Financial statements of
Portland JSX Limited

February 29, 2024

Deloitte.

Deloitte & Touche
3rd Floor
The Goddard Building
Haggatt Hall
St. Michael, BB11059
Barbados, W.I.

Tel: +246 620 6400
Fax: +246 430 6451
www.deloitte.com

Independent auditors' report

To the shareholders of Portland JSX Limited

Opinion

We have audited the financial statements of Portland JSX Limited (the Company), which comprise the statement of financial position as at 29 February 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 29 February 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards board.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	Summary of the key audit matter	Our audit response
Valuation of investments	The Company's unquoted investment in Portland Caribbean Fund II, L P classified at fair value through profit or loss which is reported at $24,588,031.	We recomputed the Company's portion of Portland Caribbean Fund II L P's net assets as of Portland Caribbean Fund II L P's balance sheet date (31 December 2023), and tested material adjustments between 31 December 2023 to the Company's year-end (29 February 2024). We compared the recorded fair value to the fair value estimated by us and evaluated any differences.

Independent auditors' report (continued)
To the shareholders of Portland JSX Limited

Information other than the financial statements and auditors' report thereon

Management is responsible for the other information. The other information comprises, the annual report as at 29 February 2024, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the list of shareholdings of directors and senior management and their connected persons and the top 10 shareholdings of the Company as at 29 February 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Independent auditors' report (continued)

To the shareholders of Portland JSX Limited

Auditors' responsibilities for the audit of the financial statements (Continued)

- 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.

The engagement partner on the audit resulting in this independent auditors' report is Steve Clarke.

Deloitte Touche

25 April 2024

Portland JSX Limited
Statement of financial position
As at February 29, 2024
(Expressed in United States dollars unless otherwise stated)

	Notes	2024 $	2023 $
Assets			
Non-current assets			
Financial investments, at fair value through profit or loss	5	**24,588,032**	30,808,905
Financial investment, at fair value through other comprehensive income	6	**1**	5,000,000
		24,588,033	35,808,905
Current assets			
Cash and cash equivalents	7	**2,780,236**	5,761
Securities purchased under resale agreements	8	**523,936**	4,246,548
Dividend receivable on preference shares		**—**	259,028
Receivables and prepayments	9	**80,236**	131,039
		3,384,408	4,642,376
Total assets		**27,972,441**	40,451,281
Liabilities			
Current liabilities			
Dividend payable on redeemable preference shares		**—**	207,223
Payables	10	**87,393**	117,671
		87,393	324,894
Non-current liabilities			
Bond payable	11	**3,860,040**	3,858,540
Redeemable preference shares	12	**1**	4,846,078
		3,860,041	8,704,618
Total liabilities		**3,947,434**	9,029,512
Equity			
Share capital	13 (a)	**25,682,953**	25,682,953
Investment revaluation reserve	13 (b)	**—**	153,922
Retained earnings		**(1,657,946)**	5,584,894
Total equity		**24,025,007**	31,421,769
Total liabilities and equity		**27,972,441**	40,451,281

The accompanying notes are an integral part of the financial statements.

The financial statements on pages 4 to 31 were approved for issue by the Board of Directors on April 17, 2024 and signed on its behalf by:

_________________________________, Chairman

_________________________________, Director

Portland JSX Limited

Statement of profit or loss

Year ended February 29, 2024

(Expressed in United States dollars unless otherwise stated)

	Notes	**2024** **$**	2023 $
Income			
Interest income, calculated using the effective interest method		**189,687**	310,565
Net fair value losses on financial investments at at FVTPL		**(5,992,864)**	(496,132)
Dividend income from financial instrument at FVOCI		**63,889**	247,917
Other income		**—**	66,666
Net foreign exchange (losses)/gains		**(11,151)**	13,055
		(5,750,439)	142,071
Expenses			
Operating expenses	14	**(968,763)**	(444,428)
Impairment loss		**(159,294)**	—
		(1,128,057)	(444,428)
Operating loss before finance costs		**(6,878,496)**	(302,357)
Dividends paid to holders of redeemable preference shares		**(51,111)**	(198,333)
Interest expense on bond payable		**(313,233)**	(311,392)
Total finance costs		**(364,344)**	(509,725)
Loss for the year		**(7,242,840)**	(812,082)
Losses per ordinary share (expressed as ¢ per share)	15	**(2.34)¢**	(0.26)¢

The accompanying notes are an integral part of the financial statements.

