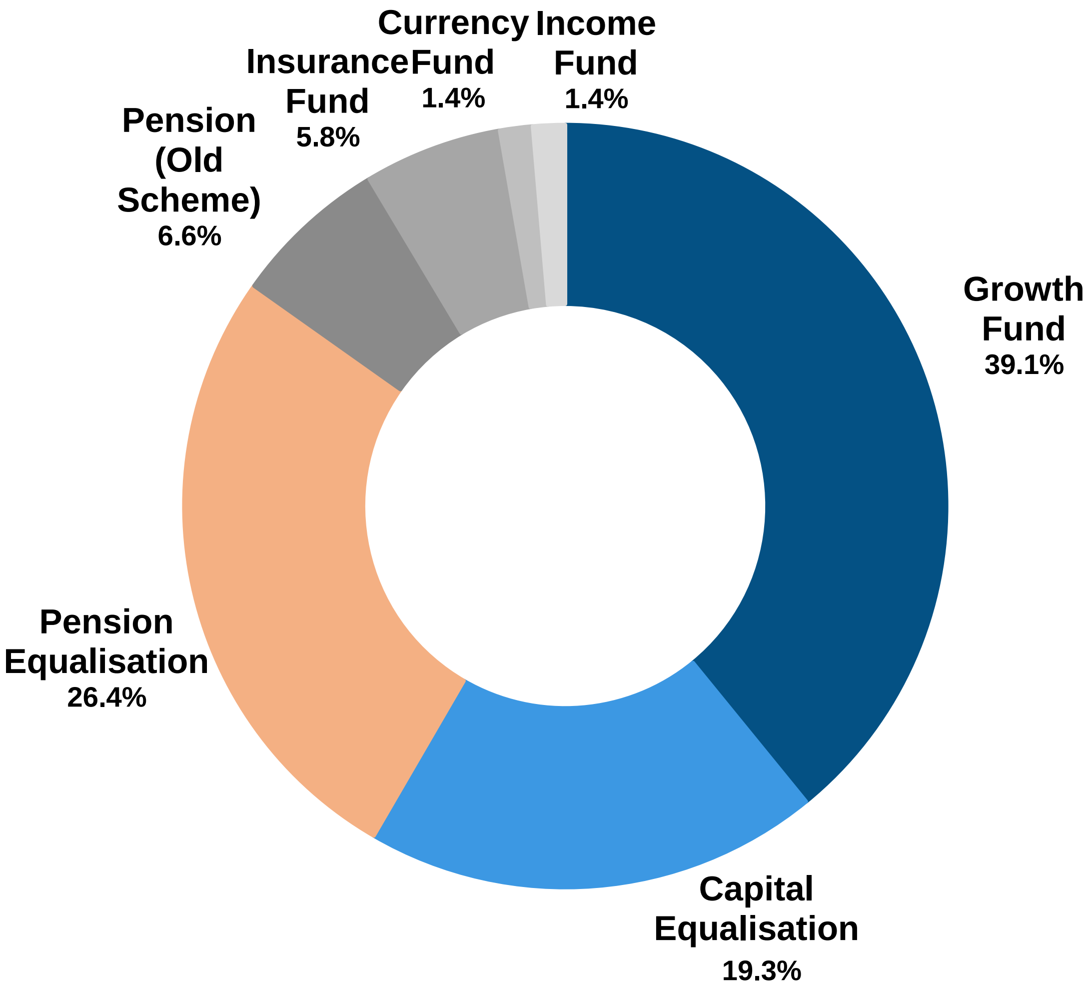
FIG FUNDS & BORROWING

Presentation

September 16th 2025.

Overview of investments
Valuation summary

Portfolio value, £ '000	30 Jun '25
Growth	157,068
Capital Eq	77,351
Pension Eq	106,114
Pension (Old Scheme)	26,527
Insurance	23,474
Currency	5,567
Income	5,462
Total investments	**401,563**

