

VERDANT ISLE PENSION PLAN

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

VERDANT ISLE PENSION PLAN

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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Independent Auditor's Report

To the Trustees of
Verdant Isle Pension Plan (formerly, Cayman National Pension Fund)
Grand Cayman, Cayman Islands

Opinion

We have audited the financial statements of Verdant Isle Pension Plan (formerly, Cayman National Pension Fund) (the "Plan"), which comprise the statement of net assets available to participants for benefits as at September 30, 2024, and the statement of comprehensive income, statement of changes in net assets available to participants for benefits and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at September 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Plan for the year ended September 30, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 22, 2023.

Responsibilities of Management and the Trustees 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 Plan'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 Plan or to cease operations, or has no realistic alternative but to do so.

The Trustees are responsible for overseeing the Plan's financial reporting process.



Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 Plan'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 Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan 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 the Trustees 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.



Independent Auditor's Report (continued)

Restriction on Use

This report has been prepared for and only for the Verdant Isle Pension Plan and its trustees in accordance with the terms of our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any liability or duty of care 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.

BDO

March 14, 2025

VERDANT ISLE PENSION PLAN

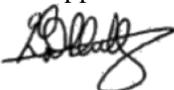
STATEMENT OF NET ASSETS AVAILABLE TO PARTICIPANTS FOR BENEFITS

AS AT SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

	<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents (Notes 3 and 11)	571,661	1,050,503
Due from broker (Note 4)	522,062	294,400
Financial assets at fair value through profit or loss (Cost: \$37,039,454 (2023: \$35,494,804)) (Notes 5 and 6)	78,148,894	63,268,277
Long term fixed deposits (Note 7)	927,166	896,197
Advance subscriptions into investments funds	495,235	-
Interest receivable	180,872	141,788
Dividend receivables	93,593	83,647
Other receivables	<u>5,234</u>	<u>86,892</u>
 Total assets	 <u>80,944,717</u>	 <u>65,821,704</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 8)	82,281	186,782
Prepaid contributions	734,732	449,400
Redemptions payable	<u>101,384</u>	<u>657,307</u>
 Liabilities (excluding net assets available to participants for benefits)	 <u>918,397</u>	 <u>1,293,489</u>
 Net assets available to participants for benefits (Note 10)	 <u>\$80,026,320</u>	 <u>\$64,528,215</u>
 Net asset value per unit (Note 10)		
 Participating Units		
\$75,270,402/ 18,701,353.65 units (2023: \$60,434,725/ 18,372,745.57 units)	<u>\$ 4.0249</u>	<u>\$ 3.289</u>
 RSA Side Pocket Units		
\$4,755,918/ 4,227,094.01 units (2023: \$4,093,490/ 3,934,519.89 units)	<u>\$ 1.1251</u>	<u>\$ 1.040</u>

Authorised and approved for issuance on behalf of the Verdant Isle Pension Plan's Board of Trustees by:

Ian Phillips 

March 14, 2025

Phil Jackson 

March 14, 2025

VERDANT ISLE PENSION PLAN
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

	Year ended September 30,	
	2024	2023
Revenue		
Interest income	798,372	395,728
Dividend income	677,129	624,993
Net realised gains/(losses) on investments	86,645	(170,111)
Net change in unrealised appreciation on investments	<u>13,335,995</u>	<u>6,716,156</u>
Total revenue	<u>14,898,141</u>	<u>7,566,766</u>
Expenses		
Administrative fees (Note 9)	559,603	509,744
Custody fees	84,154	71,990
Professional fees	24,184	48,375
Government fees	72,704	60,200
Trustee fees	2,250	2,250
Other expenses	<u>11,689</u>	<u>13,173</u>
Total expenses	<u>754,584</u>	<u>705,732</u>
Withholding tax on dividends	<u>179,962</u>	<u>166,213</u>
Net increase in net assets available to participants for benefits/net comprehensive income	<u>\$13,963,595</u>	<u>\$6,694,821</u>

VERDANT ISLE PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE TO PARTICIPANTS FOR BENEFITS

YEAR ENDED SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

	Year ended <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
Net increase in net assets available to participants for benefits/net comprehensive income	<u>13,963,595</u>	<u>6,694,821</u>
Contributions and transfers in		
Employers - contributions and transfers in	3,106,949	2,382,749
Employees - contributions and transfers in	<u>3,500,836</u>	<u>2,714,177</u>
Total contributions and transfers in	<u>6,607,785</u>	<u>5,096,926</u>
Benefits paid to holders of units and transfers out	<u>(5,073,275)</u>	<u>(3,492,270)</u>
Net increase in net assets available to participants for benefits	15,498,105	8,299,477
Net assets available to participants for benefits, beginning of year	<u>64,528,215</u>	<u>56,228,738</u>
Net assets available to participants for benefits, end of year	\$ <u>80,026,320</u>	\$ <u>64,528,215</u>

