

The background of the entire page is a faded, artistic photograph. It depicts a person's hands holding a small globe of the Earth. The person's face is partially visible, looking down at the globe. In the background, there are jagged, snow-capped mountains under a cloudy sky. The overall color palette is muted, with blues, greys, and whites, except for the red title box.

# 2024

Annual Report



GLOBAL  
BALANCED  
FUND  
LIMITED

## UTC Global Balanced Fund Limited

The UTC Global Balanced Fund Limited (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.



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## Management Company Report

### 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 BW 304,  
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 and governments 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 Global 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's investment strategy will vary based on changes in economic performance, 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

*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 and geographies 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 and geographically;  
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, and as such, there is no limit to either the number of shares that can be issued or the life span of the company.

## 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.

## STATEMENT OF TOTAL NUMBER OF UNITS AT THE BEGINNING AND END OF THE REPORTING PERIOD

At the commencement of the reporting period, 252,260.8823 shares were issued. At the end of the reporting period, 286,602.4424 shares were issued. The shares issued as at the end of the reporting period were St. Lucia (Koudmen Shares) and St. Vincent & the Grenadines (Bestique 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 per unit of the property of the CIS at the end of the reporting period was US\$21.20.

## STATEMENT OF ANY SUBDIVISION OR CONSOLIDATION OF UNITS

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

## FUND PERFORMANCE HIGHLIGHTS

Description	2024	2023
Total Net Asset Value	6,433,553	5,021,997
Net Asset Value Per Unit	22.44	19.90
Highest Issue Price	22.97	20.00
Lowest Redemption Price	19.85	19.99
Total Number of Units	286,602	252,261
Mid-Market Value	21.20	19.98

## FUND PERFORMANCE REPORT

### Dear Shareholders,

As we reflect on the Fund's inaugural year, we are proud to have achieved a significant milestone with the launch of the first mutual fund of its kind in the Eastern Caribbean. This pioneering accomplishment has not only brought meaningful benefits to you, our investors, but also marked a major step forward in expanding access to diversified investment opportunities across the region.

With a strategic allocation across international equities, international bonds, and regional fixed income instruments, the Fund has established a strong foundation in its first full year of operations. The economic and capital market environment in 2024 was marked by dynamic change, presenting both headwinds and opportunities. Through a backdrop of moderating global growth, geopolitical tensions, shifting monetary policy, and the U.S. Presidential election, our priority remained clear: the preservation and prudent growth of your capital. Guided by disciplined investment and risk management practices, and supported by robust research, we navigated the year's challenges while actively pursuing opportunities aligned with our long-term objectives. This report provides insights into the global economic landscape of 2024, our investment strategy, and how it has shaped the performance of your Fund.

## ECONOMIC AND CAPITAL MARKET REVIEW 2024

### Global

#### *Steady Albeit Muted Global Growth*

Global economic growth marginally dipped to 3.2% in 2024, down from a revised 3.3% in 2023. This outturn was primarily driven by a minor decrease in growth in emerging market economies, while growth in advanced economies remained subdued. According to the International Monetary Fund (IMF), the growth rate for emerging market economies in 2024 was 4.2%, down from 4.4% in 2023. In contrast, economic growth in advanced economies held steady at 1.7% in 2024, unchanged from the previous year.

#### *Resilience of the U.S. economy*

The U.S. economy delivered stronger-than-expected real GDP growth of 2.8% in 2024, albeit marginally lower than the 2.9% growth in 2023. This was achieved against the backdrop of falling, though still above-target inflation, favourable labour market conditions, and improved consumer and investor sentiment. As a result, the recession fears that loomed over financial markets for much of 2023 and early 2024 significantly receded, and the economy appeared well-poised for a soft landing. In order to bolster the labour market, the U.S. Federal Reserve implemented a 50-basis point reduction in interest rates in September, followed by 25-basis point rate cuts in November and December, totalling 100 basis points for the year. The labour market remained resilient with solid payroll growth, historically low unemployment, and rising wages.



## ECONOMIC AND CAPITAL MARKET REVIEW 2024

### *U.S. Equities and Bond Yields Rally*

After Donald Trump's election victory on November 5th, 2024, U.S. markets responded positively, with all three major equity indices reaching record highs. Investor sentiment was driven by optimism about the incoming Trump administration's economic policies, such as proposed corporate tax cuts and deregulation. Despite a minor pullback in December due to investor profit-taking and concerns over the Fed's downward revision of projected rate cuts for 2025, the year 2024 was another strong one for U.S. equities. The S&P 500, NASDAQ, and DJIA composite indices posted gains of 23.31%, 28.64%, and 12.88%, respectively. Notably, much of the gains for the S&P 500 and NASDAQ Composite Indices were driven by a group of predominantly mega-cap technology companies, known as the "Magnificent Seven." From a sector standpoint, ten of the eleven S&P 500 sectors posted positive returns in 2024. On a global scale, U.S. equities continued to outperform other major indices. The benchmark S&P 500 Index outpaced the MSCI World Index, STOXX Europe 600 Index, Japan's Nikkei 225 Index, and China's Shanghai Composite Index, which gained 17.0%, 8.8%, 19.2%, and 12.7%, respectively.

