



Sagicor

SAGICOR BARBADOS SEGREGATED PENSION FUNDS
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
BARBADOS
SEGREGATED
PENSION 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.

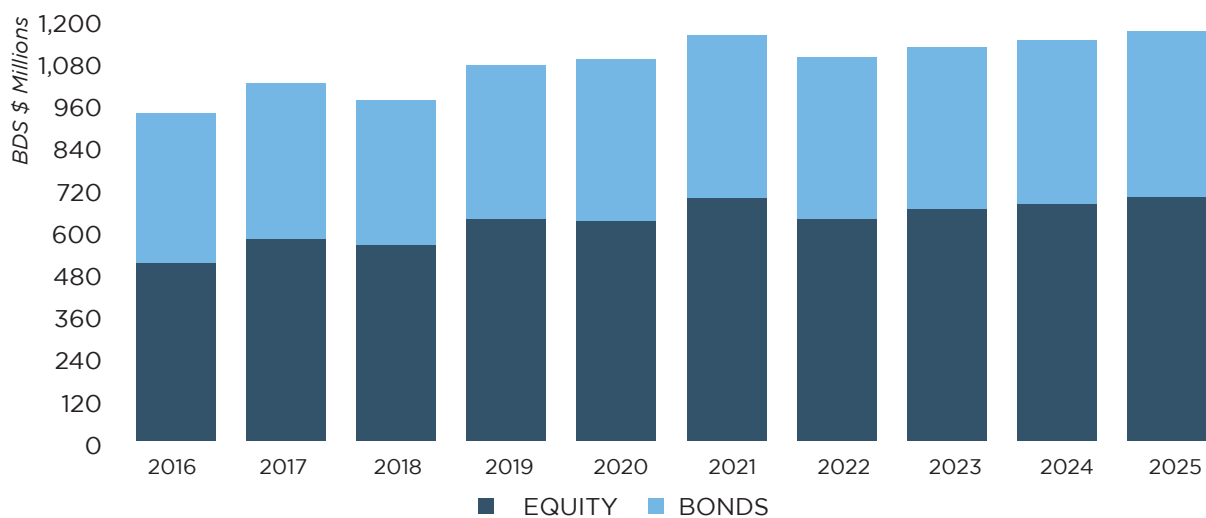
At Present, 240 pension plans in Barbados amounting to approximately \$1.18 billion are invested in these segregated funds.

FINANCIAL HIGHLIGHTS

EQUITY & BONDS FUNDS - NET ASSETS, UNIT VALUE, YIELD						
	Equity Fund			Bonds Fund		
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	-7.54%	\$454,670	\$29.46	0.03%
2023	\$653,151	\$74.19	7.97%	\$455,292	\$30.79	4.54%
2024	\$666,046	\$77.36	4.27%	\$461,981	\$32.02	3.99%
2025	\$686,710	\$84.57	9.32%	\$465,190	\$33.79	5.53%

BBD \$ Thousands

GROWTH OF THE SEGREGATED FUND NET ASSETS



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.

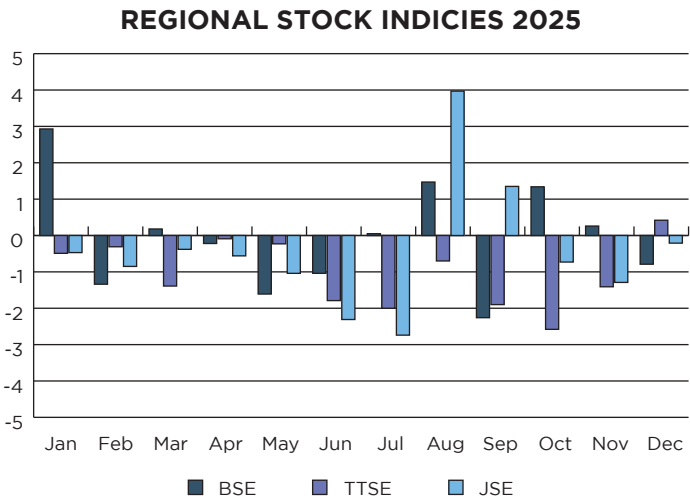
Central bank policy also played an important role in shaping investment outcomes. As inflation continued to moderate across major economies, central banks gradually eased monetary policy. This shift supported both equity and fixed income markets, with global bonds delivering their strongest annual returns 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.

Segregated Fund Performances

Against this backdrop, both Segregated Funds delivered strong performances during 2025 in line with their mandates benefiting from strategic portfolio positioning, favourable global market conditions and disciplined investment management.

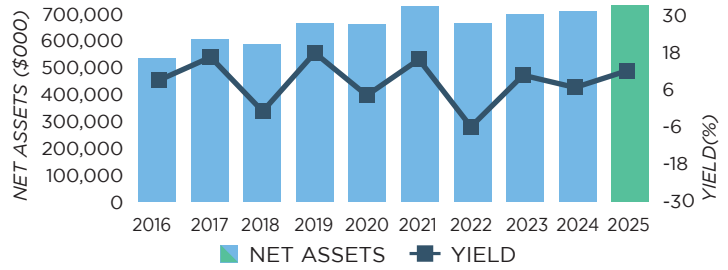
The Sagcor Equity Fund recorded robust growth. Net assets attributable to unit holders increased to \$686.7 million at December 31, 2025, compared with \$666.0 million in 2024. The Fund generated net income of \$60.2 million, significantly higher than the \$27.5 million recorded in the prior year. The net asset value per unit increased to \$84.57, representing a 9.3% increase during the year, compared with a 4.27% increase in 2024. These results were driven primarily by net investment gains of \$54.7 million, reflecting improved market performance and gains across the Fund’s diversified portfolio of financial investments.



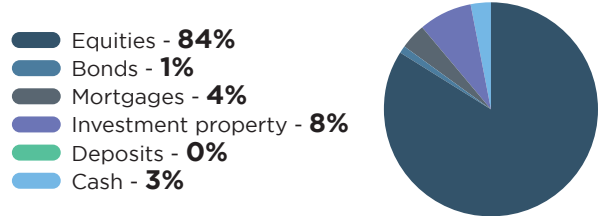
Financial investments remained the largest component of the portfolio, increasing to \$613.3 million, reflecting the Fund’s exposure to a diversified mix of local, regional, and international equity securities as well as alternative investments. Income from dividends, real estate holdings, and associated property investments also contributed positively to overall results.

The Fund continues to pursue its objective of long-term capital growth through a diversified portfolio of equities and real estate investments, maintaining exposure to both regional market leaders and global investment opportunities.

UNIT VALUE & YIELDS (EQUITY) 2016- 2025



ASSET ALLOCATION (EQUITY)



The Sagcor Bonds Fund continued to provide stable income and capital preservation for unit holders through its diversified portfolio of fixed income securities, mortgages, and other income-generating investments. The Fund maintained a disciplined approach to credit quality, duration management, and geographic diversification, allowing it to navigate the evolving interest rate environment while generating consistent income for investors.

The portfolio remained focused on high-quality fixed income instruments, with allocations across regional, local, and international bonds complemented by mortgage lending and limited equity exposure. This diversified approach allowed the Fund to continue delivering stable income and capital preservation while maintaining sufficient liquidity and prudent duration management.

Net assets attributable to unit holders increased to approximately \$465.2 million at December 31, 2025, compared with \$462.0 million in 2024. The Fund generated net income of approximately \$25.2 million, reflecting steady interest income from its diversified portfolio of fixed income securities and mortgages.

The net asset value per unit increased to approximately \$33.79, representing an annual increase of roughly 5.53%, compared with a net asset value per unit of \$32.02 at the end of 2024.

Collectively, the Segregated Funds continued to demonstrate steady growth during 2025. Total assets under management across both the Equity and Bonds Funds increased to approximately \$1.18 billion at December 31, 2025, compared with \$1.14 billion in 2024. This growth reflects both favourable investment performance and continued confidence from unit holders in the long-term investment strategy and disciplined management of the Funds. The combined portfolio remains well diversified across asset classes, geographies, and income-generating investments, positioning the Funds to deliver sustainable returns while managing risk prudently.

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 Funds to benefit from evolving global market opportunities.

Commitment to Shareholders

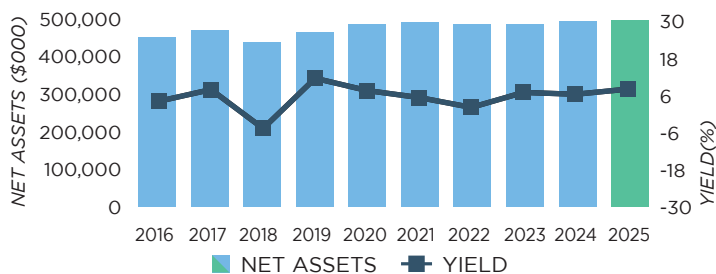
Our management team remains firmly committed to delivering long-term value for our unit holders. Through prudent investment management, careful risk oversight, and continued diversification across asset classes and geographies, we aim to provide consistent and sustainable returns while safeguarding the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

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

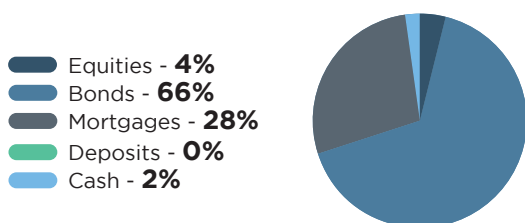


Stephen McNamara
Chairman

**UNIT VALUE & YIELDS (BONDS)
2016- 2025**



ASSET ALLOCATION (BONDS)



A hand holding a pen pointing at a digital screen. The screen displays a world map composed of green dots and a bar chart with a dashed line connecting data points. The background is a blurred office setting with green light accents.