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

	<u>Year ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Net increase in net assets available to participants for benefits/net comprehensive income	13,963,595	6,694,821
Adjustments to reconcile net decrease in net assets available to participants for benefits/net comprehensive income to net cash provided by/(used in) operating activities:		
Amortization of bond (discount)/premium	(312,121)	105,943
Net realised (gains)/losses	(86,645)	170,111
Net change in unrealised appreciation on investments	(13,335,995)	(6,716,156)
Changes in operating assets and liabilities	(227,662)	645,124
(Increase)/decrease in due from broker	(30,969)	(18,281)
(Increase) in long term fixed deposits	(39,084)	(13,426)
(Increase)/decrease in dividend receivables	(9,946)	749
Decrease/(increase) in other receivables	81,658	(61,419)
Decrease in due to broker	-	(979,466)
(Decrease)/increase in accounts payable and accrued expenses	(104,501)	104,109
	<u>(101,670)</u>	<u>(67,891)</u>
Net cash (used in) operating activities		
Cash flows from investing activities		
Purchase of investments	(9,316,469)	(13,222,249)
Proceeds from sale of investments	8,170,613	11,856,283
Investment paid in advance	(495,235)	-
	<u>(1,641,091)</u>	<u>(1,365,966)</u>
Net cash (used in) investing activities		
Cash flows from financing activities		
Employer contributions	3,392,281	2,504,835
Employee contributions	3,500,836	2,835,447
Benefits paid to participants	(5,629,198)	(3,175,138)
	<u>1,263,919</u>	<u>2,165,144</u>
Net cash provided by financing activities		
Net (decrease)/increase in cash and cash equivalents	(478,842)	731,286
Cash and cash equivalents, beginning of year	<u>1,050,503</u>	<u>319,216</u>
Cash and cash equivalents, end of year	<u>\$ 571,661</u>	<u>\$ 1,050,503</u>
Supplementary information on cash flows from operating activities		
Interest received	<u>608,998</u>	<u>488,245</u>
Dividends received (gross)	<u>667,183</u>	<u>625,742</u>
Withholding tax paid	<u>(179,962)</u>	<u>(166,213)</u>

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

1. Description of the Plan

General: The Verdant Isle Pension Plan (formerly known as Cayman National Pension Fund until July 16, 2024) (the “Plan”) is a defined contribution pension plan that commenced operations on June 1, 1997. The Plan replaced the Cayman National Corporation Pension Fund defined benefit plan and was formed in anticipation of new regulatory requirements under the National Pensions Act of the Cayman Islands. The Plan was registered under the National Pensions Act (the “Act”) with the Office of the Superintendent of Pensions (Registration number OSP4/03/B/002) with effect from June 1, 1998. The Plan is now registered with the Department of Labour & Pensions. The registered office of the Plan is P.O. Box 10355 Grand Cayman KY1-1003 Cayman Islands.

The Plan was formed by Declaration of Trust (the “Trust Deed”) by four directors of Cayman National Trust Co. Ltd. (“CNT”) on June 9, 1998 for the sole purpose of providing pension benefits to the beneficiaries in accordance with the Plan. CNT was appointed the administrator of the Plan by the Board of Trustees (“the Trustees”). Until June 30, 2024 the Plan was administered by Cayman National Fund Services Ltd. CNT and Cayman National Fund Services Ltd are wholly owned subsidiaries of Cayman National Corporation Ltd. Effective July 1, 2024, Saxon Administration Ltd. (“Saxon”) were appointed as the new administrative agent of the Plan. The Board of Trustees are the legal administrator of the Plan.

At September 30, 2024, 18% (2023: 45.45%) of the membership comprised of employees of the Cayman National Group of Companies. Other members include unitholders located in the Cayman Islands.

Cayman National Corporation Ltd (the “Corporation” or “CNC”) was incorporated on October 4, 1976 and operates subject to the provisions of the Companies Act of the Cayman Islands. CNC is partially owned (74.99%) by the Republic Bank Trinidad and Tobago (Barbados) Limited (“RBTBTL”). There were no other holders of CNC shares holding in aggregate more than 5% of the total issued share capital. The principal place of business for the Corporation is 200 Elgin Avenue, George Town, Grand Cayman.

The shares of the Corporation are still listed and traded on the Cayman Islands Stock Exchange.

Description of the Plan: The Plan is a defined contribution plan whereby amounts provided at retirement for each member of the Plan are based on the accumulated contributions made on the member's behalf and accumulated investment earnings on those contributions after deduction of administrative expenses. Employees can voluntarily make additional contributions.

Contributions: As outlined in the Act, members of the Plan generally contribute at least 5% of earnings. Employers are required to match the employee's contributions up to 5% of the annual pensionable earnings up to CI \$87,000.

Vesting: Members are immediately vested with their contributions and the employer's matching contributions, together with the actual earnings thereon.

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

1. Description of the Plan (continued)

Retirement benefits: The normal retirement date shall not be later than one year after a person has attained sixty five years of age. Upon retirement or termination of employment, members are entitled to deferred benefits in accordance with the Act and may require the Administrative agent to pay an amount equal to the commuted value of such benefits:

1. to another pension plan; or
2. into a prescribed retirement savings arrangement (an “RSA”); or
3. for the purchase of life annuity; or
4. to the member if the commuted value is less than \$5,000

Early retirement is available at age of 55 under the Plan.

On August 1, 2015, the Plan established a side pocket class of units (the “RSA side pocket”) to manage an RSA within the existing structure of the Plan (see Note 10).

As a result of the National Pensions (Amendment) Law 2016 becoming effective on January 1, 2017, the normal retirement and early retirement ages have been increased to 65 and 55, respectively.

Refund options: Refund options available to holders of participating units comprise the following:

1. to the member, upon termination of employment if the commuted value is less than \$5,000;
2. transfer funds to another approved pension provider overseas and all of the following conditions have been met:
 - a member’s employment is terminated and
 - the member ceases to reside in the Cayman Islands for a period of two years or
 - if no contributions have been made to a pension plan by or on behalf of the member for a period of two years.

Transfer options: The Cayman Islands Pensions Act was amended in November 2011 to allow members to withdraw up to \$35,000 from their pension plan to purchase a home, construct a home, pay off an existing mortgage or purchase a parcel of residential land.

In 2023, the Cayman Islands Government introduced significant changes to the National Pensions Act through the enactment of the National Pensions (Amendment) Act, 2023. This amendment allows Caymanians to withdraw from their pension plans to pay towards an existing mortgage, including any arrears in strata fees, or a residential land loan. The maximum withdrawal amount has been increased from \$35,000 to \$50,000 for deposits and from \$35,000 to \$100,000 for paying off an existing mortgage. Additionally, the amendment requires members who make withdrawals under these provisions to contribute an additional 3% of their earnings to their pension plan until the amount withdrawn is fully repaid or until they reach the normal retirement age. In addition, the 2023 amendment grants all members the ability to withdraw their additional voluntary pension contributions for specific housing-related purposes. These purposes include using the funds for a deposit on a home, paying down an existing mortgage, or completely paying off a mortgage.

