

Roytrin High Yield Fund Class A – TT Dollar

Financial Statements

30 June 2025

(Expressed in Trinidad and Tobago dollars)

Roytrin High Yield Fund Class A – TT Dollar

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Roytrin High Yield Fund Class A – TT Dollar

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 A – TT Dollar (the Fund), which comprise the statement of financial position as at 30 June 2025, the statement of profit or loss, 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.



Director – RBC Trust (Trinidad and Tobago) Limited

Trustee
26 September 2025



Director – RBC Trust (Trinidad and Tobago) Limited

Trustee
26 September 2025



Independent auditor's report

To the unitholders of Roytrin High Yield Fund Class A – TT Dollar

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Roytrin High Yield Fund Class A – TT Dollar (the Fund) as at 30 June 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 30 June 2025;
- the statement of profit or loss 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.


Port of Spain
Trinidad, West Indies
29 September 2025

Roytrin High Yield Fund Class A - TT Dollar

Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

		As at 30 June	
	Notes	2025 \$	2024 \$
Assets			
Investment securities	5	26,659,339	27,713,520
Investment income receivable		277,905	289,794
Cash and cash equivalents		<u>1,813,119</u>	<u>1,977,277</u>
Total assets		<u>28,750,363</u>	<u>29,980,591</u>
Liabilities			
Management fees payable	10	5,899	6,157
Other payables		<u>51,562</u>	<u>44,681</u>
Total liabilities		<u>57,461</u>	<u>50,838</u>
Net assets		<u>28,692,902</u>	<u>29,929,753</u>
Net assets attributable to unitholders		<u>28,692,902</u>	<u>29,929,753</u>
Number of participating units	6	<u>127,521</u>	<u>137,596</u>
Net asset value per unit		<u>225.005</u>	<u>217.519</u>

The notes on pages 8 to 30 are an integral part of these financial statements.

On 26 September 2025, the Trustee of the Roytrin High Yield Fund Class A – TT Dollar authorised these financial statements for issue.



Director – RBC Trust (Trinidad and Tobago) Limited

Trustee



Director – RBC Trust (Trinidad and Tobago) Limited

Trustee

Roytrin High Yield Fund Class A - TT Dollar

Statement of Profit or Loss

(Expressed in Trinidad and Tobago dollars)

		Year ended 30 June	
	Notes	2025 \$	2024 \$
Income			
Net income from financial instruments at FVTPL	9	<u>1,520,957</u>	<u>1,332,131</u>
Expenses			
Management fees	10	(439,440)	(490,166)
Other administrative expenses		<u>(80,061)</u>	<u>(81,021)</u>
Total expenses		<u>(519,501)</u>	<u>(571,187)</u>
Profit before tax		1,001,456	760,944
Withholding tax expense		<u>(12,854)</u>	<u>(7,239)</u>
Profit after tax		<u><u>988,602</u></u>	<u><u>753,705</u></u>

The notes on pages 8 to 30 are an integral part of these financial statements.

Roytrin High Yield Fund Class A - TT Dollar

Statement of Changes in Net Assets Attributable to Unitholders

(Expressed in Trinidad and Tobago dollars)

	Year ended 30 June	
	2025 \$	2024 \$
Balance as at July 1	<u>29,929,753</u>	<u>34,105,417</u>
Profit after tax	988,602	753,705
Subscriptions	243,829	333,810
Redemptions	<u>(2,469,282)</u>	<u>(5,263,179)</u>
Balance as at June 30	<u><u>28,692,902</u></u>	<u><u>29,929,753</u></u>

The notes on pages 8 to 30 are an integral part of these financial statements.

Roytrin High Yield Fund Class A - TT Dollar

Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars)