**TRUSTEES OF
THE SEGREGATED
PENSION FUNDS**

TRUSTEES OF THE SEGREGATED PENSION FUNDS

SLI DIRECTORS

STEPHEN MCNAMARA

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

Robert John Lionel Trestrail

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, LL.M, 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.

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), FCCA

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

Simone Simpson

BSBA (Hons), CFA

Portfolio Manager

AUDITOR

PricewaterhouseCoopers SRL

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, 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 *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.

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Centre, Bishop's Court Hill,
P.O. Box 111, St. Michael, BB14004,
Barbados, West Indies
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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 the 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 auditor’s 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.

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 judgement and maintain professional scepticism throughout the audit. We also:

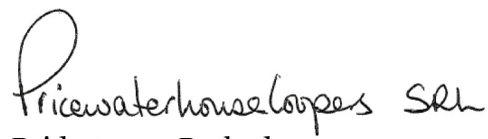
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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

April 30, 2026

Statement of Financial Position

As at December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

	Notes	2025	2024
ASSETS			
Due from Sagicor (Equity) Fund	4	15,211,581	3,883,851
Due from Sagicor International Balanced Fund	4	54,809	1,314
Interest and other receivables	6	1,438,875	1,641,925
Financial investments	7	448,134,539	455,972,581
Cash resources		6,791,510	3,506,266
Total assets		471,631,314	465,005,937
LIABILITIES			
Due to Sagicor Life Inc.	4	2,894,540	1,081,581
Due to Sagicor Asset Management Inc.	4	261,941	6,258
Accounts payable	9	3,285,192	1,937,215
Total liabilities		6,441,673	3,025,054
Net assets attributable to unit holders		465,189,641	461,980,883
Represented by:			
UNIT HOLDERS' EQUITY		465,189,641	461,980,883
No. of units outstanding at end of year		13,766,492	14,429,896
Net asset value per unit at end of year		\$33.79	\$32.02
Increase in net asset value per unit for year		5.53%	3.99%

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 (Bonds) Fund

Amounts expressed in Barbados Dollars

	2025		2024	
	Number of Units	Total \$	Number of Units	Total \$
Balance, beginning of year	14,429,896	461,980,883	14,787,090	455,292,315
Proceeds from issue of units	743,345	24,476,412	582,587	18,320,956
Redemption of units	(1,406,749)	(46,474,855)	(939,781)	(29,528,194)
Net decrease from unit transactions	(663,404)	(21,998,443)	(357,194)	(11,207,238)
Net income and total comprehensive income for the year available to unit holders	-	25,207,201	-	17,895,806
Balance, end of year	13,766,492	465,189,641	14,429,896	461,980,883

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

Statement of Income and Comprehensive Income

For the year ended December 31, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

	Notes	2025	2024
REVENUE			
Interest income	10	19,289,278	20,066,579
Dividend income		113,620	106,813
Net investment gains	11	9,075,892	4,273,070
Credit impairment losses		(713,352)	(321,136)
		<u>27,765,438</u>	<u>24,125,326</u>
EXPENSES			
Management fee	12	2,334,056	2,293,966
Charge for impairment losses on income tax assets	5	-	3,433,630
Investment expenses	13	206,366	485,623
Bank and interest charges		13,509	11,869
Exchange losses		3,582	4,432
		<u>2,557,513</u>	<u>6,229,520</u>
Total operating expenses			
		25,207,925	17,895,806
INCOME BEFORE TAXES			
Withholding taxes		(724)	-
		<u>25,207,201</u>	<u>17,895,806</u>
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR AVAILABLE TO UNIT HOLDERS			
		25,207,201	17,895,806

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

Statement of Cash Flows

For the year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

	2025	2024
Cash flows from operating activities:		
Income before taxes	25,207,925	17,895,806
Adjustments for:		
Interest income	(19,289,278)	(20,066,579)
Dividend income	(113,620)	(106,813)
Charge for impairment losses on income tax assets	-	3,433,630
Net investment gains	(9,075,892)	(4,273,070)
Allowance for impairment losses	713,352	321,136
	<u>(2,557,513)</u>	<u>(2,795,890)</u>
Changes in operating assets and liabilities		
Due to Sagicor Life Inc.	1,812,959	1,159,625
Due from Sagicor International Balanced Fund	(53,495)	330,206
Due from Sagicor (Equity) Fund	(11,327,730)	(2,615,484)
Due to Sagicor Asset Management Inc..	255,683	(10,263)
Issue of mortgage loans	(4,172,898)	(12,620,222)
Repayment of mortgage loans	7,690,092	7,163,779
Purchase of debt securities	(125,285,320)	(170,247,982)
Redemption of debt securities	137,270,450	158,621,556
Purchase of equity securities	(58,638)	(54,861)
Sale of equity securities	-	2,623,458
Other receivables	203,163	3,913,609
Accounts payable	1,347,977	(16,936,661)
Cash generated from/ (used in) operations	<u>5,124,730</u>	<u>(31,469,130)</u>
Interest received	20,046,061	19,938,659
Dividends received	113,620	106,813
Taxes paid	(724)	-
	<u>25,283,687</u>	<u>(11,423,658)</u>
Net cash generated from/ (used in) operating activities carried forward		

Statement of Cash Flows

For the year ended December 31, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

	2025	2024
Net cash generated from/ (used in) operating activities brought forward	25,283,687	(11,423,658)
Cash flows from financing activities		
Proceeds from issue of units	24,476,412	18,320,956
Redemption of units	(46,474,855)	(29,528,194)
Net cash used in financing activities	(21,998,443)	(11,207,238)
Net increase/ (decrease) in cash and cash equivalents	3,285,244	(22,630,896)
Cash and cash equivalents - beginning of year	3,506,266	26,137,162
Cash and cash equivalents - end of year	6,791,510	3,506,266
Cash and cash equivalents comprise:		
Cash resources	6,791,510	3,506,266
	6,791,510	3,506,266

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

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagikor (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.

Sagikor Life Inc. acts as Asset Manager and Trustee of the fund. Sagikor 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, 2025

The following amendment did not 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.

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:

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

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

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

Standard	Description of amendments
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 (Bonds) Fund

Amounts expressed in Barbados 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 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.

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

	2025 closing rate	2025 average rate	2024 closing rate	2024 average rate
Eastern Caribbean dollar	1.35	1.35	1.35	1.35
Trinidad & Tobago dollar	3.3852	3.3710	3.3737	3.3660
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.

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 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.

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 unlikeliness 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 (continued)****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 are 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)**2.3 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 POCL.

(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 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 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. MATERIAL ACCOUNTING POLICIES (continued)**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.

2.8 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'.

Notes to the Financial Statements

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Sagicor (Bonds) Fund

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.1 Impairment of financial assets (continued)

(a) Establishing staging for financial assets

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
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) 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.

Stage 3 mortgages are those which are past due for 90 days or more. Refer to note 2.3(e).

Notes to the Financial Statements

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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, 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.

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 12, to enable users to understand the Fund's related party relationships and transactions.

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 were fully provided for since the refund on these balances from the Barbados Revenue Authority was considered unlikely.

6. INTEREST AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Bond interest due	20,874	20,760
Unsettled transactions	486,568	132,178
Net advances to unit holders	635,778	694,385
Other	295,655	794,602
	<u>1,438,875</u>	<u>1,641,925</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.

Notes to the Financial Statements

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Sagikor (Bonds) Fund

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7. 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 - Unlisted Local	111,134,015	111,134,015	109,267,793	109,267,793
Bonds - Listed Local	-	-	9,795,516	9,795,516
Bonds - Unlisted Regional	10,056,233	10,056,233	12,923,946	12,923,946
Bonds - Listed Regional	95,593,297	95,593,297	111,357,007	111,357,007
Bonds - Listed International	72,902,865	72,902,865	51,713,804	51,713,804
Treasury Bills - Listed International	11,465,840	11,465,840	10,298,288	10,298,288
Total debt securities	301,152,250	301,152,250	305,356,354	305,356,354
Common shares - Listed	695,250	695,250	848,651	848,651
Mutual funds - Listed	18,159,421	18,159,421	16,771,432	16,771,432
Total equity securities	18,854,671	18,854,671	17,620,083	17,620,083
Investments at amortised cost:				
Mortgage loans, net	128,127,618	126,762,832	132,996,144	131,638,757
Total	128,127,618	126,762,832	132,996,144	131,638,757
Total financial investments	448,134,539	446,769,753	455,972,581	454,615,194

Mortgage loans are reported at the gross principal of \$129,146,860, net of a provision for expected credit losses of \$1,019,242 (2024 - gross principal of \$133,917,709, net of a provision for expected credit losses of \$921,565). The fair value of the fixed rate mortgage loans is \$58,716,631 (2024 - \$67,267,772) and the carrying value is \$60,081,417 (2024 - \$68,625,159). All other amounts approximate their fair value.

