



SAGICOR INTERNATIONAL BALANCED FUND
2025 ANNUAL REPORT



OUR VISION

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



For 185 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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SAGICOR INTERNATIONAL BALANCED FUND POLICY



SAGICOR INTERNATIONAL BALANCED FUND POLICY

The most important element in pension funding is the investment return on the pension fund. However, the pension fund has to be substantial to provide such diversification of assets as would provide adequate capital security.

This is the principle around which the Sagicor International Balanced Fund Pension Policy was written. In April 2001, The Barbados Mutual Life Assurance Society, now Sagicor Life Inc. (SLI), established a Unit Trust in the Eastern Caribbean, namely, The Mutual (Eastern Caribbean) Fund. The Fund was subsequently renamed the Sagicor (Eastern Caribbean) Fund and effective June 1, 2016 was renamed the Sagicor International Balanced Fund. Investment in this Unit Trust is restricted to Eastern Caribbean registered Pension Plans, giving the Unit Trust tax exempt status in most territories. The assets of the Unit Trust are held apart from Sagicor's general life fund.

Sagicor International Balanced Fund Pension Policy

Under this policy, Sagicor manages and administers Pension Funds registered in the Eastern Caribbean and facilitates investments in a diversified portfolio of securities.

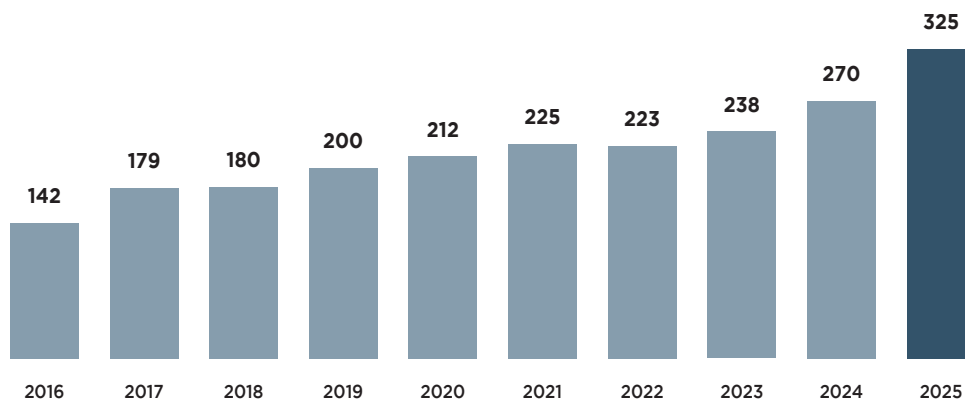
At Present, 123 pension plans in the Eastern Caribbean amounting to approximately \$325.4 million are invested in this fund.

FINANCIAL HIGHLIGHTS

Sagicor International Balanced Fund			
	Net Assets (EC\$ millions)	Unit Value (EC\$)	Change
2016	142	2.050	5.13%
2017	179	2.180	6.34%
2018	180	2.083	-4.59%
2019	200	2.280	9.62%
2020	212	2.395	4.82%
2021	225	2.490	4.18%
2022	223	2.416	-2.81%
2023	238	2.570	6.20%
2024	270	2.730	6.23%
2025	325	2.930	7.33%

GROWTH IN NET ASSETS

EC \$ Millions



SAGICOR INTERNATIONAL BALANCED FUND

STATEMENT FROM OUR CHAIRMAN

STEPHEN
MCNAMARA



Capital Market Review

Global financial markets delivered another year of strong performance in 2025, supported by resilient economic activity, easing monetary policy, and continued innovation across several sectors. Global equities recorded their third consecutive year of double-digit gains, with the MSCI All Country World Index rising approximately 20.6% during the year. Performance leadership broadened beyond the United States, with emerging market, Asia, and European equities outperforming the broad-based US stock index, the S&P 500.

A key driver of market performance remained the continued development and adoption of artificial intelligence (AI). While investor concerns around valuations and capital expenditure initially created volatility in technology stocks, the sector ultimately delivered solid gains during the year. Major technology companies continued to benefit from increasing demand for AI infrastructure and applications, while innovation within China and other global technology hubs contributed to broader market leadership.

Central bank policy also played an important role in shaping investment outcomes. As inflation continued to moderate across major economies, central banks gradually eased monetary policy. This shift supported both equity and fixed income markets, with global bonds delivering their strongest annual returns since 2020. Lower interest rates also contributed to strong gains in alternative assets such as precious metals, which benefited from a depreciating U.S. dollar, heightened geopolitical uncertainty and investor demand for diversification.

Overall, market performance during the year reflected a combination of structural technological innovation, supportive monetary policy, and continued economic resilience across major global economies.

Fund Performance

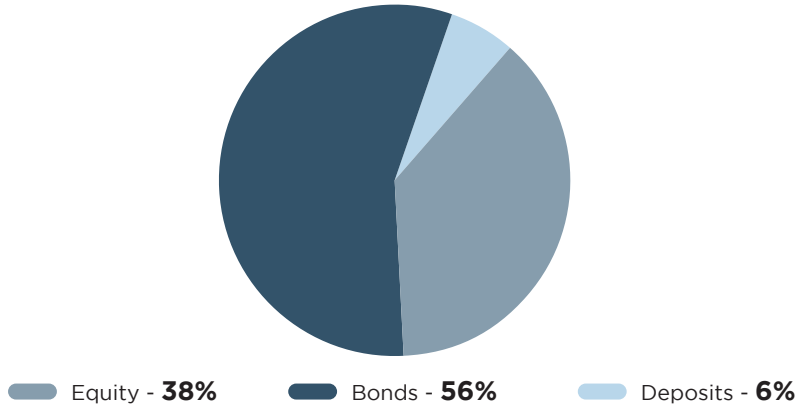
The Sagicor International Balanced Fund continued to expand during the year as both investment performance and net inflows contributed to growth. Net assets attributable to unit holders increased to \$324.7 million at December 31, 2025, compared with \$270.4 million in 2024. The Fund generated net income of \$19.7 million during the year, up from \$15.3 million in 2024, supported by investment gains and steady income from its diversified portfolio. The net asset value per unit increased to \$2.93, representing a 7.33% increase for the year, compared with \$2.73 at the end of 2024.

