



SAGICOR BARBADOS SEGREGATED PENSION FUNDS

2024 ANNUAL REPORT



○ **OUR VISION**

To be a great company, committed to improving the lives of people in the communities in which we operate.

For 183 years, Sagicor's business has been based on long-term relationships with its customers, employees, and communities, who entrust us with their financial well-being. Our name and reputation draw on the strength, stability and financial prudence that are our heritage, and this identity defines the flexibility that wise financial thinking can bring to our customers throughout their lives. Through local expertise, and in partnerships with world-class asset managers, reinsurers, together with sound risk management practices, Sagicor is able to provide wise financial advice, and continue to meet the needs of our customers now and in the future.

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BARBADOS SEGREGATED PENSIONS FUNDS POLICY

BARBADOS SEGREGATED PENSIONS FUNDS POLICY

Under this policy, Sagicor manages and administers Pension Funds registered in Barbados and facilitates investments in diversified portfolios of securities. Sagicor allows investment in either or both of the two Unit Trusts, in proportions chosen by the client.

Administration services include design of plans, record keeping, member education and retirement counselling, regulatory reporting, benefits and pensioner payment and income tax reporting. Actuarial services include actuarial valuations, IAS valuations, benefit scenarios and recommendations for benefit enhancements.

At Present, Pension Funds of 231 companies in Barbados amounting to approximately \$1.08 billion are invested in these segregated funds; all but 66 of these Pension Plans are also administered by Sagicor. The total membership stood at 5,072 which includes 870 Pensioners.



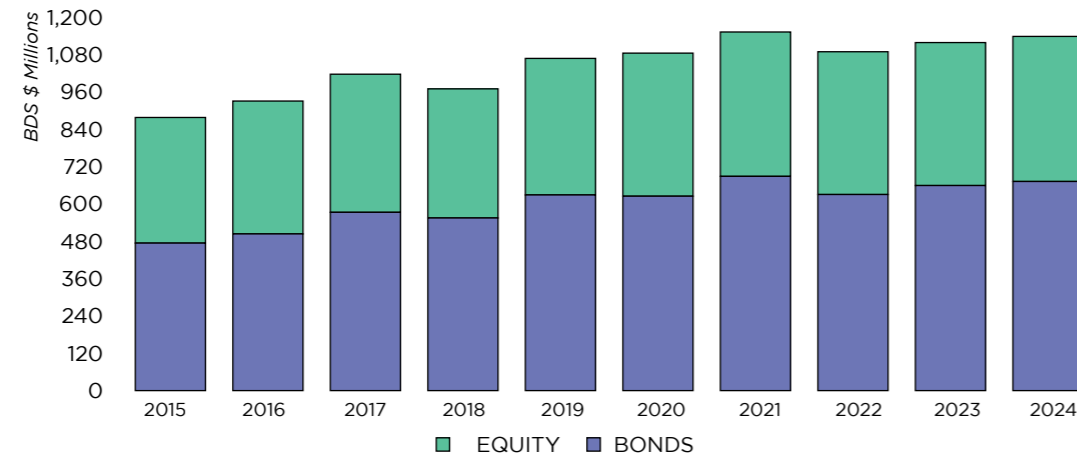
SAGICOR
BARBADOS
SEGREGATED
PENSION FUND
POLICY

FINANCIAL HIGHLIGHTS

EQUITY & BONDS FUNDS - NET ASSETS, UNIT VALUE, YIELD						
	Equity Fund			Bonds Fund		
2015	\$469,767	\$48.15	0.9%	\$400,108	\$24.89	3.8%
2016	\$499,022	\$51.23	6.4%	\$423,156	\$25.36	1.9%
2017	\$567,830	\$58.05	13.4%	\$439,872	\$26.72	5.4%
2018	\$549,787	\$56.41	-2.9%	\$411,197	\$25.03	-6.3%
2019	\$623,129	\$64.68	14.7%	\$434,847	\$27.20	8.8%
2020	\$619,153	\$65.93	1.9%	\$455,648	\$28.60	5.1%
2021	\$682,364	\$74.32	12.7%	\$459,740	\$29.45	3.0%
2022	\$624,544	\$68.71	-7.55%	\$454,670	\$29.46	0.03%
2023	\$653,151	\$74.19	7.97%	\$455,292	\$30.79	4.51%
2024	\$666,046	\$77.36	4.27%	\$461,981	\$32.02	3.99%



GROWTH OF THE SEGREGATED FUND ASSETS



CHAIRMAN'S STATEMENT

STEPHEN MCNAMARA

Capital Market Review

The year 2024 was a transformative period for global capital markets, marked by significant shifts in central bank policies, rapid advancements in artificial intelligence (AI), and the continued dominance of the “Magnificent 7” technology companies. Against this backdrop, a detailed analysis of these factors and market performance characteristics are highlighted.

Central Bank Policy Decisions

Central banks played a pivotal role in shaping market dynamics in 2024. After years of aggressive tightening to combat elevated inflation, major central banks, including the U.S. Federal Reserve (Fed), the European Central Bank (ECB), and the Bank of England (BoE), began to pivot toward a more accommodative stance in the second half of the year.

The U.S. Federal Reserve Bank cut interest rates twice in 2024, starting in Q3, as inflation fell closer to its 2% target. This shift supported equity markets, particularly growth and technology stocks, which had been under pressure during the high interest rate environment of 2022-2023. Bond markets also rallied, with yields on 10-year Treasuries declining significantly.

CHAIRMAN'S STATEMENT

The ECB and BoE followed suit, albeit more cautiously, as Europe and the UK faced slower growth and lingering inflationary pressures. Emerging market central banks, particularly in Asia, were more aggressive in cutting rates, which boosted equity markets in regions like India and Southeast Asia.

AI Development

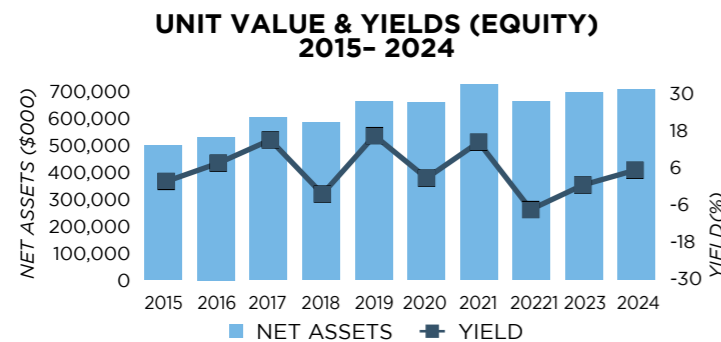
Artificial Intelligence (AI) was a defining theme of 2024, driving both productivity gains and market performance. The rapid adoption of generative AI technologies across industries led to significant earnings growth for companies leveraging AI tools.

Companies in cloud computing, semiconductors, and software saw outsized gains as AI adoption accelerated. NVIDIA, Microsoft, and Alphabet were among the top performers, benefiting from their leadership in AI infrastructure and applications.

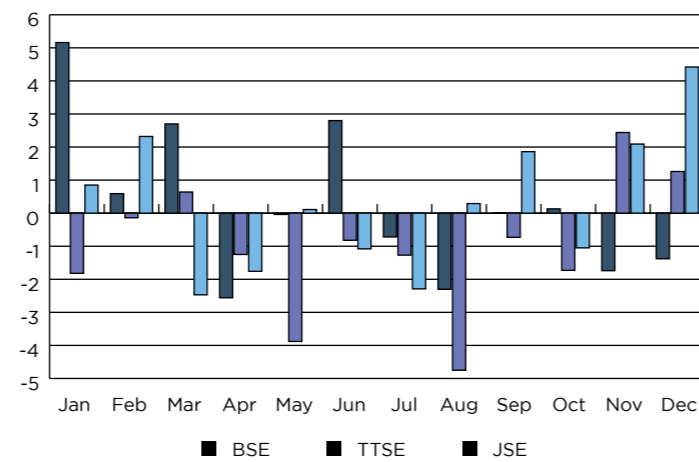
The "Mag 7" (Apple, Microsoft, Alphabet, Amazon, NVIDIA, Meta, and Tesla) continued to dominate market performance in 2024, collectively accounting for a significant portion of the S&P 500's gains.

These companies benefited from their strong balance sheets, leadership in AI, and ability to adapt to changing market conditions. NVIDIA, in particular, saw explosive growth due to its dominance in AI chips, while Microsoft and Alphabet capitalized on their cloud and AI platforms.

Despite their strong performance, valuation multiples for the Magnificent 7 expanded further, raising concerns about concentration risk in U.S. equity markets. By year-end, these seven companies represented over 30% of the S&P 500's market capitalization.



REGIONAL STOCK INDICIES 2024



U.S. vs. Rest of the World

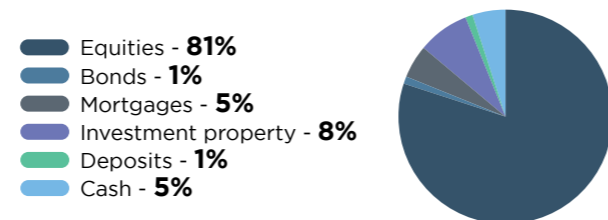
The U.S. equity market outperformed most global markets in 2024, driven by the strength of the Magnificent 7 and the resilience of the U.S. economy. However, there were notable divergences in regional performance.

The S&P 500 delivered a total return of approximately 23.3% in 2024, fuelled by technology stocks and the Fed's rate cuts. Small-cap stocks also rallied in the latter half of the year as investor sentiment improved.

Caribbean markets were mixed, with the BSE, JSE, ECSE reporting moderately positive performances of 2.4%, 3.1% and 5.6% while the TTSE declined -11.6%. The Trinidad stock market was negatively impacted by the fall in share price of Massy Group of Companies despite their strong fundamentals.

European markets underperformed, with the STOXX Europe 600 gaining only 5.4%. Slower economic growth, particularly in Germany, and a more cautious ECB

ASSET ALLOCATION (EQUITY)



CHAIRMAN'S STATEMENT

weighed on performance. However, sectors like luxury goods and renewable energy saw strong gains.

Asian markets were positive. Japan's Nikkei 225 rose 19.2%, supported by corporate governance reforms and a weaker yen. China's markets, CSI 300 advanced by 17.9% due to the government's implementation of supportive fiscal and monetary policies to help spur economic growth and stabilize the beleaguered property market.

Emerging Markets excluding-China performed well, with regions like Latin America benefiting from commodity demand and nearshoring trends. The MSCI Emerging Markets Index returned 5.3%, lagging the U.S. but in line with STOXX Europe 600.

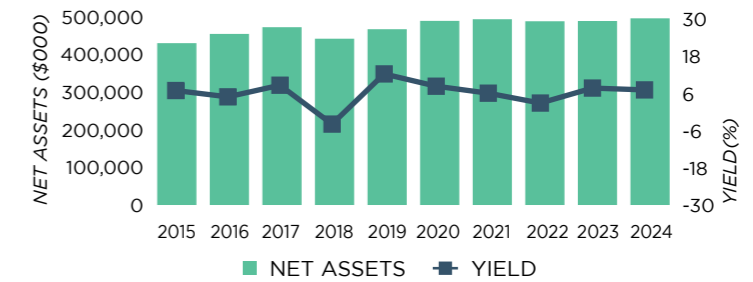
Segregated Fund Performances

Against this backdrop the Sagicor Equity Fund returned 4.3% over the review period, driven positively by its exposure to international market securities, particularly in the U.S. technology space. However, top regional equity holding Massy Holdings Ltd declined by -11.4%, offsetting the robust gains achieved by U.S. securities exposed to generative AI technology such as Apple, Alphabet, and Meta, which advanced by 30.1%, 35.5%, and 65.4%, respectively. Total assets under management grew to \$674.9 million on net investment gains of \$22.8 million with a NAV/Unit Value of \$77.36.

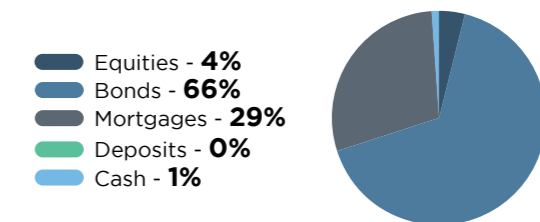
The Fund portfolio was tilted towards the equity asset class consistent with its goal of long-term capital appreciation and represented 81% of total financial assets. International equities accounted for 70% of the equity segment, while local and regional equities accounted for 18% and 12%, respectively. For diversification, the Fund allocated to Investment property (8%), mortgages (5%) and Bonds (1%). The Bond segment had a duration of 10.2 years and an average yield-to-maturity of 8.3%. Direct real estate investment properties recorded an occupancy rate of 82.2%.

The Sagicor Bonds Fund reported a 4.0% investment return, notwithstanding the global bond market selloff during the final quarter of 2024. The total bond segment represented 66% of the portfolio, with regional, local, and international fixed income accounting for 41%, 39% and 20% respectively. The Fund was diversified through strategic allocations to Mortgages, 29% and Equities, 4%, with the remaining 1% allocated to liquid assets such as cash and treasury bills. The portfolio yield to maturity

UNIT VALUE & YIELDS (BONDS) 2015-2024



ASSET ALLOCATION (BONDS)



and duration on bond holdings were 6.2% and 6 years, respectively. The effective yield on the mortgage book was 4.5%. Total assets under management were \$465.0 million on interest income of \$20.1 million with a NAV/Unit Value of \$32.02.

Outlook

The International Monetary Fund (IMF) forecasts global growth to remain stable across major economies, with growth projected at 3.3% for both 2025 and 2026, following an expansion of 3.2% in 2024. However, medium-term growth prospects are at their lowest in decades and remain uneven across regions. The IMF projects robust output for the Caribbean, with growth rates of 11.9% in 2024 and 5.5% in 2025, driven largely by Guyana's oil economy. The moderate regional economic expansion is likely to continue in the forecast period due to a more challenging external environment.

Key Risks and Challenges

Ongoing geopolitical conflicts and persistent U.S. tariff policy are expected to continue posing significant challenges for global markets, particularly in the technology and manufacturing sectors. These tensions could disrupt supply chains, increase costs, and create uncertainty for businesses and investors alike. The development of artificial intelligence (AI) remains a key driver of productivity growth across industries. As

CHAIRMAN'S STATEMENT

AI technologies advance, they are likely to unlock new efficiencies and innovation opportunities. However, the pace of AI adoption and its impact on corporate earnings will be critical to monitor, especially in the context of broader market performance. The "Magnificent 7" U.S. tech companies have played a dominant role in driving the performance of the S&P 500. However, their outsized influence—both in terms of market capitalization and gains has raised concerns about the sustainability of their leadership relative to the other stocks in the index.

Looking ahead, the portfolio management team will continue to carefully navigate several risks, including:

1. Geopolitical Tensions: Ongoing conflicts and trade disputes could create, inflation, volatility and disrupt global capital markets.
2. Climate-Related Risks: Unpredictable climatic events, such as extreme weather, could impact supply chains and economic stability.
3. Regulatory Changes: Shifts in regulatory environments, particularly in the tech sector, could affect valuations and profitability.
4. Sustainability of Tech Valuations: The high valuations of tech companies may face scrutiny, especially if earnings growth fails to meet expectations.

While risks persist, European and emerging markets—particularly in Asia—may offer attractive investment opportunities. As central banks in these regions ease monetary policy and structural reforms take hold, these markets could benefit from improved economic conditions and investor sentiment. Diversifying into these regions may help mitigate some of the risks associated with overconcentration in U.S. tech stocks.

Commitment to Shareholders

Our management and team remain committed to creating long-term shareholder value. We will continue to focus on delivering consistent returns, prudent investment strategies and effective risk management to investors.



Stephen McNamara
Chairman

TRUSTEES OF THE SEGREGATED PENSION FUND



TRUSTEES OF THE SEGREGATED PENSION FUNDS

SLI Directors

Stephen McNamara – Chairman, CBE, Barrister-at-Law, LLD (Hon)

Robert John Lionel Trestail, BA

Professor Sir Hilary Beckles, BA, PhD

Dr Archibald Campbell, CD, FCA, DBA

Ian St Clair Carrington, FB, MPA, FCGA

Peter Clarke, BA (History), BA (Law)

Jeannine Linette Comma, Ed.D, MA, BA

William Lucie-Smith, MA (Oxon), FCA

Julian Mair, BBA

Dodridge Miller, FCCA, MBA, LLM, LLD (Hon)

David Wright, FFA, FAIA

Andre Mousseau, BA, MBA

TRUSTEES OF THE SEGREGATED PENSION FUNDS

PENSION TEAM

James Camacho, B.A., F.I.A.