On the fixed income side, bonds in 2024 traded at their highest yields in a decade, offering attractive income-driven returns. The U.S. 10-year Treasury yield, in particular, rose by 69 basis points in 2024, increasing from 3.88% at the start of the year to 4.57% by the end of the year. However, elevated yields depressed fixed-income portfolio valuations, ultimately weighing on overall returns for this asset class, which were lower than in 2023.

### **Regional**

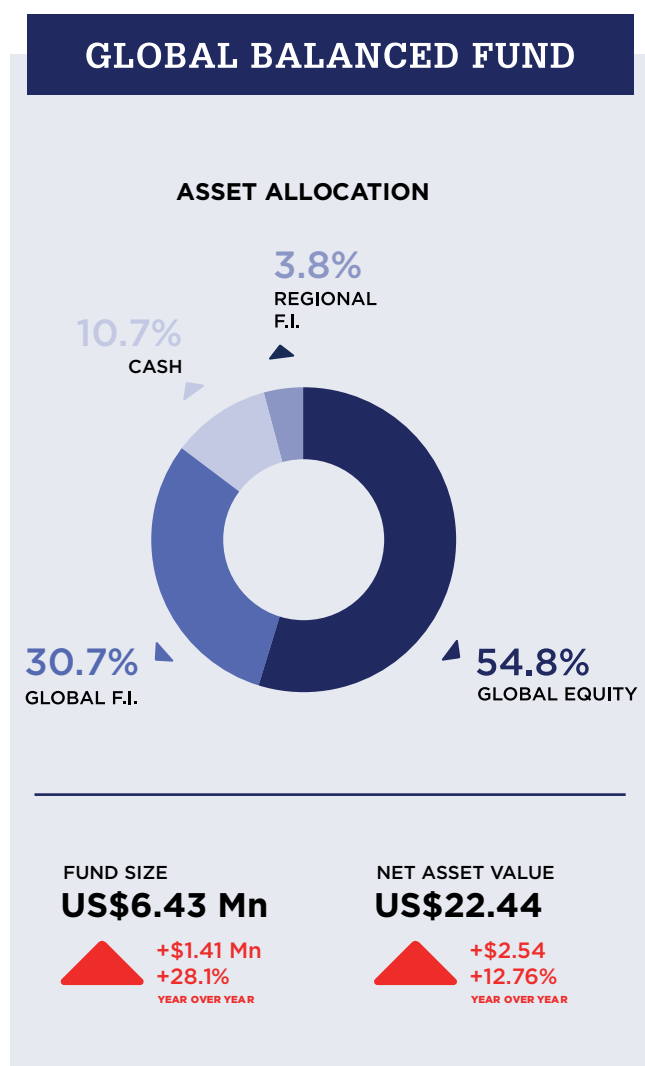
The Economic Commission for Latin America and the Caribbean (ECLAC) has estimated that the Caribbean region experienced GDP growth of 8.4% in 2024. However, when excluding the exceptional outlier effect of Guyana's performance, the region's overall growth rate is estimated to be more modest, at around 2.6%. Meanwhile, economic growth in the Eastern Caribbean Currency Union (ECCU) was estimated at 5% in 2024. This growth was largely fuelled by strong performances in the tourism and construction sectors, both of which continued to show resilience and expansion throughout the year, contributing significantly to the region's overall economic performance.

## FUND PERFORMANCE REVIEW

In 2024, the GBFL delivered a net return of 12.76% to unitholders as global equity markets, especially in the U.S., had another exceptional year. The Fund's performance was bolstered by strategic positions in top-performing U.S. sectors, particularly Information Technology and Communication Services. Regarding the fixed income component of the Fund—which primarily comprised high-quality, highly liquid, short-term U.S. securities such as Treasury bills and short-term bond ETFs—duration was actively managed to balance short-term gains with long-term performance objectives. This approach was particularly important as, despite the U.S. Federal Reserve cutting interest rates by a total of 100 basis points since September 2024—bringing the Fed Funds target range down to 4.25%–4.50%—U.S. Treasury yields had risen, necessitating careful duration positioning.

The Fund also saw a remarkable 28.1% increase in fund size, moving from US\$5.02 million in 2023 to US\$6.43 million by the end of 2024. This was attributable to a combination of new investments in the Fund as well as capital appreciation of the Fund's investment securities during the year.

Given the risk-on sentiment that characterized global capital and financial markets, the Fund maintained a higher allocation to risk assets—namely global and U.S. equities—over lower-risk alternatives. As a result, the Fund's asset allocation as of December 31, 2024, was 54.80% in global equities, 30.66% in global fixed income, 3.8% in regional fixed income, and 10.65% in cash and cash equivalents.



## MACROECONOMIC OUTLOOK FOR 2025

### Global

The IMF's January 2025 World Economic Outlook projects global growth at 3.3% for both 2025 and 2026. Growth in emerging market and developing economies is expected to remain flat at 4.2%, while advanced economies will see modest growth of 0.2% to 1.9%. The IMF also notes that despite the global decline in inflation, growing risks—such as geopolitical conflicts, tight monetary policies, financial market volatility, sovereign debt issues, slower growth in China, and increasing protectionism—are overshadowing the economic outlook and could hinder future growth.

