

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Trustee of Republic Caribbean Equity Fund

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2016, and the summary statements of comprehensive income, changes in net assets and cash flows for the year then ended, are derived from the audited financial statements of Republic Caribbean Equity Fund (the "Fund") for the year ended December 31, 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 30, 2017.

Responsibilities of the Trustee for the Summary Financial Statements

The Trustee is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

REPUBLIC CARIBBEAN EQUITY FUND

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

(Expressed as Trinidad and Tobago Dollars)

	2016	2015
	\$	\$
Assets		
Cash and cash equivalents	1,765,008	13,204,022
Subscriptions receivable	–	67,200
Dividends receivable	900,293	693,021
Interest receivable	55,399	56,464
Financial assets	<u>167,357,620</u>	<u>168,183,000</u>
Total assets	<u>170,078,320</u>	<u>182,203,707</u>
Liabilities		
Accrued expenses	2,082,544	1,228,514
Initial charge payable	<u>6,428,852</u>	<u>6,352,060</u>
Total liabilities	<u>8,511,396</u>	<u>7,580,574</u>
Net assets	<u>161,566,924</u>	<u>174,623,133</u>
Unitholders' balances		
Capital account	83,448,785	94,885,342
Investment revaluation reserve	<u>78,118,139</u>	<u>79,737,791</u>
Total unitholders' balances	<u>161,566,924</u>	<u>174,623,133</u>
Number of units	<u>2,855,999</u>	<u>3,079,574</u>

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Eric S. Young

Port of Spain,
TRINIDAD
June 30, 2017

Note 1

The summary financial statements are prepared in accordance with criteria developed by the Trustee. Under the Trustee's established criteria, the Trustee discloses the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in net assets and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of Republic Caribbean Equity Fund for the year ended December 31, 2016.

These summary financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the December 31, 2016 audited financial statements consistently applied from period to period. Any new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Fund. The areas of critical accounting estimate and judgement as disclosed in "Note 3" of the December 31, 2016 audited financial statements, have also remained unchanged.

Net asset value per unit

\$56.57

\$56.70

These financial statements were approved by the Trustee and authorised for issue on June 30, 2017.

Sufhamid

Trustee



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REPUBLIC CARIBBEAN EQUITY FUND

STATEMENT OF COMPEHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

(Expressed as Trinidad and Tobago Dollars)

	2016	2015
	\$	\$
Income		
Interest income	69,053	974,640
Dividend income	5,844,648	5,518,259
Realised gain on sale of financial assets	1,258,188	170,493
Gain on foreign exchange	<u>128,499</u>	<u>39,427</u>
Total income	<u>7,300,388</u>	<u>6,702,819</u>
Expenses		
Impairment	781,300	–
Fees	<u>3,945,212</u>	<u>4,132,374</u>
Total expenses	<u>4,726,512</u>	<u>4,132,374</u>
Net income	2,573,876	2,570,445
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit and loss		
Unrealised (loss)/gain on financial asset	(496,899)	4,097,131
Release of reserve on disposal of available-for-sale financial asset	(1,904,053)	(184,044)
Impairment loss	<u>781,300</u>	<u>–</u>
Total items that may be reclassified subsequently to profit and loss	<u>(1,619,652)</u>	<u>3,913,087</u>
Total comprehensive income	<u>954,224</u>	<u>6,483,532</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2016

(Expressed as Trinidad and Tobago Dollars)

	2016	2015
Cash flows from operating activities		
Net income	2,573,876	2,570,445
Adjustments:		
Realised gain on sale of investments	(1,258,188)	(170,493)
Amortisation on bonds and treasury bills	460	(487,767)
Impairment loss	781,300	–
Gain on foreign exchange	<u>(26,127)</u>	<u>(9,552)</u>
Investment income before working capital changes	2,071,321	1,902,633
Changes in assets/liabilities		
Increase in receivables	(139,007)	(277,364)
Increase in payables	<u>930,822</u>	<u>268,308</u>
Cash generated from/(used in) operating activities	<u>791,815</u>	<u>(9,056)</u>
Net cash flows provided by operating activities	<u>2,863,136</u>	<u>1,893,577</u>
Cash flows from investing activities		
Purchase of financial assets	(15,864,361)	(15,295,667)
Proceeds on disposal of financial assets	<u>15,572,644</u>	<u>10,975,944</u>
Net cash flows used in investing activities	<u>(291,717)</u>	<u>(4,319,723)</u>
Cash flows from financing activities		
Issue of units	6,320,835	7,202,320
Redemption of units	(18,613,086)	(13,972,677)
Distributions paid	<u>(1,718,182)</u>	<u>(1,433,586)</u>

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

(Expressed as Trinidad and Tobago Dollars)

	Capital account	Investment revaluation reserve	Unitholders' balances
Year ended December 31, 2015			
Balance at beginning of year	100,518,840	75,824,704	176,343,544
Unrealised gain on financial assets	–	4,097,131	4,097,131
Release of reserve on disposal of available-for-sale financial assets	–	(184,044)	(184,044)
Net income	<u>2,570,445</u>	<u>–</u>	<u>2,570,445</u>
Total comprehensive income	2,570,445	3,913,087	6,483,532
Issue of units	7,202,320	–	7,202,320
Redemption of units	(13,972,677)	–	(13,972,677)
Distributions	<u>(1,433,586)</u>	<u>–</u>	<u>(1,433,586)</u>
Balance at end of year	<u>94,885,342</u>	<u>79,737,791</u>	<u>174,623,133</u>
Year ended December 31, 2016			
Balance at beginning of year	94,885,342	79,737,791	174,623,133
Unrealised loss on financial assets	–	(496,899)	(496,899)
Release of reserve on disposal of available-for-sale financial assets	–	(1,904,053)	(1,904,053)
Impairment loss	–	781,300	781,300
Net income	<u>2,573,876</u>	<u>–</u>	<u>2,573,876</u>
Total comprehensive income	2,573,876	(1,619,652)	954,224
Issue of units	6,320,835	–	6,320,835
Redemption of units	(18,613,086)	–	(18,613,086)
Distributions	<u>(1,718,182)</u>	<u>–</u>	<u>(1,718,182)</u>
Balance at end of year	<u>83,448,785</u>	<u>78,118,139</u>	<u>161,566,924</u>

Net cash flows used in financing activities	(14,010,433)	(8,203,943)
Net decrease in cash and cash equivalents	(11,439,014)	(10,630,089)
Cash and cash equivalents at the beginning of the year	<u>13,204,022</u>	<u>23,834,111</u>
Cash and cash equivalents at the end of the year	<u>1,765,008</u>	<u>13,204,022</u>

Supplemental information

Interest received	66,656	537,192
Dividend received	5,637,376	5,066,707