Nadia Chandler-Guy, BSc (Hons), FCCA

Dawn Jordan, BSc (Hons)

Donna Gibbs, MSc, FLMI, ALHC, HIA, ACS, CAMS

Marcella Sobers, CERT, AAPA, AIAA, AIRC

Shakeila Marshall, BSc (Hons), FCCA

Susan Mendez, FLMI, AIAA, ACS

INVESTMENT TEAM

Dexter Moe, BSc, MBA, ACIS, CFA

Michael Millar, BSc, MSc, CFA,

Liandra Sankar-Cassie, BSc, MBA, ALMI, ACS

Nicholas Neckles, BSc, CFA, OLY

Kareem Manning, BSc, MSc

Simone Simpson, BSBA (Hons), CFA

AUDITOR

PricewaterhouseCoopers SRL

Vice President
Assistant Vice President
Manager, Pension Actuarial
Manager, Client Relations
Manager, Pension Administration
Corporate Accountant
Manager, Pension Administration

Vice President
Head of Wealth Management
Assistant Vice President
Portfolio Manager
Senior Portfolio Manager
Portfolio Manager

FINANCIAL STATEMENTS (BONDS) FUND



Independent auditor's report

To the Unit holders of Sagicor (Bonds) Fund

Our opinion

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

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2024;
- the statement of income and comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unit holders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

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, 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.

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
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In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with 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.

Other matter

This report is made solely to the Fund's unit holders as a body. Our audit work has been undertaken so that we might state to the Fund's unit holders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unit holders as a body, for our audit work, for this report, or for the opinion we have formed.

Bridgetown, Barbados
May 27, 2025

Statement of Financial Position

As of December 31, 2024

	Notes	Sagicor (Bonds) Fund	
		Amounts expressed in Barbados Dollars	
		2024	2023
ASSETS			
Due from Sagicor Life Inc.	4	-	78,044
Due from Sagicor (Equity) Fund	4	3,883,851	1,268,367
Due from Sagicor International Balanced Fund	4	1,314	331,520
Income tax assets	5	-	3,433,630
Interest and other receivables	6	1,641,925	5,566,129
Financial investments	7	455,972,581	437,367,861
Cash resources		3,506,266	26,137,162
Total assets		465,005,937	474,182,713
LIABILITIES			
Due to Sagicor Life Inc.	4	1,081,581	-
Due to Sagicor Asset Management Inc.	4	6,258	16,522
Accounts payable	9	1,937,215	18,873,876
Total liabilities		3,025,054	18,890,398
Net assets attributable to unit holders		461,980,883	455,292,315
Represented by:			
UNIT HOLDERS' EQUITY		461,980,883	455,292,315
No. of units outstanding at end of year		14,429,896	14,787,090
Net asset value per unit at end of year		\$32.02	\$30.79
Increase in net asset value per unit for year		3.99%	4.51%

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

Approved by the Board of Directors on May 26, 2025.


Chairman


Director

Statement of Changes in Net Assets Attributable to Unit Holders

For the year ended December 31, 2024

	Sagicor (Bonds) Fund			
	Amounts expressed in Barbados Dollars			
	2024		2023	
	Number of Units	Total \$	Number of Units	Total \$
Balance, beginning of year	14,787,090	455,292,315	15,433,507	454,669,996
Proceeds from issue of units	582,587	18,320,956	560,510	16,797,093
Redemption of units	(939,781)	(29,528,194)	(1,206,927)	(36,224,608)
Net decrease from unit transactions	(357,194)	(11,207,238)	(646,417)	(19,427,515)
Net income and total comprehensive income for the year available to unit holders	-	17,895,806	-	20,049,834
Balance, end of year	14,429,896	461,980,883	14,787,090	455,292,315

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

Statement of Income and Comprehensive Income

As of December 31, 2024

	Notes	Sagikor (Bonds) Fund	
		2024	2023
REVENUE			
Interest income	10	20,066,579	17,571,995
Dividend income		106,813	209,544
Net investment gains	11	4,273,070	7,926,529
Credit impairment reduction / (losses)		(321,136)	89,837
		<u>24,125,326</u>	<u>25,797,905</u>
EXPENSES			
Management fee	12	2,293,966	2,274,868
Charge for impairment losses on income tax assets	5	3,433,630	3,492,742
Investment expenses		485,623	60,622
Bank and interest charges		11,869	13,645
Exchange losses / (gains)		4,432	(93,806)
		<u>6,229,520</u>	<u>5,748,071</u>
INCOME BEFORE TAXES		17,895,806	20,049,834
Withholding taxes		-	-
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR AVAILABLE TO UNIT HOLDERS		<u>17,895,806</u>	<u>20,049,834</u>

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

Statement of Cash Flows

For the year ended December 31, 2024

	Sagikor (Bonds) Fund	
	2024	2023
Cash flows from operating activities:		
Income before taxes	17,895,806	20,049,834
Adjustments for:		
Interest income	(20,066,579)	(17,571,995)
Dividend income	(106,813)	(209,544)
Charge for impairment losses on income tax assets	3,433,630	3,492,742
Net investment gains	(4,273,070)	(7,926,529)
Allowance for / (reduction of) impairment losses	321,136	(89,837)
	<u>(2,795,890)</u>	<u>(2,255,329)</u>
Changes in operating assets and liabilities		
Due from / to Sagikor Life Inc.	1,159,625	8,182,419
Due from Sagikor International Balanced Fund	330,206	(122,492)
Due from Sagikor (Equity) Fund	(2,615,484)	(3,138,133)
Due from Sagikor Asset Management Inc.	(10,263)	-
Issue of mortgage loans	(12,620,222)	(24,049,699)
Repayment of mortgage loans	7,163,779	11,676,634
Purchase of debt securities	(170,247,982)	(161,622,257)
Redemption of debt securities	158,621,556	175,960,505
Purchase of equity securities	(54,861)	(82,641)
Sale of equity securities	2,623,458	2,860,780
Amounts deposited	-	(2,000,000)
Deposits redeemed	-	4,507,547
Other receivables	3,913,609	(3,408,202)
Accounts payable	(16,936,661)	17,993,598
	<u>(31,469,130)</u>	<u>24,502,730</u>
Cash (used in) / generated from operations		
Interest received	19,938,659	17,624,656
Dividends received	106,813	209,544
Taxes paid	-	(11,005)
	<u>(11,423,658)</u>	<u>42,325,925</u>
Net cash (used in) / generated from operating activities carried forward		

Statement of Cash Flows

For the year ended December 31, 2024

	Sagicor (Bonds) Fund	
	Amounts expressed in Barbados Dollars	
	2024	2023
Net cash (used in) / generated from operating activities brought forward	(11,423,658)	42,325,925
Cash flows from financing activities		
Proceeds from issue of units	18,320,956	16,797,093
Redemption of units	(29,528,194)	(36,224,608)
Net cash used in financing activities	(11,207,238)	(19,427,515)
Net (decrease) / increase in cash and cash equivalents	(22,630,896)	22,898,410
Cash and cash equivalents - beginning of year	26,137,162	3,238,752
Cash and cash equivalents - end of year	3,506,266	26,137,162
Cash and cash equivalents comprise:		
Cash resources	3,506,266	26,137,162
	3,506,266	26,137,162

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

Notes to the Financial Statements

Year ended December 31, 2024

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagicor (Bonds) Fund (“The Fund”) was registered in April 1969 as a Unit Trust, responsible for the management of investments of Barbados registered pension plans.

The Fund’s objective is to generate income and preserve capital through investment in competitively yielding fixed income securities including mortgages, bonds and other debt instruments.

Sagicor Life Inc. acts as Asset Manager and Trustee of the fund. Sagicor Life Inc. has subcontracted out certain asset management and custodian arrangements with Oppenheimer & Co. Inc, UBS Financial Services and Morgan Stanley Private Wealth Management and BCSDI Custodian Trust Services Inc. The registered office of the Fund is located at the Cecil F. de Caires Building, Wildey, St. Michael, Barbados.

If required, these financial statements can be amended after issue, at the recommendation of the Audit Committee and with the approval of the Board of Directors of the Trustee.

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

These financial statements have been prepared in accordance with and comply with IFRS Accounting Standards. The financial statements have been prepared under the historical cost convention, as modified by revaluation of financial investments held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS Accounting Standards 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All amounts in these financial statements are shown in Barbados dollars unless otherwise stated.

New Standards and Amendments

Certain new standards and amendments to existing standards have been issued. The changes in standards and interpretations which may have an effect on future presentation, measurement or disclosure of the Fund’s financial statements are summarised in the following tables.

Amendments to existing IFRS and IAS effective January 1, 2024

None of these amendments have a material effect on the Fund’s financial statements.

Standard	Description of amendment
IAS 1 – Presentation of financial statements	These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability.
IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments: Disclosures	These amendments improve the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk, in view of investors’ and analysts’ concerns that the supplier finance arrangements of some entities are not sufficiently visible, hindering investors’ analysis.

New standards, amendments and interpretations effective after January 1, 2025, and that have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2025, and have not been early adopted in preparing these financial statements. The Fund’s assessment of the impact of these new standards and amendments is set out below:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

2. MATERIAL ACCOUNTING POLICIES (continued)**2.1 Basis of preparation (continued)**

Standard	Description of amendment
IFRS 7 Financial instruments: Disclosures and IFRS 9 Financial instruments	The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

The impact of this amendment on the Fund is currently being analysed.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

Standard	Description
IFRS 18 Presentation and Disclosure in Financial Statements	<p>The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.</p> <p>The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> the structure of the statement of profit or loss with defined subtotals; the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss; required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The impact of this standard on the Fund is currently being analysed.

2.2 Foreign currency translation**(a) Functional and presentational currency**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in Barbados dollars, which is the Fund's functional and presentational currency.

(b) Transactions and balances

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

Foreign exchange gains and losses which result from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and comprehensive income.

Translation differences on debt securities and other monetary financial assets measured at fair value are included under investment expenses. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the net investment gains or losses in the statement of income and comprehensive income.

Currency exchange rates are determined by reference to the respective central banks. Currencies which are pegged to the United States dollar are converted into Barbados dollars at the pegged rates. Currencies which float are converted to the Barbados dollar by reference to the average of buying and selling rates quoted by the respective central banks.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.1 Basis of preparation (continued)****(b) Transactions and balances (continued)**

Exchange rates of the other principal operating currencies to the Barbados dollar were as follows:

	2024 closing rate	2024 average rate	2023 closing rate	2023 average rate
Eastern Caribbean dollar	1.35	1.35	1.35	1.35
Trinidad & Tobago dollar	3.3737	3.3660	3.3579	3.3688
United States dollar	0.50	0.50	0.50	0.50

2.3 Financial assets**(a) Classification of financial assets**

The Fund utilises a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost based on the nature of the cash flows of these assets and the Fund's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset.

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as mortgages, deposits, due from other funds and other loans, are measured at amortised cost. In addition all financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs.

(b) Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Fund's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into the following measurement category.

Measured at fair value through profit and loss (FVTPL)

Debt instruments are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- when the performance of a portfolio of financial assets is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- when the debt instruments are held for trading and are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit taking.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.3 Financial assets (continued)**(b) Classification of debt instruments (continued)Business model assessment

Business models are determined at the level which best reflects how the Fund manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Fund intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

Solely repayments of principal and interest ("SPPI")

Where the business model is hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at FVTPL.

(c) Impairment of financial assets measured at amortized cost

The Fund measures its financial investments in deposits and mortgages at amortized cost. At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for Expected Credit Losses (ECL) resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognised are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment so are defined as being in default or otherwise credit-impaired are in 'stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Fund considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(d) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. These financial assets are credit-impaired on initial recognition. The Fund calculates the credit adjusted effective interest rate, which is calculated based on the fair value origination of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these assets is always measured on a life-time basis.

At each reporting date, the Fund shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Fund will recognize favorable changes in lifetime expected credit losses as an impairment gain, the gain occurs when the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.1 Basis of preparation (continued)**(e) Definition of default

The Fund determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikelihood to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(f) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(g) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

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

Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Fund are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience; but given that IFRS 9 requirements have only been applied since January 1, 2018, the historical period for such review is limited. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, and particularly to changes in economic and credit conditions across wide geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates continue to leverage existing processes for estimating losses on impaired loans, however, these processes have been updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate is produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.3 Financial assets (continued)**(g) The general approach to recognising and measuring ECL (continued)Measurement (continued)

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation has forecasts of the relevant macroeconomic variables – including, but not limited to, gross domestic product, for a three-year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts where available. Upside and downside scenarios is set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on a quarterly basis.

(h) Modification of loans

The Fund sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Fund assesses whether or not the new terms are substantially different to the original terms. The Fund does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Fund derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Fund will assess if the asset is POCL.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.3 Financial assets (continued)**(i) Re-classified balances

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

(j) Classification of equity instruments

The Fund classifies and subsequently measures all equity investments at FVTPL.

(k) Presentation in the statement of income and comprehensive incomeDebt and equity instruments measured at FVTPL

Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in revenue.

Financial instruments measured at amortised cost

Interest income is included in interest income earned from financial assets measured at amortised cost in the statement of income and comprehensive income.

Credit impairment losses are included in the statement of income and comprehensive income.

2.4 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

- cash balances,
- call deposits,
- other liquid balances with maturities of three months or less from the acquisition date,

Cash equivalents are subject to an insignificant risk of change in value.

2.5 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.6 Interest income and expenses

Interest income (expense) is computed by applying the effective interest rate based on the gross carrying amount of a financial asset (liability), except for financial assets that are purchased, originated or subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e. after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments. Dividend income is recorded when declared.

2.7 Taxation

The Fund is exempt from Barbados taxation.

The Fund currently incurs withholding taxes imposed by certain countries or financial institutions on investment income. Such income is recorded gross of withholding tax in the statement of income and comprehensive income and the related tax imposed is recorded as receivable until the amounts are recoverable or expensed as incurred.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.8 Management fee**

As a result of serving as Trustee and Manager of the Fund, Sagicor Life Inc. receives a management fee based on the Net Asset Value of the Fund, calculated at a rate of 0.5% per annum.

2.9 Units

The Fund issues units which are redeemable at the holder's option. Units are carried at the redemption amount that is payable at the statement of financial position date should the holder exercise the right to redeem the shares. Units redeemed may be put back to the fund for cash or transfer of assets representing the value of the units redeemed.

Units are classified as equity as they meet the following criteria:

- They entitle the holder to a pro-rata share of the net assets of the Fund.
- The total expected cash flows attributable to the units over their life are based substantially on the profits or loss of the Fund.
- The Fund is contractually obliged to deliver cash to unit holders on the repurchase of units or transfer assets representing the value of units redeemed.
- The rights and features attached to each unit are identical.

2.10 Net asset value per unit

The Fund adopts a forward pricing policy of valuing transactions. The consideration received or paid for units issued or repurchased respectively is converted to units based on the Fund's net asset value per unit at the next valuation period.

The net asset value per unit is calculated by dividing the net assets by the number of units.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. The items which may have the most significant effect on the Fund's financial statements are set out below.

3.1 Impairment of financial assets

In determining ECL (defined in Note 2.3(c)), management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Further information about the judgements involved is included in Note 2.3 'Measurement' and 'Forward-looking information'.

(a) Establishing staging for debt securities and deposits

The Fund's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**3.1 Impairment of financial assets (continued)****(a) Establishing staging for debt securities and deposits (continued)**

The scale is set out in the following table:

	Category	Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best	
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	aaa, aa	
		2	Low risk	A	A	A	a	
		3	Moderate risk	BBB	Baa	BBB	bbb	
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	bb	
		5	Average risk	B	B	B	b	
		Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC	ccc, cc
			7	Special mention	C	C	C	c
Default	8	Substandard			DDD			
	9	Doubtful	D	C	DD	d		
	10	Loss			D			

The Fund uses its internal credit rating model to determine which of the three stages an asset is to be categorized for the purposes of ECL.

Once the asset has experienced a significant increase in credit risk the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or Sagicor risk rating of 1-3 is considered low credit risk.

Stage 1 investments are rated (i) investment grade, or (ii) below investment grade at origination and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade at origination and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

(b) Establishing staging for mortgage loans and other assets measured at amortised cost

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Qualitative test

- accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop Criteria

- accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

(c) Forward looking information

When management determines the macro-economic factors that impacts the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance and homogenous country exposures. There is often limited timely macro-economic data for Barbados, the Eastern Caribbean and Trinidad. Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

Notes to the Financial Statements

Year ended December 31, 2024

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund exercises judgement on the quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows.

The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

4. RELATED PARTY BALANCES

These balances are interest free, unsecured and have no fixed terms of repayment. Related party transactions are disclosed in Note 12.

5. INCOME TAX ASSETS

Income tax assets arise from deductions of withholding tax at source on interest income on local financial investments. The Fund's tax-exempt status entitles it to a refund of these taxes by the Barbados Revenue Authority.

Income tax assets are reported at the gross value of \$9,810,372, net of an estimated impairment of \$9,810,372 (2023 - gross value of \$9,810,372; impairment of \$6,376,742).

6. INTEREST AND OTHER RECEIVABLES

	2024 \$	2023 \$
Bond interest due	20,760	31,356
Unsettled transactions	132,178	-
Net advances to unit holders	694,385	5,378,291
Other	794,602	156,482
	<u>1,641,925</u>	<u>5,566,129</u>

The net advances balance represents net redemptions paid to unit holders, which at year-end, are awaiting conversion to units in the subsequent year.