		Year ended 30 June	
	Notes	2025 \$	2024 \$
Cash flows from operating activities			
Profit for the year		988,602	753,705
Adjustments for:			
Withholding tax expense		12,854	7,239
Dividend income	9	(100,116)	(109,488)
Interest income	9	(1,203,467)	(1,273,218)
Gain on disposal of investment securities	9	(80,300)	(134,015)
Net unrealised (gain)/loss on revaluation of investment securities		<u>(145,480)</u>	<u>180,087</u>
Net loss before working capital changes		(527,907)	(575,690)
Changes in:			
- Management fees and other payables		6,622	8,334
- Other receivables		--	5,000
Interest received		1,215,356	1,370,884
Dividends received		100,116	109,488
Withholding tax paid		(12,854)	(7,239)
Purchase of investment securities		(2,520,212)	(2,461,877)
Proceeds from disposal of investment securities		<u>3,800,174</u>	<u>7,296,445</u>
Net cash generated from operating activities		<u>2,061,295</u>	<u>5,745,345</u>
Cash flows from financing activities			
Subscriptions received		243,829	333,810
Redemptions		<u>(2,469,282)</u>	<u>(5,263,179)</u>
Net cash used in financing activities		<u>(2,225,453)</u>	<u>(4,929,369)</u>
Net (decrease)/increase in cash and cash equivalents		(164,158)	815,976
Cash and cash equivalents at beginning of year		<u>1,977,277</u>	<u>1,161,301</u>
Cash and cash equivalents at end of year		<u>1,813,119</u>	<u>1,977,277</u>

The notes on pages 8 to 30 are an integral part of these financial statements.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements

30 June 2025

(Expressed in Trinidad and Tobago dollars)

1 Description of the Fund

The following brief description of the Roytrin High Yield Fund Class A – TT 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 \$10,000 and \$500 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 \$1,000,000 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.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

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 measurement*

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fair value through profit or loss (FVTPL) financial assets.

b. *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. 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 4.

c. *Foreign currency transactions*

(i) *Functional and presentation currency*

The financial statements are presented in Trinidad and Tobago dollars which is the Fund's functional and presentational 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.

d. *Investment securities*

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 maximize capital gains.

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. Unrealised gains and losses arising from changes in the fair value of investment securities classified as fair value through profit or loss are recognised in profit or loss. Refer to Note 9.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

2 Material accounting policies (continued)

d. *Investment securities (continued)*

(i) *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 Solely Payments of Principal and Interest (SPPI).

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 investment income and other receivables. 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).

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

2 Material accounting policies (continued)

d. *Investment securities (continued)*

(ii) *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 categorized 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 categorized 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 recognizes 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.

(iii) *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.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

2 Material accounting policies (continued)

e. *Impairment of financial assets*

The Fund utilizes the expected credit loss (ECL) model to determine impairment of financial assets which are classified as financial instruments that are measured at amortised cost.

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flow that the Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12-months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The Fund measures loss allowances at an amount equal to lifetime ECLs, except the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

2 Material accounting policies (continued)

e. *Impairment of financial assets (continued)*

ECL has been determined based on the following inputs, assumptions and techniques used for estimating impairment:

- Probability weightings applied:

The use of comparable instrument types, credit ratings, the probability of default was obtained from S&P, while the Loss Given Default was obtained from Moody.

- Drivers of forward-looking information:

This is a formulation of three scenarios consisting of a central scenario, most likely comparable (with one upside and one downside) and less likely. The drivers for the forward-looking information are GDP annual growth rate, inflation rate and unemployment rate with weightings of 10%, 20% and 70%. External information considered includes economic data and forecasts published by Government, monetary and supranational organisations such as the International Monetary Fund.

- Sensitivity of expected credit losses to future economic conditions:

The ECL is sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations and analysis of loss allowance.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amounts of the assets.

f. *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.

g. *Provisions*

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than 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.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

2 Material accounting policies (continued)

h. *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 one 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 redeemable 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. 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 units meet these conditions and are classified as equity.

i. *Net income from financial instrument at FVTPL*

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

j. *Expenses*

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

k. *Subscriptions and redemptions*

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

l. *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*.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

3 New and Revised IFRS Accounting Standards (IFRS)

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

The following standards and interpretations apply for the Fund's accounting period commencing on or after 1 January 2024:

- *IAS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants*

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 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 entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date.

The Fund does not present its statement of financial position split between current and non-current. The Fund is exposed to the current/non-current distinction only within the notes to the financial statements where maturity disclosures are required. While the Fund may be required to make disclosures about its covenants where breaches will result in the immediate payment of these liabilities, such disclosure is required only where the likelihood of a breach occurring is higher than remote. This is not the case with the Fund, and therefore these amendments had no impact on the financial statement.