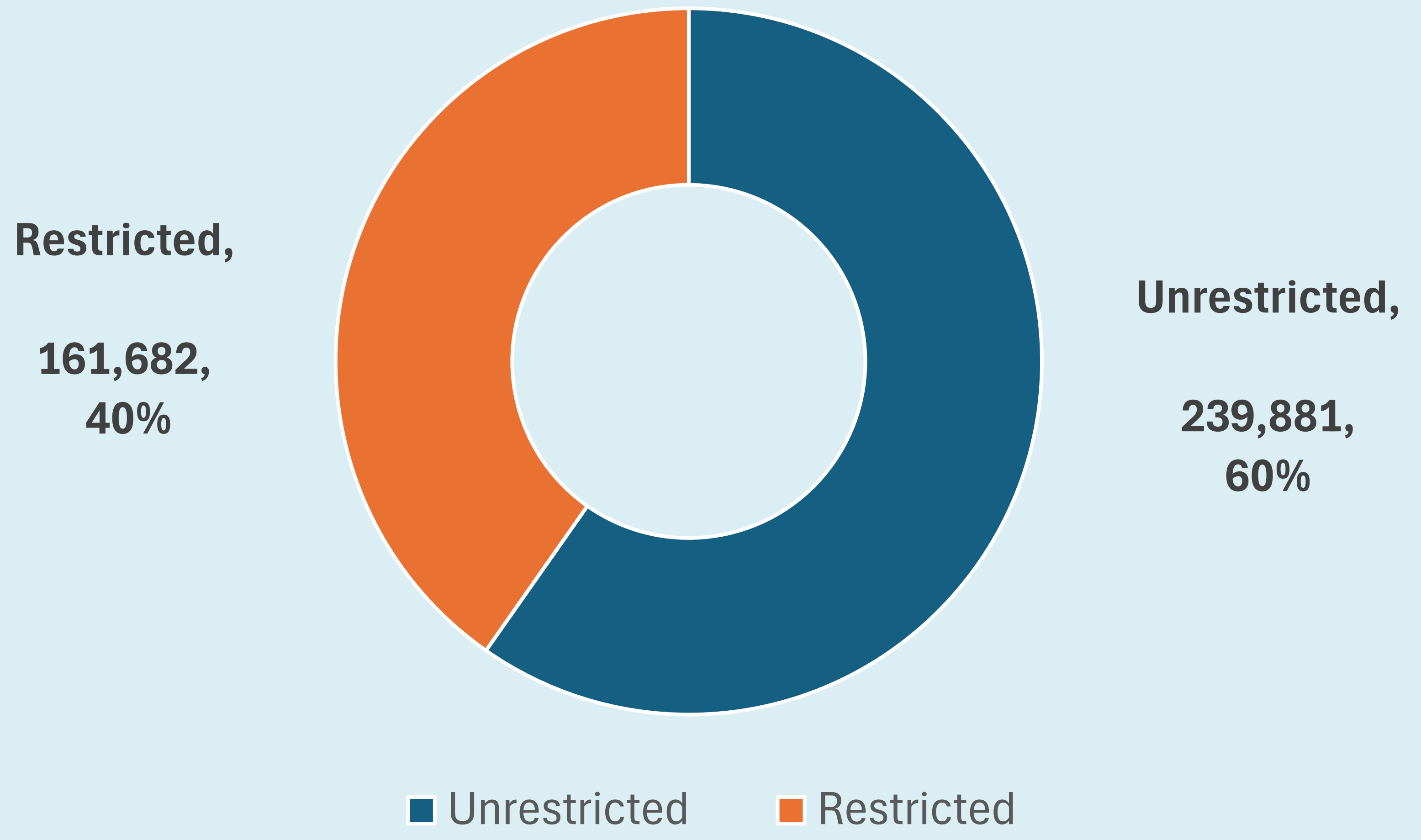


RESTRICTED or UNRESTRICTED FUND?

Consolidated - Unresticted		Special Funds - Unrestricted		Special Funds - Restricted	
	£'000		£'000		£'000
Growth	157,068	Capital Eq.	77,351	Pension Eq.	106,114
Income	5,462			Pension (Old) Sch.)	26,527
				Insurance	23,474
				Currency	5,567
Total	**162,530**	**Total**	**77,351**	**Total**	**161,682**

FIG TOTAL	**401,563**

Funds Split - Unrestricted / Restricted



Legislation Affecting Funds

Finance & Audit Ordinance 1988

- **Consolidated Fund** – All revenues received by the Government of the Falkland Islands, unless payable to another fund, shall be paid into and form part of the Consolidated Fund.
- Payments from the Consolidated Fund are to meet expenditure chargeable against it or where payment has been authorised by an Appropriation Ordinance. E.g. Capital Appropriation.
- **Special Funds –** Legislative Assembly, with the prior concurrence of the Secretary of State make provision in an Appropriation Ordinance for the establishment of a Special Fund.
- A Special Fund shall not form part of the Consolidated Fund.
- Neither the receipts or balance of moneys standing to the credit of a Special Fund shall be paid into the Consolidated Fund but shall be retained for the purpose of that Special Fund. Not part of Reserves Ratio.

- **Can’t Touch the Restricted Fund Balances**

Investment Goals & Objectives

Growth Fund - Follows a multi-asset strategy. Generate capital growth in real terms ahead of inflation; investment return to support expenditures. Expected long-term from the Fund is inflation (UK CPI) plus 3% per annum net of all fees. There is no specific income target.

