

EPPLEY

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



VALUE FUND
SECOND 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

MARCH 31, 2023

	Value Fund
Net Asset:	\$110,050,249
Net Profit:	\$6,208,829
Shares Outstanding:	135,526,336
Net Asset Value (NAV) per share:	\$0.81
Share Price:	\$0.51 (BSE)
	J\$45.00 (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 Dunn Cox Patterson Mair Hamilton
FUND MANAGER	BANKERS
Eppley Fund Managers Limited	CIBC First Caribbean International Bank National Commercial Bank Ja. Ltd.



LETTER TO SHAREHOLDERS

FELLOW SHAREHOLDERS,

In the first half of the fiscal year ended March 31, 2023, the Value Fund recorded net earnings of \$6.2 million, representing a 54% increase compared to the corresponding period in the previous year. The improved performance was attributed to the Fund's strategic management which continues to realise the value of the high-quality commercial real-estate assets within the portfolio.

Net Operating Income (NOI) attributable to shareholders, a metric which measures the Fund's share of rental income less its operating expenses, grew by 21% to \$3.1 million for the six-month period ended March 31, 2023. The increase in NOI is primarily attributed to the additional income generated from our acquisition of the Chalmers property which was completed during the second quarter of the 2022 financial year.

The Value Fund recorded Funds From Operations (FFO) attributable to shareholders, of \$2.0 million for the six-month period ended March 31, 2023 which is in line with the FFO recorded for the same period ending March 31, 2022. FFO is a measure of the Fund's core operating profitability which reflects the Fund's NOI less its net cost of financing. We will continue to implement initiatives to grow and improve the performance of the Fund.

The Value Fund ended the six-month period as at March 31, 2022, with a healthy liquidity position of \$6.7 million. The Fund continues to maintain a strong balance sheet, providing the necessary flexibility to take advantage of opportunities in line with our strategy to scale and diversify the Fund.

Dividend

In line with the Fund's policy to distribute the vast majority of FFO attributable to shareholders, the Board approved a quarterly dividend of 0.15 cents per share, to shareholders on record at June 2, 2023.

The Value Fund concluded the first half of its financial year with a strong portfolio performance and is positioned for continued growth and improvement for the remainder of the fiscal year. The Fund's management remains intent on ensuring that the Value Fund is strategically positioned to maximise the shareholder value by pursuing opportunities to improve the scale and diversity of the portfolio.

We maintain an optimistic outlook for the Fund and look forward to further updating you on new developments.

Sincerely,



Nicholas A. Scott (Chairman)

FINANCIAL HIGHLIGHTS

	OCT-22 TO MAR-23	OCT-21 TO MAR-22
NOI attributable to shareholders	3,084,021	2,546,282
Interest expense	(735,681)	(664,422)
Interest and other income	380,889	340,048
Net interest expense of investments accounted for using the equity method	(704,401)	(191,896)
FFO attributable to shareholders	2,024,827	2,030,013
Fair value gains/(losses) on investment properties	3,698,540	1,121,452
Foreign exchange gains/(losses)	34,218	(37,219)
Impairment (charge)/recovery for receivables	-	-
Gain on bargain purchase	455,861	
Non-cash charges of investments accounted for using the Equity Method	(4,617)	914,086
Comprehensive income attributable to shareholders for the period	6,208,829	4,028,332



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 traveller 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 First Caribbean 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 March 31, 2023 (expressed in Barbados Dollars)

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Financial Position
As at March 31, 2023
(expressed in Barbados dollars)

	Unaudited	Unaudited	Audited
	March 31, 2023	March 31, 2022	September 30, 2022
	\$	\$	\$
Assets			
Intangibles	1,360	-	1,446
Investment properties	88,062,916	73,163,175	75,965,120
Investment in associated company	33,717,155	32,202,182	34,870,890
Investment Securities	10,448,534	10,448,534	10,448,534
Loan receivable	-	1,774,998	1,776,258
Accounts receivable and prepaid expenses	549,928	813,493	702,960
Due from related parties	776,950	996,822	728,454
Cash & cash equivalents	6,703,176	7,423,983	8,165,986
Total assets	140,260,019	126,823,187	132,659,648
Liabilities			
Loans payable	27,223,484	24,135,037	24,163,837
Accounts payable and accrued expenses	2,252,135	1,984,701	1,145,615
Security and advanced deposits	444,683	414,911	420,961
Deferred tax	184,592	154,459	186,910
Corporation tax payable	104,876	94,194	91,007
Total liabilities	30,209,770	26,783,302	26,008,330
Total assets less liabilities	110,050,249	100,039,885	106,651,318
Equity			
Share capital	92,258,519	92,808,269	92,610,581
Other reserves	1,559,803	(1,163,418)	546,248
Retained earnings	16,231,927	8,395,034	13,494,489
Total shareholders' funds	110,050,249	100,039,885	106,651,318
Net asset value per share	\$0.81	\$0.73	\$0.78

