



**MORTGAGE
PARTICIPATION
FUND**

SEMI-ANNUAL FINANCIAL STATEMENTS

As at June 30, 2025



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MORTGAGE PARTICIPATION FUND

Management Discussion and Analysis for the six months ended June 30, 2025

Fund Overview

The Mortgage Participation Fund (MPF or Fund) is registered under Section 65 of the Securities Industry Act (SIA) 1995 as a Collective Investment Scheme. The MPF was registered as a Reporting Issuer with the Trinidad and Tobago Securities and Exchange Commission (TTSEC) on September 18, 2019.

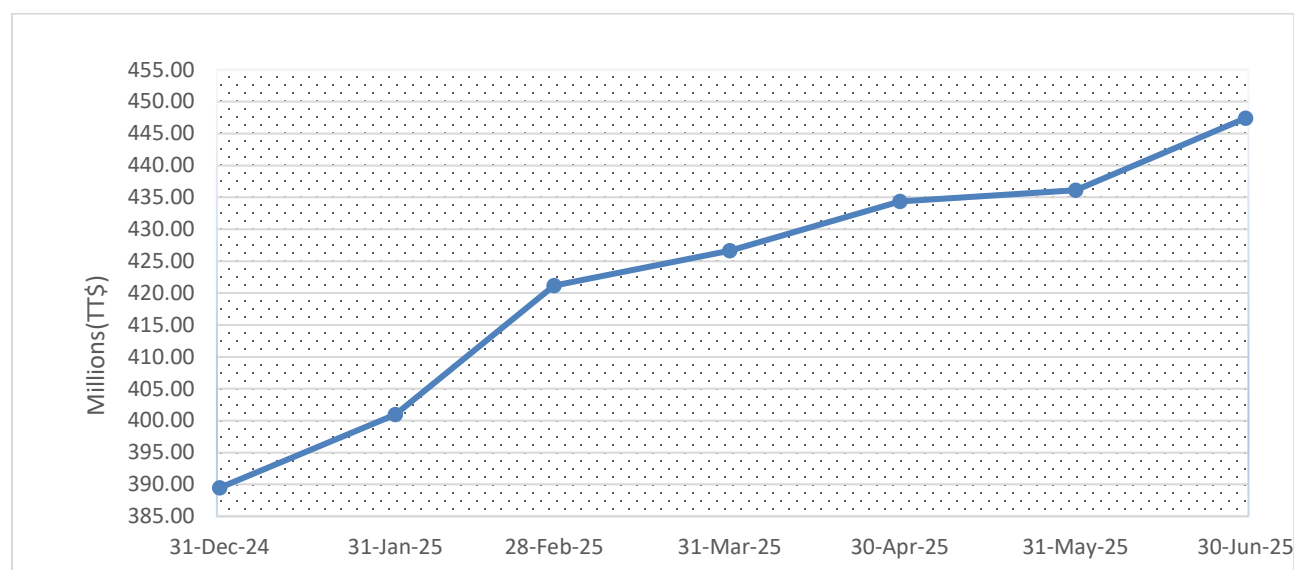
The MPF has a Fixed Net Asset Value (NAV) per unit, interest is accrued daily and paid monthly. The Home Mortgage Bank (HMB) guarantees each Holder that it shall pay the principal amounts invested together with any distributions paid and due to be paid at the dates such amounts become due. The interest rate is a variable rate that resets monthly.

The MPF is classified under the Income Fund segment of the mutual fund market. With an asset base comprised predominantly of prime residential mortgages (98.03%) and supported by the HMB guarantee, the Fund continues to exhibit a low risk profile. For the six-month period ended June 30, 2025, there were no material changes to the Fund's investment objective or strategy.

For the first six months of 2025, MPF investor balances increased by TT\$57.9M to close at TT\$447.40M.

