



Consumer Duty Assessment

November 2024

Product

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Consumer Duty



Principle 12

As a regulated entity, CEIBA is strengthening its reporting to meet new Consumer Principles introduced by the Financial Conduct Authority which came into force 31 July 2023. These Principles now include Principle 12, the new Consumer Principle, as well as the cross-cutting rules and four outcomes; they apply across all of CEIBA's activities to strengthen standards, put consumer needs first and at the core of the CEIBA business. These rules require CEIBA to:

1. Act in good faith toward retail customers.
2. Avoid foreseeable harm to retail customers.
3. Enable and support retail customers to pursue their financial objectives.

The four outcomes

Four outcomes are sought in relation to our firm-customer relationship. The behaviour and actions of our firm in relation to each of these outcomes is instrumental in enabling retail investors to meet their financial needs and improve their financial wellbeing.

1. Products and services
2. Price and value
3. Consumer understanding
4. Consumer support

Evidence, review and monitor

Within this document we review and monitor consumer outcomes against these Consumer Duty requirements. To evidence outcomes and provide context we have conducted analysis on CEIBA and, where appropriate, compared financial outcomes against close industry peers, broader investment peer groups and market measures of investment performance and risk.

These outcomes are reviewed and monitored on an ongoing basis, and any issues identified are remedied or mitigated.

This document has been prepared in line with the guidance set by the Financial Conduct Authority (FCA) in the FG22/5 Final non-Handbook Guidance for firms on the Consumer Duty June 2022. For more information, please see the new Consumer Duty Principle 12 and PRIN 2A FCA as set out in the FCA handbook.

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Overview of CEIBA

Our Consumer Duty assessment process involved collecting data from diverse sources, such as company websites, reports, and datasets. We conducted an evaluation of CEIBA and its peers, assessing their compliance with the Consumer Duty guidelines established by the FCA. Throughout the assessment, we encompassed various elements, including fair value assessment, cost-benefit analysis, consideration of contextual factors, evaluation of differential outcomes, and examination of data and governance practices. The resulting document provides a concise overview of CEIBA's performance and offers a comparative analysis of its peers in relation to meeting consumer protection standards.

Rating system We implemented a four-star rating system to illustrate the compliance with FCA guidelines and the performance of CEIBA compared to its peers and the overall market.

★★★★★ - Evidences comprehensive consumer duties

★★★★☆ - **Fulfilled a significant portion of consumer duties**

★★★☆☆ - Consumer duties are met

★★☆☆☆ - Areas for improvement have been identified

Summary Our qualitative assessment is to assign CEIBA with ★★★★★ across the Consumer Duty assessment, demonstrating strong consumer focus in most areas assessed.

The Company's performance is comparable to peers, risk is comparable to industry peers but low compared to related industries.

The markets have not been favourable to CEIBA post Covid 19, and due to the Russian invasion of Ukraine. However, consumer duties are fulfilled, and performance outcomes are fair given the geographic exposures of this fund. The performance of CEIBA would be expected to improve, if prospects for lifting US sanctions on Cuba improve, or if the recovery in visitors to Cuba continues.

Categories	Rating	Outcome
Board governance	★★★★☆	Management and control is diverse
Integrity	★★★★★	Readable risk disclosures
Financial prudence	★★★★★	Maintains adequate financial resources
Consumer financial objectives	★★★☆☆	Objectives comparable to peers
Assessment of the target market	★★★★★	Target market remains suitable
Consumer understanding	★★★★★	Meets all regulatory performance requirements
Performance	★★★★☆	Total returns comparable with industry peers but low
Risk adjusted performance	★★★☆☆	Market risk is good, but returns have been low
Peer group sensitivities	★★★★★	Daily returns have a low correlation to industry peers
Economic sensitivities	★★★★☆	Sensitive to Latin America and global real estate
Consumer financial objectives	★★★★★	Downside return expectations are fair and disclosed
Cost comparison: Economies of scale	★★★★★	Economies of scale and costs comparable
Market rate and charges	★★★★★	Expense ratio is low compared to industry peers
Overall Consumer Duty Assessment	★★★★☆	Generating returns at fair market risk

CEIBA Consumer Duty and Value Assessment

This document has been produced for CEIBA by Dorey Financial Modelling. CEIBA meets and exceeds the overall standard of behaviour as defined in **The Consumer Principle, Principle 12** and other elements of the **Consumer Duty**. The following peer groups were identified by CEIBA and Dorey Financial Modelling as comparators:

Peer Group A:

- A. Macau Property Opportunities Fund Limited
- B. Aseana Properties Limited
- C. Residential Secure Income PLC
- D. Phoenix Spree Deutschland Limited

Peer Group B:

- A. Posadas Group
- B. RLH Properties
- C. Allos On
- D. Cyrela Brazil Realty On
- E. International Hotels Investments
- F. PPHE Hotel Group
- G. A Tsokkos Hotels
- H. Imperijal
- I. Mediterranean Tourism Investment

Peer Group A represents a group of listed real-estate funds while Peer Group B represents a variety of hotel and resort groups based in Latin America and other locations. Peer Group A is used to compare CEIBA on the grounds of investor communications, objectives, prudence, board governance and costs while Peer Group B is included for performance comparisons with CEIBA.

This document evidences a range of qualitative and quantitative metrics and a **value assessment** for CEIBA in support of Consumer Duty obligations to:

- act in good faith towards retail customers;
- avoid causing foreseeable harm to retail customers;
- enable and support retail customers to pursue their financial objectives.

CEIBA adheres to the rules and guidance for a firm's conduct that represents key elements of the firm-consumer relationship, as follows:

The governance of products and services

The Board regularly considers how it meets regulatory and statutory obligations and follows voluntary and best-practice guidance, including how any governance decisions it makes impact its stakeholders both in the short and long term. Peer analysis in the governance section of this document identifies that CEIBA's management and control is investor facing and amongst the most experienced in industry. CEIBA maintains readable risk disclosures in line with consumer duties and industry peers and maintains adequate financial resources.

Price and value

PRIN 2A.4 Consumer Duty in the FCA handbook stipulates that manufacturers must provide fair value to retail customers in the target markets and carry out a value assessment of its products. We have provided comprehensive peer group analysis to demonstrate the **fair value** of CEIBA's product offering.

CEIBA total investor returns are comparable with industry peers over the past four years.

An analysis of returns indicates that CEIBA has relatively low-market price sensitivities to most of the industry peer group. Sensitivity analysis has highlighted that movements in the FTSE All World Real Estate Index, UK Datastream Construction and Materials Index, and S&P Latin America 40 Index coincide with moves in the valuation of CEIBA, particularly during market stress.

Consumer understanding

We have assessed the quality of consumer communications in terms of promoting consumer understanding, as well as communicating investment outcomes, including both good and poor investment outcomes. We have also conducted a qualitative comparison of communications to investors, highlighting how holding real estate funds like CEIBA contributes to helping consumers achieve their financial objectives.

Consumer support

CEIBA ensures investor support is available through contact details on the PRIIPS KID and the CEIBA website. Consumers may sell their shares on any dealing day with no entry or exit fees from CEIBA and normal broker charges and bid/offer spreads apply. CEIBA works to ensure that it is easy to sell or buy CEIBA shares in the investment markets.

CEIBA Consumer Duty and Value Assessment

Our assessment against the cross-cutting rules is as follows:

1. **Act in good faith toward retail customers.**
CEIBA meets or exceeds our criteria for setting expectations and transparency.
2. **Avoid foreseeable harm to retail customers.**
CEIBA's target market is specific.
Financial outcomes are set reasonably in light of the UK KID proxy analysis.
3. **Enable and support retail customers to pursue their financial objectives.**
CEIBA seeks to provide a regular level of income and substantial capital growth with a primary focus on Cuban real estate.

Actions to be taken

The quality of communications, the financial transparency, and cost management of CEIBA has been excellent.

From an investment perspective, CEIBA's provides specialist investment exposure to Cuba, which, as an investment asset class, is unique. Whilst returns have been poor, the risks particularly in relation to US policy, have been clearly set out in documentation. Furthermore, in the context of a Cuban property and tourism investment, operating post Covid, the performance of CEIBA has been fair.

We would note that CEIBA is supporting the growth and development of the Cuban frontier markets. This type of investment may satisfy the needs of investors looking for 'non-neutral' social investing goals. CEIBA may want to consider if the social impact of their activities in Cuba is an area of interest for investors, and if this is an area where, perhaps, future investors might want to find out more.

Management and control is independent and experienced

According to the FCA, there is growing evidence that a diversity of perspectives and thought, when part of an inclusive culture, results in better judgements and decision making. In addition, promoting diversity and inclusion within financial services firms furthers the regulator's statutory objectives of protecting consumers, making markets work well and ensuring effective competition in consumers' interests.

While no specific diversity parameters are set, all appointments are made on merit and taken in the context of skills, knowledge, and experience.