- *IAS 7 – Statement of Cash Flows and IFRS 7 Financial Instruments*

The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs') as disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

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

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

3 New and Revised IFRS Accounting Standards (IFRS) (continued)

- b. *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund*

The following is a list of new IFRS reporting standards, interpretations and amendments issued that are not yet effective as at 30 June 2025 and have not been early adopted by the Fund. The Fund expects to implement these standards when they become effective.

Effective 1 January 2025:

- IAS 21, 'The effects of changes in foreign exchange rates' - Amendments - Lack of exchangeability.

Effective 1 January 2026:

- IFRS 9, 'Financial instruments', and IFRS 7, 'Financial instruments: Disclosures' - Amendments - Amendments to the classification and measurement of financial instruments.

Effective 1 January 2027:

- IFRS 18, 'Presentation and disclosure in financial statements'. This is a new IFRS standard replaces IAS 1, 'Presentation of financial statements'.

These amendments are not expected to significantly impact the financial statements of the Fund.

4 Critical accounting estimates and judgments in applying accounting principles

Expected credit losses

The measurement of expected credit loss allowance for financial assets measured at amortised cost requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Fund's expected credit loss calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies as detailed in Note 2(e).

Determination of fair value of unquoted financial assets

The fair values of financial assets that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. See Note 13.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

5	Investment securities at FVTPL	2025	2024
		\$	\$
	Government debt securities	16,892,655	15,929,413
	Corporate debt securities	7,259,490	8,129,986
	Equities	<u>2,507,194</u>	<u>3,654,121</u>
	Total investment securities	<u>26,659,339</u>	<u>27,713,520</u>
	Quoted investment securities	10,150,673	9,941,669
	Unquoted investment securities	<u>16,508,666</u>	<u>17,771,851</u>
		<u>26,659,339</u>	<u>27,713,520</u>
6	Number of participating units	2025	2024
		No.	No.
	Units outstanding at beginning of the year	137,596	160,250
	Subscriptions	1,099	1,537
	Redemptions	<u>(11,174)</u>	<u>(24,191)</u>
	Units outstanding at the end of the year	<u>127,521</u>	<u>137,596</u>

7 Management fees and other administrative expenses

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

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

8 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 were no income distributed to the unit holders for the period. All returns were reinvested (see Note 1).

	2025 %	2024 %
Average rate of return	<u>3.46</u>	<u>2.20</u>

9 Net Income from Financial Instruments at FVTPL

	2025 \$	2024 \$
Investment income	1,303,583	1,382,706
Realised gain on disposals	80,300	134,015
Realised gain/(loss) on foreign exchange	3,788	(4,503)
Unrealised gain/(loss) on revaluation	<u>133,286</u>	<u>(180,087)</u>
	<u>1,520,957</u>	<u>1,332,131</u>

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.

10 Related party transactions

A party is related to the Fund if:

- The party is a subsidiary or an associate of the Fund;
- 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.
- The party is a close family member of a person who is part of key management personnel or who controls the Fund;
- The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Fund;
- The party is a joint venture in which the Fund is a venture partner;
- The party is a member of the Fund's or its Trustee's key management personnel;
- The party is a post-employment benefit plan for Fund's employees.
- The party, or any member of a group of which it is a part, provides key management personnel services to the Fund.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

10 Related party transactions (continued)

The related party balances and transactions are as follows:

	2025 \$	2024 \$
<i><u>Investment manager:</u></i>		
Management fees charged	439,440	490,166
Management fees payable	5,899	6,157
<i><u>Other related parties:</u></i>		
Cash at bank	1,813,119	1,977,277
Net assets attributable to unitholders	6,162,594	5,956,686
Investment securities held in the TT Dollar		
- Roytrin Income and Growth Fund also managed by the Investment Manager	1,540,582	2,743,349
Income from Roytrin Income and Growth Fund	57,270	85,357

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 business relationships.

11 Financial risk management

Financial Instruments

Financial assets includes 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 independent bodies responsible for managing and monitoring risks as follows:

Board of Directors of the Trustee

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 Committee and the Sub-Investment Committee as appropriate.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

a. Risk management (continued)

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.

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:

	2025 %	2024 %
Government	63	57
Corporate	<u>37</u>	<u>43</u>
	<u>100</u>	<u>100</u>

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

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.

