

SAGICOR POOLED PENSION INVESTMENT FUNDS
FINANCIAL STATEMENTS
SEPTEMBER 30, 2022



KPMG
Chartered Accountants
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Trustees of
SAGICOR POOLED PENSION INVESTMENT FUNDS

Opinion

We have audited the financial statements of Sagicor Pooled Pension Investment Funds ("the Funds"), set out on pages 5 to 113, which comprise the statements of financial position as at September 30, 2022, the statements of profit or loss and other comprehensive income and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information of the Funds listed below:

- Pooled Equity Fund
- Pooled Mortgage and Real Estate Fund
- Pooled Fixed Income Fund
- Pooled Foreign Currency Fund
- Pooled Money Market Fund
- Pooled International Equity Fund
- Pooled Global Market Fund
- Pooled Diversified Investment Fund
- Pooled CPI Fund
- Pooled General Fund

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Funds as at September 30, 2022, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Trustees of
SAGICOR POOLED PENSION INVESTMENT FUNDS

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Funds in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditors' 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 auditors' report that includes our opinion.



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Trustees of
SAGICOR POOLED PENSION INVESTMENT FUNDS

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Funds' 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 management's 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 Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Funds to cease to continue as a going concern.



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INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Trustees of
SAGICOR POOLED PENSION INVESTMENT FUNDS

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 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.

KPMG

Chartered Accountants
Kingston, Jamaica

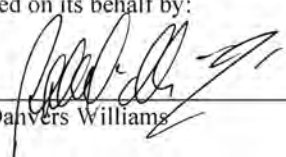
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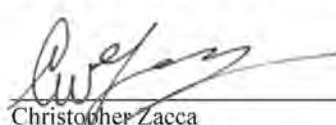
SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED EQUITY FUND

Statement of Financial Position
September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
346,825.84 units @ \$142,110.17			
(2021: 350,282.68 units @ \$154,577.52)		<u>49,287,482</u>	<u>54,145,829</u>
Represented by:			
CASH		5,639	8,456
INVESTMENTS			
Quoted equities	6(a), (h)(iii)	45,379,277	49,568,026
Government of Jamaica securities	6(b), (h)(iii)	372	338
Sagicor Sigma Global Funds	6(c), (h)(iii)	2,984,822	3,162,241
Securities purchased under agreements to resell	6(d), (h)(iii)	43,145	105,957
Unquoted equities and other investments	6(e), (h)(iii)	<u>913,484</u>	<u>1,220,434</u>
		49,321,100	54,056,996
ACCOUNTS RECEIVABLE	6(f)	100,413	46,892
DUE FROM RELATED PARTIES			
Sagicor Financial Corporation Limited		1,296	1,296
Sagicor Sigma Global Fund		277	277
Sagicor Life Cayman Segregated Fund		309	309
Sagicor Self Directed Funds		1,402	39
Employees Benefits administration Limited		277	-
INTER-FUND ACCOUNTS			
Pooled Fixed Income Fund		10,732	206,546
Pooled CPI Fund		2,756	31,848
Pooled International Equity Fund		-	722
Pooled Foreign Currency Fund		<u>5,565</u>	<u>36,613</u>
		<u>49,449,766</u>	<u>54,389,994</u>
Less:			
ACCOUNTS PAYABLE	6(g)	22,520	60,935
DUE TO RELATED PARTIES			
Sagicor Life Jamaica Limited		2,973	146,813
Employee Benefits Administrator Limited		-	410
INTER-FUND ACCOUNTS			
Pooled Mortgage and Real Estate		17,781	-
Pooled Diversified Investment Fund		-	12
Pooled Money Market Fund		58,560	1,723
Pooled Global Market Fund		9	-
Pooled General Fund		<u>60,441</u>	<u>34,272</u>
		<u>162,284</u>	<u>244,165</u>
NET ASSETS OF FUND		<u>49,287,482</u>	<u>54,145,829</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers on December 23, 2022 and signed on its behalf by:


 R. Danvers Williams Director


 Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED EQUITY FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
INCOME		
Interest	17,139	4,031
Dividends	1,000,458	744,203
Net (depreciation)/appreciation on investments	(5,326,421)	2,963,178
Miscellaneous income	<u>37</u>	<u>3,397</u>
	(4,308,787)	<u>3,714,809</u>
Less:		
EXPENDITURE		
Investment management & administration fees [note 5(b)]	448,154	450,015
Finance charges	45	21
General consumption tax	62,634	62,657
Audit fees	5,424	5,053
Miscellaneous expenses	<u>3,650</u>	<u>3,044</u>
	<u>519,907</u>	<u>520,790</u>
NET (LOSS)/INCOME FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	(4,828,694)	<u>3,194,019</u>
DEPOSITS/(WITHDRAWALS)		
Deposits	2,643,246	1,763,849
Withdrawals	(1,769,417)	(1,139,153)
Inter-fund transfers, net	(903,482)	<u>197,768</u>
Net (withdrawals)/deposits for the year	(29,653)	<u>822,464</u>
Net (decrease)/increase in fund for the year	(4,858,347)	4,016,483
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>54,145,829</u>	<u>50,129,346</u>
ACCUMULATED FUND AT END OF YEAR	<u>49,287,482</u>	<u>54,145,829</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED EQUITY FUNDStatement of Cash Flows
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the year	(4,828,694)	3,194,019
Adjustments for:		
Depreciation/(Appreciation) on investments	5,326,421	(2,963,178)
Interest income	(17,139)	(4,031)
Dividend income	(1,000,458)	(744,203)
	(519,870)	(517,393)
Changes in operating assets and liabilities:		
Investments, net	(590,525)	(1,448,824)
Accounts receivable	(53,521)	(2,562)
Related party accounts, net	(145,890)	51,877
Inter-fund accounts, net	357,460	346,450
Accounts payable	(38,415)	(15,280)
Interest received	17,139	4,028
Dividend received	1,000,458	744,203
Net cash provided/(used) by operating activities	<u>26,836</u>	(837,501)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	2,702,940	1,975,861
Withdrawals made	(2,732,593)	(1,153,397)
Net cash (used)/provided by financing activities	(29,653)	822,464
Net decrease in cash	(2,817)	(15,037)
Cash at beginning of the year	<u>8,456</u>	<u>23,493</u>
Cash at end of the year	<u><u>5,639</u></u>	<u><u>8,456</u></u>

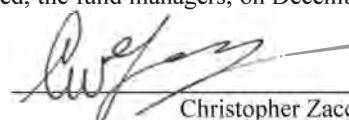
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SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED MORTGAGE AND REAL ESTATE FUNDStatement of Financial Position
Year ended September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
2,299,290.65 units @ \$13,419.01			
(2021: 2,294,357.54 units @ \$12,860.67)		<u>30,854,207</u>	<u>29,506,983</u>
Represented by:			
CASH		11,255	6,479
INVESTMENTS			
Securities purchased under agreements to resell	7(a), (h)(iii)	15,720	309,701
Sagicor Sigma Global Funds	7(b), (h)(iii)	9,760,673	10,846,619
Quoted equities	7(c), (h)(iii)	5,277,307	3,995,461
Investment property	7(d)	<u>15,423,220</u>	<u>14,519,579</u>
		30,476,920	29,671,360
ACCOUNTS RECEIVABLE	7(e)	59,712	16,854
PROPERTY RENTAL AND SERVICE FEES RECEIVABLE	7(f)	377,158	-
DUE FROM RELATED PARTIES			
Sagicor Life Jamaica Limited		-	36,870
Employees Benefits Administrator Limited		-	1,586
Sagicor Self-directed Fund		4,437	-
INTER-FUND ACCOUNTS			
Pooled Diversified Investment Fund		180	39
Pooled Money Market Fund		7	-
Pool International Equity Fund		49	1,612
Pooled CPI Fund		-	1,100
Pooled Foreign Currency Fund		145	59,482
Pooled Equity Fund		17,781	
Pooled Fixed Income Fund		<u>133</u>	<u>14,186</u>
		<u>30,947,777</u>	<u>29,809,568</u>
Less:			
PROPERTY RENTAL AND SERVICE FEES PAYABLE	7(f)	-	165,159
ACCOUNTS PAYABLE	7(g)	8,489	7,651
DUE TO RELATED PARTIES			
Sagicor Sigma Global Funds		55,364	54,520
Sagicor Life Jamaica		7,630	-
Employee Benefits Administration		230	-
Sagicor Life Jamaica Segregated Fund		206	-
INTER-FUND ACCOUNTS			
Pooled CPI Fund		3,625	-
Pooled Global Market Fund		1,000	-
Pooled General Fund		<u>17,026</u>	<u>75,255</u>
		<u>93,570</u>	<u>302,585</u>
NET ASSETS OF FUND		<u>30,854,207</u>	<u>29,506,983</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


