

# EPPLEY

CARIBBEAN PROPERTY FUND  
L I M I T E D S C C



**VALUE FUND**  
**FIRST QUARTER 2023**

## COMPANY OVERVIEW

FUND NAME	Eppley Caribbean Property Fund Limited SCC-Value Fund
FUND TYPE	Closed-end Fund
EPPLEY MANAGEMENT CONTROL	May 4, 2018
STOCK EXCHANGE LISTINGS	Barbados Stock Exchange (BSE) Jamaica Stock Exchange (JSE) Trinidad and Tobago Stock Exchange (TTSE)
INDEPENDENT PROPERTY APPRAISALS:	Semi-Annually
MANAGEMENT FEES	1.5% of net assets

### DECEMBER 31, 2022

	Value Fund
Net assets:	\$104,247,446
Net profit:	\$1,632,638
Shares outstanding:	135,664,824
Net Asset Value (NAV) per share:	\$0.76
Share price:	\$0.52 (BSE)
	J\$47.01 (JSE)



## CORPORATE INFORMATION

DIRECTORS	INDEPENDENT VALUERS
Nicholas A. Scott, Chairman Paul B. Scott Jeffrey Hall Melanie Subratie Sharon E. Donaldson Roger Cave Damian Duncan Richard Luck	Property Consultancy Services David Thwaites and Associates NAI Jamaica Langford and Brown Brent Augustus & Associates
HEAD OFFICE	ATTORNEYS
First Floor Carlisle House Hincks Street Bridgetown, Barbados	Clarke Gittens Farmer Fraser Law DunnCox Patterson Mair Hamilton
FUND MANAGER	BANKERS
Eppley Fund Managers Limited	CIBC FirstCaribbean International Bank National Commercial Bank Ja. Ltd.



## LETTER TO SHAREHOLDERS

### FELLOW SHAREHOLDERS,

The Value Fund maintained its robust financial performance in the first quarter of our 2023 financial year.

The Value Fund recorded net profit attributable to shareholders of \$1.63 million for the three months ended December 31, 2022, representing a 49% increase on FY2022 Q1 results. The Fund's performance continues to be underpinned by the high quality of its commercial real estate assets, the efficient management of its operations and the Fund Manager's ability to execute acquisitions at attractive valuations

The Value Fund recorded Net Operating Income (NOI) attributable to shareholders of \$1.62 million for the three-month period ended December 31, 2022. This represents a 29% increase over the same three-month period ended December 31, 2021. NOI is a performance metric that measures the Fund's share of rental income less its operating expenses. The improved results for the quarter are primarily driven by added income generated from our acquisition of the Chalmers BPO which was completed during Q2 FY2022.

Funds From Operations (FFO) attributable to shareholders, a metric that reflects the Fund's NOI less its net cost of financing, also saw improved performance, recording \$1.1 million for the three-month period ended December 31, 2022. The growth in FFO for the quarter represents an approximate 10% increase over the comparable period last year.

The Value Fund ended the three-month period as at December 31, 2022 with \$7.7 million of liquidity and continues to maintain a strong balance sheet.

### *Dividend*

In line with the Fund's policy to distribute FFO attributable to shareholders, the Board approved a dividend of Bds\$3,107,238 or 2.28 cents Barbados currency per share which is payable on March 8, 2023.

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The Value Fund's first quarter results sets the Fund on a course for improved performance for the financial year. The Fund's management will continue to remain focused on executing key initiatives to expand the quality of the portfolio and its operations.

We continue to remain optimistic in our outlook for the Fund, and we look forward to sharing further updates with you soon.

