SCOTIA GLOBAL CORPORATE BOND FUND

(formerly Scotia Sustainable Global Corporate Bond Fund)

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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(formerly Scotia Sustainable Global Corporate Bond Fund)

INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

CONTENTS **Page**

1)	INDEPENDENT AUDITOR'S REPORT	1 - 3
2)	STATEMENT OF FINANCIAL POSITION	4
3)	STATEMENT OF COMPREHENSIVE INCOME	5
4)	STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF INVESTMENT SHARES	6
5)	STATEMENT OF CASH FLOWS	7
6)	NOTES TO FINANCIAL STATEMENTS	8-19

Independent auditor's report

To the Board of Directors of Scotia Global Corporate Bond Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Scotia Global Corporate Bond Fund (the Fund) as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at December 31, 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of investment shares for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

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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 also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management 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.

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matter

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

PricewaterhouseCoopers

March 26, 2026

SCOTIA GLOBAL CORPORATE BOND FUND

(formerly Scotia Sustainable Global Corporate Bond Fund)

STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2025

(Expressed in United States dollars)

	2025	2024
ASSETS		
Cash and cash equivalents	$ 8,113,754	$ 3,184,205
Financial assets at fair value through profit or loss (Cost: $67,562,673; 2024: $77,249,112) (Notes 3, 7 and 8)	67,901,793	75,714,555
Interest receivable	858,153	862,940
Receivable from Manager (Note 4)	12,023	18,577
Total assets	76,885,723	79,780,277
LIABILITIES		
Payable for investments purchased	7,993,109	3,082,497
Accrued expenses	66,694	47,441
Management fees (Note 4)	7,979	9,825
Liabilities (excluding net assets attributable to holders of investment shares)	8,067,782	3,139,763
Net assets attributable to holders of investment shares (Notes 6 and 7)	$ 68,817,941	$ 76,640,514
Net asset value per investment share (Note 6)		
Class I		
$68,815,908/6,699,246 shares (2024: $76,638,618/8,006,224 shares)	$ 10.27	$ 9.57
Class F		
$1,018/100 shares (2024: $950/100 shares)	$ 10.18	$ 9.50
Class K		
$1,015/100 shares (2024: $946/100 shares)	$ 10.15	$ 9.46

Approved for issuance on behalf of Scotia Global Corporate Bond Fund's Board of Directors by:

Farried Sulliman
Farried Sulliman
Director

Sarah Hobbs
Sarah Hobbs
Director

Date : March 26, 2026

The accompanying notes are an integral part of these financial statements.

SCOTIA GLOBAL CORPORATE BOND FUND

(formerly Scotia Sustainable Global Corporate Bond Fund)

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2025

(Expressed in United States dollars)

	2025	2024
Income		
Interest income	$ 4,077,287	$ 3,197,274
Dividend Income	-	4,771
Net realized gain on financial assets at fair value through profit or loss	116,140	190,854
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	1,873,677	(2,477,078)
Total net income	6,067,104	915,821
Expenses		
Management fees (Note 4)	123,619	97,707
Custodian and administration fees	70,110	66,630
Other expenses	38,404	36,548
Professional fees	26,501	29,120
Total operating expenses	258,634	230,005
Less: expenses reimbursed (Note 4)	(51,866)	(66,785)
Net operating expenses	206,768	163,220
Operating profit	5,860,336	752,601
Increase in net assets from operations attributable to holders of investment shares	$ 5,860,336	$ 752,601

The accompanying notes are an integral part of these financial statements.