The Board acknowledges the Hampton-Alexander Review's target of achieving 33% female representation in FTSE board positions by 2020. Currently, it stands at 20%.

The [new FCA rules on diversity and inclusion](#) on company boards, namely, that from accounting periods starting on or after 1 April 2022:

- a) At least 40% of individuals on the Board to be women;
- b) At least one senior Board position to be held by a woman; and
- c) At least one individual on the Board to be from a minority ethnic background.

All directors are non-executive and some are independent. John Herring brings useful country-specific knowledge from his vast knowledge in the Cuban economy. This is supported by a diverse variety of relevant experiences across the board in areas such as law, investment fund management, marketing and emerging market funds. This coverage along with years of experience is reassuring when assessing the capability of management and control in CEIBA.



John Herring

**Chairman of the Board, Non-Executive Director and
Chairman of the Management Engagement Committee**

John qualified as a Chartered Accountant in 1982. In 1986, John joined the corporate finance department of Kleinwort Benson, where he was involved in the IPOs on the LSE for several companies. In 1996 he established his own private equity advisory business and joined the boards of a number of public and private companies including JD Wetherspoon plc where he became deputy chairman and served as a non-executive director for 14 years.



Trevor Bowen

**Independent Non-Executive Director and Chairman of the
Audit Committee**

Trevor has over 30 years' experience spanning a variety of industries. Trevor spent 11 years as a partner of KPMG and 17 years as a partner of Principle Management managing artists in the music industry. Trevor has acted as a non-executive director on a number of boards, most notably as a director on the board of Ulster Bank for nine years, which included six years as the Chairman of its Audit Committee. He is an Irish national and a Chartered Accountant.

Continuation of the Board of Directors



Keith Corbin

**Independent Non-Executive Director and
Chairman of the Nomination Committee**

Keith is Executive Chairman of Nerine International Holdings Limited, a network of trust and fiduciary services companies which is a wholly owned subsidiary of PraxisIFM Group Limited and serves as a director of a number of regulated financial services companies. Keith is an Associate of the Chartered Institute of Bankers (ACIB) and a Member of the Society of Trust and Estate Practitioners (STEP).



Jemma Freeman

Independent Non-Executive Director

Jemma is the Executive Chair of Hunters & Frankau Limited, the appointed distributor for Habanos S.A.'s cigar portfolio in the United Kingdom. She joined the business of Hunters & Frankau in 2002, was appointed Managing Director in 2008 and Executive Chair in 2019. Before going into the cigar business Jemma was a Strategic Planner in the advertising industry. She currently holds the position of Vice Chair of ITPAC, an Advisory Council established to support the tobacco trade in the United Kingdom. In 2013, Jemma was named "Habanos Man of the Year", one of the most prestigious and illustrious prizes in the cigar world. Jemma also acts as a Trustee of a Cancer charity focused on immunotherapy research.



Andrew Pegge

Non-Executive Director

After obtaining a BA in Social Psychology and Cognitive Studies, Andrew started his career in the investment department of Laurentian Life. He then moved to Buchanan Partners where he analysed and managed closed end funds and similar structures for the Emerging Markets and other funds. During this time, he completed the three-year CFA program and a two-year executive MBA. In 1995, Andrew co-founded Regent Kingpin Capital Management, then after a brief stint as a consultant at the Isle of Man regulator, he co-founded Laxey Partners in 1997. He now manages his family office, POP Investments, which is a circa 10 per cent shareholder in the Company.



Simeon Goddard

Non-Executive Director

Mr Goddard is a Chartered Financial Analyst and is Director of Equity Investments and co-Chief Investment Officer of Northview Services Ltd, and is also a member of their Investment Committee. Additionally, Mr Goddard serves as a director of Northview Investments Ltd., which owns 37,764,018 shares in the Company. Mr. Goddard has over 20 years' experience in fundamental equity analysis and portfolio management and is primarily responsible for Northview's investments in liquid securities and asset classes. More recently, he has become increasingly active in Northview's major real estate development projects. Mr Goddard started his career with Barclays Wealth in London, before spending time with GFI Securities in both London and New York. He joined Northview Services Ltd. in 2012 and was appointed co-Chief Investment Officer in 2021. He resides in the Cayman Islands.

Management and control is diverse and amongst the most experienced in industry

Based on 30 June 2024 Interim Report data.

Directors are the key decision makers relating to company practice and procedure.

We have evaluated the Directors of CEIBA alongside its peers, particularly looking at how boards take reasonable **skill, care and diligence** to exercise their powers.

The Directors of CEIBA have broad experience in emerging market funds, investment management, the legal sector, asset management and marketing. As senior figures in their respective fields, they bring a wealth of management experience to the Company.

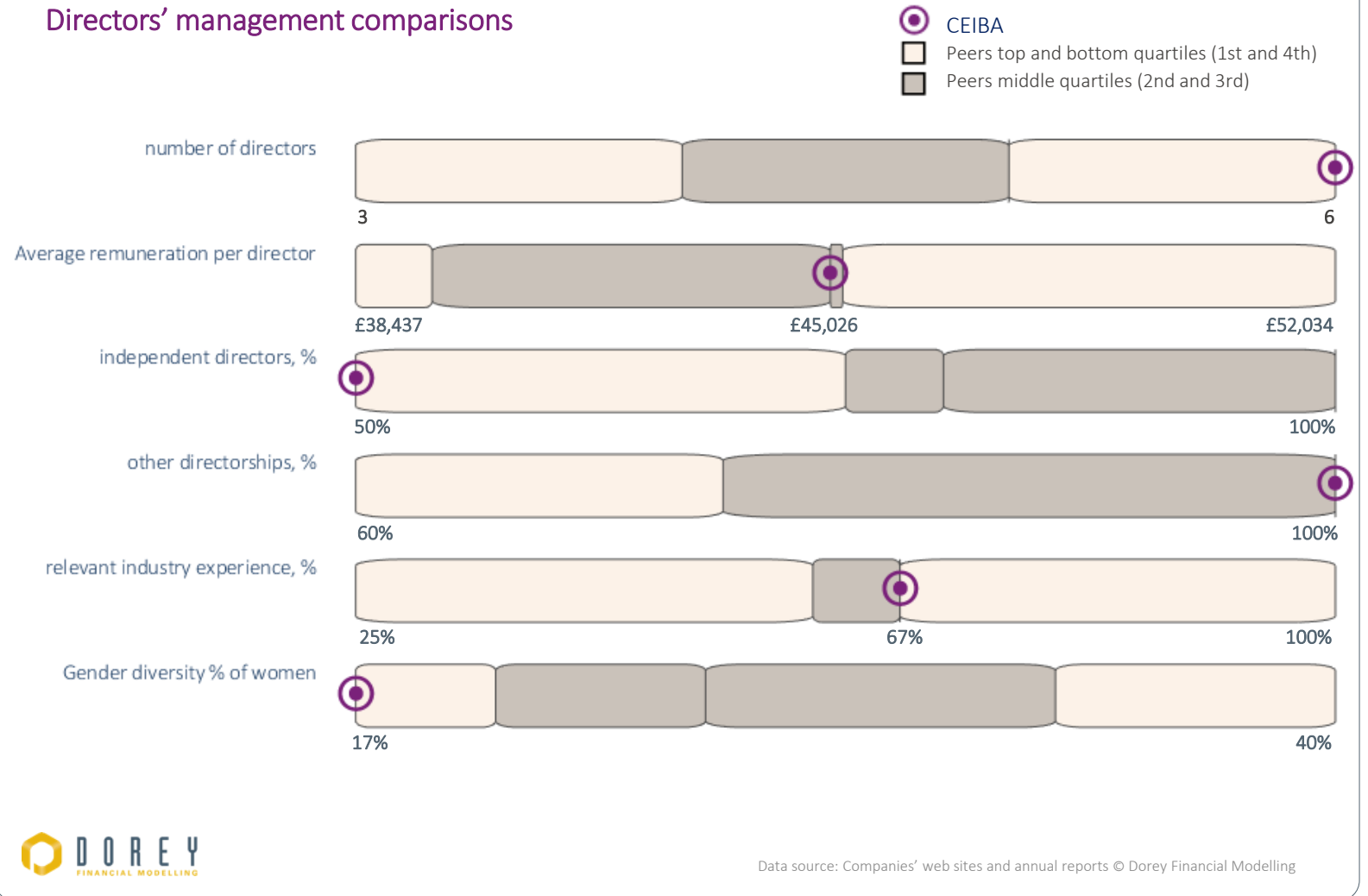
CEIBA has a larger board size compared to peers. A larger board can bring diverse perspectives, expertise, and skill to decision-making processes. This is reflected in the range of experiences across the board of CEIBA.

Many directors on the board of CEIBA are independent. Independent directors can bring unbiased perspectives, contribute to better corporate governance, and help safeguard the interests of shareholders.