Debt securities comprise:

	2025 \$	2024 \$
Government debt securities - Listed International	31,519,917	33,418,530
Government debt securities - Listed Local	-	9,795,516
Government debt securities - Unlisted Local	111,134,015	109,267,793
Government debt securities - Listed Regional	79,120,804	94,976,263
Government debt securities - Unlisted Regional	10,056,233	9,893,777
Corporate debt securities - Listed International	52,848,788	28,593,562
Corporate debt securities - Listed Regional	16,472,493	16,380,743
Corporate debt securities - Unlisted Regional	-	3,030,170
	301,152,250	305,356,354

Debt securities classified at fair value through profit or loss and valued using internally developed valuation models amounted to \$121,190,248 (2024 - \$122,191,740).

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.

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8. FINANCIAL RISK (continued)

8.2 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	301,152,250	66	305,356,354	68
Investment portfolio	301,152,250	66	305,356,354	68
Mortgage loans, net, at amortised cost	128,127,618	28	132,996,144	29
Lending portfolio	128,127,618	28	132,996,144	29
Due from Sagicor (Equity) Fund	15,211,581	4	3,883,851	1
Due from Sagicor International Balanced Fund	54,809	0	1,314	0
Interest and other receivables	1,438,875	0	1,641,925	0
Cash resources	6,791,510	2	3,506,266	1
Other financial assets	23,496,775	6	9,033,356	2
Total exposures	452,776,643	100	447,385,854	99
Mortgage loan commitments	1,651,547	0	3,687,564	1
Total	454,428,190	100	451,073,418	100

Investment portfolio by ratings Category	2025	2024
AA	8%	8%
A	20%	19%
BBB	26%	21%
BB	6%	9%
B	40%	43%
Total	100%	100%

Lending portfolio by ratings Category	2025	2024
Investment grade	67%	61%
Non-investment grade	31%	34%
Watch	-	3%
Default	2%	2%
Total	100%	100%

Notes to the Financial Statements

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Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.2 Credit risk exposure – financial assets (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			
2025			
ECL Staging			
Stage 1	Stage 2	Stage 3	
12-month	life-time	life-time	
ECL	ECL	ECL	Total
\$	\$	\$	\$

December 31:

Credit grade:

Investment	82,627,517	2,212,617	542,375	85,382,509
Non-Investment	37,442,442	1,844,947	-	39,287,389
Watch	-	-	868,443	868,443
Default	-	-	3,608,519	3,608,519
Gross carrying amount	120,069,959	4,057,564	5,019,337	129,146,860
Loss allowance	(55,946)	(4,597)	(958,699)	(1,019,242)
Net carrying amount	120,014,013	4,052,967	4,060,638	128,127,618

Mortgages loans – amortised cost			
2024			
ECL Staging			
Stage 1	Stage 2	Stage 3	
12-month	life-time	life-time	
ECL	ECL	ECL	Total
\$	\$	\$	\$

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

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

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			
	2025			
	ECL Staging			
	Stage 1 12-month ECL \$	Stage 2 lifetime ECL \$	Stage 3 lifetime ECL \$	Total \$
Loss allowance, beginning of year	67,003	4,123	850,439	921,565
Transfers:				
Stage 1 to Stage 2	(1,594)	1,594	-	-
Stage 1 to Stage 3	(391)	-	391	-
Stage 2 to Stage 1	2,506	(2,506)	-	-
Stage 2 to Stage 3	-	-	-	-
Stage 3 to Stage 2	-	-	-	-
Stage 3 to Stage 1	1,999	-	(1,999)	-
Loans originated or purchased	663	-	-	663
Loans fully derecognised	(615)	(10)	(6,266)	(6,891)
Changes in ECL inputs (including principal), models and / or assumptions	(13,625)	1,396	116,134	103,905
Loss allowance, end of year	55,946	4,597	958,699	1,019,242
Credit impairment loss recorded in income				(97,677)
Mortgage write-offs				(615,675)
Credit impairment loss				(713,352)

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

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

LOSS ALLOWANCES

	Mortgage loans – amortised cost			
	2024			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	12-month	lifetime	lifetime	
	ECL	ECL	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)
Changes in ECL inputs (including principal), 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, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)**8.3 Credit impairment losses – financial assets subject to impairment (continued)****(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.

Mortgage Loans	Gross carrying value	Accumulated allowances for impairment	Net carrying value	Estimated fair value of collateral
	\$	\$	\$	\$
As of December 31, 2025				
Commercial sector	241,146	-	241,146	1,730,000
Residential sector	4,778,191	(958,699)	3,819,492	13,458,000
Total	5,019,337	(958,699)	4,060,638	15,188,000

Mortgage Loans	Gross carrying value	Accumulated allowances for impairment	Net carrying value	Estimated fair value of collateral
	\$	\$	\$	\$
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

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

(b) Repossessed assets

The Fund may foreclose on overdue mortgage loans by repossessing 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 repossessed during the year (2024 – 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 (2024 – Nil).

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Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

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

(d) 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 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 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	Stable
	Upside	Stable
	Downside	Negative
GDP growth	Base	Stable
	Upside	Positive
	Downside	Negative

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

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 in the ECL classifications for the year. Gross carrying amounts represent the maximum exposure to credit risk.

	Mortgage loans – amortised cost			
	2025			
	ECL Staging			
	Stage 1 12-month ECL \$	Stage 2 lifetime ECL \$	Stage 3 lifetime ECL \$	Total \$
Gross carrying amount, beginning of year	123,667,276	2,704,388	7,546,045	133,917,709
Transfers:				
Stage 1 to Stage 2	(2,942,671)	2,942,671	-	-
Stage 1 to Stage 3	(721,669)	-	721,669	-
Stage 2 to Stage 1	1,643,705	(1,643,705)	-	-
Stage 2 to Stage 3	-	-	-	-
Stage 3 to Stage 2	-	-	-	-
Stage 3 to Stage	848,409	-	(848,409)	-1
Loans originated or purchased	1,423,262	-	-	1,423,262
Loans fully derecognised	(1,134,669)	(6,718)	(1,683,994)	(2,825,381)
Write-offs	-	-	-	-
Changes in principal and interest	(2,713,684)	60,928	(715,974)	(3,368,730)
Gross carrying amount, end of year	120,069,959	4,057,564	5,019,337	129,146,860

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)**8.4 Gross Carrying Values – financial investments subject to impairment (continued)**

	Mortgage loans – amortised cost			
	2024			
	ECL Staging			
	Stage 1 12-month ECL \$	Stage 2 lifetime ECL \$	Stage 3 lifetime ECL \$	Total \$
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

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.

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.5 Liquidity risk (continued)

(a) Financial liabilities

As of December 31, 2025	On demand \$	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
Accounts payable	3,285,192	-	-	-	3,285,192
Due to Sagicor Life Inc.	2,894,540	-	-	-	2,894,540
Due to Sagicor Asset Management Inc.	261,941	-	-	-	261,941
Off balance sheet commitments:					
Mortgage loan commitments	-	1,651,547	-	-	1,651,547
Total	6,441,673	1,651,547	-	-	8,093,220

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

(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 (Equity) Fund	15,211,581	-	-	15,211,581
Due from Sagicor International Balanced Fund	54,809	-	-	54,809
Interest and other receivables	1,438,875	-	-	1,438,875
Debt securities	33,864,528	89,083,262	178,204,460	301,152,250
Mortgage loans, net	1,843,084	2,996,190	123,288,344	128,127,618
Cash resources	6,791,510	-	-	6,791,510
Total	59,204,387	92,079,452	301,492,804	452,776,643

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.5 Liquidity risk (continued)

(b) Financial assets (continued)

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

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 31, 2025, an individual unit holder, Sagicor Life Inc, held 12% of the Fund's units (2024 - Sagicor Life Inc. held 15%). 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, 2025	Less than 7 days \$	Monthly \$	Quarterly \$	1 Year \$	More than 1 year \$
Funds	18,159,421	-	-	-	-
As of December 31, 2024	Less than 7 days \$	Monthly \$	Quarterly \$	1 Year \$	More than 1 year \$
Funds	16,771,432	-	-	-	-

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.

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Interest Rate Risk (continued)

(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.

