

EPPLEY
CARIBBEAN PROPERTY FUND
L I M I T E D S C C

VALUE FUND
THIRD QUARTER 2021

COMPANY OVERVIEW

Fund name:	Eppley Caribbean Property Fund Limited SCC-Value Fund
Fund type:	Closed-end Fund
Eppley management control:	May 4, 2018
Stock exchange listings:	Barbados Stock Exchange (BSE) Jamaica Stock Exchange (JSE) Trinidad & Tobago Stock Exchange (TTSE)
Independent property appraisals:	Semi-Annually
Management fees:	1.5% of net assets
Financial quarter:	June 30, 2021
Net assets:	<u>\$95,901,318</u>
Net profit:	\$2,636,060
Shares outstanding:	136,539,973
Net asset value per share:	\$0.70
Share price:	\$0.57 (BSE) J\$45.08 (JSE)

CORPORATE INFORMATION

DIRECTORS

Nicholas A. Scott, Chairman
Paul B. Scott
Jeffrey Hall
Melanie Subratie
Sharon E. Donaldson
Roger Cave
Richard Luck
Damian Duncan

HEAD OFFICE

First Floor, Carlisle House
Hincks Street
Bridgetown, Barbados

FUND MANAGER

Eppley Fund Managers Limited

INDEPENDENT VALUERS

BCQS International
Property Consultancy Services
David Thwaites and Associates
NAI Jamaica Langford and Brown

ATTORNEYS

Clarke Gittens Farmer

BANKERS

CIBC FirstCaribbean International Bank
NCB Capital Markets

LETTER TO SHAREHOLDERS

FELLOW SHAREHOLDERS,

For the period ended June 30, 2021, the Value Fund experienced significant improvements in all key financial performance metrics. The Fund's results continue to underscore the strength and resilience of our underlying assets, while validating our core strategy of scale and diversification.

As the Fund continues to benefit from recent acquisitions, net profit attributable to shareholders grew to \$2.6 million for the nine-month period ended June 30, 2021, a 49% increase relative to the corresponding period last year.

Net Operating Income (NOI) attributable to shareholders, a measure of the Fund's share of rental income less its operating expenses, increased 34% to \$3.2 million. In line with net profit attributable to shareholders, the increase is largely reflective of added income generated from recent acquisitions and strategic management of the Fund's operational efficiency.

Funds From Operations (FFO) attributable to shareholders, a metric that reflects the Fund's NOI less its net cost of financing, increased 19% to \$2.7 million. As the operating environment improves and the Fund realizes the full benefit of recent acquisitions in Jamaica and Trinidad & Tobago, we expect to deliver continued growth in (FFO) attributable to shareholders over time.

In line with our core strategy, the Fund recently completed the acquisition of two high-quality commercial properties in Trinidad & Tobago. Following the acquisitions, the Value Fund's geographic footprint now spans across three of the largest English-speaking countries in the Caribbean, being Jamaica, Barbados and Trinidad & Tobago.

The Value Fund continues to maintain a healthy and robust balance sheet, concluding the nine-month period ended June 30, 2021, with \$17.9 million of liquidity. Our debt position increased to \$27.7 million, however, this is predominantly reflective of financing utilized to complete recent acquisitions in line with our strategic objectives. As the global economy approaches gradual recovery, we remain well-positioned to continue executing on strategic initiatives to improve portfolio performance and further scale and diversify the Fund's assets.

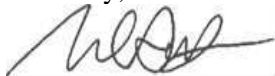
Dividend

In line with the Fund's policy to distribute our FFO attributable to shareholders, the Board of Directors declared an interim dividend of 0.8 cents per share to shareholders on record at May 28, 2021. The interim dividend has since been paid.

To conclude, we remain encouraged as the global economy continues its path towards gradual recovery. Despite a challenging operating environment, the Value Fund portfolio continues to display significant resilience, maintaining core operating profitability and a robust capital structure.