Portland JSX Limited
Statement of changes in equity
Year ended February 29, 2024
(Expressed in United States dollars unless otherwise stated)

	Share capital $	Investment revaluation reserve $	Retained earnings $	Total $
	(Note 13(a))	(Note 13(b))		
Balances at February 28, 2022	25,682,953	153,922	6,396,976	32,233,851
Loss for the year	—	—	(812,082)	(812,082)
Balances at February 28, 2023	25,682,953	153,922	5,584,894	31,421,769
Loss for the year	—	(153,922)	(7,242,840)	(7,396,762)
Balances at February 29, 2024	**25,682,953**	**—**	**(1,657,946)**	**24,025,007**

The accompanying notes are an integral part of the financial statements.

(Expressed in United States dollars unless otherwise stated)

	2024	2023
	$	$
Cash flows from operating activities		
Loss for the year	**(7,242,840)**	(812,082)
Adjustments for		
Net fair value losses on financial investments at FVTPL	**6,220,873**	(5,128,859)
Net foreign exchange losses/(gains)	**1,500**	(18,660)
Preference dividends receivable	**259,028**	(122,917)
Receivables and prepayments	**50,802**	(93,164)
Due to related parties	**—**	(53,934)
Payables	**(30,278)**	16,797
Preference dividends payable	**(207,222)**	92,889
Net cash used in operating activities	**(948,137)**	(6,119,930)
Cash flows from investing activities		
Securities purchased under resale agreements	**3,722,612**	(4,158,630)
Financial investments at FVTPL	**—**	10,127,526
Net cash provided by investing activities	**3,722,612**	5,968,896
Net increase/(decrease) in cash and cash equivalents	**2,774,475**	(151,034)
Cash and cash equivalents at beginning of year	**5,761**	156,795
Cash and cash equivalents at end of year	**2,780,236**	5,761

The accompanying notes are an integral part of the financial statements.

1. The Company

Portland JSX Limited ("PJX" or "the Company") was incorporated in Saint Lucia on September 15, 2015 as an International Business Company ("IBC") with IBC number 2015-00335, and commenced operations on October 1, 2015. The registered office of the Company is located at the offices of McNamara Corporate Services Inc., 20 Micoud Street, Castries, Saint Lucia. The primary business of the Company is that of a Limited Partner in Portland Caribbean Fund II, L.P. ("PCF II") and PCF III (Cayman) L.P. ("PCF III") (collectively the "Funds" or the "Partnerships"). Each Fund has/had an upfront five-year commitment period to make investments within a 10-year period, with PCF II ending July 2024 and PCF III ending September 2033. Each fund has provisions for the extension of two additional consecutive one-year terms.

PJX is an equity investment vehicle through which Jamaican pension plans, as well as other investors, invest to gain access indirectly to quality investments in the Latin American & Caribbean (LAC) region. The Company is listed on the Jamaica Stock Exchange.

Portland Private Equity II, Ltd. a Barbados exempted limited company (the "Barbados Management Company") and PPEC Inc., a Canadian company (the "Canadian Management Company" and together with the Barbados Management Company, "Management Companies" or "Managers") are responsible for managing the assets of the Funds, including investigating, analyzing, structuring and negotiating potential portfolio investments and monitoring the performance of portfolio investments.

Portland JSX Limited and the Partnership

Under the Partnership Agreement, distributions and allocations to the partners and management fees are dealt with in the following manner:

(i) Distributions and allocations

(a) income, gains, losses, deductions and credits arising in connection with Short-Term Investments, are allocated in proportion to their relative Capital Contributions, and;

(b) Distributions of Disposition Proceeds and Other Portfolio Income received in respect of any Portfolio Investment shall initially be apportioned among the Participating Partners based on their respective Capital Contributions attributable to such Investment. The amount apportioned to the General Partner pursuant to the preceding sentence shall be distributed to the General Partner. The remaining amount apportioned to each Limited Partner that is a Participating Partner shall be further apportioned between (i) such Limited Partner on the one hand and (ii) the General Partner on the other hand and, except as otherwise provided in the Agreement, in the following amounts and order of priority:

(i) first, 100% to such Limited Partner, until such Limited Partner has received total distributions equal to its total Capital Contributions to the Partnership.

(ii) second, 100% to such Limited Partner until such Limited Partner has received total cumulative distributions equal to a preferred return of 8% per annum, compounded annually, on all amounts distributed in accordance with paragraph (i) not previously made to such Limited Partner.

(iii) third, 100% to the General Partner until cumulative distributions to the General Partner equals 20% of the aggregate amount of the distributions made under paragraph (ii) and this paragraph.

(iv) thereafter, 20% to the General Partner and 80% to such Limited Partner.

1. The Company (continued)

(ii) Management/Investment advisory fees ("Fees") and other charges

Fees are computed at 2% of Limited Partners' commitments. The Fees will be reduced to 1.75% of unreturned invested capital beginning on the earlier of the end of the commitment period and the date on which a successor fund begins to prepay management fees.

