

ANNUAL REPORT 2023

UTC Global Balanced Fund Limited

The UTC Global Balanced Fund Limited (UTC GBFL) is a licensed US dollar-denominated Collective Investment Scheme (CIS), investing in international and regional stocks and bonds. UTC GBFL is authorized to do business in the Eastern Caribbean Currency Union (ECCU) and is managed by UTC Fund Management Services STL Limited. Through this Fund, investors are provided an opportunity for capital growth and income in a broad range of securities.



CONTENTS

Objectives of UTC Global Balanced Fund Limited	4
Policy for Achieving the Objectives of UTC Global Balanced Fund Limited	5
Security Selection Criteria	5
Statement of Authorization	5
Category of Collective Investment Scheme	6
Investment Activities for the Year Ended December 31, 2023	6
Particulars of Any Significant Change In the Scheme Particulars	6
Statement of the Amount to be Distributed	6
Portfolio Reporting	7
Security Summary	8
Independent Auditors' Report	10
Financial Statements	13
Independent Custodian Report	36

The Company

UTC Global Balanced Fund Limited
Bella Rosa Road
Gros-Islet
St. Lucia, W.I.

The Custodian

Eastern Caribbean Central Securities
Depository
P.O. Box 94
Bird Rock, Basseterre
St. Kitts, W.I.

The Registrar

Eastern Caribbean Central Securities
Depository
P.O. Box 94
Bird Rock, Basseterre
St. Kitts, W.I.

The Auditor

PricewaterhouseCoopers
East Caribbean
Unit 111 Johnsons Centre
No. 2 Bella Rosa Road, P.O. Box
BW304
Gros-Islet
St. Lucia, W.I.

Objectives of UTC Global Balanced Fund Limited

UTC Global Balanced Fund Limited (GBFL) seeks to provide investors with medium to long-term capital growth through investing primarily in debt and equity securities. Generally, the securities will be issued by companies listed on Global, United States (US) and Regional stock exchanges.

Specifically, the primary objective in the investment management of GBFL's Assets is to achieve growth and income by diversifying the portfolio across a range of US equities and Exchange Traded Funds (ETFs) and US Dollar denominated fixed income securities. The specific asset allocation is influenced by a disciplined fundamental, quantitative and technical approach which uncovers investment opportunities. GBFL will vary based on changes in international company fundamentals, momentum, mean reversion, market sentiment, market themes and trends. Also, GBFL overweights and underweights securities in response to prevailing global economic and market conditions as well as the ability of these individual securities to add value to GBFL while simultaneously reducing the level of risks associated with the portfolio. The portfolio composition will be varied to reflect up-market and downmarket scenarios.

Policy for achieving the objectives of UTC Global Balanced Fund Limited

UTC Global Balanced Fund Limited utilizes a top-down macro-economic analysis approach in its forecasting and security selection process. This approach allows the selection of assets for the portfolio to be guided by the current and forecasted economic environment whilst operating within the Fund's guiding regulations and strategic asset allocation.

The policy of the GBFL is to invest in fixed income and equity securities which would generate a risk-adjusted return to investors. Equity securities must be issued by companies listed primarily in the US or other internationally recognized stock exchanges. Fixed Income securities include local, regional and international Government, Corporate and Supranational debt instruments, and money market instruments.

Security Selection Criteria includes but not limited to the following:

- Macro-Economic Indicators
- Key Company Financial Ratios
- Security Income Potential e.g., Dividend Yield
- Company Growth Potential
- Industry and Sector Outlook
- Company Brand Presence
- Company Management Strength
- Other Fundamental Factors
- Risk-Return Factors
- Relative Value
- Other Technical Factors

In general, the following tools in keeping with the investment philosophy of the CIS Manager, will be utilized to optimize risk-adjusted returns:

- under-weighting/over-weighting CIS Assets in sectors in response to macro-economic fundamentals such as GDP growth, interest rates and inflation as well as company fundamentals such as earnings, volatility and dividend yield;
- diversification of CIS Assets across sectors;

Rebalancing of the portfolio will take place as needed to take advantage of economic, industry and financial market conditions and to make adjustments that will bring the portfolio in line with risk-return targets. Investment performance and asset allocations will be reviewed monthly.

Statement of Authorization

UTC Global Balanced Fund Limited is registered in St. Lucia under the Companies Act. Authorization was granted to UTC Global Balanced Fund Limited to operate a Collective Investment Scheme in the Eastern Caribbean Securities Market by the Eastern Caribbean Securities Regulatory Commission on May 24th, 2023. The authorization was granted pursuant to s.107 of the Securities Act, Chapter S13 of Anguilla; and s.108 of the Securities Act: No. 14 of 2001 of Antigua and Barbuda, No. 21 of the Commonwealth of Dominica, Chapter 299A of Grenada, Chapter 11.01 of Montserrat, Chapter 21.16 of Saint Christopher and Nevis, Chapter 12.18 of Saint Lucia and Chapter 261 of Saint Vincent and The Grenadines.