CEIBA directors hold directorships in other funds. This brings a broad range of experience from across industries to represent the interests of investors.

The graph shows CEIBA sitting below most peers in terms of independence and gender diversity of directors. However, the larger size of the board of CEIBA make it comparable to its peers.

Directors' management comparisons



Maintains readable risk disclosures in line with consumer duties

The first principle for firms’ conduct in FCA legislation is integrity

To evidence integrity we have considered the communication of risk as a metric of integrity, although integrity can be seen as a broader cultural factor in many firms.

Financial transparency and honesty improves investor trust in a business encompassing:

- Formal and written codes of conduct;
- Conflict of interest disclosures;
- Formal process for reporting, tracking, and investigating risks.

The CEIBA Board periodically re-assess risk statements, including risks from:

- Currency devaluation risks
 - Financial system risk
 - Risks relating to the Ukraine war
 - Global pandemic risks
 - Loss of key fund personnel
- Real estate risks
 - Construction risks
 - Tourism risks
 - Valuation risk
 - The political and economic environment of Cuba

A breakdown of these risks is included in the Principal Risks and Uncertainties section of the Interim Report.

CEIBA peer group comparative analysis

The peer group’s communications were qualitatively assessed based on the FCA Consumer Duty [non-Handbook Guidance](#). We assessed factors such as readability and accessibility of investor information as well as the ease of finding relevant information on their websites and navigating through the layout.

Within the real estate industry, the peer group offers information of comparable quality to CEIBA. However, it's worth noting that some peers didn't have easily accessible information compared to CEIBA.

	Setting out risks		
	Annual Accounts	Prospectus	KIDs
CEIBA	Interim-report-2024.pdf	Prospectus.pdf	UK-KID-2023.pdf
Fund A	✓	✗	✓
Fund B	✓	✓	✗
Fund C	✓	✓	✓
Fund D	✓	✓	✓
Data source: Peer group websites			

Maintains adequate financial resources and transparency

Financial prudence

To reach a qualitative judgement on the fairness of financial prudence, we have set out a range of metrics in the adjacent table covering financial prudence, and financial transparency.

The table sets out the results of our analysis on all the financial information provided to a retail investor and how it compares to its peers.

All information was sourced from fund websites and annual reports, although different companies use different metrics for financial sustainability. In the table to the right, we consider Loan to Value, Profit to NAV, and Gross Burn Rate. Formulae for these metrics are given below:

Loan to Value (LTV)

=

Net Debt

Net Asset Value

Profit to NAV

=

(Loss), Profit for the year

Net Asset Value

Gross Burn Rate

=

Cash and cash equivalent

Operating Expenses

As of 30 June 2024, CEIBA had a loan to value of 16%. Maintaining a lower loan to value means that CEIBA is less vulnerable to interest rate increases, which could significantly impact the performance of more leveraged funds.

Additionally, CEIBA demonstrated a positive Profit to NAV, whereas its peers all reported a negative Profit to NAV. This indicates that CEIBA is effectively managing its assets and generating returns, highlighting its financial health and operational efficiency compared to other funds in the industry.

Monte Baretto is a Cuban joint venture company which CEIBA jointly owns, a discount rate of 19.75% has been applied to future earnings from Monte Baretto to reflect the illiquidity of Cuban hard currency. This is prudent when considering a typical 14.5% discount for valuing similar Latin American operations outside of Cuba.

Financial prudence and transparency					
Category	CEIBA	Fund A	Fund B	Fund C	Fund D
Nav Reporting Schedule	✓ Quarterly	✓ Quarterly	✓ Semi-annually	✓ Quarterly	✓ Semi-annually
Account Schedule	✓	✓	✓	✓	✓
Fact Sheets Accessibility*	✗	✓ Monthly	✗	✓ Quarterly	✗
Breakdown of Costs	✓	✓	✓	✓	✓
Loan to Value	16%	78%	54%	101%	100%
Profit to NAV	8%	-35%	-20%	-2%	-25%
Gross Burn Rate	2 Months	1 Month	3 Months	33 Months	65 Months
Rating	★★★★★	★★★☆☆	★★★☆☆	★★★☆☆	★★★☆☆
Date collected 13 November 2024			Data source: Peer group websites.		
*CEIBA produces regular management updates on its website.					

Fairly sets out objectives to the target market in-line with its peers

Market conduct is a broad area. In this assessment we have focused on the Company’s objectives and the communication of these objectives to CEIBA’s target market. CEIBA must communicate in a way that customers can understand and offer appropriate customer support standards.

The CEIBA objective is to:

Provide a regular level of income and substantial capital growth. The Company’s primary focus is on Cuban real estate assets, and it seeks to deliver the investment objective primarily through investment in, and management of, a portfolio of Cuban real estate assets, with a focus on the tourism and commercial property sectors. Cuban real estate assets may also include infrastructure, industrial, retail, logistics, residential and mixed-use assets (including development projects).

Are objectives SMART?

We have scored CEIBA’s objectives in terms of transparency and accountability, and extended the analysis to CEIBA industry peers using the following metrics:

- Specific** Clearly and precisely state what needs to be accomplished, providing clear direction and focus;
- Measurable** Include specific criteria or metrics that can be used to assess progress and determine success;
- Achievable** Attainable and realistic, considering the available resources, capabilities and external factors;
- Relevance** Meaningful and contribute to the desired outcomes;
- Time periods** Include a specific time period to assess investment outcomes.

All funds met the requirements for specificity, achievability and relevance, which provide investors with a clear understanding of their intentions. Only Funds A and C demonstrated a measurable criteria, allowing investors to measure the funds’ success. None of the funds, including CEIBA included specific time periods for their objectives. This is likely due to the long-term nature of property leasing.

	Business objectives					
	Specific	Measurable	Achievable	Relevance	Time periods	Rating
CEIBA	✓	✗	✓	✓	✗	★★☆☆
Fund A	✓	✓	✓	✓	✗	★★★★
Fund B	✓	✗	✓	✓	✗	★★★★
Fund C	✓	✓	✓	✓	✗	★★★★
Fund D	✓	✗	✓	✓	✗	★★★★
Data source: Peer group websites						

The CEIBA “target market” statement remains suitable

Due diligence and obtaining information from other firms to meet the Duty

CEIBA shares are bought and sold on the secondary share trading markets. As a traded entity CEIBA has no direct customer relationship with shareholders or influence over consumers’ decisions to buy or sell CEIBA stock. Whilst CEIBA would consider that evidence regarding the suitability of the fund could be sought from share trading platforms, CEIBA does not have direct access to data which would allow it to monitor suitability.

Nevertheless, CEIBA considers that making information available to potential investors and describing the target market for CEIBA is a key responsibility to comply with regulatory duties as set out in FCA guidance (Section 2, and section 6.18).

Target Market

CEIBA sets out the target market in the following text:

The Shares are only suitable for institutional investors, professional investors, high net worth investors and professionally advised and knowledgeable investors who:

- i. understand the risks involved in investing in the Company, the risks directly related to its investment territory, the Republic of Cuba, and the risks related to the United States embargo against Cuba;
- ii. are capable of evaluating the risks and merits of such an investment;
- iii. have sufficient resources to bear the economic risk of a substantial or entire loss of their investment; and
- iv. can accept that there may be limited liquidity in the shares.

Assessment

The appropriateness of the fund for an individual will be determined closely by:

- an investors risk appetite, in accordance with the second point above;
- sources of alternative wealth, to bear the risk of huge losses;
- overall diversification, as this can be viewed as an alternative investment with a unique set of risks;
- time horizon. As a minimum capital loss is an important factor, however it could be argued that time horizon for investment might form part of the Target Market criteria.

The target market statement avoids the pitfalls of covering a very broad heterogeneous investor base by making the target market investor specific to more sophisticated investors.

Consumer duties in relation to communication objectives are met

The table to the right scores the **quality of meeting regulatory requirements** for UK PRIIPS KIDs for the CEIBA peer group.

The first column sets out the requirement of the UK PRIIPs regulation in ANNEX 4A around performance information which all funds must comply with.

The objective of a KID is to **promote trust** in the investment markets by giving investors information that allows them to compare products in terms of return and risk. In addition, retail investors should be provided with clear information on return estimates that are consistent with realistic assumptions about possible outcomes. The estimates of the PRIIPs' level of market risk should be presented in such a way as to make clear the uncertainty of the information, and that better or worse outcomes are possible.

It is a requirement to support performance statements **with objective evidence**. We note that one PRIIPS manufacturer omitted the use of objective data. In addition, the absence of a quantitative loss in the KID during stressed market conditions is likely to fall below minimum disclosure requirements.

Fund B does not publish a KID document, so they have been omitted from this table. We also note that Fund A's KID, despite being described as applicable to UK investors, is compliant with EU regulation rather than UK requirements.