### U.S.

Despite a rise in equity market volatility and waning consumer and business confidence in the first quarter of 2025, there is no clear evidence at the time of this report of an imminent U.S. recession. While risks to growth persist, particularly from trade tensions and tariffs, these factors are expected to weigh on growth rather than trigger a recession. As a result, growth is expected to remain positive overall in 2025, though at a more moderate pace compared to last year, with the IMF projecting a growth rate of 2.7%. The primary concern remains the impact of increased trade barriers and protectionism on economic momentum. Additionally, despite a recent uptick in probability, the chance of a U.S. recession remains relatively low at 30% at the end of March according to Bloomberg. Inflation has continued on a downward trajectory, though it remains outside of the Fed's preferred target range. Based on this trend, market analysts and Fed officials anticipate at least two rate cuts in 2025. The stability of the labour market should also help reduce the risk of a significant decline in consumer spending.

### Regional

The Eastern Caribbean Central Bank (ECCB) projects the ECCU's 2025 growth to remain positive, with an expected range of 3.5% to 4.5%. This growth will be driven by strong tourism activity, post-Hurricane Beryl reconstruction, and investments in infrastructure. For the wider Caribbean region, the Economic Commission for Latin America and the Caribbean (ECLAC) forecasts GDP growth of 2.3% in 2025 (excluding Guyana). The IMF anticipates that inflation will remain moderate across both tourism- and non-tourism-dependent Caribbean economies, driven by falling commodity prices and the easing of supply chain disruptions. However, the 10% baseline tariff imposed by the U.S. on imports from all countries, along with additional higher tariffs on select countries presents a significant risk of increased price pressures in the region.

### *Looking Ahead*

We successfully navigated a year of evolving global and regional market conditions, laying a strong foundation in the Fund's first full year of operations. As we look ahead, we remain mindful of the potential uncertainties, including global economic shifts, geopolitical developments, and regional financial market dynamics.

Our team remains vigilant—actively monitoring the landscape, adapting our strategies, and positioning the Fund to align with its long-term objectives. Through disciplined investment practices and prudent risk management, we are committed to preserving and growing your capital, while delivering sustainable value to you, our unitholders. We are grateful for the trust you have placed in us and look forward to building on this important first chapter.

### UTC FUND MANAGEMENT SERVICES

## PORTFOLIO STATEMENT

### SECURITY DESCRIPTIONS

#### 1. Equity ETFs

These are exchange-traded funds that provide diversified exposure to equity markets, either broadly (e.g., entire indices like the S&P 500) or by specific sectors (e.g., technology, financials, consumer staples). The underlying securities within these funds are shares of publicly listed companies. Equity ETFs offer liquidity, cost efficiency, and built-in diversification. These instruments are passively managed and are traded on major stock exchanges.

#### 2. Fixed Income ETFs

Fixed income exchange-traded funds invest in portfolios of debt securities such as government bonds, investment-grade corporate bonds, and short-term interest-bearing instruments. These funds are structured to provide regular income while managing credit and interest rate risk. They are also listed and traded on stock exchanges and are valued based on the market prices of their underlying bond holdings. Their inclusion supports stability and income generation within the portfolio.

#### 3. Quoted Securities

The quoted securities category refers to individual equity securities (i.e., shares) of companies that are listed and actively traded on recognised stock exchange such as the New York Stock Exchange (NYSE) and NASDAQ. These holdings represent direct ownership in public companies and may include large-cap names across various sectors. These securities are valued at their quoted market prices at the reporting date and are subject to daily price fluctuations based on market activity.

#### 4. Treasury Bills

Treasury bills (T-bills) are short-term debt instruments issued by the U.S. government, typically with maturities of one year or less. They are considered low-risk investments and are generally used within the portfolio for liquidity management, capital preservation, and short-term yield. T-bills are issued at a discount to face value and mature at par, with the difference representing the investor's return.

#### 5. Bonds

The bond category comprises medium- to long-term fixed income securities, including U.S. Treasuries, investment-grade corporate bonds, and sovereign or quasi-sovereign bonds issued by regional (Caribbean) entities. These instruments pay periodic interest and are valued at fair market value. They provide income and help manage interest rate and credit risk within the overall portfolio.

## MOVEMENT TABLE

	2023 (US\$)	Purchase Quantity	Purchase Cost (US\$)	Fair Value changes	Sales Quantity	Sales proceeds (US\$)	2024 (US\$)
Equity ETFs	-	11,452	2,780,829	475,318	1,048	(569,123)	2,687,024
Fixed Income ETFs	14,374	15,626	1,358,592	36	-	-	1,373,002
Quoted securities	-	3,752	694,176	206,686	325	(63,249)	837,613
Treasury bills	-	3,193,600	3,170,835	11,706	2,593,600	(2,583,873)	598,668
Bond	250,000	-	-	(5,676)	-	-	244,324
<b>Total</b>	<b>\$ 264,374</b>		<b>\$ 8,004,432</b>	<b>\$ 688,070</b>		<b>(\$3,216,245)</b>	<b>\$ 5,740,631</b>

