



ANNUAL REPORT 2024

“Diversify for Higher Returns”

CORPORATE STATEMENTS

OUR VISION

To be a trusted partner for our unit holders and the leading Managed Fund in the South Pacific.

OUR MISSION

We aspire to be the market leader in managed funds by exceeding our customer's expectations at all times.

We will grow our managed fund portfolio and provide our unit holders and shareholders with the maximum sustainable return on their investment. We will aspire to have the best corporate governance standards and practices.

CORE BUSINESS

To maximize unit holders' wealth through the high-quality investment products that are affordable and offer competitive returns and in doing so maximize our shareholders' values.

ORGANISATIONAL VALUES

PASSION – all employees are passionate:

- About work we do and take pride in delivering the best in all we do.
- Developing the right capabilities to unlock our strategic directions.
- About positively contributing to society by building meaningful relationships to grow our impact into society.

INTEGRITY – all employees must:

- Act with fairness, honesty, transparency and accountability.
- Foster diversity, ethics and inclusion in all function of our business.
- Passionate about work and take pride in delivering the best in all we do.

INNOVATION – all employees:

- Are to change the way we lead the Company into the future to explore new opportunity and challenge current ways of working.
- Will need to come out of our comfort zones in order to change.

COURAGE – all employees:

- Are not afraid to responsibly speak up, collaborate for solutions, act and make a valuable difference.
- Boldly execute our ambitions and fully own tough decisions that we make.

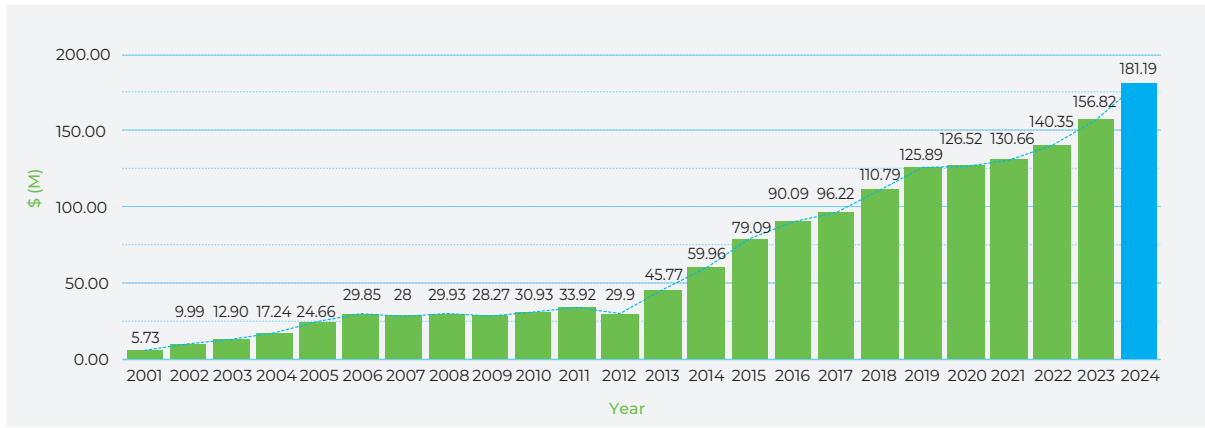


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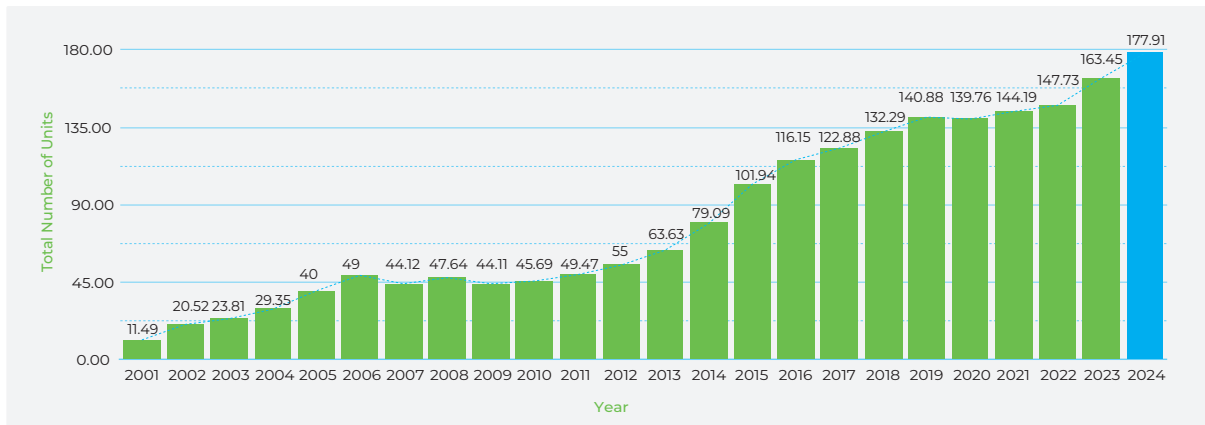
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FINANCIAL PERFORMANCE

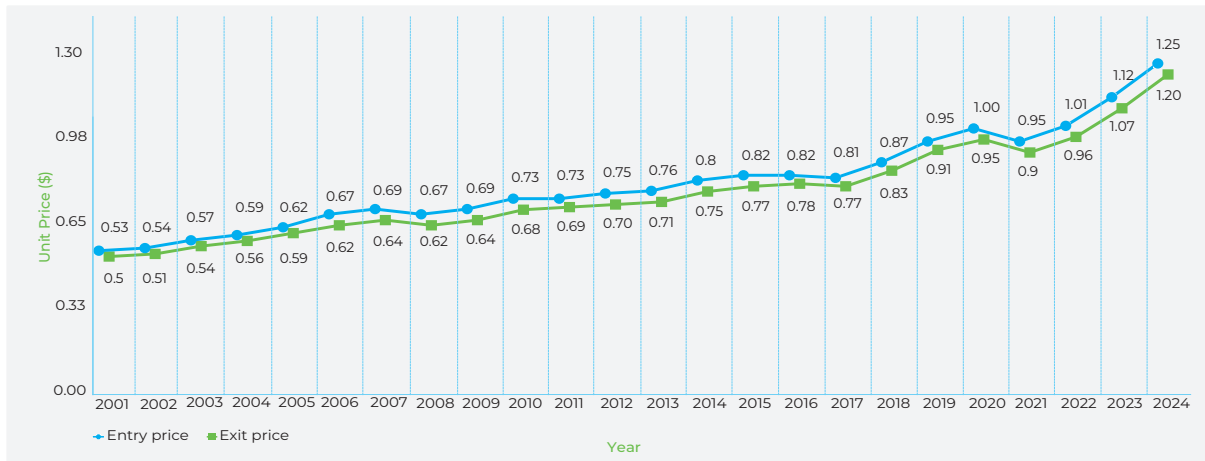
Portfolio Value (\$m)



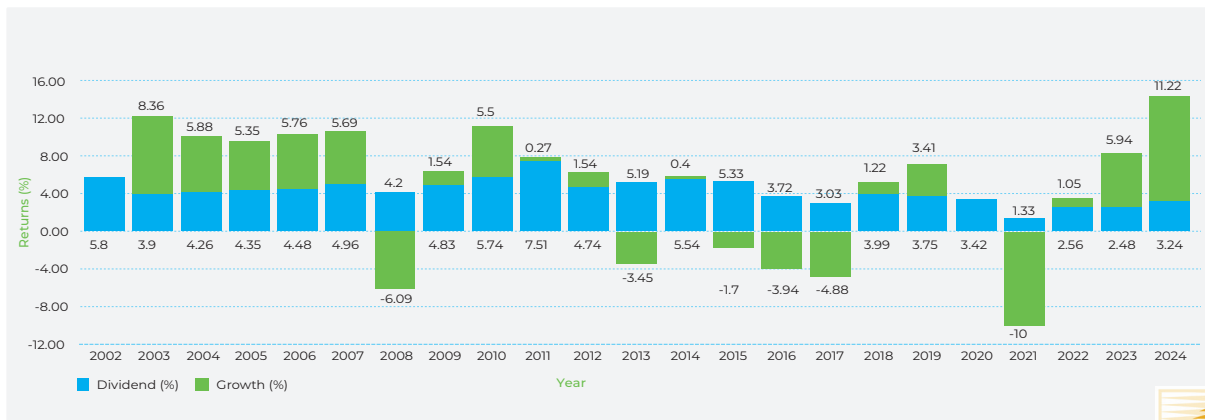
Units on Issue (Millions)