Capital Equalisation Fund - To provide liquidity for the required capital expenditure over the medium-term, matching investments to the expected spending timeline over the next 5 years. Achieve a return in excess of Cash (SONIA) 3.97%

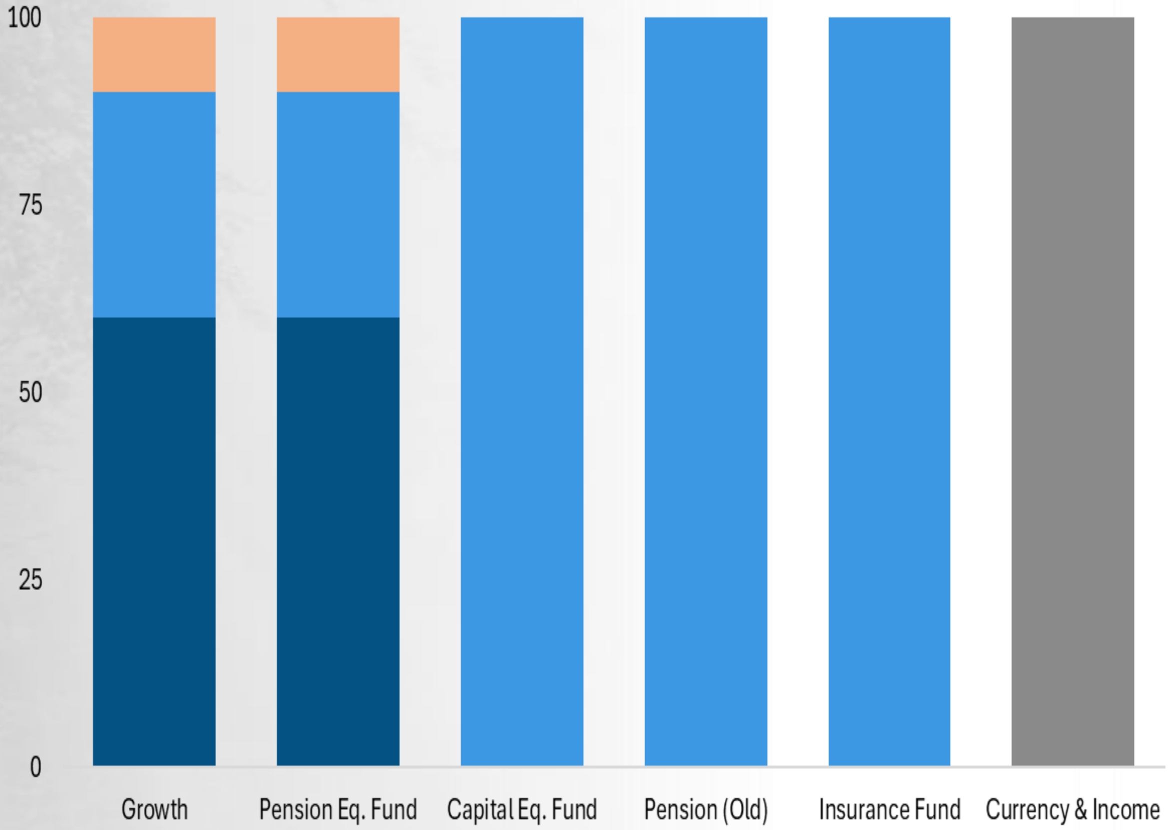
Pension Equalisation Fund - Follows a multi-asset strategy. Its objective is pension payment for Falkland Islands residents (or past residents). Expected long-term from the Fund is inflation (UK CPI) plus 3% per annum net of all fees. There is no specific income target. Follows same strategy as the Growth Fund.

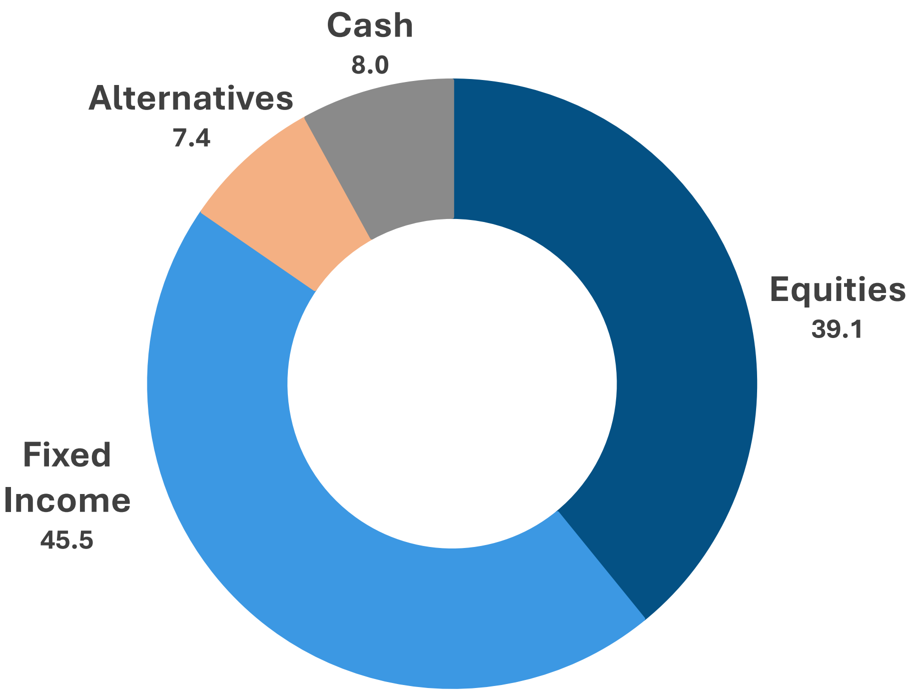
Pension Fund (Old Scheme) - To support the closed pension scheme by matching investments to the liabilities

