ROYTRIN HIGH YIELD FUND CLASS B – EURO DOLLAR

Financial Statements

30 June 2024

(Expressed in Euro)

ROYTRIN HIGH YIELD FUND CLASS B – EURO DOLLAR

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Statement of Trustee's Responsibilities

The Trustee is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Roytrin High Yield Fund Class B – EURO Dollar (the Fund), which comprise the statement of financial position as at 30 June 2024, the statements of profit or loss and other comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended, and a summary of material accounting policies and other explanatory information;

- Ensuring that the Fund keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud and the achievement of operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations, to which the Fund is subject, but not limited to the Fund's governing documentation; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, the Trustee utilised the IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, the Trustee chose those considered most appropriate in the circumstances.

Nothing has come to the attention of the Trustee to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

The Trustee affirms that it has carried out its responsibilities as outlined above.

Trustee
30 October, 2024

RBC TRUST
(TRINIDAD & TOBAGO) LIMITED

Trustee
30 October, 2024

RBC TRUST
(TRINIDAD & TOBAGO) LIMITED

Independent auditor's report

To the unitholders of Roytrin High Yield Fund Class B – Euro Dollar

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Roytrin High Yield Fund Class B – Euro Dollar (the Fund) as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 30 June 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

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

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

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Trustee 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, the Trustee 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 the Trustee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 the Trustee.
- Conclude on the appropriateness of the Trustee'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.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
30 October 2024

ROYTRIN HIGH YIELD FUND CLASS B - EURO DOLLAR

Statement of Financial Position

(Expressed in Euro)

	Notes	2024 €	2023 €
Assets			
Investment securities	3	1,228,817	1,117,957
Investment income receivable		13,366	13,769
Cash and cash equivalents	8	95,817	171,529
Total assets		1,338,000	1,303,255
Liabilities			
Management fees payable	8	327	218
Other payables		5,269	4,818
Total liabilities		5,596	5,036
Net assets		1,332,404	1,298,219
Net assets attributable to unitholders		1,332,404	1,298,219
Number of participating units	6	8,393	8,615
Net asset value per unit		158.752	150.693

The notes on pages 8 to 28 are an integral part of these financial statements.

On 30 October 2024, the Trustee of the Roytrin High Yield Fund Class B - Euro authorised these financial statements for issue.

________________________Trustee

RBC TRUST
(TRINIDAD & TOBAGO) LIMITED

Trustee________________________

RBC TRUST
(TRINIDAD & TOBAGO) LIMITED

ROYTRIN HIGH YIELD FUND CLASS B - EURO DOLLAR

Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Euro)

	Notes	2024 €	2023 €
Income			
Net income from financial instruments at FVTPL	7	98,271	96,976
Total income		98,271	96,976
Expenses			
Management fees	8	(20,253)	(19,812)
Other administrative expenses		(10,131)	(7,410)
Total expenses		(30,384)	(27,222)
Net profit attributable to unitholders		67,887	69,754

The notes on pages 8 to 28 are an integral part of these financial statements.

ROYTRIN HIGH YIELD FUND CLASS B - EURO DOLLAR

Statement of Changes in Net Assets Attributable to Unitholders
(Expressed in Euro)

	2024 €	2023 €
Balance as at July 1	1,298,219	1,319,476
Net profit attributable to unitholders	67,887	69,754
Subscriptions	4,209	7,175
Redemptions	(37,911)	(98,186)
Balance as at June 30	1,332,404	1,298,219

The notes on pages 8 to 28 are an integral part of these financial statements.