CEIBA meets all the requirements for a UK KID. By providing comprehensive information and being transparent, CEIBA shows a dedication to ensuring investors have the necessary information to make informed decisions for their investment objectives.

PRIIPS KIDs Comparison - Performance Information					
Annex 4A		CEIBA	Fund A	Fund C	Fund D
1.	What are the risks and what could I get in return?	✓	✓	✓	✓
2.	a. Accurate, fair, clear, non-misleading and can be understood by the retail investor	✓	✓	✓	✓
	b. Compatible with the information stating the objectives of the PRIIP	✓	✓	✓	✓
	c. Assessing the prospects for future returns of investment and comparing it to other PRIIPs	✓	✓	✓	✗
	d. Supported by objective data	✓	✓	✓	✗
3.	a. A description of the main factors likely affect the future returns	✓	✗	✓	✓
	b. Identification of the most relevant index, benchmark, or proxy as applicable, along with an explanation of how the PRIIP is likely to compare in terms of performance and volatility.	✓	✗	✓	✓
	c. What could affect my return positively?	✓	✗	✓	✓
	d. What could affect my return negatively?	✓	✗	✓	✓
	e. What could happen in severely adverse market conditions?	✓	✗	✓	✓
Date collected 13 2024					

Using a long-term proxy, five-year returns were between -22.0% to 28.6% with a potential fall of 70.7%

The following text is an extract from the performance narrative of the CEIBA UK Key Information Document

The main factors that will affect the performance of CEIBA are: - The Management Team's ability to identify, acquire and realise investments in accordance with the Company's investment policy; CEIBA is invested in commercial and tourism property sectors within the Caribbean. Specifically, it has indirect interests in a business centre with a total rentable area of approximately 600,000 square foot, five hotels, and a (greenfield) logistic warehouse project, all within Cuba. As a result, key risk factors are: (i) general market conditions within Cuba and across the tourism and commercial property sectors; (ii) the political stability of Cuba; (iii) the overall liquidity position of Cuba and the possibilities to repatriate hard currency profits; (iv) the impact of US Cuba embargo; (v) the inclusion of Cuba on the US State Department's State Sponsors of Terrorism List; (vi) meteorological conditions (drought, hurricanes, floodings, etc.), and (vii) the ability of Management Team to realise value from hotel investments and to deliver hotel construction projects on time and within budgets.

CEIBA has delivered a negative annualised shareholder return of -21.6% and an annualised volatility of 16.2% since trading began on the 19th October 2018 up to the 4th September 2023 – the date of this document.

Due to infrequent trading of the Shares, we have formed a daily liquid proxy from a blend of CEIBA's return index, and prior to CEIBA's trading history, we have used an equal weighting to the FTSE AIM SS Travel and Leisure index, and S&P Latin America 40 index. For indicative longer-term performance, we backfilled performance to 31st December 1998.

We have used an ex-ante moderate performance scenario return of -21.6% for the recommended holding period of five years, this return is used in our reduction in yield calculations in the 'What are the costs?' section below.

For an indication of risk, we examined rolling five-year windows of the backfilled proxy's performance. The average volatility over these rolling windows was 17.8% per annum. During periods of stress in the market, the volatility temporarily increased to an annualised rate of 37.9%.

What could affect my return positively?

Specific factors that could affect returns positively are good performance of projects and

investments within the portfolio, and the ability of the Management Team, to effectively manage the portfolio of the Group's investments and monitor the market conditions within Cuba. Broad factors that will likely contribute to positive returns would be: - a loosening of travel and trade restrictions from the US to Cuba; enhancements in Cuba's economic, political, legal, and financial landscape, a rise in international airlift and tourist inflow to Cuba, and access to programs provided by the International Monetary Fund and the World Bank. Overall improvements in valuations within the broader equity market are also likely to correlate to improvements in the Company's valuation. In terms of quantitative evidence, CEIBA's best performance over a rolling one-year period was 33.9% and, over the longer term, our proxy's best performance over a 5-year rolling period was 28.6% per annum.

What could affect my return negatively?

Specific factors that could affect returns negatively are poor performance of projects and investments within the portfolio, construction delays to hotel construction projects and an inability of the Management Team to manage and monitor the portfolio effectively. Broad factors that would contribute to negative returns would be: - worsening travel and trade restrictions; a downturn in the tourism sector in Cuba; a further decline in Cuba's economic, political, legal, or financial landscape. External factors that may correlate to negative returns are a decrease in valuations across the broader equity market, and unfavourable currency fluctuations between the U.S. Dollar and the Cuban Peso. In terms of quantitative evidence, CEIBA's worst performance over a rolling one-year period was -39.1%; and over longer periods the proxy's worst five-year rolling performance was -22.0% per annum.

What could happen in severely adverse market conditions?

The markets are currently experiencing adverse market conditions, CEIBA stock price has experienced a loss of 70.7% from October 2018 to July 2023. This is comparable to FTSE AIM Travel and Leisure, which lost 79.3% from May 2006 to December 2008 and recovered in March 2018. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

Assessing fair value outcomes

The FCA identified four key areas for further consideration by firms in its initial feedback on fair value frameworks:

1. collecting and monitoring evidence that demonstrates that products and services represent fair value;
2. clear oversight and accountability of the necessary remedial actions if they do not provide fair value;
3. where relevant, ensuring sufficient analysis of the distribution of outcomes across groups of consumers in the target market, beyond broad averages, to demonstrate how each group receives fair value;
4. summarising and presenting fair value assessments in a way that enables decision-makers to robustly discuss whether the product or service represents fair value, such as by being clear on any limitations in the analysis or evidence Fund performance assessed using measures that don't reflect a fund's investment policy and strategy.

In this section we will provide evidence to support point 1 and point 4 using real estate industry peers and total investor returns from a wider universe of potential outcomes. The wider universe that we will use is based on our judgement of the applicability of the wider peer group to the analysis we are undertaking. For example, total investor returns are shown against the UK Investment Trusts constituents alongside a property fund universe, this gives a very wide set of possible financial outcomes investors could have achieved. By contrast, life cycle costs are taken against real estate peers.

In the following charts we have set out the universe performance as interquartile ranges, to provide broader context on the 'fairness of returns'. When CEIBA is plotted over the top of the summary information, it makes outlier points easier to identify.

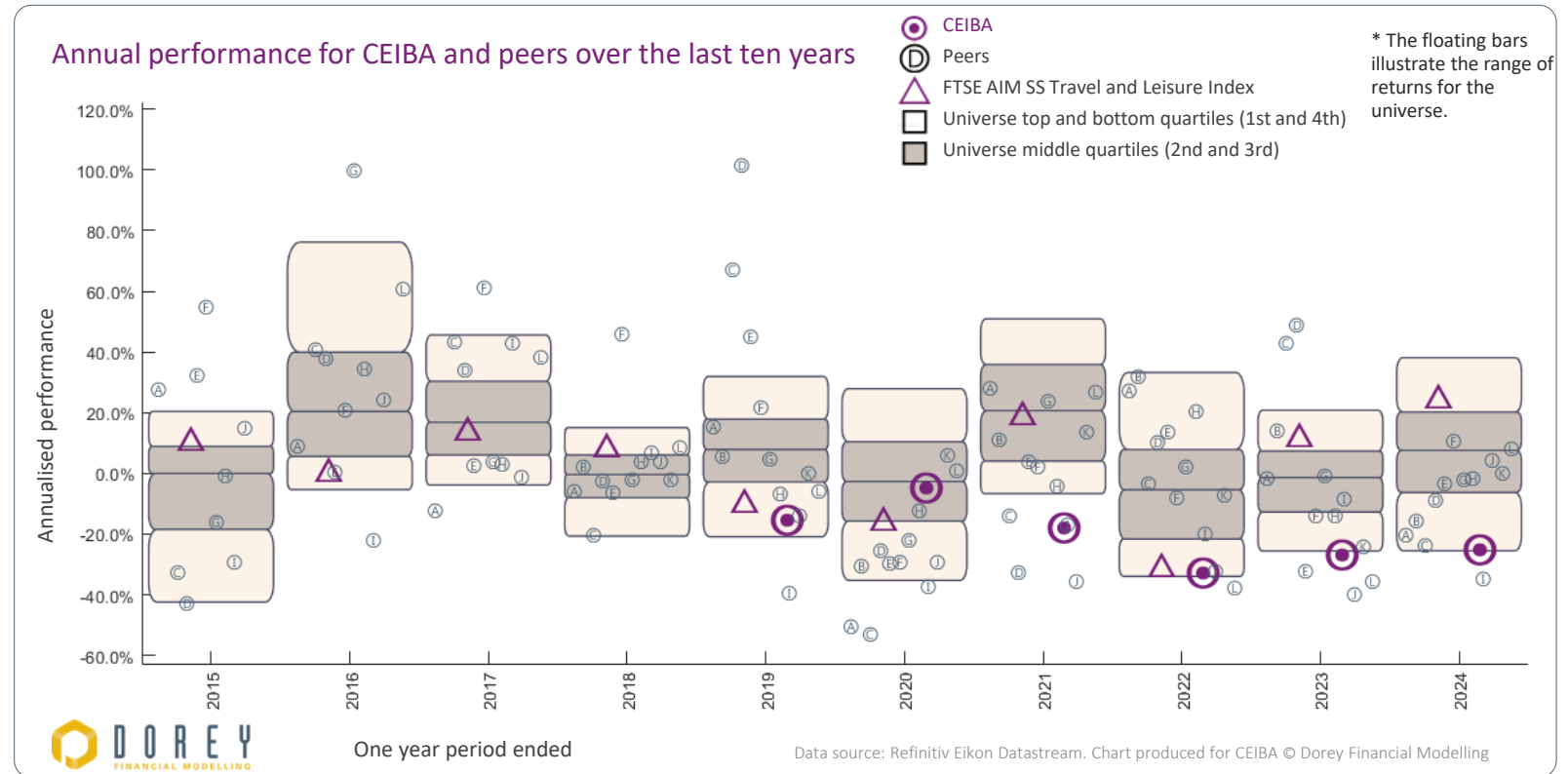
Total investor returns are comparable with industry peers

