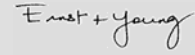


INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS

We have audited the financial statements of ANSA Secured Fund (the "Fund") for the sixteen month period ended December 31, 2006, from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated March 29, 2007 we expressed an unqualified opinion on the financial statements from which the summarized financial statements were derived.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Fund's financial position and the results of its operations for the sixteen month period and of the scope of our audit, the summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereon.



Port of Spain,
TRINIDAD:
29th March, 2007

STATEMENT OF ASSETS AND LIABILITIES AT 31ST DECEMBER, 2006 (Expressed In thousands of Trinidad and Tobago dollars)

Assets	Notes	2006 \$
Cash and cash equivalents	4	19,380
Available-for-sale investments	5	173,941
Interest and other receivables	6	26,599
Total assets		219,920
Liabilities		
Bank overdraft		755
Management fees payable		303
Distributions payable		3,442
Other payables		380
Total liabilities		4,880
Net Assets attributable to unitholders		215,040
Unitholders' balances		
Capital account		208,718
Investment revaluation reserve		6,322
Total Unitholders' balances		215,040
Net Asset value per unit based on 208,718 units outstanding		\$1,030.29

These financial statements were approved by the Trustee and authorised for issue on 29th March, 2007 and signed on their behalf by:



First Caribbean International Bank
Trustee

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIXTEEN MONTH PERIOD ENDED 31ST DECEMBER, 2006 (Expressed In Thousands of Trinidad and Tobago dollars)

1. General information

The following brief description of the Ansa Secured Fund (the 'Fund') is provided for general information purposes only. Reference should be made to the Trust Deed of the Fund for more complete information.

The Fund is an open-ended mutual fund registered in Trinidad & Tobago, and established by Ansa Merchant Bank Limited (the 'Bank') under a Trust Deed dated August 28th, 2005. The Bank is the Sponsor, Investment manager, Administrator and Distributor of the fund.

In addition, the Bank has guaranteed 100% return of the principal invested in the fund subject to a minimum period of investment, and a fixed minimum yield of 6% on the units held subject to a defined period of time established at the time of purchase.

The principal activity of the Fund is to provide investors having similar investment objectives with the opportunity to access professional investment management to achieve maximum returns, while minimising risk and protecting capital.

The Trustee of the Fund is First Caribbean International Banking & Financial Corporation Limited.

2. Significant accounting policies

a) Basis of preparation

The financial statements of the Fund are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on a historical cost basis, except for the measurement at fair value of available-for-sale investment securities.

b) Accounting period

The Fund commenced operations on September 21, 2005. These financial statements have been prepared for the sixteen month period ending December 31, 2006, since no financial statements were prepared for the four month period ending December 31, 2005. On that basis, no comparative information has been presented. Approval was granted by the Securities and Exchange Commission of Trinidad and Tobago for preparation of financial statements for the extended period.

c) Standards in issue not yet effective

The Fund has not applied the following IFRS's and IFRIC Interpretations that have been issued but are not yet effective. These standards/interpretations either do not apply to the activities of the Fund or have no impact on its financial statements.

IFRS 6	-	Exploration for and evaluation of mineral resources
IFRIC 3	-	Emission rights
IFRIC 4	-	Determining whether an arrangement contains a lease
IFRIC 5	-	Rights to interest arising from decommissioning, restoration and environmental rehabilitation funds
IFRIC 6	-	Liabilities arising from participating in a specific market – Waste electrical and electronic equipment
IFRIC 7	-	Applying the restatement approach under IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
IFRIC 8	-	Scope of IFRS 2

The Fund has not applied IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from January 1, 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risk arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages its capital. The Fund has assessed the impact of IFRS 7 and the amendment to IAS 1 and expects that adoption of these standards will have no quantitative impact on its financial statements but will impact disclosure requirements.

d) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash at hand and at bank with original maturities of three months or less and subject to insignificant risks of change in value.

e) Financial instruments

The Fund's financial assets and financial liabilities are recognised in the statement of assets and liabilities when it becomes party to the contractual obligation of the instrument. A financial asset is derecognised when the right to receive the cash flows from the asset has expired or where the Fund has transferred all the risks and rewards of ownership of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. All 'regular way' purchases and sales are recognised at settlement date.

f) Investments

The Fund classifies its investments as available-for-sale. Management determines the classification of its investments at initial recognition.