As of December 31, 2025	Exposure within 1 year \$	Exposure of 1 to 5 years \$	Exposure after 5 years \$	Not exposed to interest \$	Total \$
Due to Sagicor Life Inc.	-	-	-	2,894,540	2,894,540
Due to Sagicor Asset Management Inc.	-	-	-	261,941	261,941
Accounts payable	-	-	-	3,285,192	3,285,192
Total	-	-	-	6,441,673	6,441,673

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

(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, 2025	Exposure within 1 year \$	Exposure of 1 to 5 years \$	Exposure after 5 years \$	Not exposed to interest \$	Total \$
Due from Sagicor (Equity) Fund	-	-	-	15,211,581	15,211,581
Due from Sagicor International Balanced Fund	-	-	-	54,809	54,809
Interest and other receivables	-	-	-	1,438,875	1,438,875
Debt securities	33,465,617	87,886,307	176,804,161	2,996,165	301,152,250
Equity securities	-	-	-	18,854,671	18,854,671
Mortgage loans	1,117,816	2,949,380	123,742,506	317,916	128,127,618
Cash resources	-	-	-	6,791,510	6,791,510
Total	34,583,433	90,835,687	300,546,667	45,665,527	471,631,314

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Interest Rate Risk (continued)

(b) Financial assets (continued)

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

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

	2025	2024
Debt securities	4.8%	4.9%
Mortgage loans	4.0%	4.5%

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, 2025	\$
Total interest bearing FVTPL financial assets carried at fair value	298,156,085
The fair value impact of an increase in interest rates:	(15,180,619)
The fair value impact of a decrease in interest rates:	16,960,315

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.

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Foreign exchange risk (continued)

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

As of December 31, 2025	Balances denominated in				
	Barbados \$	Trinidad \$	US \$	EC \$	Total \$
ASSETS					
Due from Sagikor (Equity) Fund	15,211,581	-	-	-	15,211,581
Due from Sagikor International Balanced Fund	-	-	-	54,809	54,809
Interest and other receivables	1,285,960	20,737	132,178	-	1,438,875
Financial investments	246,474,743	656,900	199,450,232	1,552,664	448,134,539
Cash resources	1,415,519	-	5,375,991	-	6,791,510
Total assets	264,387,803	677,637	204,958,401	1,607,473	471,631,314
LIABILITIES					
Due to Sagikor Life Inc.	2,894,540	-	-	-	2,894,540
Due to Sagikor Asset Management Inc.	261,941	-	-	-	261,941
Accounts payable	3,285,192	-	-	-	3,285,192
Total liabilities	6,441,673	-	-	-	6,441,673
Net position	257,946,130	677,637	204,958,401	1,607,473	465,189,641
Balances denominated in					
As of December 31, 2024	Barbados \$	Trinidad \$	US \$	EC \$	Total \$
ASSETS					
Due from Sagikor (Equity) Fund	3,883,851	-	-	-	3,883,851
Due from Sagikor 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 Sagikor Life Inc.	1,081,581	-	-	-	1,081,581
Due to Sagikor 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, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Foreign exchange risk (continued)

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, 2025 and for the year then ended is considered below.

	Balances denominated in TTD	Effect of a 10% depreciation on income as of Dec 31, 2025	Balances denominated in TTD	Effect of a 10% depreciation on income as of Dec 31, 2024
	\$	\$	\$	\$
Financial Investments	656,900	(65,690)	1,023,741	(102,374)

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

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.

All 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.

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Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

8. FINANCIAL RISK (continued)

8.6 Market risk (continued)

Other Price Risk (continued)

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, 2025 \$	Fair value \$	Effect of a 20% decline at Dec 31, 2024 \$
Fair value through profit or loss equity securities:				
Listed on Caribbean and US stock exchanges and markets	695,250	(139,050)	848,651	(169,730)
Mutual funds - Listed	18,159,421	(3,631,884)	16,771,432	(3,354,286)
	18,854,671	(3,770,934)	17,620,083	(3,524,016)

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.

(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.

Notes to the Financial Statements

Year ended December 31, 2025

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 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.

2025	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:				
	\$	\$	\$	\$
Debt securities	74,739,513	105,222,489	121,190,248	301,152,250
Common shares	682,618	12,632	-	695,250
Mutual funds	7,931,377	10,228,044	-	18,159,421
Total assets	83,353,508	115,463,165	121,190,248	320,006,921
Total assets by percentage	26%	36%	38%	100%

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%

The table below provides information about the 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	121,190,248	122,191,740	Discounted Cash Flows	Risk Adjusted Market Yields	3.9% - 8.3% Avg (8.0%)	2.3% - 8.8% Avg (8.1%)	The effect of a 1% increase in interest rates would decrease the fair value by \$ (10,211,742) and a 1% decrease in interest rates would increase the fair values by \$11,707,502

Notes to the Financial Statements

Year ended December 31, 2025

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

	2025 \$	2024 \$
Balance, beginning of year	122,191,740	123,657,897
Fair value changes recorded in income	2,878,027	3,256,061
Additions	-	8,000,001
Disposals	(3,821,804)	(12,659,690)
Effect of accrued income changes	(57,715)	(62,529)
Balance, end of year	121,190,248	122,191,740

Unrealised gains of \$3,032,496 (2024 - \$3,318,994) on level 3 instruments held at the end of the year are included in Net investment gains on financial investments. See note 11.

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.

There were no transfers between levels of the fair value hierarchy during the year.

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Mortgage loans	-	-	58,716,631	58,716,631
	-	-	58,716,631	58,716,631
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

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.

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

9. ACCOUNTS PAYABLE

	2025 \$	2024 \$
Benefits and other payables	3,285,192	1,937,215
	<u>3,285,192</u>	<u>1,937,215</u>

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.

	2025 \$	2024 \$
Debt securities	14,143,670	14,371,108
Mortgage loans	5,144,855	5,695,471
Other loans	753	-
Total interest income	<u>19,289,278</u>	<u>20,066,579</u>

11. NET INVESTMENT GAINS

	2025 \$	2024 \$
Unrealized gains on financial investments	9,080,958	4,592,541
Realized losses on financial investments	(5,066)	(319,471)
Net gains on financial investments	<u>9,075,892</u>	<u>4,273,070</u>

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

	2025 \$	2024 \$
Management fee – Sagicor Life Inc.	2,334,056	2,293,966
Sale of securities – Sagicor Life (Eastern Caribbean) Inc.	-	1,138,809
Sale of securities – Sagicor International Balanced Fund	8,547,130	-
Purchase of securities – Sagicor Equity Fund	-	10,356,960
Benefits paid on behalf of Sagicor Equity Fund by Sagicor Bonds Fund	25,995,330	14,513,712
Contributions received on behalf of Sagicor Equity Fund by Sagicor Bonds Fund	10,992,506	10,838,619

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

12. RELATED PARTY TRANSACTIONS (continued)**(b) Units held by related parties**

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

	2025	2024
	\$	\$
Sagicor Life Inc.		
Value of units held at January 1	68,875,640	65,734,274
Net value of transactions for the year	(11,535,458)	3,141,366
Value of units at December 31	57,340,182	68,875,640
	2025	2024
	\$	\$
Sagicor Asset Management Inc.		
Value of units held at January 1	59,954	-
Net value of transactions for the year	91,492	59,954
Value of units at December 31	151,446	59,954
	2025	2024
	\$	\$
Sagicor Bank		
Value of units held at January 1	20,522	-
Net value of transactions for the year	87,229	20,522
Value of units at December 31	107,751	20,522
	2025	2024
	\$	\$
Sagicor Financial Corporation		
Value of units held at January 1	193,660	-
Net value of transactions for the year	403,645	193,660
Value of units at December 31	597,305	193,660
	2025	2024
	\$	\$
Sagicor General Inc.		
Value of units held at January 1	7,457,977	7,143,728
Net value of transactions for the year	(84,396)	314,249
Value of units at December 31	7,373,581	7,457,977

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Bonds) Fund

Amounts expressed in Barbados Dollars

13. 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 of \$118,518 (2024 - Nil). There were no other fees paid to the auditor for non-assurance services during the period.

14. COMPARATIVES

Additional related party transactions relating to benefits and contributions are included in Note 12, as the transactions were deemed material in the current financial year. Accordingly, the relevant comparative amounts have been incorporated into these financial statements to ensure comparability

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, 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 *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.

PricewaterhouseCoopers SRL, The Financial Services
Centre, Bishop's Court Hill,
P.O. Box 111, St. Michael, BB14004,
Barbados, West Indies
T: +1 246 626 6700, F: +1 246 436 1275

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 auditor’s 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.