Approved by:



Director



Director

May 12, 2023

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Comprehensive Income
For the six-month period ended March 31, 2023
(expresses in Barbados dollars)

	Unaudited six months ended	Unaudited six months ended	Unaudited Three months ended	Unaudited Three months ended	Audited Year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	September 30, 2022
	\$	\$	\$	\$	\$
Revenue					
Net rental income	2,226,760	2,260,630	1,092,087	1,165,534	4,614,267
Fair value gains on investment property	3,698,540	1,121,452	3,698,540	1,121,452	2,174,606
Share of profit of investments using equity accounting	1,386,441	2,086,137	745,563	1,520,015	5,783,127
Gain on bargain purchase	455,861	-	-	-	-
Interest income	380,889	339,476	166,763	151,876	762,157
Other income	-	572	-	572	-
Total investment income	8,148,491	5,808,267	5,702,953	3,959,449	13,334,157
Expenses					
Interest Expense	735,681	664,422	372,134	341,048	1,284,112
Fund management fees	398,418	374,705	196,815	186,763	757,623
Investment advisor fees	398,418	374,705	196,815	186,763	757,623
Professional fees	272,910	208,049	175,914	118,895	476,600
Directors and subcommittee fees	3,400	1,680	1,700	840	10,397
Office and administrative expenses	71,330	7,141	70,153	5,205	25,485
Impairment charge on receivable	-	-	-	-	11,564
Foreign exchange (gains)/loss	(34,218)	37,219	21,551	113,152	129,309
Operating expenditure	1,845,939	1,667,921	1,035,082	952,666	3,452,713
Profit before tax	6,302,552	4,140,346	4,667,871	3,006,783	9,881,444
Taxation	(93,723)	(112,014)	(91,680)	(90,480)	(372,060)
Net profit for the period	6,208,829	4,028,332	4,576,191	2,916,303	9,509,384
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Exchange differences on translation of foreign	1,013,555	(2,403,772)	1,511,680	(1,177,865)	(694,106)
Total comprehensive income for the period	7,222,384	1,624,560	6,087,871	1,738,438	8,815,278
Net profit for the period	6,208,829	4,028,332	4,576,191	2,916,303	9,509,384
Earnings per share – basic and diluted	\$0.05	\$0.03	\$0.03	\$0.02	\$0.07

Unaudited Consolidated Statement of Changes in Equity
For the six-month period ended March 31, 2023
(expressed in Barbados dollars)

	Attributable to Fund shareholders				
	Share	Other	Retained	Non-controlling	Total
	capital	Reserves	earnings	interests	Total
	\$	\$	\$	\$	\$
Balance- October 1, 2021	92,919,797	1,240,354	6,531,851	-	100,692,002
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	-	9,509,384
Balance- September 30, 2022	92,610,581	546,248	13,494,489	-	106,651,318
Repurchase of issued shares	(352,062)	-	37,111	-	(314,951)
Translation reserves	-	1,013,555	-	-	1,013,555
Dividend declared (0.15 cents and 2.28 cents per share)	-	-	(3,508,502)	-	(3,508,502)
Income for the period	-	-	6,208,829	-	6,208,829
Balance- March 31, 2023	92,258,519	1,559,803	16,231,927	-	110,050,249

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

	Attributable to Fund shareholders				
	Share	Other	Retained	Non-controlling	Total
	capital	Reserves	earnings	interests	Total
	\$	\$	\$	\$	\$
Balance- October 1, 2020	93,259,667	(248,774)	1,840,072	31,782	94,882,747
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)
Balance- September 30, 2021	92,919,797	1,240,354	6,531,851	-	100,692,002
Repurchase of issued shares	(111,528)	-	19,491	-	(92,037)
Translation reserves	-	(2,403,772)	-	-	(2,403,772)
Dividend declared (1.6 cents per share)	-	-	(2,184,640)	-	(2,184,640)
Income for the period	-	-	4,028,332	-	4,028,332
Balance-March 31, 2022	92,808,269	(1,163,418)	8,395,034	-	100,039,885