Sincerely,



Nicholas A. Scott (Chairman)

## FINANCIAL HIGHLIGHTS

	DECEMBER-22	DECEMBER-21
<b>NOI attributable to shareholders</b>	<b>1,629,853</b>	<b>1,260,219</b>
Interest expense	(363,547)	(323,374)
Interest and other income	214,126	187,600
Net interest expense of investments accounted for using the equity method	(355,978)	(97,733)
<b>FFO attributable to shareholders</b>	<b>1,124,454</b>	<b>1,026,712</b>
Fair value gains/(losses) on investment properties	-	-
Foreign exchange gains/(losses)	55,769	55,928
Impairment (charge)/recovery for receivables	-	-
Non-cash charges of investments accounted for using the Equity Method	(3,446)	9,384
<b>Comprehensive income attributable to shareholders for the period</b>	<b>1,632,638</b>	<b>1,092,024</b>



SUNSET CREST MALL

## VALUE FUND PROPERTIES



### Angels Industrial Estate

Angels Industrial Estate is a 120,000 square foot distribution facility situated on 25 acres of land located in St. Catherine, Jamaica. Angels is located close to major transportation links to Kingston, Portmore and the North Coast of Jamaica.

Angels Industrial Estate is comprised of two lots, one of them housing two large single floor warehouses, and the other is vacant land. The warehouses are currently leased to T. Geddes Grant (Distributors) Limited, a leading food, pharmaceutical, consumer, personal care, office equipment and agricultural distribution company in Jamaica.

### 22 Chalmers Avenue

22 Chalmers Avenue is a 99,000 square foot purpose-built Business Process Outsourcing (“BPO”) facility located off Molyne’s Road in Kingston, Jamaica. The property was recently acquired in March 2022. Its size, location and amenities make it a desirable location for BPO operations.

The Value Fund currently owns a 50% interest in the building and it is currently leased to ITEL, one of the largest domestic BPO providers in the region, with operations across the Caribbean, Latin America, the United States and Canada.



### 105-107 Marcus Garvey Drive

105-107 Marcus Garvey Drive is an industrial property located in Newport West, near the Port of Kingston, Jamaica. The property is comprised of two, fully tenanted industrial buildings. Since it is located near to the port, this property has an enduring cost advantage for a number of applications including cold storage and distribution.

The property is currently leased to T. Geddes Grant (Distributors) Limited and Spanish Grain Limited, a reputable importer, producer and distributor of meat and grain in Jamaica.

## VALUE FUND PROPERTIES (Cont'd.)



### 693 Spanish Town Road

693 Spanish Town Road is a 75,000 square foot industrial property which forms part of the commercial and industrial zone in Kingston, Jamaica. The property is comprised of warehouse and office space, strategically situated in close proximity to major distribution networks and the Port of Kingston. The Value Fund currently owns a 50% interest in the building.

### Mall Plaza

Mall Plaza is a landmark property in Kingston, Jamaica. The property is located in the heart of Half Way Tree, one of the city's busiest commercial districts. Its location near the city's main bus terminal and its proximity to growing residential areas makes it an asset that is difficult to replicate.

The Value Fund currently owns a 40% economic interest in the building but has full management and operational control. Tenants include a pharmacy, quick serve restaurant, clothing stores and various other shops including a gym.



### Empire Shopping Centre

Empire Shopping Centre is a retail and office complex located in the heart of Cross Roads in Kingston, Jamaica. Empire Shopping Centre's access to parking, high traffic and visibility along Half Way Tree Road makes it a desirable location for retailers.

The space is configured to provide 25 rentable spaces, with a wide-ranging tenant mix, including a quick-serve restaurant, a pharmacy, and a supermarket, which is the property's anchor tenant. The anchor tenant, Sampars, is owned and operated by Derrimon, a publicly listed distribution and retailing company in Jamaica.

## VALUE FUND PROPERTIES (Cont'd.)



### 227 Marcus Garvey Drive

227 Marcus Garvey Drive is a manufacturing and warehouse facility located near the Port of Kingston, Jamaica. The area is a premier industrial and commercial location in the Kingston Metropolitan Area and has access to major transportation links and highways to Kingston and Portmore.