Each Limited Partner is required to bear its portion of Fees and all other partnership expenses, including organizational expenses from the partnership commencement date based on its pro rata share of capital commitments.

In admitting additional Limited Partners or accepting additional Capital Contributions or Capital Commitments from existing Partners, each Limited Partner is treated as having been a party to the Agreement, and each increased Capital Commitment is treated as having been made, as of the Partnership Commencement Date.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards.

<u>New standards that have been issued but are not yet effective</u>

- IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 was issued in June 2023 and applies to annual reporting periods beginning on or after January 1, 2024.

Certain amended standards come into effect during the financial year. The Company has assessed them and determined that none of them had any significant effect on the amounts and disclosures in the financial statements.

<u>Amended standards that have been issued but are not yet effective</u>

At the reporting date, certain amended standards and interpretations have been issued which are not yet effective for the current year and which the Company has not early-adopted. The Company has assessed them with respect to its operations and has determined that the following are relevant:

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies

- The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

Amended standards that have been issued but are not yet effective (continued)

Accounting Standards Board (IASB) has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

- The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

Amended standards that are effective for the current year

- Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors are effective for periods beginning on or after January 1, 2024, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

Amended standards that are effective for the current year (continued)

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

- Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on liability is current or non-current.

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognized as equity when classifying liabilities as current or non-current.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarifies those costs that comprise the costs of fulfilling the contract. The amendments clarify that the "costs of fulfilling a contract" comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the "incremental cost" approach to recognize bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate.

The amended standards had no effect on the Company's financial statements.

2. Statement of compliance and basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, modified for the revaluation of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

(c) Use of estimates and judgments

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 Company's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(d) Functional and presentation currency

Except where indicated to be otherwise, these financial statements are presented in United States dollars, which is the Company's functional currency.

3. Summary of material accounting policies

The Company has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

(a) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into United States dollars at the exchange rates prevailing at the reporting date. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from exchange rate fluctuations are included in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents include bank balances and highly liquid financial assets with original maturities of less than ninety days from date of placement. Cash and short-term deposits are measured at amortized cost.

(c) Securities purchased under resale agreements

Securities purchased under agreements to resell the asset at a fixed price on a future date (reverse repurchase agreements) are treated as collateralized lending. The underlying asset is not recognized in the Company's financial statements. The difference between the purchase and resale price is recognized as interest over the life of the agreements using the effective interest method.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial instruments carried on the statement of financial position include financial investment at fair value through profit or loss, financial investment at fair value through other comprehensive income, cash and cash equivalents, securities purchased under resale agreements, receivables (excluding prepayments), dividend receivable and financial liabilities including bond payable, dividend payable, payables and redeemable preference shares.

(i) Recognition and initial measurement

Financial instruments at fair value through profit or loss are recognised initially on the trade date, which is the date on which the Company becomes party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date they are originated.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

Financial instruments at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial instruments not at fair value through profit or loss are measured initially at fair value, plus transaction costs that are directly attributable to its acquisition or issue.

3. Summary of material accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification

On initial recognition, the Company classified its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

All other financial assets of the Company are measured at FVTPL or FVOCI.

Business model assessments

- In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:
- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, the information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

3. Summary of material accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification (continued)

Business model assessments (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, securities purchased under resale agreements, dividend receivable and receivables (excluding prepayments). These financial assets are held to collect contractual cash flows.
- Other business model: this includes financial investment at FVTPL and FVOCI. These financial assets are managed and their performance is evaluated, on a fair value basis.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers the following:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the day of the first reporting period following the change in business model.

Financial liabilities

The Company classifies financial liabilities as measured at amortized cost.

3. Summary of material accounting policies (continued)

(d) Financial instruments (continued)

(iii) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method, of any difference between the amount recognized and the maturity amount, adjusted for any expected credit loss allowance.

(iv) Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its nonperformance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(v) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability on the statement of financial position. On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligations expire or are discharged or cancelled.

3. Summary of material accounting policies (continued)

(d) Financial instruments (continued)

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legal right to set off the recognized amounts and it intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

(vii) Identification and measurement of impairment

The Company recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition for estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment, including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of “investment grade”.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Financial instruments for which a 12-month ECL is recognized are referred to as “Stage 1 financial instruments”.

3. Summary of material accounting policies (continued)

(d) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows. The Company does not currently have any credit-impaired financial assets. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(e) Bond payable

A bond is recognized initially at fair value net of directly attributable transaction costs and is subsequently measured at amortized cost. Any difference between the proceeds received (net of transaction costs) and the redemption value is recognized through profit or loss over the period of the loan using the effective interest method.