During the year, approximately \$2,703,608 (2023: \$171,018) was withdrawn in relation to this amendment.

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

2. Material accounting policies

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

Basis of preparation: The financial statements of the Plan have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Trustees to exercise its judgment in the process of applying the Plan’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 2.

All references to net assets throughout this document refer to net assets available to participants for benefits unless otherwise stated.

New standards, amendments and interpretations effective for the period beginning on October 1, 2023:

Except for the impact of adoption of the revised standards, amendments to standards and interpretations that have been summarised below, there are no other standards, amendments to standards, or interpretations that are effective for annual periods beginning on October 1, 2023 that have a material effect on the financial statements of the Plan.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements).

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose “significant accounting policies” with “material accounting policy information”. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the financial statements of the Plan but affect the disclosure of accounting policies.

Other standards, amendments and interpretations effective after October 1, 2023 and have not been early adopted

Certain new accounting standards and interpretations have been published that are effective for annual periods beginning after October 1, 2023, and have not been early adopted by the Plan. These standards are not expected to have a material impact on the Plan in the current or future reporting periods and on foreseeable future transactions.

The material accounting policies of the Plan, which have been consistently applied to all years presented (unless otherwise stated), are as follows:

Cash and cash equivalents: Cash and cash equivalents comprise of all cash and short-term deposits with original maturities of three months or less.

Financial assets and liabilities at fair value through profit or loss: Investments classified as held for trading securities are categorized as financial assets or liabilities at fair value through profit or loss. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, which is considered the cost basis of the security. The Plan records security transactions on a trade date basis, recognising the cost or sales proceeds of securities sold or purchased on a first in first out cost basis. Realised and unrealised gains or losses are recorded in the statement of comprehensive income as separate lines under revenue. Securities are valued on the last

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

2. Material accounting policies (continued)

day of each month (“Valuation Day”) at fair value, using data provided by one or more reputable third party pricing vendors which is in turn based upon (1) prices quoted on the exchange upon which such securities are traded, (2) valuation models using observable market inputs, or (3) prices quoted by the principal market makers for non-exchange traded investments.

The fair value of investments held in other funds are determined based on the attributable net asset value reported by the administrator or investment manager of that fund, which represents the price at which the Plan could dispose of its holding on any given valuation date.

Long term fixed deposits: Investments classified as long term fixed deposits are recorded at a amortised cost less any impairment loss recognized to reflect unrecoverable amounts. Fixed deposits and debt securities with original terms to maturity which exceed 3 months that are non-derivative financial assets with fixed and determinable payments and are not quoted in an active market are classified as long term fixed deposits. The Plan records these investment transactions on a trade date basis. Transaction costs are expensed as incurred and have been included in other expenses.

Investment income: Interest is accounted for using the effective interest method. The amortisation of any premiums and discounts on acquisition of investments is included within interest income.

Dividend income: Dividend income is recognised at the time the income becomes receivable (the “ex-dividend” date).

Contributions: Units for contributions received are issued by the Plan on the first day of the month following the month of receipt (“Trading Day”). Unit allocations are based on the net asset value of the Plan, calculated on Trading Day and are issued or redeemed on the Trading Day. Title to contributions passes to the Plan when the funds representing both employee and employer contributions are received by the Plan. Under section 49.1 of the Act, the employer is deemed to hold employee and employer contributions due to the Plan in trust for the employees. Contributions received prior to Trading Day are recorded as prepaid contributions.

Expenses and benefit payments: Expenses and benefit payments are accounted for on the accrual basis.

Foreign currencies: Foreign currency assets and liabilities are translated into Cayman Islands dollars at the rate of exchange ruling at the year end date. Foreign currency income and expenditure items are converted to Cayman Islands dollars at the rate of exchange ruling on the date of the transaction. The Plan does not isolate that portion of the results of operations resulting from unrealised changes in foreign exchange rates on investments from the unrealised gains/losses arising from changes in value of securities held. Gains and losses on foreign currencies are included in the statement of comprehensive income.

Functional and presentation currency: Items included in the Plan’s financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the Cayman Islands dollar (“\$ or CI\$”), which reflects the Plan’s currency of contributions receipts and benefit payments and the economic environment of its members. In addition, the Plan has adopted the Cayman Islands dollar as its presentation currency. Unless otherwise stated, all balances and transactions presented and disclosed in these financial statements are stated in Cayman Islands dollars.

Income taxes: There are currently no income, profits or capital gains taxes in the Cayman Islands. The Plan may be subject to withholding tax on investment income in other jurisdictions.

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

2. Material accounting policies (continued)

Net assets available to participants for benefits: Prior to August 1, 2015, the Plan classified its puttable instruments as equity in accordance with IAS 32 (Amendment), 'Financial instruments: Presentation, which requires puttable financial instruments that meet the definition of a financial liability to be classified as equity where certain strict criteria are met. Those criteria include:

- . the puttable instruments must entitle the holder to a pro-rata share of net assets;
- . the puttable instruments must be the most subordinated class and class features must be identical;
- . there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and
- . the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer.

These conditions were met until the RSA Side Pocket was created on August 1, 2015 (Note 10), at which point the participating units were no longer the sole unit class in the Plan. As a result, net assets available to participants for benefits were classified as liabilities as of August 1, 2015.