The property is currently leased to Musson (Jamaica) Limited, a company duly incorporated under the laws of Jamaica. Musson (Jamaica) Limited is a large seller of commodities in Jamaica and is a subsidiary of the Musson Group.

### 10-14 Broad Street Building

The 10-14 Broad Street building is located on the main commercial corridor in Bridgetown, Barbados.

The building is currently leased to Duty Free Caribbean Limited, a company incorporated under the laws of Barbados, under a triple-net lease agreement. Duty Free Caribbean Limited is a retail company with over 55 stores regionally and is controlled by the Dufry group. Dufry is a Swiss-based traveler retail company that has been in operations for over 150 years and currently operates over 2,300 duty-free and duty-paid stores in 64 countries worldwide. Dufry is publicly listed on both the Swiss and Brazilian stock exchanges. The Value Fund currently owns a 36% interest in the building through the CS&C joint venture, a real estate partnership.



### Emerald City Mall

The Emerald City Mall is a shopping complex located in St. Philip, Barbados. It is located approximately 15 minutes away from Barbados' main airport and approximately 30 minutes away from Bridgetown and close to many residential housing developments.

Emerald City was acquired under a sale and leaseback structure with AOne Supermarket. AOne is a leading supermarket chain in Barbados, operating since 1981. AOne sublets the complex to various entities, including Courts and Republic Bank (Barbados) Limited.



## VALUE FUND PROPERTIES (Cont'd.)



### Carlisle House

Carlisle House is a commercial office building located on the waterfront in Bridgetown, Barbados. In recent years, Bridgetown's commercial office vacancy has increased due to tenant migration to other commercial areas in Barbados such as Warrens and Wildey, affecting Carlisle House. The building's waterfront location, cruise ship pier proximity and ease of access as a central hub for transportation make it a desirable option for alternate use. The managers of the Value Fund are actively exploring several options to reposition the building to improve its performance.

### Alamac Warehouse

Alamac Warehouse is a distribution facility located in Fontabelle, Barbados. The property is ideally located for storage and distribution of imports and exports, as the property is in close proximity to the Bridgetown Port which is a major international transshipment hub.

The property comprises of two warehouse buildings and an office. The property's anchor tenant is Laparkan (Barbados) Limited, a subsidiary of a global freight and logistics solutions company with offices and agents throughout North America and the Caribbean.



### Hastings Business Centre

Hastings Business Centre is a multi-storey commercial office building in Hastings, Barbados. The building is located across from the seaside, near public transport, and popular amenities including shopping, restaurants, the south coast boardwalk and numerous residences.

The building has long been the Barbados head office of KPMG, a global professional services firm, who remains the anchor tenant for the building.

## VALUE FUND PROPERTIES (Cont'd.)



### Sunset Crest Mall

Sunset Crest Mall is a commercial shopping centre located on the west coast of Barbados, within proximity to some of Barbados' most popular tourist destinations. The building is currently leased to Duty Free Caribbean Limited under a triple-net agreement. Duty Free Caribbean Limited sublets to a number of tenants including CIBC FirstCaribbean International Bank. The Value Fund owns its interest in Sunset Crest Mall through a joint venture.

### 24 Broad Street

24 Broad Street is a renovated office and retail building in the centre of Bridgetown, Barbados. It is currently leased to Duty Free Caribbean Limited under a triple-net lease agreement. Duty Free Caribbean Limited uses the main floor of the building for Colombian Emeralds retail storefront, and the first and second floors for office space for Duty Free Caribbean Limited's employees.



### The Chattel Village

The Chattel Village is a shopping village located on the west coast of Barbados and is located close to many of Barbados' most notable hotels, villas and luxury retailers. The village is comprised of 12 single-storey, detached timber chattel office and retail stores constructed by the Value Fund. Tenants include two restaurants, an office space, and various gift shops selling art work, gifts and souvenirs.