The Balanced Fund maintains a diversified allocation across regional and international bonds, global equities, and alternative investments, supporting its objective of delivering both income generation and long-term capital growth while maintaining prudent risk management.

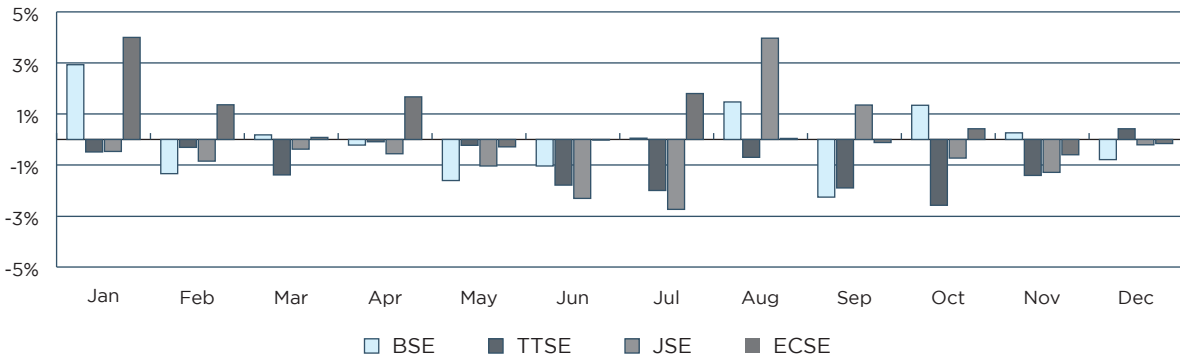
The Fund continued to demonstrate steady growth during 2025. Total assets under management increased to approximately \$325.4 million at December 31, 2025, compared with \$271.1 million in 2024. From inception in 2001, the compounded annual growth rate achieved was 10.4%. This growth reflects both favourable investment performance and continued confidence from unitholders in the long-term investment strategy and disciplined management of the Funds. The portfolio remains well diversified across asset classes, geographies, and income-generating investments, positioning the Fund to deliver sustainable returns while managing risk prudently.

SAGICOR INTERNATIONAL BALANCED FUND

ASSET ALLOCATION



REGIONAL INDICES



Outlook

Looking ahead, the global economy faces heightened uncertainty, driven by geopolitical tensions and disruptions to oil and gas supply. Prior to the Middle East conflict, the International Monetary Fund projected global economic growth of approximately 3.3% over the medium term, reflecting moderate expansion across major economies. However, heightened tensions have increased downside risks to this outlook. Inflation is expected to remain modestly elevated, while growth may soften in the coming quarters, particularly if there is no clear pathway toward de-escalation of the conflict.

While the principal risk to global markets remains the U.S.-Iran war, several other factors warrant close monitoring. Evolving trade policies, and regulatory changes may continue to introduce volatility into financial markets. In addition, although artificial intelligence and other technological innovations remain key drivers of growth, the sustainability of elevated valuations in certain sectors will require continued earnings expansion and productivity gains. Finally, potential spillover effects from stress in private credit markets could pose risks to broader financial system stability.

At the same time, structural opportunities remain evident across global markets. Continued investment in technology, infrastructure, and energy transition initiatives, along with improving corporate governance in several international markets, may create attractive investment opportunities over the medium to long term.

Against this backdrop, the portfolio management team will continue to focus on diversification, disciplined risk management, and long-term capital growth while seeking to position the Fund to benefit from evolving global market opportunities.

Commitment to unit holders

Our management team remains firmly committed to delivering long-term value for our unit holders. Through prudent investment management, careful risk oversight, and continued diversification across asset classes and geographies, we aim to provide consistent and sustainable returns while safeguarding the capital entrusted to us.

On behalf of the Board, I extend our sincere appreciation to our unit holders for their continued confidence and support.



Stephen McNamara
Chairman

TRUSTEES OF THE INTERNATIONAL BALANCED FUND



TRUSTEES OF THE INTERNATIONAL BALANCED FUND

SLI DIRECTORS

Stephen McNamara

Chairman, CBE, Barrister-at-Law, LLD (Hon)

Professor Sir Hilary Beckles

KA, BA, PhD

Ian St Clair Carrington

MPA, FCGA

Peter Clarke

BA (History), BA (Law)

Robert John Lionel Trestrail

BA

Andre Mousseau

BA, MBA

Dodridge Miller

FCCA, MBA, LLM, LLD (Hon)

David Wright

FFA, FAIA

Julian Mair

BBA

Archibald Campbell

CD, DBA, FCA

TRUSTEES OF THE INTERNATIONAL BALANCED FUND

PENSION TEAM

James Camacho

B.A., F.I.A.

Vice President

Nadia Chandler-Guy

BSc (Hons), FCCA

Assistant Vice President

Dawn Jordan

BSc (Hons)

Manager, Pension Actuarial

Donna Gibbs

MSc, FLMI, ALHC, HIA, ACS, CAMS

Manager, Client Relations

Marcella Sobers

CERT, AAPA, AIAA, AIRC

Manager, Pension Administration

Shakeila Marshall

BSc (Hons), ACCA

Corporate Accountant

Susan Mendez

FLMI, AIAA, ACS

Manager, Pension Administration

INVESTMENT TEAM

Dexter Moe

BSc, MBA, ACIS, CFA

Vice President

Ria Connell

BSc (Hons)

Senior Investment Analyst

Liandra Sankar-Cassie

BSc, MBA, ALMI, ACS

Assistant Vice President

Nicholas Neckles

BSc, CFA, OLY

Portfolio Manager

AUDITORS

PricewaterhouseCoopers



A horizontal bar chart with six bars of varying lengths. To its right is a table with columns: Index, Last, Change(%), Value, and a small icon column.