Price Trend Since Inception



Returns to Unitholders

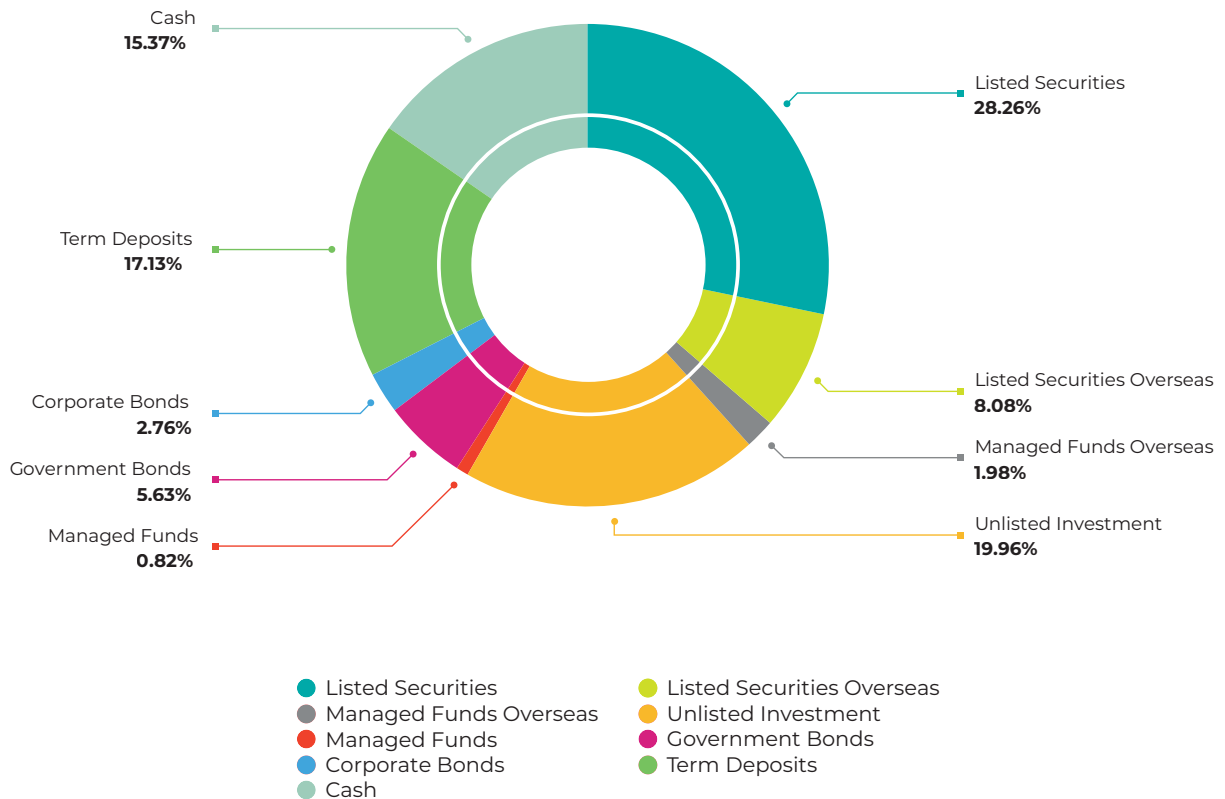




FHUT
pays its highest return for FY 2024,
since inception at:

14.46% Total Return

Investment Portfolio



PORTFOLIO BY SECTOR

Communication/Information/Media

Amalgamated Telecom Holdings Limited	4.19%
Fiji TV Limited	0.99%
Communication (Fiji) Limited	1.06%

Finance

BSP Convertible Notes	2.01%
Kontiki Finance Limited	0.40%
Fijicare Insurance Limited	0.71%
Merchant Finance	13.27%
Sun Insurance Limited	1.66%

Manufacturing

Atlantic & Pacific Packaging Limited	0.77%
FMF Foods Limited	2.92%
Pacific Green Industries (Fiji) Ltd	0.15%
Pleass Global Limited	2.21%
Rice Company Of Fiji	0.21%
Punjas Flour Limited	1.10%
Golden Manufacturer Limited	3.94%

Retail

RB Patel Group Ltd	5.78%
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Tourism

Port Denarau Marina Limited	0.05%
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Transportation

Toyota Tsusho Limited	0.20%
VB Holdings Ltd	0.84%
Vision Investments Limited	5.26%

Education

Free Bird Institute Limited	0.51%
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Cash & Fixed Interest Securities

32.51%

Bonds

8.39%

Overseas

10.06%

Managed Funds

0.82%

INVESTMENT COMPANIES



CORPORATE GOVERNANCE

In compliance with the Reserve Bank of Fiji's (RBF) Corporate Governance Code for the Capital Markets, FHL Fund Management Limited (FHL FML), the Fund Manager for Fijian Holdings Unit Trust (FHUT) acknowledges and supports this requirement and reports on the Company's Corporate Governance Code.

FHL FML Corporate Governance Code is aligned to the Fijian Holdings Limited (FHL) Code as a fully owned subsidiary.

Principle	FHL FML Comments
Establish Clear Responsibilities for Board Oversight	The FHUT Scheme Deed stipulates the powers and duties of the Manager and the Trustees. The FHL FML Articles of Association sets out the powers and duties of the Board to manage the company effectively and efficiently. FHL FML continuously develops policy and guidelines to strengthen its role.
Constitute an Effective Board	The FHL FML Articles of Association covers the required constitution of the Board. Directors are selected for their experience and competencies and are evaluated on their suitability for the Board by the FHL Board of Directors. FHL FML also has an Audit, Risk & Compliance Committee that addresses all audit, risk & compliance issues and complaints. This Committee meets quarterly and comprises of three independent members and a representative from the Board of FHL FML.
Appointment of a General Manager	FHL FML structure including the appointment of the officer/s in charge is determined by the Board and Holding Company of FHL FML.
Board and Company Secretary	The Board appoints a suitable, qualified Company Secretary who is the administrative link between the Board and the Management and is responsible for ensuring compliance with regulatory requirements.
Timely and Balanced reporting	FHUT complies with its disclosure obligations under the Fiji Companies Act 2015. FHL FML Board meetings are held once every quarter at the minimum, to update Directors on the Fund's performance and to review and provide approvals and confirmations of key aspects of the operations of the Fund.
Promote Ethical and Responsible Decision-making	FHL FML has adopted the FHL Group approved Code of Conduct that sets out the principles of ethical behaviour by all group personnel. This ethical framework commits its directors, employees, contractors and consultants to not only comply with the law, but to conduct business in accordance with the highest ethical standards. FHL FML also ensures it complies with the RBF's Capital Markets policies and the Companies Act 2015 whereby Directors and Employees of the Fund Manager cannot purchase units created by the Fund.
Register of Interests	The Board of Directors of Fund Manager, Trustees and Officers of the Fund Manager must disclose any conflict of interest that may arise in the course of the business.
Respect the rights of shareholders	FHUT complies with all disclosure requirements under the Scheme Deed, Companies Act 2015, Articles of Association and Capital Markets Prudential Supervision Policy Statements. FHL FML with the concurrence of the Trustees ensures that all material changes made during the course of operations are communicated to unit holders in a press release and individually through mail. FHL FML also conducts training sessions for the unit holders upon request.
Accountability and Audit	Financial statements of FHUT are audited annually by independent auditors who provide their report to the unit holders. Regular internal audits are conducted by our Group Auditors on operational matters whilst the RBF conducts routine on-site examination of the Fund.
Recognize and manage risk	Based on the Funds operations FHL FML has developed a detailed Enterprise Risk Management Framework to manage operational and data risks with appropriate controls and procedures. FHL FML continues to review the Funds operations and develop appropriate mitigation strategies.
Evaluation of Board Performances	FHL FML undertakes to conduct an evaluation of Board performance on an annual basis to ensure that individual directors and the Board as a whole work efficiently and effectively in achieving their functions.
Securities Trading Policy	Based on the operations, the Company has established a policy that imposes certain restrictions on FHL FML Directors, senior management and employees directly owning an investment account with FHUT.
Insolvency – Directors Duties	If the Company is insolvent or there is a real risk of insolvency, Directors duties expand to include creditors (including employees with outstanding entitlements) such as: <ul style="list-style-type: none"> • The duty to exercise powers and duty of care and diligence that a reasonable person would have which includes taking steps to ensure the financial position of the Company is properly informed and ensuring the Company doesn't trade if it is insolvent. • The duty to exercise powers and duties in good faith in the best interests of the Company and for a proper purpose. • The duty not to improperly use position to gain a personal advantage or to cause detriment to the Company.

MANAGEMENT STAFF



Elenoa Kaloumaira
General Manager



Epeli Vakatawa
Deputy General Manager
(Sales & Marketing)



Ashika Mani
Manager Finance



Mereti Cokanasiga
Manager Operations



Rukshana Nisha
Risk & Compliance Officer



Mohit Chand
Investment Officer



Mohammed Ejaaz
Business Analyst

FHUT TEAM



Suva Team



Lautoka Team



Labasa Team

FHL TRUSTEES LIMITED BOARD OF DIRECTORS



Mr. Inia Naiyaga
Chairman



Mr. Emitai Boladuadua
Director



Mr. Navin Raj
Director

FHL FUND MANAGEMENT LIMITED BOARD OF DIRECTORS



Mr. Alphonsus Pio
Chairman



Mr. Naushad Ali
Director



Mrs. Mereia Volavola
Director



Mr. Josua Satavu
Director



Ms. Anaisi Mataitoga
Director

FHUT ENTERPRISE RISK MANAGEMENT

Enterprise risk management includes the culture, capabilities, and practices, integrated with strategy-setting and performance, that Fijian Holdings Unit Trust (FHUT) relies on to manage risk in creating, preserving and realizing values. To maximize unitholders values, FHUT sets strategy and objectives to strike an optimal balance between return goals and related risks, efficiently and effectively deploys resources in pursuit of FHUT's strategic goals.

The Manager has developed the Trust's risk management framework and policies. The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

During the financial year FHUT has faced market risk due to effects in the economic system caused by inflation rate that increase the cost of living. Risk of change in interest rates and geopolitical uncertainty threaten the market outlook. FHUT continuously monitored the market conditions and re-evaluates portfolio diversification and asset allocation, lowering the portfolio volatility, rebalancing, investing consistently, analyze stress test of the portfolio and establishing a maximum loss plan.