3. Summary of material accounting policies (continued)

(f) Interest income

Interest income is recognized in profit or loss on the accrual basis using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

When calculating the effective interest rate for financial instruments other than purchased or originated credit impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

Amortized cost and gross carrying amount

See definition of amortized cost at Note 3(d)(iii).

The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss includes interest on financial assets measured at amortized cost.

(g) Interest expense

Interest expense is recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortized cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the issue of the financial liability. The 'amortized cost' of a financial liability is the amount at which the financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount.

The effective interest rate of a financial liability is calculated on initial recognition of a financial liability. In calculating interest expense, the effective interest rate is applied to the amortized cost of the liability.

Interest expense presented in the statement of profit or loss and OCI includes financial liabilities measured at amortized cost.

3. Summary of material accounting policies (continued)

(h) Dividend expense on redeemable preference shares

Dividend payable to the holder of redeemable preference share is recognized in the profit or loss as 'finance costs' when the right to made payment is established.

(i) Net gains and losses from financial assets classified as fair value through profit (FVTPL) or loss and fair value through other comprehensive income (FVOCI)

Financial instrument at FVTPL

This asset is subsequently measured at fair value. Net gains and losses from this financial instrument includes all realized and unrealized fair value changes but excludes interest, and distributions of partnership income and are recognized in profit or loss within 'net fair value gains on financial investment at FVTPL'. Realized gains and losses are calculated using the specific identification method.

Financial instrument at FVOCI

This asset is subsequently measured at fair value. Dividends are recognized as income in profit or loss when declared, unless the dividend clearly represents a recovery of part of the cost of the investment and are presented within 'dividend income from financial instrument at FVOCI'. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

(j) Taxation

Effective July 1, 2021, all International Business Companies (IBC's) are subject to the Income Tax Act where chargeable income is taxed at the rate of 30 percent. However, in 2018, the Income Tax Act was amended by virtue of section 8 (3), which provides that the assessable income of the company shall not include income accrued from a source outside of Saint Lucia, provided that the company can demonstrate economic substance for each activity carried on in the relevant sector.

To address the economic substance requirements, the Government of Saint Lucia introduced the Economic Substance Act No 33 of 2019 (ESA) in 2019. Effective July 1, 2021, within 3 months after a year of income, a relevant entity shall submit to the Competent Authority an Economic Substance Return.

(k) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the Company has no separately identifiable operating segment.

(Expressed in United States dollars unless otherwise stated)

4. Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that could affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events those are believed to be reasonable under the circumstances.

The fair value of the Company's unquoted investment in each Fund is based on the fair values of the Fund's underlying investments, which include common equity securities and corporate debt. The fair value of such underlying investments and investment held in Outsourcing Management Limited ('OML preference shares') uses valuation models that employ significant unobservable inputs for investments that are traded infrequently or not at all. These unobservable inputs require a higher degree of management judgment and estimation in determining the fair value.

Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows from the financial instrument being valued, determination of expected volatilities and correlations, and selection of appropriate discount rates. Consequently, the use of different assumptions and inputs could yield materially different results in the fair value of the Company's investment in the Funds and OML preference shares from those reflected in the statement of financial position.

5. Financial investment at FVTPL

This represents:

(a) An unquoted equity investment in PCF II. PCF II is managed by Portland Private Equity II, Ltd. and its principal activity is to make private equity and related investments in companies or other entities located principally in certain member and associate member states of CARICOM, certain Development Assistance Committee Countries and certain Cotonou Agreement Countries (the "Target Region"), which excludes Cuba, Mexico and Venezuela. PCF II will also make investments in businesses, the securities of which have no established market and may be restricted with respect to transfer, with the principal objective of appreciation of invested capital.

(b) Debt notes held in Merqueo consist of convertible debt notes and factoring facilities. Merqueo is a vertically integrated e-grocer who offers customers a seamless online platform where they can easily shop for groceries that are conveniently delivered to their door, at a price targeted to be less expensive than prices found at a traditional supermarket. The debt carries interest at rates between 0%-18% per annum. Merqueo is undergoing a re-organization, the success of which will be dependent on raising additional capital which is uncertain at this point. Accordingly, any repayment of debt notes and factoring facilities is uncertain at this time and so is the medium of repayment. A write down of the principal has been recorded in the net fair value gains/(losses) at FVTPL and impairment loss has been recorded for the accrued interest.