Index	Last	Change(%)	Value	Icon
SET01	1,570.90	1.24(+0.43%)	18,450.60	▲
SET02	945.02	6.05(+0.37%)	11,645.02	▲
SET03	2,091.32	16.65(+0.53%)	2,041.87	▲
SET04	1,902.23	7.44(+0.4%)	10,932.73	▲
SET05	1,082.45	6.45(+0.32%)	7,084.43	▲
SET06	645.89	4.45(+0.5%)	3,545.69	▲



FINANCIAL STATEMENTS



Independent auditors' report

To the Unit holders of Sagicor International Balanced Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor International Balanced Fund (the Fund) as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2025;
- 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 *Auditors' 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.

www.pwc.com/bb

PricewaterhouseCoopers East Caribbean, P.O. Box 535,
Ram's Complex, Bird Rock, St. Kitts
T: +1 246 626 6700, F: +1 246 436 1275

A full listing of the partners of PricewaterhouseCoopers East Caribbean is available upon request.

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) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

Management is responsible for the other information. The other information comprises “Financial Highlights and Statement from our Chairman” (but does not include the financial statements and our auditors' report thereon).

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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, including the opinion, has been prepared for and only for the Fund in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Chartered Accountants

April 30, 2026

Statement of Financial Position

As at December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

	Notes	2025	2024
ASSETS			
Due from Sagicor Life Inc.	4	3,489,842	2,937,688
Interest and other receivables	5	2,390,503	1,844,856
Financial investments	6	304,053,879	237,222,559
Cash resources		15,441,840	29,084,836
Total assets		325,376,064	271,089,939
LIABILITIES			
Due to Sagicor (Bonds) Fund	4	75,505	3,286
Due to Sagicor (Equity) Fund	4	60,986	40,184
Due to Sagicor Asset Management (EC) Ltd	4	396,081	-
Accounts payable		96,585	607,052
Total liabilities		629,157	650,522
Net assets attributable to unit holders		324,746,907	270,439,417
Represented by:			
UNIT HOLDERS' EQUITY		324,746,907	270,439,417
No. of units outstanding at end of year		110,957,566	98,973,853
Net asset value per unit at end of year		\$2.93	\$2.73
Increase in net asset value per unit for year		7.33%	6.23%

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

Approved by the Board of Directors on April 24, 2026



Director



Director

Statement of Changes in Net Assets Attributable to Unit Holders

For the year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

	2025		2024	
	Number of Units	Total \$	Number of Units	Total \$
Balance, beginning of year	98,973,853	270,439,417	92,553,686	238,032,314
Proceeds from issue of units	16,606,074	47,523,615	13,627,874	36,446,339
Redemption of units	(4,622,361)	(12,941,969)	(7,207,707)	(19,337,679)
Net increase from unit transactions	11,983,713	34,581,646	6,420,167	17,108,660
Net income and total comprehensive income for the year attributable to unit holders	-	19,725,844	-	15,298,443
Balance, end of year	110,957,566	324,746,907	98,973,853	270,439,417

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

Statement of Income and Comprehensive Income

For the year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

	Notes	2025	2024
REVENUE			
Interest income	8	9,028,660	8,016,770
Dividend income		1,760,436	1,595,976
Other income		170,536	154,198
Net investment gains	9	12,511,582	8,001,875
Credit impairment (losses) / reduction		(69)	3,703
		23,471,145	17,772,522
EXPENSES			
Management fee	10	2,159,277	1,896,466
Bank and interest charges		13,601	13,371
Commissions and brokers' fees		1,283,440	410,610
Investment expenses	11	189,164	-
		3,645,482	2,320,447
INCOME BEFORE TAXES		19,825,663	15,452,075
Withholding taxes		(99,819)	(153,632)
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO UNIT HOLDERS		19,725,844	15,298,443

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

Statement of Cash Flows

For the year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

	2025	2024
Cash flows from operating activities:		
Income before taxes	19,825,663	15,452,075
Adjustments for:		
Interest income	(9,028,660)	(8,016,770)
Dividend income	(1,760,436)	(1,595,976)
Net investment gains	(12,523,283)	(8,502,402)
Write offs	-	477,875
Credit impairment losses / (reduction)	69	(3,703)
	<u>(3,486,647)</u>	<u>(2,188,901)</u>
Changes in operating assets and liabilities		
Due from Sagicor Life Inc.	(552,154)	1,541,810
Other receivables	(940,774)	(36,931)
Due to Sagicor Asset Management (EC) Ltd	396,081	-
Due to Sagicor Asset Management Inc.	-	(26,715)
Due to Sagicor (Bonds) Fund	72,219	(445,779)
Due to Sagicor (Equity) Fund	20,802	(160,323)
Accounts payable	(510,467)	(551,815)
Purchase of debt securities	(74,585,015)	(52,504,698)
Redemption of debt securities	51,268,730	50,358,906
Purchase of equity securities	(70,730,808)	(19,529,279)
Sale of equity securities	35,403,718	20,107,039
Amounts deposited	(43,714,785)	(39,626,664)
Deposits redeemed	48,275,732	35,599,532
Cash used in operations	<u>(59,083,368)</u>	<u>(7,463,818)</u>
Interest received	9,182,229	8,112,200
Dividends received	1,776,316	1,581,114
Taxes paid	(99,819)	(153,632)
Net cash (used in)/generated from operating activities	<u>(48,224,642)</u>	<u>2,075,864</u>
Cash flows from financing activities:		
Proceeds from issue of units	47,523,615	36,446,339
Redemption of units	(12,941,969)	(19,337,679)
Net cash generated from financing activities	<u>34,581,646</u>	<u>17,108,660</u>
Net (decrease) / increase in cash and cash equivalents - carried forward	<u>(13,642,996)</u>	<u>19,184,524</u>

