

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

VALUE FUND
SECOND QUARTER 2024

COMPANY OVERVIEW

FUND NAME	Eppley Caribbean Property Fund Limited SCC-Value Fund
FUND TYPE	Closed-end Fund
EPPLEY MANAGEMENT CONTROL	May 4, 2018
STOCK EXCHANGE LISTINGS	Barbados Stock Exchange (BSE) Jamaica Stock Exchange (JSE) Trinidad and Tobago Stock Exchange (TTSE)
INDEPENDENT PROPERTY APPRAISALS	Semi-Annually
MANAGEMENT FEES	1.5% of net assets

MARCH 31, 2024

	Value Fund
Net Assets:	\$119,332,385
Net Profit:	\$3,981,190
Shares Outstanding:	135,517,592
Net Asset Value (NAV) per share:	\$0.88
Share Price:	\$0.52 (BSE)
	J\$40.00 (JSE)



CORPORATE INFORMATION

DIRECTORS	INDEPENDENT VALUERS
Nicholas A. Scott, Chairman Paul B. Scott Jeffrey Hall Melanie Subratie Sharon E. Donaldson Roger Cave Richard Luck	Property Consultancy Services David Thwaites and Associates NAI Jamaica Langford and Brown Brent Augustus & Associates
HEAD OFFICE	ATTORNEYS
First Floor Carlisle House Hincks Street Bridgetown, Barbados	Clarke Gittens Farmer Fraser Law DunnCox Patterson Mair Hamilton
FUND MANAGER	BANKERS
Eppley Fund Managers Limited	CIBC First Caribbean International Bank National Commercial Bank Ja. Ltd.



LETTER TO SHAREHOLDERS

FELLOW SHAREHOLDERS,

The Value Fund recorded comprehensive income of Bd\$3.98 million for the six-month period ended March 31, 2024. Comprehensive income for the similar period ended March 2023 was Bd\$6.21 million. This year's profitability was driven by both improvements in the core performance of the portfolio as well as fair value increases.

Net Operating Income (NOI) attributable to shareholders, a measure of the Fund's share of rental income less its operating expenses, for the six-month period ending March 31, 2024, was Bd\$4.69 million, up 52% from the Bd\$3.08 million recorded for the similar period in FY2023. The increase was driven by contractual rent increases, increased occupancy and the incorporation of the lease income from our acquisition of the JN Bank commercial real estate portfolio.

Funds From Operations (FFO) attributable to shareholders, a measure of the Fund's core operating profitability factoring in financing costs, for the six-month period ended March 31, 2024, was Bd\$2.29 million in comparison to the Bd\$2.02 million recorded for the six-month period ended March 31, 2023. The year-over-year increase of 13% was driven by the increase in NOI attributable to shareholders as well as increases in interest expenses associated with the additional debt used to finance the Fund's recent acquisitions.

Net asset value per share as at March 31, 2024, is \$0.88 per share, representing a 9% increase on the \$0.81 per share when compared to the same period in the previous year.

The Value Fund ended the six-month period as at March 31, 2024, with Bds\$9.9 million of liquidity and continues to maintain a robust balance sheet.

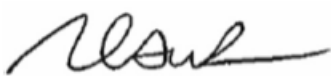
Dividend

In line with the Fund's dividend policy to distribute FFO attributable to shareholders, the Board approved a first quarter dividend payment of 0.25 cents Barbados currency per share to shareholders on record at June 3, 2024.

The Value Fund's high-quality portfolio of income generating commercial real estate has performed as expected so far this year. The Fund Managers remain focused on maximising the NOI we yield from our existing assets and growing and diversifying our holdings.

We continue to remain optimistic in our outlook for the Fund, and we look forward to sharing further updates with you soon.

Sincerely,



Nicholas A. Scott (Chairman)

FINANCIAL HIGHLIGHTS

	OCT-23 TO MAR-24	OCT-22 TO MAR-23
NOI attributable to shareholders	4,693,960	3,084,021
Interest expense	(1,031,570)	(735,681)
Interest and other income	349,485	380,889
Net interest expense of investments accounted for using the equity method	(1,714,875)	(704,401)
FFO attributable to shareholders	2,297,000	2,024,827
Fair value gains/(losses) on investment properties	1,508,340	3,698,540
Foreign exchange gains/(losses)	161,440	34,218
Impairment (charge)/recovery for receivables	-	-
Gain on bargain purchase	-	455,861
Non-cash charges of investments accounted for using the Equity Method	14,410	(4,617)
Comprehensive income attributable to shareholders for the period	3,981,190	6,208,829



SUNSET CREST MALL

VALUE FUND PROPERTIES



Angels Industrial Estate

Angels Industrial Estate is a 120,000 square foot distribution facility situated on 25 acres of land located in St. Catherine, Jamaica. Angels is located close to major transportation links to Kingston, Portmore and the North Coast of Jamaica.