R. Danvers Williams Director


Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED MORTGAGE AND REAL ESTATE FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
INCOME		
Interest	6,012	27,800
Rental Income	100,652	116,436
Miscellaneous income	22	50
Net appreciation on investments	1,094,502	4,958,161
Income from Jewel Grande Montego Bay	<u>2,380,383</u>	<u>719,550</u>
	<u>3,581,571</u>	<u>5,821,997</u>
Less:		
EXPENDITURE		
Investment management & administration fees [note 5(b)]	223,384	194,348
Investment property expenses	22,789	7,118
Finance charges	26	39
General consumption tax	30,824	27,164
Audit fees	3,237	2,653
Miscellaneous expenses	2,527	10,464
Expense from Jewel Grande Montego Bay	<u>2,267,794</u>	<u>1,174,184</u>
	<u>2,550,581</u>	<u>1,415,970</u>
NET INCOME FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	<u>1,030,990</u>	<u>4,406,027</u>
DEPOSITS/(WITHDRAWALS)		
Deposits received	1,840,279	651,490
Withdrawals	(1,165,993)	(547,750)
Inter fund transfers, net	<u>(358,052)</u>	<u>27,319</u>
Net deposits for the year	<u>316,234</u>	<u>131,059</u>
Net decrease in fund for the year	1,347,224	4,537,086
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>29,506,983</u>	<u>24,969,897</u>
ACCUMULATED FUND AT END OF YEAR	<u>30,854,207</u>	<u>29,506,983</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED MORTGAGE AND REAL ESTATE FUNDStatement of Cash Flows
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	1,030,990	4,406,027
Adjustments for:		
Appreciation on investments	(1,094,502)	(4,958,161)
Interest income	(6,012)	(27,800)
	(69,524)	(579,934)
Changes in operating assets and liabilities:		
Inter-fund accounts, net	4,520	(3,250,047)
Accounts receivable	(42,891)	(10,501)
Accounts payable	838	(4,514)
Related party accounts, net	(499,388)	1,178,306
Investments, net	288,942	2,512,647
Interest received	6,045	27,782
Net cash used by operating activities	(311,458)	(126,261)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	2,926,898	727,404
Withdrawals made	(2,610,664)	(596,345)
Net cash provided by financing activities	316,234	131,059
Net increase in cash	4,776	4,798
Cash at beginning of the year	6,479	1,681
Cash at end of the year	<u>11,255</u>	<u>6,479</u>

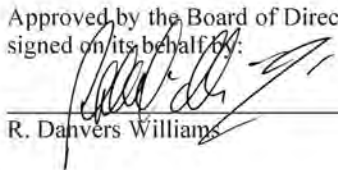
The accompanying notes form an integral part of the financial statements.

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED FIXED INCOME FUND

Statement of Financial Position
September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
545,351.62 units @ \$35,933.47 (2021: 676,851.88 units @ \$37,249.19)		<u>19,596,377</u>	<u>25,212,188</u>
Represented by:			
CASH		20,305	48,270
INVESTMENTS			
Government of Jamaica securities	8(a), (k)(iii)	5,427,834	9,139,890
Corporate Bonds	8(b), (k)(iii)	8,482,726	9,021,508
Investment in finance leases	8(c), (k)(iii)	23,583	47,980
Securities purchased under agreements to resell	8(d), (k)(iii)	230,257	1,176,566
Sagicor Sigma Global Funds	8(e), (k)(iii)	3,893,328	4,261,365
Sagicor Pooled Pension Funds	8(f), (k)(iii)	786,253	875,325
Quoted equities	8(g), (k)(iii)	616,890	155,325
Unquoted equities	8(h), (k)(iii)	<u>379,282</u>	<u>374,130</u>
		19,840,153	25,052,089
ACCOUNTS RECEIVABLE	8(i)	246,916	279,741
DUE FROM RELATED PARTIES			
Employee Benefits Administrator Limited		-	12,962
Sagicor Sigma Fund		2,241	2,241
INTER-FUND ACCOUNTS			
Pooled Global Market Fund		-	46,185
Pooled Diversified Investment Fund		265,981	19,882
Pooled Foreign Currency Fund		2,490	17,498
Pooled International Equity Fund		51,195	-
Pool General Fund		<u>-</u>	<u>335,819</u>
		<u>20,429,281</u>	<u>25,814,687</u>
Less:			
ACCOUNTS PAYABLE	8(j)	192,094	136,568
DUE TO RELATED PARTIES			
Sagicor Life Jamaica Limited		17,464	155,381
Employee Benefits Administrator Limited		1,869	-
INTER-FUND ACCOUNTS			
Pooled General Fund		136,664	-
Pooled Money Market Fund		161,784	9,758
Pooled Equity Fund		10,732	206,546
Pooled International Equity Fund		-	60,265
Pooled CPI Fund		312,164	19,795
Pooled Mortgage and Real Estate Fund		<u>133</u>	<u>14,186</u>
		<u>832,904</u>	<u>602,499</u>
NET ASSETS OF FUND		<u>19,596,377</u>	<u>25,212,188</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


R. Danvers Williams Director


Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED FIXED INCOME FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
INCOME		
Interest	1,280,929	1,176,627
Dividends	39,252	35,301
Net (depreciation)/appreciation on investments	(1,943,189)	538,639
Other income	<u>8,125</u>	<u>8,958</u>
	(614,883)	<u>1,759,525</u>
Less:		
EXPENDITURE		
Investment management & administration fees [note 5(b)]	286,666	315,093
Finance charges	60	51
General consumption tax	41,125	45,461
Audit fees	2,256	2,329
Miscellaneous expenses	<u>3,140</u>	<u>3,308</u>
	<u>333,247</u>	<u>366,242</u>
NET (LOSS)/INCOME FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	(948,130)	<u>1,393,283</u>
DEPOSITS/(WITHDRAWALS)		
Deposits	3,356,780	4,513,077
Withdrawals	(4,025,746)	(4,195,104)
Inter-fund transfers, net	(3,998,715)	<u>98,586</u>
Net (withdrawals)/deposits for the year	(4,667,681)	<u>416,559</u>
Net (decrease)/increase in fund for the year	(5,615,811)	1,809,842
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>25,212,188</u>	<u>23,402,346</u>
ACCUMULATED FUND AT END OF YEAR	<u>19,596,377</u>	<u>25,212,188</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED FIXED INCOME FUND