SCOTIA GLOBAL CORPORATE BOND FUND
(formerly Scotia Sustainable Global Corporate Bond Fund)

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

YEAR ENDED DECEMBER 31, 2025

(Expressed in United States dollars)

	Share Premium	Increase in net assets from operations attributable to holders of investment shares	Total net assets attributable to holders of investment shares (at redemption value)
Balance as at December 31, 2023	$ 52,129,590	$ 3,562,262	$ 55,691,852
Issue of investment shares	24,086,950	-	24,086,950
Redemption of investment shares	(3,890,889)	-	(3,890,889)
Increase in net assets from operations attributable to holders of investment shares	-	752,601	752,601
Balance as at December 31, 2024	$ 72,325,651	$ 4,314,863	$ 76,640,514
Issue of investment shares	18,427,800	-	18,427,800
Redemption of investment shares	(32,110,709)	-	(32,110,709)
Increase in net assets from operations attributable to holders of investment shares	-	5,860,336	5,860,336
Balance as at December 31, 2025	$ 58,642,742	$ 10,175,199	$ 68,817,941

The accompanying notes are an integral part of these financial statements.

SCOTIA GLOBAL CORPORATE BOND FUND

(formerly Scotia Sustainable Global Corporate Bond Fund)

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

(Expressed in United States dollars)

	2025	2024
Cash flows from operating activities		
Interest received	$ 3,489,377	$ 2,237,395
Dividends received	-	4,771
Operating expenses paid	(241,227)	(222,645)
Reimbursements received from Manager	58,420	67,528
Purchase of financial assets at fair value through profit or loss	(80,970,448)	(48,178,145)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	96,276,336	28,721,361
Net cash provided by (used in) operating activities	18,612,458	(17,369,735)
Cash flows from financing activities		
Proceeds from subscriptions of investment shares	18,427,800	24,086,950
Payments for redemption of investment shares	(32,110,709)	(3,890,889)
Net cash (used in) provided by financing activities	(13,682,909)	20,196,061
Net change in cash and cash equivalents	4,929,549	2,826,326
Cash and cash equivalents at beginning of year	3,184,205	357,879
Cash and cash equivalents at end of year	$ 8,113,754	$ 3,184,205

The accompanying notes are an integral part of these financial statements.

1. Incorporation and Principal Activities

Scotia Global Corporate Bond Fund (formerly Scotia Sustainable Global Corporate Bond Fund) (the "Company") was incorporated in the Cayman Islands on October 29, 2020 and registered under the Mutual Funds Act (revised) of the Cayman Islands. The Company is an open ended investment company which may issue and redeem its shares at a price based on the underlying net asset value. The registered office of the Company is 18 Forum Lane, 2nd Floor, Camana Bay, Grand Cayman, P.O. Box 501, KY1-1106. The Company commenced operations on May 19, 2021.

The Company's primary objective for fixed income management is capital preservation and a stable income stream by investing primarily in global investment grade corporate bonds.

It is not the intention of the Company to pay dividends and any earnings and profits will be reinvested.

On May 4, 2021, Scotiabank & Trust (Cayman) Ltd. (the "Manager") appointed State Street Cayman Trust Company, Ltd. as sub-administrator, (the "Sub-Administrator") and State Street Bank and Trust Company as custodian (the "Custodian").

Jarislowsky, Fraser Limited acts as the Company's Portfolio Manager (the "Portfolio Manager"). The Portfolio Manager is a related party to the Manager.

2. Significant 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 periods presented, unless otherwise stated.

Basis of preparation:

The financial statements of the Company have been prepared in accordance with International Financial Reporting 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 Board of Directors to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 8.

All references to net assets throughout this document refer to net assets attributable to holders of Investment Shares unless otherwise stated. Net assets per share information as disclosed in the Statement of Financial Position for each class of investment shares as disclosed in Note 6 has been determined as total assets less total liabilities (excluding net assets attributable to holders of Investment Shares) divided by the number of outstanding shares of each class of Investment Shares.

2. Significant Accounting Policies (continued)

(a) Standards and amendments to existing standards effective January 1, 2025

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2025 that have a material effect on the financial statements of the Company.

(b) New standards, amendments and interpretations effective after January 1, 2025 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for periods beginning after January 1, 2025, 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 Company.