Category of Collective Investment Scheme

A Collective Investment Scheme (CIS) is a type of investment vehicle, which gives investors the opportunity to invest in the stock and fixed income markets without directly owning stocks and shares. This works by allowing multiple investors to pool their money in a single fund. A professional fund manager then selects which assets and securities to invest the fund's pooled cash on behalf of investors. UTC Global Balanced Fund Limited (GBFL) is an open-ended CIS, as such, there is no limit to either the number of shares that can be issued or the life span of the company.

Investment Activities for the Year Ended December 31, 2023

The Fund was made available to the public on 27th November 2023, investment activity began on November 30, 2023. During the reporting period the Fund invested in the following securities:

- Government of St. Lucia USD 7% 8-Year T-Bond (FLG080931)
- iShares 0-3 Month T Bill ETF (SGOV US Equity)
- iShares Floating Rate Bond ETF (FLOT US Equity)
- SPDR Bloomberg 1-3 Month T-Bill ETF (BIL US Equity)

See table below for a summary of the investment activity for the reporting period.

Description	Reference	Nominal	Position Cost (USD)	Price	Capital Value (USD)	Income Value (USD)	Total Value (USD)	Unrealised Profit/(Loss) (USD)
GOVERNMENT OF ST. LUCIA	FLG080931	250,000.00	250,000.00	100.000000	250,000.00	5,784.72	255,784.72	0.00
USD 7% - 8 Year T-Bond	Corp							
ISHARES 0-3 MONTH TREASURY B	SGOV US Equity	48.00	4,835.02	100.270000	4,812.96	0.00	4,812.96	(22.06)
ISHARES FLOATING RATE BOND ETF	FLOT US Equity	95.00	4,830.64	50.620000	4,808.90	0.00	4,808.90	(21.74)
SPDR BLOOMBERG 1-3 MONTH T-B	BIL US Equity	52.00	4,775.97	91.390000	4,752.28	0.00	4,752.28	(23.69)
					264,374.14	5,784.72	270,158.86	(67.49)
					264,374.14	5,784.72	270,158.86	(67.49)

Particulars of any significant change in the scheme particulars

There were no significant changes during the reporting period.

Statement of the amount to be distributed

No distributions have been made to shareholders during the reporting period and no accumulation has been set aside for future distributions.

PORTFOLIO REPORTING

Statement of total number of units at the beginning and end of the reporting period

At the commencement of the reporting period no shares were in issue. Shares were first issued on November 23rd, 2023, and the number share issued was 249,957.36. As at the end of the reporting period, 252,260.88 shares were issued. All shares in issue as at the end of the reporting period were St. Lucia (Koudmen Shares).

Statement of the mid-market value per unit at the beginning and end of the reporting period

The scheme is valued at the end of each business day based on the market value of the assets at the close of each business day.

The mid-market value of per unit of the property of the CIS on the date it was seeded, November 23, 2023, was US\$20.00, and the mid-market value of the property of the CIS as at the end of the reporting period was US\$20.08.

Statement of any subdivision or consolidation of units

Shares have neither been subdivided nor consolidated during the reporting period.

Review of the Statement of Financial Position

The Fund's Net assets attributable to holders of redeemable shares ended the year at US\$5,021,998. The details of the Fund's Statement of Financial Position are presented below.

	Dec-23 US\$	Dec-22 US\$	Variance US\$	Variance %
Assets				
Cash at bank	4,775,524	-	4,775,524	+100
Receivables	5,786	1	5,786	+100
Financial assets at fair value through profit or loss	264,374	-	264,374	+100
Total assets	5,045,684	1	5,045,683	+100
Liabilities				
Accounts payable	(12,500)	-	(12,500)	+100
Due to Fund Manager	(11,186)	-	(11,186)	+100
Liabilities (excluding net assets attributable to holders of redeemable shares)	(23,686)	-	(23,686)	+100
Net assets attributable to holders of redeemable shares	5,021,998	1	5,021,997	+100
Number of units in issue	252,261	-	252,261	+100
Net asset value per unit	\$ 19.90	-	-	+100

SECURITY SUMMARY

Security Descriptions

FLG080931 Government of Saint Lucia Treasury Bond – FLG080931 is an eight-year Government of Saint Lucia (GOSL) Treasury Bond that was issued in September 2023 to assist in funding the capital expenditure budget for fiscal year 2023/2024.

SGOV US Equity - The iShares 0-3 Month Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities less than or equal to three months.

FLOT US Equity - The iShares 0-3 Month Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities less than or equal to three months.