	February 29, 2024 $	February 28, 2023 $
Portland Caribbean Fund II, L.P.	**24,588,031**	26,308,905
Merqueo Holdings	**1**	4,500,000
	24,588,032	30,808,905

6. Financial investment at FVOCI

This represents cumulative convertible preference shares held in Outsourcing Management Limited ('OML') – "itel" (the "OML Preference Shares") that were issued at US$1 per share. Itel is a Business Process company providing voice and non-voice (digital) contact services, as well as high-value customer experience management. Dividend is payable at 5% per annum semiannually and mature within five years. Subject to certain conditions being met, the preference shares are convertible to Series B ordinary shares at the earlier of three years or the investee attaining an agreed upon pre-money valuation, based on an agreed upon multiple and trailing earnings before interest, taxation, depreciation, and amortization. As per the valuation methodologies (as described in note 18) applied and based on market conditions and performance the Managers believe a write down to $1 is appropriate at this time. Estimated fair value may vary from the price achieved in an arm's length transaction. To the extent that market conditions and performance change, this may result in a future revaluation of the fair value of OML and a subsequent increase in the fair value of the OML Preference Shares.

(Expressed in United States dollars unless otherwise stated)

7. Cash and cash equivalents

Cash and cash equivalents represents deposits in savings accounts held with licensed commercial banks.

8. Securities purchased under resale agreements

At the reporting date, the fair value of securities purchased under resale agreements, are estimated to approximate their carrying value, due to their short-term nature. $171,027 ($163,151 in 2023) is held for the benefit of JCSD Trustee Services Limited, in respect of bond payable arrangement (note 11).

9. Receivables and prepayments

	2024	2023
	$	$
Interest receivable	**13,104**	111,131
Prepaid Fees (Note 19 (c))	**67,132**	19,908
	80,236	131,039

10. Payables

	2024	2023
	$	$
Management fee payable on redeemable preference shares* (Note 19 (c))	**–**	10,361
Interest payable	**54,041**	52,305
Withholding tax payable	**392**	875
Other payables and accruals	**32,960**	54,130
	87,393	117,671

* This represents amount payable to the Managers of the Company related to their share of dividend allocated on redeemable preference shares. See note 12.

(Expressed in United States dollars unless otherwise stated)

11. Bond payable

On April 16, 2021, the Company entered into a bond purchase agreement (five-year term) with JCSD Trustee Services Limited for J$600,000,000 (US$3,964,200) to refinance the loan with Victoria Mutual Investments Limited (J$520,000,000). The bond bears interest at a fixed rate of 8% per annum, payable on a quarterly basis. The principal sum (plus any accrued interest) is repayable by way of a lump sum payment at the end of the term.

As at February 28, 2024, the principal amount outstanding amounted to J$600,000,000 (US$3,860,040) [J$600,000,000 (US$3,858,540) in 2023].

12. Redeemable preference shares

On August 16, 2021, the Company issued US$5,000,000 redeemable preference shares, less transaction costs of US$153,922. The proceeds from which was used to invest in preference shares of a Portland Caribbean Fund II, L.P. portfolio company, Outsourcing Management Limited. Dividends of 4% per annum are payable semi-annually, which mature within five years. The principal sum is repayable by way of a lump sum payment at maturity. The difference of 1% between the amount payable on these redeemable preference shares and the amount receivable on the Company's investment in OML preference shares (Note 6), is allocated between the Company and the Manager 80%/20%, respectively. See note 10.

The holder has the option to redeem the shares at the earlier of a liquidity event or the maturity date of July 30, 2026. The Company's maximum debt to equity should not exceed 3.0x. Redeemable preference shares do not carry the right to vote. All equity associated with the investment in OML Preference Shares (Note 6) is attributable strictly to the Equity Linked preference shares and should not impact any other shareholders in the Company. This instrument has been structured to preclude recourse against any other assets of the Company, and therefore, equity of any other shareholders.

13. Share capital and reserves

(a) Share capital

Issued and fully paid

	2024	2023
	$	$
309,968,261 (309,968,261 in 2023) ordinary shares	**26,392,474**	26,392,474
Non-redeemable preference share (i)	**1**	1
Transaction costs of share issues	**(709,522)**	(709,522)
	25,682,953	25,682,953

(i) Portland Fund II GP, Inc., the general partner of the Fund, holds 1 (1 in 2023) nonredeemable preference share in the Company. The preference share gives Portland Fund II GP, Inc. the right to receive notice of, attend, vote at and demand a poll at general meetings of any class of shareholders of the Company. On all decisions in general meetings and on all resolutions, Portland Fund II GP, Inc. is entitled to 51% of the votes of the shareholders. The preference share gives no right to dividends or distribution of assets in the event of a wind-up of the Company.

(b) Investment revaluation reserve:

This represents the accumulative net change in the fair value of financial asset measured at FVOCI, until the asset is derecognized or reclassified.