Valuation of financial assets at fair value through profit or loss: The Company classifies its investments based on both the Company'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 Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company'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 Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value, which is considered the cost basis of the financial assets. The Company records security transactions on a trade date basis, recognizing the cost or sales proceeds of financial assets sold or purchased on an average cost basis. Financial assets are valued on the valuation date at fair value, using data provided by one or more reputable third party pricing vendors which is in turn based upon (1) last traded price on the exchange upon which such financial assets are traded, (2) valuation models using observable market inputs, or (3) prices quoted by the principal market makers for non-exchange traded financial assets. Management evaluates the reliability of the pricing data received at each report date. All related realized gains and losses are recognized in the Statement of Comprehensive Income as income or loss as they occur.

Functional and presentation currency: The United States Dollar ("USD") is the currency in which the Company measures its performance and reports its results, as well as the currency in which the Company receives the majority of its subscriptions from its investors (the "functional currency"). The Company has adopted USD as its presentation currency.

Accounting for investments and investment income: Security transactions are accounted for on a trade date basis. Realized gains and losses on sales of financial assets are calculated on an average cost basis. Interest is recognized in the Statement of Comprehensive Income using the effective yield method and includes discount accreted and premium amortized over the remaining period to maturity of individual assets.

Investment shares and governance shares: Investment shares (the "Investment Shares") are redeemable at the shareholder's option and are classified as financial liabilities. Any distribution on such Investment Shares is recognized in the Statement of Comprehensive Income as finance costs. The Investment Shares can be put back to the Company by the holder at any dealing day for cash equal to a proportionate share of the respective Company's net assets. The Investment Shares are carried at the redemption amount that would be payable at the dealing day if the shareholder exercised its right to put the share back to the Company. Governance shares (the "Governance Shares") are not redeemable, and do not participate in the net income or dividends of the Company as per the Company's articles of association.

2. Significant Accounting Policies (continued)

Interest income: Interest income on financial assets is accrued on a daily basis. Interest income on financial assets includes interest and discount earned (net of premium), which is the difference between the face value and the original cost, including original issue discount, amortized using the effective yield method over the term of the financial assets.

Expenses: Expenses directly attributable to the Company are recorded on an accrual basis.

Allocation of gains and losses: Other than the different fee rates discussed in Note 4, profits and losses of the Company are allocated to each class of shares according to their proportionate interest in the Company.

Translation of foreign currency amounts: Assets and liabilities denominated in currencies other than the USD ("foreign currencies") are translated at the rates prevailing on the date of valuation and exchange differences are reflected in the Statement of Comprehensive Income in the period in which they arise. Transactions in foreign currencies are translated at prevailing exchange rates at the date of the transaction. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on financial assets from the fluctuations arising from changes in market prices of financial assets held. Such fluctuations are included with the net realized gain or loss and net change in unrealized appreciation or depreciation on financial assets at fair value through profit or loss.

Cash and cash equivalents: For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash, fixed term deposits and short term bonds with original maturity of less than 90 days.

Capital risk management: The capital of the Company is represented by the net assets attributable to holders of Investment Shares. The amount of net assets attributable to holders of Investment Shares can change significantly on a daily basis as the Company is subject to daily subscriptions and redemptions at the discretion of shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company. In order to maintain or adjust the capital structure, the Company's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the liquid assets and adjusts the amount of distributions the Company pays to redeemable shareholders.

- Redeem and issue new shares in accordance with the constitutional documents of the Company, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and Portfolio Manager monitor capital on the basis of the value of net assets attributable to Investment Shares.