## VALUE FUND PROPERTIES (Cont'd.)



### 52 Valsayn Branch Road

52 Valsayn Branch Road is a fully tenanted office property in Trinidad. The property lies within close proximity to quick serve restaurants, schools, shopping facilities, and other social amenities with transportation readily available.

The building is currently leased to PBS Technologies (Trinidad) Limited under a triple-net agreement.

### 155-157 Tragarete Road

155-157 Tragarete Road is a fully tenanted office property in Trinidad. The property is located strategically, as it is readily accessible from the Port of Spain City Centre.

The building is currently leased to PBS Technologies (Trinidad) Limited (formerly Massy Technologies) under a triple-net agreement. PBS Technologies (Trinidad) Limited is a technology company controlled by PBS Business Solutions Limited, one of the largest integrated Information Technology sales and distribution platforms in the Caribbean and Central America.



**EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC – VALUE FUND**

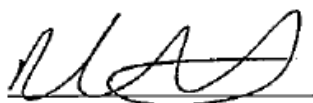
Unaudited Consolidated Results as at December 31, 2022 (expressed in Barbados Dollars)

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**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Financial Position**  
**As at December 31, 2022**  
 (expressed in Barbados dollars)

	Unaudited December 31, 2022 \$	Unaudited December 31, 2021 \$	Audited September 30, 2022 \$
<b>Assets</b>			
Intangibles	1,293	-	1,446
Investment properties	82,940,059	72,948,503	75,965,120
Investment in associated company	33,321,597	31,066,429	34,870,890
Investment Securities	10,448,534	-	10,448,534
Loan receivable	-	3,827,758	1,776,258
Accounts receivable and prepaid expenses	580,818	775,562	702,960
Due from related parties	736,363	496,937	728,454
Cash & cash equivalents	7,782,168	15,895,839	8,165,986
<b>Total assets</b>	<b>135,810,832</b>	<b>125,011,028</b>	<b>132,659,648</b>
<b>Liabilities</b>			
Loans payable	25,993,315	22,228,693	24,163,837
Accounts payable and accrued expenses	4,946,539	3,808,775	1,145,615
Security and advanced deposits	421,120	400,469	420,961
Deferred tax	183,690	153,594	186,910
Corporation tax payable	18,722	74,810	91,007
<b>Total liabilities</b>	<b>31,563,386</b>	<b>26,666,341</b>	<b>26,008,330</b>
<b>Total assets less liabilities</b>	<b>104,247,446</b>	<b>98,344,687</b>	<b>106,651,318</b>
<b>Equity</b>			
Share capital	92,352,529	92,860,374	92,610,581
Other reserves	48,123	34,452	546,248
Retained earnings	11,846,794	5,449,861	13,494,489
<b>Total shareholders' funds</b>	<b>104,247,446</b>	<b>98,344,687</b>	<b>106,651,318</b>
<b>Net asset value per share</b>	<b>\$ 0.77</b>	<b>\$0.72</b>	<b>\$0.78</b>

Approved by:



**Director**



**Director**

February 14, 2023

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Comprehensive Income**  
**For the three-month period ended December 31, 2022**  
 (expressed in Barbados dollars)