Insurance Fund - To provide cover for self-insurance of major public assets in the Falkland Islands (e.g. public buildings, aircraft). Minimum of £6mn liquid cover excess of insurance for key infrastructure; remaining invested in diversified fixed income instruments. The hospital, secondary school and Tussac House are all insured directly under property policies

Currency & Income Funds - Currency Fund is a cash fund and covers the currency in circulation. The Income Fund is a cash fund and acts as a buffer to cover expenditures.

Overview of investments





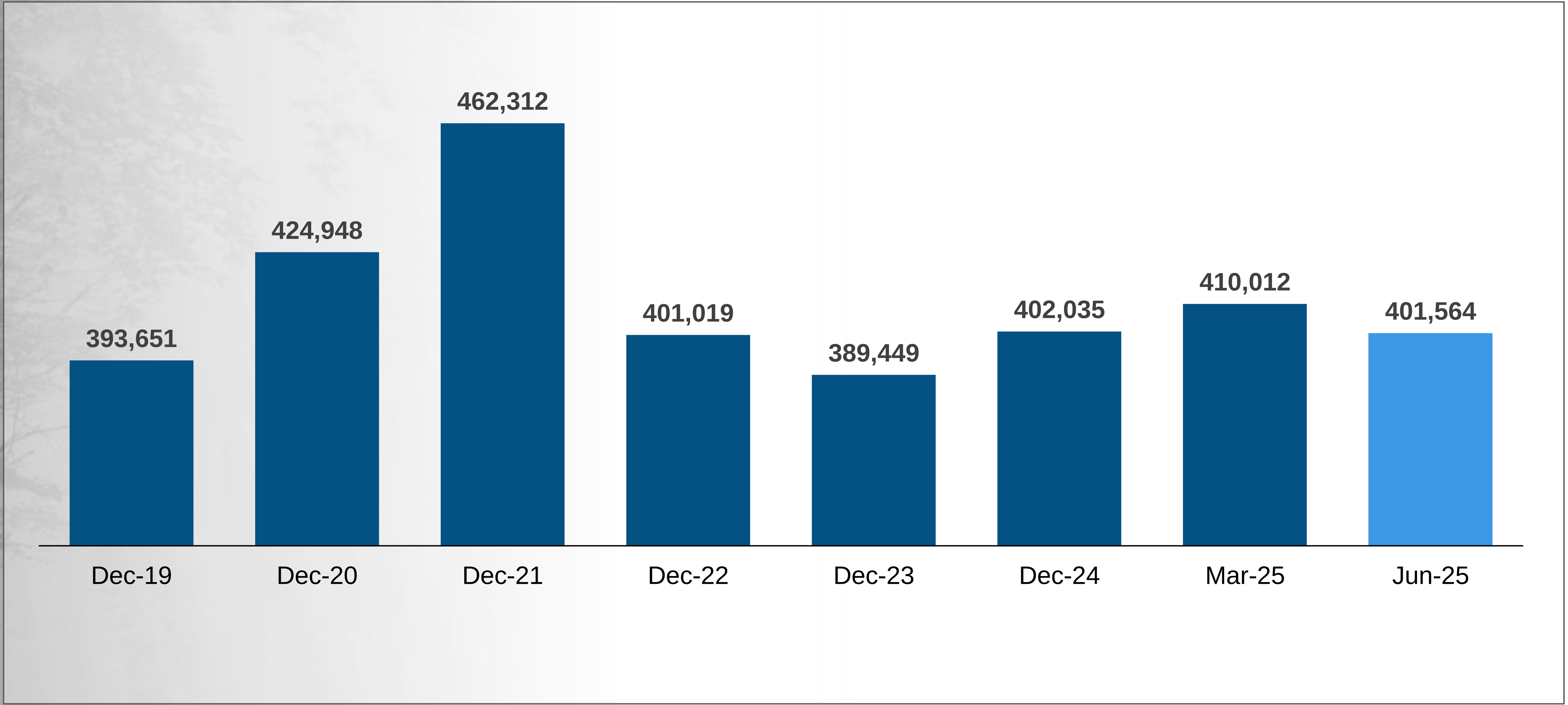
Investment strategy

Benchmarks

	Benchmarks
Equity	**The MSCI All Countries World Index** is a market capitalisation weighted index designed to track the performance of large and mid-cap equities across both developed and emerging markets worldwide. It covers approximately 85% of the global investable equity market.
Diversified Fixed Income	• The fixed income allocation in the Growth and Pension Equalisation funds are measured against **Bloomberg Global Aggregate Index** - a broad based measure of the global investment-grade fixed income markets. The index is hedged