Statement of Cash Flows

For the year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

	<u>2025</u>	<u>2024</u>
Net (decrease) / increase in cash and cash equivalents - brought forward	(13,642,996)	19,184,524
Cash and cash equivalents - beginning of year	29,084,836	9,900,312
Cash and cash equivalents - end of year	15,441,840	29,084,836
Cash and cash equivalents comprise:		
Cash resources	15,441,840	29,084,836
	<u>15,441,840</u>	<u>29,084,836</u>

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

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagicor (Eastern Caribbean) Fund (“The Fund”) was registered in St. Christopher and Nevis on March 26, 2001 as a Unit Trust, responsible for the management of investments of registered pension plans of Eastern Caribbean Companies. Effective June 1, 2016, it was renamed to Sagicor International Balanced Fund (“The Fund”).

The Fund has a balanced objective with a focus on income generation and long-term capital growth through investment in a diversified portfolio of competitively yielding fixed income securities, including bonds, as well as equity securities.

Investment management services to The Fund are provided by Sagicor Asset Management (Eastern Caribbean) Limited. Sagicor Life Inc. acts as the Trustee for the fund. Certain broker and custodian arrangements have been subcontracted out to Oppenheimer & Co. Inc, UBS Financial Services and Morgan Stanley Private Wealth Management and the Eastern Caribbean Central Securities Depository (ECCSD). 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.

These financial statements were authorised for issue by the Directors of the Fund on April 24, 2026.

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 the 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 Eastern Caribbean 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, 2025

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

Standard	Description of amendment
Amendment to IAS 21 – Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

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

New standards, amendments and interpretations effective after January 1, 2026 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, 2026 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	<ul style="list-style-type: none"> clarify the requirements for the timing 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; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

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

Annual improvements to IFRS – Volume 11 (effective for annual periods beginning on or after January 1, 2026)

Description	Description of amendments
Annual improvements to IFRS – Volume 11	<p>Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:</p> <ul style="list-style-type: none"> IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.

The impact of this standard 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>This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

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

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

2. MATERIAL ACCOUNTING POLICIES (continued)

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 Eastern Caribbean 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 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 Eastern Caribbean dollars at the pegged rates. Currencies which float are converted to the Eastern Caribbean 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 Eastern Caribbean dollar were as follows:

	2025 closing rate	2025 average rate	2024 closing rate	2024 average rate
Barbados dollar	0.741	0.741	0.741	0.741
Trinidad & Tobago dollar	2.5076	2.4970	2.4990	2.4933
United States dollar	0.370	0.370	0.370	0.370

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 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.

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Sagikor International Balanced Fund

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Financial assets (continued)

(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 to 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 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 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 in the following page.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.3 Financial assets (continued)****(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.

(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.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.3 Financial assets (continued)**

(g) The general approach to recognising and measuring ECL

Measurement (continued)

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.

Notes to the Financial Statements

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Financial assets (continued)

(h) 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.

(i) Classification of equity instruments

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

(j) Presentation in the statement of income and comprehensive income

Debt 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.

2.4 Cash and cash equivalents

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

- cash balances,
- call deposits.

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 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.

2.7 Taxation

The Fund is exempt from taxation within the Eastern Caribbean. 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.

Notes to the Financial Statements

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Sagicor International Balanced Fund

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Management fee

Investment management services to The Fund are provided by Sagicor Asset Management (Eastern Caribbean) Limited which receives an investment management fee for those services paid out of the assets of The Fund. Resources to facilitate these investment management services come from the parent Sagicor Life Inc. These fees are based on the Net Asset Value of the Fund, calculated at a rate of 0.75% 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 of 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 consideration received or paid for units issued or repurchased respectively is based on the Fund's net asset value per unit for the preceding month. 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 judgment 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'.

Notes to the Financial Statements

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Sagicor International Balanced Fund

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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, Aa3	AAA, AA-	aaa, aa-
		2	Low risk	A+, A-	A, A3	A+, A-	a+, a-
		3	Moderate risk	BBB+, BBB-	Baa, Baa3	BBB+, BBB-	bbb+, bbb-
	Non-investment grade	4	Acceptable risk	BB+, BB-	Ba, Ba3	BB+, BB-	bb+, bb-
		5	Average risk	B+, B-	B, B3	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					
	9	Doubtful		D	C	D	
	10	Loss					

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) 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 the Eastern Caribbean. 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

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Sagicor International Balanced Fund

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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

The Fund enters into transactions with related parties in the normal course of business. These include management fees, custodian fees, asset management fees and administrative fees. Details of the nature and amounts of these transactions are disclosed separately in Note 10, to enable users to understand the Fund's related party relationships and transactions.