FHUT investing in overseas market that has provided higher returns to the Unitholders. We monitor the portfolio strategic benchmark with current growth and defensive allocations and rebalancing continuously.

To provide a high standard of customer service, FHUT implements internal controls and systems. Compliance Officer conducts regular compliance control assessments by testing and continuously monitoring of compliance controls to ensure the effectiveness and alignment with evolving regulations, policies, and standards.

FHUT has been facing financial risk of unidentified deposits received in FHUT's bank account. FHUT request the Unitholders to ensure to write the narration with their name or FHUT account number, while making deposits at any of FHUT's bank.

The Fund Manager has developed and implemented a new Cybersecurity Risk Management Policy. The probability of attack has increased as financial systems have become more reliant on information and communication technologies and as threats have continued to evolve. The Manager's goal is to digitalise processes, ensuring implementation of the Cybersecurity Policy across the business.



FUND MANAGER'S AND TRUSTEE'S REPORT

The Fund Management and Trustee Board for Fijian Holdings Unit Trust (FHUT) are pleased to present the Annual Report for the financial year ending 30th June 2024. The year has been a very interesting one as the Trust has diversified its investment portfolio in the overseas markets. The high value of liquidity through the year prompted the urgency to explore other investment opportunities that could provide better returns for our Unit holders. This saw the need for the Trust to invest overseas, securing managed funds, listed stocks with the Australian Securities Exchange (ASX) and the PNG National Exchange (PNGX). Our appetite for overseas investment resulted in another incomparable performance when FHUT paid out its highest total return of 14.46% since inception, which comprises 3.24% in dividend return and 11.22% in capital growth return. The total return for the year increased by 42% compared to the period last year when the Trust paid out a total return of 8.42%. The net income available for distribution from investment for the year increases by 68.37% to \$6,881 million from \$4,087 million in the prior year.

On 30th June 2024, the Trust's investment portfolio stood at \$181.19 million, that increased by 15.54% from \$156.82 million during the same period in 2023. Our unitholders have increased to 33,420 as at end of 30th June, 2024 that grew by 13.56% from 29,428 in the same period last year.

The focus of FHUT is to diversify investments for sustainable returns to our unitholders. The high liquidity in the market from this financial year has continued to impact on the low interest rate from our cash investments in term deposits. The limited opportunities in investment available in the market to attain higher returns have prompted the Management Team to consider investing in growth securities, in line with the Strategic Plan.

Another important factor in our success is our partnership with Fijian Holdings Limited, which gives our Unit Holders confidence and security for their medium- to long-term investments in the Trust.

We continue to expect challengers for the Trust in the coming 2025 financial year, as competition is anticipated to intensify significantly. The Trust will strategically take advantage of the strong foundation that this year's performance has laid for the upcoming financial year by encouraging our land and resource owners, as well as the working age population, to invest for their future financial security with FHUT. In addition, our digital transformation program is being well received by our Unit holders and provides yet again a platform for efficiency and convenience, not only for residents but for non-residents as well.

The Manager, FHL Fund Management Limited (FHL FML), will keep enhancing the services it provides to all its current and potential investors by upgrading our IT services.

The FHL Fund Management Limited Board of Directors, its Committee Members and the FHL Trustee Limited Board of Directors would like to thank the Unit holders for their continued commitment to FHUT and in adhering our investment advice to grow their wealth.

Finally, we express our gratitude to the diligent FHL FML Management and Staff for their dedication and attention to detail in bringing FHUT to its current state and producing outcomes that inspire confidence in our Unit holders.

FHL FUND MANAGEMENT LIMITED

Ratanida
CHAIRMAN

FHL TRUSTEES LIMITED

[Signature]
CHAIRMAN



GENERAL MANAGER'S REPORT



I am pleased to report the full year performance of FHUT (the Trust), for the year ending 30th June 2024. It has been a successful year filled with significant achievements and exciting developments.

Financial Performance

This year has had its fair share of challenges with FHUT entering the Papua New Guinea (PNG) market, for the first time, to acquire \$10 million worth of BSP Financial Group Limited (BSP) shares on the PNG National Exchange. Additionally, the Trust continued to grow its investments in Australia by investing up to \$3 million in both equities & managed funds listed on the Australian Securities Exchange. Locally, FHUT invested up to \$5 million in fixed income securities, which comprises of Government Bonds & Term Deposits, and \$3 million invested in a private placement with SUN Insurance Company Limited. During the year, FHUT sold its non-performing shareholding in Pernix (Fiji) Limited and partially divested shares in RB Patel Group Limited to realise capital gains. As a result, FHUT investment portfolio closed the year at \$181,194,993, an increase of 15.54% from \$156,823,601 reported for the same period in 2023.

By diversifying the markets that FHUT invests in, the Trust was able to increase total dividend payout to unitholders to 3.50 cents per unit (\$6,094,290) from 2.50 cents per unit (\$4,008,135) paid in 2023. This provided unitholders with a dividend yield of 3.24% and capital growth of 11.22%, increasing total return to 14.46% from the 8.42% recorded in 2023 (2.48% dividend yield and 5.94% capital growth).

Unitholder Reach

Throughout the year, FHUT continued its monthly sales & marketing trips to rural areas of the Central, Western and Northern divisions around Fiji, enabling Unitholders to increase investments in their FHUT accounts. Apart from 'mom and dad' investors, FHUT also noted an increase in investment from Institutional and High Net Worth investors.

FHUT continued to market to Unitholders via Fijian Broadcasting Corporation Limited, Domonivanua, and Ghar Sansaar Radio Program, as well as talkback shows on Fiji TV and Mai TV. These programs assist in keeping

Unitholders informed of FHUT's performance.

Total unit sales recorded for the year were \$27,939,026, whilst unit redemption stood at \$16,229,905, generating net sales of \$11,709,121.

Digitalisation

In an effort to improve services to unitholders, the FHUT website was revamped during the year which has enabled unitholders to lodge new applications and unit redemption online. Apart from this, FHUT also signed a Merchant Agreement with SOLE FinTech, that has enabled unitholders to invest using this platform. In addition to Online Banking, unitholders can easily top-up FHUT accounts using Vodafone MPaisa, Digicel MyCash and SOLE FinTech platforms. These various electronic money platforms have made investing with FHUT easily accessible.

During the year, the FHL Fund Management Limited Board (FHL FML Board) appointed Software Factory Pte Limited to develop the new FHUT web-based management systems which will further improve the digital services provided to unitholders. The work on the new system will commence in July 2024.

Governance

As the Trust continues to streamline its processes, the FHL FML Board & FHL Trustees Ltd (FTL) Board during the year approved the Cybersecurity Governance Framework and Policy, which is to ensure the security of unitholder data from external attacks. This is especially important as FHUT moves into digitalising its processes.

Looking ahead, the Management team will continue to work on diversifying the FHUT investment portfolio to provide better sustainable returns to unitholders.

To conclude, I would like to thank the FHL FML Management and staff for their dedication throughout the year which has resulted in FHUT's successful performance. I would also like to thank the FHL FML Board and FTL Board for the assistance and guidance provided during the year. Additionally, I would like to express my appreciation for the support provided by our shareholders and stakeholders.

Most importantly, to FHUT unitholders, thank you for trusting us to grow your wealth.

Vinaka Vakalevu,

Elenoa Kaloumaira

General Manager

FHL Fund Management Limited

INVESTMENT LITERACY REPORT

This year the Trust received 4,568 new accounts, more than 50% of these accounts are registered under our land and resource owners. This is a testament to the Management's effort and commitment to our Investment Literacy Program.

We have also expanded our location for monthly visit, that was only scheduled for the District of Nailuva, Nalawa, Tokaimalo and Nakorotubu in Ra, the district of Nabobuco, Naitasiri and the district of Naqarawai and Wainikoroluva in Namosi, in addition we have also included the villages of Waibasaga and Matainasau for the monthly visit that's looked after by our Suva branch. We have also introduced the same concept for the Northern division for the district of Natewa in

Cakaudrove, the 'vanua' of Cakaudrove-i-vanua and few villages from the district of Tunuloa which our Labasa branch serves. Our Western Office is also doing the same for Nawaqadamu and Vunamoli village.

We attribute some of these investment literacy program as our corporate social responsibility, our contribution towards financial stability and economic empowerment for Fijians leaving away from the information hub of Fiji's cities and townships.

During the year, our MIS License Representatives from the three divisions where our branches are located visited the villages, settlements, and events listed tabulated herein.