to GBP in order to neutralise foreign exchange risk relative to the pound. • The Pension Old Scheme is measured against the **Bloomberg UK Gilt 15+ Index** which tracks the performance of UK Government bonds (Gilts) with maturities of 15 years or more. This is consistent with the liabilities of the portfolio. • The Insurance Fund is measured against **Bloomberg UK Gilt 1-10 Index**.
Alternatives	**UK CPI** is the official measure of inflation used in the UK. It tracks the percentage change in the price of a basket of goods and services consumed by UK households over time.
Cash	**Sterling Overnight Index Average (SONIA)** is the UK's benchmark for overnight interest rates in the sterling money markets and is widely used as a reference rate for sterling-denominated financial products.

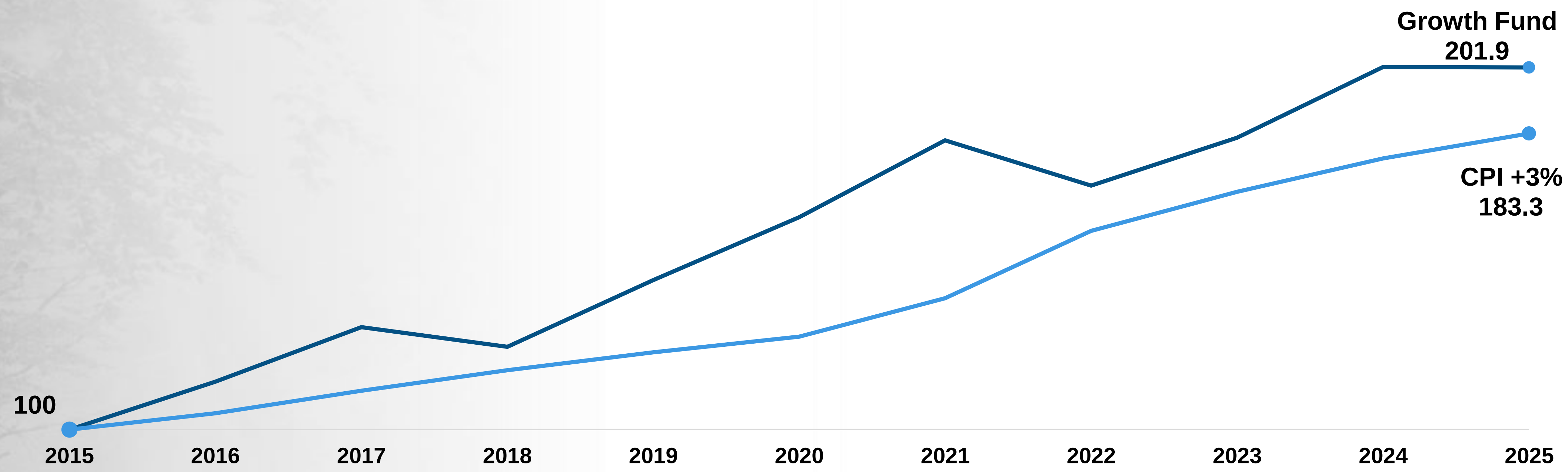
Overview of investments

Historical consolidated portfolio valuation



Overview of investments

Long Term Growth Fund Performance



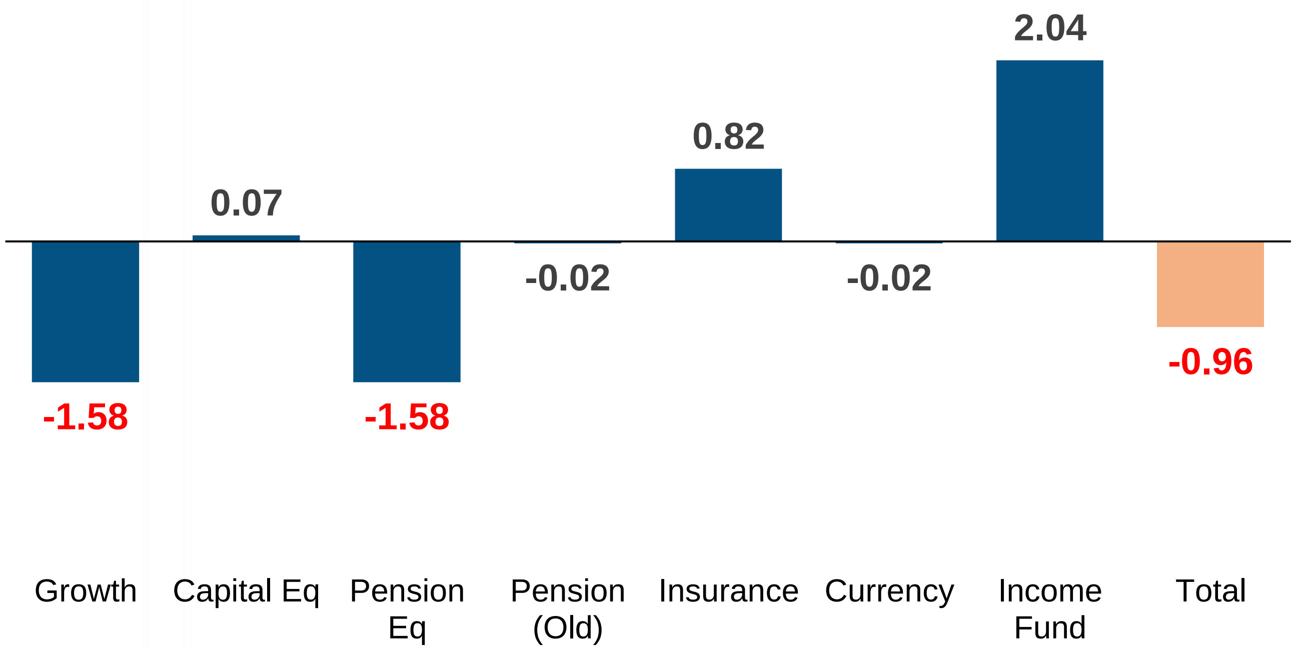
	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Growth Fund	13.5	13.5	-4.3	15.2	12.5	13.5	-7.0	8.0	10.9	-0.1
CPI +3%	4.6	6.1	5.2	4.3	3.6	8.6	13.8	7.1	5.6	4.0