BIL US Equity - The SPDR® Bloomberg 1-3 Month T-Bill ETF seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the Bloomberg 1-3 Month U.S. Treasury Bill Index.

Total cost of purchases of investments

The total cost of the purchases of investments was US\$264,841.62 inclusive of trade commissions.

Total proceeds of sales of investments

No investments of the scheme were sold during the reporting period.

Net Asset Value as at December 31st, 2023

Total Net Asset Value	5,021,998.00
Net Asset Value Per Unit	19.90
Highest Issue Price in 2023	19.99
Lowest Redemption Price in 2023	19.90



FINANCIAL
REPORT



Independent auditors' report

The Directors of UTC Global Balanced Fund Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of UTC Global Balanced Fund Limited (the Fund) as at 31 December 2023, 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 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable shares for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

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 management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers East Caribbean, Unit 111 Johnsons Centre, No. 2 Bella Rosa Road, P.O. Box BW 304, Gros Islet, St. Lucia, West Indies
T: (758) 722 6700, www.pwc.com/bb

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



In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

This report, including the opinion, has been prepared for and only for the Fund in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Castries, St. Lucia
March 27, 2024

UTC GLOBAL BALANCED FUND LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(Expressed in United States dollars)

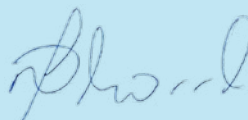
	Notes	2023	2022
Assets			
Cash at bank	3	4,775,524	–
Receivables	4	5,786	1
Financial assets at fair value through profit or loss	5	<u>264,374</u>	<u>–</u>
Total assets		<u>5,045,684</u>	<u>1</u>
Liabilities			
Accounts payable	7	(12,500)	–
Due to Fund Manager	8	<u>(11,186)</u>	<u>–</u>
Liabilities (excluding net assets attributable to holders of redeemable shares)		<u>(23,686)</u>	<u>–</u>
Net assets attributable to holders of redeemable shares	6	<u>5,021,998</u>	<u>1</u>
Number of units in issue		252,261	–
Net asset value per unit		\$ 19.90	–

The notes on pages 5 to 23 are an integral part of these financial statements.

On March 22, 2024, the Board of Directors of UTC Global Balanced Fund Limited authorised these financial statements for issue.



 Director



 Director

UTC GLOBAL BALANCED FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

(Expressed in United States dollars)

	Notes	2023
Income		
Interest income		1,410
Net changes in fair value of financial assets at fair value through profit or loss		<u>(68)</u>
Total income		<u>1,342</u>
Operating expenses		
Management charge	9	(11,186)
Audit Fees		(12,500)
Other operating expenses		<u>(812)</u>
Total operating expenses		<u>(24,498)</u>
Decrease in net assets attributable to holders of redeemable shares from operations		<u>(23,156)</u>

The notes on pages 5 to 23 are an integral part of these financial statements.

UTC GLOBAL BALANCED FUND LIMITED

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the year ended 31 December 2023

(Expressed in United States dollars)

	2023	2022
Net assets attributable to holders of redeemable shares at 1 January	<u>1</u>	<u>—</u>
Proceeds from redeemable shares issued	5,045,193	1
Redemption of redeemable shares	<u>(40)</u>	<u>—</u>
Net increase from share transactions	<u>5,045,153</u>	<u>1</u>
Decrease in net assets attributable to holders of redeemable shares from operations	<u>(23,156)</u>	<u>—</u>
Net assets attributable to holders of redeemable shares at 31 December	<u><u>5,021,998</u></u>	<u><u>1</u></u>

The notes on pages 5 to 23 are an integral part of these financial statements.

UTC GLOBAL BALANCED FUND LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

(Expressed in United States dollars)

	Notes	2023
Cash flows from operating activities		
Decrease in amount attributable to holders of redeemable shares		(23,156)
Adjustments for:		
Interest Income		(1,410)
Net change in financial assets at fair value through profit or loss		<u>68</u>
		(24,498)
Increase in financial assets at fair value through profit or loss		(264,442)
Increase in accounts payable		12,500
Increase in due to Fund Manager		<u>11,186</u>
		(265,254)
Interest paid		<u>(4,375)</u>
Net cash flows used in operating activities		<u>(269,629)</u>
Cash flows from financing activities		
Proceeds from redeemable shares issued		5,045,193
Redemption of redeemable shares		<u>(40)</u>
Net cash flows from financing activities		<u>5,045,153</u>
Net increase in cash		4,775,524
Cash at the beginning of the year		<u>—</u>
Cash at the end of the year		<u><u>4,775,524</u></u>

The notes on pages 5 to 23 are an integral part of these financial statements.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

1. General Information

UTC Global Balanced Fund Limited (the "Fund") was incorporated on 07 June 2021 under the provisions of the Companies Act, Cap. 13.01 of the Revised Laws of Saint Lucia. Its registered office is situated at Bella Rosa Road, Gros Islet, St Lucia.