Figure 1 below shows the MPF balances for the period December 31, 2024 to June 30, 2025:

Figure 1 – MPF Balances December 2024 – June 2025

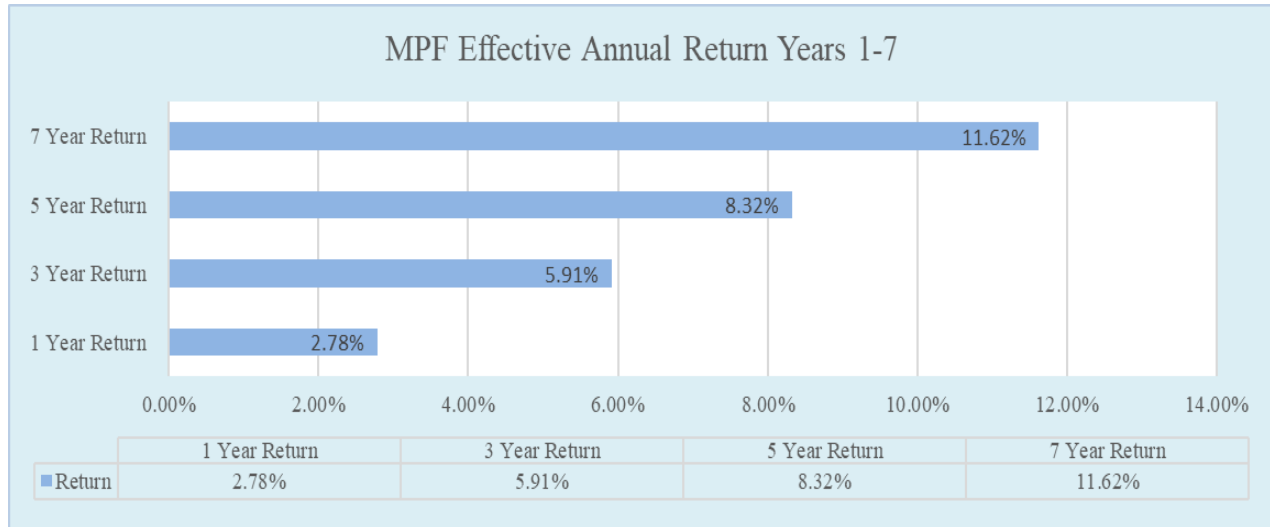


The value of assets under management within the mutual fund market remained stable for the first half of 2025, closing at TT\$65.9B. Fixed-income funds continue to dominate the market, controlling 79.17% of all assets under management.

As of June 30, 2025, financial system liquidity in Trinidad and Tobago tightened, with commercial banks' excess reserves at the Central Bank of Trinidad and Tobago (CBTT) averaging TT\$4.8B daily. This marks a decrease of TT\$1.22B from December 2024, when daily liquidity averaged TT\$6.02B.

For the six months to June 2025, the Government of Trinidad and Tobago (GOTT) one (1) year interest rate increased from 3.94% to 4.14%. This increase in interest rates was mainly due to reduced liquidity, rising government borrowing and economic conditions. These factors collectively contributed to the rising interest rates locally and globally. The interest rate offered on the MPF for June 2025 is 3.00% per annum, which provides a competitive return within the Income Fund Market. The following graph shows the MPF's cumulative return over the past seven (7) years:

Figure 2 – MPF Cumulative Return Years 1 - 7



An investor holding funds in the MPF and reinvesting their proceeds monthly would have generated a cumulative return of 11.62% for the past seven (7) year period.

Financial Analysis

Mortgage assets acquired under trust increased by 12.7% to TT\$438.7M for the six months ended June 30, 2025. For the period ended June 30, 2025, the mortgage portfolio generated TT\$11.9M in interest income and distributed TT\$6.3M to unitholders.

Outlook

The World Economic Outlook (WEO) Update from July 2025 projects global growth at 3.0% in 2025 and 3.1% in 2026, reflecting stronger-than-expected trade activity, improved financial conditions, and fiscal expansion in major economies. Global headline inflation is expected to decline to 4.2% in 2025 and 3.6% in 2026, though notable cross-country differences remain, with inflation staying above target in the United States while easing elsewhere. Risks to the outlook are tilted to the downside, with heightened uncertainty from tariff disputes, geopolitical tensions, and fiscal vulnerabilities. Potential disruptions to supply chains or a rebound in tariffs could dampen growth and reignite inflationary pressures, while high public debt levels raise the risk of tighter global financial conditions.

