group Credit Risk Management Unit through the Group Credit Policy Manual. In instances where it is strategically beneficial and adequately documented, the Fund would seek approval on an exception basis for variation to the approved limits from the Board of Directors.

(a) Single borrower and borrower group exposure limits

Limits established by regulatory authorities have been incorporated into the credit policies where concentration is restricted by limiting credit amounts to a percentage of the capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all commercial credit relationships.

(b) Industry exposure limits

These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the Group for this purpose. The model utilises a scale incorporating scores of 1 to 6 with 1 being the least risky. Exposure limits as a percentage of the total credit portfolio have been established to the various Industry exposure categories based on the risk ranking.

(c) Country exposure limits

Exposure limits have been established for selected countries which are considered to be within the Fund's target market. Three (3) risk categories have been developed and the selected countries have been assigned to these categories based either on ratings issued by acceptable rating agencies or the Fund's own internal assessment of the strategic direction of the Fund. Maximum cross border exposure has been limited to a pre-determined portion of total assets and this amount is allocated to the various risk categories with a larger share being allocated to the more highly rated categories.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. *Credit risk (continued)*

(viii) *Risk limit control and mitigation policies (continued)*

(d) *Impairment and provisioning policies*

The Fund's impairment provision policy is covered in detail in Note 2(c) (i).

(ix) Maximum exposure to credit risk

	30 June 2025 $'000	2024 $'000
Gross maximum exposure		
Investment securities:		
- Fair value through other comprehensive income	1,987,441	2,437,629
- Fair value through profit or loss	1,991,974	1,559,142
- Amortised cost	823,918	683,492
Income receivable	62,223	36,944
Cash and cash equivalents	1,040,239	1,127,744
	5,905,795	5,844,951

The above table represents a worst case scenario of credit risk exposure to the Fund without taking account of any collateral held or other credit enhancements attached.

As shown above, 18.67% of the total maximum exposure is derived from cash and cash equivalents and receivables (June 2024: 19.93%), while 81.33% represents investments in other debt securities (June 2024: 80.07%).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Fund resulting from both its cash and cash equivalents and receivables portfolio and its other debt securities based on the following:

- The Fund limits its exposure to issuers with high credit ratings
- The Fund performs prudent credit analysis of issuers to restrict questionable exposures to the Fund.

Concentration of risks of financial assets with credit exposure

	Financial institutions $'000	Public sector $'000	Private sector $'000	Total $'000
As at 30 June 2025				
Investment securities	2,077,945	2,230,576	494,812	4,803,333
Income receivable	39,562	16,661	6,000	62,223
Cash and cash equivalents	1,040,239	--	--	1,040,239
	3,157,746	2,247,237	500,812	5,905,795

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. *Credit risk (continued)*

(ix) *Maximum exposure to credit risk (continued)*

	Financial institutions $'000	Public sector $'000	Private sector $'000	Total $'000
As at 30 June 2024				
Investment securities	1,703,712	2,553,714	422,837	4,680,263
Income receivable	13,910	16,562	6,472	36,944
Cash and cash equivalents	1,127,744	--	--	1,127,744
	2,845,366	2,570,276	429,309	5,844,951

(x) Expected credit loss

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Fund's maximum exposure to credit risk on these assets.

	30 June 2025			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Credit rating				
Investment grade	2,813,373	--	--	2,813,373
Standard monitoring	--	--	--	--
Special monitoring	--	--	--	--
Default	--	--	--	--
Gross balance	2,813,373	--	--	2,813,373
Loss allowance	(2,014)	--	--	(2,014)
Carrying balance	2,811,359	--	--	2,811,359

	30 June 2024			
	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Credit rating				
Investment grade	2,973,686	--	--	2,973,686
Standard monitoring	150,829	--	--	150,829
Special monitoring	--	--	--	--
Default	--	--	--	--
Gross balance	3,124,515	--	--	3,124,515
Loss allowance	(3,394)	--	--	(3,394)
Carrying balance	3,121,121	--	--	3,121,121

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. *Credit risk (continued)*

(x) *Expected credit loss (continued)*

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 are due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent step up (or step down) between 12 month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models; currently ten years of data for PDs are being used and management's intention is to maintain this ten year rolling average for the PDs;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets that were written off during the period.