Central Division & Maritime - Suva Branch	Western Division - Lautoka Branch	Northern Division - Labasa Branch
Verevere village, Ra	Nasukamai Village, Ra	Tavulomo Village, Bua
Bureiwai village, Ra	Nawaqadamu Village, Ba	Nasolo Village, Bua
Saioko village, Ra	Namarai Village, Ra	Nasinu Methodist Circuit, Cakaudrove
Delakado village, Tailevu	Navala Village, Ba	Nubu Village, Macuata
Veinuqa Village, Tailevu	Nadrugu Village, Ba	Old Scholars of Holy Cross High Sch, Taveuni, Cakaudrove
Kadavu Womens Club	Namau Village, Ba	Nakawakawa Village, Bua
Burotu Village, Ra	Lomawai Village, Nadroga	Cagimaiwai Womens Association, Kavewa Island, Macuata
Burelevu Village, Ra	Nadrau Village, Navosa	Naividamu Village, Macuata
Namara Village, Ra	Waqadra settlement, Nadi	Navonu settlement, Cakaudrove
Nabalebale Village, Ra	Nagado Village, Ba	Visou settlement, Cakaudrove
Nataleira Village, Tailevu	Sabeto Village, Ba	Dakulevu settlement, Cakaudrove
Nabukadra Village, Ra	Nawaqadamu Village, Ba	Waikava Village, Cakaudrove
Nairai Family, Suva	Nasesevia Village, Ba	Vunisavisavi Village, Cakaudrove
Namuaimada Village, Ra	Yavusania Village, Ba	Nanuca Village, Cakaudrove
Cavukuka Settlement, Ra	Narata Village, Nadroga	Naiyarabale Village, Cakaudrove
Nasele Village, Naitasiri	Nawaqadamu	Ravita Village, Cakaudrove
Navuso Village, Naitasiri	Vunamoli Village, Ba	Bagata Village, Cakaudrove
Dawasamu Expo, Nataleira, Tailevu	Tikina Serua Day	Nacoqe settlement, Macuata
Lau Provisional Council Meeting, Suva	Wellspring Family Fellowship, Taqaqe Village, Nadroga	Nukubolu Village, Cakaudrove
Muana village, Rewa	Vatulele District Visitation, Ekubu Village, Nadroga	Vunivesi Village, Cakaudrove
Rokovuaka Village, Ra	Village	Vunikodi Village, Macuata
Naveyago Village, Navosa	Nalauwaki Village, Ba	Nabaka settlement, Cakaudrove
Vunibau Village, Serua	Vio Island, Ba	Korotasere Village, Cakaudrove

Wainidinu Methodist Church	Namada Village, Nadroga	Domokavu Village, Cakaudrove
Nadroga Navosa Provincial Council Meeting	Bukuya Village, Ba	Navunitabua settlement, Macuata
Waicoka Village, Tailevu	Narewa Village, Ba	Kiobo Village, Bua
Waibasaga Village, Naiatsiri	Northern Division	Kia island, Macuata
	Wavu Village, Cakaudrove	Wainikeli settlement, Macuata
Muani Village, Ravitaki Kadavu	Waisali Village, Cakaudrove	Naiqaqi Village, Cakaudrove
Nakorosule Village, Naitasiri	Vanuavou Village, Cakaudrove	Keka Village, Cakaudrove
Kuku Methodist Church	Wailevu Village, Macuata	Valeni Village, Cakaudrove
Tikina Noco, Rewa Concil Meeting	Namalata Village, Bua	Natua Village, Cakaudrove
Namara Village, Ra	Tukavesi Village, Cakaudrove	Laucala Village, Cakaudrove
Nokonoko Village, Ra	Vunikura Village, Cakaudrove	Natuvu Village, Cakaudrove
Nativi Village, Ra	Galoa Village, Macuata	Vunidawamoli Village, Cakaudrove
Nawairuku Village, Ra	Lekutu Village, Bua	Nukusa Village, Macuata
Rukuruku Village, Naitasiri	Korowiri Village, Macuata	Nayaroyaro Village, Macuata
Vuniamunu Village, Ra	Dreketi Expo & Music Festival	Korosi Village, Cakaudrove
Mataveikai Village, Ra	Nadua Village, Bua	Vusasivo Village, Cakaudrove
Womens Tikina Tokaimalo, Ra	Naruwai Village, Bua	Dakuniba Village, Cakaudrove
Mataqali Nasomosomo	Central Division & Maritime	Nawi Village, Cakaudrove
Muaninuku Village, Kadavu	Roma Village, Naitasiri	Tukavesi Village, Cakaudrove
Kalokolevu Village, Rewa	Sawanikula Village, Naitasiri	Dawa Village, Cakaudrove
Vunivaivai Village, Tailevu	Naraiyawa Village, Naitasiri	Nadavaci Village, Cakaudrove
Fijian Teachers Association	Navunidavo Village, Namosi	Vatudamu settlement, Savusavu
Nayavuloulou Methodist Church	Nabalesere Village, Ra	Taveuni/Qamea - Reach Program
Burotukula Day, Suva	Naqarawai Village, Naitasiri	Naviavia Village, Cakaudrove
Toki Village, Ra	Navunikabi Village, Namosi	Vusaratu Village, Cakaudrove
Namoli Village, Navosa	Saliadrau Village, Namosi	Rauriko Village, Macuata
Levuka Methodist Circuit	Naisaumua Village, Tailevu	Vusasivo Village, Cakaudrove
Womens Expo 3 – days Event	Nakavika Village, Namosi	Natewa Village, Cakaudrove
Nauouo Village, Lomaiviti	Waniyavu Village, Namosi	Nabou – Navo Cooperative
Lotu Vulavou – Kuku Methodist Circuit	Nakalawaca Village, Tailevu	Toko Methodist Church
Naqelecibi Village, Ra	Cuvu village Nadroga	Nasinu Village, Cakaudrove
Nayavu Village, Tailevu	Nailuva Village, Ra	Driti Village, Bua

FHUT extends its appreciation to all the 'Turaganikoro' and village headman for their support and hospitality during the time of our visits. Part of our investment literacy is the encouragement towards their source of income and understanding the importance of savings. In order for their investment to succeed, whether for individual accounts, minor or group account, a healthy source of income and better savings culture will improve unitholder's investment status in income and growth.

Management looks forward to expanding FHUT's reach in FY25.

While I Live I Grow!





FINANCIAL STATEMENTS 2024

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**FIJIAN HOLDINGS UNIT TRUST
DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

In accordance with resolution of the Directors of the FHL Fund Management Limited and FHL Trustees Limited, the directors herewith submit the statement of financial position of the Fijian Holdings Unit Trust ("the Trust") as at 30 June 2024, the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and report as follows:

Trustee and Manager

Manager

The Manager of the Trust at the date of this report is FHL Fund Management Limited. The directors of the management company at the date of this report are:

Mr. Alphonsus Pio Nataniela (Chairman)
Ms. Anaisi Mataitoga
Mr. Josua Satavu
Mrs. Mereia Volavola
Mr. Naushad Ali

Trustee

The Trustee of the Trust at the date of this report is FHL Trustee Limited. The Directors of the Trustee company at the date of this report are:

Mr. Inia Naiyaga (Chairman)
Mr. Emitai Boladuadua
Mr. Navin Raj

Date of Formation

The Trust was established on 27 April 2001 and has a life of 60 years from its inception.

Principal Activity

The Trust is an investment vehicle that allows investors' monies to be pooled with other unit holders' monies that in return are issued with units and become unit holders in the Trust. The pooled funds are then invested by the Manager across a range of investments in accordance with the investment guidelines contained in the Investment Policy statement.

Results

The results for the year are as follows:

	2024	2023
Profit for the year	\$ 4,909,784	\$ 4,100,776
Gain / (loss) on disposal of listed equities	1,971,922	(13,611)
Income available for distribution	<u>6,881,706</u>	<u>4,087,165</u>

Dividends

The Trust declared and paid a final dividend for 2023 of \$1,699,833 (2022: \$1,920,378) and an interim dividend for 2024 of \$3,425,866 during the year (2023: \$2,308,298).

**FIJIAN HOLDINGS UNIT TRUST
DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Assets

Prior to the completion of the financial statements of the Trust, the directors of the Trustee and the Manager took reasonable steps to ascertain whether any assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Trust. Where necessary these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise. As at the date of this report, the directors of the Trustee and the Manager are not aware of any circumstances which would render the values attributed to assets in the Trust's financial statements misleading.

Unusual Transactions

In the opinion of the directors of the Trustee and the Manager, the results of the operations of the Trust during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the directors of the Trustee and Manager, to affect substantially the results of the operations of the Trust in the current financial year.

Fair Value Reserves

The fair value reserve comprises the cumulative net change in the fair value of financial assets held at fair value through other comprehensive income until the investments are derecognised, disposed or impaired.

Basis of Accounting - Going Concern

The financial statements have been prepared on a going concern basis.

The directors of the Trustee and the Manager believe that the Trust has plans and strategies to generate adequate income available for distribution and cash flows from its operations, the Trust will be able to meet its obligations as and when they fall due, and the Trust will be able to continue in operation for at least 12 months from the date of approval of the financial statements. Therefore, the directors believe that the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate. The Trust has come up with strategic focus for the organization to work towards in the next three years. The Management company is working on the new software system for the Trust to enable the Trust to be vigilant and more effective in calculation of unit price and returns for the unit holders.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might become necessary should the Trust be unable to continue as a going concern.

Related Party Transactions

In the opinion of the directors of the Trustee and the Manager all related party transactions have been adequately recorded in the books of the Trust and reflected in the financial statements.

Events Subsequent to Balance Date

In July 2024, the directors declared the final dividend of \$2,668,507 for the year ended 30 June 2024.

Apart from this, there has been no transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Trust, the results of those operations or state of affairs of the Trust in subsequent financial year.

FIJIAN HOLDINGS UNIT TRUST
DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024

DIRECTOR'S REPORT [CONT'D]
Other Circumstances

As at the date of this report:

- (i) no charge on the assets of the Trust has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Trust could become liable; and
- (iii) no contingent liabilities or other liabilities of the Trust has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors of the Trustee and the Manager, will or may substantially affect the ability of the Trust to meet its obligations as and when they fall due.