5. INTEREST AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Debt securities interest receivable	853,122	1,232,371
Unsettled transactions	154,381	390,712
Dividends Receivable	114,374	130,254
Funds on Deposit	115,642	90,842
Unapplied Pension Contributions	1,152,307	-
Other	677	677
	<u>2,390,503</u>	<u>1,844,856</u>

Notes to the Financial Statements

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Sagikor International Balanced Fund

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6. FINANCIAL INVESTMENTS

Analysis of financial investments

	2025		2024	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Investments at FVTPL				
Fair value through profit and loss:				
Bonds - Local	157,620	157,620	171,035	171,035
Bonds - Regional	141,055,662	141,055,662	117,544,707	117,544,707
Bonds - International listed	21,547,109	21,547,109	21,209,618	21,209,618
Treasury bills - Regional	-	-	4,265,018	4,265,018
Treasury bills - International listed	7,243,679	7,243,679	-	-
Total debt securities	170,004,070	170,004,070	143,190,378	143,190,378
Common shares - Local listed	2,000,000	2,000,000	1,950,000	1,950,000
Common shares - Regional listed	26,053,409	26,053,409	24,535,858	24,535,858
Common shares - International listed	53,083,445	53,083,445	25,198,289	25,198,289
Alternative investments - listed	32,395,301	32,395,301	17,456,640	17,456,640
Alternative investments - unlisted	287,898	287,898	309,193	309,193
Mutual funds - Regional listed	3,007,800	3,007,800	2,732,400	2,732,400
Total equity securities	116,827,853	116,827,853	72,182,380	72,182,380
Investments at amortised cost:				
Deposits	17,221,956	17,221,956	21,849,801	21,849,801
Total financial investments	304,053,879	304,053,879	237,222,559	237,222,559

Debt securities comprise:

	2025 \$	2024 \$
Government debt securities - International	21,441,874	11,544,031
Government debt securities - Local	157,620	171,035
Government debt securities - Regional	139,735,845	121,490,693
Corporate debt securities - International	7,348,914	9,665,587
Corporate debt securities - Regional	1,319,817	319,032
	<u>170,004,070</u>	<u>143,190,378</u>

Debt securities that are valued using internally developed valuation models amounted to \$ 77,109,950 (2024 - \$65,552,725).

Notes to the Financial Statements

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Sagicor International Balanced Fund

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6. FINANCIAL INVESTMENTS (continued)

Analysis of financial investments (continued)

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

	2025		2024	
	% of Total	\$	% of Total	\$
St. Lucia Electricity Services Limited	16.83	19,659,096	26.10	18,839,967
Jupiter Merian World Equity Fund	6.37	7,442,938	-	-
JPM Global Select Equity (ACC) Fund	6.25	7,304,816	4.69	3,383,796
Virtus FD US Small Cap Fund Class R	4.56	5,333,077	4.75	3,426,927
Pictet - PTR Atlas Fund Class 1	3.90	4,550,697	2.94	2,121,514
Merian Global Equity Absolute Return	3.52	4,112,493	2.61	1,885,845
JPM US Select Equity Plus Fund Class	3.13	3,651,280	4.46	3,222,001
Sagicor Renewable Energy Fund	2.57	3,007,800	3.79	2,732,400
Microsoft Corp	2.53	2,957,578	2.36	1,700,247
CIBC Caribbean Bank Limited	2.10	2,454,235	3.30	2,382,753
S.L. Horsford & Co. Ltd	1.71	2,000,000	2.70	1,950,000
JPM Emerging Markets	-	-	3.29	2,371,733

7. 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 custodian.

The overriding objective of the Fund's risk management framework is to enhance its capital base through a focus on income generation by investment in competitively yielding income securities, long term capital growth and protection of 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.

7.1 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 only after careful assessment of the borrower, 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 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.

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7. FINANCIAL RISK (continued)

Financial risk factors (continued)

7.1 Credit risk (continued)

Rating of financial assets

The Fund's credit rating model (Note 3.1) applies a rating scale to the Fund's investment portfolios, comprising debt securities, deposits and cash.

In sections 7.2, 7.3 and 7.4 below, we set out various credit risks and exposures of assets measured in accordance with IFRS 9.

7.2 Credit risk exposure - financial assets

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

	2025		2024	
	\$	%	\$	%
Bonds at FVTPL	162,760,391	79	138,925,360	70
Deposits at amortised cost	17,221,956	8	21,849,801	11
Treasury bills at FVPTL	7,243,679	3	4,265,018	2
Investment portfolio	187,226,026	90	165,040,179	83
Due from Sagicor Life Inc.	3,489,842	2	2,937,688	1
Interest receivable and other receivables	2,390,503	1	1,844,856	1
Cash resources	15,441,840	7	29,084,836	15
Other financial assets	21,322,185	10	33,867,380	17
Total exposures	208,548,211	100	198,907,559	100

Investment portfolio by ratings Category	2025	2024
AA	16%	6%
A	21%	29%
BBB	21%	21%
B	40%	43%
CCC	1%	1%
D	1%	0%
Total	100%	100%

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Sagicor International Balanced Fund

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7. FINANCIAL RISK (continued)

7.2 Credit risk exposure – financial assets (continued)

Credit Risk Exposure – financial investments subject to impairment

Financial assets carried at amortized cost - in this case, term deposits - 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.

	Term Deposits – amortized cost				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL \$	Stage 2 life-time ECL \$	Stage 3 life-time ECL \$		
December 31:					
Credit grade:					
Investment	17,222,718	-	-	-	17,222,718
Non-Investment	-	-	-	-	-
Watch	-	-	-	-	-
Unrated	-	-	-	-	-
Gross carrying amount	17,222,718	-	-	-	17,222,718
Loss allowance	(762)	-	-	-	(762)
Net carrying amount	17,221,956	-	-	-	17,221,956
	Term Deposits – amortized 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	21,850,494	-	-	-	21,850,494
Non-Investment	-	-	-	-	-
Watch	-	-	-	-	-
Unrated	-	-	-	-	-
Gross carrying amount	21,850,494	-	-	-	21,850,494
Loss allowance	(693)	-	-	-	(693)
Net carrying amount	21,849,801	-	-	-	21,849,801

Notes to the Financial Statements

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Sagikor International Balanced Fund

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7. FINANCIAL RISK (continued)