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

7. FINANCIAL INVESTMENTS

Analysis of financial investments

	2024		2023	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Investments at FVTPL				
Fair value through profit and loss:				
Bonds - Unlisted Local	109,267,793	109,267,793	105,795,751	105,795,751
Bonds - Listed Local	9,795,516	9,795,516	9,457,167	9,457,167
Bonds - Unlisted Regional	12,923,946	12,923,946	17,862,147	17,862,147
Bonds - Listed Regional	111,357,007	111,357,007	96,916,166	96,916,166
Bonds - Listed International	51,713,804	51,713,804	46,003,761	46,003,761
Treasury Bills - Listed International	10,298,288	10,298,288	14,171,372	14,171,372
Total debt securities	305,356,354	305,356,354	290,206,364	290,206,364
Common shares - Listed	848,651	848,651	2,776,540	2,776,540
Mutual funds - Listed	16,771,432	16,771,432	16,482,680	16,482,680
Total equity securities	17,620,083	17,620,083	19,259,220	19,259,220
Investments at amortised cost:				
Mortgage loans, net	132,996,144	131,638,757	127,902,277	127,725,681
Total	132,996,144	131,638,757	127,902,277	127,725,681
Total financial investments	455,972,581	454,615,194	437,367,861	437,191,265

Mortgage loans are reported at the gross principal of \$133,917,709, net of a provision for expected credit losses of \$921,565 (2023 - gross principal of \$129,041,975, net of a provision for expected credit losses of \$1,139,698). The fair value of the fixed rate mortgage loans is \$67,267,772 (2023 - \$62,825,302) and the carrying value is \$68,625,159 (2023 - \$63,001,898). All other amounts approximate their fair value.

Debt securities comprise:

	2024 \$	2023 \$
Government debt securities - Listed International	33,418,530	32,685,153
Government debt securities - Listed Local	9,795,516	9,457,167
Government debt securities - Unlisted Local	109,267,793	105,795,751
Government debt securities - Listed Regional	94,976,263	81,288,690
Government debt securities - Unlisted Regional	9,893,777	14,834,132
Corporate debt securities - Listed International	28,593,562	27,489,980
Corporate debt securities - Listed Regional	16,380,743	15,627,476
Corporate debt securities - Unlisted Regional	3,030,170	3,028,015
	<u>305,356,354</u>	<u>290,206,364</u>

Debt securities classified at fair value through profit or loss and valued using internally developed valuation models amounted to \$122,191,740 (2023 - \$123,657,897).

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK

Financial risk factors

The Fund's activities of accepting funds from unit holders and investing these funds in a variety of financial and other assets expose the Fund to various financial risks.

Financial risks include credit, liquidity and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

The Fund is also exposed to operations such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodians.

The overriding objective of the Fund's risk management framework is to enhance its capital base through investment in competitively yielding income securities and to protect capital against inherent business risks. This means that the Fund accepts certain levels of risk in order to generate returns, and the Fund manages the levels of risk assumed through risk management policies and procedures. Identified risks are assessed as to their potential financial impact and as to their likelihood of occurrence.

The effects of financial risks are disclosed in the sections below.

8.1 Credit risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Fund. Credit risks are primarily associated with financial investments held.

Credit risk from financial investments is minimised through holding a diversified portfolio of investments, purchasing securities and advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans and placing deposits with financial institutions with a strong capital base. Limits may be placed on the amount of risk accepted in relation to one borrower.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as the local and regional stock exchanges act as clearing facilitators, ensuring that monies are placed in the clearing accounts.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's credit position on a quarterly basis.

Rating of financial assets

The Fund's credit rating model (Note 3.1) applies a rating scale to two categories of exposures:

- Investment portfolios, comprising debt securities, deposits and cash;
- Lending portfolios, comprising mortgages

For lending portfolios, the three default ratings of 8, 9 and 10 are utilised, while for investment portfolios, one default rating (8) is utilised.

In sections 8.2 and 8.3 below, we set out various credit risks and exposures in accordance of assets measured in accordance with IFRS 9.

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.2 Credit risk exposure – financial assets subject to impairment

The maximum exposures of the Fund to credit risk are set out in the following table.

	2024		2023	
	\$	%	\$	%
Bonds at FVTPL	305,356,354	68	290,206,364	64
Investment portfolio	305,356,354	68	290,206,364	64
Mortgage loans, net, at amortised cost	132,996,144	29	127,902,277	28
Lending portfolio	132,996,144	29	127,902,277	28
Due from Sagicor Life Inc.	-	0	78,044	0
Due from Sagicor (Equity) Fund	3,883,851	1	1,268,367	0
Due from Sagicor International Balanced Fund	1,314	0	331,520	0
Interest and other receivables	1,641,925	0	5,566,129	1
Cash resources	3,506,266	1	26,137,162	6
Other financial assets	9,033,356	2	33,381,222	7
Total exposures	447,385,854	99	451,489,863	99
Mortgage loan commitments	3,687,564	1	4,815,042	1
Total	451,073,418	100	456,304,905	100

Financial assets carried at amortised cost are subject to credit impairment losses which are recognised in the statement of income and comprehensive income.

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.2 Credit risk exposure – financial assets subject to impairment (continued)

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognised.

	Mortgages loans – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
\$	\$	\$	\$	\$	
December 31:					
Credit grade:					
Investment	78,884,365	1,825,110	848,409	-	81,557,884
Non-Investment	44,782,911	879,278	-	-	45,662,189
Watch	-	-	3,730,529	-	3,730,529
Default	-	-	2,967,107	-	2,967,107
Gross carrying amount	123,667,276	2,704,388	7,546,045	-	133,917,709
Loss allowance	(67,003)	(4,123)	(850,439)	-	(921,565)
Net carrying amount	123,600,273	2,700,265	6,695,606	-	132,996,144
	Mortgages loans – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
\$	\$	\$	\$	\$	
December 31:					
Credit grade:					
Investment	71,672,415	2,797,809	-	-	74,470,224
Non-Investment	43,243,271	3,291,241	-	-	46,534,512
Watch	-	-	4,533,923	-	4,533,923
Default	-	-	3,503,316	-	3,503,316
Gross carrying amount	114,915,686	6,089,050	8,037,239	-	129,041,975
Loss allowance	(161,801)	(20,362)	(957,535)	-	(1,139,698)
Net carrying amount	114,753,885	6,068,688	7,079,704	-	127,902,277

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.

The following tables contain analyses of the movement of loss allowances in respect of financial investments subject to impairment.

LOSS ALLOWANCES

	Mortgage loans – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
\$	\$	\$	\$	\$	
Loss allowance, beginning of year	161,801	20,362	957,535	-	1,139,698
Transfers:					
Stage 1 to Stage 2	(2,899)	2,899	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	14,504	(14,504)	-	-	-
Stage 2 to Stage 3	-	(3,153)	3,153	-	-
Stage 3 to Stage 2	-	-	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	4,704	-	-	-	4,704
Loans fully derecognised	(1,427)	-	(128,780)	-	(130,207)
Write-offs	-	-	-	-	-
Changes in ECL inputs, models and / or assumptions	(109,680)	(1,481)	18,531	-	(92,630)
Loss allowance, end of year	67,003	4,123	850,439	-	921,565
Credit impairment reduction recorded in income					218,133
Mortgage write-offs					(539,269)
Credit impairment loss					(321,136)

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment (continued)

LOSS ALLOWANCES

	Mortgage loans – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
	\$	\$	\$	\$	\$
Loss allowance, beginning of year	116,311	19,135	1,411,535	-	1,546,981
Transfers:					
Stage 1 to Stage 2	(3,175)	3,175	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	13,253	(13,253)	-	-	-
Stage 2 to Stage 3	-	-	-	-	-
Stage 3 to Stage 2	-	-	-	-	-
Stage 3 to Stage 1	190,110	-	(190,110)	-	-
Loans originated or purchased	24,564	931	-	-	25,495
Loans fully derecognised	(6,681)	(34)	(281,438)	-	(288,153)
Write-offs	-	-	-	-	-
Changes in ECL inputs, models and / or assumptions	(172,581)	10,408	17,548	-	(144,625)
Loss allowance, end of year	161,801	20,362	957,535	-	1,139,698
Credit impairment losses recorded in income					407,283
Mortgage write-offs					(317,446)
Credit impairment loss					89,837

LOSS ALLOWANCES

	Term Deposits – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
	\$	\$	\$	\$	\$
Loss allowance, beginning of year	-	-	-	-	-
Term deposits originated or purchased	-	-	-	-	-
Term deposits fully derecognised	-	-	-	-	-
Loss allowance, end of year	-	-	-	-	-
Credit impairment reduction recorded in income					-

Sagicor (Bonds) Fund

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Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment (continued)

LOSS ALLOWANCES

	Term Deposits – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
	\$	\$	\$	\$	\$
Loss allowance, beginning of year	1,381	-	-	-	1,381
Term deposits originated or purchased	-	-	-	-	-
Term deposits fully derecognised	(1,381)	-	-	-	(1,381)
Loss allowance, end of year	-	-	-	-	-
Credit impairment reduction recorded in income					1,381

(a) Impaired Mortgages

Balances relating to impaired financial investments are summarised in the following table. The accumulated allowance for impairment losses reflects the Fund's assessment of total individually impaired investments at date of the financial statements.

	Gross carrying value	Accumulated allowances for impairment	Net carrying value	Estimated fair value of collateral
	\$	\$	\$	\$
Mortgage Loans				
As of December 31, 2024				
Commercial sector	1,516,049	-	1,516,049	6,398,818
Residential sector	6,029,996	(850,439)	5,179,557	15,080,344
Total	7,546,045	(850,439)	6,695,606	21,479,162

Mortgage Loans

	Gross carrying value	Accumulated allowances for impairment	Net carrying value	Estimated fair value of collateral
	\$	\$	\$	\$
Mortgage Loans				
As of December 31, 2023				
Commercial sector	2,276,212	-	2,276,212	6,398,818
Residential sector	5,761,027	(957,535)	4,803,492	14,258,000
Total	8,037,239	(957,535)	7,079,704	20,656,818

For mortgage loans, the collateral is real estate property, and the approved loan limit is 75% to 95% of collateral value. .

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.3 Credit impairment losses – financial assets subject to impairment (continued)

(b) Reposessed assets

The Fund may foreclose on overdue mortgage loans by reposessing the pledged asset. The Fund will seek to dispose of the pledged asset by sale. In some instances, the Fund may provide re-financing to a new purchaser on customary terms.

No assets were reposessed during the year (2023 – Nil).

(c) Renegotiated assets

The Fund may renegotiate the terms of any financial investment to facilitate borrowers in financial difficulty. Arrangements to waive, adjust or postpone scheduled amounts due may be entered into. The Fund classifies these amounts as past due, unless the original agreement is formally revised, modified or substituted, in which case, the financial investment is classified as renegotiated.

No assets were re-negotiated during the year (2023 – Nil).

(d) Economic variable assumptions

The Fund has selected the following economic factor which provide the overall macroeconomic environment in considering forward looking information for base, upside and downside forecasts. These are as follows:

	As of December 31, 2024			As of December 31, 2023		
	2025 \$	2026 \$	2027 \$	2024 \$	2025 \$	2026 \$
S&P 500 Financial Index - EPS						
Base	44.68	47.41	51.83	42.40	45.93	45.23
Upside	74.64	79.19	86.57	67.56	73.18	72.08
Downside	23.81	25.26	27.62	27.10	29.35	28.91
GBP/USD						
Base	1.25	1.25	1.25	1.27	1.28	1.28
Upside	1.36	1.41	1.46	1.38	1.44	1.48
Downside	1.14	1.08	1.04	1.17	1.12	1.07
NZD/USD						
Base	0.56	0.57	0.57	0.63	0.63	0.63
Upside	0.63	0.66	0.69	0.70	0.72	0.74
Downside	0.50	0.48	0.46	0.56	0.53	0.51

The preceding economic variable assumptions relate to term deposits carried at amortised cost for which there was none this year-end.

The Fund's lending operations in Barbados has limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

Barbados	Expected state for the next 12 months	Scenario
Unemployment rate	Base	Negative
	Upside	Stable
	Downside	Super Negative
GDP growth	Base	Stable
	Upside	Stable
	Downside	Negative

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8. FINANCIAL RISK (continued)

8.4 Gross Carrying Values – financial investments subject to impairment

The following tables explain the movement in the gross carrying amounts of mortgages, term deposits and in the ECL classifications for the year. Gross carrying amounts represent the maximum exposure to credit risk.

	Mortgage loans – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL \$	Stage 2 life-time ECL \$	Stage 3 life-time ECL \$		
Gross carrying amount, beginning of year	114,915,686	6,089,050	8,037,239	-	129,041,975
Transfers:					
Stage 1 to Stage 2	(2,058,793)	2,058,793	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	4,337,361	(4,337,361)	-	-	-
Stage 2 to Stage 3	-	(942,742)	942,742	-	-
Stage 3 to Stage 2	-	-	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	8,681,584	-	-	-	8,681,584
Loans fully derecognised	(1,013,801)	-	(591,096)	-	(1,604,897)
Write-offs	-	-	-	-	-
Changes in principal and interest	(1,194,761)	(163,352)	(842,840)	-	(2,200,953)
Gross carrying amount, end of year	123,667,276	2,704,388	7,546,045	-	133,917,709

Sagicor (Bonds) Fund

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Sagicor (Bonds) Fund

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8. FINANCIAL RISK (continued)

8.4 Gross Carrying Values – financial investments subject to impairment (continued)

	Mortgage loans – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
	\$	\$	\$	\$	\$
Gross carrying amount, beginning of year	98,635,286	8,078,100	10,459,230	-	117,172,616
Transfers:					
Stage 1 to Stage 2	(2,692,334)	2,692,334	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	5,602,436	(5,602,436)	-	-	-
Stage 2 to Stage 3	-	-	-	-	-
Stage 3 to Stage 2	-	-	-	-	-
Stage 3 to Stage 1	1,058,271	-	(1,058,271)	-	-
Loans originated or purchased	18,081,957	278,296	-	-	18,360,253
Loans fully derecognised	(6,336,115)	(14,263)	(965,704)	-	(7,316,082)
Write-offs	-	-	-	-	-
Changes in principal and interest	566,185	657,019	(398,016)	-	825,188
Gross carrying amount, end of year	114,915,686	6,089,050	8,037,239	-	129,041,975

	Term Deposits – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
	\$	\$	\$	\$	\$
Gross carrying amount, beginning of year	-	-	-	-	-
Deposits originated or purchased	-	-	-	-	-
Deposits fully derecognised	-	-	-	-	-
Gross carrying amount, end of year	-	-	-	-	-

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Year ended December 31, 2024

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.4 Gross Carrying Values – financial investments subject to impairment (continued)

	Term Deposits – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
	\$	\$	\$	\$	\$
Gross carrying amount, beginning of year	2,526,045	-	-	-	2,526,045
Deposits originated or purchased	-	-	-	-	-
Deposits fully derecognised	(2,526,045)	-	-	-	(2,526,045)
Gross carrying amount, end of year	-	-	-	-	-

8.5 Liquidity risk

The Fund is exposed to daily calls on its available cash resources for redemptions and operating expenses. Liquidity risk is the exposure that the Fund may have insufficient cash resources to meet these obligations as they become due. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunities to increase investment returns.

In order to manage liquidity risks, management seeks to maintain levels of cash and deposits which are sufficient to meet reasonable expectations of its short term obligations. If necessary the Fund's secondary source of liquidity is its highly liquid instruments in its investment portfolio.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's liquidity position on a quarterly basis.

Contractual cash flow obligations of the Fund in respect of its financial liabilities are summarised in the following table. Amounts are analysed by their earliest contractual maturity dates and consist of the contractual un-discounted cash flows. Where the interest rate of an instrument for a future period has not been determined as of the date of the financial statements, it is assumed that the interest rate then prevailing continues until final maturity.

(a) Financial liabilities

As of December 31, 2024	On demand \$	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
Accounts payable	1,937,215	-	-	-	1,937,215
Due to Sagicor Life Inc.	1,081,581	-	-	-	1,081,581
Due to Sagicor Asset Management Inc.	6,258	-	-	-	6,258
Off balance sheet commitments:					
Mortgage loan commitments	-	3,687,564	-	-	3,687,564
Total	3,025,054	3,687,564	-	-	6,712,618

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.5 Liquidity risk (continued)

(a) Financial liabilities (continued)

As of December 31, 2023	On demand \$	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
Accounts payable	18,873,876	-	-	-	18,873,876
Due to Sagicor Asset Management Inc.	16,522	-	-	-	16,522
Off balance sheet commitments:					
Mortgage loan commitments	-	4,815,042	-	-	4,815,042
Total	18,890,398	4,815,042	-	-	23,705,440

(b) Financial assets

The Fund's monetary financial assets mature in periods which are summarised in the following tables. Amounts are stated at their carrying values recognised in the financial statements and are analysed by their contractual maturity dates.