Statement of Cash Flows

Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the year	(948,130)	1,393,283
Adjustments for:		
Depreciation/(Appreciation) on investments	1,943,189	(538,639)
Interest income	(1,280,929)	(1,176,627)
Dividend income	<u>(39,252)</u>	<u>(35,301)</u>
	(325,122)	(357,284)
Changes in operating assets and liabilities:		
Inter-fund accounts	410,646	697,919
Accounts receivable	32,825	(10,222)
Accounts payable	55,526	79,826
Related party accounts	(123,087)	145,267
Investments, net	3,268,747	(2,135,201)
Interest received	1,280,929	1,131,775
Dividend received	<u>39,252</u>	<u>35,301</u>
Net cash provided/ (used) by operating activities	<u>4,639,716</u>	(412,619)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	3,837,735	4,743,081
Withdrawals made	<u>(8,505,416)</u>	<u>(4,326,522)</u>
Net cash (used)/ provided by financing activities	<u>(4,667,681)</u>	<u>416,559</u>
Net decrease in cash	(27,965)	3,940
Cash at beginning of the year	<u>48,270</u>	<u>44,330</u>
Cash at end of the year	<u>20,305</u>	<u>48,270</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED FOREIGN CURRENCY FUND

Statement of Financial Position
September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
409,666.58 units@ \$63,278.69 (2021: 439,681.13 units@ \$66,635.39)		<u>25,923,164</u>	<u>29,298,326</u>
Represented by:			
CASH		20,930	18,445
INVESTMENTS			
Government of Jamaica securities	9(a)(i), (j)(iii)	6,957,127	9,011,933
Corporate Bonds	9(a)(ii), (j)(iii)	1,472,288	2,122,327
Quoted equity	9(b), (j)(iii)	228,851	132,181
Investment in finance leases	9(c), (j)(iii)	9,567	9,890
Sagicor Sigma Global Funds	9(e), (j)(iii)	15,984,480	16,707,639
Sagicor Pooled Pension Funds	9(f), (j)(iii)	866,514	889,375
Securities purchased under agreements to resell	9(d), (j)(iii)	155,624	407,268
Unquoted equity	9(g),(j)(iii)	<u>134,159</u>	<u>128,063</u>
		25,808,610	29,408,676
ACCOUNTS RECEIVABLE	9(h)	178,074	191,038
DUE FROM RELATED PARTIES			
Employee Benefits Administrator Limited		1,203	8,203
INTER-FUND ACCOUNTS			
Pooled Diversified Investment Fund		42	196
Pooled CPI Fund		-	833
Pooled International Equity Fund		<u>373</u>	<u>2,245</u>
		<u>26,009,232</u>	<u>29,629,636</u>
Less:			
ACCOUNTS PAYABLE	9(i)	7,906	12,555
DUE TO RELATED PARTIES			
Employee Benefits Administrator Limited		-	25,888
Sagicor Life of the Cayman Islands Limited		-	29
Sagicor Self Directed Funds		6,408	9,000
Sagicor Life Jamaica Limited		<u>18,212</u>	-
INTER-FUND ACCOUNTS			
Pooled CPI		157	-
Pooled Equity Fund		5,565	36,613
Pooled General Fund		38,008	139,393
Pooled Global Market Fund		-	1,000
Pooled Mortgage and Real Estate Fund		145	59,482
Pooled Money Market Fund		7,177	29,852
Pooled Fixed Income Fund		<u>2,490</u>	<u>17,498</u>
		86,068	331,310
NET ASSETS OF FUND		<u>25,923,164</u>	<u>29,298,326</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


 R. Danvers Williams Director


 Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED FOREIGN CURRENCY FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
INCOME		
Interest income	614,432	622,462
Net (depreciation)/appreciation on investments	(2,017,730)	2,674,708
Dividend income	19,544	18,878
Miscellaneous income	<u>25</u>	<u>1,532</u>
	<u>(1,383,729)</u>	<u>3,317,580</u>
Less:		
EXPENDITURE		
Finance charges	155	70
Investment management & administration fees [note 5(b)]	539,931	466,078
General consumption tax	73,625	63,817
Audit fees	2,969	2,766
Miscellaneous expenses	<u>4,111</u>	<u>1,450</u>
	<u>620,791</u>	<u>534,181</u>
NET (LOSS)/ INCOME FOR THE YEAR, BEING TOTAL COMPREHENSIVE LOSS	<u>(2,004,520)</u>	<u>2,783,399</u>
DEPOSITS/(WITHDRAWALS)		
Deposits	2,534,860	2,575,673
Withdrawals	(4,062,666)	(3,109,338)
Inter-fund transfers, net	<u>157,164</u>	<u>(138,175)</u>
Net deposits for the year	<u>(1,370,642)</u>	<u>(671,840)</u>
Net (decrease)/increase in fund for the year	<u>(3,375,162)</u>	<u>2,111,559</u>
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>29,298,326</u>	<u>27,186,767</u>
ACCUMULATED FUND AT END OF YEAR	<u>25,923,164</u>	<u>29,298,326</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED FOREIGN CURRENCY FUNDStatement of Cash Flows
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/ income for the year	(2,004,520)	2,783,399
Adjustments for:		
Depreciation/(Appreciation) on investments	2,017,730	(2,674,708)
Interest income	(614,432)	(622,462)
Dividend income	(19,544)	(18,878)
	(620,766)	(532,649)
Changes in operating assets and liabilities:		
Inter-fund accounts	(227,437)	1,074,149
Accounts receivable	(1,474)	(14,681)
Accounts payable	(4,649)	6,145
Related party accounts	(3,297)	125,132
Investments, net	1,582,336	(597,289)
Interest received	628,870	599,084
Dividend received	<u>19,544</u>	<u>18,878</u>
Net cash provided by operating activities	1,373,127	<u>678,769</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	3,000,876	2,594,728
Withdrawals made	<u>(4,371,518)</u>	<u>(3,266,568)</u>
Net cash used by financing activities	<u>(1,370,642)</u>	<u>(671,840)</u>
Net increase in cash	2,485	6,929
Cash at beginning of the year	<u>18,445</u>	<u>11,516</u>
Cash at end of the year	<u><u>20,930</u></u>	<u><u>18,445</u></u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED MONEY MARKET FUND

Statement of Financial Position
September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
897,698.84 units @ \$7,065.78			
(2021: 862,790.25 units @ \$6,841.78)		<u>6,342,943</u>	<u>5,903,024</u>
Represented by:			
INVESTMENTS			
Government of Jamaica securities	10(a)(i), (f)(iii)	629,549	1,416,223
Corporate Bonds	10(a)(ii), (f)(iii)	1,639,966	1,383,809
Sagicor Sigma Global Funds	10(b), (f)(iii)	2,845,513	2,278,134
Securities purchased under agreements to resell	10(c), (f)(iii)	265,408	261,689
Quoted equities	10(a)(iii), (f)(iii)	<u>523,752</u>	<u>288,171</u>
		5,904,188	5,628,026
ACCOUNTS RECEIVABLE	10(d)	209,513	68,781
DUE FROM RELATED PARTIES			
Sagicor Life Jamaica Limited		-	146,750
Sagicor Life of the Cayman Islands Ltd		1,622	1,622
Sagicor Life Cayman Segregated Funds		16	16
INTER-FUND ACCOUNTS			
Pooled Diversified Fund		35,935	-
Pooled Fixed Income Fund		161,784	9,758
Pooled CPI Fund		-	1,750
Pooled General Fund		12,203	27,062
Pooled Equity Fund		58,560	1,723
Pooled Global Market Fund		1,000	1,391
Pooled International Equity Fund		-	1,451
Pooled Foreign Currency Fund		<u>7,177</u>	<u>29,852</u>
		<u>6,391,998</u>	<u>5,918,182</u>
Less:			
BANK OVERDRAFT, UNSECURED		23,876	8,926
ACCOUNTS PAYABLE	10(e)	1,407	1,271
DUE TO RELATED PARTIES			
Self-Directed Funds		9,068	-
Sagicor Life Jamaica Limited		4,829	-
Employee Benefits Administrator Limited		89	4,929
Sagicor Sigma Global Funds		32	32
INTER-FUND ACCOUNTS			
Pooled Mortgage and Real Estate Fund		7	-
Pooled CPI		<u>9,747</u>	<u>-</u>
		<u>49,055</u>	<u>15,158</u>
NET ASSETS OF FUND		<u>6,342,943</u>	<u>5,903,024</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:



R. Danvers Williams Director



Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED MONEY MARKET FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
INCOME		
Interest	178,565	164,304
Dividends	20,118	15,209
Miscellaneous income	4	-
Net (depreciation)/appreciation on investments	(7,341)	231,388
	<u>191,346</u>	<u>410,901</u>
Less:		
EXPENDITURE		
Finance charges	28	14
Investment management & administration fees [note 5(b)]	37,395	42,288
General consumption tax	5,342	5,163
Audit fees	670	538
Miscellaneous expenses	<u>521</u>	<u>280</u>
	<u>43,956</u>	<u>48,283</u>
NET INCOME FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	<u>147,390</u>	<u>362,618</u>
DEPOSITS/(WITHDRAWALS)		
Deposits	1,833,935	876,643
Withdrawals	(2,071,545)	(1,485,352)
Inter-fund transfer, net	<u>530,139</u>	<u>(2,158)</u>
Net deposits/ withdrawals for the year	<u>292,529</u>	<u>(610,867)</u>
Net increase/ decrease in the fund for the year	439,919	(248,249)
ACCUMULATED FUND AT BEGINNING OF THE YEAR	<u>5,903,024</u>	<u>6,151,273</u>
ACCUMULATED FUND AT END OF YEAR	<u>6,342,943</u>	<u>5,903,024</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED MONEY MARKET FUND

Statement of Cash Flows

Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	147,390	362,618
Adjustments for:		
Net depreciation/(appreciation) on investments	7,341	(231,388)
Interest income	(178,565)	(164,304)
Dividend income	(20,118)	(15,209)
	(43,952)	(48,283)
Changes in operating assets and liabilities:		
Inter-fund accounts	(193,918)	(75,227)
Accounts receivable	(140,732)	(10,253)
Accounts payable	136	(73)
Related party accounts	155,807	6,574
Investments, net	(283,503)	538,706
Interest received	178,565	165,666
Dividend received	20,118	15,209
Net cash (used)/provided by operating activities	(307,479)	592,319
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	2,505,530	910,225
Withdrawals made	(2,213,001)	(1,521,092)
Net cash provided/(used) by financing activities	292,529	(610,867)
Net decrease in cash	(14,950)	(18,548)
Cash at beginning of the year	(8,926)	9,622
Cash at end of the year	(23,876)	(8,926)

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED INTERNATIONAL EQUITY FUND

Statement of Financial Position
Year ended September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
21,738,398.91 units @ \$332.68 (2021: 27,287,783.58 units @ \$390.06)		<u>7,231,869</u>	<u>10,643,846</u>
Represented by:			
CASH		7,498	7,026
INVESTMENTS			
Government of Jamaica securities	11(a)(i), (f)(iii)	99,410	508,007
Sagicor Sigma Global Funds	11(b), (f)(iii)	193,020	685,703
Securities purchased under agreements to resell	11(c), (f)(iii)	100,930	192,670
Quoted equities	11(a)(ii), (f)(iii)	<u>6,884,850</u>	<u>9,235,160</u>
		<u>7,278,210</u>	<u>10,621,540</u>
ACCOUNTS RECEIVABLE	11(d)	22,750	5,070
INTER-FUND ACCOUNTS			
Pooled Fixed Income Fund		-	60,265
Pooled Global Market Fund		-	6
Pooled Diversified Fund		<u>63</u>	<u>-</u>
		<u>7,308,521</u>	<u>10,693,907</u>
Less:			
ACCOUNTS PAYABLE	11(e)	857	1,049
DUE TO RELATED PARTIES			
Employee Benefits Administrator Limited		18	1,027
Sagicor Life Cayman Segregated Funds		-	100
Sagicor Life Jamaica		2,746	16,421
Self-Directed Funds		3,030	-
INTER-FUND ACCOUNTS			
Pooled Fixed Income Fund		51,195	-
Pooled Global Markets Fund		19	-
Pooled CPI Fund		-	357
Pooled General Fund		18,365	24,649
Pooled Equity Fund		-	722
Pooled Foreign Currency Fund		373	2,245
Pooled Money Market Fund		-	1,451
Pooled Mortgage & Real Estate Fund		49	1,612
Pooled Diversified Investment Fund		<u>-</u>	<u>428</u>
		<u>76,652</u>	<u>50,061</u>
NET ASSETS OF FUND		<u>7,231,869</u>	<u>10,643,846</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


 R. Danvers Williams Director


 Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED INTERNATIONAL EQUITY FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
INCOME		
Dividends	114,732	96,283
Interest	24,423	22,238
Net (depreciation)/appreciation on investments	(1,350,568)	2,327,838
Miscellaneous income	<u>6</u>	<u>362</u>
	(1,211,407)	2,446,721
Less:		
EXPENDITURE		
Investment management & administration fees [note 5(b)]	80,647	80,859
Finance charges	156	34
Audit fees	857	1,058
General consumption tax	12,000	12,111
Miscellaneous expenses	<u>669</u>	<u>528</u>
	<u>94,329</u>	<u>94,590</u>
NET (LOSS)/INCOME FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME	(1,305,736)	2,352,131
DEPOSITS/(WITHDRAWALS)		
Deposits	485,310	397,674
Withdrawals	(1,179,420)	(1,072,693)
Inter-fund transfers, net	(1,412,131)	(203,612)
Net withdrawals for the year	(2,106,241)	(878,631)
Net (decrease)/ increase in the fund for the year	(3,411,977)	1,473,500
ACCUMULATED FUND AT BEGINNING OF THE YEAR	<u>10,643,846</u>	<u>9,170,346</u>
ACCUMULATED FUND AT END OF YEAR	<u>7,231,869</u>	<u>10,643,846</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED INTERNATIONAL EQUITY FUND

Statement of Cash Flows

Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/ income for the year	(1,305,736)	2,352,131
Adjustments for:		
Depreciation/(appreciation) on investments	1,350,568	(2,327,838)
Interest income	(24,423)	(22,238)
Dividend income	(114,732)	(96,283)
	(94,323)	(94,228)
Changes in operating assets and liabilities:		
Inter-fund accounts	98,743	108,634
Accounts receivable	(17,680)	14,949
Accounts payable	(192)	103
Related party accounts	(11,754)	25,981
Investments, net	1,992,764	708,857
Interest received	24,423	22,227
Dividend received	<u>114,732</u>	<u>96,283</u>
Net cash provided by operating activities	<u>2,106,713</u>	<u>882,806</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	503,627	420,155
Withdrawals made	<u>(2,609,868)</u>	<u>(1,298,786)</u>
Net cash used by financing activities	<u>(2,106,241)</u>	<u>(878,631)</u>
Net increase in cash	472	4,175
Cash at beginning of the year	<u>7,026</u>	<u>2,851</u>
Cash at end of the year	<u><u>7,498</u></u>	<u><u>7,026</u></u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED GLOBAL MARKET FUND