(Expressed in United States dollars unless otherwise stated)

14. Expenses by nature

	2024 **$**	2023 $
Accounting fees	**23,400**	24,781
Audit fees	**17,410**	42,943
Directors' fees (Note 19(d))	**20,133**	20,552
Other operating expenses	**61,259**	59,234
PCF III organizational expenses	**320,000**	—
Administrative expenses	**29,220**	29,726
Irrecoverable withholding taxes	**9,975**	49,076
Legal and professional fees	**19,118**	17,277
Management fees related to redeemable preference shares (Note 19(d))	**2,556**	9,917
Fees (Note 19(d))	**465,691**	190,922
	968,762	444,428

15. Losses per ordinary share

The calculation of basic losses per ordinary share of (2.34)¢ (0.26¢ in 2022) is calculated by dividing the loss for the year by the weighted average number of ordinary shares in issue for the year of 309,968,261 (309,968,261 in 2023).

16. Financial risk management

(a) Overview and risk management framework

The Company'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. The Company's aim is therefore to achieve an appropriate balance between risks and return and minimise potential adverse effects on its financial performance.

The Company's risk management 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 Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried out by the Management Companies under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk.

16. Financial risk management (continued)

(b) Credit risk

(i) Credit risk management

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit exposure arises principally on investment activities that bring debt securities into the Company's asset portfolio.

(ii) Credit risk exposure

Credit risk exposures reflected on the statement of financial position relate to cash and cash equivalents, securities purchased under resale agreements and investments in the Fund and OML preference shares.

The Company has a significant concentration of credit risk at the reporting date in respect of certain financial investments with the Fund, OML preference shares and cash and cash equivalents and securities purchased under resale agreements with Victoria Mutual Wealth Management Limited. The maximum credit exposure is limited to the carrying value of financial assets on the statement of financial position.

(c) Market risk

The Company 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 prices. Market risk arises from open positions in investment products, 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. The market risk arising from investment activities is determined by the Management Companies and monitored by the Board of Directors separately.

(i) 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. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has no exposure to this risk as it has no variable rate interest-bearing financial instruments.

16. Financial risk management (continued)

(c) Market risk (continued)

(ii) Currency risk

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. The main currency giving rise to this risk is the Jamaica dollar (J$).

At the reporting date, the J$ dollar equivalents of net foreign currency liabilities were as follows:

	2024 **J$'000**	2023 J$'000
Bond payable	**(600,000)**	(600,000)
Cash and cash equivalents	**—**	25,266
Security purchased under resale agreements	**26,584**	—
Interest payable	**(8,400)**	(8,133)
	(581,816)	(582,867)

The exchange rate of the US$ to the J$ at the reporting date was $155.44 (US$1.00 to J$155.50 in 2022).

Foreign currency sensitivity

The effect of a 6% (6% in 2023) strengthening of the United States dollar against the Jamaica dollar at the reporting date would, all other variables held constant, have resulted in an increase in profit or loss for the year of US$211,869 (US$224,900 in 2023). A 2% (2% in 2023) weakening in the exchange rate would, on the same basis, have resulted in a decrease in profit or loss of US$76,388 (US$74,967 in 2023).

(d) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and its exposure to changes in interest rates and exchange rates. Assets available to meet liabilities which includes cash and cash equivalents and securities purchased under resale agreements.

(Expressed in United States dollars unless otherwise stated)

16. Financial risk management (continued)

(d) Liquidity risk (continued)

The table below presents the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Company's financial liabilities.

	Within 3 months $	3 to 12 months $	Over 1 year $	Contractual cash flows $	2024 Carrying amount $
Financial liabilities					
Payables	**87,394**	**—**	**—**	**87,394**	**87,394**
Bond payable	**77,171**	**231,512**	**4,784,590**	**5,093,273**	**3,860,040**
	164,565	**231,512**	**4,784,590**	**5,180,667**	**3,947,434**

	Within 3 months $	3 to 12 months $	Over 1 year $	Contractual cash flows $	2023 Carrying amount $
Financial liabilities					
Redeemable preference shares	—	227,945	5,000,000	5,227,945	4,846,078
Dividend payable on preference shares	—	217,584		217,584	217,584
Payables	107,310	10,361		117,671	117,671
Bond payable	77,171	231,512	4,784,590	5,093,273	3,858,540
	184,481	687,402	9,784,590	10,656,473	9,039,873

17. Capital management

The Company is a Limited Partner in each Fund. Each Fund is comprised of several parallel partnerships that together comprise a private equity fund with a mandate to make investments in equity or debt securities of private companies located in the Caribbean and Latin America.

The Company has made a capital commitment to each Fund which obligates the Company to remit funds, cumulatively not to exceed the amount of the respective capital commitments, upon receipt of capital call notices.

The Company may co-invest with the Funds in equity or debt securities of private companies located in the Caribbean and Latin America. The Company is permitted to participate in co-investments on a no fee/ no carry basis up to the amount of its capital commitment and thereafter on a negotiated basis.