	Unaudited Three months ended	Unaudited Three months ended	Audited Year ended
	December 31, 2022	December 31, 2021	September 30, 2022
	\$	\$	\$
<b>Revenue</b>			
Net rental income	1,134,673	1,095,096	4,614,267
Fair value gains on investment property	-	-	2,174,606
Share of profit investments using equity accounting	640,878	566,122	5,783,127
Gain on bargain purchase	455,861	-	-
Interest income	214,126	187,600	762,157
<b>Total investment income</b>	<b>2,445,538</b>	<b>1,848,818</b>	<b>13,334,157</b>
<b>Expenses</b>			
Interest Expense	363,547	323,374	1,284,112
Fund management fees	201,603	187,942	757,623
Investment advisor fees	201,603	187,942	757,623
Professional fees	96,996	89,154	476,600
Directors and subcommittee fees	1,700	840	10,397
Office and administrative expenses	1,177	1,936	25,485
Impairment charge for receivables	-	-	11,564
Net foreign exchange (gain)/loss	(55,769)	(55,928)	129,309
<b>Operating expenditure</b>	<b>810,857</b>	<b>735,260</b>	<b>3,452,713</b>
<b>Profit before tax</b>	<b>1,634,681</b>	<b>1,113,558</b>	<b>9,881,444</b>
Taxation	(2,043)	(21,534)	(372,060)
<b>Net profit for the period</b>	<b>1,632,638</b>	<b>1,092,024</b>	<b>9,509,384</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	(498,125)	(1,205,902)	(694,106)
<b>Total comprehensive income for the period</b>	<b>1,134,513</b>	<b>(113,878)</b>	<b>8,815,278</b>
<b>Net profit for the period</b>	<b>1,632,638</b>	<b>1,092,024</b>	<b>9,509,384</b>
<b>Earnings per share – basic and diluted</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.07</b>

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Changes in Equity**  
**For the three-month period ended December 31, 2022**  
 (expressed in Barbados dollars)

	Share capital \$	Other Reserves \$	Retained earnings \$	Total \$
<b>Balance- October 1, 2021</b>	<b>92,919,797</b>	<b>1,240,354</b>	<b>6,531,851</b>	<b>100,692,002</b>
Repurchase of issued shares	(309,216)	-	46,085	(263,131)
Translation reserves	-	(694,106)	-	(694,106)
Dividend declared (0.008 cents per share)	-	-	(2,592,831)	(2,592,831)
Income for the year	-	-	9,509,384	<b>9,509,384</b>
<b>Balance- September 30, 2022</b>	<b>92,610,581</b>	<b>546,248</b>	<b>13,494,489</b>	<b>106,651,318</b>
Repurchase of issued shares	(258,052)	-	25,537	(232,515)
Translation reserves	-	(498,125)	-	(498,125)
Dividend declared (0.15 cents and 2.28 cents per share)	-	-	(3,305,870)	(3,305,870)
Income for the period	-	-	1,632,638	<b>1,632,638</b>
<b>Balance- December 31, 2022</b>	<b>92,352,529</b>	<b>48,123</b>	<b>11,846,794</b>	<b>104,247,446</b>

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Changes in Equity**  
**For the three-month period ended December 31, 2021**  
 (expressed in Barbados dollars)

	Attributable to Fund shareholders				Total \$
	Share capital \$	Other Reserves \$	Retained earnings \$	Non-controlling interests \$	
<b>Balance- October 1, 2020</b>	<b>93,259,667</b>	<b>(248,774)</b>	<b>1,840,072</b>	<b>31,782</b>	<b>94,882,747</b>
Repurchase of issued shares	(339,870)	-	38,677	-	(301,193)
Translation reserves	-	1,489,128	-	-	1,489,128
Dividend declared (0.008 cents per share)	-	-	(1,093,313)	-	(1,093,313)
Income for the year	-	-	5,746,415	9,257	5,755,672
Disposal of a subsidiary	-	-	-	(41,039)	(41,039)
<b>Balance- September 30, 2021</b>	<b>92,919,797</b>	<b>1,240,354</b>	<b>6,531,851</b>	<b>-</b>	<b>100,692,002</b>
Repurchase of issued shares	(59,423)	-	10,626	-	(48,797)
Translation reserves	-	(1,205,902)	-	-	(1,205,902)
Dividend declared (1.6 cents per share)	-	-	(2,184,640)	-	(2,184,640)
Income for the period	-	-	1,092,024	-	<b>1,092,024</b>
<b>Balance- December 31, 2021</b>	<b>92,860,374</b>	<b>34,452</b>	<b>5,449,861</b>	<b>-</b>	<b>98,344,687</b>