2025				
	Mandatorily at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
Cash and cash equivalents	--	1,813,119	--	1,813,119
Investment securities-FVTPL	26,659,339	--	--	26,659,339
Investment income receivable	--	277,905	--	277,905
	<u>26,659,339</u>	<u>2,091,024</u>	<u>--</u>	<u>28,750,363</u>
Management fees payable	--	--	5,899	5,899
Other payables	--	--	51,562	51,562
	<u>--</u>	<u>--</u>	<u>57,461</u>	<u>57,461</u>
2024				
	Mandatorily at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
Cash and cash equivalents	--	1,977,277	--	1,977,277
Investment securities-FVTPL	27,713,520	--	--	27,713,520
Investment income receivable	--	289,794	--	289,794
	<u>27,713,520</u>	<u>2,267,071</u>	<u>--</u>	<u>29,980,591</u>
Management fees payable	--	--	6,157	6,157
Other payables	--	--	44,681	44,681
	<u>--</u>	<u>--</u>	<u>50,838</u>	<u>50,838</u>

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

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 \$1,000,000.

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.

2025				
Carrying value	Contractual cash flows			
	Total	Up to 1 year	1 – 5 years	Over 5 years
\$	\$	\$	\$	\$
Financial liabilities				
Management fees payable	5,899	5,899	5,899	--
Other payables	51,562	51,562	51,562	--
Total financial liabilities	57,461	57,461	57,461	

2024				
Carrying value	Contractual cash flows			
	Total	Up to 1 year	1 – 5 years	Over 5 years
\$	\$	\$	\$	\$
Financial liabilities				
Management fees payable	6,157	6,157	6,157	--
Other payables	44,681	44,681	44,681	--
Total financial liabilities	50,838	50,838	50,838	--

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

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 2025, had equity securities prices increased/decreased by 5% with all variables held constant, net assets attributable to unitholders would have increased/decreased by \$48,331 (2024: \$45,539).

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.

	2025				
	Up to 1 year \$	1-5 years \$	Over 5 years \$	Non- interest bearing \$	Total \$
Financial assets					
Investment securities -					
FVTPL	--	8,321,186	15,830,959	2,507,194	26,659,339
Investment income receivable	--	--	--	277,905	277,905
Cash and cash equivalents	538,766	--	--	1,274,353	1,813,119
Total financial assets	<u>538,766</u>	<u>8,321,186</u>	<u>15,830,959</u>	<u>4,059,452</u>	<u>28,750,363</u>
Financial liabilities					
Management fees payable	--	--	--	5,899	5,899
Other payables	--	--	--	51,562	51,562
Total financial liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>57,461</u>	<u>57,461</u>

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

e. Interest rate risk (continued)

	2024				
	Up to 1 year \$	1-5 years \$	Over 5 years \$	Non- interest bearing \$	Total \$
Financial assets					
Investment securities -					
FVTPL	2,353,874	6,222,399	15,483,126	3,654,121	27,713,520
Investment income receivable	--	--	--	289,794	289,794
Cash and cash equivalents	886,586	--	--	1,090,691	1,977,277
Total financial assets	<u>3,240,460</u>	<u>6,222,399</u>	<u>15,483,126</u>	<u>5,034,606</u>	<u>29,980,591</u>
Financial liabilities					
Management fees payable	--	--	--	6,157	6,157
Other payables	--	--	--	44,681	44,681
Total financial liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>50,838</u>	<u>50,838</u>

Sensitivity of possible movements in interest rates

As at 30 June 2025, 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 \$1,222,467 (2024: \$1,228,983), arising substantially from the increase/decrease in market values of fixed rate debt securities.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 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 TT\$, 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 monitoring the level of non-TT\$ investments. The table below summarises the Fund's exposure to currency risks. The USD and EURO denominated balances are reported in TT dollars for both the current and comparative years.

	2025			
	TTD	USD	EURO	Total
	\$	\$	\$	\$
Financial assets				
Investment securities -				
FVTPL	16,508,666	10,150,673	--	26,659,339
Investment income receivable	172,350	105,555	--	277,905
Cash and cash equivalents	536,840	1,274,353	1,926	1,813,119
Total financial assets	17,217,856	11,530,581	1,926	28,750,363
Financial liabilities				
Management fees payable	5,899	--	--	5,899
Other payables	51,562	--	--	51,562
Total financial liabilities	57,461	--	--	57,461
	2024			
	TTD	USD	EURO	Total
	\$	\$	\$	\$
Financial assets				
Investment securities -				
FVTPL	17,771,851	9,941,669	--	27,713,520
Investment income receivable	170,708	119,086	--	289,794
Cash and cash equivalents	1,088,919	886,586	1,772	1,977,277
Total financial assets	19,031,478	10,947,341	1,772	29,980,591
Financial liabilities				
Management fees payable	6,157	--	--	6,157
Other payables	44,681	--	--	44,681
Total financial liabilities	50,838	--	--	50,838

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

f. *Currency risk (continued)*

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 test conducted by the Fund includes risk factor testing, where stress movements are applied to each foreign currency. 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 TT dollar.