Angels Industrial Estate is comprised of two lots, one of them housing two large single floor warehouses, and the other is vacant land. The warehouses are currently leased to T. Geddes Grant (Distributors) Limited, a leading food, pharmaceutical, consumer, personal care, office equipment and agricultural distribution company in Jamaica.

22 Chalmers Avenue

22 Chalmers Avenue is a 99,000 square foot purpose-built Business Process Outsourcing (“BPO”) facility located off Molynes Road in Kingston, Jamaica. Its size, location and amenities make it a desirable location for BPO operations.

The Value Fund currently owns a 50% interest in the building and it is currently leased to Itel, one of the largest domestic BPO providers in the region, with operations across the Caribbean, Latin America, the United States and Canada.



105-107 Marcus Garvey Drive

105-107 Marcus Garvey Drive is an industrial property located in Newport West, near the Port of Kingston, Jamaica. The property is comprised of two fully tenanted industrial buildings. Since it is located near to the port, this property has an enduring cost advantage for a number of applications including cold storage and distribution.

The property is currently leased to T. Geddes Grant (Distributors) Limited and Spanish Grain Limited, a reputable importer, producer and distributor of meat and grain in Jamaica.

VALUE FUND PROPERTIES (Cont'd.)



693 Spanish Town Road

693 Spanish Town Road is a 75,000 square foot industrial property which forms part of the commercial and industrial zone in Kingston, Jamaica. The property is comprised of warehouse and office space, strategically situated in close proximity to major distribution networks and the Port of Kingston.

The property is currently leased to Jamaica Packaging Industries Limited, a leading manufacturer of paper-based packaging in Jamaica.

Mall Plaza

Mall Plaza is a landmark property in Kingston, Jamaica. The property is located in the heart of Half-Way Tree, one of the city's busiest commercial districts. Its location near the city's main bus terminal and its proximity to growing residential areas makes it an asset that is difficult to replicate.

The Value Fund currently owns a 40% economic interest in the building but has full management and operational control. Tenants include a pharmacy, quick serve restaurant, clothing stores and various other shops including a gym.



Empire Shopping Centre

Empire Shopping Centre is a retail and office complex located in the heart of Cross Roads in Kingston, Jamaica. Empire Shopping Centre's access to parking, high traffic and visibility along Half-Way Tree Road makes it a desirable location for retailers.

The space is configured to provide 25 rentable spaces, with a wide-ranging tenant mix, including a quick-serve restaurant, a pharmacy, and a supermarket, which is the property's anchor tenant. The anchor tenant, Sampars, is owned and operated by Derrimon, a publicly listed distribution and retailing company in Jamaica.

VALUE FUND PROPERTIES (Cont'd.)



227 Marcus Garvey Drive

227 Marcus Garvey Drive is a manufacturing and warehouse facility located near the Port of Kingston, Jamaica. The area is a premier industrial and commercial location in the Kingston Metropolitan Area and has access to major transportation links and highways to Kingston and Portmore.

The property is currently leased to Musson (Jamaica) Limited, a company duly incorporated under the laws of Jamaica. Musson (Jamaica) Limited is a large seller of commodities in Jamaica and is a subsidiary of the Musson Group.

10-14 Broad Street Building

The 10-14 Broad Street building is located on the main commercial corridor in Bridgetown, Barbados.

The building is currently leased to Duty Free Caribbean Limited, a company incorporated under the laws of Barbados, under a triple-net lease agreement. Duty Free Caribbean Limited is a retail company with over 55 stores regionally and is controlled by the Dufry group. Dufry is a Swiss-based traveller retail company that has been in operations for over 150 years and currently operates over 2,300 duty-free and duty-paid stores in 64 countries worldwide. Dufry is publicly listed on both the Swiss and Brazilian stock exchanges. The Value Fund currently owns a 36% interest in the building through the CS&C joint venture, a real estate partnership.



Emerald City Mall

The Emerald City Mall is a shopping complex located in St. Philip, Barbados. It is located approximately 15 minutes away from Barbados' main airport and approximately 30 minutes away from Bridgetown and close to many residential housing developments.