The Fund was licensed on 24 May 2023 by the Eastern Caribbean Securities Regulatory Commission (ECSRC) to operate as a collective investment scheme in the Eastern Caribbean Securities Market, which comprises the following countries: Anguilla, Antigua and Barbuda, Commonwealth of Dominica, Grenada, Monsterrat, St Kitts & Nevis, St. Lucia and St. Vincent and the Grenadines.

The Fund is managed by UTC Fund Management Services STL Ltd. (the "Fund Manager"), which was incorporated on 07 June 2021. Its licence to perform the functions as management company was granted on 24 May 2023.

Both UTC Fund Management Services STL Ltd and the Fund are wholly owned subsidiaries of the Trinidad and Tobago Unit Trust Corporation (the "Corporation"), an entity established by the Unit Trust Corporation of Trinidad and Tobago Act (the "Act"), Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago. The Corporation's registered office is UTC Financial Centre, 82 Independence Square, Port of Spain, Trinidad and Tobago.

The Custodian is the Eastern Caribbean Central Securities Depository whose registered office is located at 94 Bird Rock, Basseterre, St. Kitts and Nevis.

Operations

Other than the issue of the Class A Governance share, the Fund did not enter into any transactions between its date of incorporation and 31 December 2022 and did not hold any assets or liabilities as at 31 December 2022. The Fund was formally launched on 23 November 2023.

Investment objective

The primary objective of the Fund is to achieve growth and income by diversifying the portfolio across a range of US equities and exchange traded funds (ETFs) and US dollar fixed-income securities.

Authorised share capital

The authorised share capital of the Fund consists of an unlimited number of Investment shares at no par value and two (2) voting Governance shares with no par value designated as one (1) Class A Governance share and one (1) Class B Governance share. The Class A Governance shareholder shall be the Trinidad and Tobago Unit Trust Corporation or its successor, nominee or assignee. The Class B Governance share shall be held by/for and on behalf of the shareholders.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

1. General Information (continued)*Authorised share capital* (continued)

Investment shares may be issued in one or more classes, the terms of which may differ from class to class. The Board of Directors has the power to create additional classes and series of Investment shares in the future. The classes of issued shares are aligned to a specific Eastern Caribbean Currency Union (ECCU) territory. The eight (8) share classes of the Fund are identified below.

Share Class	Alternate Name	Territory
Class: AIA	Valley	Anguilla
Class: AGB	Dadli	Antigua and Barbuda
Class: DOM	Lilyon	Commonwealth of Dominica
Class: GRE	Spice	Grenada
Class: MON	Emerald	Montserrat
Class: SKN	Muiga	St. Kitts & Nevis
Class: SLU	Koudmen	St. Lucia
Class: SVG	Bestique	St. Vincent and the Grenadines

Subscriptions and Redemptions

Participation by investors in the Fund is represented by Investment shares which are equivalent to a proportion of the Fund's net asset value. Each share attracts an equal portion in the net asset value and other benefits of the Fund.

The minimum initial investment is US\$100.00 and the minimum subsequent investment is US\$20.00. Investment shares may be purchased every business day of the respective share class territory, at the offer price determined at the close of the trading day.

Investment shares may be redeemed every business day at the bid price determined at the close of the trading day.

Distributors

Distributors will be assigned to various share classes of the Fund. Each share class may have more than one Distributor.

The primary role of a Distributor is to facilitate the distribution, sales and redemptions of Investment shares on behalf of the Fund. Only licensed Broker-Dealers may distribute the Fund.

Sales or Initial fee

A sales or initial fee of up to 5% of the net asset value on all shares issued to the public will be payable by the investor to the Fund Manager.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

1. General Information (continued)*Management charge*

The Fund Manager may charge a fee based on the net asset value of the Fund at an amount of no more than 2%.

2. Material Accounting Policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year presented.

a) Basis of Preparation

- i. The financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:
 - IFRS Accounting Standards
 - International Accounting Standards (IASs)
 - Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).
- ii. The Financial Statements have been prepared under the historical cost convention as modified by financial assets measured at fair value through profit or loss (FVPL). The methods used to fair value the Fund's financial assets are provided at Note 2 (d).
- iii. The performance of the Fund is measured and reported to the investors in United States Dollars. Accordingly, the Board of Directors considers the United States Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and has designated the United States Dollar as the Fund's functional and presentation currency.
- iv. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. There were no areas involving a high degree of judgement, or assumptions and estimates that were significant to the financial statements.

b) Changes in Accounting Policies and Disclosures*New standards, amendments and interpretations*

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**b) Changes in Accounting Policies and Disclosures** (continued)*New standards, amendments and interpretations* (continued)

Although these new amendments and interpretations apply for the first time in 2023, they did not have a material impact on the financial statements of the Fund. These are also described in more detail below. The Fund has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

*New published standards effective from 1 January 2023:***i. Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies**

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments had no impact on the financial statements of the Fund in the financial year 2023. The Fund continues to disclose its material accounting policies.

ii Amendments to IAS 8 – Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Fund's financial statements.