As of December 31, 2024	Maturing within 1 year \$	Maturing within 1 to 5 years \$	Maturing after 5 years \$	Total \$
Due from Sagicor (Equity) Fund	3,883,851	-	-	3,883,851
Due from Sagicor International Balanced Fund	1,314	-	-	1,314
Interest and other receivables	1,641,925	-	-	1,641,925
Debt securities	20,115,022	136,394,100	148,847,232	305,356,354
Mortgage loans, net	3,193,547	3,678,914	126,123,683	132,996,144
Cash resources	3,506,266	-	-	3,506,266
Total	32,341,925	140,073,014	274,970,915	447,385,854

As of December 31, 2023	Maturing within 1 year \$	Maturing within 1 to 5 years \$	Maturing after 5 years \$	Total \$
Due from Sagicor Life Inc.	78,044	-	-	78,044
Due from Sagicor (Equity) Fund	1,268,367	-	-	1,268,367
Due from Sagicor International Balanced Fund	331,520	-	-	331,520
Interest and other receivables	5,566,129	-	-	5,566,129
Debt securities	32,256,970	105,328,896	152,620,498	290,206,364
Mortgage loans, net	3,936,419	4,522,026	119,443,832	127,902,277
Cash resources	26,137,162	-	-	26,137,162
Total	69,574,611	109,850,922	272,064,330	451,489,863

Sagicor (Bonds) Fund

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8. FINANCIAL RISK (continued)

8.5 Liquidity risk (continued)

(b) Financial assets (continued)

Redeemable units are redeemed at the option of the holder. However, the Board of Directors of the Trustee does not envisage that unit holders will completely redeem their units as they typically hold them for the long-term. At December 2024, an individual unit holder, Sagicor Life Inc, held 15% of the fund's units (2023 - Sagicor Life Inc. held 14%). The Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within a short period.

The following table shows the ordinary redemption periods of the funds held.

As of December 31, 2024	Less than 7 days \$	Monthly \$	Quarterly \$	1 Year \$	More than 1 year \$
Funds	16,771,431	-	-	-	-
As of December 31, 2023	Less than 7 days \$	Monthly \$	Quarterly \$	1 Year \$	More than 1 year \$
Funds	16,482,680	-	-	-	-

8.6 Market risk

Interest Rate Risk

The Fund is exposed to interest rate risks. Cash flow interest rate risk is the risk that 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 because of changes in market interest rates.

The return on financial investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Fund is therefore exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase or decrease as a result of such changes.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor and review the Fund's overall interest sensitivity on a quarterly basis.

(a) Financial liabilities

As of December 31, 2024 and 2023 all of the Fund's financial liabilities were non-interest bearing and therefore not exposed to interest rate risk.

The table below summarises the exposures to interest rate of the Fund's financial liabilities.

As of December 31, 2024	Exposure within 1 year \$	Exposure of 1 to 5 years \$	Exposure after 5 years \$	Not exposed to interest \$	Total \$
Due to Sagicor Life Inc.	-	-	-	1,081,581	1,081,581
Due to Sagicor Asset Management Inc.	-	-	-	6,258	6,258
Accounts payable	-	-	-	1,937,215	1,937,215
Total	-	-	-	3,025,054	3,025,054

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Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Interest Rate Risk (continued)

(a) Financial liabilities (continued)

As of December 31, 2023	Exposure within 1 year \$	Exposure of 1 to 5 years \$	Exposure after 5 years \$	Not exposed to interest \$	Total \$
Due to Sagicor Asset Management Inc.	-	-	-	16,522	16,522
Accounts payable	-	-	-	18,873,876	18,873,876
Total	-	-	-	18,890,398	18,890,398

(b) Financial assets

The table below summarises the exposures to interest rate risks of the Fund's financial assets. It includes assets at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

As of December 31, 2024	Exposure within 1 year \$	Exposure of 1 to 5 years \$	Exposure after 5 years \$	Not exposed to interest \$	Total \$
Due from Sagicor (Equity) Fund	-	-	-	3,883,851	3,883,851
Due from Sagicor International Balanced Fund	-	-	-	1,314	1,314
Interest and other receivables	-	-	-	1,641,925	1,641,925
Debt securities	20,016,725	134,483,429	147,741,119	3,115,081	305,356,354
Equity securities	-	-	-	17,620,083	17,620,083
Mortgage loans	2,385,835	3,664,342	125,990,071	955,896	132,996,144
Cash resources	-	-	-	3,506,266	3,506,266
Total	22,402,560	138,147,771	273,731,190	30,724,416	465,005,937

As of December 31, 2023	Exposure within 1 year \$	Exposure of 1 to 5 years \$	Exposure after 5 years \$	Not exposed to interest \$	Total \$
Due from Sagicor Life Inc.	-	-	-	78,044	78,044
Due from Sagicor (Equity) Fund	-	-	-	1,268,367	1,268,367
Due from Sagicor International Balanced Fund	-	-	-	331,520	331,520
Interest and other receivables	-	-	-	5,566,129	5,566,129
Debt securities	31,997,911	103,908,958	151,364,369	2,935,126	290,206,364
Equity securities	-	-	-	19,259,220	19,259,220
Mortgage loans	3,166,349	4,449,851	119,288,740	997,337	127,902,277
Cash resources	-	-	-	26,137,162	26,137,162
Total	35,164,260	108,358,809	270,653,109	56,572,905	470,749,083

Sagicor (Bonds) Fund

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Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Interest Rate Risk (continued)

(b) Financial assets (continued)

The table below summarises the average interest yields on financial assets held during the year.

	2024	2023
Debt securities	4.9%	4.3%
Mortgage loans	4.5%	4.4%

Sensitivity

The effect of a 1% change in interest rates, with all other variables remaining constant, to the fair value of the interest bearing financial assets at the date of the financial statements is as follows.

As of December 31, 2024	\$
Total interest bearing FVTPL financial assets carried at fair value	302,241,273
The fair value impact of an increase in interest rates:	(15,297,706)
The fair value impact of a decrease in interest rates:	17,207,003

Foreign exchange risk

The Fund is exposed to foreign exchange risk as a result of fluctuations in exchange rates since its financial assets are denominated in a number of different currencies. In order to manage foreign exchange risk, the Fund monitors the fluctuation in foreign exchange rates on a periodic basis. The Fund's exposure to foreign exchange risk is however not considered to be significant as the US and EC rates are fixed to the Barbados dollar which is the functional and reporting currency.

Monetary assets and liabilities by currency are summarised in the following table.

As of December 31, 2024	Balances denominated in				Total \$
	Barbados \$	Trinidad \$	US \$	EC \$	
ASSETS					
Due from Sagicor (Equity) Fund	3,883,851	-	-	-	3,883,851
Due from Sagicor International Balanced Fund	-	-	-	1,314	1,314
Interest and other receivables	1,489,124	20,623	132,178	-	1,641,925
Financial investments	248,981,200	1,023,741	204,372,871	1,594,769	455,972,581
Cash resources	2,531,412	-	974,854	-	3,506,266
Total assets	256,885,587	1,044,364	205,479,903	1,596,083	465,005,937
LIABILITIES					
Due to Sagicor Life Inc.	1,081,581	-	-	-	1,081,581
Due to Sagicor Asset Management Inc.	6,258	-	-	-	6,258
Accounts payable	1,937,215	-	-	-	1,937,215
Total liabilities	3,025,054	-	-	-	3,025,054
Net position	253,860,533	1,044,364	205,479,903	1,596,083	461,980,883

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Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Foreign exchange risk (continued)

As of December 31, 2023	Balances denominated in				
	Barbados \$	Trinidad \$	US \$	EC \$	Total \$
ASSETS					
Due from Sagicor Life Inc.	78,044	-	-	-	78,044
Due from Sagicor (Equity) Fund	1,268,367	-	-	-	1,268,367
Due from Sagicor International Balanced Fund	-	-	-	331,520	331,520
Interest and other receivables	5,534,911	20,712	10,506	-	5,566,129
Financial investments	240,197,408	1,076,556	192,450,613	3,643,284	437,367,861
Cash resources	4,487,324	-	21,649,838	-	26,137,162
Total assets	251,566,054	1,097,268	214,110,957	3,974,804	470,749,083
LIABILITIES					
Due to Sagicor Asset Management Inc.	16,522	-	-	-	16,522
Accounts payable	18,873,876	-	-	-	18,873,876
Total liabilities	18,890,398	-	-	-	18,890,398
Net position	232,675,656	1,097,268	214,110,957	3,974,804	451,858,685

Sensitivity

The Fund is exposed to currency risk in respect of financial investments denominated in currencies whose values have noticeably fluctuated against the Barbados dollar.

The exposure to currency risk may arise in relation to the future cash flows of a financial instrument.

The most common example of this occurring in the Fund is a financial investment which is denominated in a currency other than the functional currency. In this instance, a change in currency exchange rates results in the financial investment being retranslated and the exchange gain or loss is taken to income and is included in Note 11.

The currency whose value has noticeably fluctuated against the Barbados dollar (BDS) is the Trinidad dollar (TTD). The theoretical impact of the TTD on reported results is considered below.

The effect of a 10% depreciation in the TTD relative to the BDS arising from TTD financial investments as of December 31, 2024 and for the year then ended is considered below.

	Balances denominated in TTD \$	Effect of a 10% depreciation on income as of Dec 31, 2024 \$	Balances denominated in TTD \$	Effect of a 10% depreciation on income as of Dec 31, 2023 \$
Financial Investments	1,023,741	(102,374)	1,076,556	(107,656)

A 10% appreciation in the TTD relative to the BDS would have equal and opposite effects to those disclosed above.

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Other Price Risk

The Fund is exposed to other price risk arising from changes in equity prices. The Fund mitigates this risk by holding a diversified portfolio and by the selection of securities and other financial instruments within specified limits set by the Board of Directors of the Trustee.

The Fund's policy also limits individual equity securities to no more than 10% of the full portfolio.

Approximately fifty percent of the Fund's equity investments are publicly traded. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and reviewed on a quarterly basis by the Board of Directors of the Trustee.

Sensitivity

The effects of an across the board 20% decline in equity prices of the Fund's fair value through profit or loss equity securities at the financial statement date is set out below.

	Fair value \$	Effect of a 20% decline at Dec 31, 2024 \$	Fair value \$	Effect of a 20% decline at Dec 31, 2023 \$
Fair value through profit or loss equity securities:				
Listed on Caribbean and US stock exchanges and markets	848,652	(169,730)	2,776,540	(555,308)
Mutual funds - Listed	16,771,432	(3,354,286)	16,482,680	(3,296,536)
	17,620,084	(3,524,016)	19,259,220	(3,851,844)

8.7 Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

(a) Level 1 – unadjusted quoted prices in active markets for identical instruments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

(b) Level 2 – inputs that are observable for the instrument, either directly or indirectly.

A financial instrument is classified as Level 2 if:

- The fair value is derived from quoted prices of similar instruments which would not be classified as Level 1; or
- The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

In estimating the fair value of non-traded financial assets, the Fund uses a variety of methods such as obtaining dealer quotes and using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are discounted at market-derived rates for government securities in the same country of issue as the security; for non-government securities, an interest spread is added to the derived rate for a similar government security rate according to the perceived additional risk of the non-government security.

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data.

A financial instrument is classified as Level 3 if:

- The fair value is derived from inputs that are not based on observable market data.

Level 3 financial assets designated at fair value through profit or loss comprise primarily of sovereign debt instruments issued in the Caribbean. The fair values of these instruments have been derived from December 31 market yields of government instruments of similar durations in the country of issue of the instruments.

The techniques and methods described in the preceding section for non-traded financial assets and liabilities are used in the determination of the fair values of Level 3 instruments.

The following table shows the financial assets are carried at fair value at December 31 on a security basis by level of the fair value hierarchy.

2024	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	\$	\$	\$	\$
Debt securities	51,124,774	132,039,840	122,191,740	305,356,354
Common shares	839,051	9,601	-	848,652
Mutual funds	7,309,318	9,462,113	-	16,771,431
Total assets	59,273,143	141,511,554	122,191,740	322,976,437
Total assets by percentage	18%	44%	38%	100%
2023	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	\$	\$	\$	\$
Debt securities	48,976,694	117,571,773	123,657,897	290,206,364
Common shares	2,765,770	10,770	-	2,776,540
Mutual funds	7,203,616	9,279,064	-	16,482,680
Total assets	58,946,080	126,861,607	123,657,897	309,465,584
Total assets by percentage	19%	41%	40%	100%

Notes to the Financial Statements

Year ended December 31, 2024

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data. (continued)

The table below provides information about the fair value measurements using significant unobservable inputs (level 3).

Description	Fair Value at December 31		Valuation Technique	Unobservable Inputs	Range of Inputs		Relationship of Unobservable Inputs to fair value
	2024 \$	2023 \$			2024	2023	
Debt securities	122,191,740	123,657,897	Discounted Cash Flows	Risk Adjusted Market Yields	2.3% - 8.8% Avg (8.1%)	1.8% - 9.2% Avg (8.6%)	The effect of a 1% increase in interest rates would decrease the fair value by \$ (10,493,711) and a 1% decrease in interest rates would increase the fair values by \$12,095,986

The following table presents the movement in Level 3 instruments for the year.

	2024 \$	2023 \$
Balance, beginning of year	123,657,897	134,283,578
Fair value changes recorded in income	3,256,061	5,240,883
Additions	8,000,001	2,299,579
Disposals	(12,659,690)	(18,182,864)
Effect of accrued income changes	(62,529)	16,721
Balance, end of year	121,191,740	123,657,897

Unrealised gains of \$3,318,994 (2023 – \$5,240,883) on level 3 instruments held at the end of the year are included in Net investment gains / (losses) on financial investments. See note 11.

Notes to the Financial Statements

Year ended December 31, 2024

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data. (continued)

The fair value hierarchy of fixed rate mortgages not carried at fair value, but for which fair value disclosure is required is set out in the following table. Owing to their nature, the carrying value of variable rate mortgages approximate fair value.

As at December 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Mortgage loans	-	-	67,267,772	67,267,772
	-	-	67,267,772	67,267,772

As at December 31, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Mortgage loans	-	-	62,825,302	62,825,302
	-	-	62,825,302	62,825,302

8.8 Capital risk management

The capital of the Fund is represented by unit holders' equity. Unit holders' equity changes on a daily basis as the Fund is subject to the redemption and issue of units at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and to maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to redeem and issue units in accordance with the terms of the trust deed which includes the ability to restrict redemptions.

The Board of Directors of the Trustee and Fund Manager monitor capital on the basis of unit holders' equity.

9. ACCOUNTS PAYABLE

	2024	2023
	\$	\$
Unsettled transactions	-	16,682,557
Pension benefits and other payables	1,937,215	2,191,319
	1,937,215	18,873,876

10. INTEREST INCOME

The Fund manages its financial investments by the type of financial instrument (i.e. debt securities, deposits, mortgage loans, etc.) and the income therefrom is presented accordingly.

	2024	2023
	\$	\$
Debt securities	14,371,108	12,282,099
Deposits	-	57,431
Mortgage loans	5,695,471	5,232,465
Total interest income	20,066,579	17,571,995

Notes to the Financial Statements

Year ended December 31, 2024

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

11. NET INVESTMENT GAINS / (LOSSES)

	2024	2023
	\$	\$
Net gains on financial investments	4,273,070	7,926,529

12. RELATED PARTY TRANSACTIONS

(a) Material related party transactions

	2024	2023
	\$	\$
Management fee – Sagikor Life Inc.	2,293,966	2,274,868
Sale of securities – Sagikor Life (Eastern Caribbean) Inc.	1,138,809	3,601,420
Sale of securities – Sagikor International Balanced Fund.	-	1,003,908
Purchase of securities – Sagikor Equity Fund	10,356,960	-

(b) Units held by related parties

Parties related to the Fund held units in the Fund during the year as follows:

Sagikor Life Inc.	2024	2023
	\$	\$
Value of units held at January 1	65,734,274	66,587,188
Net value of transactions for the year	3,141,366	(852,914)
Value of units at December 31	68,875,640	65,734,274

Sagikor Asset Management Inc.

	2024	2023
	\$	\$
Value of units held at January 1	-	-
Net value of transactions for the year	59,954	-
Value of units at December 31	59,954	-

Sagikor Bank.

	2024	2023
	\$	\$
Value of units held at January 1	-	-
Net value of transactions for the year	20,522	-
Value of units at December 31	20,522	-

Notes to the Financial Statements

Year ended December 31, 2024

12. RELATED PARTY TRANSACTIONS (continued)

Sagicor Financial Corporation.

Value of units held at January 1
 Net value of transactions for the year
 Value of units at December 31

	2024	2023
	\$	\$
	-	-
	193,660	-
	193,660	-

Sagicor General Inc.

Value of units held at January 1
 Net value of transactions for the year
 Value of units at December 31

	2024	2023
	\$	\$
	7,143,728	6,925,076
	314,249	218,652
	7,457,977	7,143,728

13. COMPARATIVES

There has been a change in the comparative note disclosure, Note 12, for related party transactions to include related parties involved in investment activities recorded by the Fund.

There has also been an adjustment in the comparative note disclosure, Note 7, to use the country issuer for determining the regional versus international categorization, instead of using the custodian as was previously done. Management decided that this change offers a more precise representation of the risk distribution within the fund.