For the financial year ended 30 June 2025, there was no significant increase in credit risk (SICR) on financial instruments.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

a. *Credit risk (continued)*

(x) *Expected credit loss (continued)*

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors.

Investment Securities	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at 1 July 2024	3,394	--	--	3,394
Movement with P&L Impact				
Transfer from stage 1 to stage 2	--	--	--	--
Transfer from stage 1 to stage 3	--	--	--	--
New financial assets originated	279	--	--	279
Change in PDs/LGDs/EADs	(1,174)	--	--	(1,174)
Repayment	(485)	--	--	(485)
Total net P&L charge during the period	(1,380)	--	--	(1,380)
Other movement with no P&L impact				
Investment securities derecognised during the period	--	--	--	--
Write-offs	--	--	--	--
Loss allowance as at 30 June 2025	2,014	--	--	2,014

Investment securities	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at 1 July 2023	4,445	--	--	4,445
Movement with P&L Impact				
Transfer from stage 1 to stage 2	--	--	--	--
Transfer from stage 1 to stage 3	--	--	--	--
New financial assets originated	362	--	--	362
Change in PDs/LGDs/EADs	(954)	--	--	(954)
Repayment	(459)	--	--	(459)
Total net P&L charge during the period	(1,051)	--	--	(1,051)
Other movement with no P&L impact				
Investment securities derecognised during the period	--	--	--	--
Write-offs	--	--	--	--
Loss allowance as at 30 June 2024	3,394	--	--	3,394

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

b. *Market risk*

The Fund takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

(i) *Currency risk*

(a) *Definition*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(b) *Management of risk*

The majority of the Fund's assets are denominated in Trinidad and Tobago dollars with 13.95% (2024:13.31%) denominated in United States dollars. All of the Fund's liabilities are denominated in Trinidad and Tobago dollars. The strategy is to minimise the amount of assets held in currencies other than Trinidad and Tobago dollars.

(c) *Concentration of currency risk*

The following table analyses the Fund's assets and liabilities by currency with all amounts denominated in Trinidad and Tobago dollars:

As at 30 June 2025	**TT $'000**	**US $'000**	**Total $'000**
Financial assets			
Investment securities	3,994,586	808,747	4,803,333
Income receivable	52,730	9,493	62,223
Cash and cash equivalents	1,034,735	5,504	1,040,239
Total financial assets	5,082,051	823,744	5,905,795
Financial liabilities			
Other payables	953	--	953
Due to related parties	7,629	--	7,629
Total financial liabilities	8,582	--	8,582
Net statement of financial position	5,073,469	823,744	

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

b. *Market risk (continued)*

(i) *Currency risk (continued)*

(c) *Concentration of currency risk (continued)*

As at 30 June 2024	**TT $'000**	**US $'000**	**Total $'000**
Financial assets			
Investment securities	3,945,079	735,184	4,680,263
Income receivable	29,981	6,963	36,944
Cash and cash equivalents	1,091,768	35,976	1,127,744
Total financial assets	5,066,828	778,123	5,844,951
Financial liabilities			
Other payables	963	--	963
Due to related parties	5,622	--	5,622
Total financial liabilities	6,585	--	6,585
Net statement of financial position	5,060,243	778,123	

(d) *Sensitivity analysis for currency risk*

The table below summarises the Fund's sensitivity to a reasonable change in the foreign exchange rate between the US Dollar and the TT Dollar with all other variables held constant on equity.

	Effect on equity 2025 $'000	**Effect on equity 2024 $'000**
Change in foreign exchange rate		
100 bps	8,237	7,781
-100 bps	(8,237)	(7,781)

(ii) *Interest rate risk*

(a) *Definition*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value and future cash flows of financial assets and liabilities. Fixed interest securities expose the Fund to fair value interest rate risk. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes to market interest rates. Debt instruments and cash and cash equivalents expose the Fund to cash flow interest rate risk. 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.