Source: Newton, Sarasin & HSBC. Data as at 30th June 2025.

Quarterly investment performance review

Investment performance

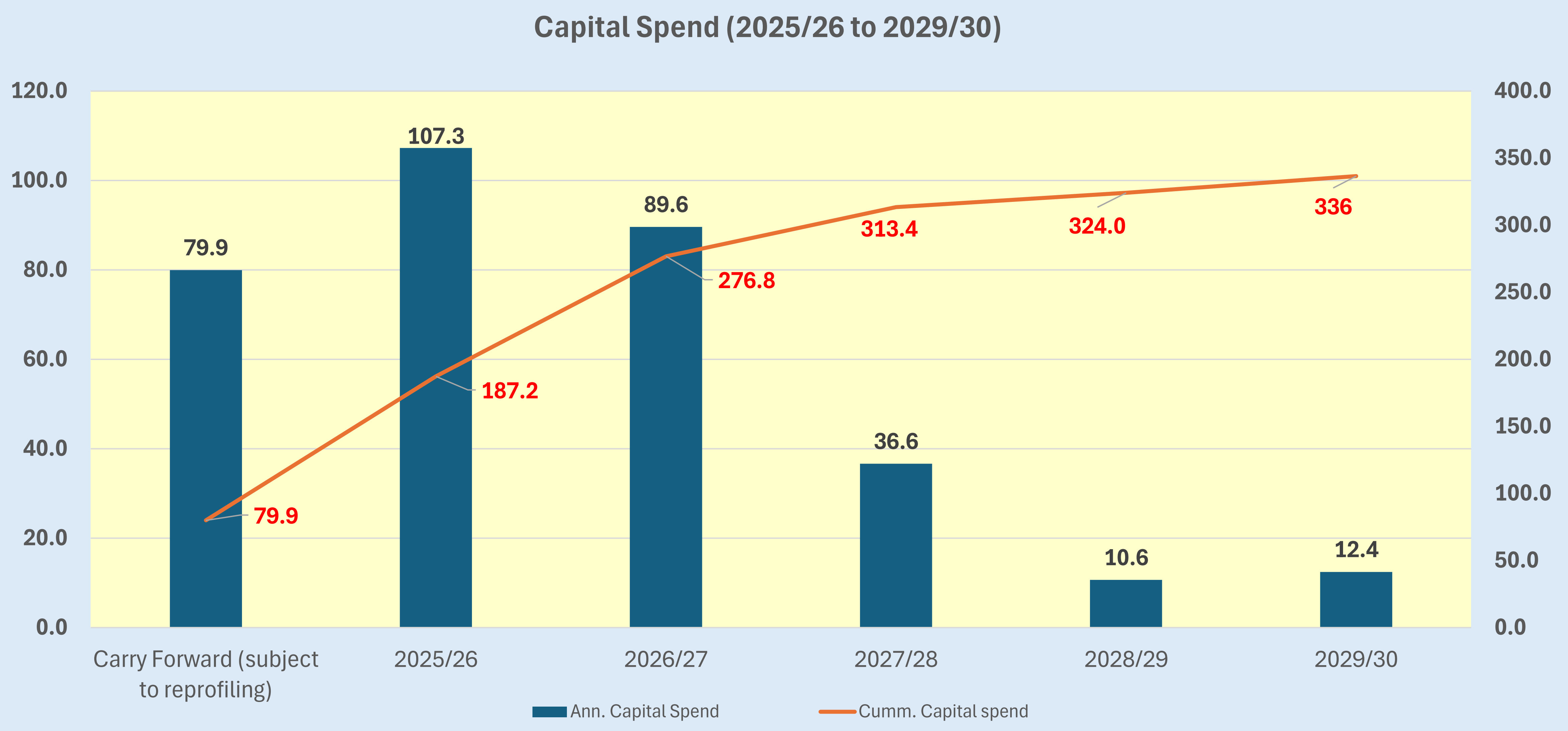
	Absolute returns	
	Portfolio	Benchmark
Growth Fund	2.23	3.81
Capital Equalisation	1.15	1.08
Pension Equalisation	2.23	3.81
Pension (Old Scheme)	1.33	1.35
Insurance Fund	1.90	1.1
Currency Fund	1.06	1.08
Income Fund	3.10	1.08
Total	**1.91**	**2.87**