Sagicor (Bonds) Fund
 Amounts expressed in Barbados Dollars



**FINANCIAL
 STATEMENTS
 (EQUITY) FUND**



Independent auditor's report

To the Unit holders of Sagicor (Equity) Fund

Our opinion

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

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2024;
- the statement of income and comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unit holders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with 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.

Other matter

This report is made solely to the Fund's unit holders as a body. Our audit work has been undertaken so that we might state to the Fund's unit holders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unit holders as a body, for our audit work, for this report, or for the opinion we have formed.

PricewaterhouseCoopers SAH

Bridgetown, Barbados
May 27, 2025

Statement of Financial Position

As of December 31, 2024

	Notes	Sagicor (Equity) Fund	
		2024	2023
ASSETS			
Investment property	4, 11	51,977,500	52,870,000
Property, plant and equipment		1,454,959	1,198,877
Investment in associated companies	5	5,580,081	5,802,310
Due from Sagicor Life Inc.	6	16,495	-
Due from Sagicor International Balanced Fund	6	29,766	148,524
Due from associated company	5	22,663	22,663
Income tax assets	7	-	449,918
Real estate developed for resale	8	2,038,938	2,035,415
Accounts receivable	9	8,976,890	12,894,164
Financial investments	10	574,870,535	566,435,931
Cash resources		29,966,959	20,126,617
Total assets		674,934,786	661,984,419
LIABILITIES			
Due to Sagicor (Bonds) Fund	6	4,092,309	1,531,482
Due to Sagicor Life Inc.	6	-	2,937,878
Due to Sagicor Global Balanced Fund	6	182,946	170,210
Accounts payable	13	4,613,573	4,193,803
Total liabilities		8,888,828	8,833,373
Net assets attributable to unit holders		666,045,958	653,151,046
Represented by:			
UNIT HOLDERS' EQUITY		666,045,958	653,151,046
No. of units outstanding at end of year		8,609,682	8,803,901
Net asset value per unit at end of year		\$77.36	\$74.19
Increase in net asset value per unit for year		4.27%	7.97%

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

Approved by the Board of Directors on May 26, 2025


Chairman


Director

Statement of Changes in Net Assets Attributable to Unit Holders

For the year ended December 31, 2024

	2024		2023	
	Number of Units	Total \$	Number of Units	Total \$
Balance, beginning of year	8,803,901	653,151,046	9,088,951	624,543,721
Proceeds from issue of units	258,583	19,711,175	245,431	17,327,722
Redemption of units	(452,802)	(34,330,423)	(530,481)	(37,438,443)
Net decrease from unit transactions	(194,219)	(14,619,248)	(285,050)	(20,110,721)
Net income and total comprehensive income for the year available to unit holders	-	27,514,160	-	48,718,046
Balance, end of year	8,609,682	666,045,958	8,803,901	653,151,046

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

Statement of Income and Comprehensive Income

As of December 31, 2024

	Notes	Sagicor (Equity) Fund	
		2024	2023
REVENUE			
Interest income	14	1,958,300	2,090,969
Dividend income		10,818,710	10,070,640
Net rental income	15	1,357,818	2,220,640
Share of operating income / (loss) of associated companies	5	(222,229)	(429,495)
Share of Income of joint venture (Carmichael)		1,191,301	-
Net investment gains	16	22,789,477	44,469,628
Credit impairment reduction / (losses)		51,399	(38,833)
		<u>37,944,776</u>	<u>58,383,549</u>
EXPENSES			
Management fee	17	4,972,851	4,760,872
Investment expenses		321,952	119,551
Commissions and brokers' fees		3,884,759	3,565,906
Charge for impairment loss on income tax assets		450,488	628,297
		<u>9,630,050</u>	<u>9,074,626</u>
		<u>28,314,726</u>	<u>49,308,923</u>
INCOME BEFORE TAXES			
Withholding taxes		(800,565)	(590,877)
		<u>27,514,161</u>	<u>48,718,046</u>
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR AVAILABLE TO UNIT HOLDERS			
		<u>27,514,161</u>	<u>48,718,046</u>

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

Statement of Cash Flows

For the year ended December 31, 2024

	Sagicor (Equity) Fund	
	2024	2023
Cash flows from operating activities:		
Income before taxes	28,314,726	49,308,923
Interest income	(1,958,300)	(2,090,969)
Dividend income	(10,818,710)	(10,070,640)
Net gains on financial investments	(23,681,977)	(44,799,628)
Reduction in fair value of investment property	892,500	330,000
Depreciation of property, plant and equipment	30,193	111,723
Allowance for impairment losses	(51,399)	38,833
Charge for impairment losses on income tax assets	450,487	628,297
Share of operating gain of associated companies	222,229	429,495
	<u>(6,600,251)</u>	<u>(6,113,966)</u>
Changes in operating assets and liabilities		
Accounts receivable	3,874,646	(3,963,004)
Due from Sagicor Life Inc.	(2,954,372)	-
Due from Sagicor International Balanced Fund	-	(67,365)
Deposit repaid on Real estate developed for resale	-	(5,600)
Due to Sagicor Life Inc.	-	284,166
Due to Sagicor Global Balanced Fund	12,736	87,210
Due to Sagicor (Bonds) Fund	2,560,827	3,354,020
Due to Sagicor International Balanced Fund	118,758	-
Accounts payable	419,770	1,382,899
Issue of mortgage loans	(8,585,601)	(11,095,520)
Repayment of mortgage loans	1,245,115	12,188,064
Purchase of debt securities	(12,715,664)	(6,232,589)
Redemption of debt securities	24,572,837	8,439,616
Proceeds from sale of equity securities	213,253,111	136,627,207
Purchase of equity securities	(198,616,724)	(125,427,678)
Amounts deposited	(12,000,000)	-
Deposits redeemed	8,000,000	-
Additions to equipment	(286,276)	(35,774)
Real estate developed for resale	(3,523)	(19,308)
	<u>12,295,389</u>	<u>9,402,378</u>
Cash generated from operations		
Interest received	2,103,997	2,082,922
Dividends received	10,861,339	10,063,946
Taxes paid	(801,135)	(591,372)
	<u>24,459,590</u>	<u>20,957,874</u>
Net cash generated from operating activities carried forward		

Statement of Cash Flows

For the year ended December 31, 2024

	Sagicor (Equity) Fund	
	Amounts expressed in Barbados Dollars	
	2024	2023
Net cash generated from operating activities brought forward	24,459,590	20,957,874
Cash flows from financing activities		
Proceeds from issue of units	19,711,175	17,327,722
Redemptions of units	(34,330,423)	(37,438,443)
Net cash used in financing activities	(14,619,248)	(20,110,721)
Net increase in cash and cash equivalents	9,840,342	847,153
Cash and cash equivalents - beginning of year	20,126,617	19,279,464
Cash and cash equivalents - end of year	29,966,959	20,126,617
Cash resources comprise:		
Cash	21,415,282	12,837,047
Cash held under managed properties	8,551,677	7,289,570
	29,966,959	20,126,617

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

Notes to the Financial Statements

Year ended December 31, 2024

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagicor (Equity) Fund (“The Fund”) was registered in April 1969 as a Unit Trust, responsible for the management of investments of Barbados registered pension plans.

The Fund’s objective is to provide long-term capital growth through investment in a diversified portfolio of equity securities including real estate.

Sagicor Life Inc. acts as Asset Manager and Trustee of the fund. Sagicor Life Inc. has subcontracted out certain asset management and custodian arrangements with Oppenheimer & Co. Inc, UBS Financial Services, Morgan Stanley Private Wealth Management and BCSDI Custodian Trust Services Inc. The registered office of the Fund is located at the Cecil F. de Caires Building, Wildey, St. Michael, Barbados.

If required, these financial statements can be amended after issue, at the recommendation of the Audit Committee and with the approval of the Board of Directors of the Trustee.

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

These financial statements have been prepared in accordance with, and comply with, IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial investments held at fair value through profit or loss and investment property.

The preparation of financial statements in conformity with IFRS Accounting Standards 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All amounts in these financial statements are shown in Barbados dollars unless otherwise stated.

New Standards and Amendments

Certain new standards and amendments to existing standards have been issued. The changes in standards and interpretations which may have an effect on future presentation, measurement or disclosure of the Fund’s financial statements are summarised in the following tables.

Amendments to existing IFRS and IAS effective January 1, 2024

None of these amendments have a material effect on the Fund’s financial statements.

Standard	Description of amendment
IAS 1 – Presentation of financial statements	These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability.
IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments: Disclosures	These amendments improve the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk, in view of investors’ and analysts’ concerns that the supplier finance arrangements of some entities are not sufficiently visible, hindering investors’ analysis.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.1 Basis of preparation (continued)**

New standards, amendments and interpretations effective after January 1, 2025 and that have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2025 and have not been early adopted in preparing these financial statements. The Fund's assessment of the impact of these new standards and amendments is set out below:

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026)

Standard	Description of amendment
IFRS 7 Financial instruments: Disclosures and IFRS 9 Financial instruments	The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

The impact of this amendment on the Fund is currently being analysed.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

Standard	Description
IFRS 18 Presentation and Disclosure in Financial Statements	<p>The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.</p> <p>The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> the structure of the statement of profit or loss with defined subtotals; the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss; required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The impact of this standard on the Fund is currently being analysed.

2.2 Investments in other entities(a) Joint operations

Joint operations arise when the Fund has rights to the assets and obligations for liabilities of an arrangement. The Fund accounts for its interests in the assets, liabilities and revenues and expenses of jointly controlled operations.

(b) Investment in associated companies

The investments in associated companies, which are not majority-owned or controlled but where significant influence exists, are included in these financial statements using the equity method of accounting. Investments in associated companies are originally recorded at cost and include intangible assets identified on acquisition.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.1 Basis of preparation (continued)**(b) Investment in associated companies (continued)

The Fund recognizes in income its share of associated companies' post acquisition income and its share of the amortisation and impairment of any intangible assets which were identified on acquisition. Unrealised gains or losses on transactions between the Fund and its associates are eliminated to the extent of the Fund's interest in the associates. The Fund recognises in other comprehensive income, its share of associated companies' post acquisition other comprehensive income.

2.3 Foreign currency translation(a) Functional and presentational currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in Barbados dollars, which is the Fund's functional and presentational currency.

(b) Transactions and balances

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

Foreign exchange gains and losses, which result from the settlement of foreign currency transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and comprehensive income.

Translation differences on debt securities and other monetary financial assets measured at fair value are included under investment expenses. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the net investment gains or losses in the statement of income and comprehensive income.

Currency exchange rates are determined by reference to the respective central banks. Currencies which are pegged to the United States dollar are converted into Barbados dollars at the pegged rates. Currencies which float are converted to the Barbados dollar by reference to the average of buying and selling rates quoted by the respective central banks.

Exchange rates of the other principal operating currencies to the Barbados dollar were as follows:

	2024 closing rate	2024 average rate	2023 closing rate	2023 average rate
Eastern Caribbean dollar	1.35	1.35	1.35	1.35
Jamaica dollar	77.8011	78.0881	77.1340	76.9017
Trinidad & Tobago dollar	3.3737	3.3660	3.3579	3.3688
United States dollar	0.50	0.50	0.50	0.50

2.4 Financial assets(a) Classification of financial assets

The Fund utilises a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost based on the nature of the cash flows of these assets and the Fund's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.4 Financial assets (continued)**(a) Classification of financial assets (continued)

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Fund becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset.

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as mortgages, deposits, due from other funds and other loans, are measured at amortised cost. In addition, all financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs.

(b) Classification of debt instruments

Classification and subsequent measurement of debt instruments depend on:

- the Fund's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into the following measurement category.

Measured at fair value through profit and loss (FVTPL)

Debt instruments are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- when the performance of a portfolio of financial assets is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- when the debt instruments are held for trading and are acquired principally for the purpose of selling in the short-term or if they form part of a portfolio of financial assets in which there is evidence of short-term profit taking.

Business model assessment

Business models are determined at the level which best reflects how the Fund manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Fund intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

Solely repayments of principal and interest ("SPPI")

Where the business model is hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at FVTPL.

(c) Impairment of financial assets measured at amortised cost

The Fund measures its financial investments in deposits and mortgages at amortised cost. At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for Estimated Credit Losses (ECL) resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

2. MATERIAL ACCOUNTING POLICIES (continued)**2.4 Financial assets (continued)**(c) Impairment of financial assets measured at amortised cost (continued)

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognised are defined as 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment so are defined as being in default or otherwise credit-impaired are in 'Stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Fund considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(d) Purchased or originated credit-impaired assets (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. These financial assets are credit-impaired on initial recognition. The Fund calculates the credit adjusted effective interest rate, which is calculated based on the fair value origination of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. The ECL of these assets is always measured on a life-time basis.

At each reporting date, the Fund shall recognise in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Fund will recognize favourable changes in lifetime expected credit losses as an impairment gain, the gain occurs when the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

(e) Definition of default

The Fund determines that a financial instrument is credit-impaired and in Stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikelihood to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(f) Write-off of investments measured at amortised cost

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(g) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

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

2. MATERIAL ACCOUNTING POLICIES (continued)**2.4 Financial assets (continued)**(g) The general approach to recognising and measuring ECL (continued)Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default (“PD”), loss given default (“LGD”) and the exposure at default (“EAD”), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Fund are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience; but given that IFRS 9 requirements have only been applied since January 1, 2018, the historical period for such review is limited. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of ‘downside scenarios’ which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, and particularly to changes in economic and credit conditions across wide geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates continue to leverage existing processes for estimating losses on impaired loans, however, these processes have been updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate is produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

For defaulted financial assets, based on management’s assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation has forecasts of the relevant macroeconomic variables – including, but not limited to, gross domestic product, for a three-year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario is based on macroeconomic forecasts where available. Upside and downside scenarios is set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on a quarterly basis.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.4 Financial assets (continued)**(h) Modification of loans

The Fund sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Fund assesses whether or not the new terms are substantially different to the original terms. The Fund does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Fund derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Fund will assess if the asset is POCI.

(i) Re-classified balances

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

(j) Classification of equity instruments

The Fund classifies and subsequently measures all equity investments at FVTPL.

(k) Presentation in the statement of income and comprehensive incomeDebt and equity instruments measured at FVTPL

Realised changes in fair value, unrealised changes in fair value, interest income and dividend income are included in revenue.

Financial instruments measured at amortised cost

Interest income is included in interest income earned from financial assets measured at amortised cost in the statement of income and comprehensive income.

Credit impairment losses/(reductions) are included in the statement of income and comprehensive income.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.5 Investment property**

Investment property consists of freehold lands and freehold properties not occupied by the Fund which are held for rental income and/or capital appreciation.

Investment property is recorded initially at cost and subsequently at fair value determined by independent valuers, with the appreciation or depreciation in value being taken to investment income. Fair value represents the price (or estimates thereof) that would be agreed upon in an orderly transaction between market participants at the valuation date. Fair values are derived using the market value approach and the income capitalisation approach, which reference market-based evidence, using comparable prices adjusted for specific factors such as nature, location and condition of property. Investment property includes property partially owned by the Fund and held under joint operations with third parties for which the Fund recognises its share of the joint operation's assets, liabilities, revenues, expenses and cash flows. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to income.

Transfers to or from investment properties are recorded when there is a change in use of the property. Transfers to real estate developed for resale are recorded at their fair value at the date of change in use.

Rental income is recognised on an accrual basis.

2.6 Real estate developed for resale

Lands being made ready for resale along with the cost of infrastructural works are classified as real estate held for resale and are stated at the lower of carrying value and fair value less cost to sell.

Gains and losses realised on the sale of real estate are included in income at the time of sale.

2.7 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise:

- cash balances,
- call deposits,
- proportionate interests in cash balances of managed joint operations,
- other liquid balances with maturities of three months or less from the acquisition date.

Cash equivalents are subject to an insignificant risk of change in value.

2.8 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.9 Interest income and expenses

Interest income (expense) is computed by applying the effective interest rate based to the gross carrying amount of a financial asset (liability), except for financial assets that are purchased, originated or subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (i.e., after deduction of the loss allowance). Interest includes coupon interest and accrued discount and premium on financial instruments. Dividend income is recorded when declared.

2.10 Taxation

The Fund is exempt from Barbados taxation.

The Fund currently incurs withholding taxes imposed by certain countries or financial institutions on investment income. Such income is recorded gross of withholding tax in the statement of income and

comprehensive income and the related tax imposed is recorded as a receivable until these amounts are recoverable or expensed as incurred.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.11 Management fee**

As a result of serving as Trustee and Manager of the Fund, Sagikor Life Inc. receives a management fee based on the Net Asset Value of the Fund, calculated at a rate of 0.75% per annum.

2.12 Units

The Fund issues units which are redeemable at the holder's option. Units are carried at the redemption amount that is payable at the statement of financial position date should the holder exercise the right to redeem the shares. Units redeemed may be put back to the Fund for cash or transfer of assets representing the value of the units redeemed.