(b) *Management of risk*

The Fund manages its exposure to interest rate risk by monitoring the daily interest sensitivity gap and attempts to ensure that an appropriate mix of interest-bearing securities are held.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

b. *Market risk (continued)*

(ii) *Interest rate risk (continued)*

(c) *Concentration of interest rate risk*

The table below summarises the Fund's exposure to interest rate risk. The assets and liabilities are categorised by the contractual date.

	Up to one year $'000	One to five years $'000	Over five years $'000	Non-interest bearing $'000	Total $'000
As at 30 June 2025					
Investment securities	2,685,695	1,917,982	199,656	--	4,803,333
Income receivable	--	--	--	62,223	62,223
Cash and cash equivalents	1,040,239	--	--	--	1,040,239
Total financial assets	3,725,934	1,917,982	199,656	62,223	5,905,795
Other payables	--	--	--	953	953
Due to related parties	--	--	--	7,629	7,629
Total financial liabilities	--	--	--	8,582	8,582
Interest sensitivity gap	3,725,934	1,917,982	199,656		
As at 30 June 2024					
Investment securities	2,012,057	1,937,454	730,752	--	4,680,263
Income receivable	--	--	--	36,944	36,944
Cash and cash equivalents	1,127,744	--	--	--	1,127,744
Total financial assets	3,139,801	1,937,454	730,752	36,944	5,844,951
Other payables	--	--	--	963	963
Due to related parties	--	--	--	5,622	5,622
Total financial liabilities	--	--	--	6,585	6,585
Interest sensitivity gap	3,139,801	1,937,454	730,752		

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

b. *Market risk (continued)*

(ii) *Interest rate risk (continued)*

(d) *Sensitivity analysis for interest rate risk*

The table below summarise the Fund's sensitivity to a reasonable change in the market interest rate (2025: 300 bps; 2024: 300 bps) with all other variables held constant on operating profit, other comprehensive income and equity before distributions to unitholders are considered.

	Effect on operating profit $'000	Effect on other comprehensive income $'000	Effect on equity $'000
Year ended 30 June 2025			
Change in interest rate			
- 300bps	58,067	147,612	205,679
300bps	(58,067)	(147,612)	(205,679)
Year ended 30 June 2024			
Change in interest rate			
- 300bps	55,220	201,874	257,094
300bps	(55,220)	(201,874)	(257,094)

(iii) *Other price risk*

(a) *Definition*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from changes in interest rates or foreign exchange rates), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market.

(b) *Management of risk*

The Fund holds financial assets that are traded on registered exchanges and are private placements.

Other price risk is managed through a diversification of the financial assets portfolio. The managers of the Fund set prudent exposure limits among its asset classes. The Fund's overall investment exposures are monitored on a daily basis and are reviewed quarterly by the Investment Managers.

During the year, the Fund did not hold any equity investments.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

c. *Liquidity risk*

(a) *Definition*

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities and redeemable units.

(b) *Management of risk*

The Fund is exposed to daily cash redemption of redeemable units. It therefore invests the majority of its assets in marketable securities which can be disposed of in a relatively short space of time if the need arises.

The Fund has the ability to borrow using the Fund's assets as security at times when the Trustee considers it inadvisable to realise any of the assets of the Fund. Such borrowings may be used to provide cash to settle trades or to redeem units. No such borrowings have arisen during the year.

The Fund also provides for certain restrictions on the maximum value of units that can be redeemed in cash over defined periods of time and for the redemption of units in specie where there is insufficient cash available.

(c) *Maturity analysis of financial liabilities*

All balances are due within twelve months of the statement of financial position date and are equal to their carrying balances as the impact of discounting is not significant.

d. *Climate related risks*

Climate change presents immediate and long-term risks to the Fund and its clients with the risks expected to increase over time. Climate change risk refers to the risk of loss arising from climate change and is comprised of both physical risk and transition risk. Physical risk considers how chronic and acute climate change (e.g., increased storms, drought, fires, floods) can directly damage physical assets or otherwise impact their value or productivity.

Transition risk considers how changes in policy, technology, business practices and market preferences to address climate change can lead to changes in the value of assets. Climate change risk is an overarching risk that can act as a driver of other categories of risk, such as credit risk from obligors exposed to high climate risk, reputational risk from increased stakeholder concerns about financing high carbon industries and operational risk from physical climate risks to the Fund's Management's and Trustee's facilities.