3. Cash and cash equivalents

Cash and cash equivalents at September 30, 2024 and 2023 comprise the following:

	<u>2024</u>	<u>2023</u>
Current accounts (Note 11)	<u>571,661</u>	<u>1,050,503</u>
	<u>\$ 571,661</u>	<u>\$1,050,503</u>

4. Due from broker and due to broker

Due from broker and due to broker include cash balances with the Plan's broker and amounts receivable or payable for securities transactions that have not settled at the date of the financial statements. The due from broker balance is held for collection. Amounts due to broker represents payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. Substantially all investments and cash owned are held by the Plan's custodian. At September 30, 2024, the balance due from broker is \$522,062 (2023: \$294,400).

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

5. Financial assets at fair value through profit and loss

The following investments were held by the Plan at September 30, 2024:

Equities/Mutual Funds

<u>Units</u>	<u>Security</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Percentage of total assets</u>
4,182	BERKSHIRE HATHAWAY INC CL B	308,594	1,604,006	1.98%
114,973	CARIBBEAN UTILITIES CO	1,048,441	1,340,394	1.66%
50,205	CAYMAN NATIONAL SECURITIES MUTUAL FUND SPC-INTERNATIONAL EQUITY	366,483	415,450	0.51%
382,859	CAYMAN NATIONAL SECURITIES MUTUAL FUND SPC-US BOND	3,181,770	3,250,888	4.02%
33,911	CAYMAN NATIONAL SECURITIES MUTUAL FUND SPC-US EQUITY	585,626	793,784	0.98%
5,640	ISHARES TR RUSSELL 2000	321,041	1,038,183	1.28%
18,161	NASDAQ 100 TR POWERSHARES QQQ NAS	935,906	7,386,533	9.13%
29,579	SPDR DOW JONES INDUSTRIAL AVGETF TRUST	2,687,779	10,429,556	12.88%
50,976	SPDR TR UNIT SER 1	5,541,746	24,373,325	30.11%
13,498	MIDCAP SPDR TR UNIT SER 1	1,051,452	6,407,726	7.92%
		<u>\$16,028,838</u>	<u>\$57,039,845</u>	<u>70.45%</u>

Fixed Income Securities

<u>Par Value</u>	<u>Security</u>	<u>Interest</u>	<u>Maturity</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Percentage of total assets</u>
1,000,000	AMAZON	4.60%	01/12/2025	831,725	839,442	1.04%
500,000	BANK OF NOVIA SCOTIA	5.35%	07/12/2028	420,328	427,342	0.53%
1,000,000	CITIGROUP	4.30%	20/11/2026	866,218	833,200	1.03%
1,000,000	COCA-COLA CO	2.90%	25/05/2027	788,348	815,183	1.01%
500,000	COOPERAT RABOBANK UA	4.80%	01/09/2029	415,203	427,913	0.53%
500,000	CREDIT AGRICOLE SA	5.30%	12/07/2028	422,751	431,188	0.53%
1,067,000	GLAXOSMITHKLINE CAPITAL	3.38%	01/06/2029	862,662	865,035	1.07%
1,000,000	IBM CORP	3.30%	15/05/2026	813,001	822,783	1.02%
989,000	JOHN DEERE	3.05%	06/01/2028	788,004	801,510	0.99%
1,000,000	MICROSOFT CORP	2.70%	12/02/2025	836,686	828,050	1.02%
1,000,000	MORGAN STANLEY	3.95%	23/04/2027	814,119	825,533	1.02%
1,000,000	NESTLE HOLDINGS	5.25%	13/03/2026	836,028	848,667	1.05%
1,000,000	PFIZER INC	2.75%	03/06/2026	804,593	817,675	1.01%
1,000,000	PROCTER & GAMBLE	2.85%	11/08/2027	792,995	813,392	1.00%
1,048,000	ROYAL BANK OF CANADA	2.85%	01/02/2029	898,182	901,009	1.11%
500,000	TORONTO-DOMINION BANK	4.69%	15/09/2027	412,881	423,450	0.52%
1,142,000	US TREASURY BILL	0.00%	03/10/2024	951,305	951,413	1.18%
1,000,000	US TREASURY NOTE	1.75%	15/03/2025	825,706	823,877	1.02%
535,000	US TREASURY NOTE	1.00%	15/12/2024	443,827	442,594	0.55%
1,000,000	US TREASURY NOTE	2.25%	15/11/2025	816,690	818,424	1.01%
1,000,000	US TREASURY NOTE	2.63%	15/04/2025	828,611	826,253	1.02%
1,000,000	US TREASURY NOTE	2.13%	15/05/2025	824,050	822,478	1.02%
1,000,000	US TREASURY NOTE	2.50%	28/02/2026	819,282	818,733	1.01%
1,000,000	US TREASURY NOTE	2.88%	15/06/2025	824,509	825,960	1.02%
700,000	US TREASURY NOTE	3.13%	15/08/2025	575,434	578,765	0.72%
1,000,000	VERIZON	4.13%	16/03/2027	826,225	832,280	1.03%
1,000,000	WALMART INC	3.90%	09/09/2025	826,093	831,975	1.03%
1,000,000	WELLS FARGO	3.00%	23/10/2026	845,161	814,925	1.01%
				<u>\$21,010,616</u>	<u>\$21,109,049</u>	<u>26.08%</u>

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5. Financial assets at fair value through profit and loss (continued)

The following investments were held by the Plan at September 30, 2023:

Equities/Mutual Funds

<u>Units</u>	<u>Security</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Percentage of total assets</u>
4,182	BERKSHIRE HATHAWAY INC CL B	308,594	1,220,796	1.85%
114,973	CARIBBEAN UTILITIES CO	1,048,441	1,110,448	1.69%
24,369	CAYMAN NATIONAL CORP	58,550	131,999	0.20%
50,284	CAYMAN NATIONAL SECURITIES MUTUAL FUND SPC-INTERNATIONAL EQUITY	364,758	369,379	0.56%
387,630	CAYMAN NATIONAL SECURITIES MUTUAL FUND SPC-US BOND	3,263,351	3,136,089	4.76%
33,867	CAYMAN NATIONAL SECURITIES MUTUAL FUND SPC-US EQUITY	550,235	640,805	0.97%
5,640	ISHARES TR RUSSELL 2000	321,041	830,678	1.26%
13,498	MIDCAP SPDR TR UNIT SER 1	1,051,452	5,136,439	7.80%
18,161	NASDAQ 100 TR POWERSHARES QQ NAS	935,906	5,422,118	8.24%
29,579	SPDR DOW JONES INDUSTRIAL AVGETF TRUST	2,687,779	8,256,238	12.54%
50,976	SPDR TR UNIT SER 1	5,541,746	18,159,350	27.59%
		<u>16,131,853</u>	<u>44,414,339</u>	<u>67.46%</u>