The graph shows annual returns for CEIBA and a wider peer group over the last 10 years to 13 November 2024 in Pound Sterling. CEIBA is indicated as a round purple marker, and for context we have shown CEIBA's positioning alongside all 13 peers of Peer Groups A and B; the FTSE AIM SS Travel and Leisure Index is illustrated as a triangle; and the range of a broader equity universe ("Universe") is shown as floating bars. The floating bars illustrate performance quartiles for over 540 entities for each of the 10 years up to 13 November 2024. CEIBA was listed on 29 August 2018.

The broader Universe is formed from all active companies within the All-Investment Trusts UK Thomson Reuters Index along with a selection of global property funds, FTSE AIM SS Travel and Leisure constituents and large cap Latin America companies, all converted to Pound Sterling. This universe includes companies with a market value between £10m and £65b.

Recent Universe returns have been variable reflecting inflationary pressures from Covid 19, as well as Russia's invasion of Ukraine. In addition, higher interest rates to combat global inflation have provided significant headwind across all sectors, inhibiting their ability to recover from the Covid19 pandemic.

Longer term returns from close peers are generally low with most peers generally lying below the median for all years after 2020. CEIBA sits within a reasonable range when comparing only the close peers. This is a more insightful comparison due to the impact of Covid 19 on the real estate and tourism sectors.



Year ended	13-Nov-15	13-Nov-16	13-Nov-17	13-Nov-18	13-Nov-19	13-Nov-20	13-Nov-21	13-Nov-22	13-Nov-23	13-Nov-24
CEIBA Total Return GBP %					-14.6	-4.3	-17.2	-32.3	-26.1	-24.6
FTSE AIM SS Travel and Leisure %	11.9	1.7	15.4	10.1	-8.5	-14.2	20.6	-29.4	13.2	26.1
Universe median return %	0.0	20.4	16.8	-0.4	7.9	-2.7	20.7	-5.4	-1.3	7.6
CEIBA Delta to median %					-22.5	-1.6	-37.9	-26.9	-24.8	-32.2
Number in universe	433	445	454	466	488	493	501	524	532	541
Quartile rank					Q4	Q3	Q4	Q4	Q4	Q4
Quartile rating					★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Peer quartile					Q4	Q1	Q4	Q4	Q3	Q4
Peer rating					★★★★	★★★★	★★★★	★★★★	★★★★	★★★★

CEIBA's market risk is low against industry peers, although returns have also been low

The graph plots risk against return, using PRIIPS KIDs risk categories to group the data, from inception (29 August 2018) to 13 November 2024.

CEIBA is plotted as a round purple marker in the Risk Category 4 group. For context we have shown CEIBA's positioning alongside all 13 close industry peers labelled A to M; and a broader equity universe ("Wider Universe") of over 540 entities.

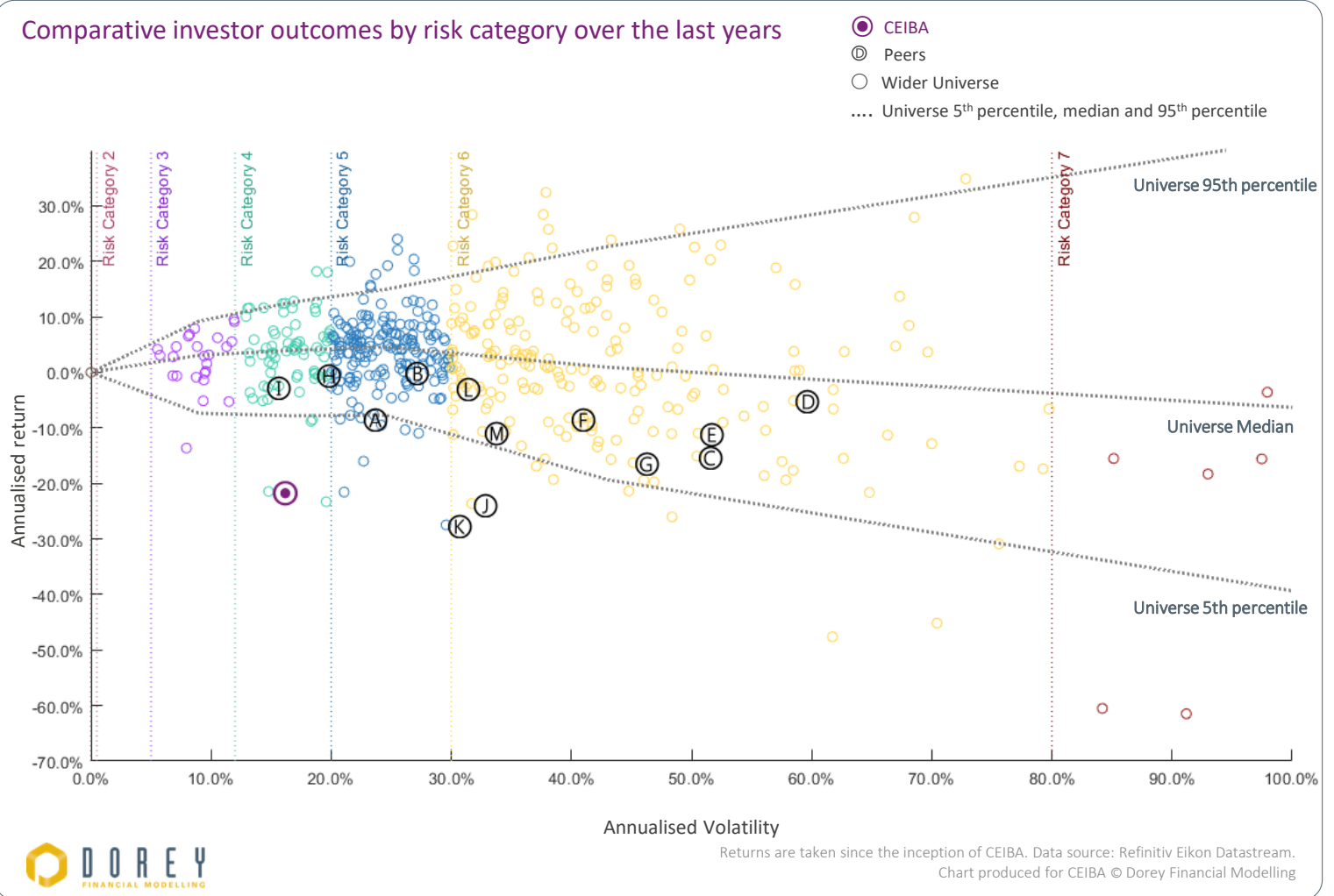
The black dotted lines running left to right across the chart indicate the 5th percentile, median and 95th percentile within each risk category.

A good consumer outcome is the delivery of good return for risk, and an above median return for risk is an observation above the dotted median line within each risk category. CEIBA lies significantly below the 5th percentile, this is low in relation to universe constituents of the same risk category.

CEIBA has a much lower market risk against close peers. The annualised return sits well below the universe median return but is comparable to the close peers. From a broad perspective, this is reasonable given the impact of Covid 19 on the property and hotel industry in comparison to other economic sectors.

Risk Categories are based on the PRIIPs KIDS regulation, which sets out categories as follows:

Risk Category	Volatility
1	< 0.5%
2	0.5% - 5.0%
3	5% - 12%
4	12% - 20%
5	20% - 30%
6	30% - 80%
7	> 80%



Daily returns exhibit low correlation to its peers

Under FCA [guidance](#) (6.43) CEIBA is required to undertake appropriate testing of the product, both qualitatively and as appropriate, quantitatively.