## UTC GLOBAL BALANCED FUND TOP TEN HOLDINGS

As at 31 December 2024

	\$USD	% of portfolio
iShares Core S&P 500 ETF	613,993	11%
VANGUARD Information Technology	511,120	9%
Technology Select Sector SPDR	308,787	5%
Goldman Sachs Access Treasury	292,566	5%
iShares Short Treasury Bond ETF	292,122	5%
iShares 0-3 Month Treasury Bond ETF	285,511	5%
SPDR Bloomberg 1-3 Month T-Bill	285,444	5%
Government of ST. LUCIA USD 7% - 8 Year T-Bond	244,324	4%
Vanguard Financials ETF	222,444	4%
iShares Floating Rate Bond ETF	217,359	4%



# Financial Report

**UTC GLOBAL BALANCED FUND LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**  
(Expressed in United States dollars)



## 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 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- 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 changes in equity 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.

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](http://www.pwc.com/bb)

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




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## **Responsibilities of management and those charged with governance for the financial statements**

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

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

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

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## **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.

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### 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.

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*PricewaterhouseCoopers*

Chartered Accountants  
Castries, St. Lucia  
18 March 2025



## UTC GLOBAL BALANCED FUND LIMITED

**STATEMENT OF FINANCIAL POSITION**

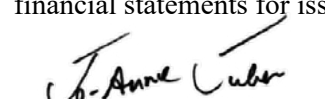
As at 31 December 2024

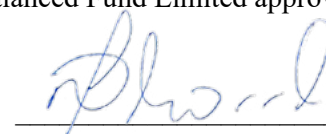
(Expressed in United States dollars)

	Notes	2024	2023
<b>Assets</b>			
Cash at bank	4	760,607	4,775,524
Receivables	5	6,586	5,786
Financial assets at fair value through profit or loss	6	<u>5,740,631</u>	<u>264,374</u>
<b>Total assets</b>		<u>6,507,824</u>	<u>5,045,684</u>
<b>Liabilities</b>			
Accounts payable	7	14,545	12,500
Due to related parties	8	<u>59,724</u>	<u>11,186</u>
<b>Liabilities</b>		<u>74,269</u>	<u>23,686</u>
Net assets attributable to holders of redeemable shares		<u>6,433,553</u>	<u>5,021,997</u>
<b>Total liabilities</b>		6,507,822	5,045,683
<b>Equity</b>			
Share capital	9	<u>2</u>	<u>1</u>
<b>Total liabilities and equity</b>		<u>6,507,824</u>	<u>5,045,684</u>
<b>Number of units in issue</b>		286,602	252,261
<b>Net asset value per unit</b>		\$ 22.44	\$ 19.90

The notes on pages 6 to 28 are an integral part of these financial statements.

On 17th March 2025, the Board of Directors of UTC Global Balanced Fund Limited approved these financial statements for issue.

 Director

 Director

## UTC GLOBAL BALANCED FUND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2024

(Expressed in United States dollars)

	Notes	2024	2023
<b>Income</b>			
Interest income		36,918	1,410
Dividend income		97,456	—
Net foreign currency gains or losses on cash equivalents		2,315	—
Net changes in fair value of financial assets at fair value through profit or loss		<u>688,070</u>	<u>(68)</u>
<b>Total income</b>		<u>824,759</u>	<u>1,342</u>
<b>Operating expenses</b>			
Management fees	10	(112,688)	(11,186)
Audit fees		(17,041)	(12,500)
Director fees	10	(18,000)	—
Other operating expenses		<u>(6,864)</u>	<u>(812)</u>
<b>Total operating expenses</b>		<u>(154,593)</u>	<u>(24,498)</u>
<b>Operating profit/(loss)</b>		<u>670,166</u>	<u>(23,156)</u>
Withholding taxes		<u>(29,186)</u>	<u>—</u>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable shares from operations</b>		<u>640,980</u>	<u>(23,156)</u>

## UTC GLOBAL BALANCED FUND LIMITED

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

For the year ended 31 December 2024

(Expressed in United States dollars)

	<b>2024</b>
	<b>\$</b>
<b>Net assets attributable to holders of redeemable shares at 1 January 2024</b>	<u>5,021,997</u>
Proceeds from redeemable shares issued	808,174
Redemption of redeemable shares	<u>(37,598)</u>
<b>Net increase from share transactions</b>	<u>770,576</u>
<b>Increase in net assets attributable to holders of redeemable shares from operations</b>	<u>640,980</u>
<b>Net assets attributable to holders of redeemable at 31 December 2024</b>	<u><u>6,433,553</u></u>
	<b>2023</b>
	<b>\$</b>
<b>Net assets attributable to holders of redeemable shares at 1 January 2023</b>	<u>—</u>
Proceeds from redeemable shares issued	5,045,193
Redemption of redeemable shares	<u>(40)</u>
<b>Net increase from share transactions</b>	<u>5,045,153</u>
<b>Decrease in net assets attributable to holders of redeemable shares from operations</b>	<u>(23,156)</u>
<b>Net assets attributable to holders of redeemable at 31 December 2023</b>	<u><u>5,021,997</u></u>