Units are classified as equity as they meet the following criteria:

- They entitle the holder to a pro-rata share of the net assets of the Fund.
- The total expected cash flows attributable to the units over their life are based substantially on the profits or loss of the Fund.
- The Fund is contractually obliged to deliver cash to unit holders on the repurchase of units or transfer assets representing the value of units redeemed.
- The rights and features attached to each unit are identical.

2.13 Net asset value per unit

The Fund adopts a forward pricing policy of valuing transactions. The consideration received or paid for units issued or repurchased respectively is converted to units based on the Fund's net asset value per unit at the next valuation period.

The net asset value per unit is calculated by dividing the net assets by the number of units.

2.14 Property, plant and equipment

Property, plant and equipment comprise mainly furnishings and office equipment and represent the Fund's proportionate interest in joint operations. These assets are initially recorded at cost and subsequent expenditure is capitalised if future economic benefits are expected.

Depreciation is calculated on property, plant and equipment on the straight-line basis at rates calculated to allocate the cost of the assets concerned over their estimated useful lives. The estimated useful lives for this purpose are as follows:

Plant and equipment, furniture and fittings	10 years
Computer software and equipment	3 -10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any gain or loss on disposal included in the statement of income and comprehensive income is determined by comparing proceeds to the asset's carrying value at the time of disposal.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. The items which may have the most significant effect on the Fund's financial statements is set out below.

3.1 Impairment of financial assets

In determining ECL (defined in note 2.4(c)), management is required to exercise judgement in defining what is considered a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions, and forecasts of economic conditions. Further information about the judgements involved is included in Note 2.4 'Measurement' and 'Forward-looking information'.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**3.1 Impairment of financial assets (continued)**(a) Establishing staging for debt securities and deposits

The Fund's internal credit rating model is a 10-point scale which allows for distinctions in risk characteristics and is referenced to the rating scale of international credit rating agencies.

The scale is set out in the following table:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	aaa, aa
		2	Low risk	A	A	A	a
		3	Moderate risk	BBB	Baa	BBB	bbb
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	bb
		5	Average risk	B	B	B	b
		Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC
7	Special mention		C	C	C	c	
Default	8	Substandard			DDD		
	9	Doubtful	D	C	DD	d	
	10	Loss			D		

The Fund uses its internal credit rating model to determine which of the three stages an asset is to be categorized for the purposes of ECL.

Once the asset has experienced a significant increase in credit risk the investment will move from Stage 1 to Stage 2. Sagicor has assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial asset that is investment grade or Sagicor risk rating of 1-3 is considered low credit risk.

Stage 1 investments are rated (i) investment grade, or (ii) below investment grade at origination and have not been downgraded more than 2 notches since origination. Stage 2 investments are assets which (i) have been downgraded from investment grade to below investment grade, or (ii) are rated below investment grade at origination and have been downgraded more than 2 notches since origination. Stage 3 investments are assets in default.

(b) Establishing staging for mortgage loans and other assets measured at amortised cost, lease receivables

Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Qualitative test

- accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

Backstop Criteria

- accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**3.1 Impairment of financial assets (continued)**(c) Forward looking information

When management determines the macro-economic factors that impact the portfolios of financial assets, they first determine all readily available information within the relevant market. Portfolios of financial assets are segregated based on product type, historical performance, and homogenous country exposures. There is often limited timely macro-economic data for Barbados, Eastern Caribbean, Trinidad and Jamaica. Management assesses data sources from local government, International Monetary Fund (IMF) and other reputable data sources. A regression analysis is performed to determine which factors are most closely correlated with the credit losses for each portfolio. Where projections are available, these are used to look into the future up to three years and subsequently the expected performance is then used for the remaining life of the product. These projections are re-assessed on a quarterly basis.

3.2 Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined using reputable pricing sources (such as pricing agencies), indicative prices from bond/debt market makers or other valuation techniques. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund exercises judgement on the quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily discounted cash flows.

The models used to determine fair values are periodically reviewed by experienced personnel. The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

3.3 Valuation of investment property

The Fund utilises professional valuers to determine the fair value of its investment properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen. Direct sales comparisons when such data is

available, and income capitalisation methods, when appropriate, are included in the assessment of fair values.

For some tracts of land which are currently un-developed, the fair value may reflect the potential for development within a reasonable period of time. Information about fair value technique is disclosed in Note 11.

Notes to the Financial Statements

Year ended December 31, 2024

4. INVESTMENT PROPERTY

Investment property is carried at fair value as determined by independent valuers using internationally recognised valuation techniques.

The movement in investment property for the year is as follows:

	2024 \$	2023 \$
Balance, beginning of year	52,870,000	53,200,000
Fair value loss recorded in income	(892,500)	(330,000)
Balance, end of year	51,977,500	52,870,000

Wholly owned properties:

Letchworth Complex, Garrison, St. Michael
 Letchworth Cottage, Garrison, St. Michael
 CIBC First Caribbean International Bank, Rendezvous, Christ Church
 City Centre, Bridgetown
 Land at Plum Tree, St. Thomas
 Allder House, Corner of George Street and First Avenue Belleville

Investment property includes \$20,457,500 (2023 - \$20,920,000) which represents the Fund's proportionate interest in joint operations in Barbados summarized in the following table.

Description of property	Percentage ownership
Land at Fort George Heights, Upton, St. Michael	50.0%
United Nations House, Marine Gardens, Christ Church	50.0%
Trident House Properties, Lower Broad Street, Bridgetown	33.3%

A related party owns a 50% interest in Fort George Heights and United Nations House respectively, and a 33% interest in Trident House Properties.

Other balances included in the financial statements in respect of the above joint operations are as follows:

	2024 \$	2023 \$
Real estate developed for resale	298,112	298,112
Accounts receivable	2,904,550	4,208,806
Property, plant and equipment	488,876	480,490
Cash resources	7,671,100	6,962,013
Accounts payable	1,309,409	1,627,032
Net rental income	891,964	1,173,977
Reduction in fair value of investment property	(962,500)	(30,000)

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

5. INVESTMENT IN ASSOCIATED COMPANIES

The movements in the investment in associated companies during the year are summarised in the following table.

	Primo Holdings Limited 2024 \$	Haggatt Hall Holdings Limited 2024 \$	Total 2024 \$
Investment at the beginning of the year	541,212	5,261,098	5,802,310
Share of loss/income	(33,636)	358,907	325,271
Loss on property revaluation	(37,500)	(510,000)	(547,500)
Investment at the end of the year	470,076	5,110,005	5,580,081

	Primo Holdings Limited 2023 \$	Haggatt Hall Holdings Limited 2023 \$	Total 2023 \$
Investment at the beginning of the year	559,329	5,672,476	6,231,805
Share of (loss) / income	(18,117)	266,742	248,625
Loss on property revaluation	-	(678,120)	(678,120)
Investment at the end of the year	541,212	5,261,098	5,802,310

The Fund holds interests in two property investment companies. Proportionate interests are as follows:

- 37.5% (2023 - 37.5%) in Primo Holdings Limited, incorporated in Barbados
- 33.3% (2023 - 33.3%) in Haggatt Hall Holdings Limited, incorporated in Barbados

The amount of \$22,663 (2023 - \$22,663) due from associated company Primo Holdings Limited, is interest free, unsecured and has no fixed terms of repayment.

The aggregate balances and results in respect of the associated companies for the year are set out below:

	Haggatt Hall Holdings Limited		Primo Holding Limited	
ASSETS	2024	2023	2024	2023
Property, Plant and Equipment	559	986	-	-
Cash Resources	(358,856)	276,460	-	-
Other Investments and Assets	29,776,789	30,246,273	1,900,000	2,000,000
Total Assets	29,418,492	30,523,719	1,900,000	2,000,000
LIABILITIES				
Current liabilities	14,243,728	14,895,675	747,487	657,792
Net Assets	15,174,764	15,628,044	1,152,513	1,342,208

Notes to the Financial Statements

Year ended December 31, 2024

5. INVESTMENT IN ASSOCIATED COMPANIES (continued)

Summarised Statement of Net Income

REVENUE

Net Rental Income	2,083,269	1,415,136	-	-
Other Income	1,581,822	645,420	-	-
Total Revenue	3,665,091	2,060,556	-	-

EXPENSES

Finance Charges	735,892	401,340	-	-
Depreciation	427	360	-	-
Repairs & Maintenance	611,157	305,964	-	-
Income Tax Expenses	128,220	34,207	-	-
Deferred Tax Expenses	(23,344)	-	-	-
Other	1,136,019	518,456	89,695	48,312
Total Expenses	2,588,371	1,260,327	89,695	48,312

Net Income / (Loss) 1,076,720 800,229 (89,695) (48,312)

Comprehensive loss Property revaluation (1,529,999) (2,034,363) (100,000) -

Reconciliation to carrying amounts

	Haggatt Hall Holdings Limited		Primo Holdings Limited	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Opening net assets 1 January	15,628,044	16,862,178	1,342,208	1,390,520
Profit / (loss) for the period	1,076,720	800,229	(89,695)	(48,312)
Revaluation Surplus	(1,529,999)	(2,034,363)	(100,000)	-
Closing net assets	15,174,765	15,628,044	1,152,513	1,342,208
Fund's share in %	33.33%	33.33%	37.5%	37.5%
Fund's Share in \$	5,058,255	5,209,348	432,191	503,327
Capitalisation of Acquisition costs	51,750	51,750	37,885	37,885
Carrying Amount	5,110,005	5,261,098	470,076	541,212

6. RELATED PARTY BALANCES

These balances are interest free, unsecured and have no fixed terms of repayment. A summary of related party transactions is disclosed in Note 17.

7. INCOME TAX ASSETS

Income tax assets arise from deductions of withholding tax at source on interest income from local financial investments. The Fund's tax-exempt status entitles it to a refund of these taxes from the Barbados Revenue Authority.

Income tax assets are reported at the gross value of \$1,286,049, net of an estimated impairment of \$1,286,049 (2023 - gross value of \$1,285,479, impairment \$835,561).

Sagicor (Equity) Fund

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Year ended December 31, 2024

8. REAL ESTATE DEVELOPED FOR RESALE

Real estate developed for resale represent the Fund's proportionate interests in joint operations as set out below:

Description of property	Percentage owned by the Fund
Land at Carmichael	46%
Land at Fort George Heights, Upton, St. Michael	50%

9. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Rent receivable	4,281,781	4,668,696
Dividend receivable	1,424,439	1,467,068
Net advances to unit holders	309,099	4,150,073
Other receivables	2,961,571	2,608,327
Total accounts receivable	8,976,890	12,894,164

Net advances to unit holders represent net redemptions paid to unit holders, which at year-end, are awaiting conversion to units in the subsequent year.

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Year ended December 31, 2024

10. FINANCIAL INVESTMENTS

10.1 Analysis of financial investments

	2024		2023	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Investments at Fair value through profit and loss (FVTPL):				
Bonds - Listed International	147,015	147,015	11,741,956	11,741,956
Bonds - Unlisted Local	6,922,872	6,922,872	6,669,316	6,669,316
Bonds - Unlisted Regional	-	-	617,953	617,953
Total debt securities	7,069,887	7,069,887	19,029,225	19,029,225
Common Shares - Listed Local	86,526,033	86,526,033	88,255,784	88,255,784
Common Shares - Listed Regional	64,585,212	64,585,212	71,408,023	71,408,023
Common Shares - Listed International	279,415,916	279,415,916	169,022,081	169,022,081
Common Shares - Unlisted	-	-	87,344	87,344
Alternative Investments - Listed	93,738,573	93,738,573	186,552,095	186,552,095
Alternative Investments - Unlisted	1,469,773	1,469,773	1,765,105	1,765,105
Mutual Funds - Listed Local	8,096,000	8,096,000	7,792,000	7,792,000
Total equity securities	533,831,507	533,831,507	524,882,432	524,882,432
Total investments at FVPTL	540,901,394	540,901,394	543,911,657	543,911,657
Investments at amortised cost:				
Deposits	4,030,971	4,030,971	160	160
Mortgage loans	29,938,170	30,138,487	22,524,114	21,996,460
Total investments at amortised cost	33,969,141	34,169,458	22,524,274	21,996,620
Total financial investments	574,870,535	575,070,852	566,435,931	565,908,277

Mortgage loans are reported at the gross principal of \$29,878,517, net of provisions for expected credit losses of \$(28,150) (2023 - gross principal of \$22,603,690, provisions for expected credit losses of \$(79,576)). The fair value of the fixed rate mortgage loans is \$18,386,007 (2023 - \$10,585,360) and the carrying value is \$18,185,689 (2023 - \$11,113,014).

See Note 12.7 for the fair value of investments at amortised cost.

	2024 \$	2023 \$
Debt securities comprise:		
Government debt securities - Listed International	147,015	9,746,477
Government debt securities - Unlisted Local	6,922,872	6,669,316
Government debt securities - Unlisted Regional	-	617,953
Corporate debt securities - Listed	-	1,995,479
	<u>7,069,887</u>	<u>19,029,225</u>

Sagikor (Equity) Fund

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10. FINANCIAL INVESTMENTS (continued)

10.1 Analysis of financial investments (continued)

Equity securities include shares in Sagikor Financial Company Ltd, a related party, of \$3,019,106 (2023 - \$3,173,068).

Debt securities classified at fair value through profit or loss and valued using internally developed models amounted to \$6,922,872 (2023 - \$7,287,269).

Significant concentrations of equity securities, exceeding 2.5% of total equity security exposures, are as follows:

	2024		2023	
	% of		% of	
	Total	\$	Total	\$
Goddard Enterprises Ltd.	11.2	59,653,236	11.9	62,686,452
Massy Holdings Ltd	8.91	47,555,440	10.2	53,706,243
CIBC First Caribbean International Bank (Barbados) Ltd	4.9	26,108,526	4.7	24,803,100
Schwab US Divid Equity ETF	-	-	4.2	22,193,113
Morgan Stanley Global Quality Fund	-	-	3.7	19,517,040
Pictet - PTR Atlas Fund Class 1	3.9	21,013,542	3.7	19,186,706
RBC Royal Bank of Canada	3.1	16,588,563	3.4	17,749,705
MFS Meridian European Research Fund	-	-	2.8	14,548,475
Neuberger Berman Uncorrelated	-	-	2.8	14,484,127
Investec Global Franchise	-	-	2.5	13,049,739
Aspect Diversified Trends USD Fund	2.5	13,253,267	2.3	12,212,060
JPM Global Select Equity (ACC) USD Fund	2.8	14,820,782	-	-
Merian Global Equity Absolute Return Fun	2.8	15,059,031	-	-
Man AHL Target Riak ACC Fund CLA	2.5	13,454,947	-	-

11. FAIR VALUE OF INVESTMENT PROPERTY

Investment property is carried at fair value as determined by independent valuations using internationally recognised valuation techniques. Direct sales comparisons, when such data is available, and income capitalisation methods, when appropriate, are included in the assessment of fair values. The highest and best use of a property is also considered in determining its fair value.

Some tracts of land are currently un-developed or are leased to third parties. In determining the fair value of all lands, their potential for development within a reasonable period is assessed, and if such potential exists, the fair value reflects that potential. These lands are located in Barbados and the Fund has adopted a policy of orderly development and transformation to realise their full potential over time.

The fair value hierarchy has been applied to the valuations of the Fund's property. The different levels of the hierarchy are as follows:

- Level 1 - fair value is determined by quoted un-adjusted prices in active markets for identical assets;
- Level 2 - fair value is determined by inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly;
- Level 3 - fair value is determined from inputs that are not based on observable market data.

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Sagicor (Equity) Fund

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11. FAIR VALUE OF INVESTMENT PROPERTY (continued)

The results of applying the fair value hierarchy to the Fund's property are as follows:

As of December 31, 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Investment property	-	-	51,977,500	51,977,500

As of December 31, 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Investment property	-	-	52,870,000	52,870,000

A summary of the valuation techniques used is presented as follows:

	Fair Value \$ 2024	Fair Value \$ 2023	Valuation Technique	Unobservable Inputs	Range of Inputs 2024	Range of Inputs 2023	Relationship of Unobservable Inputs to Fair value
Land	10,407,500	10,945,000	Sales Comparison	Price per square foot	\$1.46 to \$9.21	\$1.54 to \$9.59	The higher the price per square foot, the higher the value.
Commercial property	3,670,000	3,716,667	Sales Comparison	Price per square foot	\$23.90 to \$63.82	\$23.90 to \$63.82	The higher the price per square foot, the higher the value.
Commercial property	37,900,000	38,208,333	Discounted cash flows	Discount rate, capitalisation rate	8.0% to 10.0%	8.0% to 10.0%	The lower the capitalisation rate or discount rate, the higher the fair value.
Total	51,977,500	52,870,000					

Commercial properties valued at \$3,670,000 (2023 - \$3,716,667) are mature and under-tenanted. These properties are therefore not in their highest and best use. Under these circumstances, the discounted cash flows technique was not considered to offer a good indicator of value. Fair values for these properties were derived from the use of the sales comparison method.