ROYTRIN HIGH YIELD FUND CLASS B - EURO DOLLAR

Statement of Cash Flows
(Expressed in Euro)

	2024 €	2023 €
Cash flows from operating activities		
Net profit for the year	67,887	69,754
Adjustments for:		
Dividend income	(3,878)	(4,575)
Interest income	(31,179)	(40,501)
Amortised (discount)/premium	(4,760)	653
Net loss/(gain) on disposal of investment securities	10,112	(17,902)
Net unrealised gain on revaluation of investment securities	(68,566)	(34,651)
Net loss before working capital changes	(30,384)	(27,222)
Changes in:		
- Management fees and other payables	559	1,228
Interest received	31,579	39,039
Dividends received	3,878	4,575
Purchase of investments	(230,447)	(548,253)
Proceeds from disposal of investments	182,804	543,006
Net cash (used in)/generated from operating activities	(42,011)	12,373
Cash flows from financing activities		
Subscriptions received	4,210	7,175
Redemptions	(37,911)	(98,186)
Net cash used in financing activities	(33,701)	(91,011)
Net decrease in cash and cash equivalents	(75,712)	(78,638)
Cash and cash equivalents at beginning of year	171,529	250,167
Cash and cash equivalents at end of year	95,817	171,529

The notes on pages 8 to 28 are an integral part of these financial statements.

1 **Description of the Fund**

The following brief description of the Roytrin High Yield Fund Class B – EURO Dollar (the Fund) is provided for general information purposes only. Reference should be made to the Trust Deed and rules of the Fund for more complete information.

Administration

The Fund is administered in accordance with the rules referred to in the Trust Deed and the laws of the Republic of Trinidad and Tobago. The Trinidad and Tobago Security Exchange Commission are the regulators of the Fund.

General

The Fund is an open-ended fund registered in Trinidad and Tobago and was established by RBC Royal Bank (Trinidad and Tobago) Limited under a Trust Deed dated June 24, 2008. The principal activity of the Fund is to provide investors with the opportunity to access professional investment management across regional and global markets with the objective of obtaining a high yield over the medium to long term. The Trustee of the Fund is RBC Trust (Trinidad and Tobago) Limited and the Investment Manager is RBC Investment Management (Caribbean) Limited.

Subscriptions

Subscriptions to the Fund are made by investors and are expressed in units using the net asset value per unit determined on each business day. Units may be subscribed at a minimum initial value of €1,000 and €100 thereafter.

Distributions

The net income received by the Fund is allocated and distributed at the discretion of the Investment Manager supported by the management accounts. All distributions will, in the absence of instructions from the investor to the contrary, be reinvested in additional units of the Fund at the net asset value of such calculated on the date of distribution.

Redemptions

Units redeemed under 180 days are subject to a 5% charge, between 180 to 365 days (inclusive) a 3% charge and over 365 days no charge, at a price per unit based on their net asset value on the day that request for redemption is made. Units may be redeemed in cash up to a limit of €100,000 or one percent of the net asset value of the Fund, whichever is lower, during any ninety-day period for any one investor. Should a redemption request exceed this limit, units in excess may at the discretion of the Trustee be redeemed in specie in proportion to the underlying assets.

Taxation

Distributions paid to resident unitholders are not subject to tax. For distributions paid to non-resident unitholders, tax on interest income is withheld at the rates applicable to the country in which the unitholders reside.

2 Material accounting policies

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

a. *Basis of preparation*

These financial statements are prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board.

(i) *New and Revised IFRS Accounting Standards (IFRS)*

a. *New and amended standards adopted by the Fund*

Amendment to IAS 1 ‘Presentation of financial statements’ on classification of liabilities (effective from 1 January 2023 and applicable to the Fund from 1 January 2023). The narrow-scope amendment to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

The amendment had no significant impact on the financial statements of the Fund.

Amendment to IAS 1 ‘Presentation of financial statements’ on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is ‘material accounting policy information’ and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment did not have a significant impact on the current year disclosure of accounting policies of the Fund.

Amendment to IAS 8 ‘Accounting policies, changes in Accounting Estimates and Errors’ on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment did not significantly impact the financial statements of the Fund.