In September 2024, Standard & Poor's (S&P) reaffirmed Trinidad and Tobago's BBB- sovereign credit rating with a stable outlook, reflecting ongoing economic resilience and fiscal prudence. On the other hand, Moody's affirmed the country's Ba2 rating with a stable outlook in December 2024,

recognizing the recovery in non-energy growth, continued efforts to diversify revenue, and the mitigation of fiscal risks through substantial buffers such as the Heritage and Stabilization Fund and robust cash reserves, totaling over 40% of GDP.

The MPF continues to maintain a portfolio of prime residential mortgages. The Fund's assets' performance and the Guarantor's strength (Home Mortgage Bank) ensure that the Fund's risk profile remains low and offers an opportunity for continued growth in 2025.



Brent Mc Fee
Chief Executive Officer (Ag)

HOME MORTGAGE BANK
MORTGAGE PARTICIPATION FUND

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30 JUNE 2025

HOME MORTGAGE BANK
MORTGAGE PARTICIPATION FUND

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	30-Jun-25 \$	30-Jun-24 \$	31-Dec-24 \$
ASSETS			
Mortgage assets (acquired under trust)	438,650,111	389,237,683	387,293,555
Cash at bank	<u>—8,775,873</u>	<u>—1,779,570</u>	<u>—2,188,069</u>
Total assets	<u>447,425,984</u>	<u>391,017,253</u>	<u>389,481,624</u>
LIABILITIES			
Dividends payable	<u>—1,084,411</u>	<u>—481,798</u>	<u>—988,875</u>
Total liabilities	<u>—1,084,411</u>	<u>—481,798</u>	<u>—988,875</u>
EQUITY			
Net assets attributable to unit holders	<u>446,341,573</u>	<u>390,535,455</u>	<u>388,492,749</u>
Total equity	<u>446,341,573</u>	<u>390,535,455</u>	<u>388,492,749</u>
Total liabilities and equity	<u>447,425,984</u>	<u>391,017,253</u>	<u>389,481,624</u>

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

These financial statements have been approved for issue by the Trustee on August 27, 2025.


Trustee


Trustee

HOME MORTGAGE BANK
MORTGAGE PARTICIPATION FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	30-Jun-25	30-Jun-24	31-Dec-24
	\$	\$	\$
Income			
Interest income calculated using the effective interest method	<u>11,866,768</u>	<u>11,336,184</u>	<u>22,173,438</u>
Operating expenses			
Audit fees	(41,825)	(39,834)	(83,650)
Management fees	(2,677,561)	(2,504,487)	(4,889,931)
Trustee fees	(214,205)	(200,359)	(391,194)
Mortgage risk guarantee fee	(2,593,694)	(5,577,600)	(9,467,324)
Other operating expenses	<u>(8,477)</u>	<u>(6,630)</u>	<u>(13,190)</u>
Total operating expenses	<u>(5,535,762)</u>	<u>(8,328,910)</u>	<u>(14,845,289)</u>
Net income for the period attributable to unitholders	<u>6,331,006</u>	<u>3,007,274</u>	<u>7,328,149</u>

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

HOME MORTGAGE BANK
MORTGAGE PARTICIPATION FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	30-Jun-25	30-Jun-24	31-Dec-24
	\$	\$	\$
Balance as at beginning of period	388,492,750	411,269,763	411,269,763
Net income for the year attributable to unitholders	6,331,006	3,007,274	7,328,149
Subscriptions	90,133,352	17,347,598	63,263,012
Distributions re-invested by unit holders	5,831,347	2,906,675	6,505,061
Redemptions	(38,115,876)	(40,988,581)	(92,545,087)
Distributions paid to unitholders	<u>(6,331,006)</u>	<u>(3,007,274)</u>	<u>(7,328,149)</u>
Balance as at end of period	<u>446,341,573</u>	<u>390,535,455</u>	<u>388,492,749</u>