As at 30 June 2025, had the exchange rate between the TT dollar and other currencies increased or decreased by 0.75% (2024: 0.137%) with all other variables held constant, the increase or decrease in net assets attributable to unitholders would amount to \$86,479 (2024: \$14,998).

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 in 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 credit. 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 industry concentrations, and by monitoring exposures in relation to such limits.

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.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

g. Credit risk (continued)

(ii) Maximum exposure to credit risk

The Fund's exposure to credit risk arises in respect of cash and cash equivalents, investment income receivable and investment securities. The table below represents a worst-case scenario of credit risk exposure to the Fund as at 30 June 2025 and 2024.

	Maximum Exposure	
	2025	2024
	\$	\$
Investment securities		
- Government debt securities	16,892,655	15,929,413
- Corporate debt securities	9,766,684	11,784,107
Interest income receivable		
- Government debt securities	188,231	185,850
- Corporate debt securities	89,674	103,944
	26,937,244	28,003,314
- Cash and cash equivalents	1,813,119	1,977,277
	28,750,363	29,980,591

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

11 Financial risk management (continued)

g. Credit risk (continued)

(iii) Credit quality

The credit quality of the investment securities and investment income receivable can be assessed by reference to the internal rating system adopted by the Fund. There were no impaired securities as at 30 June 2025.

2025			
	Government debt securities	Corporate debt securities	Short-term investments and equities
	\$	\$	\$
1. Excellent (AAA, AA, A)	--	1,012,057	--
2. Very good (BBB)	17,080,885	5,219,349	--
3. Good (BB)		1,117,759	--
4. Special mention (B, CCC)	--	--	--
5. Unacceptable (CC, C)	--	--	--
6. Unrated	--	--	2,507,194
Total	17,080,885	7,349,165	2,507,194

2024			
	Government debt securities	Corporate debt securities	Short-term investments and equities
	\$	\$	\$
1. Excellent (AAA, AA, A)	--	657,631	--
2. Very good (BBB)	16,115,262	7,150,183	--
3. Good (BB)			
4. Special mention (B, CCC)	--	426,117	--
5. Unacceptable (CC, C)			
6. Unrated	--	--	3,654,121
Total	16,115,262	8,233,931	3,654,121

12 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:-

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

12 Operational risk management (continued)

- 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. The last Internal Audit Review was completed on 10th February 2022.

13 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).

(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 2 in the fair value hierarchy.

Roytrin High Yield Fund Class A - TT Dollar

Notes to the Financial Statements (continued)

30 June 2025

(Expressed in Trinidad and Tobago dollars)

13 Fair value of financial instruments (continued)

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

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Financial assets				
Investment income receivable	277,905	277,905	289,794	289,794
Cash and cash equivalents	1,813,119	1,813,119	1,977,277	1,977,277
	<u>2,091,024</u>	<u>2,091,024</u>	<u>2,267,071</u>	<u>2,267,071</u>
Financial liabilities				
Management fees payable	5,899	5,899	6,157	6,157
Other payables	51,562	51,562	44,681	44,681
	<u>57,461</u>	<u>57,461</u>	<u>50,838</u>	<u>50,838</u>

The financial instruments not measured at fair value include cash and cash equivalents interest income receivable, management fees payable and other receivables/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		Fair Value Hierarchy	Valuation Technique (S) And Key Inputs (S)
	2025	2024		
	\$	\$		
Investment securities	10,150,673	9,941,669	Level 1	Quoted market prices.
Investment securities	16,508,666	17,771,851	Level 2	These are valued using an internally generated discounted cash flow model. The model considers key inputs from observable yield curves at the end of the reporting period. See note 2d (ii)
	<u>26,659,339</u>	<u>27,713,520</u>		