2 **Material accounting policies (continued)**

a. *Basis of preparation (continued)*

(i) *New and Revised IFRS Accounting Standards (IFRS) (continued)*

b. *New and amended standards and interpretations that are not yet effective:*

Amendments to IAS 21– Lack of exchangeability

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025.

The Fund is assessing the impact that the amendment will have on its 2025 financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

The Fund is assessing the impact that the amendment will have on its 2025 financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Fund is assessing the impact that the amendment will have on its 2025 financial statements.

b. *Basis of measurement*

These financial statements have been prepared on a historical cost basis except for Investment Securities at fair value through profit or loss (FVTPL), that have been measured at fair value.

2 **Material accounting policies (continued)**

c. *Use of judgements and estimates*

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise their judgment in the process of applying the Fund's accounting policies.

d. *Foreign currency transactions*

(i) *Functional and presentation currency*

The financial statements are presented in Euro which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the translation at year-end exchange rates of monetary assets and liabilities are recognised in profit or loss. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

e. *Investment securiti*es

The Fund classifies its investment securities as fair value through profit or loss (FVTPL). Management determines the classification of its investment securities at initial recognition.

Fair value through profit or loss investment securities

Fair value through profit or loss investments are those investment securities intended to be traded on a periodic basis to maximise capital gains.

(i) *Recognition, initial and subsequent measurement*

Fair value through profit or loss investment securities are initially recognised at cost and are subsequently remeasured at fair value based on quoted market prices where available or discounted cash flow models.

(ii) *Classification*

On initial recognition, the Fund classifies financial assets at amortised cost or FVTPL.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

2 **Material accounting policies (continued)**

e. *Investment securities (continued)*

(ii) *Classification (continued)*

All other financial assets of the Fund are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;

- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

The Fund has determined that it has two business models.

- *Held-to-collect business model:* this includes cash and cash equivalents and interest income receivable. These financial assets are held to collect contractual cash flow.

- *Other business model:* this includes debt securities and equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place. The Fund classifies its investment securities as fair value through profit or loss (FVTPL)

2 **Material accounting policies (continued)**

e. *Investment securities (continued)*

(iii) *Fair value estimation*

When measuring fair values of an asset or liability, the fund uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices unadjusted in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., Derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during if a change has occurred. There were no transfers between levels at the end of the reporting period.

All purchases and sales of investment securities are recognised on the trade date.

(iv) *Derecognition*

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

When the Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2 **Material accounting policies (continued)**

f. *Impairment of financial assets*

The Fund utilises the expected credit loss (ECL) model general approach to determine impairment of financial assets which are classified as receivables with a financial component at amortised cost. The stage in which the debt falls will determine whether a 12 month or lifetime expected credit loss should be recognised.

Objective evidence that an investment security is impaired includes observable data that comes to the attention of the Fund about the following loss events:

(i) significant financial difficulty of the issuer or debtor;

(ii) a breach of contract, such as default or delinquency in payments;

(iii) it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;

(iv) the disappearance of an active market for that financial asset because of financial difficulties;

(v) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of individual assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of issuers or debtors in the group; or
- national or local economic conditions that correlate with defaults on assets in the group.

g. *Cash and cash equivalents*

Cash and cash equivalents are measured at amortised cost and comprise cash in hand and deposits with banks and short-term investments with original maturities of less than three months at the time of acquisition.

h. *Provisions*

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is more likely that not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

i. *Net assets attributable to unitholders*

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has only class of redeemable units in issue and on liquidation of the Fund, they entitle the holders to the residual net assets, after repayment of all debts, liabilities, fees or commissions outstanding. All units rank pari passu in all respects and have identical terms and conditions. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholder’s share in the Fund’s net assets at each redemption date, subject to certain restrictions as outlined in Note 1, and also in the event of the Fund’s liquidation.