The sensitivity of CEIBA's valuation could vary due to three sources:

- changing economic fundamentals, such as interest rates;
- changes in investor sentiment to comparable investments;
- changes in valuation that are specific to CEIBA.

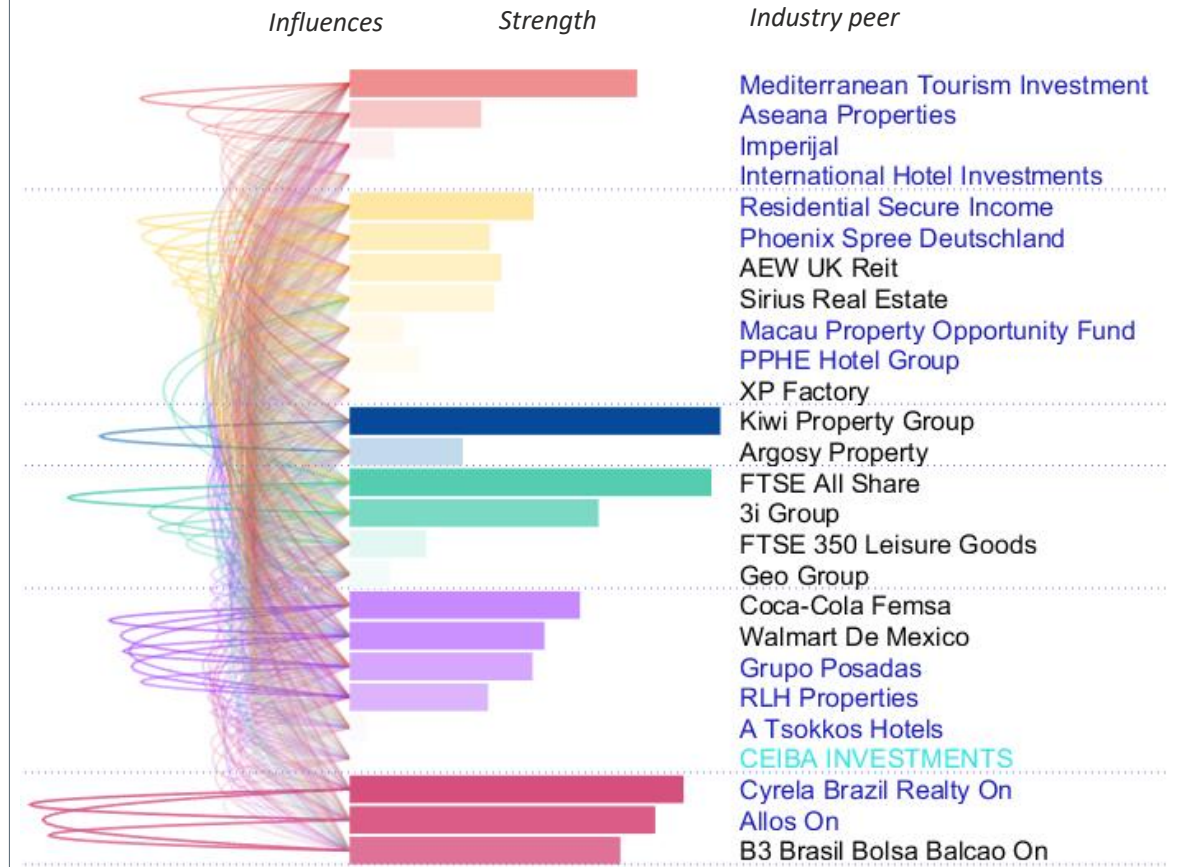
This graphic shows groupings of real-estate funds and equities.

Each coloured group has been identified as having common sensitivities in price movements. For example, the green bars cover a cluster including CEIBA and other Latin American companies and hotel groups. These firms have been identified having valuation elements that tend to move together with CEIBA.

The chord lines indicate correlations between investments, arching on longer loops to the left to indicate where correlation is stronger.

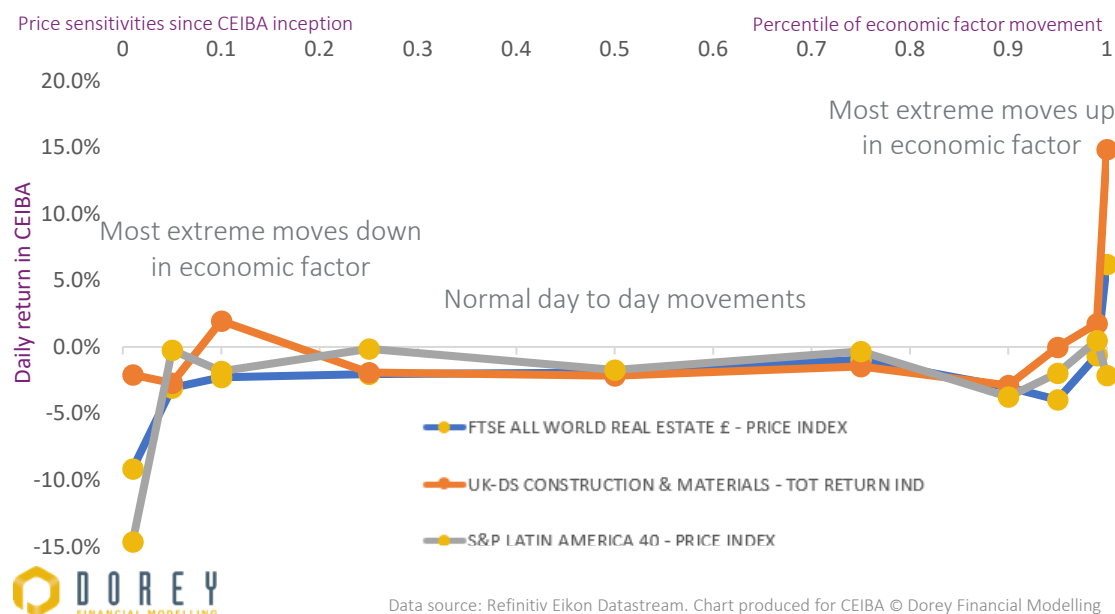
The longer bars on the right indicate strength of influence. CEIBA has a relatively low day-to-day correlation with other funds/companies in the purple group. The low trading volumes of CEIBA is likely to contribute to this low correlation. Nevertheless, CEIBA has been grouped into this Latin-American group as there is a statistically significant common Latin America influence in CEIBA's market pricing.

Thematic influences within the sector



CEIBA is sensitive to larger moves in S&P Latin America 40 and FTSE World Real Estate

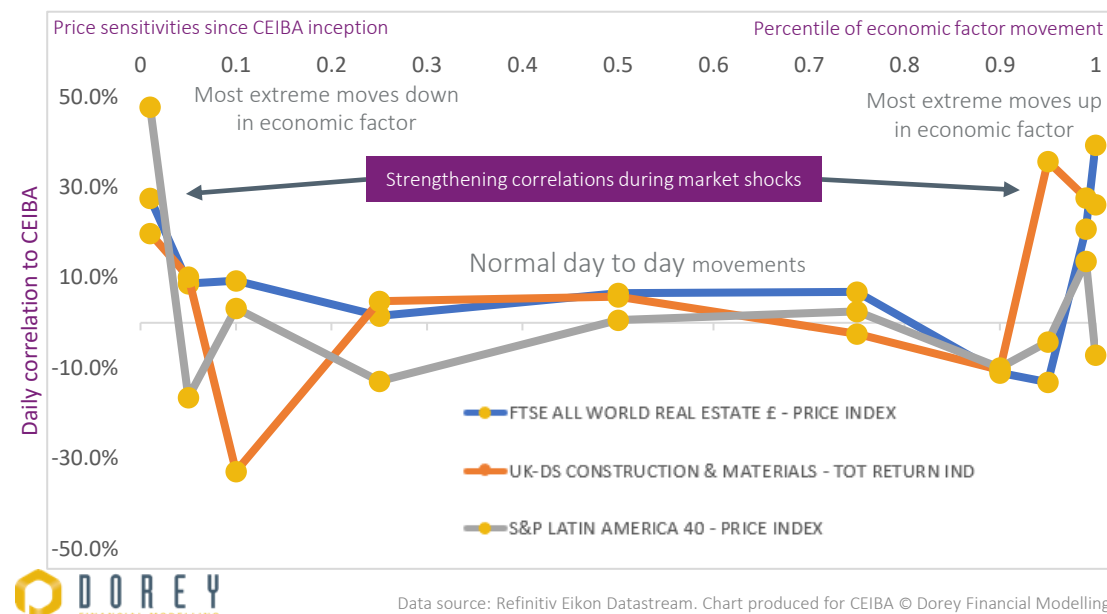
Daily price sensitivities increase during extreme events



This thematic analysis is to evidence the sensitivity of CEIBA's total returns to movements in economic fundamentals. The analysis has been conducted in Pound Sterling terms to reflect the perspective of a UK investor since inception of CEIBA to 13 November 2024. The chart shows the three most dominant relationships out of a range of over 40 economic factors.