# UTC GLOBAL BALANCED FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(Expressed in United States dollars)

	2024
	\$
<b>Balance at 1 January 2024</b>	1
Issuance of Class B Governance share at par	1
<b>Balance at 31 December 2024</b>	<u>2</u>
	2023
	\$
<b>Balance at 1 January 2023</b>	1
Issuance of Class A Governance share at par	—
<b>Balance at 31 December 2023</b>	<u>1</u>

## UTC GLOBAL BALANCED FUND LIMITED

**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2024

(Expressed in United States dollars)

	2024	2023
<b>Cash flows from operating activities</b>		
Increase in amount attributable to holders of redeemable shares	640,980	(23,156)
Adjustments for:		
Interest income	(36,918)	(1,410)
Dividend income	(97,456)	—
Withholding taxes	29,186	—
Net change in financial assets at fair value through profit or loss	<u>(688,070)</u>	<u>68</u>
	(152,278)	(24,498)
Increase in financial assets at fair value through profit or loss	(4,778,460)	(264,442)
Increase in other receivables	(898)	—
Increase in accounts payable	2,045	12,500
Increase in due to related parties	<u>48,538</u>	<u>11,186</u>
	(4,881,053)	(265,254)
Interest received/(paid)	27,290	(4,375)
Dividend received	97,456	—
Withholding tax paid	<u>(29,186)</u>	<u>—</u>
<b>Net cash flows used in operating activities</b>	<u>(4,785,493)</u>	<u>(269,629)</u>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable shares issued	808,174	5,045,193
Redemption of redeemable shares	<u>(37,598)</u>	<u>(40)</u>
<b>Net cash flows from financing activities</b>	<u>770,576</u>	<u>5,045,153</u>
Net (decrease)/increase in cash	<u>(4,014,917)</u>	<u>4,775,524</u>
Cash at the beginning of the year	<u>4,775,524</u>	<u>—</u>
<b>Cash at the end of the year</b>	<u><u>760,607</u></u>	<u><u>4,775,524</u></u>



# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(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. The Fund was formally launched on 23 November 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.

#### *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\$ 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 on behalf of the shareholders.

The rights of the Governance shareholders are to attend the Annual Meeting, and any other duly constituted meeting, and vote on resolutions forming part of the agenda, for example, the appointment of auditors and directors and the approval of the financial statements.

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.

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

### 1. General information (continued)

#### *Authorised share capital (continued)*

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, 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.

Investment shares may be issued and redeemed on every business day of the respective Share Class and territory.

#### *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 and the Fund Manager may distribute the Fund.

#### *Front-end sales fee*

A front-end sales 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.

#### *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%.

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 2. Material accounting policies

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

### 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); and
  - Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).
- ii. The financial statements are prepared under the historical cost convention as modified by the revaluation of 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 (e).
- iii. The financial statements are presented in United States dollars, which is the functional currency of the Fund.

### b) Changes in accounting policies and disclosures

#### *Standards and amendments to existing standards effective 1 January 2024*

The following new and amended accounting standards and interpretations did not have a material impact on the Fund's financial statements in 2024.

#### **Amendments to IAS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants**

The amendments specifies the requirements for classifying liabilities as current or non-current. The amendments clarify:

- i) What is meant by a right to defer settlement
- ii) That a right to defer settlement must exist at the end of the reporting period
- iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right
- iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 2. Material accounting policies (continued)

### b) Changes in accounting policies and disclosures (continued)

#### *New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted*

The following new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

- Amendments to IAS 21 - Lack of Exchangeability – Effective 1 January 2025
- Amendments to IFRS 9 - Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Effective 1 January 2026
- Annual Improvements to IFRS Accounting Standards – Volume 11 – Effective 1 January 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements – Effective 1 January 2027

### c) Cash at bank

Cash at bank represents account balances held at a bank, a brokerage institution and the Custodian.

### d) Financial assets and financial liabilities at fair value through profit or loss

#### i) Classification

##### *Financial assets*

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 contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 2. Material accounting policies (continued)

### d) Financial assets and financial liabilities at fair value through profit or loss (continued)

#### i) Classification (continued)

##### *Financial liabilities*

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.

A financial liability is classified at fair value through profit or loss if it is classified as held-for-trading or it is designated as such on initial recognition.

#### 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.

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 are presented in the statement of comprehensive income within Net changes in fair value of financial assets at fair value through profit and loss in the period in which they arise.

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.

#### iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the reporting date.

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. (Note 2 (e))

#### iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.



# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 2. Material accounting policies (continued)

### d) Financial assets and financial liabilities at fair value through profit or loss (continued)

#### v) Foreign exchange gains and losses

The foreign exchange component for financial assets that are classified as fair value through profit or loss forms part of its fair value gain or loss recognised in the statement of comprehensive income.

### e) Fair value measurement

#### *Valuation framework*

The Corporation 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 the Valuation Committee comprising the Chief Financial Officer, Chief Risk Officer and other senior officers.

On a monthly basis, the 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 Valuation Committee reports to the 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 2024

(Expressed in United States dollars)

## 2. Material accounting policies (continued)

### e) 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 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 more subjective 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.