7.3 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

	Term Deposits – amortized cost				
	2025				
	ECL Staging			POCI	Total
Stage 1 12-month ECL \$	Stage 2 lifetime ECL \$	Stage 3 lifetime ECL \$	\$		
Loss allowance, beginning of year	693	-	-	-	693
Term deposits originated or purchased	762	-	-	-	762
Term deposits fully derecognised	(693)	-	-	-	(693)
Loss allowance, end of year	762	-	-	-	762
Credit impairment reduction recorded in income					(69)

LOSS ALLOWANCES

	Term Deposits – amortized cost				
	2024				
	ECL Staging			POCI	Total
Stage 1 12-month ECL \$	Stage 2 lifetime ECL \$	Stage 3 lifetime ECL \$	\$		
Loss allowance, beginning of year	4,396	-	-	-	4,396
Term deposits originated or purchased	693	-	-	-	693
Term deposits fully derecognised	(4,396)	-	-	-	(4,396)
Loss allowance, end of year	693	-	-	-	693
Credit impairment reduction recorded in income					3,703

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Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

7. FINANCIAL RISK (continued)**7.3 Credit impairment losses – financial assets subject to impairment (continued)**(a) Economic variable assumptions

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

	As of December 31, 2025			As of December 31, 2024		
	2026	2027	2028	2025	2026	2027
	\$	\$	\$	\$	\$	\$
S&P 500 Financial Index - EPS						
Base	54.91	59.29	62.39	44.68	47.41	51.83
Upside	98.73	106.61	112.19	74.64	79.19	86.57
Downside	29.35	31.69	33.35	23.81	25.26	27.62
GBP/USD						
Base	1.35	1.34	1.34	1.25	1.25	1.25
Upside	1.45	1.50	1.54	1.36	1.41	1.46
Downside	1.24	1.18	1.13	1.14	1.08	1.04
NZD/USD						
Base	0.58	0.58	0.58	0.56	0.57	0.57
Upside	0.64	0.67	0.68	0.63	0.66	0.69
Downside	0.52	0.50	0.47	0.50	0.48	0.46

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

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

7. FINANCIAL RISK (continued)

7.4 Gross Carrying Values - financial investments subject to impairment

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

	Term Deposits - amortized cost				
	2025				
	ECL Staging				
	Stage 1 12-month ECL \$	Stage 2 lifetime ECL \$	Stage 3 lifetime ECL \$	POCI \$	Total \$
Gross carrying amount, beginning of year	21,850,494	-	-	-	21,850,494
Deposits originated or purchased	43,714,785	-	-	-	43,714,785
Deposits fully derecognised	(48,275,732)	-	-	-	(48,275,732)
Change in interest receivable	(66,829)	-	-	-	(66,829)
Gross carrying amount, end of year	17,222,718	-	-	-	17,222,718
	Term Deposits - amortized cost				
	2024				
	ECL Staging				
	Stage 1 12-month ECL \$	Stage 2 lifetime ECL \$	Stage 3 lifetime ECL \$	POCI \$	Total \$
Gross carrying amount, beginning of year	17,939,978	-	-	-	17,939,978
Deposits originated or purchased	39,626,664	-	-	-	39,626,664
Deposits fully derecognised	(35,599,532)	-	-	-	(35,599,532)
Change in interest receivable	(116,616)	-	-	-	(116,616)
Gross carrying amount, end of year	21,850,494	-	-	-	21,850,494

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor International Balanced Fund

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7. FINANCIAL RISK (continued)**7.5 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.

(a) Financial liabilities

As of December 31, 2025 and 2024, all of the Fund's financial liabilities are due on demand.

	On demand	Within	1 to 5	After	Total
	\$	1 year	years	5 years	\$
		\$	\$	\$	\$
As of December 31, 2025					
Due to Sagicor (Bonds) Fund	75,505	-	-	-	75,505
Due to Sagicor (Equity) Fund	60,986	-	-	-	60,986
Due to Sagicor Asset Management (EC) Ltd	396,081	-	-	-	396,081
Accounts payable	96,585	-	-	-	96,585
	629,157	-	-	-	629,157
As of December 31, 2024					
Due to Sagicor (Bonds) Fund	3,286	-	-	-	3,286
Due to Sagicor (Equity) Fund	40,184	-	-	-	40,184
Accounts payable	607,052	-	-	-	607,052
	650,522	-	-	-	650,522

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Year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

7. FINANCIAL RISK (continued)

(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, 2025	Maturing within 1 year \$	Maturing within 1 to 5 years \$	Maturing after 5 years \$	Total \$
Due from Sagicor Life Inc.	3,489,842	-	-	3,489,842
Interest and other receivables	2,390,503	-	-	2,390,503
Debt securities	37,338,946	52,506,749	80,158,375	170,004,070
Deposits	17,221,956	-	-	17,221,956
Cash resources	15,441,840	-	-	15,441,840
Total	75,883,087	52,506,749	80,158,375	208,548,211

As of December 31, 2024	Maturing within 1 year \$	Maturing within 1 to 5 years \$	Maturing after 5 years \$	Total \$
Due from Sagicor Life Inc.	2,937,688	-	-	2,937,688
Interest and other receivables	1,844,856	-	-	1,844,856
Debt securities	9,709,335	65,739,131	67,741,912	143,190,378
Deposits	21,849,801	-	-	21,849,801
Cash resources	29,084,836	-	-	29,084,836
Total	65,426,516	65,739,131	67,741,912	198,907,559

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 redeem their units as they typically hold them for the long-term. At December 2025, one individual unit holder, The Mustique Company Limited held 10% of the Fund's units (2024 - The Mustique Company Limited - 11%). 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 and alternative investments held.