Going forward, we remain focused on executing on our core strategic initiatives to improve portfolio efficiency and further scale and diversify by asset type and geography. The Fund remains poised to continue its navigation of the current investment climate and we look forward to sharing further developments with you soon.

Sincerely,



Nicholas A. Scott

VALUE FUND FINANCIAL PERFORMANCE

	JUNE-21	JUNE-20
NOI attributable to shareholders	3,177,971	2,365,037
Interest expense	(692,260)	(367,701)
Interest and other income	515,444	583,139
Net interest expense of investments accounted for using Equity Method	(304,965)	(308,390)
FFO attributable to shareholders	2,696,190	2,272,085
Fair value gains/(losses) on investment properties	136,298	(220,477)
Foreign exchange gains/(losses)	(185,789)	(310,600)
Net gain/(loss) on sale of investment property	-	-
Impairment (charge)/recovery for receivables	(6,517)	24,221
Non-cash charges of investments accounted for using the Equity Method	(4,122)	-
Comprehensive income attributable to shareholders for the period	2,636,060	1,765,229

VALUE FUND PROPERTIES



10-14 Broad Street
Bridgetown, Barbados



24 Broad Street
Bridgetown, Barbados



Emerald City Mall
Six Roads, Barbados



Empire Shopping Centre
Kingston, Jamaica



Angels Industrial Estate
St. Catherine, Jamaica



Alamac Warehouse
Fontabelle, Barbados



Sunset Mall
Sunset Crest, Barbados



227 Marcus Garvey Drive
Kingston, Jamaica



Chattel Village
Holetown, Barbados



Carlisle House
Bridgetown, Barbados



Hastings Office Centre
Hastings, Barbados



105-107 Marcus Garvey Drive
Kingston, Jamaica



Spanish Town Road
Kingston, Jamaica



Mall Plaza
Kingston, Jamaica



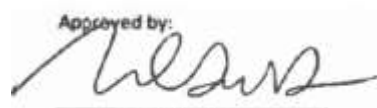
155-157 Tragarete Road
Port of Spain, Trinidad & Tobago



52 Valsayn Branch Road
Valsayn, Trinidad & Tobago

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Financial Position
As at June 30, 2021
(expressed in Barbados dollars)

	Unaudited June 30, 2021	Unaudited June 30, 2020	Audited September 30, 2020
	\$	\$	\$
Assets			
Investment properties	71,200,952	48,060,332	62,822,668
Investment in associated company	32,206,754	21,443,042	17,291,276
Loan receivable	3,753,058	-	3,746,558
Accounts receivable and prepaid expenses	970,742	351,518	399,268
Due from related parties	930,041	592,188	754,247
Cash & cash equivalents	17,851,965	28,603,516	23,888,930
Total assets	126,913,512	99,050,596	108,902,947
Liabilities			
Loans payable	27,653,587	10,700,000	10,580,000
Accounts payable and accrued expenses	2,780,845	1,216,049	2,945,649
Security and advanced deposits	392,299	339,724	317,566
Deferred tax	127,157	42,836	122,363
Corporation tax payable	26,524	11,579	54,622
Total liabilities	30,980,412	12,310,188	14,020,200
Total assets less liabilities	95,933,100	86,740,408	94,882,747
Equity			
Share capital	92,947,551	83,036,725	93,259,667
Other reserves	(464,505)	(215,981)	(248,774)
Retained earnings	3,418,272	3,887,882	1,840,072
Total shareholders' funds	95,901,318	86,708,626	94,850,965
Non-controlling interests	31,782	31,782	31,782
	95,933,100	86,740,408	94,882,747
Net asset value per share	\$0.70	\$0.71	\$0.69

Approved by:


Director



Director

August 13, 2021

Epley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Comprehensive Income
For the nine-month period October 1, 2020 to June 30, 2021
(expressed in Barbados dollars)