Emerald City was acquired under a sale and leaseback structure with AOne Supermarket. AOne is a leading supermarket chain in Barbados, operating since 1981. AOne sublets the complex to various entities, including Courts and Republic Bank (Barbados) Limited.

VALUE FUND PROPERTIES (Cont'd.)



Carlisle House

Carlisle House is a commercial office building located on the waterfront in Bridgetown, Barbados. In recent years, Bridgetown's commercial office vacancy has increased due to tenant migration to other commercial areas in Barbados such as Warrens and Wildey, affecting Carlisle House. The building's waterfront location, cruise ship pier proximity and ease of access as a central hub for transportation make it a desirable option for alternate use. The managers of the Value Fund are actively exploring several options to reposition the building to improve its performance.

Alamac Warehouse

Alamac Warehouse is a distribution facility located in Fontabelle, Barbados. The property is ideally located for storage and distribution of imports and exports, as the property is in close proximity to the Bridgetown Port which is a major international transshipment hub.

The property comprises of two warehouse buildings and an office. The property's anchor tenant is Laparkan (Barbados) Limited, a subsidiary of a global freight and logistics solutions company with offices and agents throughout North America and the Caribbean.



Hastings Business Centre

Hastings Business Centre is a multi-storey commercial office building in Hastings, Barbados. The building is located across from the seaside, near public transport, and popular amenities including shopping, restaurants, the south coast boardwalk and numerous residences.

The building has long been the Barbados head office of KPMG, a global professional services firm, who remains the anchor tenant for the building.

VALUE FUND PROPERTIES (Cont'd.)



Sunset Crest Mall

Sunset Crest Mall is a commercial shopping center located on the west coast of Barbados, within proximity to some of Barbados' most popular tourist destinations. The building is currently leased to Duty Free Caribbean Limited under a triple-net agreement. Duty Free Caribbean Limited sublets to a number of tenants including CIBC First Caribbean International Bank. The Value Fund owns its interest in Sunset Crest Mall through a joint venture.

24 Broad Street

24 Broad Street is a renovated office and retail building in the center of Bridgetown, Barbados. It is currently leased to Duty Free Caribbean Limited who uses the main floor of the building for Colombian Emeralds retail storefront, and the first and second floors for office space for Duty Free Caribbean Limited's employees.



The Chattel Village

The Chattel Village is a shopping village located on the west coast of Barbados and is located close to many of Barbados' most notable hotels, villas and luxury retailers. The village is comprised of 12 single-storey, detached timber chattel office and retail stores constructed by the Value Fund. Tenants include two restaurants, an office space, and various gift shops selling artwork, gifts and souvenirs.

VALUE FUND PROPERTIES (Cont'd.)



52 Valsayn Branch Road

52 Valsayn Branch Road is a fully tenanted office property in Trinidad. The property lies within close proximity to quick serve restaurants, schools, shopping facilities, and other social amenities with transportation readily available.

The building is currently leased to PBS Technologies (Trinidad) Limited under a triple-net agreement.

155-157 Tragarete Road

155-157 Tragarete Road is a fully tenanted office property in Trinidad. The property is located strategically, as it is readily accessible from the Port of Spain City Centre.

The building is currently leased to PBS Technologies (Trinidad) Limited (formerly Massy Technologies) under a triple-net agreement. PBS Technologies (Trinidad) Limited is a technology company controlled by PBS Business Solutions Limited, one of the largest integrated Information Technology sales and distribution platforms in the Caribbean and Central America.



JN BANK COMMERCIAL REAL ESTATE PORTFOLIO

The portfolio comprises 22 buildings with rentable space totalling approximately 267,000 square feet in Jamaica. The commercial offices spaces are leased to JN Bank Limited in a sale and leaseback transaction.



EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC – VALUE FUND
Unaudited Consolidated Results as at March 31, 2024 (expressed in Barbados Dollars)

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Financial Position
March 31, 2024
 (expressed in Barbados dollars)