2 **Material accounting policies (continued)**

j. *Net assets attributable to unitholders (continued)*

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- It is in the class of instruments that is subordinate to all other classes of instruments;
- All financial instruments are in the class of instruments that is subordinate to all other classes of instruments have identical features;
- Apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- The total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's redeemable shares meet these conditions and are classified as equity.

k. *Net income from financial instrument at FVTPL*

Net income from financial instrument at FVTPL includes all realised and unrealised fair value changes in foreign exchange differences, interest and dividend income.

l. *Expenses*

Expenses are accounted for in profit or loss on the accrual basis.

m. *Subscriptions and redemptions*

Subscriptions and redemptions are recorded when the subscription and redemption is incurred.

n. *Income tax*

Under the current system of taxation in Trinidad and Tobago, the Fund is exempt from paying income taxes.

However, some dividend and interest income received by the Fund is subject to withholding tax imposed in certain countries of origin. Income that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as tax expense.

The Fund has determined that interest and penalties related to income taxes do not meet the definition of an income tax. They are therefore accounted for under IAS 37, *Provision, Contingent Liabilities and Contingent Assets*.

(Expressed in Euro)

3 Investment Securities at FVTPL

	2024 €	2023 €
Government debt securities	149,918	147,847
Corporate debt securities	835,492	730,610
Equities investments	243,407	239,500
Total investment securities	1,228,817	1,117,957

All investment securities are quoted.

4 Total annual return

Total annual return represents the increase in the net asset value per unit over prior year and the accumulated income distribution rates during the period. There was no income distributed to the unit holders for the period. All returns were reinvested (see Note 1).

	2024 %	2023 %
Average rate of return	5.35	5.46

5 Management fees

Management fees are paid to the Trustee at a rate of up to 1.5% per annum of average total assets of the Fund on a daily basis, out of which the Investment Manager will be remunerated.

6 Number of participating units

	2024 No.	2023 No.
Units outstanding at beginning of the year	8,615	9,235
Subscriptions	26	50
Redemptions	(248)	(670)
Units outstanding at the end of the year	8,393	8,615

7 Net Income from Financial Instruments at FVTPL

	2024 €	2023 €
Equity investments	27,844	45,611
Debt securities	70,427	51,365
	98,271	96,976
Interest income	31,179	40,501
Dividend income	3,878	4,575
Amortised discount/(premium)	4,760	(653)
Realised (loss)/gains	(10,112)	17,902
Unrealised gain on revaluation	68,566	34,651
	98,271	96,976

(Expressed in Euro)

7 **Net Income from Financial Instruments at FVTPL (continued)**

The realised gain/(loss) from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain/(loss) represents the difference between the carrying amount of financial instruments at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and the carrying amount at the current reporting period.

8 **Related party transactions**

A party is related to the Fund if:

(a) The party is a subsidiary or an associate of the Fund;

(b) The party is, directly or indirectly, either under common control or subject to significant influence with the Fund, or has significant influence over or joint control of the Fund.

(c) The party is a close family member of a person who is part of key management personnel or who controls the Fund;

(d) The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Fund;

(e) The party is a joint venture in which the Fund is a venture partner;

(f) The party is a member of the Fund’s or its Trustee’s key management personnel;

(g) The party is a post-employment benefit plan for Fund’s employees.

(h) The party, or any member of a group of which it is a part, provides key management personnel services to the Fund.

The related party balances and transactions are as follows:

	2024 **€**	**2023** **€**
Cash at bank	95,817	171,529
Net assets attributable to unitholders	396,498	376,374
Management fees charged	20,253	19,812
Management fees payable	327	218

There were no subscriptions and redemption transactions entered to with related parties during the year.

All transactions and balances with related parties are based on agreed terms within the prospectus and normal banking relationships.

9 Financial risk management

Financial Instruments

Financial assets include investment securities, investment income receivable and cash and cash equivalents.

Financial liabilities include management fees payable and other payables.

a. *Risk management*

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risk. Taking risk is core to the financial business and operational risks are an inevitable consequence of being in business. The Trustee's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects in the Fund's financial performance by focusing on the unpredictability of financial markets.