Statement of Financial Position

September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
225,491,215.16 units @16.03			
(2021: 262,247,241.67 units @15.86)		<u>3,613,593</u>	<u>4,158,812</u>
Represented by:			
CASH		678	3,659
INVESTMENTS			
Government of Jamaica securities	12(a), (f)(iii)	132,988	141,893
Sagicor Sigma Global Funds	12(c), (f)(iii)	3,113,723	3,044,769
Securities purchased under agreements to resell	12(b), (f)(iii)	22,067	7,705
Sagicor Pooled Pension Fund	12(d), (f)(iii)	<u>379,776</u>	<u>955,713</u>
		3,648,554	4,150,080
ACCOUNTS RECEIVABLE	12(e)	6,721	6,642
DUE FROM RELATED PARTIES			
Sagicor Life Jamaica Limited			46,949
INTER-FUND ACCOUNTS			
Pooled Equity Fund		9	-
Pooled International Equity Fund		19	-
Pooled Mortgage and Real Estate Fund		1,000	-
Pooled Foreign Currency Fund		-	1,000
		<u>3,656,981</u>	<u>4,208,330</u>
Less:			
ACCOUNTS PAYABLE		385	398
DUE TO RELATED PARTIES			
Sagicor Life Jamaica		767	29
INTER-FUND ACCOUNT			
Pooled CPI		27	-
Pooled General Fund		41,209	1,509
Pooled Fixed Income Fund		-	46,185
Pooled Money Market Fund		1,000	1,391
Pooled International Equity Fund		-	6
		<u>43,388</u>	<u>49,518</u>
NET ASSETS OF FUND		<u>3,613,593</u>	<u>4,158,812</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


 _____ Director
 R. Danvers Williams


 _____ Director
 Christopher Zacca

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED GLOBAL MARKET FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
INCOME		
Interest	9,143	8,652
Miscellaneous Income	4	-
Net appreciation on investments	<u>45,638</u>	<u>488,183</u>
	<u>54,785</u>	<u>496,835</u>
Less:		
EXPENDITURE		
Investment management & administration fees [note 5(b)]	38,143	40,981
Finance charges	20	12
Audit fees	386	400
General consumption tax	4,905	5,309
Miscellaneous expenses	<u>537</u>	<u>202</u>
	<u>43,991</u>	<u>46,904</u>
NET INCOME FOR THE YEAR BEING, TOTAL COMPREHENSIVE INCOME	<u>10,794</u>	<u>449,931</u>
DEPOSITS/(WITHDRAWALS)		
Deposits	23,841	28,988
Withdrawals	(396,185)	(375,688)
Inter-fund transfers, net	(183,669)	(1,984)
Net withdrawals for the year	(556,013)	(348,684)
Net (decrease)/ increase in the fund for the year	(545,219)	101,247
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>4,158,812</u>	<u>4,057,565</u>
ACCUMULATED FUND AT END OF YEAR	<u>3,613,593</u>	<u>4,158,812</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED GLOBAL MARKET FUND

Statement of Cash Flows

Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the year	10,794	449,931
Adjustments for:		
Appreciation on investments	(45,638)	(488,183)
Interest income	(9,143)	(8,652)
	(43,987)	(46,904)
Changes in operating assets and liabilities:		
Inter-fund accounts	(6,883)	49,313
Accounts receivable	(79)	2
Accounts payable	(12)	6,577
Related party accounts	47,687	(14)
Investments, net	547,164	333,758
Interest received	9,143	8,596
Net cash provided by operating activities	<u>553,033</u>	<u>351,328</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits received	24,191	30,474
Withdrawals made	(580,205)	(379,158)
Net cash used by financing activities	(556,014)	(348,684)
Net (decrease)/ increase in cash	(2,981)	2,644
Cash at beginning of the year	<u>3,659</u>	<u>1,015</u>
Cash at end of the year	<u>678</u>	<u>3,659</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED DIVERSIFIED INVESTMENT FUND

Statement of Financial Position
September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
2,746,074.78 units @ \$4,547.74 (2021: 3,286,638.42 units @ \$4,709.90)		<u>12,488,433</u>	<u>15,479,735</u>
Represented by:			
CASH		1,556	1,420
INVESTMENTS			
Quoted equities	13(a), (g)(iii)	1,502,683	700,406
Sagicor Pooled Pension Funds	13(b), (g)(iii)	7,503,820	9,981,307
Sagicor Sigma Global Funds	13(c), (g)(iii)	4,506,071	4,982,599
Securities purchased under agreements to resell	13(d), (g)(iii)	<u>3,562</u>	<u>5,825</u>
		13,516,136	15,670,137
ACCOUNTS RECEIVABLE	13(e)	26,993	24,050
DUE FROM RELATED PARTIES			
Sagicor Life Jamaica Limited		1,370	1,370
Sagicor Life Cayman Segregated Funds		31	31
INTER-FUND ACCOUNTS			
Pooled Equity Fund		-	12
Pooled International Equity Fund		-	428
Pooled General Fund		-	<u>3,837</u>
		<u>13,546,086</u>	<u>15,701,285</u>
Less:			
ACCOUNTS PAYABLE	13(f)	5,859	4,057
DUE TO RELATED PARTIES			
Employee Benefits Administrator Limited		14	883
Sagicor Life Jamaica Limited		3,257	196,415
INTER-FUND ACCOUNTS			
Pooled International Equity		63	-
Pooled Money Market Fund		35,933	-
Pooled General Fund		15,706	-
Pooled Fixed Income Fund		265,981	19,882
Pooled CPI Fund		730,618	78
Pooled Foreign Currency Fund		42	196
Pooled Mortgage & Real Estate Fund		<u>180</u>	<u>39</u>
		<u>1,057,653</u>	<u>221,550</u>
NET ASSETS OF FUND		<u>12,488,433</u>	<u>15,479,735</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


 R. Danvers Williams Director


 Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED DIVERSIFIED INVESTMENT FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
INCOME		
Interest	1,135	96
Miscellaneous Income	11	-
Net (depreciation) /appreciation on investments	(425,496)	1,483,872
	<u>(424,350)</u>	<u>1,483,968</u>
Less:		
EXPENDITURE		
Investment management and administration fees [note 5(b)]	179,153	195,636
Finance charge	22	12
General consumption tax	26,454	28,875
Audit fees	1,388	1,428
Miscellaneous expenses	<u>1,930</u>	<u>719</u>
	<u>208,947</u>	<u>226,670</u>
NET (LOSS)/INCOME FOR THE YEAR BEING TOTAL COMPREHENSIVE INCOME	(633,297)	<u>1,257,298</u>
DEPOSITS/(WITHDRAWALS)		
Deposits	350,447	435,549
Withdrawals	(786,653)	(682,261)
Inter-fund transfers, net	(1,921,799)	(27,612)
Net withdrawals for the year	(2,358,005)	(274,324)
Net decrease/ increase in fund for the year	(2,991,302)	982,974
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>15,479,735</u>	<u>14,496,761</u>
ACCUMULATED FUND AT END OF YEAR	<u>12,488,433</u>	<u>15,479,735</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED DIVERSIFIED INVESTMENT FUNDStatement of Cash Flows
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the year	(633,297)	1,257,298
Adjustments for:		
Depreciation/(Appreciation) on investments	425,496	(1,483,872)
Interest income	(1,135)	(96)
	(208,936)	(226,670)
Changes in operating assets and liabilities:		
Investments, net	1,728,504	448,703
Accounts receivable	(2,943)	-
Related party accounts	(194,028)	44,224
Inter-fund accounts	1,032,607	8,242
Accounts payable	1,802	(9)
Interest received	1,135	96
Net cash provided by operating activities	<u>2,358,141</u>	<u>274,586</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits	352,393	435,811
Withdrawals	(2,710,398)	(710,135)
Net cash used by financing activities	<u>(2,358,005)</u>	<u>(274,324)</u>
Net increase in cash	136	262
Cash at beginning of the year	<u>1,420</u>	<u>1,158</u>
Cash at end of the year	<u><u>1,556</u></u>	<u><u>1,420</u></u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED CPI FUNDStatement of Financial Position
September 30, 2022