Valuation Process

The Fund engages external independent and qualified valuers to determine the fair value of the Fund's investment properties at the end of the year. The main level 3 inputs used by the Fund are determined and evaluated as follows - discount rate, terminal yield, expected vacancy rates and rental growth rates which are estimated by the valuer based on comparable transactions.

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Sagicor (Equity) Fund

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12. FINANCIAL RISK

Financial risk factors

The Fund's activities of accepting funds from unit holders and investing these funds in a variety of financial and other assets expose the Fund to various financial risks.

Financial risks include credit, liquidity, and market risks. Market risks arise from changes in interest rates, equity prices, currency exchange rates or other market factors. The effects of these risks are disclosed in the sections below.

The Fund is also exposed to operations such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodians.

The overriding objective of the Fund's risk management framework is to enhance its capital base through long term capital growth and to protect capital against inherent business risks. This means that the Fund accepts certain levels of risk in order to generate returns, and the Fund manages the levels of risk assumed through risk management policies and procedures. Identified risks are assessed as to their potential financial impact and as to their likelihood of occurrence.

The effects of financial risks are disclosed in the sections below.

12.1 Credit risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Fund. Credit risks are primarily associated with financial investments held.

Credit risk from financial investments is minimised through holding a diversified portfolio of investments, purchasing securities, and advancing loans only after careful assessment of the borrower, obtaining collateral before advancing loans, and placing deposits with financial institutions with a strong capital base. Limits may be placed on the amount of risk accepted in relation to one borrower.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as the local and regional stock exchanges act as the clearing facilitator, ensuring that monies are placed in the clearing accounts.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's credit position on a quarterly basis.

Rating of financial assets

The Fund's credit rating model (Note 3.1) applies a rating scale to two categories of exposures:

- Investment portfolios, comprising debt securities, deposits and cash;
- Lending portfolios, comprising mortgages

For lending portfolios, the three default ratings of 8, 9 and 10 are utilised, while for investment portfolios, one default rating (8) is utilised.

In sections 12.2 and 12.3 below, we set out various credit risks and exposures of assets measured in accordance with IFRS 9.

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.2 Credit risk exposure - financial assets subject to impairment

The maximum exposures of the Fund to credit risk are set out in the following table.

	2024		2023	
	\$	%	\$	%
Bonds at FVTPL	7,069,887	9	19,029,225	24
Deposits at amortised cost	4,030,971	5	160	0
Investment portfolio	11,100,858	14	19,029,385	24
Mortgage loans, net, at amortised cost	29,938,170	37	22,524,114	29
Lending portfolio	29,938,170	37	22,524,114	29
Due from Sagicor Life Inc.	16,495	0	-	0
Due from Sagicor International Balanced Fund	29,766	0	148,524	0
Due from associated company	22,663	0	22,663	0
Accounts receivable	8,976,890	11	12,894,164	17
Cash resources	29,966,959	37	20,126,617	26
Other financial assets	39,012,773	48	33,191,968	43
Total exposures	80,051,801	98	74,745,467	96
Mortgage loan commitments	1,874,042	2	2,806,030	4
	81,925,843	100	77,551,497	100

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Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.2 Credit risk exposure - financial assets subject to impairment (continued)

Credit Risk Exposure - financial investments subject to impairment

Financial assets carried at amortised cost are subject to credit impairment losses which are recognised in the statement of income and comprehensive income.

The following tables contain analyses of the credit risk exposure of financial investments for which an ECL allowance is recognised.

	Mortgages loans - amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
\$	\$	\$	\$	\$	
Credit grade:					
Investment	14,250,445	105,072	-	-	14,355,517
Non-Investment	14,437,029	715,006	-	-	15,152,035
Watch	-	-	458,768	-	458,768
Default	-	-	-	-	-
Gross carrying amount	28,687,474	820,078	458,768	-	29,966,320
Loss allowance	(15,543)	(1,250)	(11,357)	-	(28,150)
Net carrying amount	28,671,931	818,828	447,411	-	29,938,170

	Mortgages loans - amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
\$	\$	\$	\$	\$	
Credit grade:					
Investment	11,304,199	211,813	-	-	11,516,012
Non-Investment	10,628,906	-	-	-	10,628,906
Watch	-	-	458,772	-	458,772
Default	-	-	-	-	-
Gross carrying amount	21,933,105	211,813	458,772	-	22,603,690
Loss allowance	(30,882)	(708)	(47,986)	-	(79,576)
Net carrying amount	21,902,223	211,105	410,786	-	22,524,114

12. FINANCIAL RISK (continued)

12.2 Credit risk exposure - financial assets subject to impairment (continued)

	Term Deposits – loans and receivables				
	2024				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
ECL	ECL	ECL			
	\$	\$	\$	\$	\$
Credit grade:					
Investment	4,030,839	-	-	-	4,030,839
Non-Investment	-	-	-	-	-
Watch	-	-	-	-	-
Default	160	-	-	-	160
Gross carrying amount	4,030,999	-	-	-	4,030,999
Loss allowance	(28)	-	-	-	(28)
Net carrying amount	4,030,971	-	-	-	4,030,971

	Term Deposits – loans and receivables				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
ECL	ECL	ECL			
	\$	\$	\$	\$	\$
Credit grade:					
Investment	-	-	-	-	-
Non-Investment	-	-	-	-	-
Watch	-	-	-	-	-
Default	160	-	-	-	160
Gross carrying amount	160	-	-	-	160
Loss allowance	-	-	-	-	-
Net carrying amount	160	-	-	-	160

12. FINANCIAL RISK (continued)

12.3 Credit impairment losses – financial assets subject to impairment

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and lifetime ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.

The following tables contain analyses of the movement of loss allowances in respect of financial investments subject to impairment.

LOSS ALLOWANCES

	Mortgage loans – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
ECL	ECL	ECL			
	\$	\$	\$	\$	\$
Loss allowance, beginning of year	30,882	708	47,986	-	79,576
Transfers:					
Stage 1 to Stage 2	(955)	955	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage1	-	-	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	3,526	-	-	-	3,526
Loans fully derecognised	(72)	(708)	-	-	(780)
Changes in ECL inputs, models and/or assumptions	(17,839)	295	(36,629)	-	(54,173)
Loss allowance, end of year	15,542	1,250	11,357	-	28,149
Credit impairment loss recorded in income					51,427

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.3 Credit impairment losses – financial assets subject to impairment (continued)

LOSS ALLOWANCES

	Mortgage loans – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
ECL	ECL	ECL			
	\$	\$	\$	\$	\$
Loss allowance, beginning of year	26,665	1,455	49,466	-	77,586
Transfers:					
Stage 1 to Stage 2	(257)	257	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage1	298	(298)	-	-	-
Stage 3 to Stage 1					
Loans originated or purchased	12,799	-	-	-	12,799
Loans fully derecognised	(11,101)	(1,157)	-	-	(12,258)
Changes in ECL inputs, models and/or assumptions	2,478	451	(1,480)	-	1,449
Loss allowance, end of year	30,882	708	47,986	-	79,576
Credit impairment loss					(1,990)
Mortgage write offs					(36,843)
Credit impairment losses recorded in income					(38,833)

LOSS ALLOWANCES

	Term Deposits – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
ECL	ECL	ECL			
	\$	\$	\$	\$	\$
Loss allowance, beginning of year	-	-	-	-	-
Term deposits originated or purchased	28	-	-	-	28
Term deposits fully derecognised	-	-	-	-	-
Loss allowance, end of year	28	-	-	-	28
Credit impairment loss recorded in income					(28)

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12. FINANCIAL RISK (continued)

12.3 Credit impairment losses – financial assets subject to impairment (continued)

LOSS ALLOWANCES

	Term Deposits – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
ECL	ECL	ECL			
	\$	\$	\$	\$	\$
Loss allowance, beginning of year	-	-	-	-	-
Term deposits originated or purchased	-	-	-	-	-
Term deposits fully derecognised	-	-	-	-	-
Loss allowance, end of year	-	-	-	-	-
Credit impairment loss recorded in income					-

(a) Impaired Mortgages

Balances relating to impaired financial investments are summarised in the following table. The accumulated allowance for impairment losses reflects the Fund's assessment of total individually impaired investments at date of the financial statements.

	Gross carrying value \$	Accumulated allowances for impairment \$	Net carrying value \$	Estimated fair value of collateral \$
Mortgage Loans				
As of December 31, 2024				
Residential sector	458,768	(11,357)	447,411	652,000
Total	458,768	(11,357)	447,411	652,000
As of December 31, 2023				
Residential sector	458,772	(47,986)	410,786	599,700
Total	458,772	(47,986)	410,786	599,700

(b) Repossessed assets

The Fund may foreclose on overdue mortgage loans by repossessing the pledged asset. In some instances, the Fund may provide re-financing to a new purchaser on customary terms.

No assets were repossessed during the year (2023 – Nil).

(c) Renegotiated assets

The Fund may renegotiate the terms of any financial investment to facilitate borrowers in financial difficulty. Arrangements to waive, adjust or postpone scheduled amounts due may be entered into. The Fund classifies these amounts as past due, unless the original agreement is formally revised, modified or substituted, in which case, the financial investment is classified as renegotiated.

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12. FINANCIAL RISK (continued)

12.3 Credit impairment losses – financial assets subject to impairment (continued)

No assets were re-negotiated during the year (2023 – Nil).

(d) Economic variable assumptions

The Fund has selected the following economic factor which provide the overall macroeconomic environment in considering forward looking information for base, upside and downside forecasts. These are as follows:

	As of December 31, 2024			As of December 31, 2023		
	2025 \$	2026 \$	2027 \$	2024 \$	2025 \$	2026 \$
S&P 500 Financial Index - EPS						
Base	44.68	47.41	51.83	42.40	45.93	45.23
Upside	74.64	79.19	86.57	67.56	73.18	72.08
Downside	23.81	25.26	27.62	27.10	29.35	28.91
GBP/USD						
Base	1.25	1.25	1.25	1.27	1.28	1.28
Upside	1.36	1.41	1.46	1.38	1.44	1.48
Downside	1.14	1.08	1.04	1.17	1.12	1.07
NZD/USD						
Base	0.56	0.57	0.57	0.63	0.63	0.63
Upside	0.63	0.66	0.69	0.70	0.72	0.74
Downside	0.50	0.48	0.46	0.56	0.53	0.51

The preceding economic variable assumptions relate to term deposits carried at amortised cost.

(d) Economic variable assumptions

The Fund's lending operations in Barbados has limited readily available information regarding economic forecasts. Management has examined the information within the market and selected economic drivers that have the best correlation to the portfolio's performance. Economic state is assigned to reflect the driver's impact on ECL.

Barbados	Expected state for the next 12 months	Scenario
Unemployment rate	Base	Negative
	Upside	Stable
	Downside	Super Negative
GDP growth	Base	Negative
	Upside	Stable
	Downside	Super Negative

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12. FINANCIAL RISK (continued)

12.4 Gross Carrying Values – financial investments subject to impairment

The following tables explain the movement in the gross carrying amounts of mortgages, term deposits and in the ECL classifications for the year. Gross carrying amounts represent the maximum exposure to credit risk.

	Mortgage loans – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
Gross carrying amount, beginning of year	21,933,105	211,813	458,772	-	22,603,690
Transfers:					
Stage 1 to Stage 2	(678,138)	678,138	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	-	-	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	6,508,514	-	-	-	6,508,514
Loans fully derecognized	(50,980)	(211,813)	-	-	(262,793)
Changes in principal and interest	974,973	141,940	(4)	-	1,116,909
Gross carrying amount, end of year	28,687,474	820,078	458,768	-	29,966,320

	Mortgage loans – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
Gross carrying amount, beginning of year	22,612,778	612,344	509,080	-	23,734,202
Transfers:					
Stage 1 to Stage 2	(217,957)	217,957	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	125,373	(125,373)	-	-	-
Stage 3 to Stage 1	-	-	-	-	-
Loans originated or purchased	9,210,806	-	-	-	9,210,806
Loans fully derecognized	(9,410,736)	(486,971)	(51,487)	-	(9,949,194)
Changes in principal and interest	(387,159)	(6,144)	1,179	-	(392,124)
Gross carrying amount, end of year	21,933,105	211,813	458,772	-	22,603,690

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12. FINANCIAL RISK (continued)

12.4 Gross Carrying Values – financial investments subject to impairment (continued)

	Term Deposits – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
Gross carrying amount, beginning of year	160	-	-	-	160
Deposits originated or purchased	4,030,839	-	-	-	4,030,839
Deposits fully derecognised	-	-	-	-	-
Gross carrying amount, end of year	4,030,999	-	-	-	4,030,999

	Term Deposits – amortised cost				
	2023				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month ECL	life-time ECL	life-time ECL			
Gross carrying amount, beginning of year	160	-	-	-	160
Deposits originated or purchased	-	-	-	-	-
Deposits fully derecognised	-	-	-	-	-
Gross carrying amount, end of year	160	-	-	-	160

12.5 Liquidity risk

The Fund is exposed to daily calls on its available cash resources for redemptions and operating expenses. Liquidity risk is the exposure that the Fund may have insufficient cash resources to meet these obligations as they become due. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns.

In order to manage liquidity risks, management seeks to maintain levels of cash and deposits which are sufficient to meet reasonable expectations of its short-term obligations. If necessary, the Fund's secondary source of liquidity is its highly liquid instruments in its investment portfolio.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor the Fund's liquidity position on a quarterly basis.

Contractual cash flow obligations of the Fund in respect of its financial liabilities are summarised in the following table. Amounts are analysed by their earliest contractual maturity dates and consist of the contractual un-discounted cash flows. Where the interest rate of an instrument for a future period has not been determined as of the date of the financial statements, it is assumed that the interest rate then prevailing continues until final maturity.

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.5 Liquidity risk (continued)

(a) Financial liabilities

	On demand \$	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
As of December 31, 2024					
Due to Sagicor Life Inc.	-	-	-	-	-
Due to Sagicor (Bonds) Fund	4,092,309	-	-	-	4,092,309
Due to Sagicor Global Balanced Fund	182,946	-	-	-	182,946
Accounts payable	4,613,573	-	-	-	4,613,573
	8,888,828	-	-	-	8,888,828
As of December 31, 2023					
Due to Sagicor Life Inc.	2,937,878	-	-	-	2,937,878
Due to Sagicor (Bonds) Fund	1,531,482	-	-	-	1,531,482
Due to Sagicor Global Balanced Fund	170,210	-	-	-	170,210
Accounts payable	4,193,803	-	-	-	4,193,803
	8,833,373	-	-	-	8,833,373

(b) Financial assets

Amounts are stated at their carrying values recognised in the financial statements and are analysed by their contractual maturity dates.

	Maturing within 1 year \$	Maturing within 1 to 5 years \$	Maturing after 5 years \$	Total \$
As of December 31, 2024				
Due from associated company	22,663	-	-	22,663
Due from Sagicor Life Inc.	16,495	-	-	16,495
Due from Sagicor International Balanced Fund	29,766	-	-	29,766
Accounts receivable	8,976,890	-	-	8,976,890
Debt securities	-	-	7,069,887	7,069,887
Deposits	4,030,811	160	-	4,030,971
Mortgage loans net	-	-	29,938,170	29,938,170
Cash resources	29,966,959	-	-	29,966,959
Total	43,043,584	160	37,008,057	80,051,801

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.5 Liquidity risk (continued)

(b) Financial assets (continued)

	Maturing within 1 year	Maturing within 1 to 5 years	Maturing after 5 years	Total
	\$	\$	\$	\$
As of December 31, 2023				
Due from associated company	22,663	-	-	22,663
Due from Sagicor International Balanced Fund	148,524	-	-	148,524
Accounts receivable	12,894,164	-	-	12,894,164
Debt securities	3,659,267	8,700,642	6,669,316	19,029,225
Deposits	-	160	-	160
Mortgage loans net	-	-	22,524,114	22,524,114
Cash resources	20,126,617	-	-	20,126,617
Total	36,851,235	8,700,802	29,193,430	74,745,467

Redeemable units are redeemed at the option of the holder. However, the Board of Directors of the Trustee does not envisage that unit holders will completely redeem their units as they typically hold them for the long-term. At December 2024, an individual unit holder, Goddard Enterprises Ltd., holds 15% of the fund's units (2023 Goddard Enterprises Ltd. Held 15%). The fund manages its liquidity risk by investing in security that it expects to be able to liquidate within a short period.

The following table shows the ordinary redemption periods of the funds and alternative investments held.

As of December 31, 2024	Less than 7 Days	Monthly	Quarterly	Semi Annual	1 - 5 Years
	\$	\$	\$	\$	\$
Funds and Alternative Investments	100,390,631	-	-	-	2,913,715
As of December 31, 2023	Less than 7 Days	Monthly	Quarterly	Semi Annual	1 - 5 Years
	\$	\$	\$	\$	\$
Funds and Alternative Investments	192,422,078	-	-	-	3,687,122

12.6 Market risk

Interest rate risk

The Fund is exposed to interest rate risks. Cash flow interest rate risk is the risk that 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 because of changes in market interest rates.

The return on financial investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Fund is therefore exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase or decrease as a result of such changes.