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 2. Material Accounting Policies (continued)

### e) Fair Value Measurement (continued)

#### *Fair value hierarchy* (continued)

- **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.
- **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.

##### *Unquoted bonds*

The Fund uses an internally developed model to value its unquoted local bonds. Management reviews the model regularly to incorporate enhancements in line with established best practice. There were no material changes made to the model during 2024 and 2023.

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 (for example: treasury bills) are assumed to be encashable/tradeable at their carrying value and are categorised as Level 1.

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 2. Material Accounting Policies (continued)

### e) Fair Value Measurement (continued)

#### *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.

### f) Interest income

Interest is recognised on a time-proportionate basis 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, when appropriate, a shorter period, to the gross carrying amount of the financial asset. Interest income includes interest from bonds and cash and cash equivalents. Interest income is recognised in the statement of comprehensive income.

### g) 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. Dividend income is recognised in the statement of comprehensive income.

### h) Taxation

Taxes are recognised as an expense in the statement of comprehensive income in the period in which they occur.

### i) 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 relating to the financial assets 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.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within Net foreign exchange gain or loss.

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 2. Material Accounting Policies (continued)

### j) Redeemable shares

The Fund issues eight classes of redeemable shares, which are redeemable on demand. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to holders of redeemable shares. Shares are redeemable daily.

The redeemable shares are carried at amortised cost which corresponds to the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the shares back to the Fund.

Redeemable shares are issued and redeemed on demand based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of redeemable shares with the total number of outstanding redeemable shares. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

## 3. Significant accounting estimates and assumptions in applying accounting policies

In preparing these financial statements, management has made estimates. In developing these estimations, management has made assumptions about the future that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in Note 2 (e).

## 4. Cash at bank

	2024	2023
Cash at bank	1,137	1,180
Cash at broker and Custodian	759,470	4,774,394
<b>Total</b>	<b>760,607</b>	<b>4,775,574</b>

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

### 5. Receivables

	2024	2023
Interest receivable	5,688	5,785
Other receivable	898	1
<b>Total</b>	<b>6,586</b>	<b>5,786</b>

### 6. Financial assets at fair value through profit or loss

	2024	2023
Equity ETFs	2,687,024	—
Fixed Income ETFs	1,373,002	14,374
Quoted equities	837,613	—
Treasury bills	598,668	—
Bond	244,324	250,000
<b>Total</b>	<b>5,740,631</b>	<b>264,374</b>

### 7. Accounts payable

	2024	2023
Audit fees	14,500	12,500
Other	45	—
<b>Total</b>	<b>14,545</b>	<b>12,500</b>

### 8. Due to related parties

	2024	2023
Due to UTC Fund Management Services (see Note 10)	56,177	11,186
Due to Directors (see Note 10)	3,000	—
Due to Trinidad and Tobago Unit Trust Corporation (see Note 10)	547	—
<b>Total</b>	<b>59,724</b>	<b>11,186</b>

### 9. Share Capital

The shares issued by the Fund are as follows:

	\$
Class A Governance share issued at par 27 June 2022	1
Class B Governance share issued at par 22 November 2024	1
At 31 December 2024	<b>2</b>

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

### 10. Related party transactions

Parties are considered related if:

- 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
- 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

##### *Transactions between the Fund and the Corporation*

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

	2024	2023
	\$	\$
<b>Redeemable Shares</b>		
Investment Shares	<u>5,610,908</u>	<u>4,977,860</u>

There was an amount of \$547 payable to the Corporation at 31 December 2024 (December 2023: nil) (see Note 8).

##### *Transactions between the Fund and its Fund Manager*

The Fund is managed by UTC Fund Management Services STL Ltd. The related party transactions for the year were as follows:

#### Liabilities as at 31 December

	2024	2023
Management fees	32,069	11,186
Miscellaneous payables	16,528	—
Front-end sales fee	<u>7,580</u>	<u>—</u>
	<u>56,177</u>	<u>11,186</u>

#### Expenses

	2024	2023
Management fees for the year	<u>112,688</u>	<u>11,186</u>

##### *Transactions between the Fund and its Directors:*

The directors of the Company are also related parties. Total Directors fees for the year amounted to \$18,000 (31 December 2023: nil). The outstanding fees due to the directors at 31 December 2024 amounted to \$3,000 (December 2023: nil) (see Note 8).

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 11. 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 (e)), as analysed below.

Fair value hierarchy for financial assets at fair value through profit and loss				
2024	Level 1	Level 2	Level 3	Total
Equity ETFs	2,687,024	—	—	2,687,024
Fixed Income ETFs	1,373,002	—	—	1,373,002
Quoted equities	837,613	—	—	837,613
Treasury bills	598,668	—	—	598,668
Bond	—	244,324	—	244,324
Total financial assets at fair value through profit and loss	5,496,307	244,324	—	5,740,631

Fair value hierarchy for financial assets at fair value through profit and loss				
2023	Level 1	Level 2	Level 3	Total
Bond	—	250,000	—	250,000
Fixed Income ETFs	14,374	—	—	14,374
Total financial assets at fair value through profit and loss	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 and 2024.

### 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(e). There were no financial assets at fair value through profit and loss determined as Level 3 for the year ended 31 December 2024 and 31 December 2023.



# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 12. Risk management

### Risk management framework

The Fund's investment activities expose it to a variety of financial risks. The Board of Directors of the Corporation 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 Corporation'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 Corporation'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 Corporation'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
  - currency 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.

### 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.

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 12. Risk management (continued)

### 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 significant holdings of equities and ETFs all of which are traded on the New York Stock Exchange. 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 equity price risk exposure is monitored and measured with reference to the beta of equity instruments. Beta is a measure of the stock's price sensitivity to the stock market e.g. stocks that have a beta of 1 would change by approximately 1% for every 1% move in the overall stock market.

A stock with a beta less than 0.9 is considered to have a low equity price risk relative to the overall market. A stock with a beta above 1.1 is considered to have a high equity price risk vis-à-vis the market. A stock with a beta between 0.9 and 1.1 is regarded as having equity price risk comparable to the market.

The Fund's equity and ETF holdings are categorised below, both in dollar terms and as a percentage of total equity holdings into three (3) categories to reflect the Fund's exposure to movements in equity prices.

	Lower than market	Comparable to market	Higher than market
At 31 December 2024	1,714,941 49%	1,522,993 43%	286,703 8%
At 31 December 2023	— 0%	— 0%	— 0%

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 12. Risk management (continued)

### Equity and ETF price risk (continued)

The approximate sensitivity of the equity and equity ETFs of the Fund to a 5% change in the S&P 500 Index, with all other variables held constant, as at 31 December 2024 was \$155,771 (December 2023: nil).

The sensitivity of the fixed income ETFs were computed using the modified duration which shows how the security will move for every 1% or 100 basis points movement in interest rates. The impact of the change at 31 December 2024 was \$5,792 (December 2023: \$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 Fund manages the overall interest rate risk through judicious adjustments of the overall weighted average term to maturity (duration) of its portfolios.

Management has determined that a fluctuation in interest rates of 100 basis points is reasonably possible, considering the economic environment in which the Fund operates.

The following tables demonstrate the sensitivity of the Fund's profit or loss for the year to a possible 100 basis point change in interest rates, with all other variables held constant. The sensitivity of the profit or loss for the year is the effect of the assumed change in interest rates on:

- i. The interest income for one year, based on the floating rate assets held at the end of the reporting period; and
- ii. Changes in the fair value for the year, based on revaluing fixed rate financial assets at the end of the reporting period.

### Sensitivity of changes in income

	2024	2023
Maximum loss	14,839	14,823
Minimum loss	7,420	7,411

## UTC GLOBAL BALANCED FUND LIMITED

**Notes to the financial statements**

For the year ended 31 December 2024

(Expressed in United States dollars)

**12. Risk management (continued)**
**Interest rate risk (continued)**

The Fund's exposure to interest rate risk as at 31 December is summarised below. The Fund's assets are included at their carrying amount and categorised by the earlier of contractual re-pricing or maturity dates. The liabilities of the Fund are not subject to interest rate risk.

<b>At 31 December 2024</b>	<b>Less than one year</b>	<b>Between one and five years</b>	<b>Over five years</b>	<b>Non interest bearing</b>	<b>Total</b>
<b>Assets</b>					
Cash at bank	760,607	—	—	—	760,607
Receivables	—	—	—	6,586	6,586
Financial assets at fair value through profit or loss	598,668	—	244,324	4,897,639	5,740,631
	<u>1,359,275</u>	<u>—</u>	<u>244,324</u>	<u>4,904,225</u>	<u>6,507,824</u>
<b>Liabilities</b>					
Accounts payable	—	—	—	14,545	14,545
Due to related parties	—	—	—	59,724	59,724
	<u>—</u>	<u>—</u>	<u>—</u>	<u>74,269</u>	<u>74,269</u>
<b>Net interest repricing gap</b>	<u>1,359,275</u>	<u>—</u>	<u>244,324</u>	<u>4,829,956</u>	<u>6,433,555</u>
<b>At 31 December 2023</b>	<b>Less than one year</b>	<b>Between one and five years</b>	<b>Over five years</b>	<b>Non interest bearing</b>	<b>Total</b>
<b>Assets</b>					
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>
<b>Liabilities</b>					
Accounts payable	—	—	—	12,500	12,500
Due to related parties	—	—	—	11,186	11,186
	<u>—</u>	<u>—</u>	<u>—</u>	<u>23,686</u>	<u>23,686</u>
<b>Net interest repricing gap</b>	<u>4,775,524</u>	<u>—</u>	<u>250,000</u>	<u>(3,526)</u>	<u>5,021,998</u>

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 12. Risk management (continued)

### Interest rate risk (continued)

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
	%	%	%	%	%
<b>2024</b>					
Bonds	—	—	—	7.0	7.0
Treasury bills	4.5	—	—	—	4.5

	Within 3 months	3-12 months	1 to 5 years	Over 5 years	Weighted Average
	%	%	%	%	%
<b>2023</b>					
Bonds	—	—	—	7.0	7.0

### Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the Fund has cash balances denominated in Eastern Caribbean dollars (EC\$), the Fund can be impacted by movements in the EC\$/US\$ exchange rate. The Fund's exposure is minimal since some of the cash balances are in EC dollars and the EC dollar is pegged to the United States dollar (US\$).