Source: HSBC. Data as at the end of June 2025

Total 5-Year Overview (2025/26 to 2029/30)

£617m	Revenue
-£515m	Expenditure
-£70m	Capital Borrowing Cost
-£336m	Capital Expenditure
-£304m	Net Deficit


Capital Spend (2025/26 to 2029/30)
120.0
100.0
80.0
60.0
40.0
20.0
0.0
400.0
350.0
300.0
250.0
200.0
150.0
100.0
50.0
0.0
79.9
107.3
89.6
36.6
10.6
12.4
79.9
187.2
276.8
313.4
324.0
336
Carry Forward (subject to reprofiling)
2025/26
2026/27
2027/28
2028/29
2029/30
Ann. Capital Spend
Cumm. Capital spend

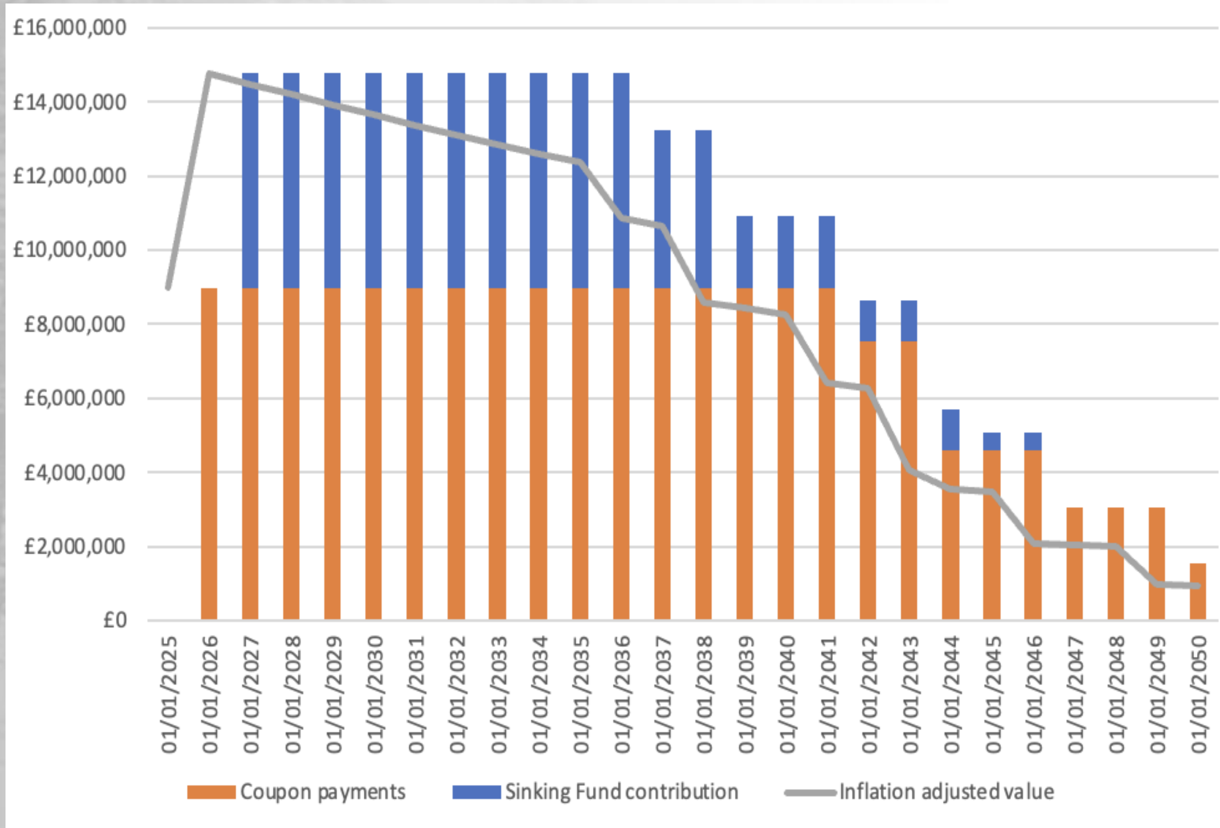
PRIVATE PLACEMENT - LOAN NOTE DETAILS

Series	*Commitment*	*Maturity (bullet)*	*Benchmark Rate*	*Spread*	*Coupon Rate*
A	£25,000,000	23 April 2040 (15 years)	UKT 4.25% 2039 – 4.79%	1.05%	5.84%
B	£50,000,000	23 April 2042 (17 years)	UKT 1.25% 2041 – 4.83%	1.05%	5.88%
C	£25,000,000	23 April 2045 (20 years)	UKT 3.50% 2045 – 5.00%	1.05%	6.05%
D	£25,000,000	23 April 2048 (23 years)	UKT 4.25% 2049 – 5.04%	1.10%	6.14%