New published standards not yet effective and not early adopted:

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

i Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Effective 1 January 2024**ii Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements – Effective 1 January 2024**

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**b) Changes in Accounting Policies and Disclosures** (continued)*New published standards not yet effective and not early adopted:* (continued)

iii Amendments to IAS 21 – Lack of exchangeability – Effective 1 January 2025

c) Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

Financial Assets**i) Classification**

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The receipt of contractual cash flows and the purchase and sale of the financial assets in the portfolios, are incidental to the objectives of the investment portfolio.

As such, the Fund classifies all of its investment portfolio as financial assets at fair value through profit or loss.

ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the Statement of Comprehensive Income within Net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**c) Financial Instruments** (continued)**Financial Assets** (continued)**ii) Recognition, derecognition and measurement** (continued)

Interest on debt securities at FVPL is recognised in the Statement of Comprehensive Income.

Dividend income from financial assets at FVPL is recognised in the Statement of Comprehensive Income within dividend income when:

- i. the right to receive a dividend payment is established;
- ii. it is probable that the economic benefits associated with the dividend will flow to the Fund;
- iii. the amount of the dividend can be reliably measured.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

The Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

Financial Liabilities**i) Initial recognition and subsequent measurement**

The Fund recognises a financial liability when it becomes party to the contractual obligations of the financial instrument. The Fund determines the classification of its financial liabilities at initial recognition.

ii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Comprehensive Income.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**d) Fair Value Measurement***Valuation framework*

The Group has established a control framework for the measurement of fair values. The framework includes a valuation team that is independent of front office management. The valuation team reports to a Group's Valuation Committee comprising the Chief Financial Officer, Chief Risk Officer and other senior officers. On a monthly basis, the Group's Valuation Committee reviews the prices for non-traded bonds prior to incorporation into the Fund, while a meeting is held quarterly, or more frequently as required, to discuss and approve the fair value of assets in the Fund. The Group's Valuation Committee reports to the Group's Audit Committee in relation to significant changes to the valuation methodology.

Valuation techniques

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, EBITDA multiples and revenue multiples and expected price volatilities and correlations.

The Fund uses valuation models that use observable market data for determining the fair value of its financial instruments. Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the debt, equity and exchange-traded funds and is prone to changes based on specific events and general conditions in the financial markets.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**d) Fair Value Measurement** (continued)*Valuation techniques* (continued)

For more complex instruments, the Fund uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Fund believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Fund and the counterparty where appropriate.

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded.

An active market is a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. For all other financial instruments, the Fund determines fair values using other valuation techniques.

Fair value hierarchy

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- **Level 1** - Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**d) Fair Value Measurement** (continued)*Fair value hierarchy* (continued)

- **Level 3** - Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions such as trading comparables, transaction comparables are required to reflect differences between the instruments.

The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

*Valuation techniques for specific instruments**Equities and Exchange traded Funds (ETFs) in active markets*

The fair value of equities traded in active markets is based on unadjusted quoted prices at the close of trading on the reporting date and categorised as Level 1.

Traded local and foreign bonds

Where quoted prices in an active market are available at the measurement date, those prices are used (Level 1 measurement). The Fund measures instruments quoted in an active market at the closing price at the measurement date, because this price provides a reasonable approximation of the price that would be received to sell the bonds between market participants.

Unquoted local bonds

The Fund uses an internally developed model to value unquoted local bonds. Management reviews the model regularly to incorporate enhancements in line with established best practice. The internally developed model includes the following features:

- Application of bootstrapping methodology to construct a zero-coupon yield curve; previously the Fund used par yield curves.
- Use of an extrapolation function to estimate the short end of the yield curve.
- Incorporation of industry specific spreads and credit ratings. The Fund now uses the Global Industry Classification Standard (GICS) to estimate the spread desirable for each bond.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**d) Fair Value Measurement** (continued)*Valuation techniques for specific instruments* (continued)

The output of any valuation model is an estimate of a value that cannot be determined with certainty. As such the valuation may vary significantly from the value that would be realised in an actual transaction. Valuations based on the model are categorised as Level 2.

Categorisation of short-term investments

The Fund's short-term investments are assumed to be encashable/tradeable at their carrying value and are categorised as Level 1.