As at the date of this report, the directors of the Trustee and the Manager are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Trust's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Trust misleading or inappropriate.

Trustee's and Manager's Benefits

Since the end of the previous financial year, no directors of the Trustee or Manager has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by the directors of the Trustee and Manager shown in the financial statements or received as the fixed salary of a full-time employee of a related party) by reason of a contract made by the Trust or by a related party with the directors of the Trustee or Manager or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

Approval of the Financial Statements

The financial statements for the year ended 30 June 2024 together with the accompanying notes set out on pages 30 to 49 are approved as being in accordance with the books and records of the Fijian Holdings Unit Trust.

Signed in accordance with resolutions of the directors of the FHL Fund Management Limited and FHL Trustees Limited.

Dated this day 2 of September 2024.



Director
FHL Fund Management Limited
Manager of Fijian Holdings Unit Trust



Director
FHL Trustees Limited
Trustee of Fijian Holdings Unit Trust

**FIJIAN HOLDINGS UNIT TRUST
DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

DIRECTOR'S REPORT [CONT'D]

The declaration by directors is required by the Companies Act, 2015.

The directors of FHL Fund Management Limited and FHL Trustees Limited have made a resolution that declares:

- a) In the opinion of the directors, the financial statements of the Trust for the financial year ended 30 June 2024:
 - i. comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Trust as at 30 June 2024 and of the performance and cash flows of the Trust for the year ended 30 June 2024; and
 - ii. have been prepared in accordance with the Companies Act, 2015.
- b) The directors have received independence declaration by auditors as required by Section 395 of the Companies Act, 2015; and
- c) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with resolutions of the directors of FHL Fund Management Limited and FHL Trustees Limited.

Dated this **2** day of **September** 2024.



Director
FHL Fund Management Limited
Manager of Fijian Holdings Unit Trust



Director
FHL Trustees Limited
Trustee of Fijian Holdings Unit Trust

FIJIAN HOLDINGS UNIT TRUST

AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Fijian Holdings Unit Trust for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Wathsala Suraweera
Partner
Suva, Fiji



BDO
CHARTERED ACCOUNTANTS

2 September 2024

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Fijian Holdings Unit Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fijian Holdings Unit Trust (“the Trust”), which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Trust as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 Trust in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management and directors of the Trustee Company and Management Company are responsible for the other information. The other information comprises of the information included in the directors' report but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The directors of the Trustee Company and Management Company (“directors”) and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, the Companies Act, 2015, and the provisions of the Trust Deed, and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT [CONT'D]

To the Unitholders of Fijian Holdings Unit Trust (Cont'd)

Responsibilities of the Management and Those Charged with Governance for the Financial Statements (Cont'd)

In preparing the financial statements, the management and directors are responsible for assessing the Trust'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 the management and directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The management and those charged with governance are responsible for overseeing the Trust's financial reporting process.

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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement 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 Trust'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 the management's and directors' 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 Trust's ability to continue as a going concern. If we conclude that 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 Trust 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 management and 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.

INDEPENDENT AUDITOR'S REPORT [CONT'D]

To the Unitholders of Fijian Holdings Unit Trust (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the management and those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act, 2015 in all material respects, and;

- a. we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b. the Trust has kept financial records sufficient to enable the financial statements to be prepared and audited.

In our opinion, the financial statements give the information required by the provisions of the Trust Deed in the manner so required.



BDO
CHARTERED ACCOUNTANTS



Wathsala Suraweera
Partner
Suva, Fiji
2 September 2024

FIJIAN HOLDINGS UNIT TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Revenue			
Interest income calculated using the effective interest method	5 (a)	1,861,256	2,177,241
Dividend income	5 (b)	4,765,599	3,414,023
Net equalization		105,933	59,423
		<u>6,732,788</u>	<u>5,650,687</u>
Expenses			
Bank charges		8,934	7,627
Management fees		1,620,173	1,426,500
Professional fees	5 (c)	37,585	32,895
Trustee's fees		50,000	50,000
Other expenses		106,312	32,889
		<u>1,823,004</u>	<u>1,549,911</u>
Profit for the year		<u>4,909,784</u>	<u>4,100,776</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Fair value gain on listed and unlisted equities		8,518,970	1,096,061
Items that may be subsequently reclassified to profit or loss:			
Fair value loss on government bonds		<u>(161,569)</u>	<u>(75,354)</u>
Total other comprehensive income		<u>8,357,401</u>	<u>1,020,707</u>
Total comprehensive income for the year		<u>13,267,185</u>	<u>5,121,483</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**FIJIAN HOLDINGS UNIT TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Unit holders' equity			
At 1 July		117,994,164	102,395,014
25,061,890 units created during the year (2023: 27,240,876 units)		27,939,025	27,000,465
10,608,957 units redeemed during the year (2023: 11,512,848 units)		<u>(11,709,120)</u>	<u>(11,401,315)</u>
At 30 June	11	<u>134,224,069</u>	<u>117,994,164</u>
Net income available for distribution			
At 1 July		1,808,406	1,949,917
Profit for the year		4,909,784	4,100,776
Transfer of cumulative fair value gain upon sale of listed and unlisted equities measured at Fair Value through Other Comprehensive Income from fair value reserves		1,971,922	(13,611)
Dividend declared and paid during the year		<u>(5,125,698)</u>	<u>(4,228,676)</u>
At 30 June	9	<u>3,564,414</u>	<u>1,808,406</u>
Fair value reserves			
At 1 July		37,021,031	36,000,324
Fair value gain on financial assets		8,357,401	1,007,096
Transfer of cumulative fair value loss / (gain) upon sale on listed and unlisted equities measured at Fair Value through Other Comprehensive Income to net income available for distribution		<u>(1,971,922)</u>	<u>13,611</u>
At 30 June	6	<u>43,406,510</u>	<u>37,021,031</u>
Total unit holders' equity		<u>181,194,993</u>	<u>156,823,601</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

FIJIAN HOLDINGS UNIT TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Assets			
Cash and cash equivalents	13	22,421,885	26,355,824
Financial assets at amortised cost	7	36,865,776	29,574,688
Financial assets at fair value through other comprehensive income	8	122,297,309	101,197,605
		<u>181,584,970</u>	<u>157,128,117</u>
Liabilities			
Payables	10	389,977	304,516
		<u>389,977</u>	<u>304,516</u>
Net assets		<u>181,194,993</u>	<u>156,823,601</u>
Unit holders' equity			
Unit holders' equity repayable on demand: 177,910,435 units fully paid (2023: 163,457,502 units)	11	134,224,069	117,994,164
Net income available for distribution	9	3,564,414	1,808,406
Fair value reserves	6	43,406,510	37,021,031
Total unit holders' equity		<u>181,194,993</u>	<u>156,823,601</u>

Signed in accordance with resolutions of the directors of FHL Fund Management Limited and FHL Trustees Limited.


Director
FHL Fund Management Limited
Manager of Fijian Holdings Unit Trust


Director
FHL Trustees Limited
Trustee of Fijian Holdings Unit Trust

The above statement of financial position should be read in conjunction with the accompanying notes.

**FIJIAN HOLDINGS UNIT TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Cash flows from operating activities			
Cash received in the course of operations			
Interest		2,042,443	1,995,276
Dividend		4,627,379	3,030,364
Cash payments in the course of operations		(1,136,075)	(1,617,314)
Payment for purchase of shares and bonds, net		(17,068,335)	(7,404,176)
Payment for purchase of short-term deposits		(4,000,000)	-
Withdrawal of term deposits, net		-	7,038,889
Proceeds from repayment of loans, net		543,983	951,726
		<hr/>	<hr/>
Net cash flows (used in)/ provided by operating activities		(14,990,605)	3,994,765
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from issue of units		27,891,486	26,983,509
Payments for repurchase of units		(11,709,120)	(11,401,315)
Distribution paid to unit holders		(5,125,700)	(4,228,676)
		<hr/>	<hr/>
Net cash flows provided by financing activities		11,056,666	11,353,518
		<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents		(3,933,939)	15,348,283
Cash and cash equivalents at the beginning of the year		26,355,824	11,007,541
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	13	<u>22,421,885</u>	<u>26,355,824</u>

The accompanying notes form an integral part of this statement of cash flows.

NOTE 1. GENERAL INFORMATION

Fijian Holding Unit Trust ("the Trust") is a unit trust incorporated and domiciled in Fiji. The address of its registered office and principal place of business are disclosed in Note 15 to the financial statements.

Principal activity

The unit trust is an investment vehicle that allows investors' monies to be pooled with other unit holders' monies that in return are issued with units and become unit holders in the unit trust. The pooled funds are then invested by the Manager across a range of investments in accordance with the investment guidelines contained in the Investment Policy Statement.

Significant accounting policies which have been adopted in the preparation of these financial statements are noted below. The financial statements were authorised for issue by the directors of the Trustee and the Manager on 2 September 2024.

NOTE 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements have been drawn up in accordance with the Trust Deed, Companies Act 2015 and International Financial Reporting Standards ("IFRS").

(b) Basis of preparation

The financial statements have been prepared on the basis of fair value measurement of assets and measurement at amortized cost for liabilities except where otherwise stated.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 4.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(c) Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

(d) Functional and presentation currency

The Trust operates in Fiji and hence the financial statements are presented in Fiji dollars, which is the Trust's functional and presentation currency.