The foreign currency assets of the Fund at 31 December are summarised below.

	2024	2023
	EC\$	EC\$
	(Presented in US\$)	
Cash at bank	246,967	644

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 12. Risk management (continued)

### Currency risk (continued)

The following analysis shows how the effect of a 1% change in the US\$ relative to the EC\$ would have changed the net assets of the Fund at 31 December 2024 with all other variables held constant.

	2024 EC\$	2023 EC\$
	(Presented in US\$)	
Approximate change	<u>2,470</u>	<u>6</u>

### Concentration of foreign currency exposure

At the reporting date, the financial assets in foreign currencies expressed as a percentage of the Fund's net assets were as follows:

% of total equity	2024	2023
EC dollars	3.79%	0.01%

### 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.

Credit risk is managed by:

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

## UTC GLOBAL BALANCED FUND LIMITED

**Notes to the financial statements**

For the year ended 31 December 2024

(Expressed in United States dollars)

**12. Risk management (continued)**
**Credit risk (continued)**

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.

<b>2024</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>	<b>Unrated</b>	<b>Total</b>
Cash at Bank	760,607	–	–	–	760,607
Fixed income ETFs	1,373,002	–	–	–	1,373,002
Treasury Bills	598,668	–	–	–	598,668
Bonds	–	244,324	–	–	244,324
<b>Total</b>	<b>2,732,277</b>	<b>244,324</b>	<b>–</b>	<b>–</b>	<b>2,976,601</b>
<b>2023</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>	<b>Unrated</b>	<b>Total</b>
Cash at Bank	4,775,524	–	–	–	4,775,524
Bonds	–	–	–	250,000	250,000
Fixed income ETFs	14,374	–	–	–	14,374
<b>Total</b>	<b>4,789,898</b>	<b>–</b>	<b>–</b>	<b>250,000</b>	<b>5,039,898</b>

# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 12. 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 are shown in the table below.

	2024	2023
<b>ETF Manager</b>		
Black Rock	1,408,984	9,622
Goldman Sachs	292,566	—
State Street	594,231	4,752
Vanguard	1,764,245	—
<b>Total</b>	<u>4,060,026</u>	<u>14,374</u>

### Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle 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 Investment shares of the Fund are redeemable on demand. The risk is mitigated by ensuring that the Fund holds adequate cash, cash equivalents and short-term investments to fund redemptions. This includes holding a liquidity buffer to meet stressed liquidity requirements. In addition, substantial portions of the investments held by the portfolios are tradable.

The financial liabilities of the Fund are summarised by their due dates and shown below. The amounts disclosed are the contractual undiscounted cash flows. The Fund had no financial liabilities over one (1) year.

	Within 1 year
<b>At 31 December 2024</b>	
Investment shares	6,433,553
Accounts payable	14,545
Due to related parties	59,724
<b>Total</b>	<u>6,507,822</u>
	<b>Within 1 year</b>
<b>At 31 December 2023</b>	
Investment shares	5,021,997
Accounts payable	12,500
Due to related parties	11,186
<b>Total</b>	<u>5,045,683</u>



# UTC GLOBAL BALANCED FUND LIMITED

## Notes to the financial statements

For the year ended 31 December 2024

(Expressed in United States dollars)

## 12. Risk management (continued)

### Liquidity risk (continued)

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 1-12 months or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 year	Between 1 and 5	Over 5 years	Total
<b>At 31 December 2024</b>				
Cash and cash equivalents	760,607	—	—	760,607
Receivables	6,586	—	—	6,586
Financial assets at fair value through profit or loss	5,496,307	—	244,324	5,740,631
<b>Total</b>	<b>6,263,500</b>	<b>—</b>	<b>244,324</b>	<b>6,507,824</b>
	Less than 1 year	Between 1 and 5	Over 5 years	Total
<b>At 31 December 2023</b>				
Cash and cash equivalents	4,775,524	—	—	4,775,524
Receivables	5,786	—	—	5,786
Financial assets at fair value through profit or loss	14,374	—	250,000	264,374
<b>Total</b>	<b>4,795,684</b>	<b>—</b>	<b>250,000</b>	<b>5,045,684</b>

### 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 2024

(Expressed in United States dollars)

### 12. 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.

### 13. Capital management

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.

### 14. Events after the reporting period

There were no material events after the statement of financial position date of 31 December 2024 which required recording or disclosure in the financial statements of the Fund as at 17 March 2025.

### 15. Approval of the financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 17 March 2025.

## 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 executed unless, they 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 the Fund's assets are properly accounted for and are protected against any theft, loss, or unauthorized access. As the gatekeepers of the Fund, we protect the interests of the Fund's participants.

The ECCSD holds the Fund's assets through approved local, regional and international depositories and financial institutions. During the reporting period, there were no restrictions, liens or loans on the assets held by the Custodian. There were also no outstanding repurchase/reverse repurchase agreements, derivative transactions, lines of credits, credits or related outstanding debt for the Fund; and no open options, futures and forward exchange contracts being held on behalf of the Fund at December 2024.

### **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

24 March 2025.