	<u>Notes</u>	2022 \$'000	2021 \$'000
ACCUMULATED FUND			
4,179,721.06 units @5,656.47			
(2021: 2,258,896.17 units @5,113.61)		<u>23,642,449</u>	<u>11,551,105</u>
Represented by:			
CASH		515,122	4,468
INVESTMENTS			
Government of Jamaica securities	14(a), (g)(iii)	17,341,095	10,717,014
Corporate Bonds	14(b), (g)(iii)	584,996	-
Investments in Finance leases	14(c), (g)(iii)	350,000	-
Securities purchased under agreements to resell	14(d), (g)(iii)	2,506,074	330,065
Sagicor Sigma Global Funds	14(e), (g)(iii)	<u>861,367</u>	<u>409,599</u>
		21,643,532	11,456,678
ACCOUNTS RECEIVABLE	14(f)	161,788	46,743
DUE FROM RELATED PARTIES			
Employee Benefits Administrator Limited			6,098
Sagicor Life Cayman Segregated Funds		4	4
Self-directed Pension Funds		19,350	-
INTER-FUND ACCOUNTS			
Pooled Global Markets Fund		27	-
Pooled Foreign Currency		157	-
Pooled Money Market Fund		9,747	-
Pooled Mortgage and Real Estate Fund		3,625	-
Pooled International Equity Fund		-	357
Pooled Diversified Investment Fund		730,618	78
Pooled Fixed Income Fund		312,164	19,795
Pooled General Fund		<u>264,517</u>	<u>145,757</u>
		<u>23,660,651</u>	<u>11,679,978</u>
Less:			
ACCOUNTS PAYABLE		2,510	1,033
DUE TO RELATED PARTY			
Sagicor Life Jamaica Limited		12,452	92,309
Employee Benefits Administrator Limited		484	-
INTER-FUND ACCOUNTS			
Pooled Money Market Fund		-	1,750
Pooled Mortgage and Real Estate Fund		-	1,100
Pooled Foreign Currency Fund		-	833
Pooled Equity Fund		<u>2,756</u>	<u>31,848</u>
		<u>18,202</u>	<u>128,873</u>
NET ASSETS OF FUND		<u>23,642,449</u>	<u>11,551,105</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


R. Danvers Williams Director


Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED CPI FUNDStatement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022	2021
	\$'000	\$'000
INCOME		
Interest income	584,142	459,723
Net appreciation on investments	976,788	374,365
Miscellaneous income	<u>7,208</u>	<u>1,274</u>
	<u>1,568,138</u>	<u>835,362</u>
Less:		
EXPENDITURE		
Investment management and administration fees [note 5(b)]	181,866	119,957
Finance charge	22	11
Audit fees	2,511	1,042
General consumption tax	24,953	15,953
Miscellaneous expenses	<u>2,970</u>	<u>1,402</u>
	<u>212,322</u>	<u>138,365</u>
NET INCOME FOR THE YEAR BEING TOTAL		
COMPREHENSIVE INCOME	<u>1,355,816</u>	<u>696,997</u>
DEPOSITS/(WITHDRAWALS)		
Deposits	3,861,361	2,835,084
Withdrawals	(1,216,375)	(923,322)
Inter-fund transfers, net	<u>8,090,542</u>	<u>49,866</u>
Net deposits for the year	<u>10,735,528</u>	<u>1,961,628</u>
Net increase in fund for the year	12,091,344	2,658,625
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>11,551,105</u>	<u>8,892,480</u>
ACCUMULATED FUND AT END OF YEAR	<u>23,642,449</u>	<u>11,551,105</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED CPI FUND

Statement of Cash Flows
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	1,355,816	696,997
Adjustments for		
Appreciation on investments	(976,788)	(374,365)
Interest income	(584,142)	(459,723)
	(205,114)	(137,091)
Changes in operating assets and liabilities:		
Accounts receivable	(115,045)	-
Inter-fund accounts	(1,187,643)	572,655
Investments, net	(9,210,066)	(2,883,323)
Related party accounts	(92,625)	38,439
Interest received	584,142	447,095
Accounts payable	<u>1,477</u>	<u>193</u>
Net cash used by operating activities	<u>(10,224,874)</u>	<u>(1,962,032)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits	12,129,628	2,927,766
Withdrawals	(1,394,100)	(966,138)
Net cash provided by financing activities	<u>10,735,528</u>	<u>1,961,628</u>
Net increase/ (decrease) in cash	510,654	(404)
Cash at beginning of the year	<u>4,468</u>	<u>4,872</u>
Cash at end of the year	<u><u>515,122</u></u>	<u><u>4,468</u></u>

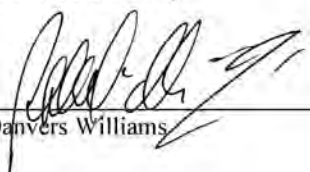
The accompanying notes form an integral part of the financial statements.

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED GENERAL FUND

Statement of Financial Position
September 30, 2022

	<u>Notes</u>	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
ACCUMULATED FUND		<u>7,681</u>	<u>8,563</u>
Represented by:			
CASH		302,561	30,569
ACCOUNTS RECEIVABLE	15(a), (c)(iii)	1,073	1,073
DUE FROM RELATED PARTIES			
Sagicor Life Jamaica Limited		72,974	499,423
Sagicor Life Cayman Segregated Funds		7	7
Self-Directed Pension Funds		14,968	16,345
INTER-FUND ACCOUNTS			
Pooled Diversify Fund		15,706	-
Pooled Fixed Income Fund		136,664	-
Pooled Equity Fund		60,441	34,272
Pooled Foreign Currency Fund		38,008	139,393
Pooled Mortgage and Real Estate Fund		17,026	75,255
Pooled International Equity Fund		18,365	24,649
Pooled Global Market Fund		<u>41,209</u>	<u>1,509</u>
		<u>719,002</u>	<u>822,495</u>
Less:			
ACCOUNTS PAYABLE	15(b)	433,934	285,774
DUE TO RELATED PARTY			
Employee Benefits Administrator Limited		667	2,473
Self Directed Funds		-	13,210
INTER-FUND ACCOUNTS			
Pooled Fixed Income Fund		-	335,819
Pooled Money Market Fund		12,203	27,062
Pooled Diversified Investment Fund		-	3,837
Pooled CPI Fund		<u>264,517</u>	<u>145,757</u>
		<u>711,321</u>	<u>813,932</u>
NET ASSET OF FUND		<u>7,681</u>	<u>8,563</u>

Approved by the Board of Directors of Sagicor Life Jamaica Limited, the fund managers, on December 23, 2022 and signed on its behalf by:


 R. Danvers Williams Director


 Christopher Zacca Director

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED GENERAL FUND

Statement of Profit or Loss and Other Comprehensive Income
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
INCOME		
Interest	1,199	1,090
Miscellaneous income	<u>-</u>	<u>468</u>
	1,199	1,558
Less:		
EXPENDITURE		
Finance charge	2,084	208
Miscellaneous expense	<u>-</u>	<u>12</u>
	<u>2,084</u>	<u>220</u>
NET (LOSS)/ INCOME FOR THE YEAR BEING TOTAL COMPREHENSIVE INCOME	(885)	1,338
ACCUMULATED FUND AT BEGINNING OF YEAR	<u>8,563</u>	<u>7,225</u>
ACCUMULATED FUND AT END OF YEAR	<u>7,678</u>	<u>8,563</u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDSPOOLED GENERAL FUNDStatement of Cash Flows
Year ended September 30, 2022

	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the year	(882)	1,338
Adjustments for		
Interest income	(<u>1,199</u>)	(<u>1,090</u>)
	(2,081)	248
Changes in operating assets and liabilities:		
Accounts receivable	-	(1,018)
Inter-fund accounts	148,160	17,306
Related party accounts	(288,096)	467,912
Accounts payable	412,810	(428,620)
Interest received	<u>1,199</u>	<u>1,090</u>
Net cash provided by operating activities, being increase in cash	271,992	56,918
Cash at beginning of the year	<u>30,569</u>	(26,349)
Cash at end of the year	<u><u>302,561</u></u>	<u><u>30,569</u></u>

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

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements
Year ended September 30, 2022

1. Identification and activity

- (a) Sagicor Life Jamaica Limited contracts with the Trustees of pension plans to provide investment and administration services on a pooled basis. Sagicor Life Jamaica Limited is a wholly owned subsidiary of Sagicor Financial Corporation Limited, a company domiciled in Barbados.