In accordance with the Fund's policy, the Fund Manager and the Board of Directors of the Trustee monitor and review the Fund's overall interest sensitivity on a quarterly basis.

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.6 Market risk (continued)

Interest rate risk (continued)

(a) Financial liabilities

The table below summarises the exposures to interest rate of the Fund's financial liabilities.

	Exposure within 1 year	Exposure of 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
	\$	\$	\$	\$	\$
As of December 31, 2024					
Due to Sagicor (Bonds) Fund	-	-	-	4,092,309	4,092,309
Due to Sagicor Life	-	-	-	182,946	182,946
Due to Sagicor Global Balanced Fund	-	-	-	4,613,573	4,613,573
Accounts payable	-	-	-	-	-
Total	-	-	-	8,888,828	8,888,828
As of December 31, 2023					
Due to Sagicor (Bonds) Fund	-	-	-	1,531,482	1,531,482
Due to Sagicor Life	-	-	-	2,937,878	2,937,878
Due to Sagicor Global Balanced Fund	-	-	-	170,210	170,210
Accounts payable	-	-	-	4,193,803	4,193,803
Total	-	-	-	8,833,373	8,833,373

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.6 Market risk (continued)

Interest rate risk (continued)

(b) Financial assets

The table below summarises the exposures to interest rate risks of the Fund's financial assets. It includes assets at carrying amounts categorised by the earlier of contractual repricing or maturity dates.

	Exposure within 1 year	Exposure of 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
As of December 31, 2024	\$	\$	\$	\$	\$
Due from Sagicor Life Inc.	-	-	-	16,495	16,495
Due from Sagicor International Balanced Fund	-	-	-	29,766	29,766
Due from associated company	-	-	-	22,663	22,663
Accounts receivable	-	-	-	8,976,890	8,976,890
Debt securities	-	-	7,043,731	26,156	7,069,887
Equity securities	-	-	-	533,831,507	533,831,507
Deposits	3,999,973	160	-	30,838	4,030,971
Mortgage loans	-	-	29,907,671	36,499	29,938,170
Cash resources	300,548	-	-	29,666,411	29,966,959
Total	4,300,521	160	36,945,402	572,637,225	613,883,308

	Exposure within 1 year	Exposure of 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
As of December 31, 2023	\$	\$	\$	\$	\$
Due from Sagicor International Balanced Fund	-	-	-	148,524	148,524
Due from associated company	-	-	-	22,663	22,663
Accounts receivable	-	-	-	12,894,164	12,894,164
Debt securities	3,596,387	8,564,020	6,643,983	224,835	19,029,225
Equity securities	-	-	-	524,882,431	524,882,431
Deposits	-	160	-	-	160
Mortgage loans	-	-	22,509,759	14,355	22,524,114
Cash resources	300,548	-	-	19,826,070	20,126,618
Total	3,896,935	8,564,180	29,153,742	558,013,042	599,627,899

The table below summarises the average interest yields on financial assets held during the year.

	2024	2023
Debt securities	2.62%	4.61%
Deposits	2.95%	0.00%
Mortgage loans	4.32%	5.04%

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.6 Market risk (continued)

Interest rate risk (continued)

Sensitivity

The effect of a 1% increase or decrease in interest rates, with all other variables remaining constant, to the fair value of the interest-bearing financial assets at the date of the financial statements is as follows.

As of December 31, 2024	\$
Total interest-bearing financial assets carried at fair value	7,043,731
The fair value impact of a decrease in interest rates:	768,357
The fair value impact of an increase in interest rates:	(664,045)

Foreign exchange risk

The Fund is exposed to foreign exchange risk as a result of fluctuations in exchange rates since its financial instruments are denominated in a number of different currencies. In order to manage foreign exchange risk, the Fund monitors the fluctuation in foreign exchange rates on a periodic basis. The Fund's exposure to foreign exchange risk is however not considered to be significant as the US and EC rates are fixed to the functional currency.

Financial assets and liabilities by currency are summarised in the following table.

As of December 31, 2024	Balances denominated in						Total
	Barbados	Jamaica	Trinidad	US	CAD	EC	
	\$	\$	\$	\$	\$	\$	\$
ASSETS							
Due from associated companies	22,663	-	-	-	-	-	22,663
Due from Sagicor Life Inc.	16,495	-	-	-	-	-	16,495
Due from Sagicor International Balanced Fund	-	-	-	-	-	29,766	29,766
Accounts receivable	7,864,309	-	1,000,512	23,378	42,109	46,582	8,976,890
Debt securities	6,922,872	-	-	147,015	-	-	7,069,887
Equity securities	142,394,352	434,610	12,812,967	374,624,263	-	3,565,315	533,831,507
Deposits	160	-	-	4,030,811	-	-	4,030,971
Mortgage loans	29,938,170	-	-	-	-	-	29,938,170
Cash resources	11,299,446	-	-	18,250,313	417,200	-	29,966,959
Total	198,458,467	434,610	13,813,479	397,075,780	459,309	3,641,663	613,883,308

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.6 Market risk (continued)

Foreign exchange risk (continued)

As of December 31, 2024	Balances denominated in						
	Barbados \$	Jamaica \$	Trinidad \$	US \$	CAD \$	EC \$	Total \$
LIABILITIES							
Due to Sagicor (Bonds) Fund	4,092,309	-	-	-	-	-	4,092,309
Due to Sagicor Global Balanced Fund	-	-	-	182,946	-	-	182,946
Accounts payable	4,607,443	-	-	6,129	-	-	4,613,572
Total liabilities	8,699,752	-	-	189,075	-	-	8,888,827
Net position	189,758,714	434,610	13,813,479	396,886,705	459,309	3,641,664	604,994,481

As of December 31, 2023	Balances denominated in						
	Barbados \$	Jamaica \$	Trinidad \$	US \$	CAD \$	EC \$	Total \$
ASSETS							
Due from associated companies	22,663	-	-	-	-	-	22,663
Due from Sagicor International Balanced Fund	-	-	-	-	-	148,524	148,524
Accounts receivable	12,140,423	-	654,139	53,020	-	46,582	12,894,164
Debt securities	6,669,316	-	-	11,741,956	-	617,953	19,029,225
Equity securities	150,128,998	297,124	14,196,906	357,339,281	-	2,920,123	524,882,432
Deposits	160	-	-	-	-	-	160
Mortgage loans	22,524,114	-	-	-	-	-	22,524,114
Cash resources	10,770,600	-	-	8,198,897	1,157,120	-	20,126,617
Total	202,256,274	297,124	14,851,045	377,333,154	1,157,120	3,733,182	599,627,899

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.6 Market risk (continued)

Foreign exchange risk (continued)

As of December 31, 2023	Balances denominated in						
	Barbados \$	Jamaica \$	Trinidad \$	US \$	CAD \$	EC \$	Total \$
LIABILITIES							
Due to Sagicor (Bonds) Fund	1,531,482	-	-	-	-	-	1,531,482
Due to Sagicor Life Inc.	2,937,878	-	-	-	-	-	2,937,878
Due to Sagicor Global Balanced Fund	-	-	-	170,210	-	-	170,210
Accounts payable	4,187,674	-	-	6,129	-	-	4,193,803
Total liabilities	8,657,034	-	-	176,339	-	-	8,833,373
Net position	193,599,240	297,124	14,851,045	377,156,815	1,157,120	3,733,182	590,794,526

Sensitivity

The Fund is exposed to currency risk in respect of financial investments denominated in currencies whose values have noticeably fluctuated against the Barbados dollar.

The exposure to currency risk may arise in relation to the future cash flows of a financial instrument.

The most common example of this occurring in the Fund is a financial investment which is denominated in a currency other than the functional currency. In this instance, a change in currency exchange rates results in the financial investment being retranslated and the exchange gain or loss is taken to income.

The currencies whose values have noticeably fluctuated against the Barbados dollar (BDS) are the Trinidad dollar (TTD) and the Jamaica dollar (JMD). The theoretical impacts of the TTD and the JMD on reported results are considered below.

The effects of a 10% depreciation in both the TTD and the JMD relative to the BDS arising from TTD and JMD financial investments as of December 31, 2024 and December 31, 2023 and for the years then ended are considered below.

	Balances denominated in TTD	Effect of a 10% depreciation on income as of Dec 31, 2024	Balances denominated in JMD	Effect of a 10% depreciation on income as of Dec 31, 2024
	\$	\$	\$	\$
Financial Investments	12,812,967	(1,281,297)	434,610	(43,461)

A 10% appreciation in both the TTD and the JMD relative to the BDS would have equal and opposite effects to those disclosed above.

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.6 Market risk (continued)

Foreign exchange risk (continued)

	Balances denominated in TTD \$	Effect of a 10% depreciation on income as of Dec 31, 2023 \$	Balances denominated in JMD \$	Effect of a 10% depreciation on income as of Dec 31, 2023 \$
Financial Investments	14,196,906	(1,419,691)	297,124	(29,712)

A 10% appreciation in both the TTD and the JMD relative to the BDS would have equal and opposite effects to those disclosed above.

Price Risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. The Fund mitigates this risk by holding a diversified portfolio and by selection of securities and other financial instruments within specified limits set by the Board of Directors of the Trustee.

The majority of the Fund's equity investments are publicly traded. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Manager and reviewed on a quarterly basis by the Board of Directors of the Trustee.

Sensitivity

The effects of an across the board 20% decline in equity prices of the Fund's fair value through profit or loss equity securities at the financial statement date is as follows.

	Fair value \$	Effect of a 20% decline at Dec 31, 2024 \$
Fair value through profit or loss equity securities:		
Common shares - Listed	430,527,161	(86,105,432)
Alternative Investments - Listed	93,738,573	(18,714,715)
Alternative Investments - Unlisted	1,469,773	(293,955)
Mutual Funds - Listed	8,096,000	(1,619,200)
	533,831,507	(106,766,302)

	Fair value \$	Effect of a 20% decline at Dec 31, 2023 \$
Fair value through profit or loss equity securities:		
Common shares - Listed	328,685,888	(65,737,178)
Common shares - Unlisted	87,344	(17,469)
Alternative Investments - Listed	186,552,095	(37,310,419)
Alternative Investments - Unlisted	1,765,105	(353,021)
Mutual Funds - listed	7,792,000	(1,558,400)
	524,882,432	(104,976,487)

Sagicor (Equity) Fund

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12. FINANCIAL RISK (continued)

12.7 Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are measured in accordance with a fair value hierarchy. This hierarchy is as follows:

(a) Level 1 - unadjusted quoted prices in active markets for identical instruments

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

(b) Level 2 - inputs that are observable for the instrument, either directly or indirectly

A financial instrument is classified as Level 2 if:

- The fair value is derived from quoted prices of similar instruments which would not be classified as Level 1; or
- The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

In estimating the fair value of non-traded financial assets, the Fund uses a variety of methods such as obtaining dealer quotes and using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are discounted at market-derived rates for government securities in the same country of issue as the security; for non-government securities, an interest spread is added to the derived rate for a similar government security rate according to the perceived additional risk of the non-government security.

(c) Level 3 - inputs for the instrument that are not based on observable market data

A financial instrument is classified as Level 3 if:

- The fair value is derived from inputs that are not based on observable market data.

Level 3 financial assets designated at fair value through profit or loss comprise primarily of corporate, government agency and government sovereign debt instruments issued in the Caribbean. The fair values of these instruments have been derived from December 31 market yields of government instruments of similar durations in the country of issue of the instruments.

The techniques and methods described in the preceding section for non-traded financial assets and liabilities are used in the determination of the fair values of Level 3 instruments.

The following table shows the financial assets carried at fair value at December 31 on a recurring basis by level of the fair value hierarchy.

2024	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	\$	\$	\$	\$
Debt securities	147,015	-	6,922,872	7,069,887
Common Shares	426,360,318	4,166,843	-	430,527,161
Alternative Investments	92,294,631	1,443,942	1,469,773	95,208,346
Mutual Funds	-	8,096,000	-	8,096,000
Total assets	518,801,964	13,706,785	8,392,645	540,901,394
Total assets by percentage	96%	3%	1%	100%

Notes to the Financial Statements

Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data (continued)

2023	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	\$	\$	\$	\$
Debt securities	-	11,741,956	7,287,269	19,029,225
Common Shares	325,156,016	3,529,872	87,344	328,773,232
Alternative Investments	184,630,078	1,922,017	1,765,105	188,317,200
Mutual Funds	-	7,792,000	-	7,792,000
Total assets	509,786,094	24,985,845	9,139,718	543,911,657
Total assets by percentage	94%	4%	2%	100%

The table below provides information about the fair value measurements using significant unobservable inputs (Level 3).

Description	Fair Value at December 31		Valuation Technique	Unobservable Inputs	Range of Inputs		Relationship of Unobservable Inputs to fair value
	2024 \$	2023 \$			2024	2023	
Debt Securities	6,922,872	7,287,269	Discounted Cash Flows	Risk Adjusted Market Yields	4.25% Avg 4.25%	4.25% - 7% Avg 5.63%	The effect of a 1% increase in interest rates would decrease the fair value by (\$652,950) and a 1% decrease in interest rates would increase the fair values by \$756,165
Alternative Investments	1,469,773	1,765,104	Third Party Valuation	Share of Partners' Equity	N/A	N/A	Reliance is placed on third party information, which is not readily available for disclosure.

The fair values of the equities securities in Level 3 are based upon prices determined by the investee fund managers and administrators.

The following table presents the movement in Level 3 instruments for the year.

	2024 \$	2023 \$
Balance, beginning of year	9,139,718	11,110,585
Gains/(losses) recorded in income	52,970	(48,575)
Disbursements of financial assets	45,060	35,533
Disposals of financial assets	(831,806)	(1,967,200)
Effect of accrued income changes	(13,297)	9,375
Balance, end of year	8,392,645	9,139,718

Sagicor (Equity) Fund

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Year ended December 31, 2024

12. FINANCIAL RISK (continued)

12.7 Fair value of financial instruments (continued)

(c) Level 3 – inputs for the instrument that are not based on observable market data (continued)

Unrealised gains / (losses) on level 3 assets held at the end of the year are included in net gains on financial investments and amount to a gain of \$10,701,681 (2023 – a loss of \$9,051).

The fair value hierarchy of other financial instruments of the fixed rate mortgages not carried at fair value but for which fair value disclosure is required is set out in the following table. Due to their nature, the carrying value of variable rate mortgages approximate fair value.

	Level 1	Level 2	Level 3	Total
As at December 31 2024	\$	\$	\$	\$
Mortgage loans	-	-	18,185,689	18,185,689
As at December 31 2023	\$	\$	\$	\$
Mortgage loans	-	-	11,113,014	11,113,014

12.8 Capital risk management

The capital of the Fund is represented by unit holders' equity. Unit holders' equity changes on a daily basis as the Fund is subject to the redemption and issue of units at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and to maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to redeem and issue units in accordance with the terms of the trust deed which includes the ability to restrict redemptions.

The Board of Directors of the Trustee and Fund Manager monitor unit holders' equity.

13. ACCOUNTS PAYABLE

	2024 \$	2023 \$
Investment property expenses payable	2,689,752	2,823,120
Other	1,923,821	1,370,683
Total accounts payable	4,613,573	4,193,803

Notes to the Financial Statements

Year ended December 31, 2024

14. INTEREST INCOME

The Fund manages its financial investments by the type of financial instrument (i.e. debt securities, deposits, mortgage loans, etc) and the income there from is presented accordingly.

	2024 \$	2023 \$
Mortgage loans	1,108,411	1,171,410
Debt securities	699,435	895,979
Other	150,454	23,580
Total interest income	1,958,300	2,090,969

15. NET RENTAL INCOME

	2024 \$	2023 \$
Rental income from investment property	5,384,990	5,782,159
Direct operating expenses of investment property	(4,027,172)	(3,561,519)
	1,357,818	2,220,640

16. NET INVESTMENT GAINS

	2024 \$	2023 \$
Net gains on financial investments	23,681,977	44,799,628
Reduction in fair value of investment property	(892,500)	(330,000)
Net investment gains	22,789,477	44,469,628

Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

Notes to the Financial Statements

Year ended December 31, 2024

17. RELATED PARTY TRANSACTIONS

(a) Material related party transactions

	2024 \$	2023 \$
Sale of Securities – Sagikor Bonds Fund	10,356,960	-
Management fee – Sagikor Life Inc.	4,972,851	4,760,872

(b) Units held by related parties

Parties related to the Fund held units in the Fund during the year as follows:

Sagikor Life Inc.	2024 \$	2023 \$
Value of units held at January 1	85,112,875	82,699,753
Net value of transactions for the year	5,159,340	2,413,122
Value of units at December 31	90,272,215	85,112,875
Sagikor General Inc.	2024 \$	2023 \$
Value of units held at January 1	7,798,574	7,375,647
Net value of transactions for the year	429,477	422,927
Value of units at December 31	8,228,051	7,798,574

18. COMMITMENTS

At December 31, 2024, the Fund's total committed capital to private equity strategies was \$1,471,916 (2023 - \$1,894,136). At that date, \$1,315,698 (2023 - \$1,372,810) of this commitment remained undrawn.