	Unaudited	Unaudited	Audited
	March 31, 2024	March 31, 2023	September 30, 2023
	\$	\$	\$
Assets			
Intangibles	833	1,360	1,108
Investment properties	100,022,520	88,062,916	98,166,390
Investment in associated company	39,216,523	33,717,155	37,984,798
Investment Securities	10,448,534	10,448,534	10,548,534
Accounts receivable and prepaid expenses	974,052	549,928	592,139
Due from related parties	1,466,679	776,950	1,133,876
Corporation tax prepaid	6,641	-	129,121
Cash & cash equivalents	9,909,575	6,703,176	9,355,875
Total assets	162,045,357	140,260,019	157,911,841
Liabilities			
Loans payable	38,925,766	27,223,484	35,484,533
Accounts payable and accrued expenses	2,600,386	2,252,135	1,746,803
Security and advanced deposits	840,182	444,683	549,226
Deferred tax	212,699	184,592	223,193
Corporation tax payable	133,939	104,876	87,655
Total liabilities	42,712,972	30,209,770	38,091,410
Total assets less liabilities	119,332,385	110,050,249	119,820,431
Equity			
Share capital	92,251,580	92,258,519	92,253,097
Other reserves	(379,704)	1,559,803	470,064
Retained earnings	27,460,509	16,231,927	27,097,270
Total shareholders' funds	119,332,385	110,050,249	119,820,431
Net asset value per share	\$0.88	\$0.81	\$0.88

Approved by:



Director
 May 14, 2024



Director

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Comprehensive Income
For the six-month period ended March 31, 2024
(expressed in Barbados dollars)

	Unaudited Six months ended March 31, 2024	Unaudited Six months ended March 31, 2023	Unaudited Three months ended March 31, 2024	Unaudited Three months ended March 31, 2023	Audited Year ended September 30, 2023
	\$	\$	\$	\$	\$
Revenue					
Net rental income	2,640,387	2,226,760	1,293,487	1,092,087	4,333,820
Fair value gains on investment property	1,508,340	3,698,540	1,508,340	3,698,540	13,441,716
Share of profit of investments using equity accounting	1,621,588	1,386,441	970,131	745,563	2,472,234
Gain on bargain purchase	-	455,861	-	-	455,861
Interest income	349,485	380,889	172,972	166,763	831,540
Total investment income	6,119,800	8,148,491	3,944,930	5,702,953	21,535,171
Expenses					
Interest Expense	1,031,570	735,681	531,318	372,134	1,552,628
Fund management fees	450,555	398,418	225,855	196,815	809,965
Investment advisor fees	450,555	398,418	225,855	196,815	809,965
Professional fees	253,056	272,910	132,095	175,914	525,273
Directors and subcommittee fees	3,480	3,400	1,740	1,700	6,800
Office and administrative expenses	12,848	71,330	10,614	70,153	90,212
Foreign exchange (gain)/loss	(161,440)	(34,218)	(161,127)	21,551	25,722
Operating expenditure	2,040,624	1,845,939	966,350	1,035,082	3,820,565
Profit before tax	4,079,176	6,302,552	2,978,580	4,667,871	17,714,606
Taxation	(97,986)	(93,723)	(43,749)	(91,680)	(236,400)
Net profit for the period	3,981,190	6,208,829	2,934,831	4,576,191	17,478,206
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	(849,768)	1,013,555	(1,106,137)	1,511,680	(76,184)
Total comprehensive income for the period	3,131,422	7,222,384	1,828,694	6,087,871	17,402,022
Earnings per share	\$0.03	\$0.05	\$0.02	\$0.03	\$0.13

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Changes in Equity
For the six-month period ended March 31, 2024
(expressed in Barbados dollars)

	Attributable to Fund shareholders			Total
	Share	Other	Retained	
	capital	Reserves	earnings	
	\$	\$	\$	\$
Balance- October 1, 2022	92,610,581	546,248	13,494,489	106,651,318
Repurchase of issued shares	(357,484)	-	39,081	(318,403)
Translation reserves	-	(76,184)	-	(76,184)
Dividend declared (0.15 cents and 2.28 cents per share)	-	-	(3,914,506)	(3,914,506)
Total comprehensive income for the year	-	-	17,478,206	17,478,206
Balance- September 30, 2023	92,253,097	470,064	27,097,270	119,820,431
Repurchase of issued shares	(1,517)	-	368	(1,149)
Translation reserves	-	(849,768)	-	(849,768)
Dividend declared (0.15 cents and 2.27 cents per share)	-	-	(3,618,319)	(3,618,319)
Total comprehensive income for the period	-	-	3,981,190	3,981,190
Balance- March 31, 2024	92,251,580	(379,704)	27,460,509	119,332,385