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

HOME MORTGAGE BANK
MORTGAGE PARTICIPATION FUND

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	30-Jun-25 \$	30-Jun-24 \$	31-Dec-24 \$
Cash flows from operating activities			
Net income for the period	6,331,006	3,007,274	7,328,149
<i>Adjustments for:</i>			
Decrease/(increase) in due from related party	464	(246)	(516)
Increase/(decrease) in other payable	<u>95,072</u>	<u>(42,104)</u>	<u>465,244</u>
Net cash flows generated from operating activities	<u>6,426,542</u>	<u>2,964,924</u>	<u>7,792,877</u>
Cash flows from investing activities			
Principal repayments on mortgage assets	26,294,547	29,211,991	58,435,236
Purchase of mortgage assets	(88,242,777)	(21,683,033)	(74,529,417)
Sale of mortgage assets	<u>10,591,674</u>	<u>13,684,000</u>	<u>39,251,267</u>
Net cash flows (used in)/generated from investing activities	<u>(51,356,556)</u>	<u>21,212,958</u>	<u>23,157,086</u>
Cash flows from financing activities			
Subscriptions and dividends re-invested	95,964,699	20,254,273	69,768,073
Redemptions	(38,115,875)	(40,988,580)	(92,545,087)
Distributions paid	<u>(6,331,006)</u>	<u>(3,007,274)</u>	<u>(7,328,149)</u>
Net cash flows generated from/(used in) financing activities	<u>51,517,818</u>	<u>(23,741,581)</u>	<u>(30,105,163)</u>
Net increase in cash and cash equivalents	<u>6,587,804</u>	<u>436,301</u>	<u>844,800</u>
Cash at bank at the beginning of the period	<u>2,188,069</u>	<u>1,343,269</u>	<u>1,343,269</u>
Cash at bank at the end of the period	<u>8,775,873</u>	<u>1,779,570</u>	<u>2,188,069</u>
Represented by:			
Cash at bank	<u>8,775,873</u>	<u>1,779,570</u>	<u>2,188,069</u>

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

HOME MORTGAGE BANK
MORTGAGE PARTICIPATION FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. Description of the fund

The following brief description of the Home Mortgage Bank Mortgage Participation Fund (“the Fund”) is provided for general information purposes only. Reference should be made to the Trust Deed and rules of the Fund for more complete information.

General information

The Fund was established as an open-ended mutual fund. An open-ended fund is one in which the amount of Participations, which may be issued by the Fund, is unlimited. The Fund was established by the Original Trustee, the Home Mortgage Bank (“the Bank”) under a Trust Deed (“the Deed”) dated September 24, 2001. The Trust Deed is governed by the laws of the Republic of Trinidad and Tobago.

The principal activity of the Fund is to seek a high total investment return with safety of capital by investing primarily in a portfolio of mortgages secured by properties, which have either been identified and separated in the books of the Bank or purchased from Approved Mortgage Lenders and such other securities as permitted under the terms of the Deed.

The address of its registered office is Albion Court, #61 Dundonald Street, Port of Spain, Trinidad, W.I.

The Fund, on November 4, 2019, appointed Trinidad and Tobago Mortgage Bank Limited (formally Trinidad and Tobago Mortgage Finance Company Limited) (“the Trustee”) as Trustee of the Fund.

2. Significant accounting policies

(a) Basis of preparation

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

(b) Changes in accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Fund’s financial statements for the year ended 31 December 2024.

HOME MORTGAGE BANK
MORTGAGE PARTICIPATION FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(Continued)

3. Events after report date

Under Clause 7.02 of the Trust Deed for the Mortgage Participation Fund (MPF) the Trinidad and Tobago Mortgage Bank (TTMB) (formerly known as Trinidad and Tobago Mortgage Finance Company Limited) retired as Trustee giving six (6) months' notice in writing on February 3, 2024. As stated in Clause 7.02 of the Trust Deed the retirement of TTMB as Trustee becomes effective only when a successor is appointed.

In accordance with By-Law 17.1.b of The Collective Investment Scheme By-Laws 2020, the process to replace the Trustee has commenced with a unitholders meeting held on March 7, 2024, to approve the appointment of the new Trustee. The proposed Trustee having met the eligibility criteria to function as Trustee was approved based on 100% acceptance of the votes cast at the meeting.

The appointment of the new Trustee is subject to regulatory approval.

4. Approval of Interim Financial Statements

The interim financial statements were approved for the issue by the Trustee on August 27, 2025.



Home Mortgage Bank
A Subsidiary of

ttmb
TRINIDAD & TOBAGO MORTGAGE BANK