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 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 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

April 30, 2026

Statement of Financial Position

As at December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

	Notes	2025	2024
ASSETS			
Investment property	4, 11	51,828,335	51,977,500
Property, plant and equipment		1,590,114	1,454,959
Investment in associated companies	5	6,012,308	5,580,081
Due from Sagicor Life Inc.	6	3,801,939	16,495
Due from Sagicor International Balanced Fund	6	45,175	29,766
Due from associated company	5	22,663	22,663
Real estate developed for resale	8	2,040,308	2,038,938
Accounts receivable	9	9,102,726	8,976,890
Financial investments	10	613,278,533	574,870,535
Cash resources		20,394,914	29,966,959
Total assets		708,117,015	674,934,786
LIABILITIES			
Due to Sagicor Asset Management Inc	6	560,984	-
Due to Sagicor (Bonds) Fund	6	15,148,090	4,092,309
Due to Sagicor Global Balanced Fund	6	29,258	182,946
Due to Sagicor Funds Inc.	6	183,148	-
Accounts payable	13	5,485,575	4,613,573
Total liabilities		21,407,055	8,888,828
Net assets attributable to unit holders		686,709,960	666,045,958
Represented by:			
UNIT HOLDERS' EQUITY		686,709,960	666,045,958
No. of units outstanding at end of year		8,119,972	8,609,682
Net asset value per unit at end of year		\$84.57	\$77.36
Increase in net asset value per unit for year		9.32%	4.27%

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

Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

	2025		2024	
	Number of Units	Total \$	Number of Units	Total \$
Balance, beginning of year	8,609,682	666,045,958	8,803,901	653,151,045
Proceeds from issue of units	274,286	22,086,544	258,583	19,711,175
Redemption of units	(763,996)	(61,647,175)	(452,802)	(34,330,423)
Net decrease from unit transactions	(489,710)	(39,560,631)	(194,219)	(14,619,248)
Net income and total comprehensive income for the year available to unit holders	-	60,224,633	-	27,514,161
Balance, end of year	8,119,972	686,709,960	8,609,682	666,045,958

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

Statement of Income and Comprehensive Income

For the year ended December 31, 2025

Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

	Notes	2025	2024
REVENUE			
Interest income	14	1,676,447	1,958,300
Dividend income	15	12,123,856	10,818,710
Net rental income	16	368,270	1,357,818
Share of operating income/(loss) of associated companies	5	432,227	(222,229)
Share of income from real estate developed for resale	17	953,766	1,191,301
Net investment gains	18	54,678,136	22,789,477
Credit impairment (losses)/reduction		(14,494)	51,399
		<hr/>	<hr/>
		70,218,208	37,944,776
EXPENSES			
Management fee	19	5,076,837	4,972,851
Commissions, brokers' fees and other professional fees	20	3,895,512	4,206,712
Charge for impairment loss on income tax assets	7	565	450,487
		<hr/>	<hr/>
Total operating expenses		8,972,914	9,630,050
		<hr/>	<hr/>
INCOME BEFORE TAXES		61,245,294	28,314,726
		<hr/>	<hr/>
Withholding taxes		(1,020,661)	(800,565)
		<hr/>	<hr/>
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR AVAILABLE TO UNIT HOLDERS		<hr/>	<hr/>
		60,224,633	27,514,161

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

Statement of Cash Flows

For the year ended December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

	2025	2024
Cash flows from operating activities:		
Income before taxes	61,245,294	28,314,726
Interest income	(1,676,447)	(1,958,300)
Dividend income	(12,123,856)	(10,818,710)
Net gains on financial investments	(54,827,301)	(23,681,977)
Reduction in fair value of investment property	149,165	892,500
Depreciation of property, plant and equipment	68,289	30,193
Allowance for impairment losses	14,494	(51,399)
Charge for impairment losses on income tax assets	565	450,487
Share of operating (loss)/gain of associated companies	(432,227)	222,229
	<u>(7,582,024)</u>	<u>(6,600,251)</u>
Changes in operating assets and liabilities		
Accounts receivable	819,404	3,874,646
Due from Sagicor Life Inc.	(3,785,444)	(2,954,372)
Due (from)/to Sagicor Global Balanced Fund	(153,688)	12,736
Due to Sagicor Asset Management Inc.	560,984	-
Due to Sagicor (Bonds) Fund	11,055,781	2,560,827
Due (from)/to Sagicor International Balanced Fund	(15,409)	118,758
Due to Sagicor Funds Inc.	183,148	-
Accounts payable	872,002	419,770
Issue of mortgage loans	(1,924,290)	(8,585,601)
Repayment of mortgage loans	1,703,416	1,245,115
Purchase of debt securities	-	(12,715,664)
Redemption of debt securities	1,943	24,572,837
Proceeds from sale of equity securities	305,862,344	213,253,111
Purchase of equity securities	(293,273,405)	(198,616,724)
Amounts deposited	(4,000,000)	(12,000,000)
Deposits redeemed	8,000,000	8,000,000
Additions to equipment	(203,444)	(286,276)
Real estate developed for resale	(1,370)	(3,523)
Cash generated from operations	<u>18,119,948</u>	<u>12,295,389</u>
Interest received	1,711,247	2,103,997
Dividends received	11,178,617	10,861,339
Taxes paid	(1,021,226)	(801,135)
	<u>29,988,586</u>	<u>24,459,590</u>
Net cash generated from operating activities carried forward		

Statement of Cash Flows

For the year ended December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

	2025	2024
Net cash generated from operating activities brought forward	29,988,586	24,459,590
Cash flows from financing activities		
Proceeds from issue of units	22,086,544	19,711,175
Redemptions of units	(61,647,175)	(34,330,423)
Net cash used in financing activities	(39,560,631)	(14,619,248)
Net (decrease)/increase in cash and cash equivalents	(9,572,045)	9,840,342
Cash and cash equivalents - beginning of year	29,966,959	20,126,617
Cash and cash equivalents - end of year	20,394,914	29,966,959
Cash resources comprise:		
Cash	9,807,616	21,415,282
Cash held under managed properties	10,587,298	8,551,677
	20,394,914	29,966,959

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

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagikor (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.

Sagikor Life Inc. acts as Asset Manager and Trustee of the Fund. Sagikor 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, 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.

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)

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	<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 (Equity) Fund

Amounts expressed in Barbados Dollars

2. MATERIAL ACCOUNTING POLICIES (continued)

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.

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:

	2025 closing rate	2025 average rate	2024 closing rate	2024 average rate
Eastern Caribbean dollar	1.35	1.35	1.35	1.35
Jamaica dollar	79.4627	79.5656	77.8011	78.0881
Trinidad & Tobago dollar	3.3852	3.3710	3.3737	3.3660
United States dollar	0.50	0.50	0.50	0.50

2. MATERIAL ACCOUNTING POLICIES (continued)**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.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.4 Financial assets (continued)****(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').

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 recognise 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 unlikeliness 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

(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 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 are set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

2. MATERIAL ACCOUNTING POLICIES (continued)**2.4 Financial assets (continued)**Forward looking information (continued)

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 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 Commissions and brokers' fees

Commissions and brokers' fees represent transactions costs on financial assets designated at FVTPL. These expenses are recognized immediately in profit and loss.

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.11 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.

2.12 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 0.75% per annum.

2.13 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. Unitholders may redeem their units by returning them to the Fund in exchange for cash or a 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.

2.14 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.

2.15 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 are set out below.

3.1 Impairment of financial assets

In determining an 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'.

(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) 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.

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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:

	2025 \$	2024 \$
Balance, beginning of year	51,977,500	52,870,000
Fair value loss recorded in income	(149,165)	(892,500)
Balance, end of year	51,828,335	51,977,500

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
 Alder House, Corner of George Street and First Avenue Belleville

Investment property includes \$20,258,333 (2024 - \$20,457,500) which represents the Fund's proportionate interest in joint operations in Barbados summarized in the following table.

Description of property	Percentage ownership	Fair Value
Land at Fort George Heights, Upton, St. Michael	50.0%	900,000
United Nations House, Marine Gardens, Christ Church	50.0%	16,250,000
Trident House Properties, Lower Broad Street, Bridgetown	33.3%	3,108,333

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:

	2025 \$	2024 \$
Real estate developed for resale	298,112	298,112
Accounts receivable	3,442,757	2,904,550
Property, plant and equipment	501,566	488,876
Cash resources	9,467,937	7,671,100
Accounts payable	2,095,892	1,309,409
Net rental income	719,052	891,964
Reduction in fair value of investment property	(199,167)	(962,500)

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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 2025 \$	Haggatt Hall Holdings Limited 2025 \$	Total 2025 \$
Investment at the beginning of the year	470,076	5,110,005	5,580,081
Share of (loss)/income	(71,136)	503,363	432,227
Investment at the end of the year	398,940	5,613,368	6,012,308
	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

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

- 37.5% (2024 - 37.5%) in Primo Holdings Limited, incorporated in Barbados
- 33.3% (2024 - 33.3%) in Haggatt Hall Holdings Limited, incorporated in Barbados

The amount of \$22,663 (2024 - \$22,663) due from associated company Primo Holdings Limited, is interest free, unsecured and has no fixed terms of repayment.