Fixed Income Securities

<u>Par Value</u>	<u>Security</u>	<u>Interest</u>	<u>Maturity</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Percentage of total assets</u>
1,000,000	AMAZON	2.80%	8/22/2024	839,648	813,483	1.24%
1,000,000	AMAZON	4.60%	12/1/2025	829,871	823,008	1.25%
1,000,000	APPLE INC	3.00%	2/9/2024	837,473	825,700	1.25%
1,000,000	BANK OF AMERICA	4.20%	8/26/2024	846,013	819,117	1.24%
1,000,000	CITIGROUP	4.30%	11/20/2026	881,618	790,317	1.20%
400,000	HSBC USA INC	1.70%	11/14/2023	333,344	333,143	0.51%
1,000,000	MICROFOFT CORP	2.70%	2/12/2025	845,779	804,958	1.22%
1,000,000	MORGAN STANLEY	3.95%	4/23/2027	806,586	774,333	1.18%
1,000,000	NESTLE HOLDINGS	5.25%	3/13/2026	837,889	832,175	1.26%
1,000,000	PROCTER & GAMBLE	2.85%	8/11/2027	778,861	771,158	1.17%
1,000,000	RABOBANK UA	4.63%	12/1/2023	834,172	830,933	1.26%
1,000,000	USTREASURY BILL	0.00%	10/26/2023	830,390	830,409	1.26%
500,000	USTREASURY BILL	0.00%	1/25/2024	410,379	409,608	0.62%
1,000,000	USTREASURY NOTE	2.50%	2/28/2026	809,338	788,249	1.20%
1,000,000	USTREASURY NOTE	2.25%	11/15/2025	801,884	787,630	1.20%
1,000,000	USTREASURY NOTE	2.13%	5/15/2025	809,087	793,896	1.21%
1,000,000	USTREASURY NOTE	0.25%	6/15/2024	825,772	803,418	1.22%
535,000	USTREASURY NOTE	1.00%	12/15/2024	434,123	423,385	0.64%
1,000,000	USTREASURY NOTE	1.75%	3/15/2025	808,832	792,529	1.20%
1,000,000	USTREASURY NOTE	2.88%	6/15/2025	812,014	802,377	1.22%
1,000,000	USTREASURY NOTE	2.63%	8/15/2025	822,806	801,611	1.22%
1,000,000	VERIZON	4.13%	3/16/2027	823,336	792,817	1.20%
1,000,000	VOLKSWAGEN GR AMERICA	4.25%	11/13/2023	834,400	831,750	1.26%
1,000,000	WALMART INC	3.90%	9/9/2025	818,422	812,875	1.23%
1,000,000	WELLS FARGO	3.00%	10/23/2026	850,912	765,058	1.16%
	Fixed income securities			<u>19,362,949</u>	<u>18,853,937</u>	<u>28.64%</u>

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NOTES TO FINANCIAL STATEMENTS

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(Expressed in Cayman Islands dollars)

5. Financial assets at fair value through profit and loss (continued)

The Plan's investments are administered by Cayman National Securities Ltd. During the year ended September 30, 2024, the portfolio provided an annual rate of return of 22.36% (2023: 12.41%) for participating units and 8.14% for RSA side pocket units (2023: 4.72%) (see Note 10). The annual rate of return is calculated by dividing the increase in net asset value per unit by the Net Asset Value ("NAV") per unit at the beginning of the year.

The following summarises the Plan's holdings in mutual funds that are not exchange traded:

	September 30, 2024		September 30, 2023	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Mutual Funds	\$4,460,122	\$4,133,879	\$4,146,273	\$4,178,344

Because of the inherent uncertainty of valuation with such securities, these fair values do not necessarily represent amounts that might be ultimately realized, and the differences could be material. The risk attributable to these investments is increased because of their illiquidity and volatility.

6. Fair value disclosures

IFRS 13 requires the management to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3: Inputs that are unobservable.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. There are no level 3 investments held by the Plan at September 30, 2024 or 2023.

The determination of what constitutes 'observable' requires significant judgment by management. Management considers observable data to be that 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.

The following table analyses within the fair value hierarchy the Plan's financial assets and liabilities (by class) measured at fair value at September 30, 2024:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Financial assets held for trading:				
– Equity securities	52,579,723	-	-	52,579,723
– Investments in other funds	-	4,460,122	-	4,460,122
– Fixed income securities	<u>6,908,497</u>	<u>14,200,552</u>	<u>-</u>	<u>21,109,049</u>
Total assets	<u>\$59,488,220</u>	<u>\$18,660,674</u>	<u>\$-</u>	<u>\$78,148,894</u>

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

(Expressed in Cayman Islands dollars)

6. Fair value disclosures (continued)

The following table analyses within the fair value hierarchy the Plan's financial assets and liabilities (by class) measured at fair value at September 30, 2023:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total balance</u>
Financial assets held for trading:				
– Equity securities	40,268,067	-	-	40,268,067
– Investments in other funds	-	4,146,273	-	4,146,273
– Fixed income securities	-	<u>18,853,937</u>	-	<u>18,853,937</u>
Total assets	<u>\$40,268,067</u>	<u>\$ 23,000,210</u>	<u>\$ -</u>	<u>\$63,268,277</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and funds, many US government treasury bills and certain non-US sovereign obligations. Management does not adjust the quoted price for these instruments.