The charts calculate correlation and price movements, broken down by percentile of movement for each economic factor. Typical day-to-day correlations due to a factor are illustrated in the middle of the chart, these day-to-day movements have low correlations. Extreme movements in an economic fundamental are represented at the furthest left and right sides of the chart, and

Daily correlations increase during extreme events



at these edges of the chart correlations and sensitivities strengthen. This is an example of tail correlation, where correlations strengthen during large market movements.

CEIBA has a high correlation to the S&P Latin America 40/FTSE World Real Estate. This reflects that the market is linking valuations of CEIBA to the overall economic conditions, as well as factors specific to real-estate that impact on the Fund's performance. Additionally, changes in construction material prices can signal shifts in construction costs, influencing CEIBA's valuation and performance amid evolving economic conditions.

Downside returns are comparable to industry peers and within the range set out in the UK KID

Firms must understand and take account of behavioural biases, and the impact characteristics of vulnerability can have on consumer needs and decisions.

The graph shows the potential for investment downside in GBP Sterling terms, from investing in CEIBA (shown in dark purple), the median (shown as a thin dark line) and investing in the 13 CEIBA peers. The quartiles of the CEIBA industry peer group are shown on the chart as shaded ranges on the chart.

Downside potential is a measure of loss calculated from a price peak to a following price trough. This is calculated over a rolling five-year window to reflect the five-year recommended holding period for CEIBA. The analysis period begins in 2014 representing a ten-year period. CEIBA can be seen joining the peer group from August 2018.

A good consumer outcome is a return series which lies in the topmost area of the chart, and a poor consumer outcome is a performance that lies in the bottom area of the chart. Any investment in this peer group would have suffered a fall in value over the Covid 19 period.

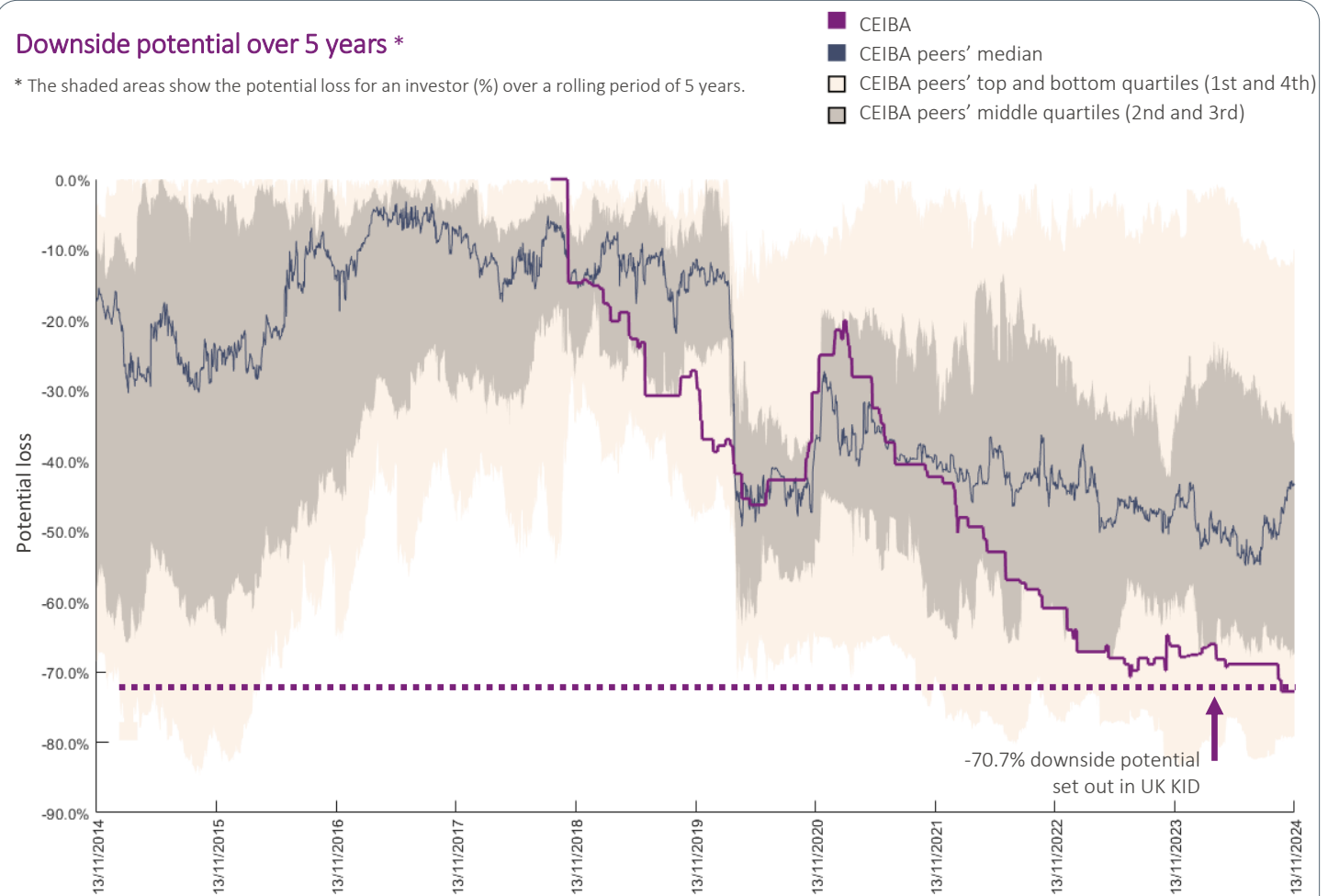
CEIBA's worst peak to trough performance was a 50%. This sits at the boundary between the second and third quartile, indicating that this is reasonable for the industry peer group.

A potential downside of 70.7% peak to trough has been set out as potential downside in the UK KID performance narrative. CEIBA has met its communication objectives to support consumers' financial objectives.

Some industry peers have experienced an 85% loss since the Covid 19 pandemic. Contributing factors to this downside were spiking global interest rates inhibiting the divestment strategy of real-estate funds. This combined with lagging recoveries from Covid 19 in the property markets has kept returns low.

Downside potential over 5 years *

* The shaded areas show the potential loss for an investor (%) over a rolling period of 5 years.



CEIBA's MiFID II costs are comparable with peers adjusting for economies of scale

A key element to an Assessment of Value is whether fees and charges can be justified.

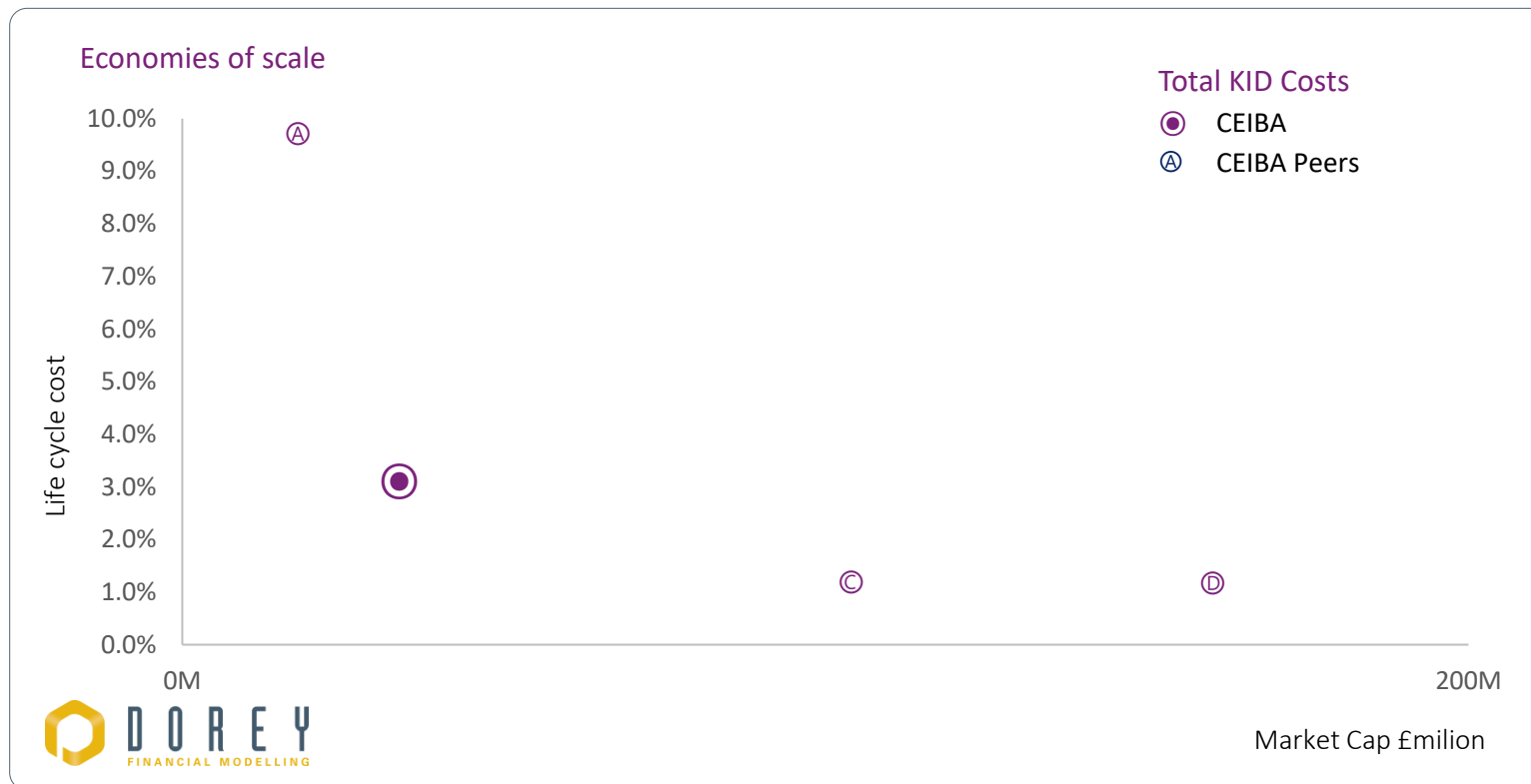
Economies of scale would exist if there was a relationship between an increasing market cap and lowering of life cycle costs. The peer group we have chosen provides a suitable range of market cap values within the small cap range.