Pending the receipt of capital call notices in respect of the Company's commitment to each Fund, which may occur over the period of several months or years, and at any time deemed appropriate by the Manager, the Company will invest in short-term instruments, money market funds, or similar temporary instruments.

In addition, the Company may borrow up to 25% of its total assets after giving effect to the borrowing. The Company has no intention to utilize leverage as a strategy, however, borrowing may be required to fund working capital and act as buffer to cover cash flow timing differences.

18. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date. Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument.

For financial instruments which have no market prices, the fair value has been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date.

The Company measures fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and those inputs have a significant effect on the instrument valuation. This category includes instruments that are valued based on prices for similar instruments for which significant adjustments or assumptions are made to reflect differences between the instruments.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The valuation of investments at fair value through profit or loss is as described in note 4.

(a) Accounting classifications and fair values

The Company’s investment in each Fund and OML preference shares are measured at fair value and classified at level 3. The following table shows the valuation techniques used in measuring the fair value of the Company’s unquoted investments, as well as the significant unobservable inputs used.

Valuation techniques	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Investment in PCF II and OML Market approach – comparable companies or external offers	• Adjusted EBITDA multiple range of 5.00-9.60 times • 5%-15% liquidity discount	The estimated fair value would increase/(decrease) if: • Adjusted EBITDA was higher/(lower) • The liquidity discount was (higher)/lower

(Expressed in United States dollars unless otherwise stated)

18. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values (continued)

The table below shows the carrying amount and fair value level of financial assets and financial liabilities.

					2024
	Carrying amount			Fair value	
	FVTPL	FVOCI	Amortised cost	Level 2	Level 3
	$	$	$	$	$
Financial assets measured at fair value					
Financial investments at FVTPL	**24,588,032**	**—**		**—**	**24,588,032**
Financial investment at FVOCI	**—**	**1**		**—**	**1**
Financial assets not measured at fair value					
Dividend receivable on preference shares	**—**	**—**	**—**	**—**	**—**
Receivables (excluding prepayments)	**—**	**—**	**13,104**	**13,104**	**—**
Security purchased under resale agreement	**—**	**—**	**523,936**	**523,936**	**—**
Cash and cash equivalents	**—**	**—**	**2,780,236**	**2,780,236**	**—**
	24,588,032	**1**	**3,317,276**	**3,317,276**	**24,588,033**
Financial liabilities not measured at fair value					
Payables	**—**	**—**	**87,394**	**87,394**	**—**
Dividend payable on redeemable preference shares	**—**	**—**	**—**	**—**	**—**
Bond payable	**—**	**—**	**3,860,040**	**3,860,040**	**—**
Redeemable preference shares	**—**	**—**	**1**	**1**	**—**
	—	**—**	**3,947,435**	**3,947,435**	**—**

					2023
	Carrying amount			Fair value	
	FVTPL	FVOCI	Amortised cost	Level 2	Level 3
	$	$	$	$	$
Financial assets measured at fair value					
Financial investment at FVTPL	30,808,905	—	—	—	30,808,905
Financial investment at FVOCI	—	5,000,000	—	—	5,000,000
Financial assets not measured at fair value					
Dividend receivable on preference shares	—	—	259,028	259,028	—
Receivables (excluding prepayments)	—	—	111,131	111,131	—
Security purchased under resale agreement	—	—	—	—	—
Cash and cash equivalents	—	—	—	—	—
	30,808,905	5,000,000	370,159	370,159	35,808,905
Financial liabilities not measured at fair value					
Payables	—	—	117,671	117,671	—
Dividend payable on redeemable preference shares	—	—	217,584	217,584	—
Bond payable	—	—	3,858,540	3,858,540	—
Redeemable preference shares	—	—	4,846,078	4,846,078	—
	—	—	9,039,873	9,039,873	—

Financial assets and financial liabilities in table above are classified at level 2 either due to their short-term nature or when non-current due to no discount anticipated on settlement.

(Expressed in United States dollars unless otherwise stated)

18. Fair value of financial instruments (continued)

(b) Reconciliation of Level 3 fair value

The following table shows a reconciliation for the financial investment, measured at fair value:

	Unquoted investment	
	2024	2023
	$	$
Balance at beginning of the year	**35,808,905**	40,807,571
Net change in fair value recognised in profit or loss	**(5,992,864)**	(496,132)
Additional investments during the year	**–**	5,873,976
Net change in fair value of financial investment at FVOCI	**(4,999,999)**	–
Financial investment distributions received	**(228,009)**	(10,376,510)
Balance at end of year	**24,588,033**	35,808,905

19. Related party balances and transactions

(a) Definition of related party

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity," in this case, the Company).

A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.