Receivables, payables and short-term liabilities

The carrying value of receivables and payables, which are of a short-term nature, are assumed to approximate their fair values.

e) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable from investment and trading activities in the ordinary course of the fund's activities. Revenue is recognized to the extent that it is probable the economic benefits will flow to the fund and the revenue can be reliably measured. The specific recognition criteria are described below:

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Fund, and the amount of the dividend can be measured reliably.

Gain or loss on sale of investments

Gain or loss on sale of investments is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognized in the Statement of Comprehensive Income.

f) Taxation

Taxes are recognised as an expense in the Statement of Comprehensive Income in the period in which they occur.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

2. Material Accounting Policies (continued)**g) Foreign Currency Translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within Net changes in fair value of financial assets at fair value through profit or loss.

3 Cash at bank

	2023
Balance as at 31 December	<u>4,775,524</u>

Cash at bank represents the balances of the accounts held in the various financial institutions as at 31 December. Cash at banks earns interest at floating rates based on daily bank deposit rates.

4. Receivables

	2023
Interest receivable	5,785
Other receivable	<u>1</u>
Total	<u>5,786</u>

5 Financial assets at fair value through profit or loss

Summaries of the financial assets at fair value through profit or loss held by the Fund are provided by investment type and classification below.

	2023
Bond	250,000
Exchange traded funds (ETFs)	<u>14,374</u>
Total	<u>264,374</u>

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

6 Redeemable shares

The Class A Governance share was issued to the Corporation on 27 June 2022. The Class B Governance share has not yet been issued.

The shares issued by the Fund are provided in the tables below.

	2022
	Shares
	\$
At 1 January	–
Issue of Class A Governance share	<u>1</u>
At 31 December	<u>1</u>
	2023
	Shares
	\$
At 1 January	1
Issue of Investment shares	5,045,193
Redemption of Investment shares	<u>(40)</u>
At 31 December	<u>5,045,154</u>
Decrease in net assets attributable to holders of redeemable shares from operations	<u>(23,156)</u>
Net assets attributable to holders of redeemable shares at 31 December	<u><u>5,021,998</u></u>

For the period ended 31 December 2023, only Class: SLU Investment shares were issued.

7 Accounts Payable

	2023
Audit Fees	<u>12,500</u>

8 Due to Fund Manager

	2023
Management charge payable	<u>11,186</u>

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

9 Related party transactions

Parties are considered related if:

- (a) one entity has the ability to control the other entity or exercise significant influence over the other entity in making financial or operational decisions and
- (b) the entity and the reporting entity are members of the same group which means that each parent, subsidiary and fellow subsidiary is related to the others.

Transaction between the Fund and its related parties**2023**

\$

Redeemable Shares

Investment Shares	5,000,000
-------------------	-----------

On 18 April 2023, the Parent provided the initial funding of \$5 million, which was subsequently converted into Investment shares.

The Fund is managed by UTC Fund Management Services STL Ltd. Total management fees due from the Fund for the period, and outstanding as at 31 December 2023, amounted to \$11,186 or 2% of the year end fund size.

No director fees were paid or accrued for the year ended 31 December 2023.

10. Fair Value of Financial Instruments**a) Determination of fair value and fair value hierarchies**

The Fund uses a valuation hierarchy to rank the fair value of its financial assets at fair value through profit and loss (see Note 2 (d)), as analysed below.

2023	Level 1	Level 2	Level 3	Total
Bond	–	250,000	–	250,000
Exchange traded funds (ETFs)	14,374	–	–	14,374
	14,374	250,000	–	264,374

b) Transfers between Fair Value Hierarchy Levels

At each reporting date the Fund assesses the fair value hierarchy of its financial instruments. A transfer between levels will occur when a financial instrument no longer meets the criteria in which the financial instrument is classified.

There were no transfers between fair value hierarchy levels during 2023.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

10. Fair Value of Financial Instruments (continued)**c) Valuation Techniques used to derive Level 3 Fair Values**

The valuation techniques used by the Fund to arrive at the fair value of Level 3 investments are set out in Note 2(d). There were no financial assets at fair value through profit and loss determined as Level 3 for the year ended 31 December 2023.

11. Risk Management**Risk Management Framework**

The Fund's investment activities expose it to a variety of financial risks. The Board of Directors of the Group has established policies, procedures, an Audit Committee and a Strategic Risk and Compliance Committee (SRCC) to identify, assess and manage these risks to safeguard the interests of all stakeholders and to achieve strategic objectives.

The Group's SRCC meets at least once per quarter and is responsible for overseeing the Fund's risk management and compliance frameworks, programs and supporting policies.

The Group's Audit Committee is responsible for discharging independent oversight of the Fund's financial reports and the Fund's compliance with statutory and regulatory requirements. The Group's Audit Committee is also responsible for ensuring that Management has:

- maintained the reliability and integrity of the accounting policies and financial reporting and disclosure practices.
- established and maintained processes to assure that an adequate system of internal control is functioning within the Fund.