During the year, the Plan reclassified its investment in US Treasury bill and notes from Level 2 to Level 1 in the fair value hierarchy.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include, most investment-grade corporate bonds, investments in other funds (excluding ETF's) where redemption is not restricted, certain non-US sovereign obligations, thinly traded listed equities and some over-the-counter derivatives.

As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on a available market information. Level 2 investments include fixed income securities, and mutual funds (excluding exchange traded funds). The investment in other funds were fair valued using the net asset value of the other funds as reported by their administrator. For these other funds, management believes the Plan could have redeemed its investment at the net asset value per share at the year end.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all and are subject to transfer restrictions. Valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on a available market information.

The carrying value of assets and liabilities carried at amortised cost is a reasonable approximate of their fair value due to their short term maturity.

7. Long term fixed deposits

Long term fixed deposits as at September 30, 2024 and 2023 comprise the following:

	September 30, 2024		September 30, 2023	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Fixed Term Deposits with Cayman National Bank Ltd.	927,166	927,166	896,197	896,197
Interest receivable	<u>15,723</u>	<u>15,723</u>	<u>10,404</u>	<u>10,404</u>
Total	<u>\$ 942,889</u>	<u>\$ 942,889</u>	<u>\$ 906,601</u>	<u>\$ 906,601</u>

The yield on the deposits was 3.95% (2023: 3.00% to 3.95%) and the maturities are within one year (2023: one year).

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

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(Expressed in Cayman Islands dollars)

8. Accounts payable and accrued expenses

Accounts payable and accrued expenses as at September 30, 2024 and 2023 comprised the following:

	<u>2024</u>	<u>2023</u>
Administration, accounting and secretarial fees	40,030	137,970
Professional fees	18,750	22,943
Custody	21,001	18,618
Other	2,500	7,251
Total accounts payable and accrued expenses	<u>\$ 82,281</u>	<u>\$ 186,782</u>

9. Administration and brokerage fees

During February 2024, the board of trustees resolved to change the Plan's administrative agent from Cayman National Fund Services Ltd. to Saxon (in conjunction with the Intertrust Corporate Services (Cayman) Limited ("ICSL")). The agreement was made with Saxon on March 28, 2024, and Saxon began performing its duties and obligations contained in the agreement from July 1, 2024.

The fee term agreed between the Plan and Saxon is calculated on a sliding scale as follows. Saxon received the following NAV based fee:

<u>Net Asset Value (Cayman Islands dollars)</u>	<u>Administration fee charged</u>
First CI\$80,000,000	0.60% *
CI\$80,000,000 to CI\$200,000,000	0.55%
CI\$200,000,000 to CI\$300,000,000	0.50%
Greater than CI\$300,000,000	0.35%

*The administration fee is subject to a minimum fee of \$28,500 per month.

The Plan pays Saxon an Administrative fee that is based on the Plan's NAV. Saxon then pays over a portion of the administration fees to ICSL.

For its service, from July 1, 2024, to September 30, 2024, Saxon earned fees amounting to \$110,651 (2023: \$nil).

Prior to July 1, 2024, Cayman National Fund Services Ltd. ("CNFS") was engaged to perform certain management, financial, accounting, administrative and other services on behalf of the Plan and received an annual fee, calculated as 2% of annual contributions plus 0.45% of net assets, calculated monthly. These fees were in effect to April 30, 2021. Effective May 1, 2021, the fees were increased to 2% of annual contributions plus 0.65% of net assets, calculated monthly. Furthermore, CNFS receives \$50 for each withdrawal request, and charges a fixed annual fee of \$12,000 for calculating the RSA's NAV. For its service during the period ended from October 1, 2023 to June 30, 2024, CNFS earned fees under this agreement amounting to \$448,952 (2023: \$509,744 for the year ended September 30, 2023). At September 30, 2024, the fees payable were \$nil (2023: \$137,970).

Cayman National Securities Ltd (the "Investment Advisor") acts as the Investment Advisor to the Plan, broker and custodian of the Plan's assets and charges brokerage fees and custody fees on security transactions. Such fees are at commercial rates. As at December 2020, custody fees of 0.0125% of assets, calculated monthly were put into effect. No fees are paid for investment advisory services. At September 30, 2024, the custody fees payable were \$21,001 (2023: \$18,618).

VERDANT ISLE PENSION PLAN
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(Expressed in Cayman Islands dollars)

10. Units outstanding

Units of the Plan are issued or redeemed on the first business day of each month at a price based on the underlying net asset value of the Plan at the opening of business on that date, and subject to the provisions of the Trust Deed. Transactions in participating and RSA side pocket units for the years ended September 30, 2024 and 2023 are summarised as follows:

<u>Participating Units</u>	<u>2024</u>	<u>2023</u>
Outstanding units, at beginning of year	18,372,745.57	17,982,437.48
Issued during the year (contributions and transfers from other plans)	1,868,888.28	1,576,822.10
Redeemed during the year (benefit payments and transfers to other plans)	(1,089,498.71)	(619,012.98)
Transfer to RSA side pocket	<u>(450,781.49)</u>	<u>(567,501.03)</u>
Outstanding units, at end of year	<u>18,701,353.65</u>	<u>18,372,745.57</u>
<u>RSA Side Pocket Units</u>	<u>2024</u>	<u>2023</u>
Outstanding units, at beginning of year	3,934,519.89	3,631,306.00
Transfer from participating units	1,170,206.45	1,052,424.26
Redeemed during the year (benefit payments and transfers to other plans)	<u>(877,632.33)</u>	<u>(749,210.36)</u>
Outstanding units, at end of year	<u>4,227,094.01</u>	<u>3,934,519.89</u>

In accordance with the objectives outlined in Note 1 and the risk management policies in Note 13, the Plan endeavours to invest the subscriptions received from units outstanding into appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of traded securities where necessary.