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5. INVESTMENT IN ASSOCIATED COMPANIES (continued)

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	
	2025	2024	2025	2024
ASSETS				
Property, Plant and Equipment	91,263	559	-	-
Cash Resources/(Overdrafts)	102,549	(358,856)	-	-
Other Investments and Assets	29,365,005	29,776,789	1,710,305	1,900,000
Total Assets	29,558,817	29,418,492	1,710,305	1,900,000
LIABILITIES				
Current liabilities	12,873,965	14,243,728	747,487	747,487
Net Assets	16,684,852	15,174,764	962,818	1,152,513
Summarised Statement of Net Income				
REVENUE				
Net Rental Income	2,020,270	2,083,269	-	-
Other Income	1,240,460	1,581,822	-	-
Total Revenue	3,260,730	3,665,091	-	-
EXPENSES				
Finance Charges	425,766	735,892	-	-
Depreciation	1,853	427	-	-
Repairs & Maintenance	416,880	611,157	-	-
Income Tax Expenses	156,540	128,220	-	-
Deferred Tax Expenses/(credits)	684	(23,344)	-	-
Other	748,920	1,136,019	89,695	89,695
Total Expenses	1,750,643	2,588,371	89,695	89,695
Net Income / (Loss)	1,510,087	1,076,720	(89,695)	(89,695)
Comprehensive loss - Property revaluation	-	(1,529,999)	(100,000)	(100,000)

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5. INVESTMENT IN ASSOCIATED COMPANIES (continued)

Reconciliation to carrying amounts

	Haggatt Hall Holdings Limited		Primo Holdings Limited	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Opening net assets 1 January	15,174,765	15,628,044	1,152,513	1,342,208
Profit / (loss) for the period	1,510,087	1,076,720	(89,695)	(89,695)
Revaluation Loss	-	(1,529,999)	(100,000)	(100,000)
Closing net assets	16,684,852	15,174,765	962,818	1,152,513
Fund's share in %	33.33%	33.33%	37.5%	37.5%
Fund's Share in \$	5,561,618	5,058,255	361,055	432,191
Capitalisation of Acquisition costs	51,750	51,750	37,885	37,885
Carrying Amount	5,613,368	5,110,005	398,940	470,076

6. 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 19 to enable users to understand the Fund's related party relationships and transactions.

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 were fully provided for since the refund on these balances from the Barbados Revenue Authority was considered unlikely.

8. REAL ESTATE DEVELOPED FOR RESALE

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

Percentage owned by the Fund

Description of property

Land at Carmichael	46%
Land at Fort George Heights, Upton, St. Michael	50%

The movement in the real estate developed for resale during the year is summarized in the following table.

	Fort George Heights 2025 \$	Carmichael Plantation 2025 \$	Total 2025 \$
Investment at the beginning of the year	298,112	1,740,826	2,038,938
Additions	-	1,370	1,370
Investment at the end of the year	298,112	1,742,196	2,040,308

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Sagikor (Equity) Fund

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9. ACCOUNTS RECEIVABLE

	2025 \$	2024 \$
Rent receivable	2,818,171	4,281,781
Dividend receivable	2,369,678	1,424,439
Net advances to unit holders	-	309,099
Other receivables	3,914,877	2,961,571
Total accounts receivable	9,102,726	8,976,890

Net advances to unit holders represent net redemptions paid to unit holders, which at year-end, are waiting to be applied in the subsequent year.

10. FINANCIAL INVESTMENTS

10.1 Analysis of financial investments

	2025		2024	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Investments at Fair value through profit and loss (FVTPL):				
Bonds - Listed International	150,477	150,477	147,015	147,015
Bonds - Unlisted Local	7,070,569	7,070,569	6,922,872	6,922,872
Total debt securities	7,221,046	7,221,046	7,069,887	7,069,887
Common Shares - Listed Local	76,099,238	76,099,238	86,526,033	86,526,033
Common Shares - Listed Regional	60,033,135	60,033,135	64,585,212	64,585,212
Common Shares - Listed International	270,267,856	270,267,856	279,415,916	279,415,916
Alternative Investments - Listed	112,868,442	112,868,442	93,738,573	93,738,573
Alternative Investments - Unlisted	47,736,085	47,736,085	1,469,773	1,469,773
Mutual Funds - Listed Local	8,912,000	8,912,000	8,096,000	8,096,000
Total equity securities	575,916,756	575,916,756	533,831,507	533,831,507
Total investments at FVTPL	583,137,802	583,137,802	540,901,394	540,901,394
Investments at amortised cost:				
Deposits	139	139	4,030,971	4,030,971
Mortgage loans	30,140,592	30,276,057	29,938,170	30,138,487
Total investments at amortised cost	30,140,731	30,276,196	33,969,141	34,169,458
Total financial investments	613,278,533	613,413,998	574,870,535	575,070,852

Mortgage loans are reported at the gross principal of \$30,155,937, net of provisions for expected credit losses of \$(15,345) (2024 - gross principal of \$29,966,320, provisions for expected credit losses of \$(28,150)). The fair value of the fixed rate mortgage loans is \$17,777,745 (2024 - \$18,386,007) and the carrying value is \$17,642,280 (2024 - \$18,185,689).

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

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Sagikor (Equity) Fund

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10. FINANCIAL INVESTMENTS (continued)

10.1 Analysis of financial investments (continued)

Debt securities comprise:	2025	2024
	\$	\$
Government debt securities - Listed International	150,477	147,015
Government debt securities - Unlisted Local	7,070,569	6,922,872
	<u>7,221,046</u>	<u>7,069,887</u>

Equity securities include shares in Sagikor Financial Company Ltd, a related party, of \$4,854,181 (2024 - \$3,019,106).

Debt securities classified at fair value through profit or loss and valued using internally developed models amounted to \$7,070,569 (2024 - \$6,922,872).

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

	2025		2024	
	% of	\$	% of	\$
	Total		Total	
Goddard Enterprises Ltd.	8.4	48,531,446	11.2	59,653,236
Massy Holdings Ltd	7.7	44,274,288	8.9	47,555,440
Pictet - PTR Atlas Fund Class 1	4.8	27,443,719	3.9	21,013,542
CIBC First Caribbean International Bank (Barbados) Ltd	4.7	26,891,782	4.9	26,108,526
RBC Royal Bank of Canada	4.1	23,511,334	3.1	16,588,563
Merian Global Equity Absolute Return Fun	4.1	23,619,533	2.8	15,059,031
Man AHL Target Riak ACC Fund CLA	3.6	20,951,828	2.5	13,454,947
Ares Private Markets FC ICAP Offshore	2.7	15,607,163	-	-
KKR K_Pec Icapital Offshore Access Fund	2.7	15,577,506	-	-
Blackstone Private EQT Strategies FD	2.7	15,511,778	-	-
JPM Global Select Equity (ACC) USD Fund	2.7	15,475,608	2.8	14,820,782
Aspect Diversified Trends USD Fund	-	-	2.5	13,253,267

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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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, 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Investment property	-	-	51,828,335	51,828,335

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

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

	Fair Value \$ 2025	Fair Value \$ 2024	Valuation Technique	Unobservable Inputs	Range of Inputs 2025	Range of Inputs 2024	Relationship of Unobservable Inputs to Fair value
Land	10,400,000	10,407,500	Sales Comparison	Price per square foot	\$1.73 to \$9.13	\$1.46 to \$9.21	The higher the price per square foot, the higher the value.
Commercial property	3,742,856	3,670,000	Sales Comparison	Price per square foot	\$21.73 to \$68.19	\$23.90 to \$63.82	The higher the price per square foot, the higher the value.
Commercial property	37,685,479	37,900,000	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	51,828,335	51,977,500					

Commercial properties valued at \$3,742,856 (2024 - \$3,670,000) 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.

The investment properties were professionally valued by a third party with an effective date of September 30, 2025. The valuers are independent and have recent experience in the location and category of investment properties.

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.

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Sagicor (Equity) Fund

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12. FINANCIAL RISK (continued)

12.2 Credit risk exposure - financial assets subject to impairment

The gross carrying value before ECL of the financial assets of the Fund are set out in the following table.

	2025		2024	
	\$	%	\$	%
Bonds at FVTPL	7,221,046	10	7,069,887	9
Deposits at amortised cost	139	0	4,030,971	5
Investment portfolio	7,221,185	10	11,100,858	14
Mortgage loans, net, at amortised cost	30,140,592	41	29,938,170	37
Lending portfolio	30,140,592	41	29,938,170	37
Due from Sagicor Life Inc.	3,801,939	5	16,495	0
Due from Sagicor International Balanced Fund	45,175	0	29,766	0
Due from associated company	22,663	0	22,663	0
Accounts receivable	9,102,726	13	8,976,890	11
Cash resources	20,394,914	28	29,966,959	37
Other financial assets	33,367,417	46	39,012,773	48
Total exposures	70,729,194	97	80,051,801	98
Mortgage loan commitments	1,152,280	3	1,874,042	2
	71,881,474	100	81,925,843	100

Investment portfolio by ratings Category	2025	2024
AA	2%	2%
B-	98%	98%
Total	100%	100%

Lending portfolio by ratings Category	2025	2024
Investment grade	51%	48%
Non-investment grade	49%	51%
Watch	-	1%
Default	-	-
Total	100%	100%

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.