3. Financial Assets at Fair Value through Profit or Loss

At December 31, 2025 and 2024, the financial assets comprised the following debt securities:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Corporate Bonds and Notes	$ 66,389,191	$ 66,728,014	$ 76,755,779	$ 75,221,131
Government and Agency Bonds and Notes	1,173,482	1,173,779	493,333	493,424
	$ 67,562,673	$ 67,901,793	$ 77,249,112	$ 75,714,555

The following summarizes the investment portfolio segregated by country of issuer:

	2025		2024	
Financial Assets at fair value	Fair Value	% of total portfolio	Fair Value	% of total portfolio
Canada	$ 14,313,727	21.08%	$ 14,357,544	18.96%
China	666,174	0.98%	2,014,262	2.66%
France	4,214,156	6.21%	2,408,013	3.18%
Ireland	2,471,917	3.64%	-	-
United Kingdom	-	-	3,433,918	4.54%
United States	46,235,819	68.09%	53,500,818	70.66%
Total financial assets at at fair value through profit and loss	$ 67,901,793	100.00%	$ 75,714,555	100.00%

As at December 31, 2025 the portfolio consists of 51 (2024: 49) positions, primarily located in North America, with no one position or issuer accounting for more than 4.37% (2024: 4.64%) of the portfolio value. The contractual interest rates range from 0.00% to 5.95% (2024: 0.00% to 5.95%) and maturity dates range from 2026 to 2051 (2024: 2025 to 2051). The current period yields range from 0.00% to 5.77% (2024: 0.00% to 5.75%).

At December 31, 2025 and 2024, there are no assets and liabilities subject to offsetting enforceable under a master netting arrangement.

4. Management Agreement

Under the terms of the management agreement dated April 30, 2021, the Company appointed the Manager to manage the affairs and investments of the Company subject to the overall supervision and control of the Board of Directors of the Company.

The Manager has responsibility for the general administration of the Company, but has delegated the performance of most tasks to third parties.

4. Management Agreement (continued)

The Manager is entitled to a fee (the "management fee") at rates disclosed in the table below. The management fee is paid out of the assets of the Company and is accrued daily and paid monthly in arrears. Out of this fee, the Manager is required to pay the fees of the Portfolio Manager and any other person to whom functions are delegated by the Manager, along with all investment related direct expenses. The Manager may also pay trailing commissions to sub-distributors out of the management fee. The Manager may choose from time to time to absorb any portion of the annual management fees on any class of shares of the Company.

The Manager is entitled to a management fee from the classes of Redeemable Investment Shares as listed below as of December 31, 2025:

Class	Management fee per annum
F	0.50% (2024: 0.50%)
I	0.15% (2024: 0.15%)
K	0.25% (2024: 0.25%)

No management fees were charged on Class I shares. Instead, Class I investors negotiated a separate fee that was paid directly to the Manager.

The Company also incurs certain operating expenses. Such expenses may include, but are not limited to, administrative costs, interest on borrowed funds, auditing expenses, legal expenses, insurance, licensing, accounting, fees and disbursement of transfer agents, registrars, custodians, sub-custodians and escrow agents and the annual registration fee payable in the Cayman Islands. The Manager may at its sole discretion choose to absorb any of these expenses, at any time.

For the year ended December 31, 2025, the Manager voluntarily applied an expense ratio cap of 0.25% (2024: 0.25%) for Class I shares, 0.60% (2024: 0.60%) for Class F shares and 0.35% (2024: 0.35%) for Class K shares. As a result of the expense ratio cap, total operating expenses reimbursed by the Manager for the year ended December 31, 2025 was $51,866 (2024: $66,785), which is recorded in the Statement of Comprehensive Income, of which $12,023 (2024: $18,577) is receivable at the end of the year. The Manager may decide to change or cease the expense ratio cap at any time.

5. Other Related Party Transactions

Under the terms of the distributorship agreement dated March 31, 2021, the Manager, Scotiabank & Trust (Cayman) Ltd. (the "Distributor") is responsible for the distribution of Investment Shares of the Company in accordance with the terms of the Prospectus. The Distributor is entitled to all initial subscription charges levied against subscribers. No initial subscription charge is levied against Class K, Class F and Class I subscribers.