As of December 31, 2025	Less than 7 Days \$	Monthly \$	Quarterly \$	Semi Annually \$	1-5 Years \$
Funds and Alternative Investments	35,403,101	-	-	-	287,898
As of December 31, 2024	Less than 7 Days \$	Monthly \$	Quarterly \$	Semi Annually \$	1-5 Years \$
Funds and Alternative Investments	20,189,040	-	-	-	309,193

Notes to the Financial Statements

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Sagicor International Balanced Fund

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7. FINANCIAL RISK (continued)

7.6 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, 2025 and 2024, 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.

	Exposure within 1 year	Exposure of 1 to 5 years	Exposure after 5 years	Not exposed to interest	Total
	\$	\$	\$	\$	\$
As of December 31, 2025					
Due to Sagicor (Bonds) Fund	-	-	-	75,505	75,505
Due to Sagicor (Equity) Fund	-	-	-	60,986	60,986
Due to Sagicor Asset Management (EC) Ltd	-	-	-	396,081	396,081
Accounts payable	-	-	-	96,585	96,585
Total	-	-	-	629,157	629,157
	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	-	-	-	3,286	3,286
Due to Sagicor (Equity) Fund	-	-	-	40,184	40,184
Accounts payable	-	-	-	607,052	607,052
Total	-	-	-	650,522	650,522

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Year ended December 31, 2025

Sagicor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

7. FINANCIAL RISK (continued)

7.6 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, 2025					
Due from Sagicor Life Inc.	-	-	-	3,489,842	3,489,842
Interest and other receivables	-	-	-	2,390,503	2,390,503
Debt securities	36,961,963	51,624,459	79,146,929	2,270,719	170,004,070
Equity securities	-	-	-	116,827,853	116,827,853
Deposits	16,954,723	-	-	267,233	17,221,956
Cash resources	-	-	-	15,441,840	15,441,840
Total	53,916,686	51,624,459	79,146,929	140,687,990	325,376,064

	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.	-	-	-	2,937,688	2,937,688
Interest and other receivables	-	-	-	1,844,856	1,844,856
Debt securities	9,585,119	64,759,290	66,867,761	1,978,208	143,190,378
Equity securities	-	-	-	72,182,380	72,182,380
Deposits	21,515,738	-	-	334,063	21,849,801
Cash resources	-	-	-	29,084,836	29,084,836
Total	31,100,857	64,759,290	66,867,761	108,362,031	271,089,939

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

	2025	2024
Debt securities	5.3%	5.3%
Deposits	4.6%	3.8%

Notes to the Financial Statements

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Sagikor International Balanced Fund

Amounts expressed in Eastern Caribbean Dollars

7. FINANCIAL RISK (continued)

7.6 Market risk (continued)

Interest Rate Risk (continued)

(b) Financial assets (continued)

Sensitivity

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

As of December 31, 2025	\$
Total interest-bearing FVTPL financial assets carried at fair value	167,733,351
The fair value impact of an increase in interest rates:	(6,572,990)
The fair value impact of a decrease in interest rates:	7,179,904

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 exchange rates for US dollar and Barbados dollar are each fixed to the EC dollar, the functional currency.

Assets and liabilities by currency are summarised in the following table.

As of December 31, 2025	Balances denominated in				
	EC \$	Barbados \$	US \$	TT \$	Total \$
ASSETS					
Due from Sagikor Life Inc.	3,489,842	-	-	-	3,489,842
Interest and other	1,433,547	76,979	876,970	3,007	2,390,503
Financial investments	58,451,740	38,646,453	206,877,622	78,064	304,053,879
Cash resources	12,934,387	17,673	2,489,780	-	15,441,840
Total assets	76,309,516	38,741,105	210,244,372	81,071	325,376,064
LIABILITIES					
Due to Sagikor (Bonds) Fund	75,505	-	-	-	75,505
Due to Sagikor (Equity) Fund	60,986	-	-	-	60,986
Due to Sagikor Asset Management (EC) Ltd	396,081	-	-	-	396,081
Accounts payable	96,585	-	-	-	96,585
Total liabilities	629,157	-	-	-	629,157
Net position	75,680,359	38,741,105	210,244,372	81,071	324,746,907

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Sagicor International Balanced Fund

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7. FINANCIAL RISK (continued)

7.6 Market risk (continued)

Foreign exchange risk (continued)

As of December 31, 2024	Balances denominated in				
	EC \$	Barbados \$	US \$	TT \$	Total \$
ASSETS					
Due from Sagicor Life Inc.	2,937,688	-	-	-	2,937,688
Interest and other receivables	1,201,232	65,639	573,472	4,513	1,844,856
Financial investments	48,632,820	38,105,114	150,316,560	168,065	237,222,559
Cash resources	18,823,317	64,622	10,196,897	-	29,084,836
Total assets	71,595,057	38,235,375	161,086,929	172,578	271,089,939
LIABILITIES					
Due to Sagicor (Bonds) Fund	3,286	-	-	-	3,286
Due to Sagicor (Equity) Fund	40,184	-	-	-	40,184
Accounts payable	607,052	-	-	-	607,052
Total liabilities	650,522	-	-	-	650,522
Net position	70,944,535	38,235,375	161,086,929	172,578	270,439,417

Sensitivity

The Fund is exposed to currency risk in respect of financial investments denominated in currencies whose values have noticeably fluctuated against the Eastern Caribbean 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 9.

The currency whose value has noticeably fluctuated against the Eastern Caribbean dollar (ECD) 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 ECD arising from TTD financial investments as of December 31, 2025 and December 31, 2024 and for the years then ended is considered below.

	Balances denominated in TTD as of Dec 31, 2025	Effect of a 10% depreciation on income as of Dec 31, 2025	Balances denominated in TTD as of Dec 31, 2024	Effect of a 10% depreciation on income as of Dec 31, 2024
Financial Investments	81,071	(8,107)	172,578	(17,258)

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Sagikor International Balanced Fund

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7. FINANCIAL RISK (continued)

7.6 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 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.