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Sagikor (Equity) Fund

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12. FINANCIAL RISK (continued)

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

Credit Risk Exposure - financial investments 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 and receivables				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL \$	Stage 2 life-time ECL \$	Stage 3 life-time ECL \$		
Credit grade:					
Investment	15,322,217	-	-	-	15,322,217
Non-Investment	13,871,019	742,497	121,673	-	14,735,189
Watch	-	-	98,531	-	98,531
Default	-	-	-	-	-
Gross carrying amount	29,193,236	742,497	220,204	-	30,155,937
Loss allowance	(13,602)	(841)	(902)	-	(15,345)
Net carrying amount	29,179,634	741,656	219,302	-	30,140,592

	Mortgages - loans and receivables				
	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

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Sagicor (Equity) Fund

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12. FINANCIAL RISK (continued)

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

Credit Risk Exposure - financial investments subject to impairment (continued)

	Term Deposits - loans and receivables				
	2025				
	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	139	-	-	-	139
Gross carrying amount	139	-	-	-	139
Loss allowance	-	-	-	-	-
Net carrying amount	139	139			

	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

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Sagikor (Equity) Fund

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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				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL \$	Stage 2 life-time ECL \$	Stage 3 life-time ECL \$		
Loss allowance, beginning of year Transfers:	15,543	1,250	11,357	-	28,150
Stage 1 to Stage 2	(223)	223	-	-	-
Stage 1 to Stage 3	(67)	-	67	-	-
Stage 2 to Stage 1	569	(569)	-	-	-
Stage 3 to Stage 1	-	(160)	160	-	-
Loans originated or purchased	136	-	-	-	136
Loans fully derecognised	(168)	-	(11,357)	-	(11,525)
Changes in ECL inputs, models and/or assumptions	(2,188)	97	675	-	(1,416)
Loss allowance, end of year	13,602	841	902	-	15,345
Credit impairment loss					12,805
Mortgage write-off					27,299
Credit impairment loss recorded in income					14,494

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Sagikor (Equity) Fund

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12. FINANCIAL RISK (continued)

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

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					
Transfers:	30,883	708	47,986	-	79,577
Stage 1 to Stage 2	(955)	955	-	-	-
Stage 1 to Stage 3	-	-	-	-	-
Stage 2 to Stage 1	-	-	-	-	-
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	15,543	1,250	11,357	-	28,150
Credit impairment loss recorded in income					51,427

LOSS ALLOWANCES

	Term Deposits – amortised cost				
	2025				
	ECL Staging			POCI	Total
	Stage 1 12-month ECL	Stage 2 life-time ECL	Stage 3 life-time ECL		
\$	\$	\$	\$	\$	
Loss allowance, beginning of year	28	-	-	-	28
Term deposits originated or purchased	-	-	-	-	-
Term deposits fully derecognised	(28)	-	-	-	(28)
Loss allowance, end of year	-	-	-	-	-
Credit impairment loss recorded in income					-

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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				
	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	-	-	-	-	-
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)

(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, 2025				
Residential sector	220,204	(902)	219,302	857,000
Total	220,204	(902)	219,302	857,000
As of December 31, 2024				
Residential sector	458,768	(11,357)	447,411	652,000
Total	458,768	(11,357)	447,411	652,000

(b) Reposessed assets

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

No assets were reposessed during the year (2024 – 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 (2024 – Nil).

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12. FINANCIAL RISK (continued)

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

(d) 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 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.

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	Stable
	Upside	Stable
	Downside	Negative
GDP growth	Base	Stable
	Upside	Stable
	Downside	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				
	2025				
	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	28,687,474	820,078	458,768	-	29,966,320
Transfers:					
Stage 1 to Stage 2	(410,727)	410,727	-	-	-
Stage 1 to Stage 3	(122,927)	-	122,927	-	-
Stage 2 to Stage 1	372,775	(372,775)	-	-	-
Stage 3 to Stage 1	-	(105,072)	105,072	-	-
Loans originated or purchased	288,755	-	-	-	288,755
Loans fully derecognized	(309,873)	-	(467,944)	-	(777,817)
Changes in principal and interest	687,759	(10,461)	1,381	-	678,679
Gross carrying amount, end of year	29,193,236	742,497	220,204	-	30,155,937

	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

Notes to the Financial Statements

Year ended December 31, 2025

Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

12. FINANCIAL RISK (continued)**12.4 Gross Carrying Values – financial investments subject to impairment (continued)**

	Term Deposits – amortised cost				
	2025				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
	ECL	ECL	ECL		
Gross carrying amount, beginning of year	4,030,999	-	-	-	4,030,999
Deposits originated or purchased	-	-	-	-	-
Deposits fully derecognised	(4,030,860)	-	-	-	(4,030,860)
Gross carrying amount, end of year	139	-	-	-	139

The term deposit matured during 2025 and was not renewed.

	Term Deposits – amortised cost				
	2024				
	ECL Staging			POCI	Total
	Stage 1	Stage 2	Stage 3		
12-month	life-time	life-time			
	ECL	ECL	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

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.

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Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

12. FINANCIAL RISK (continued)

12.5 Liquidity risk (continued)

(a) Financial liabilities

As of December 31, 2025	On demand \$	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
Due to Sagicor Asset Management Inc.	560,984	-	-	-	560,984
Due to Sagicor (Bonds) Fund	15,148,090	-	-	-	15,148,090
Due to Sagicor Global Balanced Fund	29,258	-	-	-	29,258
Due to Sagicor Funds Inc.	183,148	-	-	-	183,148
Accounts payable	5,485,575	-	-	-	5,485,575
	21,407,055	-	-	-	21,407,055

As of December 31, 2024	On demand \$	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
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

(b) Financial assets

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 associated company	22,663	-	-	22,663
Due from Sagicor Life Inc.	3,801,939	-	-	3,801,939
Due from Sagicor International Balanced Fund	45,175	-	-	45,175
Accounts receivable	9,102,726	-	-	9,102,726
Debt securities	-	-	7,221,046	7,221,046
Deposits	-	139	-	139
Mortgage loans net	-	-	30,140,592	30,140,592
Cash resources	20,394,914	-	-	20,394,914
Total	33,367,417	139	37,361,638	70,729,194

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Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

12. FINANCIAL RISK (continued)

12.5 Liquidity risk (continued)

(b) Financial assets (continued)

As of December 31, 2024	Maturing within 1 year \$	Maturing within 1 to 5 years \$	Maturing after 5 years \$	Total \$
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

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 2025, an individual unit holder, Goddard Enterprises Ltd., holds 15% of the fund's units (2024 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, 2025	Less than 7 Days \$	Monthly \$	Quarterly \$	Semi Annual \$	1 - 5 Years \$
Funds and Alternative Investments	120,771,616	-	46,696,447	-	2,048,464
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

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.

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

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, 2025	\$	\$	\$	\$	\$
Due to Sagicor Asset Management	-	-	-	560,984	560,984
Due to Sagicor (Bonds) Fund	-	-	-	15,148,090	15,148,090
Due to Sagicor Global Balanced Fund	-	-	-	29,258	29,258
Due to Sagicor Funds Inc.	-	-	-	183,148	183,148
Accounts payable	-	-	-	5,485,575	5,485,575
Total	-	-	-	21,407,055	21,407,055

	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 Global Balanced Fund	-	-	-	182,946	182,946
Accounts payable	-	-	-	4,613,573	4,613,573
Total	-	-	-	8,888,828	8,888,828

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Sagicor (Equity) Fund

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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, 2025					
Due from Sagicor Life Inc.	-	-	-	3,801,939	3,801,939
Due from Sagicor International Balanced Fund	-	-	-	45,175	45,175
Due from associated company	-	-	-	22,663	22,663
Accounts receivable	-	-	-	9,102,726	9,102,726
Debt securities	-	-	7,194,901	26,145	7,221,046
Equity securities	-	-	-	575,916,756	575,916,756
Deposits	-	139	-	-	139
Mortgage loans	-	-	30,108,045	32,547	30,140,592
Cash resources	642,957	-	-	19,751,957	20,394,914
Total	642,957	139	37,302,946	608,699,907	646,645,950
	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	-	-	29,901,671	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

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

	2025	2024
Debt securities	0.71%	2.62%
Deposits	2.49%	2.95%
Mortgage loans	4.17%	4.32%

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

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, 2025	\$
Total interest-bearing financial assets carried at fair value	7,195,122
The fair value impact of a decrease in interest rates:	746,867
The fair value impact of an increase in interest rates:	(649,242)

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.

Balances denominated in

As of December 31, 2025	Barbados \$	Jamaica \$	Trinidad \$	US \$	CAD \$	EC \$	Total \$
ASSETS							
Due from associated companies	22,663	-	-	-	-	-	22,663
Due from Sagicor Life Inc.	3,801,939	-	-	-	-	-	3,801,939
Due from Sagicor International Balanced Fund	-	-	-	-	-	45,175	45,175
Accounts receivable	8,077,530	-	906,555	24,686	47,372	46,583	9,102,726
Debt securities	7,070,569	-	-	150,477	-	-	7,221,046
Equity securities	129,445,472	498,980	10,283,071	431,016,683	-	4,672,550	575,916,756
Deposits	139	-	-	-	-	-	139
Mortgage loans	30,140,592	-	-	-	-	-	30,140,592
Cash resources	12,190,892	-	-	8,054,859	149,163	-	20,394,914
Total	190,749,796	498,980	11,189,626	439,246,705	196,535	4,764,308	646,645,950