The Trustee's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up to date information systems.

The most important types of risks to the Fund are liquidity risk, market risk, and credit risk. Market risks include currency risk, interest rate risk and other price risk.

While the Trustee is ultimately responsible for identifying and controlling risks, there are separate bodies responsible for managing and monitoring risks as follows:

Board of Directors

The Board of Directors of the Trustee has overall responsibility and oversight for corporate governance and specifically, approval of the investment policy and limits of authority. The Board of Directors has delegated authority to the Investment Policy Committee and the Investment Strategy Committee as appropriate.

Investment Policy Committee

The Investment Policy Committee is the body responsible for approving all Statements of Investment Policy (SIP) and reviewing compliance with same. The Investment Policy Committee meets on a quarterly basis to review and ratify any changes to the SIP.

Investment Strategy Committee

The Investment Strategy Committee is engaged in providing guidance to the Investment Manager relative to economic and capital markets. In this regard, input would include economic data, foreign currency perspectives, local, regional and international equity and fixed income information. From this body of information, the Committee shall distil its views with respect to an assessment of global fiscal and monetary conditions, projected economic growth, inflation, direction of interest rates, major currencies and stock prices.

(Expressed in Euro)

9 **Financial risk management (continued)**

a. *Risk management (continued)*

Excessive Risk Concentration

In order to avoid an excessive concentration of risk, the Fund's investment policy and risk management procedures include specific guidelines to ensure the maintenance of a diversified portfolio.

The Investment Manager is mandated within prescribed limits to manage excessive concentration risk when it arises.

As at the reporting date, the Fund’s debt securities were concentrated as follows:

	2024 %	2023 %
Government	13	13
Corporate	87	87
	100	100

b. *Classification of financial assets and financial liabilities*

The table below sets out the classifications of the carrying amounts of the Fund’s financial assets and financial liabilities into the categories of financial instruments.

	2024			
	Mandatorily at FVTPL €	Financial assets at amortised cost €	Financial liabilities at amortised cost €	Total €
Cash and cash equivalents	--	95,817	--	95,817
Investment securities - FVTPL	1,228,817	--	--	1,228,817
Investment income receivable	--	13,366	--	13,366
	1,228,817	109,183	--	1,338,000
Management fees payable	--	--	327	327
Other payables	--	--	5,269	5,269
	--	--	5,597	5,597

(Expressed in Euro)

9 **Financial risk management (continued)**

b. *Classification of financial assets and financial liabilities (continued)*

	2023			
	Mandatorily at FVTPL €	Financial assets at amortised cost €	Financial liabilities at amortised cost €	Total €
Cash and cash equivalents	--	171,529	--	171,529
Investment securities - FVTPL	1,117,957	--	--	1,117,957
Investment income receivable	--	13,769	--	13,769
	1,117,957	185,298	--	1,303,255
Management fees payable	--	--	218	218
Other payables	--	--	4,819	4,819
	--	--	5,037	5,037

c. *Liquidity risk*

The Fund is exposed to daily cash redemptions of units. At least 5% of the investment portfolio is usually held in short-term instruments that can be quickly converted to cash. The Fund also has the ability to borrow in the short term to ensure settlement, however no such borrowing occurred during the year. The Trust Deed also permits the Fund to settle in specie in proportion to the underlying assets, if the redemptions of a unitholder are in excess of 1% of the net asset value of the Fund or €100,000.

In accordance with the Fund’s policy, the Investment Manager monitors the Fund’s liquidity position on a daily basis with the Investment Policy Committee performing a quarterly review. The table below analyses the Fund’s financial liabilities into relevant maturity groupings based on the undiscounted cash flows for the remaining period at the reporting date to the contractual maturity date.