NOTE 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(e) Changes in Accounting Policies

New standards, interpretations and amendments effective during the year

The following amendments are effective for the period beginning 1 January 2023:

- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);*
- *Definition of Accounting Estimates (Amendments to IAS 8); and*

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Trust has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2024:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements);
- IFRS S1 - General requirements for disclosure of sustainability-related financial information. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across entity's value chain; and
- IFRS S2 - Climate-related disclosures. This standard sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Trust is currently assessing the impact of these new accounting standards and amendments. The Trust does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

The Trust does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Trust.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies adopted by the Trust is set out in this note. The policies adopted are in accordance with International Financial Reporting Standards ("IFRS"), and unless stated otherwise are consistent with those applied in the prior period.

(a) Financial Assets

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Trust becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial Assets (Cont'd)

(ii) *Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an equity investment that is not held for trading, the Trust may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.
- All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Trust may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Trust makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Trust's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial Assets (Cont'd)

(ii) *Classification and subsequent measurement (Cont'd)*

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Trust's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Trust considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Trust considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Trust's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Trust changes its business model for managing financial assets.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial Assets (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Derecognition

Financial assets

The Trust derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Trust enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Trust also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Modifications of financial assets

If the cash flows of the modified asset carried at amortised cost are not substantially different then the modification does not result in derecognition of the financial asset. In this case, the Trust recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Impairment of Financial Instruments

Financial instruments

The Trust recognises loss allowances for ECLs on financial assets measured at amortised cost. No impairment loss is recognised on equity investment.

The Trust measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12 month ECL:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and informed credit assessment and including forward-looking information.

The Trust assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Trust considers a financial asset to be in default when:

- Trust to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Trust considers a debt security to have low credit risk when its credit risk rating is equivalent to the generally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Trust is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Trust expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.
- ECLs are discounted at the effective interest rate of the financial asset.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Impairment of Financial Instruments (Cont'd)

Credit-impaired financial assets

At each reporting date, the Trust assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Trust on terms that the Trust would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Trust determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Trust's procedures for recovery of amounts due.

(c) Revenue Recognition

Interest income is recognised in profit or loss for all interest bearing financial assets using the effective interest method.

Dividend income from listed or quoted securities is recognised when the right to receive payment is established (normally the ex-dividend date). Dividends from unlisted and private equities are recognised when the Trust has received formal notification that a dividend has been declared and the right to receive the dividend is established. Other income is brought to account on an accrual basis.

(d) Distributions

In accordance with the Trust Deed, the Trust may distribute, by cash or reinvestment, all distributable income to unit holders. Distributable income is the Manager's estimate, with the Trustee's approval, of the amount the Trust may distribute, not exceeding the net income of the Trust for an accrual period.

(e) Management Fees

Management fees are standard fees stated under the terms of the Trust Deed and based on 1% on the value of total Trust Fund. This is payable after creation end and is calculated on the net asset value of the unit trust at the beginning of the next creation.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Trustee Fees

Trustee fees payable to FHL Trustees Limited has been fixed at \$50,000 per annum.

(g) Payables

These amounts represent liabilities for services provided to the Trust prior to the end of the financial year end which are unpaid.

(h) Entry Fees

The Manager is entitled under the Trust Deed to an entry fee of up to 3.5%. The entry fees only applies to units that are purchased by unit holders.

(i) Taxes

Income taxes

The Trust is not subject to income tax provided the distributable income is declared for distribution to unit holders.

Value Added Tax ("VAT")

The Trust is exempted from VAT.

(j) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand and cash in banks, net of outstanding bank overdrafts. Bank overdrafts are shown within interest bearing borrowings in current liabilities in the statement of financial position.

(k) Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Distributions are recognised as a liability in the period in which they are declared.

(l) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date in the principal or, in its absence, the most advantageous market to which the fund has access at that date. Consistent with established practice in Fiji, listed equity investments are measured at the closing share price on the South Pacific Stock Exchange, Australian Securities Exchange and Papua New Guinea Securities Exchange at each reporting date. Fiji Government Bonds are measured at the prices quoted by the Reserve Bank of Fiji at each reporting date as adjusted for accrued interest where this is material.

When available, the Trust measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liabilities take place with sufficient frequency and volume to provide pricing information on an on-going basis. The fair value of other unlisted equities is estimated with the assistance of independent valuers approved by the Fund Manager and Trustee as per the Trust Deed.

FIJIAN HOLDINGS UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(I) Fair Value Measurement (Cont'd)

Where possible, the valuations use applicable price earnings ratios for similar listed companies, adjusted to reflect the specific circumstances of the issuer and may be based on following methodologies:

1. Discount Cashflow Model (DCF)
2. Net Tangible Asset Approach (NTA)
3. Future Maintainable Earnings Method (FME)
4. Capitalization of Dividends Method (CoD)

If there is no quoted price in an active market, then the Trust uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique seeks to incorporate all of the factors that market participants would take into account in pricing a transaction. The Trust recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the changes have occurred.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In application of the Trust's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on various factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on various factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods. The critical judgments and assumptions made in applying the accounting policies of the Trust have been disclosed under the following notes to the financial statements:

Note 3(l) and Note 8 - Fair Value Measurement.

NOTE 5. REVENUE AND EXPENSES	2024	2023
	\$	\$
(a) Interest income	<u>1,861,256</u>	<u>2,177,241</u>
Interest income is earned from terms deposits, loans, government bonds, corporate bonds and cash at bank balance. The interest rate on term deposits ranged from 2% to 4.3% (2023: 2.15% to 4.3%), the interest rate on government bond ranged from 3% to 13% (2023: 4.75% to 13%), the interest rate on corporate bond ranged from 3.5% to 3.75% (2023: 3.5% to 3.75%) and the interest rate on cash at bank balance ranged from 0.25% to 1% (2023: 0.25% to 1.3%) respectively.		
(b) Dividend income	<u>4,765,599</u>	<u>3,414,023</u>
Dividend income is earned from investment in shares in listed and unlisted entities and from mutual funds.		
(c) Professional fees		
Auditor's remuneration		
- audit fees - current year	21,735	18,113
- other services	3,200	2,132
Valuation fees	<u>12,650</u>	<u>12,650</u>
	<u>37,585</u>	<u>32,895</u>

FIJIAN HOLDINGS UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 6. FAIR VALUE RESERVES	2024	2023
	\$	\$
Net change in the fair value of financial assets at FVOCI	43,406,510	37,021,031
This is represented by as follows:		
Balance as at 1 July	37,021,031	36,000,324
Fair value gain on financial assets	8,357,401	1,007,096
Transfer of cumulative fair value loss / (gain) upon sale of listed, unlisted equities and government bonds are measured at Fair Value through Other Comprehensive Income to net income available for distribution	(1,971,922)	13,611
Balance as at 30 June	43,406,510	37,021,031

The fair value reserve comprises the cumulative net change in the fair value of equity investments and bonds until these financial assets are derecognised, disposed or impaired.

NOTE 7. FINANCIAL ASSETS AT AMORTISED COST

(a) *Loans*

Term loans	-	543,983
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(b) *Term deposits*

Short-term deposits	30,539,368	-
Long-term deposits (i)	500,000	27,039,367

(c) *Other receivables*

Accrued interest income	347,229	528,417
Accrued dividend income	1,982,549	1,294,552
Receivables from FHL Stockbrokers Pte Limited (ii)	2,148,794	-
Deposits	1,260,733	130,410

Sundry debtor (iii)

Other Debtors (iv)

Less: allowance for impairment loss

5,739,305	1,953,379
96,574	49,034
1,604	-
(11,075)	(11,075)

5,826,408	1,991,338
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Total financial assets at amortised cost	36,865,776	29,574,688
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- (i) Long term deposits have a term of more than 12 months and earn interest at 4.3% per annum (2023: 2.6% to 4.3%).
- (ii) Receivable from FHL Stockbrokers Pte Limited relates to proceed from sale of shares in a listed entity remitted by the purchaser to FHL Stockbrokers Pte Limited. This has been receipted by the Trust in July 2024.
- (iii) Sundry debtor relates to balance receivable from agents, Post Fiji Pte Limited, Vodafone Fiji Pte Limited (M-paisa), Digicel (MyCash) and Sole Fintech Limited.
- (iii) Other debtor relates to balance receivable from FHL Fund Management Limited.

FIJIAN HOLDINGS UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8. FINANCIAL ASSETS HELD AT FAIR VALUE
THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	\$	\$
Listed equities		
Shares quoted on stock exchanges:		
South Pacific Stock Exchange	51,206,558	51,029,957
Australian Securities Exchange	2,616,457	707,815
PNG's National Stock Exchange	12,019,691	-
	65,842,706	51,737,772
Unlisted equities		
Shares in unlisted entities	36,173,137	30,124,375
Quoted managed fund	5,075,796	4,867,768
	41,248,933	34,992,143
Bonds		
Fiji Government Bonds	10,205,670	9,467,690
Corporate Bonds	5,000,000	5,000,000
	15,205,670	14,467,690
Total financial assets held at fair value through other comprehensive income	122,297,309	101,197,605

Quoted shares

Consistent with established practice in Fiji, listed equity investments are measured at the closing share price on the South Pacific Stock Exchange, Australian Securities Exchange and PNG's National Stock Exchange at each reporting date. If required due to unusual circumstances, Trust undertakes reasonableness test to access the quoted prices and does the required adjustments to quoted prices.