6. Share Capital

	2025	2024
Authorized:		
100 Governance Shares of $1.00 par value each	$ 100	$ 100
100,000,000 Investment Shares of $0.01 par value each	1,000,000	1,000,000
	$1,000,100	$ 1,000,100

6. Share Capital (continued)

Issued:
Total units issued or redeemed during the year and the corresponding share capital and share premium dollar amounts can be summarized as follows:

	2025		2024	
Governance Shares	Units	$	Units	$
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-

	2025		2024	
Investment Shares	Units	$	Units	$
Class F				
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-
Class I				
Shares issued during the year	1,855,011	18,427,800	2,537,553	24,086,950
Shares redeemed during the year	(3,161,989)	(32,110,709)	(409,394)	(3,890,889)
Class K				
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	-	-

The Governance Shares are held exclusively by the Manager, who holds all the voting power of the Company but is entitled only to a return of capital in the event of liquidation.

Shares that are redeemed within 90 days of purchase may be subject to a redemption fee up to 2% of the redemption amount. No redemption fees were levied during the year ended December 31, 2025 (2024: $NIL).

Each of the classes are denominated in USD, however, any new classes of shares may be denominated in a different currency.

For classes of shares denominated in currencies other than the functional currency of the Company, the Net Asset Values are calculated by converting the US dollar Net Asset Value per Share to the base currency equivalent using the current rate of exchange.

Each of the classes of Investment Shares are issued and redeemable daily at a price equal to the net asset value per share on the valuation day on which the notification is received, as long as it is received before the Company's close of business. The net asset value per share for any valuation date is determined by dividing the value of the assets of the respective share class less its liabilities at the close of business on such valuation day by the number of Investment Shares outstanding of the share class on that date.

The Investment Shares confer no voting rights and no entitlement to receive notice of, or attend at, general meetings of the Company. The Investment Shares carry the right to participate in dividends and all other distributions of the Company.

6. Share Capital (continued)

The Company's capital is primarily represented by these Investment Shares. In accordance with the objectives outlined in Note 1 and the risk management policies in Note 7, the Company endeavours to invest the subscriptions received from investment shareholders into appropriate investments while maintaining sufficient liquidity to meet redemptions, being augmented by disposal of fixed income securities where necessary.

As of December 31, 2025, 64% (2024: 68%) of the Company's capital was attributable to three investors (2024: three investors). The actions of these investors may have a material impact on the Company.

7. Financial Risk Management

The Company's investment activities expose it to various types of risk which are associated with the financial assets and markets in which it invests.

Price risk: All financial assets present a risk of loss of capital. The Portfolio Manager moderates this risk through a careful selection of the financial assets. Maximum risk resulting from financial assets is determined by the fair value of the financial assets. The Company's overall positions are monitored on a daily basis by the Portfolio Manager. As of December 31, 2025, since the Company's objective was to invest in fixed income securities, none of its holdings were susceptible to any significant market fluctuations other than those described in interest rate risk and credit risk below.

The overall market exposures as at December 31, 2025 and 2024 are presented in Note 3.

The performance of investments held by the Company is monitored by the Company's Manager on a daily basis.

Currency risk: Currency risk is the risk that movements in foreign currency rates relative to USD will have an unfavourable impact on the fair value of the financial instrument's foreign currency denominated assets and liabilities.

Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of the financial assets to diminish or increase. Currency exchange rates may fluctuate over short periods of time and are generally determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by government or central banks, or by currency controls or political developments.

In accordance with the Company's policy, the Portfolio Manager monitors the financial assets and liabilities exposure to currency risk. As at December 31, 2025, all of the Company's financial assets are denominated in USD, therefore the Company is not exposed to currency risk. However, when an investor invests into a class which is denominated in a different currency to the functional currency of the Company, the currency risk of the investor will be different to the currency risk of the Company.

Political risk: Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

7. Financial Risk Management (continued)

Interest rate risk: The market values of the financial assets and liabilities in which the Company invests are sensitive to changes in interest rates. Substantially all of the Company's financial assets are in fixed rate securities and, therefore, are exposed to the effect on market values of changes in interest rates.