The investments are made through the following “Pooled Funds”:

	<u>Pages</u>
(i) Pooled Equity Fund	5
(ii) Pooled Mortgage and Real Estate Fund	8
(iii) Pooled Fixed Income Fund	11
(iv) Pooled Foreign Currency Fund	14
(v) Pooled Money Market Fund	17
(vi) Pooled International Equity Fund	20
(vii) Pooled Global Market Fund	23
(viii) Pooled Diversified Investment Fund	26
(ix) Pooled CPI Fund	29

Administrative functions of the above funds are processed through the General Fund (page 32).

- (b) Deposits received from Trustees are accounted for on a cash basis. These deposits are allocated between the Pooled Funds in proportions specified in writing by the Trustees and/or Sagicor Life Jamaica Limited.
- (c) The investment portfolios for the Pooled Funds are selected by Sagicor Life Jamaica Limited in accordance with the investment policies for the Funds, as approved by the Boards of Directors of Sagicor Life Jamaica Limited and Sagicor Pooled Investment Funds Limited.
- (d) Sagicor Pooled Investment Funds Limited is a wholly owned subsidiary of Sagicor Life Jamaica Limited. The company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by Sagicor Life Jamaica Limited as fund manager in the management and investment of pension funds and other trusts.
- (e) Investments made by the Funds are registered as follows:

Pooled Equity Fund]	Securities of these Funds
Pooled Mortgage and Real Estate Fund]	are registered in the name of Sagicor
Pooled Fixed Income Fund]	Pooled Investment Funds Limited
Pooled Foreign Currency Fund]	which holds the assets as nominees for
Pooled Money Market Fund]	the trustees of the pension funds.
Pooled International Equity Fund]	Investments in these Funds are
Pooled Global Market Fund]	registered in the name of the Funds as
Pooled Diversified Investment Fund]	nominees for the trustees of the pension
Pooled CPI Fund]	funds.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

1. Identification and activity (cont'd)

- (f) Sagicor Life Jamaica Limited allocates units to pension plans based on net investment in the Funds. Unit values are calculated by dividing the value of the net assets of each Fund by the number of units in that investment Fund on the valuation date.

2. Basis of preparation

- (a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New and amended standards that became effective during the year

Certain new and amended standards came into effect during the current financial year. The Funds' Administrator has assessed them and has adopted those which are relevant to its financial statements.

New and amended standards and interpretations that are not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the company has not early-adopted. The Funds' Administrator has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 37 *Provision, Contingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the 'incremental cost' approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

New and amended standards and interpretations that are not yet effective (cont'd):

- Amendments to IAS 1 *Presentation of Financial Statements* (cont'd)

An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that an entity can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

New and amended standards and interpretations that are not yet effective (cont'd):

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (continued)

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The Funds' Administrator does not expect the amendments to have a significant impact on its future financial statements.

(b) Basis of preparation and functional currency

The financial statements are presented in Jamaica dollars which is the functional currency of the Funds. The financial statements are presented in thousands of Jamaica dollars unless otherwise stated. The financial statements are prepared under the historical cost convention except for investments measured at fair value.

(c) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements that have a significant effect on the financial statements are made by management in the application of IFRS. Estimates with a significant risk of material adjustment in the next financial year are in respect to the fair value of investments as discussed in note 3(j).

(a) Cash

For the purpose of the cash flow statements, cash comprises cash in hand and at bank and bank overdrafts that form an integral part of the Funds' cash management activities and are included as a component of cash. Cash is measured at amortised cost.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(b) Accounts receivable

Accounts receivable are measured at amortised cost less impairment losses.

(c) Accounts payable

Accounts payable are measured at amortised cost.

(d) Investments

All investments are classified as fair value through profit and loss. These are so designated by management at inception, since the assets form part of managed portfolios whose performance is evaluated on a fair value basis, in accordance with a documented investment strategy. These investments are measured initially at cost and are subsequently re-measured at their fair value based on quoted prices or other valuation techniques. Realised and unrealised gains and losses are recorded in profit or loss.

Valuation technique and significant unobservable inputs

The valuation techniques used in measuring fair values, as well as the significant unobservable inputs used are as follows:

Investments	Method
Government of Jamaica	Determined by reference to quoted market prices where available. If quoted market prices are not available, then fair value is determined by pricing models or other recognised valuation techniques.
Quoted equity	Based on the year end quoted bid price holdings published by the respective stock exchanges and brokers.
Unit trust and Pooled Funds	Based on pricing information received from the relevant fund manager.
Unquoted equity	Based on pricing information received from relevant brokers or other recognised valuation techniques.
Corporate Bonds	Based on prices quoted by relevant brokers or other recognised valuation techniques.
Leases	Determined by amortising the costs over the period of the leases, which approximates the net present value of future cash flows.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(d) Investments (cont'd)

Valuation technique and significant unobservable inputs (cont'd)

The valuation techniques used in measuring fair values, as well as the significant unobservable inputs used are as follows (cont'd):

Investments	Method
Reverse repurchase agreements/deposits	Considered to approximate carrying value in view of the relatively short-term nature of these instruments.
Investment property	Held either to earn rental income or for capital appreciation or for both. All the investment properties are initially measured at cost and subsequently at fair value using the market value approach with any change therein recognised in the statement of profit or loss and other comprehensive income. See note 7(d).

(e) Impairment

The Funds recognise loss allowances for expected credit loss (ECLs) on financial assets measured at amortised cost.

The Funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) 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 ECLs, the Funds consider 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 Funds' historical experience and informed credit assessment and including forward-looking information.

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

The Funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(e) Impairment (cont'd)

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 Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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 Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Funds assess 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;
- 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 ECLs 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 when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(f) Foreign currency transactions

Foreign currency balances at the reporting date are translated at the rates of exchange ruling on that date.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(f) Foreign currency transactions (cont'd)

Gains/(losses) are included in the net appreciation/(depreciation) of investments in profit or loss.

(g) Revenue recognition

Dividend income is recognised in profit or loss when the right to receive income is established.

Interest income is recognised in profit or loss for using the effective interest method. The “effective interest rate” is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the Funds estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. Interest received or receivable are recognised in profit or loss as interest income.

Interest received or receivable are recognised in profit or loss as interest income.

(h) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity” in this case, the Funds).

(a) A person or a close member of that person’s family is related to the Funds if that person:

- (i) Has control or joint control over the Funds;
- (ii) Has significant influence over the Funds; or
- (ii) Is a member of the key management personnel of the Funds or of a parent of the Funds.