	Unaudited nine-month period ended June 30, 2021	Unaudited nine-month period ended June 30, 2020	Unaudited three-month period ended June 30, 2021	Unaudited three-month period ended June 30, 2020	Audited Year ended September 30, 2020
	\$	\$	\$	\$	\$
Revenue					
Net rental income	2,983,279	2,154,260	1,083,680	462,101	2,945,551
Fair value gains/(losses) on investment property	136,298	(220,477)	-	-	3,410,549
Share of profit/(loss) on investments using equity accounting	1,415,142	1,168,152	550,822	121,566	(2,533,627)
Interest income	513,372	582,716	157,542	182,356	761,194
Other income	2,072	423	1,072	423	666
Total investment income	5,050,163	3,685,074	1,793,116	766,446	4,584,333
Expenses					
Interest Expense	692,260	367,701	318,927	121,145	478,827
Fund management fees	540,214	490,962	180,745	162,792	652,643
Investment advisor fees	540,214	490,962	180,745	162,792	652,643
Professional fees	307,723	256,409	87,348	42,934	422,560
Directors and subcommittee fees	2,490	2,400	830	800	3,200
Office and administrative expenses	14,943	25,730	6,725	4,048	62,173
Impairment charge/(gain) for receivables	6,517	(24,221)	3,605	2,338	57,676
Net foreign exchange loss/(gain)	185,789	310,600	(6,822)	185,588	201,410
Operating expenditure	2,290,150	1,920,543	772,103	682,437	2,531,132
Profit before tax	2,760,013	1,764,531	1,021,013	84,009	2,053,201
Taxation	(123,953)	-	(8,846)	-	(162,814)
Net profit for the period	2,636,060	1,764,531	1,012,167	84,009	1,890,387
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	(215,731)	136,654	(127,718)	122,267	(169,447)
Total comprehensive income for the period	2,420,329	1,901,185	884,449	206,276	1,720,940
Attributable to:					
Cellular property fund shareholders	2,636,060	1,765,229	1,012,167	84,009	1,891,085
Non-controlling interests	-	(698)	-	-	(698)
Net profit for the period	2,636,060	1,764,531	1,012,167	84,009	1,890,387
Earnings per share – basic and diluted	\$0.02	\$0.02	\$0.01	\$0.00	\$0.02

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Changes in Equity
For the nine-month period October 1, 2020 to June 30, 2021
(expressed in Barbados dollars)

	Attributable to Fund shareholders				
	Share capital	Other Reserves	Retained earnings	Non-controlling interests	Total
	\$	\$	\$	\$	\$
Balance- September 30, 2019	83,128,128	(79,327)	5,039,725	32,480	88,121,006
Shares Issued	10,689,600	-	-	-	10,689,600
Share issue costs	(129,008)	-	-	-	(129,008)
Repurchase of issued shares	(429,053)	-	31,906	-	(397,147)
Translation reserves	-	(169,447)	-	-	(169,447)
Dividend declared (0.024 and 0.018 cents per share)	-	-	(5,122,644)	-	(5,122,644)
Income for the year	-	-	1,891,085	(698)	1,890,387
Balance- September 30, 2020	93,259,667	(248,774)	1,840,072	31,782	94,882,747
Repurchase of issued shares	(312,116)	-	35,453	-	(276,663)
Translation reserves	-	(215,731)	-	-	(215,731)
Dividend declared (0.008 cents per share)	-	-	(1,093,313)	-	(1,093,313)
Net profit for the period	-	-	2,636,060	-	2,636,060
Balance-June 30, 2021	92,947,551	(464,505)	3,418,272	31,782	95,933,100

For the nine-month period October 1, 2019 to June 30, 2020
(expressed in Barbados dollars)