The Company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarizes the Company's exposure to interest rate risk. It includes the Company's financial assets and financial liabilities, categorized by the earlier of contractual re-pricing or maturity dates:

At December 31, 2025

	Up to 1 year	1-5 years	5-10 years	Over 10 years	Non-interest bearing	Total
Assets						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 8,113,754	$ 8,113,754
Financial assets at fair value through profit or loss	1,173,780	14,313,101	36,598,867	15,816,045	-	67,901,793
Other assets	-	-	-	-	870,176	870,176
Total assets	$ 1,173,780	$ 14,313,101	$ 36,598,867	$ 15,816,045	$ 8,983,930	$ 76,885,723

	Up to 1 year	1-5 years	5-10 years	Over 10 years	Non-interest bearing	Total
Liabilities						
Other liabilities	$ -	$ -	$ -	$ -	$ 8,067,782	$ 8,067,782
Investment shares	-	-	-	-	68,817,941	68,817,941
Total liabilities	$ -	$ -	$ -	$ -	$ 76,885,723	$ 76,885,723
Interest sensitivity gap	$ 1,173,780	$ 14,313,101	$ 36,598,867	$ 15,816,045		

At December 31, 2024

	Up to 1 year	1-5 years	5-10 years	Over 10 years	Non-interest bearing	Total
Assets						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 3,184,205	$ 3,184,205
Financial assets at fair value through profit or loss	493,424	22,042,746	30,749,513	22,428,872	-	75,714,555
Other assets	-	-	-	-	881,517	881,517
Total assets	$ 493,424	$ 22,042,746	$ 30,749,513	$ 22,428,872	$ 4,065,722	$ 79,780,277

	Up to 1 year	1-5 years	5-10 years	Over 10 years	Non-interest bearing	Total
Liabilities						
Other liabilities	$ -	$ -	$ -	$ -	$ 3,139,763	$ 3,139,763
Investment shares	-	-	-	-	76,640,514	76,640,514
Total liabilities	$ -	$ -	$ -	$ -	$ 79,780,277	$ 79,780,277
Interest sensitivity gap	$ 493,424	$ 22,042,746	$ 30,749,513	$ 22,428,872		

7. Financial Risk Management (continued)

Interest rate risk (continued):

At December 31, 2025, should interest rates have lowered by 25 basis points with all other variables remaining constant and ignoring the effects of any management fees, the increase in net assets attributable to holders of Investment Shares for the period would amount to approximately $981,086 (2024: $1,253,218) arising substantially from the increase in market values of debt securities. If interest rates had risen by 25 basis points with all other variables remaining constant and ignoring the effects of any management fees, the decrease in net assets attributable to holders of Investment Shares would amount to approximately $959,562 (2024: $1,221,791) arising substantially from the decrease in market values of debt securities.

Credit and concentration risk: Financial assets which potentially expose the Company to credit risk consist primarily of cash and cash equivalents and financial assets at fair value through profit or loss. Investment in debt securities exposes the Company to the risk that an issuer will default on the payment of interest, principal or both. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Company's Statement of Financial Position.

The Company seeks to mitigate its exposure to credit risk by adhering to investment guidelines which specify the types, credit ratings, maturities and concentrations of investments in which the Company can invest. The largest single issuer is disclosed in Note 3.

Transactions of financial assets undertaken by the Company are cleared through and held in custody by a reputable custodian. The Company's cash is held by this same custodian. The clearing and depository operations for the Company's security transactions are mainly concentrated with one custodian. The Custodian is a member of a major securities exchange and at December 31, 2025 had a credit rating from S&P of AA- (2024: AA-). The Company is subject to credit risk and possible losses should the Custodian be unable to fulfill its obligations to the Company. At December 31, 2025 and 2024, substantially all cash and cash equivalents balances are either held with or placed in custody with the Custodian. The Company invests in debt securities, all of which have an investment grade as rated by a well-known rating agency.