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

	Share	Other	Retained	Total
	capital	Reserves	earnings	
	\$	\$	\$	
Balance- October 1, 2021	92,919,797	1,240,354	6,531,851	100,692,002
Repurchase of issued shares	(309,216)	-	46,085	(263,131)
Translation reserves	-	(694,106)	-	(694,106)
Dividend declared (0.008 cents per share)	-	-	(2,592,831)	(2,592,831)
Total comprehensive income for the year	-	-	9,509,384	9,509,384
Balance- September 30, 2022	92,610,581	546,248	13,494,489	106,651,318
Repurchase of issued shares	(352,062)	-	37,111	(314,951)
Translation reserves	-	1,013,555	-	1,013,555
Dividend declared (0.15 cents and 2.28 cents per share)	-	-	(3,508,502)	(3,508,502)
Total comprehensive income for the period	-	-	6,208,829	6,208,829
Balance- March 31, 2023	92,258,519	1,559,803	16,231,927	110,050,249

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Cashflows
For the six-month period ended March 31, 2024
(expressed in Barbados dollars)

	Unaudited Six-month Period ended March 31, 2024	Unaudited Six-month Period ended March 31, 2023	Audited Year ended September 30, 2023
	\$	\$	\$
Cash flows from operating activities			
Profit before tax	4,079,176	6,302,552	17,714,606
Adjustment for:			
Fair value gains on investment property	(1,508,340)	(3,698,540)	(13,441,716)
Foreign exchange (gain)/loss	(161,440)	(34,218)	25,722
Share of gains of investments accounted for using the equity method	(1,621,588)	(1,386,441)	(2,472,234)
Gain on bargain purchase	-	(455,861)	(455,861)
Depreciation and Amortisation	282	163	243
Interest income	(349,485)	(380,889)	(831,540)
Interest expense	1,031,570	735,681	1,552,628
Operating income before working capital changes	1,470,175	1,082,447	2,091,848
Net decrease in accounts receivable and prepaid expenses	(379,077)	149,423	111,600
Net decrease in loans receivable	-	1,740,000	1,740,000
Net increase in accounts payable and accrued expenses	521,030	905,152	643,845
Increase/(decrease) in security deposits	292,935	19,969	138,801
Net increase in due to/from related parties	(332,803)	(48,496)	(405,422)
Purchases/addition to investment properties	(1,120,330)	(39,052)	(1,330,030)
Cash generated from operations	451,930	3,809,443	2,990,642
Interest received	449,486	417,147	767,798
Interest paid	(818,088)	(729,187)	(1,374,129)
Tax paid	63,071	(83,481)	(328,194)
Net cash generated from operating activities	146,399	3,413,922	2,056,117
Cash flows from investing activities			
Investment in associated companies	-	-	(5,160,001)
Distributions from associated companies	447,083	583,689	2,263,345
Acquisition of subsidiary	-	(4,939,176)	(4,934,794)
Net cash generated from/(used in) investing activities	447,083	(4,355,487)	(7,831,450)
Cash flows from financing activities			
Repurchase of shares	(1,149)	(314,951)	(318,403)
Dividends paid	(3,279,529)	(3,305,870)	(3,914,506)
Loans received	4,476,642	3,496,621	13,713,878
Loans repaid	(1,243,673)	(336,505)	(2,718,424)
Net cash (used in)/generated from financing activities	(47,709)	(460,705)	6,762,545
Net increase/(decrease) in cash and cash equivalents	545,773	(1,402,270)	987,212
Effects of foreign exchange rate changes on cash and cash equivalents	7,927	(60,540)	202,677
Cash and cash equivalents at beginning of the period	9,355,875	8,165,986	8,165,986
Cash and cash equivalents at end of the period	9,909,575	6,703,176	9,355,875

SHAREHOLDINGS

Director's shareholdings in the Fund including connected parties as of March 31, 2024, is as follows:

	<u>VALUE FUND</u>	
	<u>Direct</u>	<u>Connected*</u>
Nicholas A. Scott	1,742	18,436,445
Paul B. Scott	-	18,230,442
Melanie M. Subratie	-	18,648,921
Sharon E. Donaldson	30,550	18,230,442
Roger M. Cave	10,000	-
Jeffrey M. Hall	-	-
Richard A. Luck	-	-

* Includes connections by virtue of directorships and other affiliations in addition to indirect shareholdings.