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 and loss equity securities, at the financial statement date is set out below.

	Fair value	Effect of a 20% decline at Dec 31, 2025	Fair value	Effect of a 20% decline at Dec 31, 2024
	\$	\$	\$	\$
Fair value through profit and loss equity securities:				
Common shares - listed	81,136,854	(16,227,371)	51,684,147	(10,336,829)
Alternative investments - listed	32,395,301	(6,479,060)	17,456,640	(3,491,328)
Alternative investments - unlisted	287,898	(57,580)	309,193	(61,839)
Mutual funds - listed	3,007,800	(601,560)	2,732,400	(546,480)
	116,827,853	(23,365,571)	72,182,380	(14,436,476)

7.7 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:

(i) 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.

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7. FINANCIAL RISK (continued)

7.7 Fair value of financial instruments (continued)

(ii) 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 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.

(iii) 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 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 as of December 31 on a recurring basis by level of the fair value hierarchy.

2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:	\$	\$	\$	\$
Debt securities	28,246,294	64,647,826	77,109,950	170,004,070
Common shares	54,210,113	26,926,741	-	81,136,854
Alternative investments	32,395,301	-	287,898	32,683,199
Mutual funds	-	3,007,800	-	3,007,800
Total assets	114,851,708	94,582,367	77,397,848	286,831,923
Total assets by percentage	40%	33%	27%	100%

2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:	\$	\$	\$	\$
Debt securities	20,705,385	56,932,268	65,552,725	143,190,378
Common shares	29,018,930	22,665,217	-	51,684,147
Alternative investments	17,456,640	-	309,193	17,765,833
Mutual funds	-	2,732,400	-	2,732,400
Total assets	67,180,955	82,329,885	65,861,918	215,372,758
Total assets by percentage	31%	38%	31%	100%

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7. FINANCIAL RISK (continued)

7.7 Fair value of financial instruments (continued)

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

During the reporting period, The Fund transferred equity securities with a fair value of \$3,296,483 from level 1 to 2 because their prices no longer qualify as level 1 input as a result of an inactive market. The Fund's policy is to recognize transfers into and out of fair value hierarchy levels as at the beginning of the reporting period.

The table below provides information about Level 3 fair value measurements using significant unobservable inputs. For these investments, the Fund discloses quantitative information about the valuation techniques and the inputs used, including the range and weighted average where applicable.

Description	Fair Value at December 31		Valuation Technique	Unobservable Inputs	Range of Inputs		Relationship of Unobservable Inputs to fair value
	2025 \$	2024 \$			2025	2024	
Debt securities	77,109,950	65,552,725	Discounted Cash Flows	Risk Adjusted Market Yields	2.5% - 8.4% Avg (6.0%)	3.0% - 9.5% Avg (6.6%)	The effect of a 1% increase in interest rates would decrease the fair value by (\$4,231,898) and a 1% decrease in interest rates would increase the fair values by \$4,738,218.
Common shares	-	-	Book Value Per Share	Net Assets divided by number of shares issued		N/A	The higher the Net Assets, the higher the book value.
Alternative investments	287,898	309,193	Third Party Valuation	Share of Partners' Equity		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:

	2025 \$	2024 \$
Balance, beginning of year	65,861,918	61,014,787
Fair value changes recorded in income	1,491,628	290,754
Additions	25,397,216	21,078,497
Disposals	(15,549,152)	(16,554,925)
Effects of accrued income changes	196,238	32,805
Balance, end of year	77,397,848	65,861,918

Unrealised gains of \$1,491,628 (2024 - \$290,754) on Level 3 assets held at the end of the year are included in Net investment gains / (losses) on financial investments.

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7. FINANCIAL RISK (continued)

7.8 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.

8. INTEREST INCOME

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

	2025 \$	2024 \$
Debt securities	8,149,062	7,270,126
Deposits	879,598	746,644
Total interest income	9,028,660	8,016,770

9. NET INVESTMENT GAINS

	2025 \$	2024 \$
Foreign exchange losses	(11,701)	(22,652)
Write offs	-	(477,875)
Unrealized gains on financial investments	14,068,775	4,627,053
Realized (losses)/gains on financial investments	(1,545,492)	3,875,349
Net investment gains	12,511,582	8,001,875

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10. RELATED PARTY TRANSACTIONS**(a) Material related party transactions**

	2025	2024
	\$	\$
Sale of securities – Sagicor Life (Eastern Caribbean) Inc.	-	1,464,928
Purchase of securities – Sagicor Bonds Fund	11,538,626	-
Purchase of term deposits – Sagicor Bank Jamaica Ltd	1,000,000	11,083,155
Sale of term deposits – Sagicor Bank Jamaica Ltd	-	20,226,078
Management fee – Sagicor Asset Management (Eastern Caribbean) Limited	2,159,277	1,896,466

(b) Units held by related parties

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

Sagicor Life Inc.	2025	2024
	\$	\$
Value of units held at January 1	15,193,296	13,443,746
Net value of transactions for the year	17,248,521	1,749,550
Value of units at December 31	32,441,817	15,193,296
Sagicor Finance Inc.	2025	2024
	\$	\$
Value of units held at January 1	239,765	210,957
Net value of transactions for the year	57,551	28,808
Value of units at December 31	297,316	239,765

11. INVESTMENT EXPENSES

During the year, the Fund changed its policy for recording audit fees; in the prior year, these fees were settled by the Trustee. Included in investment expenses are audit fees payable in the amount of \$127,327 (2024 - Nil). There are no other fees paid to the auditor for non-assurance services during the period.

12. COMMITMENTS

At December 31, 2025, the Fund's total committed capital to private equity strategies was \$380,000 (2024 - \$380,000). At that date, \$191,130 (2024 - \$188,388) of this commitment remained undrawn.



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