To measure life-cycle costs, we have used MiFID II costs (which are given in the KIDs of each fund). We have excluded Fund B as they do not have MiFID II cost disclosures.

CEIBA has comparable life cycle costs relative to the peer group. However, this comparison is not entirely fair due to variations in the treatment of costs, particularly in relation to finance fees, within the peer group.

It is worth mentioning that the funds have experienced a varying magnitude of share price decline since Covid 19. So, any market-cap/KID cost comparisons should be treated with caution.

Most of the costs faced by CEIBA and Fund A come from interest expenses. Conversely Funds C and D do not provide a breakdown of their MiFID II costs.



	Total KIDs Cost
Fund D	1.20%
Fund C	1.22%
CEIBA	3.15%
Fund A	9.76%

CEIBA's total expense ratio is 1.7% which is fair compared to Lipper property sector

We have also considered another broad peer group for comparative charges analysis, by considering the Total Expense ratio in the Lipper Universe.

This has been calculated in accordance with the AIC ongoing cost ratio criteria, which excludes operational expenses.

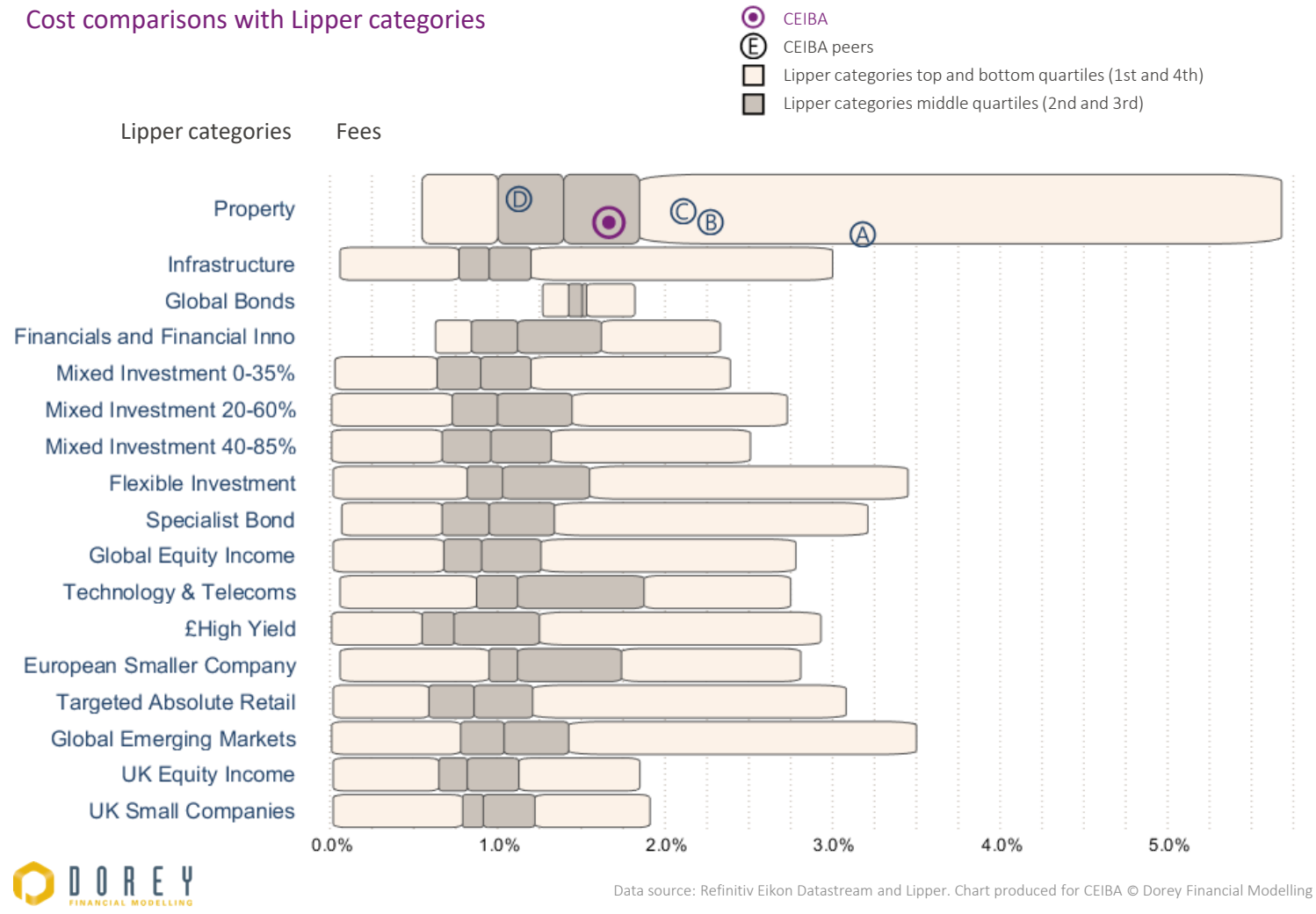
The graph on the right shows Total Expense Ratios (TER) from investing in broad Refinitiv Lipper Fund categories. We have chosen the Lipper Property category for peer comparison at the top, and other fund categories are included for illustration.

A typical market rate for a Property fund cost is the median TER. This is shown as the boundary between the Q2 and Q3 grey quartile boxes on the chart, at approximately 1.4%.

Research and labour-intensive fund categories incur the highest median fees, such as the Technology and Telecoms category. However, within the Property Funds category 50% of the funds have a TER between 1.0% and 1.8%.

CEIBA's TER is lower than most peers and sits within the third quartile of the Lipper Property category. Given the specialist nature of this asset class, this represents good value for money. As from 1 July 2023, the Company is no longer externally managed and now operates as a self-managed alternative investment fund.

Cost comparisons with Lipper categories



CEIBA adheres to the 12 principles of business set by the FCA. Each principle has been addressed as indicated in the end column.

1	Integrity	A firm must conduct its business with integrity.	Financial transparency: governance.
2	Skill, care and diligence	A firm must conduct its business with due skill, care and diligence.	Board of Director's analysis: governance.
3	Management and control	A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.	Comparison of director fees against peer group and risk disclosure: governance.
4	Financial prudence	A firm must maintain adequate financial resources.	Financial prudence and transparency: governance.
5	Market conduct	A firm must observe proper standards of market conduct.	Fund objectives: market conduct, governance.
6	Customers' interests	A firm must pay due regard to the interests of its customers and treat them fairly.	Performance statistics: Consumer Duty.
7	Communications with clients	A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.	Complaints procedures and contact details provided in KID and on website.
8	Conflicts of interest	A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.	Conflicts of interest: governance, assessment of directors.
9	Customers: relationships of trust	A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgement.	Dividend profile and consumer profile
10	Clients' assets	A firm must arrange adequate protection for clients' assets when it is responsible for them.	Share register. No assessment of custody has been carried out.
11	Relations with regulators	A firm must deal with its regulators in an open and cooperative way and must disclose to the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice.	We have set out our understanding of the FCA regulation and guidance relating to Consumer Duty in our introduction page. We also issue disclosure documents on our website pages.
12	Consumer Duty	A firm must act to deliver good outcomes for retail customers.	Cross-cutting rules KID peer analysis The four outcomes Value Assessment