	Attributable to Fund shareholders				
	Share capital	Other Reserves	Retained earnings	Non-controlling interests	Total
	\$	\$	\$	\$	\$
Balance- September 30, 2018	37,209,540	-	2,525,125	2,902,055	42,636,720
Shares Issues	47,237,127	-	-	-	47,237,127
Share issue costs	(1,318,539)	-	-	-	(1,318,539)
Translation reserves	-	(79,327)	-	-	(79,327)
Distributions to non- controlling interests	-	-	-	(2,902,501)	(2,902,501)
Dividend declared (0.024 cents per share)	-	-	(1,335,666)	-	(1,335,666)
Income for the year	-	-	3,850,266	32,926	3,883,192
Balance- September 30, 2019	83,128,128	(79,327)	5,039,725	32,480	88,121,006
Repurchase of issued shares	(91,403)	-	15,287	-	(76,116)
Translation reserves	-	(136,654)	-	-	(136,654)
Dividend declared (0.024 cents per share)	-	-	(2,932,359)	-	(2,932,359)
Net profit for the period	-	-	1,765,229	(698)	1,764,531
Balance- June 30, 2020	83,036,725	(215,981)	3,887,882	31,782	86,740,408

Eppley Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Cashflows
For the nine-month period October 1, 2020 to June 30, 2021
(expressed in Barbados dollars)

	<u>Unaudited</u> <u>nine-month period</u> <u>ended</u> <u>June 30, 2021</u>	<u>Unaudited</u> <u>nine-month period</u> <u>ended</u> <u>June 30, 2020</u>	<u>Audited</u> <u>Year ended</u> <u>September 30, 2020</u>
	\$	\$	\$
Cash flows from operating activities			
Net profit for the period	2,760,013	1,764,531	2,053,201
Adjustment for:			
Fair value (gains)/losses on investment property	(136,298)	220,477	(3,410,549)
Net foreign exchange loss	185,789	310,600	201,410
Share of (gains)/losses on investments accounted for using the equity	(1,415,142)	(1,168,152)	2,533,627
Impairment charge for receivables	3,605	-	-
Depreciation	1,552	1,518	2,024
Interest income	(513,372)	(582,716)	(761,194)
Interest expense	692,260	367,701	478,827
Operating income before working capital changes	1,578,407	913,959	1,097,346
Net (increase)/decrease in accounts receivable and prepaid expenses	(656,604)	(121,657)	84,788
Net (decrease)/increase in due to/from related parties	(166,585)	826,332	(183,299)
Net increase in loans receivable	-	-	(3,746,558)
Net (decrease)/increase in accounts payable and accrued expenses	(1,233,649)	12,338	236,730
Increase/(decrease) in security deposits	77,082	16,028	(5,198)
Additions to investment property	(9,063,361)	(9,312,477)	(9,670,782)
Decrease in marketable securities	-	4,000,000	4,000,000
Cash used in operations	(9,464,710)	(3,665,477)	(8,186,973)
Interest received	513,372	582,716	761,194
Interest paid	(508,088)	(248,077)	(479,203)
Tax paid	(134,688)	-	(34,358)
Net cash used in operating activities	(9,594,114)	(3,330,838)	(7,939,340)
Cash flows from investing activities			
Investment in associated companies	(13,900,000)	-	-
Distributions from associated companies	729,664	960,000	1,409,987
Net cash (used in)/generated from investing activities	(13,170,336)	960,000	1,409,987
Cash flows from financing activities			
Net proceeds from issuance of shares	-	-	(129,008)
Shares repurchased	(276,663)	(76,116)	(397,147)
Dividends paid	-	(2,932,359)	(2,932,359)
Loans received	16,889,415	-	-
Loans repaid	-	(147,625)	(147,625)
Net cash generated from/(used in) financing activities	16,612,752	(3,156,100)	(3,606,139)
Net decrease in cash and cash equivalents	(6,151,698)	(5,526,938)	(10,135,492)
Effects of foreign exchange rate changes on cash and cash equivalents	114,733	(123,028)	(197,325)
Cash and cash equivalents at beginning of the period	23,888,930	34,253,482	34,221,747
Cash and cash equivalents at end of the period	17,851,965	28,603,516	23,888,930