Risk Exposures

The primary risks to which the Fund is exposed are:

- i. market risk – which comprises:
 - bond price risk
 - equity and exchange traded funds (ETF) price risk
 - interest rate risk
- ii. credit risk
- iii. liquidity risk; and
- iv. operational risk

In alignment with the Risk Management Framework, these risk exposures are managed on an ongoing basis. Risks are monitored to determine compliance with approved risk tolerances and to ensure appropriate corrective actions are implemented when necessary.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

11. Risk Management (continued)**Market Risk**

Market risk is the risk that changes in market prices for example, bond prices, foreign exchange rates and interest rates, will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Bond Price Risk

Bond price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

Equity and ETF Price Risk

Equity and ETF price risk is the risk that the fair value of equities/ETFs decreases as a result of changes in the market prices for these securities.

The Fund has holdings of ETFs all of which are traded on the NYSE. Negative equity price movements in the equity markets can subject the portfolios to decreases in their net asset values. This risk is managed by:

- i. careful asset allocation and security selection;
- ii. daily monitoring of security prices; and
- iii. monitoring and measurement of each portfolio's price risk exposure.

The impact of a change in interest rates of 1% or 100 basis points using modified duration as at 31 December 2023 is \$81.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest rate risk exposure arises primarily on fixed rate debt securities held.

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

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

11. Risk Management (continued)**Interest Rate Risk** (continued)

At 31 December 2023	Less than one year	Between one and five years	Over five years	Non interest bearing	Total
Assets					
Cash at bank	4,775,524	–	–	–	4,775,524
Receivables	–	–	–	5,786	5,786
Financial assets at fair value through profit or loss	–	–	250,000	14,374	264,374
	<u>4,775,524</u>	<u>–</u>	<u>250,000</u>	<u>20,160</u>	<u>5,045,684</u>
Liabilities					
Due to management company	–	–	–	11,186	11,186
	<u>–</u>	<u>–</u>	<u>–</u>	<u>11,186</u>	<u>11,186</u>
Net interest repricing gap	<u>4,775,524</u>	<u>–</u>	<u>250,000</u>	<u>8,974</u>	<u>5,034,498</u>

Average effective yields by the earlier of the contractual re-pricing or maturity dates:

	Within 3 months %	3-12 months %	1 to 5 years %	Over 5 years %	Weighted Average %
2023					
Bonds	–	–	–	7	7

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund is exposed to credit risk primarily on debt securities and bank balances. The carrying value of these assets represents the Fund's maximum exposure to credit risk on financial instruments on the respective reporting dates.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

11. Risk Management (continued)**Credit Risk** (continued)

Credit risk is managed by:

- i. subjecting counterparties to robust credit risk assessments prior to initial acquisition;
- ii. limiting the acquisition or retention of debt instruments to certain credit ratings;
- iii. regular review, measurement and monitoring of counterparties' credit ratings; and
- iv. placing limits on the amount of risk accepted in relation to a single counterparty or group of related counterparties and to geographical segments.

The quality of the Fund's debt securities and bank balances are analysed in the table below into high, moderate and low using ratings primarily from recognised international rating agencies and regional rating agencies for either the instrument, the issuer, the sponsor in the case of bond ETFs or the sovereign in the case of state-owned entities.

The security ratings by S&P and their corresponding impact on the credit quality on the financial assets at fair value through profit and loss are:

- ratings with AAA to BBB- are considered high credit quality instruments
- ratings with BB+ to B- are considered medium credit quality instruments
- ratings with CCC+ and below are considered low credit quality instruments

In instances where an investment security is not rated by an international rating agency and has not been assigned a rating under the internal rating system, it is classified as 'Unrated'.

An analysis of security ratings is presented in the table below.

2023	High	Medium	Low	Unrated	Total
Cash at Bank	4,775,524	–	–	–	4,775,524
Bonds	–	–	–	250,000	250,000
Total	<u>4,775,524</u>	<u>–</u>	<u>–</u>	<u>250,000</u>	<u>5,025,524</u>

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

11. Risk Management (continued)**Credit Risk** (continued)

The Fund mitigates the risk of credit loss by trading in ETFs issued and managed by reputable establishments. The Managers of the ETFs held by the segregated portfolios are shown in the table below.

	2023
ETF Manager	
Black Rock	9,622
State Street	<u>4,752</u>
Total	<u><u>14,374</u></u>

Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The requirement to redeem shares on a daily basis can be a source of liquidity risk.

The Fund Manager monitors the Fund's liquidity position on a daily basis. The tables below analyse the Fund's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position date. The amounts in the tables below are the contractual undiscounted cash flows.