E	£25,000,000	23 April 2050 (25 years)	UKT 4.25% 2049 – 5.04%	1.10%	6.14%

Annual Interest for First 15 Years is £9 million payable in two amounts of £4.5 million on 23rd April and 23rd October

Investment strategy
Sinking Fund – illustrations of potential payment schedules

Sinking Fund – Fund into which annual contributions are made and invested to provide sufficient money to repay the loan when it becomes due.



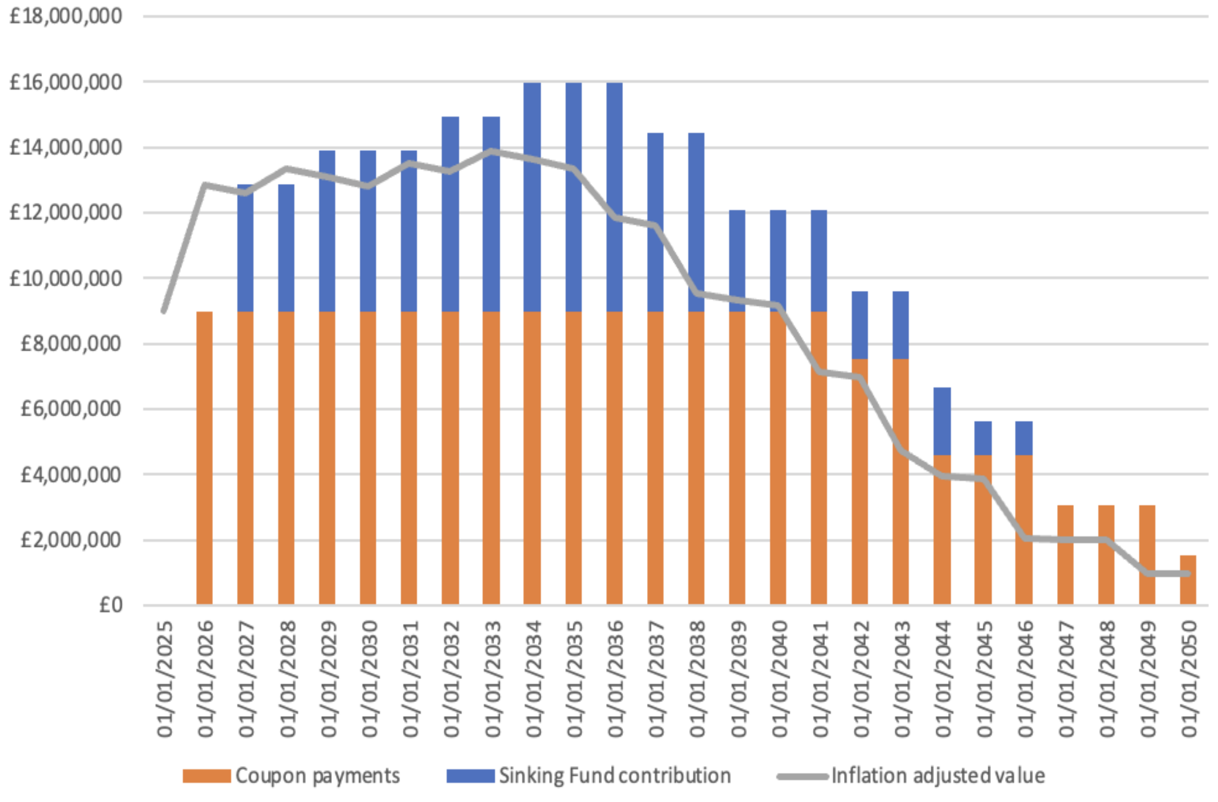


FIG - High Level Cash Position - 2025/26 5- Year Plan		
		£'Mn
Cash (Act 1/7/25)		17
Capital Fund		77
Debt Finance for Capital		150
Debt Finance Costs		(70)
Income (Exc Invests)	572.0	
Investment Income	46.0	
Expenditure	(515.0)	
Operating Cash Flow		103.0
Capital Spend		(336.0)
Travel Credit Scheme		(3.0)
5-Year Cash Balance		**(62.0)**
Growth Fund	157	
5-Year Cash Balance	(62)	
Growth Fund Balance		**95.0**

5-Year Cash Balance – Before Growth Fund Transfer