On August 1, 2015, the Plan created the RSA side pocket for the purposes of establishing an RSA for retiring pensioners within the structure of the Plan and, within that side pocket, to manage a simple, fixed income-based investment portfolio specifically for the benefit of retirees seeking to establish an RSA.

The model portfolio for the RSA side pocket is to invest solely in the Cayman National Securities Mutual Funds Segregated Portfolios with the following allocation:

		<u>Units</u>	<u>Fair Value</u>
Cayman National Securities US Bond Fund Segregated Portfolio	80%	382,859	3,250,888
Cayman National Securities US Equity Fund Segregated Portfolio	11%	33,911	793,784
Cayman National Securities International Equity Fund Segregated Portfolio	9%	50,205	415,450

As at September 2023, it was:

		<u>Units</u>	<u>Fair Value</u>
Cayman National Securities US Bond Fund Segregated Portfolio	80%	387,630	3,136,089
Cayman National Securities US Equity Fund Segregated Portfolio	11%	33,867	640,805
Cayman National Securities International Equity Fund Segregated Portfolio	9%	50,284	369,379

Each of these funds is regulated by the Cayman Islands Monetary Authority (“CIMA”) and has its shares listed on the CSX. Each maintains a well-diversified investment portfolio, consisting of either investment-grade bonds or large-cap equities.

The gains and losses from such investments will be allocated solely to the RSA side pocket units, which will not be subject to any other income or expenses of the Plan.

VERDANT ISLE PENSION PLAN
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11. Related party balances and transactions

As at September 30, 2024 and 2023, the Investment Advisor provided brokerage and custody services on behalf of the Plan. As at September 30, 2024 and 2023 the majority of the Plan's investments and due from broker balances were held by the Investment Advisor on behalf of the Plan. Custody fees of \$84,154 were earned in 2024 (2023: \$71,990).

As at September 30, 2024 and 2023, all of the Plan's cash and fixed deposits have been placed with Cayman National Bank Ltd. ("CNB").

As at September 30, 2024, the Plan held \$nil (2023: 24,369) shares of Cayman National Corporation Ltd. with a market value of \$nil (2023: \$131,999). The shares were completely sold for \$134,030, resulting in a realized gain of \$75,480.

The Plan's Board of Trustees include two members who are also directors within the Cayman National Group of Companies.

The RSA side pocket invests in the Cayman National Securities Mutual Fund SPC. Refer to Note 10 for further details.

12. Expense ratio

Total expenses, excluding withholding taxes on dividends, as a percentage of the average monthly net assets available to participants for benefits, were 1.03% for the year ended September 30, 2024 (2023: 1.13%).

13. Financial instruments and associated risk management

The Plan's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Plan's overall risk management programme which includes an Investment Advisory Committee which meets on a set quarterly schedule and also regular inter-quarterly meetings, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Plan's financial performance.

a) Market Risk:

i) Price risk:

The Plan invests in financial instruments, taking positions in traded and over-the-counter mutual funds and other structured finance instruments, to take advantage of long-term capital appreciation and periodic income in the form of interest and dividends payments in the equity and bond markets.

All securities investments present a risk of loss of capital. The Investment Advisor and managed account advisors moderate this risk through a careful selection of securities and other financial instruments, within specified limits, following the principles of diversification and the efficient market hypothesis. The Plan's overall market positions are monitored on a daily basis by the Investment Advisor.

The Plan's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Investment Advisory Committee provides the Plan with investment recommendations that are consistent with the Plan's objectives. The Plan's market price risk is managed through diversification of the investment portfolio ratios by exposures. The overall market exposures as at September 30, 2024 and 2023 are presented in Note 5.

VERDANT ISLE PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

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(Expressed in Cayman Islands dollars)

13. Financial instruments and associated risk management (continued)

a) Market Risk (continued):

i) Price risk (continued):

At September 30, 2024 and 2023 the Plan's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements. The beta coefficient ("Beta"), in investment management, measures how the expected return of a stock or portfolio is correlated to the return of the financial market as a whole.

The Beta for the equity portion of the Plan has been calculated at 0.98 to the S&P 500 (2023: 0.96). Thus if the index rises 10% the equity portion of the Plan's portfolio will rise 9.8% (2023: 9.6%) before fees and expenses. Conversely if the index declines 10% the equity portion of the Plans portfolio will decline 9.8% (2023: 9.6%). The impact of these changes on the Plan's equity investments at September 30, 2024 would have been a rise or decline in fair value of approximately \$6.1 million (2023: \$4.26 million), excluding the effect of Plan expenses.

The sensitivity analysis presented above is based upon the portfolio composition as at September 30, 2024 and 2023. The composition of the Plan's investment portfolio is expected to change over time. Accordingly, the sensitivity analysis prepared is not indicative of future performance of the Plan.

ii) Interest rate risk:

The Plan's fixed rate bond holdings are subject to market risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The Plan's exposure to interest rate risk consists primarily of fixed income securities. None of the Plan's liabilities are sensitive to interest rate changes. None of the fixed income securities held by the Plan have interest rate repricing dates that are different from the maturity dates (see summary under 'Liquidity Risk'). The Plan may hold floating rate notes that reset quarterly or annually.

On the fixed income portion of the Plan's investment portfolio the appropriate measure to use is the Modified Duration which attributes the bonds' sensitivity to movements in interest rates. The Modified Duration on the bond portfolio is 1.72 (2023: 1.57). Therefore, if interest rates increase by 100bps the fair value of the bond portfolio will decline (due to the inverse relationship between yield and price) by 1.72% (2023: 1.57%). Conversely should interest rates decline by 100bps the fair value of the bond portfolio will increase by 1.72% (2023: 1.57%). The impact of these changes on the Plan's fixed income investments at September 30, 2024 would have been a rise or decline in fair value of approximately \$396,739 (2023: \$354,905), excluding the effect of the Plan's expenses.