	2024				
		Contractual cash flows			
	Carrying value €	Total €	Up to 1 year €	1 – 5 years €	Over 5 year €
Financial liabilities					
Management fees payable	327	327	327	--	--
Other payables	5,269	5,269	5,269	--	--
Total financial liabilities	5,596	5,596	5,596	--	--

(Expressed in Euro)

9 **Financial risk management (continued)**

c. *Liquidity risk (continued)*

			2023		
		Contractual cash flows			
	Carrying value €	**Total €**	**Up to 1 year €**	**1 – 5 years €**	**Over 5 year €**
Financial liabilities					
Management fees payable	218	218	218	--	--
Other payables	4,819	4,819	4,819	--	--
Total financial liabilities	5,037	5,037	5,037	--	--

d. *Market price risk*

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market. The Fund is exposed to equity securities price risk.

The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The Fund's overall market positions are reviewed on a quarterly basis by the Investment Policy Committee and Board of Directors.

As at 30 June 2024, had equity securities prices increased/decreased by 5% with all variables held constant, net assets attributable to unitholders would have increased/decreased by €12,170 (2023: €11,975).

e. *Interest rate risk*

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 value of a financial instrument will fluctuate because of changes in market interest rates.

The Fund takes on exposure to the effects of fluctuations in prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Investment Policy sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored on a quarterly basis by the Investment Policy Committee and Board of Directors.

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

(Expressed in Euro)

9 Financial risk management (continued)

e. *Interest rate risk (continued)*

2024

	Up to 1 year €	1 – 5 years €	over 5 year €	Non interest bearing €	Total €
Assets					
Investment securities – - FVTPL	393,325	--	835,492	--	1,228,817
Investment income receivable	--	--	--	13,366	13,366
Cash at bank	95,817	--	--	--	95,817
Total financial assets	489,142	--	835,492	13,366	1,338,000
Liabilities					
Management fees payable	--	--	--	327	327
Other payables	--	--	--	5,269	5,269
Total financial liabilities	--	--	--	5,596	5,596

2023

	Up to 1 year €	1 – 5 years €	over 5 year €	Non interest bearing €	Total €
Assets					
Investment securities – - FVTPL	58,271	319,663	500,523	239,500	1,117,957
Investment income receivable	--	--	--	13,769	13,769
Cash at bank	171,529	--	--	--	171,529
Total financial assets	229,800	319,663	500,523	253,269	1,303,255
Liabilities					
Management fees payable	--	--	--	218	218
Other payables	--	--	--	4,819	4,819
Total financial liabilities	--	--	--	5,037	5,037

Sensitivity of possible movements in interest rates

As at 30 June 2024, had the interest rates increased or decreased by 100 basis points with all other variables held constant, the increase or decrease in net assets attributable to unitholders would amount to €52,998 (2023: €40,946), arising substantially from the increase/decrease in market values of debt fixed rate securities.

9 **Financial risk management (continued)**

f. *Currency risk*

Currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund holds assets denominated in currencies other than the euro, the functional currency. The Fund is therefore exposed to currency risk as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Fund’s policy is not to enter into any currency hedging transactions but to manage the risk by limiting the level of non-euro investments. The table below summarises the Fund’s exposure to currency risks. The abbreviations are as follows: COP (Colombian peso), USD (United States dollar), GBP (Great British Pound), and MXN (Mexican peso). These currencies are reported in EURO for both the current and comparative years.

	2024					
	EURO €	**GBP €**	**MXN €**	**COP €**	**USD €**	**Total €**
Assets						
Investment securities - FVTPL	952,832	--	75,086	--	200,899	1,228,817
Investment income receivable	8,647	--	1,503	--	3,216	13,366
Cash at bank	65,983	--	--	--	29,834	95,817
Total financial assets	1,027,462	--	76,589	--	233,949	1,338,000
Liabilities						
Management fees payable	327	--	--	--	--	327
Other payables	5,269	--	--	--	--	5,269
Total financial liabilities	5,596	--	--	--	--	5,596

(Expressed in Euro)