**Eppley Caribbean Property Fund Limited SCC- Value Fund**  
**Unaudited Consolidated Statement of Cashflows**  
**For the three-month period ended December 31, 2022**  
(expressed in Barbados dollars)

	<u>Unaudited</u> <u>Three months ended</u> <u>December 31, 2022</u>	<u>Unaudited</u> <u>Three months ended</u> <u>December 31, 2021</u>	<u>Audited</u> <u>Year ended</u> <u>September 30, 2022</u>
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Profit before tax	1,634,681	1,113,558	9,881,444
Adjustment for:			
Fair value gains on investment property	-	-	(2,174,606)
Net foreign exchange (gain)/loss	(55,769)	(55,928)	129,309
Share of gains of investments accounted for using the equity method	(640,878)	(566,122)	(5,783,127)
Gain on bargain purchase	(455,861)	-	-
Impairment charge for receivables	-	-	11,564
Depreciation and Amortisation	153	506	1,665
Interest income	(214,125)	(187,600)	(762,157)
Interest expense	363,547	323,374	1,284,112
<b>Operating income before working capital changes</b>	<b>631,747</b>	<b>627,788</b>	<b>2,588,204</b>
Net increase in accounts receivable and prepaid expenses	89,384	65,355	283,833
Net decrease in loans receivable	1,740,000	-	2,000,000
Net increase/(decrease) in accounts payable and accrued expenses	640,451	507,114	(1,983)
Decrease in security deposits	(19,318)	(11,897)	(715)
Net (increase)/decrease in due to/from related parties	(7,909)	378,050	146,533
Additions to investment properties	(39,052)	-	(401,944)
Addition to intangibles	-	-	(1,445)
<b>Cash generated from operations</b>	<b>3,035,303</b>	<b>1,566,410</b>	<b>4,612,481</b>
Interest received	250,384	112,800	690,323
Interest paid	(211,149)	(212,896)	(1,224,042)
Tax paid	(77,548)	(30,658)	(325,861)
<b>Net cash generated from operating activities</b>	<b>2,996,990</b>	<b>1,435,656</b>	<b>3,752,901</b>
<b>Cash flows from investing activities</b>			
Investment in associated companies	-	-	(423,613)
Distributions from associated companies	172,533	264,825	2,202,306
Acquisition of investment securities	-	-	(10,400,000)
Acquisition of subsidiary	(4,930,038)	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(4,757,505)</b>	<b>264,825</b>	<b>(8,621,307)</b>
<b>Cash flows from financing activities</b>			
Shares repurchased	(232,515)	(48,797)	(263,131)
Dividends paid	(204,045)	-	(2,592,831)
Loans received	1,996,621	-	5,329,974
Loans repaid	(50,931)	(2,138,481)	(5,740,589)
<b>Net cash generated from/(used in) financing activities</b>	<b>1,509,130</b>	<b>(2,187,278)</b>	<b>(3,266,577)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(251,385)</b>	<b>(486,797)</b>	<b>(8,134,983)</b>
<b>Effects of foreign exchange rate changes on cash and cash equivalents</b>	<b>(132,433)</b>	<b>53,477</b>	<b>(28,190)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>8,165,986</b>	<b>16,329,159</b>	<b>16,329,159</b>
<b>Cash and cash equivalents at end of the period</b>	<b>7,782,168</b>	<b>15,895,839</b>	<b>8,165,986</b>