In accordance with the Plan's policy, the Investment Advisor monitors the Plan's overall interest sensitivity on a regular basis.

iii) Currency risk:

The Plan's functional and reporting currency is Cayman Islands dollars, which is fixed to the United States dollar ("US\$") at the rate of US\$1 = CI\$0.83. The Plan may invest in securities and hold cash balances at its brokers that are denominated in currencies other than the CI dollar or the US dollar. Consequently, the Plan may be exposed to risks that the exchange rate of the CI dollar or the US dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Plan's assets which are denominated in currencies other than the US dollar.

Substantially all of the Plan's assets and liabilities are US dollar denominated, accordingly, the Plan's exposure to foreign currency is insignificant.

VERDANT ISLE PENSION PLAN
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(Expressed in Cayman Islands dollars)

13. Financial instruments and associated risk management (continued)

b) Credit risk:

Financial assets which potentially expose the Plan to concentrations of credit risk are cash and cash equivalents, fixed deposits, bonds and accrued interest. Investments in fixed deposits and bonds expose the Plan to the risk that an issuer will default on the payment of interest, principal or both. The Plan's cash and cash equivalents are placed with CNB. At September 30, 2024 and 2023, the majority of the cash at bank, cash equivalents and fixed deposits were placed with CNB. CNB is unratd however management views this as a stable financial institution. CNB is also a related party. Management does not anticipate any losses as a result of this concentration.

An analysis of the Plan's investments is provided in Note 5 to these financial statements. The Plan's investments in fixed income securities comprise a diversified portfolio.

<u>Rating</u>	<u>2024</u>	<u>2023</u>
AAA	7,736,547	8,038,070
AA+	-	825,700
AA	1,671,417	2,449,366
AA-	1,662,059	1,603,333
A+	1,674,284	-
A	3,385,229	-
A-	1,673,575	333,143
BBB+	2,472,738	4,814,008
BBB	833,200	790,317
	<u>\$ 21,109,049</u>	<u>\$ 18,853,937</u>

The Plan seeks to mitigate exposure to credit risk by adhering to investment guidelines which specify the types, maturities and concentrations of investments in which the Plan can invest. Prior to entering into investments, management evaluates the creditworthiness of the respective counterparties and subsequently monitors the performance of the financial assets and developments in current credit worthiness of the counterparties. The Trustees consider the Plans exposure to credit risk is mitigated as the Plan only enters into transactions with counterparties of high credit quality.

Securities transactions undertaken by the Trustees are cleared through and held in custody by one custodian that is affiliated with several Trustees. The Plan's cash and fixed deposits are held by one bank that affiliated with several Trustees.

c) Liquidity risk:

The Plan is exposed to monthly cash redemptions of units outstanding. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. It invests only a limited proportion of its assets in investments not actively traded on a stock exchange.

The Plan's listed securities are considered readily realisable, as they are listed on the major international exchanges, or actively traded in the over-the-counter markets. The maturity dates of the fixed income securities at market value are:

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13. Financial instruments and associated risk management (continued)

	<u>2024</u>	<u>2023</u>
Within one year	6,931,365	6,497,561
Between one and five years	<u>14,177,684</u>	<u>12,356,376</u>
Total	<u>\$ 21,109,049</u>	<u>\$ 18,853,937</u>

Actual maturities could differ from contractual maturities because the counterparty may have the right to prepay obligations with or without prepayment penalties.

With the exception of participant benefits, all liabilities of the Plan are due within one year (at the amounts recorded on the balance sheet). In accordance with the Plan's policy, the Investment Advisor monitors the Plan's liquidity position on a regular basis.

Financial instruments by category:

The table below provides an analysis of the Plan's financial instruments by category:

December 31, 2024	Financial assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Total
Assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	78,148,894	78,148,894
Cash and cash equivalents	571,661	-	571,661
Due from brokers	522,062	-	522,062
Other receivables	5,234	-	5,234
Loans and receivables	927,166	-	927,166
Dividend receivables	93,593	-	93,593
Interest receivables	180,872	-	180,872
Accounts Receivable - Investment Related	495,235	-	495,235
Total	<u>\$ 2,795,823</u>	<u>\$ 78,148,894</u>	<u>\$ 80,944,717</u>
Liabilities as per statement of financial position			
Accounts payable and accrued expenses	82,281	-	82,281
Prepaid contributions	734,732	-	734,732
Redemptions payable	101,384	-	101,384
Total	<u>\$ 918,397</u>	<u>\$ -</u>	<u>\$ 918,397</u>

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13. Financial instruments and associated risk management (continued)

Financial instruments by category (continued):

The table below provides an analysis of the Plan's financial instruments by category:

December 31, 2023	Financial assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Total
Assets as per statement of financial position			
Financial assets at fair value through profit or loss	-	63,268,277	63,268,277
Cash and cash equivalents	1,050,503	-	1,050,503
Due from brokers	294,400	-	294,400
Other receivables	86,892	-	86,892
Loans and receivables	896,197	-	896,197
Dividend receivables	83,647	-	83,647
Interest receivables	141,788	-	141,788
Total	\$ <u>2,553,427</u>	\$ <u>63,268,277</u>	\$ <u>65,821,704</u>
Liabilities as per statement of financial position			
Accounts payable and accrued expenses	186,782	-	186,782
Prepaid contributions	449,400	-	449,400
Redemptions payable	657,307	-	657,307
Total	\$ <u>1,293,489</u>	\$ <u>-</u>	\$ <u>1,293,489</u>

14. Subsequent events

From October 1, 2024 to March 14, 2025, the Plan received contributions of \$3,391,166 and paid redemptions of \$1,552,410.