9 **Financial risk management (continued)**

f. *Currency risk (continued)*

2023

	EURO €	**GBP €**	**MXN €**	**COP €**	**USD €**	**Total €**
Assets						
Investment securities - FVTPL	846,004	58,271	78,474	--	135,208	1,117,957
Investment income receivable	9,662	1,276	1,567	--	1,264	13,769
Cash at bank	112,262	--	--	--	59,267	171,529
Total financial assets	967,928	59,547	80,041	--	195,739	1,303,255
Liabilities						
Management fees payable	218	--	--	--	--	218
Other payables	4,819	--	--	--	--	4,819
Total financial liabilities	5,037	--	--	--	--	5,037

Sensitivity of possible movement in select currencies

Stress testing is used as a market risk measurement technique which provides an indication of the potential size of losses that could arise in extreme conditions. The stress tests conducted by the Fund include risk factor testing, where stress movements are applied to each risk category. The US dollar was the major foreign currency to which the Fund had significant exposure. An analysis was conducted to demonstrate the sensitivity to reasonable possible movements of the US dollar against the Euro.

As at 30 June 2024, had the exchange rate between the Euro and other currencies increased or decreased by 20 basis points with all other variables held constant, the increase or decrease in net assets attributable to unitholders would amount to €31,054 (2023: €33,533).

g. *Credit risk*

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit exposures arise principally from investment activities that bring debt securities and other bills into the Fund's asset portfolio.

Credit risk is mitigated to some extent by not limiting the Fund's total exposure to a single currency. The Fund also reduces this risk by prudent credit analysis of issuers to restrict questionable credits in the Fund. The Fund also manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

(Expressed in Euro)

9 **Financial risk management (continued)**

g. *Credit risk (continued)*

The Trustee has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating and are validated, where appropriate, by comparisons with externally available data. The rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. Risk ratings are subject to regular revision. The credit quality review process allows the Trustee to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

(i) *Internal ratings scale and mapping of external ratings.*

Internal Rating	Description of Grade	External rating Standard & Poor's Equivalent
1	Excellent	AAA, AA, A
2	Very good	BBB
3	Good	BB
4	Special mention	B, CCC
5	Unacceptable	CC, C

The rating of the major rating agency shown in the table above are mapped to the internal rating classes based on the long-term average default rates of each external grade. The Fund uses the external ratings where available to benchmark the internal credit risk assessment.

Observed defaults per rating category vary year on year, especially over an economic cycle. Where a credit is not assigned a risk rating under the internal risk rating system and cannot be benchmarked against an international rating, these have been classified as unrated.

(ii) *Maximum exposure to credit risk*

The Fund's exposure to credit risk arises in respect of the following financial instruments.

The table below represents a worst-case scenario of credit risk exposure to the Fund at 30 June 2024 and 2023.

	Maximum exposure	
	2024	**2023**
	€	**€**
Investment securities		
- Government debt securities	149,918	147,847
- Corporate debt securities	835,492	730,610
	985,410	878,457
Investment income receivable		
- Government debt securities	3,700	3,700
- Corporate debt securities	9,666	10,069
	13,366	13,769
Cash at bank	95,817	171,529
	1,094,593	1,063,755

(Expressed in Euro)

9 **Financial risk management (continued)**

g. *Credit risk (continued)*

(iii) *Investment securities and interest income receivable*

Investment securities and investment income receivable are summarised as follows:

	2024		2023	
	Investment Securities	**Interest Income Receivable**	**Investment Securities**	**Income Receivable**
	€	€	€	€
Neither past due nor impaired	1,228,817	13,366	1,117,957	13,769

(iv) *Credit quality*

The credit quality of the investment securities and interest income receivable that are neither past due nor impaired can be assessed by reference to the internal rating system adopted by the Fund. There were no impaired securities as at the year ended 30 June 2024.