(vi) The entity is controlled, or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(Expressed in United States dollars unless otherwise stated)

19. Related party balances and transactions (continued)

(b) Identification of related parties

The Company has related party relationships with directors, Management companies and funds under the control of the management companies.

(c) The statement of financial position includes balances arising in the ordinary course of business, with related parties as follows:

	2024	2023
	$	$
Financial investment at FVTPL	**24,588,031**	26,308,905
Prepaid Fees* (Note 9)	**67,132**	19,907

* These related party balances are interest free and unsecured and are expected to be settled within the next twelve months.

(d) The statement of profit or loss includes significant transactions in the ordinary course of business, with related parties, as follows:

	2024	2023
	$	$
Net fair value gain (loss) on financial investment, at FVTPL	**(5,992,864)**	(496,132)
Management fees related to redeemable preference shares (Note 14)	**2,556**	9,917
Key management compensation		
Fees (Note 14)	**(465,691)**	(190,922)
Directors' fees (Note 14)	**(20,133)**	(20,552)
	(485,824)	(211,474)

20. Subsequent events

On April 4, 2024, the Fund distributed US $8,923,268, from a partial portfolio realization. The Company's allocation was US $1,463,933. This transaction is considered a non-adjusting event and therefore not recognized in the Company's financial statements at the reporting date.

LIST OF SHAREHOLDINGS OF DIRECTORS, SENIOR MANAGEMENT AND THEIR CONNECTED PERSONS

AS AT FEBRUARY 29, 2024

DIRECTOR	SHAREHOLDINGS	CONNECTED PERSONS
Douglas Hewson	Nil	Portland Fund II GP, Inc. Controlling Shareholder through Preferred Shares
Patricia R. Francis	Nil	-
N. Patrick McDonald	Nil	-
Jonathan Murphy	Nil	-
Joanne Cooper	Nil	-
SENIOR MANAGEMENT	**SHAREHOLDINGS**	**CONNECTED PERSONS**
Portland Private Equity II Limited	Nil	Douglas Hewson
McNamara Corporate Services Inc.	Nil	-

Jamaica Central Securities Depository Limited
Registrar Services Unit
P.O. BOX 1084, 40 Harbour Street, Kingston, Jamaica
Tel: (876) 967-3271-4 Fax: (876) 948-6653

Top 10 shareholdings for PORTLAND JSX LTD ORDINARY SHARES
As at
February 29, 2024

	Primary Account Holder	Joint Holder(s):	Volume	Percentage
1	GRACEKENNEDY PENSION FUND CUSTODIAN LTD FOR GRACEKENNEDY PENSION SCHEME			
			40,000,000	12.9045%
		Client total ownership	**40,000,000**	**12.9045%**
2	ATL GROUP PENSION FUND TRUSTEES NOM LTD			
			23,600,000	7.6137%
			7,305,222	2.3568%
		Client total ownership	**30,905,222**	**9.9704%**
3	PAM - POOLED EQUITY FUND			
			25,702,270	8.2919%
		Client total ownership	**25,702,270**	**8.2919%**
4	PETER 2 COMPANY LIMITED PENSION PLAN			
			23,727,000	7.6547%
		Client total ownership	**23,727,000**	**7.6547%**
5	SJIML A/C 3119			
			20,000,000	6.4523%
		Client total ownership	**20,000,000**	**6.4523%**
6	PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND			
			15,408,105	4.9709%
		Client total ownership	**15,408,105**	**4.9709%**
7	GUARDIAN LIFE LIMITED - EQUITY FUND			
			1,590,900	0.5132%
			11,454,500	3.6954%
			17,000	0.0055%
		Client total ownership	**13,062,400**	**4.2141%**
8	GUARDIAN LIFE LIMITED/PENSIONS FUND			
			11,454,500	3.6954%
		Client total ownership	**11,454,500**	**3.6954%**
9	VMWEALTH EQUITY FUND			
			11,392,370	3.6753%
		Client total ownership	**11,392,370**	**3.6753%**
10	JPS EMPLOYEES' SUPERANNUATION FUND			
			7,454,500	2.4049%
			3,334,455	1.0757%
		Client total ownership	**10,788,955**	**3.4807%**

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Top 10 shareholdings for PORTLAND JSX LTD ORDINARY SHARES
As at
February 29, 2024

Primary Account Holder	Joint Holder(s):	Volume	Percentage

Total Issued Capital:	**309,968,261**
Total Units Owned by Top 10 Shareholders:	**202,440,822**
Total Percentage Owned by Top 10 Shareholders:	**65.3102%**

NOTE: Information reflected above reports on the top ‘x’ shareholdings where ‘x’ identifies the shareholder count. In cases where more than one shareholder has equal number of units as at report date; the holdings will be ‘grouped’ for counting purposes and counted as one.

*****End of Report*****

Production Environment
Report ID 8849