Available for sale financial assets are securities intended to be held for an indefinite period of time, but may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, these assets are measured at fair value based on quoted market prices where available or discounted cash flow models. Fair values for unlisted securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Unrealised gains and losses are reported in the investment revaluation reserve in Unitholders' balances. When the securities are disposed of, the related accumulated fair value adjustments are included in investment income. When securities become impaired, the related accumulated fair value adjustments previously recognised in the investment revaluation reserve are included in the statement of operations as an impairment expense on investment securities.

STATEMENT OF OPERATIONS FOR THE SIXTEEN MONTH PERIOD ENDED 31ST DECEMBER, 2006 (Expressed In Thousands of Trinidad and Tobago dollars)

Income	Notes	2006 \$
Interest Income		14,746
Dividend income		10
Other income		246
Total income		15,002
Expenses		
Fees	7	2,690
Marketing expenses		548
Other Expenses		73
Total expenses		3,311
Net increase in net assets attributable to unitholders resulting from operations		11,691

STATEMENT OF CASH FLOWS FOR THE SIXTEEN MONTH PERIOD ENDED 31ST DECEMBER, 2006 (Expressed In Thousands of Trinidad and Tobago dollars)

Operating activities	2006 \$
Net increase in net assets resulting from operations	11,691
Adjustments:	
Gain on foreign exchange	(38)
Income before working capital	11,653
Changes in assets/liabilities:	
Increase in interest and other receivables	(26,599)
Increase in payables	4,125
Cash used in operating activities	(22,474)
Net cash flows used in operating activities	(10,821)
Cash flows from investing activities	
Purchase of investments	(220,235)
Proceeds from maturity of investments	52,654
Net cash flows used in investing activities	(167,581)
Cash flows from financing activities	
Issue of units	212,894
Redemption of units	(4,176)
Distribution paid	(11,691)
Cash flows provided by financing activities	197,027
Net change in cash and cash equivalents	18,625
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	18,625
Represented by:	
Cash and cash equivalents	19,380
Bank overdraft	(755)
	18,625

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE SIXTEEN MONTH PERIOD ENDED 31ST DECEMBER, 2006 (Expressed In Thousands of Trinidad and Tobago Dollars)

	Capital Account	Investment revaluation reserve	Unitholders' balances
Balance at beginning of the period	-	-	-
Issue of units	212,894	-	212,894
Redemption of units	(4,176)	-	(4,176)
Unrealised gain on investments	-	6,322	6,322
Net increase in net assets attributable to unitholders	11,691	-	11,691
Distributions	(11,691)	-	(11,691)
Balance at end of the period	208,718	6,322	215,040

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

2. Significant accounting policies (continued)

g) Impairment

The carrying values of all the Fund's financial assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

In order to determine whether negative revaluations on investments correctly represent impairment, all investments for which the market value has been significantly below cost price for a considerable period of time, are individually reviewed. A distinction is made between negative revaluations due to general market fluctuations and due to issuer specific developments. The impairment review focuses on issuer specific developments regarding financial condition and future prospects, taking into account the intent and ability to hold the securities under the Fund's long term investment strategy.

h) Revenue and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Interest income is recognised as the interest accrues, taking into account the effective yield on the asset unless collectibility is in doubt. Expenses are accounted for on the accrual basis.

i) Subscriptions and redemptions

Subscriptions and redemptions are accounted for on the accruals basis. Subscriptions and redemptions to the Fund are made by investors at a price \$1,000 per unit during the initial guarantee period, which is the first two years from the date of commencement of operations. Units may be subscribed at a minimum initial value of \$50,000 and thereafter, the minimum amount of an additional investment in units is \$5,000, except in the instance of reinvestment of distributions. There are no limits as to the number of units that can be subscribed or redeemed at any one time.

j) Distributions to unit holders

Distributions to unitholders are recognised when they are ratified by the Trustees. Distributions are made quarterly and unitholders have the option to either receive a cash distribution, or to reinvest distributions into the Fund.

k) Taxation

Tax on distributions paid is withheld for non-resident unitholders at the rates applicable to the country in which the unit holders reside.

l) Foreign currency transactions

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date are expressed in Trinidad and Tobago dollars at the exchange rates ruling at that date. Profits and losses thus arising are recorded in the statement of operations.

3. Significant accounting judgements and estimates

Management has made the following judgements in its application of the Fund's policies which have the most significant effect on the amounts reported in the financial statements.