	Within 1 year
At 31 December 2023	
Redeemable shares	5,045,154
Due to Fund Manager	<u>11,186</u>
Total	<u><u>5,056,340</u></u>

Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. This is inherent within all business activities and has the potential for financial or reputational loss, this includes errors, omissions, disasters and fraud. It is managed through a combination of systems, processes and controls.

The Fund maintains a comprehensive business continuity program that enables it to be agile in responding to the various business continuity threats/operational disruptions that may arise.

UTC GLOBAL BALANCED FUND LIMITED

Notes to the Financial Statements

For the year ended 31 December 2023

(Expressed in United States dollars)

11. Risk Management (continued)**Operational Risk** (continued)

Managing information/cyber security risks remains a priority. The Fund maintains an Information Security Program to respond to the ever-evolving cyber threat landscape. The organization continues to monitor and enhance its security posture and implements relevant controls and mitigants to reduce the impacts of cyber incidents.

12. Capital Management

The Fund's capital consists of Share capital and Retained earnings. The Fund's objectives when managing capital are:

- i. to comply with the capital requirements stipulated by the regulators;
- ii. to safeguard the Fund's ability to continue as a going concern; and
- iii. to provide attractive risk adjusted returns.

13. Events after the Reporting Period

There were no material events after the statement of financial position date of 31 December 2023 which required recording or disclosure in the financial statements of the Fund as at 22 March 2024.

14. Approval of the Financial Statements

These Financial Statements were approved by the Board of Directors and authorised for issue on 22 March 2024.

Independent Custodian Report

To the Participants of

THE UTC GLOBAL BALANCED FUND LIMITED

Scope

In accordance with Regulation 17(14(c) of the Securities (Collective Investment Scheme) Regulations (“Regulations”), the Eastern Caribbean Central Securities Depository Ltd (ECCSD), as the Custodian of the UTC Global Balanced Fund Limited (“the Fund”), is required to issue a report to the Fund’s participants, to be included in the annual report, on whether the Management Company has, in all material respects:

- managed the Fund in accordance with the Regulations and formation documents; and
- if the Management Company has not done so, the respects in which it has not done so and the steps which the Custodian has taken in respect thereof.

Responsibilities of the Custodian

As the independent Custodian to the UTC Global Balanced Fund Limited, the ECCSD acts solely in the interests of the participants and takes reasonable care to ensure that the Fund is managed by the management company, UTC Fund Management Services STL Limited (“Management Company”), in accordance with the Regulations and the formation documents of the Fund.

Our responsibilities also include ensuring that:

- a) the property of the Fund is invested, and its income is applied, in accordance with the Regulations and the Fund’s formation documents.
- b) the value of the units is calculated by the Management Company, and the methods adopted in calculating the value of units are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices are calculated in accordance with the Regulations and of the formation documents.
- c) the instructions of the Management Company in respect of investments are carried out unless they are in conflict with the provisions of the Fund’s particulars or formation documents.
- d) any investment and borrowing limitations set out in the Regulations and the formation documents, and the conditions under which the Fund was authorised, are complied with.
- e) unit certificates are issued only when subscription monies have been paid and registrable investments which are held for participants in the Fund are properly registered in the names of the participants or, with the consent of the participants, in the name of an eligible nominee.
- f) where the title to investments is recorded electronically, entitlements are separately identified from those of the Management Company in the records of the person maintaining records of entitlement.

Assets Held by Custodian

As an independent Custodian, the ECCSD remains committed to the safekeeping, segregation, reporting and smooth operation of the Fund's securities, cash, and other assets. We ensure that these assets are properly accounted for and protected against any theft, loss, or unauthorized access; and as gatekeepers, we protect the interest of the Fund's participants.

The ECCSD holds the Fund's assets through appointed sub-Custodians and approved local, regional and international depositories and financial institutions. Effective June 22, 2023, the Trinidad and Tobago Central Depository Ltd (TTCD), with the approval of the Management Company, was appointed as the sub-Custodian to the Fund.

The TTCD is a self-regulatory organisation, licensed in Trinidad and Tobago and regulated by the Trinidad and Tobago Securities and Exchange Commission (TTSEC). The TTCD, as the sub-custodian, acts under the instructions of the Custodian and holds the assets of the Fund in the name of the Custodian on behalf of the Fund.

There were no restrictions and/or liens on the assets held by the Custodian


Opinion

The ECCSD, as Custodian, must act honestly, fairly, professionally, independently and in the interests of the participants of the Fund.

The ECCSD also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the formation documents and the regulations in relation to the investment powers applicable to the Management Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as the independent Custodian of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the:

- a) Fund is managed in accordance with the Regulations and formation documents; and
- b) Management Company has observed the investment and borrowing powers and restrictions set out in the Regulations and formation documents.



Eastern Caribbean Central Securities Depository Limited

St Kitts

04 April 2024.

UTC | GLOBAL
BALANCED
FUND
LIMITED