TEN LARGEST SHAREHOLDERS

(as at June 30, 2021)

JCSD Trustee Services Ltd - Sigma Equity	10,827,190
3119, SJIML A/C	8,858,784
ATL Group Pension Fund Trustee Nominee Limited	8,571,786
Musson Investments Limited	7,538,225
FirstCaribbean Barbados C1686 AA	5,650,158
Musson Jamaica Limited	5,069,963
Massy (Barbados) Ltd	5,000,000
Guardian Life Limited	4,387,590
Coconut Industry Board	3,548,360
NCB Insurance Agency and Fund Managers Ltd WT160	3,087,493

SHAREHOLDINGS OF DIRECTORS

(as at June 30, 2021)

	Direct	Connected*
Nicholas A. Scott	185,412	9,661,368
Paul B. Scott	-	11,768,284
Melanie M. Subratie	-	12,006,447
Sharon E. Donaldson	30,550	1,917,140
Roger M. Cave	10,000	-
Jeffrey M. Hall	-	-
Damian J. Duncan	-	-
Richard A. Luck	-	-

* Includes connections by virtue of directorships and other affiliations in addition to indirect shareholdings.

1. Identification and Activities

Eppley Caribbean Property Fund Limited SCC (formerly Fortress Caribbean Property Fund Limited SCC) (the Fund) was incorporated on May 7, 1999 and is registered under the Mutual Funds Act of Barbados as an authorised mutual fund. The Fund is a closed end fund. It commenced operations on August 20, 1999. These consolidated financial statements include the results the Fund and its subsidiaries, collectively known as the Group.

Eppley Fund Managers Limited, a mutual fund administrator licensed under the Mutual Funds Act, Barbados, acquired the common shares of the Fund which were previously held by Fortress Fund Managers and Alleyne, Aguilar & Altman Limited. The effective date of the transaction was May 4, 2018. Following the completion of the sale, the name of the Fund was changed to Eppley Caribbean Property Fund Limited SCC.

On September 24, 2013, at a special meeting of the shareholders of the Class "A" shares, the proposal to divide the Fund into a segregated cell company was approved. As a result, effective October 1, 2013, the Fund was converted to a segregated cell company, Fortress Caribbean Property Fund Limited SCC ("the Fund"). The Fund is divided into two cells, Fortress Caribbean Property Fund – Value Fund ("the Value Fund") and Fortress Caribbean Property Fund – Development Fund ("the Development Fund"). As at October 1, 2013 each share previously owned by the Class "A" shareholders has been replaced by one share in the Value Fund and one share in the Development Fund.

A public invitation for subscription was made by Eppley Caribbean Property Limited SCC via prospectus dated June 15, 2019, in Jamaica in respect of cellular shares in the value fund at the price of J\$46.18 per share. The offer closed on July 31, 2019, consequently contributing to an increase of 66,528,860 units of shares issued.

The split of the Fund into the two cells is reflected on the Barbados Stock Exchange, the Company's primary exchange listing. The Fund's shares are also traded on the Trading on the Trinidad and Tobago Stock Exchange. Each share trades independently.

The investment objective of the Value Fund is to produce annual income and long-term capital gains from a diversified portfolio of income producing properties in the Caribbean. It is expected that the Value Fund will pay out a minimum of 75% of its available distributable profits annually.

The accounting policies and method of computation are consistent with the audited financial statements for year ended September 30, 2020. These financial statements are expressed in Barbados dollars which is the currency of the primary economic environment in which the Fund operates.

2. Statement of Compliance and Basis of Preparation

The unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) promulgated by the International Accounting Standards Board (IASB), applicable to companies reporting under IFRS. The consolidated interim financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain financial assets held at fair value through profit or loss and investment properties which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting policies and method of computation are consistent with the audited financial statements for year ended September 30, 2020. These financial statements are expressed in Barbados dollars which is the currency of the primary economic environment in which the company operates.

EPPLEY

L I M I T E D

www.eppleylimited.com