The Fund currently identifies climate change risk as an emerging risk within its enterprise risk management framework. Emerging risks are risks or thematic issues that are either new to the landscape, or in the case of climate risk, existing risks that are rapidly changing or evolving in an escalating fashion, which are difficult to assess due to limited data or other uncertainties.

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

e. *Fair value of financial assets and financial liabilities*

(i) *Financial instruments not measured at fair value*

The fair values of the Fund's financial instruments are determined in accordance with International Financial Reporting Standards (IFRS 13). See note 3 for further details of the fair value measurements.

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Fund's statement of financial position at their fair value.

	Carrying value 30 June		Fair value 30 June	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Financial assets				
Cash and cash equivalents	1,040,239	1,127,744	1,040,239	1,127,744
Income receivable	62,223	36,944	62,223	36,944
Investment securities – at amortised cost	824,918	683,491	823,705	678,878
Financial liabilities				
Due to related parties	7,629	5,622	7,629	5,622
Other payables	953	963	953	963

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is approximately equal to fair value include cash and cash equivalents, income receivable, due to related parties and other payables.

Investment securities - Amortised cost

Fair value of investment securities carried at amortised cost is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using a discounted cash flow valuation methodology where all cash-flows of the instruments are discounted at an appropriate yield plus a credit spread where applicable. The fair value of investment securities at amortised cost portfolio is computed for disclosure purposes only.

(ii) *Fair value hierarchy*

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Fund's market assumptions. These two types of inputs have created the following fair value hierarchy: -

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

e. *Fair value of financial assets and financial liabilities (continued)*

(i) *Fair value hierarchy (continued)*

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

The following table analyses within the fair value hierarchy the Fund's investment securities as at 30 June 2025 and 30 June 2024:

	Level 1	Level 2	Level 3	Total
AS at 30 June 2025	**$'000**	**$'000**	**$'000**	**$'000**
Investment securities				
Fair value through other comprehensive income				
- Debt securities	518,178	1,409,478	59,785	1,987,441
	518,178	1,409,478	59,785	1,987,441
Fair value through profit or loss				
- Debt securities	--	1,991,974	--	1,991,974
	--	1,991,974	--	1,991,974
Total investment securities	518,178	3,401,452	59,785	3,979,415

	Level 1	Level 2	Level 3	Total
As at 30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**
Investment securities				
Fair value through other comprehensive income				
- Debt securities	258,950	2,029,686	148,993	2,437,629
	258,950	2,029,686	148,993	2,437,629
Fair value through profit or loss				
- Debt securities	146,015	1,413,127	--	1,559,142
	146,015	1,413,127	--	1,559,142
Total investment securities	404,965	3,442,813	148,993	3,996,771

Notes to the Financial Statements

For the year ended June 30, 2025

(Expressed in Trinidad and Tobago Dollars)

10 Financial risk management (continued)

e. *Fair value of financial assets and financial liabilities (continued)*

(ii) *Fair value hierarchy (continued)*

Reconciliation of Level 3 items:

	Corporate debt securities 2025 $'000	Corporate debt securities 2024 $'000
Opening balance	148,993	157,319
Transfers to Level 2	(26,980)	--
Addition	--	--
Net impairment writeback	1,621	598
Net unrealised loss on revaluation	(516)	(2,272)
Principal repayments/maturities	(63,333)	(6,652)
Closing balance	59,785	148,993

For bonds classified as level 3, unobservable inputs are used to determine the credit spreads for corporate bonds. If the credit spreads were to shift by 100bps up or down with all their variables held constant, the impact on the carrying value of the level 3 bonds would be $247,687 (2024: $1,448,967).

11 Contingencies and commitments

The Fund has no undisclosed contingent liabilities or commitments, which have not been provided for in these financial statements.

12 Events after the statement of financial position date

There were no events after the reporting period which were material to the financial statements and should have resulted in adjustments to the financial statements or disclosures when the financial statements were authorised for issue.

First Citizens