	2024			
	Government Debt Securities	**Corporate Debt Securities**	**Equities**	**Total**
	€	€	€	€
1. Excellent (AAA, AA, A)	51,664	74,385	--	126,049
2. Very good (BBB)	178,544	644,308	--	822,852
3. Good (BB)	--	49,875	--	49,875
4. Special mention (B, CCC)	--	--	--	--
5. Unacceptable (CC, C)	--	--	--	--
6. Unrated	--	--	243,407	243,407
Total	230,208	768,568	243,407	1,242,183

	2023			
	Government Debt Securities	**Corporate Debt Securities**	**Equities**	**Total**
	€	€	€	€
1. Excellent (AAA, AA, A)	51,621	71,573	--	123,194
2. Very good (BBB)	99,926	574,110	--	674,036
3. Good (BB)	--	49,298	--	49,298
4. Special mention (B, CCC)	--	44,459	--	44,459
5. Unacceptable (CC, C)	--	--	--	--
6. Unrated	--	--	240,739	240,739
Total	151,547	739,440	240,739	1,131,726

10 Operational risk management

Operational risk is inherent within all business activities. It is the risk of direct or indirect loss arising from lapses in the Trustee's processes, internal controls, personnel, technology and other external factors. Examples include natural disasters, errors and omissions by personnel, and intentional behaviours such as fraud. The Trustee's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and innovation. Operational risk is managed by developing standards and guidelines in the following areas:-

- Appropriate segregation of duties and access
- Reconciling and monitoring of transactions
- Documentation of controls and procedures
- Training and development of staff
- Reporting of operational losses and proposed remedial actions
- Development of contingency plans
- Assessments of the processes
- Business continuity planning

The operational risk framework is supported by a programme of periodic review undertaken by Internal Audit. The results of Internal Audit reviews are discussed with management and summaries are submitted to the Audit Committee on 10 February 2022.

11 Fair value of financial instruments

(a) *Valuation framework*

The Fund has an established control framework with respect to the measurement of fair values. This framework includes oversight by the Investment Management Committee. The main valuation methodology used is the Discounted Cash Flow (DCF) method. The DCF method requires the determination of the following three parameters:

1. projection period;
2. cash flows over the projection period plus terminal value;
3. the discount rate(s).

(b) *Valuation models*

The Fund's financial assets are measured at fair value at the end of each reporting period. The Fund measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from quoted prices).
- Level 3 fair value measurements are those from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in Euro)

11 **Fair value of financial instruments (continued)**

(c) *Fair value of financial assets and liabilities that are not measured at fair value*

Management considers that the carrying amounts of the following financial assets and financial liabilities recognised in these financial statements approximate to their fair values due to short maturities on these instruments. All items below are classified as Level 3 in the fair value hierarchy. Refer to note 2 e (iii) regarding fair value techniques and inputs.

	2024		2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	€	€	€	€
Financial assets				
Investment income receivable	13,366	13,366	13,769	13,769
Cash and cash equivalents	95,817	95,817	171,529	171,529
	109,183	109,183	185,298	185,298
Financial liabilities				
Management fees payable	327	327	218	218
Other payables	5,269	5,269	4,819	4,819
	5,596	5,596	5,037	5,037

The financial instruments not measured at fair value include cash and cash equivalents, investment income receivable, management fees payable and other payables. These are short-term financial assets and financial liabilities whose carrying amounts approximate fair value because of their short-term nature and the high credit quality of counterparties.

(d) *Fair value of financial assets that are measured at fair value on a recurring basis*

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets	Fair Value as at 2024	Fair Value as at 2023	Fair Value Hierarchy	Valuation Technique (S) and Key Inputs (S)
	€	€		
Investment securities	1,228,817	1,117,957	Level 1	Quoted market prices.

12 **Events after the reporting date**

The Trustees have evaluated events occurring after 30 June 2024, in order to assess and determine the need for potential recognition or disclosure in these financial statements. Such events were evaluated through 30 October 2024, the date these financial statements were available to be issued. Based upon this evaluation, the Trustees have determined that there are no subsequent events that requires adjustment to or disclosure in these financial statements.