S & P Rating	2025	2024
AAA to A-	53.75%	59.12%
BBB+ to BBB-	46.25%	40.88%
Total	100.00%	100.00%

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At December 31, 2025 and 2024, interest receivable, receivable from Manager and cash and cash equivalents are held with counterparties with a credit rating of AA- (2024: AA-) or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

Liquidity risk: Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial instrument quickly close to its fair value. All liabilities are due on demand or within one year.

7. Financial Risk Management (continued)

Liquidity risk (continued):

The Company is exposed to daily cash redemptions of Investment Shares. It therefore invests predominantly in financial assets that are traded in an active market and can be readily disposed of; it is permitted to invest only a limited proportion (assuming immaterial) of its financial assets in investments that are not actively traded in a secondary market.

Under certain circumstances the Directors of the Company have the ability to suspend the determination of the net assets attributable to holders of Investment Shares if it is considered in the best interest of the shareholder group as a whole. During the suspension of the net assets attributable to holders of Investment Shares, the subscription and redemption of shares would also be suspended.

Fair values: At December 31, 2025 and 2024, investments are carried at fair value and the carrying amounts of all other assets and liabilities on the Statement of Financial Position approximated their fair values.

8. Fair Value Disclosure

IFRS Accounting Standards 13 requires the Company 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:

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

Transfers between the levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

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.

The determination of what constitutes ‘observable’ requires significant judgment by the Portfolio Manager. The Portfolio Manager 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.

8. Fair Value Disclosure (continued)

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value:

As at December 31, 2025

	Level 1	Level 2	Level 3	Total Balance
Financial assets at fair value through profit or loss				
Corporate Bonds and Notes	$ -	$ 66,728,014	$ -	$ 66,728,014
Government and Agency Bonds and Notes	-	1,173,779	-	1,173,779
Total financial assets at fair value through profit or loss	$ -	$ 67,901,793	$ -	$ 67,901,793

As at December 31, 2024

	Level 1	Level 2	Level 3	Total Balance
Financial assets at fair value through profit or loss				
Corporate Bonds and Notes	$ -	$ 75,221,131	$ -	$ 75,221,131
Government and Agency Bonds and Notes	-	493,424	-	493,424
Total financial assets at fair value through profit or loss	$ -	$ 75,714,555	$ -	$ 75,714,555

In relation to the above table, further details of the country classifications are disclosed in Note 3.

Financial assets at fair value through profit and loss ("investments") whose values are based on quoted market prices in active markets, and therefore classified within Level 1, would include active listed equities and most exchange traded derivatives. The Company does not adjust the quoted price for these investments.

Investments 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 would be classified within Level 2.

These include commercial paper, U.S. treasury bills, most investment-grade corporate bonds, investments in other funds where redemption is not restricted, certain non-U.S. 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 available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 financial instruments would include private equity, certain restricted investments in other funds, and certain corporate debt securities. As observable prices are not available for these investments, if any such investments were held, the Company would use valuation techniques to derive the fair value.

8. Fair Value Disclosure (continued)

The Company does not hold any investments classified within Level 1 and Level 3 as of December 31, 2025 and 2024.

There were no transfers between Levels during the years ended December 31, 2025 and 2024.

For other assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value, and are classified as Level 2. Redeemable Investment Share values are based on the amount payable on demand and are classified as Level 2.

9. Taxation

The Company is not subject to any income, withholding or capital gains taxes in the Cayman Islands. Generally, the Company intends to conduct its affairs so as not to be liable to taxation in any other jurisdiction; however, it may invest in securities whose income is subject to non-refundable foreign withholding taxes.

10. Subsequent events

From January 1, 2026 to March 26, 2026, the Company received subscriptions of $9,262,500 and redemptions of $21,161,427.

There are no other subsequent events.