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

12. FINANCIAL RISK (continued)
12.6 Market risk (continued)
Foreign exchange risk (continued)

As of December 31, 2025	Balances denominated in						
	Barbados \$	Jamaica \$	Trinidad \$	US \$	CAD \$	EC \$	Total \$
LIABILITIES							
Due to Sagicor Asset Management Inc.	560,984	-	-	-	-	-	560,984
Due to Sagicor (Bonds) Fund	15,148,090	-	-	-	-	-	15,148,090
Due to Sagicor Global Balanced Fund	-	-	-	29,258	-	-	29,258
Due to Sagicor Funds Inc.	-	-	-	183,148	-	-	183,148
Accounts payable	5,479,446	-	-	6,129	-	-	5,485,575
Total liabilities	21,188,520	-	-	218,535	-	-	21,407,055
Net position	169,561,276	498,980	11,189,626	439,028,170	196,535	4,764,308	625,238,895

As of December 31, 2024	Balances denominated in						
	Barbados \$	Jamaica \$	Trinidad \$	US \$	CAD \$	EC \$	Total \$
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, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

12. FINANCIAL RISK (continued)

12.6 Market risk (continued)

Foreign exchange risk (continued)

As of December 31, 2024	Balances denominated in						Total \$
	Barbados \$	Jamaica \$	Trinidad \$	US \$	CAD \$	EC \$	
LIABILITIES							
Due to Sagicor (Bonds) Fund	4,092,309	-	-	-	-	-	4,092,309
Due to Sagicor Global Balanced Fund	-	-	-	182,946	-	-	182,946
Accounts payable	4,607,444	-	-	6,129	-	-	4,613,573
Total liabilities	8,699,753	-	-	189,075	-	-	8,888,828
Net position	189,758,714	434,610	13,813,479	396,886,705	459,309	3,641,663	604,994,480

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, 2025 and December 31, 2024 and for the years then ended are considered below.

	Balances denominated in TTD \$	Effect of a 10% depreciation on income as of Dec 31, 2025 \$	Balances denominated in JMD \$	Effect of a 10% depreciation on income as of Dec 31, 2025 \$
Financial Investments	10,283,071	(1,028,307)	498,980	(49,898)

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

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Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

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, 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.

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, 2025 \$
Fair value through profit or loss equity securities:		
Common shares - Listed	406,400,229	(81,280,046)
Alternative Investments - Listed	112,868,442	(22,537,288)
Alternative Investments - Unlisted	47,736,085	(9,547,217)
Mutual Funds - Listed	8,912,000	(1,782,400)
	575,916,756	(115,183,351)
	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	(18,747,715)
Alternative Investments - Unlisted	1,469,773	(293,955)
Mutual Funds - Listed	8,096,000	(1,619,200)
	533,831,507	(106,766,302)

Notes to the Financial Statements

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Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

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 alternative investments 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.

2025	Level 1	Level 2	Level 3	Total
Financial assets classified at fair value through profit or loss:	\$	\$	\$	\$
Debt securities	150,477	-	7,070,569	7,221,046
Common Shares	374,316,371	32,083,858	-	406,400,229
Alternative Investments	111,859,616	1,008,826	47,736,085	160,604,527
Mutual Funds	-	8,912,000	-	8,912,000
Total assets	486,326,464	42,004,684	54,806,654	583,137,802
Total assets by percentage	84%	7%	9%	100%

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Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

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)

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%

During the reporting period, we transferred equity securities with a then fair value of \$26,891,782 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	7,070,569	6,922,872	Discounted Cash Flows	Risk Adjusted Market Yields	4.25% Avg 4.25%	4.25% Avg 4.25%	The effect of a 1% increase in interest rates would decrease the fair value by (\$638,661) and a 1% decrease in interest rates would increase the fair values by \$735,328
Alternative Investments	47,736,085	1,469,773	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 equity securities in Level 3 are based upon prices determined by the investee fund managers and administrators.

The increase from \$1.47M to \$47.74M primarily reflects redeployment of proceeds from sale of publicly traded equities to a diversified portfolio of semi-liquid evergreen private market strategies and hedge funds, in line with a Pension fund of this size and time horizon long-term strategic asset allocation to alternatives.

These investments consist mainly of:

- Evergreen private equity funds managed by established global sponsors (including KKR, Ares, and Blackstone), providing diversified exposure across sectors and geographies.
- Select hedge fund strategies designed to provide uncorrelated returns and enhance portfolio diversification.

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Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

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)

These structures are characterized by periodic subscription/redemption windows rather than

full illiquidity but are classified as Level 3 due to the use of NAV-based valuations with underlying assets that are not actively traded.

From a strategic standpoint, these allocations are intended to:

- Enhance long-term returns through exposure to private markets
- Improve diversification relative to traditional public equity and fixed income
- Reduce overall portfolio volatility via low correlation strategies

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

	2025 \$	2024 \$
Balance, beginning of year	8,392,645	9,139,718
Net Gain recorded in income	1,646,703	52,970
Purchase of financial assets	60,048,611	45,060
Disposals of financial assets	(15,281,305)	(831,806)
Effect of accrued income changes	-	(13,297)
Balance, end of year	54,806,654	8,392,645

Unrealised gain 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 \$1,630,147 (2024 - a gain of \$10,701,681).

Within the net gain recorded in income for 2024 was a write-off of Almond Resorts shares in the amount of \$10,618,850.

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 2025	\$	\$	\$	\$
Mortgage loans	-	-	17,642,280	17,642,280
As at December 31 2024	\$	\$	\$	\$
Mortgage loans	-	-	18,185,689	18,185,689

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Sagikor (Equity) Fund

Amounts expressed in Barbados Dollars

12. FINANCIAL RISK (continued)**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

	2025 \$	2024 \$
Funds on deposit	199,508	-
Investment property expenses payable	3,791,183	2,689,752
Other	1,494,884	1,923,821
Total accounts payable	5,485,575	4,613,573

Funds on deposit represent amounts received from unitholders which are awaiting investment in the following period.

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.

	2025 \$	2024 \$
Mortgage loans	1,254,546	1,108,411
Debt securities	310,282	699,435
Other	111,619	150,454
Total interest income	1,676,447	1,958,300

15. DIVIDEND INCOME

	2025 \$	2024 \$
Local Common Stock	6,694,127	6,239,360
Managed Firms Common Stock	110,607	144,917
UBS Common Shares	4,558,631	3,512,267
UBS Mutual Funds	8,960	870,366
Misc. Investment Income	751,531	51,800
	12,123,856	10,818,710

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

16. NET RENTAL INCOME

	2025 \$	2024 \$
Rental income from investment property	5,480,118	5,384,990
Direct operating expenses of investment property	(5,111,848)	(4,027,172)
	<u>368,270</u>	<u>1,357,818</u>

17. SHARE OF INCOME FROM REAL ESTATE DEVELOPED FOR RESALE

The Fund receives 46% of the lot sales at Carmichael Crescent and the income there from is presented accordingly.

	2025 \$	2024 \$
Share of revenue – Carmichael Crescent	953,766	1,191,301

18. NET INVESTMENT GAINS

	2025 \$	2024 \$
Unrealized gains/(losses) on financial investments	22,292,649	(68,600)
Realized gains on financial investments	32,534,652	23,750,577
Reduction in fair value of investment property	(149,165)	(892,500)
Net investment gains	<u>54,678,136</u>	<u>22,789,477</u>

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

	2025 \$	2024 \$
Sale of Securities – Sagicor Bonds Fund	-	10,356,960
Management fee – Sagicor Life Inc.	5,076,837	4,972,851
Mortgage Loan – Haggatt Hall Holdings Limited	5,965,780	6,560,931
Benefits paid by Sagicor Bonds Fund on behalf of Sagicor Equity Fund	25,995,330	14,513,712
Contributions received by Sagicor Bonds Fund on behalf of Sagicor Equity Fund	10,992,506	10,838,619

Notes to the Financial Statements

Year ended December 31, 2025

Sagicor (Equity) Fund

Amounts expressed in Barbados Dollars

19. RELATED PARTY TRANSACTIONS (continued)**(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	90,272,215	85,112,875
Net value of transactions for the year	(7,289,867)	5,159,340
Value of units at December 31	<u>82,982,348</u>	<u>90,272,215</u>
Sagicor General Inc.	2025	2024
	\$	\$
Value of units held at January 1	8,228,051	7,798,574
Net value of transactions for the year	256,558	429,477
Value of units at December 31	<u>8,484,609</u>	<u>8,228,051</u>

(c) Shares held in Sagicor Financial Company

	2025	2024
Number of shares owned	350,904	350,904
Share price	\$ 13.83	\$ 8.60
Value of shares December 31	<u>\$ 4,853,002</u>	<u>\$ 3,017,774</u>

There were no purchases or sales of shares in Sagicor Financial Company during the year.

Additional related party transactions relating to benefits and contributions are included within this note, as the transactions were deemed material in the current financial year. Accordingly, the relevant comparative amounts have been incorporated into these financial statements to ensure comparability.

20. COMMISSIONS, BROKERS' FEES AND OTHER PROFESSIONAL FEES

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 commissions, brokers' fees and other professional fees are audit fees payable in the amount of \$168,999 (2024 - Nil). There are no other fees paid to the auditor for non-assurance services during the period.

21. COMMITMENTS

At December 31, 2025, the Fund's total committed capital to private equity strategies was \$1,923,588 (2024 - \$1,471,916). At that date, \$1,728,320 (2024 - 1,315,698) of this commitment remained undrawn.



Sagicor

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