Unquoted shares

Unquoted investments have been designated as fair value through other comprehensive income where fair value has been assessed based on the valuation done by an independent valuer, Simmons Corporate Finance.

Unrealized net change in fair value of financial assets as at balance date is \$43,406,510 (2023: \$37,021,031).

Determining fair values

The Trust measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active market for an identical instrument.

Level 2: Valuation technique based on observable inputs, either directly (i.e. as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active market for similar instrument; quoted prices for identical or similar instrument in the market that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted price for similar instruments where significant unobservable adjustments or assumption are required to reflect differences between the instruments. Fair values of financial assets that are traded in active markets are based on quoted prices or dealer price quotations. For unlisted equity investments, the Trust determines fair values using valuation techniques. Some or all of the significant inputs these valuations use may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions.

NOTE 8. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

Determining fair values (cont'd)

Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used and any key assumptions used in those valuation models such as appropriate price/earnings ratios.

The table below analyses financial assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 30 June 2024				
Listed equities	65,842,706	-	-	65,842,706
Shares in unlisted entities	-	2,000,000	34,173,137	36,173,137
Units in mutual funds	-	5,075,796	-	5,075,796
Government bonds	-	10,205,670	-	10,205,670
Corporate bonds	-	5,000,000	-	5,000,000
	<u>65,842,706</u>	<u>22,281,466</u>	<u>34,173,137</u>	<u>122,297,309</u>
At 30 June 2023				
Listed equities	51,737,772	-	-	51,737,772
Shares in unlisted entities	-	2,000,000	28,124,375	30,124,375
Units in mutual funds	-	4,867,768	-	4,867,768
Government bonds	-	9,467,690	-	9,467,690
Corporate bonds	-	5,000,000	-	5,000,000
	<u>51,737,772</u>	<u>21,335,458</u>	<u>28,124,375</u>	<u>101,197,605</u>

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Shares in unlisted entities	Dividend's capitalization technique - The valuation model is based on the future maintainable dividends and capitalization rates. Shares held in mutual funds are valued at the exit price as at reporting date.	Forecasted dividend yield 5.5% to 9% (2023: 4% to 10%)	The estimated fair value would increase / (decrease) if any of the significant unobservable inputs were changed. Generally, a change in the growth rate is accompanied by directionally similar change in future maintainable dividends and earnings.
Government bonds	Market comparison - The fair value of the long term investment securities is based on market prices published by the Reserve Bank of Fiji.	Not applicable	Not applicable

Fair value of assets included in Level 3 are based on independent valuation conducted by Simmons Corporate Finance Limited.

FIJIAN HOLDINGS UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 8. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

Determining fair values (cont'd)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair value hierarchy:

	2024	2023
	\$	\$
Balance as at 1 July	28,124,375	28,556,615
Acquisitions	3,000,000	-
Transfer into Level 1 from Level 3	-	(3,526,440)
Disposal	(479,988)	-
Gain included in OCI- Net change in fair value	3,528,750	3,094,200
Balance as at 30 June	<u>34,173,137</u>	<u>28,124,375</u>

Sensitivity analysis

For the fair values of equity securities categorized as Level 3, a reasonably possible change of 5% decreased in the capitalization rates at the reporting date to the forecasted dividend yield holding other inputs constant would have the following effect:

Increase in Other Comprehensive Income	<u>1,708,657</u>	<u>1,406,219</u>
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An increase in the capitalization rate of 5% at 30 June 2024 would have resulted in an equal but opposite effect to the amounts shown above.

NOTE 9. NET INCOME AVAILABLE FOR DISTRIBUTION

Final distribution payable to unit holders	<u>3,564,414</u>	<u>1,808,406</u>
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NOTE 10. PAYABLES

Trust clearing	163,889	163,081
Sundry creditors	173,353	92,563
Accruals	52,735	48,872
	<u>389,977</u>	<u>304,516</u>

NOTE 11. UNIT HOLDERS' EQUITY

Unit holders' equity - 177,910,435 units (2023: 163,457,502 units)	<u>134,224,069</u>	<u>117,994,164</u>
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NOTE 12. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities

The Trustee and the Manager are not aware of any contingent liabilities at balance date (2023: \$Nil).

Capital commitments

There were no capital commitments at balance date (2023: \$Nil).

Operating lease commitments

There were no operating lease commitments at balance date (2023: \$Nil).

FIJIAN HOLDINGS UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balance with bank. Cash and cash equivalents included in the statement of cash flow comprise the following statement of financial position amounts:

	2024	2023
	\$	\$
Cash at bank	22,421,885	26,355,824
Total cash and cash equivalents	<u>22,421,885</u>	<u>26,355,824</u>

NOTE 14. RELATED PARTY DISCLOSURES

(a) Identity of related parties

Manager

The Manager of the Trust is FHL Fund Management Limited ("FFML"). The directors of FFML during the year were:

Mr. Alphonsus Pio Nataniela	- Appointed as Chairman on 5 January 2024
Mr. Camacakau Lusiano Raimuria	- Appointed as Chairman on 20 September 2023 and resigned on 10 January 2024
Mr. Nesbitt Hazelman	- Resigned as Chairman on 20 September 2023
Ms. Anaisi Mataitoga	- Appointed on 22 August 2023
Mr. Josua Satavu	- Appointed on 22 September 2023
Mrs. Mereia Volavola	- Appointed on 12 February 2024
Ms. Eseta Nadakuitavuki	- Resigned on 30 August 2023
Mr. Abilash Ram	- Resigned on 13 September 2023
Mr. Naushad Ali	

Trustee

The Trustee of the Trust is FHL Trustees Limited ("FTL"). The directors of FTL during the year were:

Mr. Inia Naiyaga (Chairman)
Mr. Emitai Boladuadua
Mr. Navin Raj

Others

The Trust holds investments with companies in the Fijian Holdings Group, including Fijian Holdings Limited, Merchant Finance Pte Limited and RB Patel Group Limited. FHL Stockbrokers Limited acts as broker for the Trust's listed investments.

(b) Transactions with related parties

(i) Transactions with Fijian Holdings Limited and its related parties

Related party	Nature of transaction	2024	2023
		\$	\$
Fijian Holdings Limited	Distributions	(238,334)	(216,382)
	Interest income	180,000	221,322
FHL Fund Management Limited	Management fees	(1,620,173)	(1,426,500)
	Manager's entry, rounding fees and other expenses	(1,004,434)	(979,296)
	Distributions	(29,930)	(26,475)
	Commission fees	38,524	-
Pacific Cement Pte Limited	Interest income	30,365	72,875
FHL Stockbrokers Limited	Stock broking fees	35,290	-
	Distribution	2,582	2,284
RB Patel Group Limited	Dividend income	301,672	205,177
Pernix (Fiji) Pte Limited	Interest income	61,562	157,500
Golden Manufacturers Pte Limited	Dividend income	675,000	300,000
Merchant Finance Pte Limited	Interest income	293,649	222,200
	Dividend income	1,950,000	1,920,000

FIJIAN HOLDINGS UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 14. RELATED PARTY DISCLOSURES (CONT'D)

(b) Transactions with related parties (cont'd)

(ii) FHL Trustees Limited ("FTL")

Trustee fees payable to FHL Trustees Limited has been fixed at \$50,000 per annum.

During the year, fees to FHL Trustees Limited amounted to \$50,000 (2023: \$50,000).

<i>(iii) Owing by related parties</i>	2024	2023
	\$	\$
Merchant Finance Pte Limited	921,996	912,342
Pacific Cement Pte Limited	-	127,317
Pernix (Fiji) Pte Limited	-	416,666
Golden Manufacturers Pte Limited	675,000	150,000
FHL Fund Management Limited	1,604	-
FHL Stockbrokers Pte Limited	2,148,794	-
	<u>3,747,394</u>	<u>1,606,325</u>
 <i>(iv) Owing to related parties</i>		
Owing to FHL Fund Management Limited	173,353	92,565
Owing to FHL Trustees Limited	2,083	2,083
	<u>175,436</u>	<u>94,648</u>
 <i>(v) Term deposits / Corporate Bonds</i>		
Fijian Holdings Limited	5,000,000	5,000,000
Merchant Finance Pte Limited	11,700,000	7,700,000
	<u>16,700,000</u>	<u>12,700,000</u>
 <i>(vi) Shares in related parties</i>		
<u>Listed securities</u>		
RB Patel Group Limited	10,474,902	13,969,475
Fiji Television Limited	1,799,204	1,889,164
	<u>12,274,106</u>	<u>15,858,639</u>
 <u>Unlisted securities</u>		
Merchant Finance Pte Limited	24,040,137	21,430,137
Golden Manufacturers Pte Limited	7,133,000	6,214,250
Pernix (Fiji) Pte Limited	-	479,988
	<u>31,173,137</u>	<u>28,124,375</u>

NOTE 15. TRUST DETAILS

Date of formation

The Trust was established on 27 April 2001 and has a life of 60 years from its inception.

Registered office and principal place of business

The Trust's registered office and principal place of business is located at Shop 1A and 1B, Vanua Arcade, 77 Victoria Parade, Suva.

NOTE 16. EVENTS SUBSEQUENT TO BALANCE DATE

In July 2024, the directors declared the final dividend of \$2,668,507 for the year ended 30 June 2024.

Apart from this there has been no transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Trust, the results of those operations or state of affairs of the Trust in subsequent financial year.