The ten largest shareholders of the Fund as at March 31, 2024, are as follows:

VALUE FUND

<u>OWNERS</u>	<u>BALANCE</u>	<u>%</u>
JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY	10,827,190	7.99%
GENERAL ACCIDENT INSURANCE COMPANY JA. LTD. 3119, SJML A/C	9,570,565 8,858,784	7.06% 6.54%
THE ATL GROUP PENSION FUND TRUSTEES NOMINEE LTD	8,622,274	6.36%
MUSSON INVESTMENTS LIMITED	6,742,737	4.98%
FORTRESS CARIBBEAN PENSION FUND LTD - AA	5,650,158	4.17%
MASSY (BARBADOS) LTD	5,000,000	3.69%
GUARDIAN LIFE LIMITED	4,387,590	3.24%
COCONUT INDUSTRY BOARD	3,548,360	2.62%
NCB INSURANCE AGENCY AND FUND MANAGERS LTD WT160	3,087,493	2.28%

1. Identification and Activities

Eppley Caribbean Property Fund Limited SCC (formerly Fortress Caribbean Property Fund Limited SCC) (the Fund) was incorporated on May 7, 1999, and is registered under the Mutual Funds Act of Barbados as an authorised mutual fund. The Fund is a closed end fund. It commenced operations on August 20, 1999. These consolidated financial statements include the results the Fund and its subsidiaries, collectively known as the Group.

Eppley Fund Managers Limited, a mutual fund administrator licensed under the Mutual Funds Act, Barbados, acquired the common shares of the Fund which were previously held by Fortress Fund Managers and Alleyne, Aguilar & Altman Limited. The effective date of the transaction was May 4, 2018. Following the completion of the sale, the name of the Fund was changed to Eppley Caribbean Property Fund Limited SCC.

On September 24, 2013, at a special meeting of the shareholders of the Class “A” shares, the proposal to divide the Fund into a segregated cell company was approved. As a result, effective October 1, 2013, the Fund was converted to a segregated cell company, Fortress Caribbean Property Fund Limited SCC (“the Fund”). The Fund is divided into two cells, Fortress Caribbean Property Fund – Value Fund (“the Value Fund”) and Fortress Caribbean Property Fund – Development Fund (“the Development Fund”). As at October 1, 2013, each share previously owned by the Class “A” shareholders has been replaced by one share in the Value Fund and one share in the Development Fund.

A public invitation for subscription was made by Eppley Caribbean Property Limited SCC via prospectus dated June 15, 2019, in Jamaica in respect of cellular shares in the value fund at the price of J\$46.18 per share. The offer closed on July 31, 2019, consequently contributing to an increase of 66,528,860 units of shares issued.

The split of the Fund into the two cells is reflected on the Barbados Stock Exchange, the Company’s primary exchange listing. The Fund’s shares are also traded on the Trading on the Trinidad and Tobago Stock Exchange. Each share trades independently.

The investment objective of the Value Fund is to produce annual income and long-term capital gains from a diversified portfolio of income producing properties in the Caribbean. It is expected that the Value Fund will pay out a minimum of 75% of its available distributable profits annually.

The accounting policies and method of computation are consistent with the audited financial statements for year ended September 30, 2023. These financial statements are expressed in Barbados dollars which is the currency of the primary economic environment in which the Fund operates.

2. Statement of Compliance and Basis of Preparation

The unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (IFRS IC) promulgated by the International Accounting Standards Board (IASB), applicable to companies reporting under IFRS. The consolidated interim financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain financial assets held at fair value through profit or loss and investment properties which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates are based on management’s best knowledge of current events and conditions, actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting policies and method of computation are consistent with the audited financial statements for year ended September 30, 2023. These financial statements are expressed in Barbados dollars which is the currency of the primary economic environment in which the company operates.

3. Statement on Borrowing Restrictions

The Fund intends to borrow from banks and other licensed financial institutions and/or through private placement transactions to finance the purchase of real estate (the “Intention”).

According to By-Laws No.1 of the Fund dated September 26, 2013, the following borrowing restriction is placed on the Fund:

Paragraph 7 of the By-Laws No. 1 dated September 26, 2013

7.1. The Fund may not borrow money, except from banks or other licensed financial institutions, in amounts exceeding 60% of the value of the Fund’s total assets at the time of borrowing. The Fund may not pledge or hypothecate any of its assets, except in connection with permitted borrowing in amounts not exceeding 60% of the value of the Fund’s total assets at the time of such borrowing. The powers conferred by this By-Law shall be in supplement to and not in substitution for any powers to borrow money for the purposes of the Company possessed by its directors or officers independently of a borrowing By-Law.

Given the Intention, the borrowing restrictions with respect to exceeding 60% of the value of the Fund’s total assets at the time of the borrowing will not apply, as the Fund, as at the date of the publication of its further quarter results for the period ended March 31, 2024, continues to be as at the date of this letter in compliance with the By-Laws.