Eppley Caribbean Property Fund Limited SCC- Value Fund

Unaudited Consolidated Statement of Cashflows
For the six-month period ended March 31, 2023
(expressed in Barbados dollars)

	<u>Unaudited</u> <u>six months ended</u> <u>March 31, 2023</u>	<u>Unaudited</u> <u>six months ended</u> <u>March 31, 2022</u>	<u>Audited</u> <u>Year ended</u> <u>September 30, 2022</u>
	\$	\$	\$
Cash flows from operating activities			
Profit before tax	6,302,552	4,140,346	9,881,444
Adjustment for:			
Fair value gains on investment property	(3,698,540)	(1,121,452)	(2,174,606)
Net foreign exchange (gain)/loss	(34,218)	37,219	129,309
Share of gains of investments accounted for using the equity method	(1,386,441)	(2,086,137)	(5,783,127)
Gain on bargain purchase	(455,861)	-	-
Impairment charge for receivables	-	-	11,564
Depreciation and Amortisation	163	1,012	1,665
Interest income	(380,889)	(339,476)	(762,157)
Interest expense	735,681	664,422	1,284,112
Operating income before working capital changes	1,082,447	1,295,934	2,588,204
Net decrease in accounts receivable and prepaid expenses	149,423	114,533	283,833
Net decrease in loans receivable	1,740,000	2,000,000	2,000,000
Net increase/(decrease) in accounts payable and accrued expenses	905,152	850,851	(1,983)
Increase/(decrease) in security deposits	19,969	(4,336)	(715)
Net (increase)/decrease in due to/from related parties	(48,496)	(121,835)	146,533
Additions to investment properties	(39,052)	(287,579)	(401,944)
Addition to intangibles	-	-	(1,445)
Cash generated from operations	3,809,443	3,847,568	4,612,481
Interest received	417,147	268,902	690,323
Interest paid	(729,187)	(634,302)	(1,224,042)
Tax paid	(83,481)	(101,754)	(325,861)
Net cash generated from operating activities	3,413,922	3,380,414	3,752,901
Cash flows from investing activities			
Investment in associated companies	-	(284,556)	(423,613)
Distributions from associated companies	583,689	950,686	2,202,306
Acquisition of investment securities	-	(10,400,000)	(10,400,000)
Acquisition of subsidiary	(4,939,176)	-	-
Net cash used in investing activities	(4,355,487)	(9,733,870)	(8,621,307)
Cash flows from financing activities			
Shares repurchased	(314,951)	(92,037)	(263,131)
Dividends paid	(3,305,870)	(2,184,640)	(2,592,831)
Loans received	3,496,621	5,165,726	5,329,974
Loans repaid	(336,505)	(5,434,420)	(5,740,589)
Net cash used in financing activities	(460,705)	(2,545,371)	(3,266,577)
Net decrease in cash and cash equivalents	(1,402,270)	(8,898,827)	(8,134,983)
Effects of foreign exchange rate changes on cash and cash equivalents	(60,540)	(6,349)	(28,190)
Cash and cash equivalents at beginning of the period	8,165,986	16,329,159	16,329,159
Cash and cash equivalents at end of the period	6,703,176	7,423,983	8,165,986

SHAREHOLDINGS

Directors shareholdings in the Fund including connected parties as of March 31, 2023, is as follows:

VALUE FUND

	<u>Direct</u>	<u>Connected*</u>
Nicholas A. Scott	85,948	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.

The ten largest shareholders of the Fund as at March 31, 2023, are as follows:

VALUE FUND

<u>SHAREHOLDER</u>	<u>SHARES</u>	<u>%</u>
Musson Investments Limited	15,090,792	11.13%
JCSD Trustee Services Ltd - Sigma Equity	10,827,190	7.99%
3119, SJIML A/C	8,858,784	6.54%
The ATL Group Pension Fund Trustees Nominee Ltd	8,622,274	6.36%
Fortress Caribbean Pension Fund Ltd - AA	5,650,158	4.17%
Massy (Barbados) Ltd	5,000,000	3.69%
Guardian Life Limited	4,387,590	3.24%
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%

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.