NOTE 17. RISK MANAGEMENT POLICIES

The Trust has exposure to the following risks:

- Market risk;
- Operational risk;
- Credit risk; and
- Liquidity risk

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risk, and the Trust's management of funds.

The Manager has the overall responsibility for the establishment and oversight of the Trust's risk management framework. The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

Market risk

(i) Interest rate

This is the risk borne by interest bearing assets such as term deposits, loans and bonds due to the changes in interest rate. Through its investment policy the Trust will aim to balance its portfolio through short term deposits and medium to long term government bonds and loans. At the reporting date the interest rate profile of the Trust's interest bearing financial instruments carrying amounts were:

<u>Fixed rate instrument</u>	<u>2024</u>	<u>2023</u>
	\$	\$
Loans	-	543,983
Term deposits	31,039,368	27,039,368
Bonds	15,205,670	14,467,690
	<u>46,245,038</u>	<u>42,051,041</u>

Fair value sensitivity analysis

The Trust does not account for any financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the profit.

(ii) Foreign exchange risk

The Trust is exposed to foreign exchange risk arising from currency exposures since it has shares in Australian Securities Exchange and PNG National Stock Exchange.

NOTE 17. RISK MANAGEMENT POLICIES (CONT'D)

Market risk (cont'd)

(ii) Foreign exchange risk (cont'd)

The foreign currency exchange risk arises from future commercial transactions and recognized assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency other than the Fiji dollar. For significant settlements the Trust is required to seek quotations from recognized banks and use the most favorable exchange rate for purposes of the settlement.

The carrying amount of the Trust's significant foreign currency denominated monetary assets at the end of the reporting year are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Assets - Foreign equities		
AUD	2,616,457	707,815
PGK	12,019,691	-

A strengthening or weakening of the Fiji Dollar against the AUD and PGK at the reporting date would have increased / decreased net assets by the amount shown below. This analysis is based on foreign currency exchange rate variances that the Trust considers to be reasonably possible at the reporting date. The analysis assumes that all other variables are constant.

10% increase in PGK	(1,092,699)	-
10% decrease in PGK	1,335,521	-
10% increase in AUD	(227,258)	(64,356)
10% decrease in AUD	277,760	78,646

(iii) Price Risk

Price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. Different investments (cash, shares, bonds) tend to perform differently under the same operating environment.

Sensitivity analysis

The table below sets out the effect on net assets attributable to unit holders and profit or loss of a reasonably possible weakening in the individual equity market prices of listed equities of 5% at 30 June. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant.

Net loss from exchange-traded equity investments	<u>3,292,135</u>	<u>2,586,888</u>
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A strengthening in the individual equity market price of 5% at 30th June would have resulted in an equal but opposite effect to the amounts shown above.

NOTE 17. RISK MANAGEMENT POLICIES (CONT'D)

Operational risk

(i) *Legal risk*

Legal risks refer to the risk of being legally non-compliant due to changes in Government and Regulators' current policies and regulations.

The Manager has an independent compliance officer who reports directly to the FHL Group Chief Executive Officer and the Compliance Committee. The Manager monitors changes to regulations for compliance and implementation of market best practices.

(ii) *Operational risk*

Operational risk is defined as the risk arising from the Trust's and its related entities business functions and from the practical implementation of the Manager's strategy for growing the Trust.

The Manager has developed an operations manual to deal with all operational processes in line with necessary regulations.

The Manager also conducts third party due diligence on new investments.

(iii) *Data risk*

This is the risk of losing information including unit holder account details even though there is a dual system storage of a hard copy filing system and electronic database.

The manager ensures confidentiality and security of all unit holders' information. The trust has developed a database system to store more information, conducts daily backups of electronic information and has developed a disaster recovery plan.

(iv) *Performance*

This relates to the risk that the Manager's investment selection may not achieve the objective of the Trust or produce acceptable returns for unit holders.

All unit holders (including potential ones) are fully informed of the risks involved.

(v) *Conflicts of interests*

Conflicts of interests between the Trust, Fijian Holdings Limited ("FHL"), FHL Fund Management Limited ("FFML") and FHL Trustees Limited ("FTL") may exist and also arise in the future in a number of areas relating to FHL past and on-going relationships, including potential acquisition or dispositions of business or real properties, payment of dividends and FHL and FFML management arrangements.

Under the Trust Deed, written approval is required from the Trustee for any Trust dealings with the associates of the Manager.

(vi) *Political climate*

The Trust operates in Fiji and changes to governments and the policies they implement may affect the overall economic situation and ultimately the returns of the Trust. To address this, the Trust reviews its pricing and investment portfolios regularly and responds to change in policies appropriately. In addition, changes to the Government's tax policies may impact on the returns of the Trust.

NOTE 17. RISK MANAGEMENT POLICIES (CONT'D)

Credit risk

This refers to the risk of losing investment funds due to companies and financial institutions in which the Trust has provided loans, defaulting on their repayments of principal or interest or both.

The Trust will minimize risk by conducting thorough due diligence on any investments it makes, ensure that there are guarantees on these investments by principal stakeholders or sister companies, limit the amount that is given as loans and implement certain conditions to allow the Trust to collect the funds.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024	2023
	\$	\$
Cash and cash equivalents	22,421,885	26,355,824
Loans	-	543,983
Term deposits	31,039,368	27,039,367
Bonds	15,205,670	14,467,690
Other receivables	5,826,408	1,991,338
	<u>74,493,331</u>	<u>70,398,202</u>

Liquidity risk

This is the risk that the Trust will not be able to facilitate its unit holders' redemption request. The Trust aims to maintain a buffer fund in liquid assets at all times to meet expected normal redemptions. Under the Trust Deed, the manager, with the concurrence of the Trustee, may suspend the redemption of units for such time as may be necessary to realize sufficient liquid funds to meet any unusual redemption requests. The Trust managers its liquidity risk by investing at least 30% of total portfolio into short term deposit.

**FIJIAN HOLDINGS UNIT TRUST
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 17. RISK MANAGEMENT POLICIES (CONT'D)

Liquidity risk (Cont'd)

The table below analyses the Trust's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	No specific Maturity \$	Less than 1 year \$	Between 1 and 2 years \$	Between 3 and 5 years \$	Over 5 years \$	Total \$
At 30 June 2024						
Financial assets						
Listed and unlisted securities	100,015,843	2,045,068	-	-	-	102,060,911
Quoted Managed Funds	5,075,796	-	-	-	-	5,075,796
Bonds	-	878,126	1,475,692	6,644,060	10,839,378	19,837,256
Term deposits	-	31,026,788	506,951	-	-	31,533,739
Other receivables	-	5,826,408	-	-	-	5,826,408
	105,091,639	39,776,390	1,982,643	6,644,060	10,839,378	164,334,110
Financial liabilities						
Payables	-	389,977	-	-	-	389,977
At 30 June 2023						
Financial assets						
Listed and unlisted securities	81,862,147	2,050,000	-	-	-	83,912,147
Quoted Managed Funds	4,867,768	-	-	-	-	4,867,768
Bonds	-	795,747	838,546	7,126,089	10,364,257	19,124,639
Term deposits	-	9,759,815	17,824,311	507,010	-	28,091,136
Loans	-	570,161	-	-	-	570,161
Other receivables	-	1,991,338	-	-	-	1,991,338
	86,729,915	15,167,061	18,662,857	7,633,099	10,364,257	138,557,189
Financial liabilities						
Payables	-	304,516	-	-	-	304,516

MANAGER

FHL Fund Management Limited (FHL FML)

Contact: (679) 892 6839 / 999 0267
(679) 892 6825

Fax: (679) 331 7153

Email: info@fhut.com.fj

REGISTERED OFFICE

Suva Office

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77 Victoria Parade, Suva

Contact: (679) 892 6839 / 999 0267
(679) 892 6825

Lautoka Office

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Naviti Street,
Lautoka

Contact: (679) 998 2560 / 998 0769

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Nasekula Road,
Labasa

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POSTAL ADDRESS

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P. O. Box 2110
Government Buildings
Suva, Fiji

Auditor

BDO

Chartered Accountants
Level 10, FNPF Place,
343 Victoria Parade, Suva

Contact: (679) 331 4300

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FHL FML Directors

Mr. Alphonsus Pio - Chairperson

Mr. Naushad Ali

Mrs. Mereia Volavola

Mr. Josua Satavu

Ms. Anaisi Mataitoga

Trustee

FHL Trustees Limited (FTL)

Shop 1A & 1B, Vanua House

77 Victoria Parade, Suva

P. O. Box 2110

Government Buildings

Suva, Fiji

Contact: (679) 892 6839 / 892 6825

Fax: (679) 331 7153

FTL Directors

Mr. Inia Naiyaga - Chairperson

Mr. Emitai Boladuadua

Mr. Navin Raj

Regulator

Reserve Bank of Fiji

Pratt Street, Suva

Private Mail Bag

Suva, Fiji

Contact: (679) 892 6839

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Investor Relations

You can obtain information about investing with the Fijian Holdings Unit Trust by contacting our licensed unit trust representatives via:

Contact: (679) 892 6839 / 892 6825

Fax: (679) 331 7153

Email: info@fhut.com.fj

You can also contact or visit us at our registered office listed above.

Business Hours:

8:00am – 5:00pm Monday – Thursday

8:00am – 4:00pm Friday

Principal Bankers

BSP Financial Group Limited,

Level 3, BSP Life Centre,

3 Scott Street,

Suva.