**TEN LARGEST SHAREHOLDERS**  
**(as at December 31, 2022)**

SHAREHOLDER	SHARES	%
Musson Investments Limited	15,090,792	11.12%
JCSD Trustee Services Ltd - Sigma Equity	10,827,190	7.98%
3119, SJIML A/C	8,858,784	6.53%
The ATL Group Pension Fund Trustees Nominee Ltd	8,622,274	6.36%
Fortress Caribbean Pension Fund Ltd - AA	5,650,158	4.16%
Massy (Barbados) Ltd	5,000,000	3.69%
Guardian Life Limited	4,387,590	3.23%
Coconut Industry Board	3,548,360	2.62%
NCB Insurance Agency and Fund Managers Ltd WT160	3,087,493	2.28%
NCB Insurance Agency and Fund Managers Ltd WT157	3,087,315	2.28%

**SHAREHOLDINGS OF DIRECTORS**  
**(as of December 31, 2022)**

DIRECTOR	<u>Direct</u>	<u>Connected*</u>
Nicholas A. Scott	269,107	17,213,935
Paul B. Scott	-	17,007,932
Melanie M. Subratie	-	17,426,411
Sharon E. Donaldson	30,550	17,007,932
Roger M. Cave	10,000	-
Jeffrey M. Hall	-	-
Damian J. Duncan	-	-
Richard A. Luck	-	-

\* Includes connections by virtue of directorships and other affiliations in addition to indirect shareholdings.

## 1. Identification and Activities

Eppley Caribbean Property Fund Limited SCC (formerly Fortress Caribbean Property Fund Limited SCC) (the Fund) was incorporated on May 7, 1999 and is registered under the Mutual Funds Act of Barbados as an authorised mutual fund. The Fund is a closed end fund. It commenced operations on August 20, 1999. These consolidated financial statements include the results the Fund and its subsidiaries, collectively known as the Group.

Eppley Fund Managers Limited, a mutual fund administrator licensed under the Mutual Funds Act, Barbados, acquired the common shares of the Fund which were previously held by Fortress Fund Managers and Alleyne, Aguilar & Altman Limited. The effective date of the transaction was May 4, 2018. Following the completion of the sale, the name of the Fund was changed to Eppley Caribbean Property Fund Limited SCC.

On September 24, 2013, at a special meeting of the shareholders of the Class “A” shares, the proposal to divide the Fund into a segregated cell company was approved. As a result, effective October 1, 2013, the Fund was converted to a segregated cell company, Fortress Caribbean Property Fund Limited SCC (“the Fund”). The Fund is divided into two cells, Fortress Caribbean Property Fund – Value Fund (“the Value Fund”) and Fortress Caribbean Property Fund – Development Fund (“the Development Fund”). As at October 1, 2013 each share previously owned by the Class “A” shareholders has been replaced by one share in the Value Fund and one share in the Development Fund.

A public invitation for subscription was made by Eppley Caribbean Property Limited SCC via prospectus dated June 15, 2019, in Jamaica in respect of cellular shares in the value fund at the price of J\$46.18 per share. The offer closed on July 31, 2019, consequently contributing to an increase of 66,528,860 units of shares issued.

The split of the Fund into the two cells is reflected on the Barbados Stock Exchange, the Company’s primary exchange listing. The Fund’s shares are also traded on the Trading on the Trinidad and Tobago Stock Exchange. Each share trades independently.

The investment objective of the Value Fund is to produce annual income and long-term capital gains from a diversified portfolio of income producing properties in the Caribbean. It is expected that the Value Fund will pay out a minimum of 75% of its available distributable profits annually.

The accounting policies and method of computation are consistent with the audited financial statements for year ended September 30, 2022. These financial statements are expressed in Barbados dollars which is the currency of the primary economic environment in which the Fund operates.

## 2. Statement of Compliance and Basis of Preparation

The unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (IFRS IC) promulgated by the International Accounting Standards Board (IASB), applicable to companies reporting under IFRS. The consolidated interim financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain financial assets held at fair value through profit or loss and investment properties which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates are based on management’s best knowledge of current events and conditions, actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting policies and method of computation are consistent with the audited financial statements for year ended September 30, 2022. These financial statements are expressed in Barbados dollars which is the currency of the primary economic environment in which the company operates.