Impairment of financial assets

Management makes judgements to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Valuation of investments

The Fund has applied IAS 39 in its classification of investments which requires measurement at fair value. Fair values are based on quoted market prices for the specific instrument, comparisons with other highly similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of judgement and applying judgement in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors.

2006
\$

4. Cash and cash equivalents

Cash at bank	1,380
Short term investments	18,000
	<u>19,380</u>

5. Investments

Bonds and debentures	173,566
Quoted shares	375
	<u>173,941</u>

Sectoral analysis of investments

Government securities	10,388
State owned company securities	14,090
Corporate bonds and debentures	149,088
Corporate equities	375
	<u>173,941</u>

6. Interest and other receivables

Interest receivable	4,086
Proceeds from maturities and principal repayments from investments due	22,147
Other debtors	366
	<u>26,599</u>

7. Fees and other expenses

The Investment Manager is paid from the assets of the Fund a quarterly fee, calculated on the basis of the average Net Asset Value in that quarter pro-rated where necessary on the basis of number of days remaining or elapsed in the quarter, according to an annual rate not to exceed 2.50% on the average Net Asset Value of the Fund.

The Trustee is paid from the assets of the fund a fee not exceeding an annual rate of 0.20% on the average Net Asset Value and such fee shall, subject to a minimum annual fee of \$10,000 exclusive of VAT.

The following is a breakdown of the fees charged to the statement of operations:

	2006
	\$
Management fees	2,415
Trustee fees	275
	<u>2,690</u>

8. Units

	2006
Authorised: Unlimited number of units	
Net asset value	\$1,030.29
Number of units	208,718

9. Financial instruments and credit concentrations

Fair values

In compliance with International Accounting Standard No. 32, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, estimates made do not necessarily reflect the amounts that the Fund would realize in a current market exchange. The use of different assumptions and/ or different methodologies may have a material effect on the fair values estimated.

The fair value information is based on information available to management as at dates presented. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these financial statements since those dates and, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

(i) Short term financial assets and liabilities

The carrying amount of short term financial assets and liabilities comprising cash and cash equivalents, interest and other receivables, bank overdraft, management fees payable, distributions payable and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

(ii) Investments

The fair value of investments is based on market quotations, when available. When market quotations are not readily available, fair values are based on discounted cash flows or estimated using quoted market prices of similar investments. In the absence of a market value, discounted cash flows will approximate fair value.

Market risk

Market risk is the risk that the future value or future cash flows of financial instruments will fluctuate due to the changes in market variables such as interest rates, foreign exchange rates and equity prices. The Fund Investment manager has set limits on the level of risk among its asset classes. The Fund's overall exposures are monitored and reviewed by the investment committee on a quarterly basis.

Credit risk

Credit risk is the potential that a borrower or counterparty will fail to meet its stated obligations in accordance with agreed terms. It is the Fund's policy to enter into financial arrangements with a variety of creditworthy counterparties and monitor the size of the exposure to any one issuer and the duration of the investment. The Fund's exposure to credit risk is limited to the value of its investments securities portfolio. The Investment committee is responsible for identifying and controlling credit risk.

Currency risk

The Fund takes on exposure to currency fluctuations on its financial position and cash flows. The Fund Investment manager continuously monitors the level of currency exposure. The table below summarises the Fund's exposure to foreign currency exchange rate risk at 31st December, 2006.

ASSETS	TTS	US\$	Total
Cash and cash equivalents	19,329	51	19,380
Available-for-sale investments	65,113	108,828	173,941
Interest and other receivables	23,833	2,766	26,599
	<u>108,275</u>	<u>111,645</u>	<u>219,920</u>
LIABILITIES			
Bank overdraft	755	-	755
Management fees payable	303	-	303
Distributions payable	3,442	-	3,442
Other payables	380	-	380
	<u>4,880</u>	<u>-</u>	<u>4,880</u>
NET ASSETS	<u>103,395</u>	<u>111,645</u>	<u>215,040</u>

Interest rate risk

The Fund's financial assets are exposed to interest rate risk. This is the risk that future cash flows or values of financial instruments will fluctuate based on changes in market interest rates. This risk is managed by maintaining an appropriate mix of floating and fixed rate instruments with various maturity profiles.

Liquidity risk

Liquidity risk is the risk that the Fund will be unable to liquidate positions to satisfy commitments to unitholders for redemptions due to market conditions. This is managed by maintaining an adequate position in assets with maturities of less than one year. The Fund Investment Manager also employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Fund's assets.

10. Related parties and transactions

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Related party transactions are carried out at commercial terms and at market rates.