(b) An entity is related to the Funds if any of the following conditions applies:

- (i) The entity and the Funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(h) Related parties (cont'd)

(b) An entity is related to the Funds if any of the following conditions applies (cont'd):

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Funds or an entity related to the Funds.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Funds, or the parent of the Funds.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Funds' key related party relationships are with:

- Sagicor Financial Corporation Limited
- Sagicor Life Jamaica Limited (fund manager)
- Sagicor Investments Jamaica Limited
- Sagicor Life of the Cayman Islands Limited
- Sagicor Property Services Limited
- Sagicor Re Insurance Limited (Cayman)
- Employee Benefits Administrator Limited
- Sagicor Bank Jamaica Limited
- Sagicor Real Estate X Fund Limited
- X Fund Properties Limited
- Segregated Funds managed by Sagicor Life Jamaica Limited
- Sagicor Sigma Funds managed by Sagicor Life Jamaica Limited
- The Trustees of the individual pension plans
- Sagicor Life Cayman Segregated Funds managed by Sagicor Life of Cayman Islands Limited

All transactions with related parties are at arm's length, see disclosures relating to transactions with related parties at note 5.

(i) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purposes of the financial statements, financial assets have been determined to include investments, cash and cash equivalents, accounts receivable, related party and inter-fund balances. Similarly, financial liabilities include accounts payable, related party and inter-fund balances.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

(i) Classification and subsequent measurement

On initial recognition, the Funds classifies financial assets as measured at amortised cost or FVTPL.

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 (SPPI).

All other financial assets of the Funds are measured at FVTPL or amortised cost.

Business model assessment:

The Funds make 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 Funds' 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 the investment manager is 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.

The Funds have determined that it has two business models.

- Held to collect business model: this includes cash and cash equivalents, contributions and dividend receivable and other receivables. These financial assets are held to collect contractual cash flow.
- Other business model: This includes debt securities, units in unit trusts, units in pooled funds and equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

(i) Classification and subsequent measurement (cont'd)

Assessment whether contractual cashflows are SPPI

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 Funds consider 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 Funds consider the following:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- leverage features, that modify consideration of the time value of money such as periodic reset of interest rates;
- prepayment and extension features; and
- terms that limit the Funds' claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

All financial liabilities are recognised initially at fair value and subsequently at amortised cost.

(ii) Derecognition

Financial assets

The Funds 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 Funds neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Funds are recognised as a separate asset or liability in the statement of financial position.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

(ii) Derecognition (cont'd)

Financial assets (cont'd)

On derecognition of a financial asset, the difference between the carrying amount of the asset or the carrying amount allocated to the portion of the asset derecognised, and the consideration received including any new asset obtained less any new liability assumed is recognised in profit or loss.

Financial liabilities

The Funds derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Funds 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.

(j) Determination of fair value:

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 at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Funds measure the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on arm's length basis.

If a market for a financial instrument is not active, the Funds establish fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same and discounted cash flow analyses. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Funds, incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Fund Manager calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

3. Significant accounting policies (cont'd)

(j) Determination of fair value (cont'd):

Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When a transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in surplus or deficit on an appropriate basis over the life of the instrument.

All changes in fair value, other than interest and dividend income and expense, are recognised in profit or loss as net gain from financial instruments at fair value through profit or loss.

4. Financial risk management

The Pooled Investment Funds have exposure to the following risks:

Credit risk
 Liquidity risk
 Market risk

These notes present information about the Funds' exposure to each of the above risks, the Funds' objectives, policies and processes for measuring and managing risks.

Exposure to these risks is shown in notes relating to each Fund.

Risk management framework

The Board of Directors of Sagicor Life Jamaica Limited is ultimately responsible for the establishment and oversight of the risk management framework for the Funds. The Board has established committees for managing and monitoring risks.

The Pooled Funds have an established risk management framework with clear terms of reference from the Board of Directors of Sagicor Life Jamaica Limited and Sagicor Pooled Investment Funds Limited.

The framework involves the quarterly evaluation of risks by senior management. The strategies used to manage these risks range from cash management policies, asset liability matching guidelines to anti-money laundering and fraud policies.

(a) Credit risk:

Credit risk is the risk of loss arising from a counter-party to a financial contract failing to discharge its obligations. These risks arise primarily on the cash and short-term investments.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

4. Financial risk management (cont'd)

Risk management framework (cont'd)

(a) Credit risk (cont'd):

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position of the respective Funds.

(i) Cash and short-term investments

Cash and short-term investments are held with reputable financial institutions and collateral is not required for such accounts as management regards the institutions as strong.

(ii) Securities

A significant portion of investments is held in various government instruments and Sagicor Sigma Funds. Credit risk is managed by placing limits on the amounts in relation to a single counterparty or group of counterparties. Investment limits are approved by the Board of Directors of Sagicor Life Jamaica Limited in respect of holdings in the various classes or groupings of securities in aggregate and for any single security. Investment policies for the Funds also govern the credit ratings for bonds that can be held by the Funds.

(iii) Related party

The Fund Administrator structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or group and single related party or group of related counterparties.

(iv) Impairment

Impairment on cash resources, receivables and resale agreements has been measured on a 12-month expected loss basis. The Fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

Impairment on cash resources, receivables and resale agreements has been measured on a 12-month expected loss basis. The Fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Fund Administrator monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Administrator reviews changes in bond yields, where available.

There has been no change to the Pooled Funds' exposure to credit risk or the manner in which risk is measured.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

4. Financial risk management (cont'd)

Risk management framework (cont'd)

(b) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the Funds will encounter difficulty in raising funds to meet their commitments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Funds' approach to managing liquidity is entailed in the liquidity management process.

These include:

- (i) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen cash flow requirements;
- (ii) Optimising return on investments;
- (iii) Managing the concentration and profile of debt maturities.

Prudent liquidity risk management implies maintaining sufficient readily marketable securities, to meet liabilities as they arise. Additionally, the contracts with trustees of pension plans provide withdrawal arrangements to spread the release of funds on termination.

Maturity of contractual liabilities are shown in notes relating to each Fund.

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of financial instruments and income. The Funds have significant exposure to market risk on their portfolio of investments which could fluctuate based on changes in market prices.

The objective of managing market risk is to manage and control market risk exposure within acceptable parameters, while optimising returns.

Market risk is managed by the fund managers which carry out extensive research and monitor the price movements of financial assets on the local and international markets. Market risks are managed through risk limits approved by the Board of Directors of Sagicor Pooled Investment Funds Limited.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest-bearing financial assets are primarily represented by Government of Jamaica securities, which have been contracted at fixed and floating interest rates for the duration of the term.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

4. Financial risk management (cont'd)

Risk management framework (cont'd)

(c) Market risk (cont'd):

(i) Interest rate risk (cont'd)

Tables summarising the carrying amounts of interest rate-sensitive financial instruments, based on the earlier of contractual re-pricing or maturity dates are shown in notes relating to each Fund.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Funds are exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaica dollar.

The main currency giving rise to this risk is the United States dollar.

	2022 US\$'000	2021 US\$'000
Pooled Equity Fund	1,533	1,633
Pooled Fixed Income Fund	23,578	28,378
Pooled Foreign Currency Fund	53,033	66,942
Pooled Money Market Fund	1,742	2,052
Pooled International Equity Fund	46,581	65,183
Pooled Global Fund	875	1,029
Pooled Mortgage and Real estate Fund	70	5
Pooled Diversified Investment Fund	5	5
Pooled CPI Fund	<u>1,879</u>	<u>37</u>
Total Foreign currency assets	<u>129,296</u>	<u>165,264</u>

A devaluation or revaluation movement of the Jamaica dollar against currencies which expose the Funds to risk at September 30 would have increased or decreased net income as follows:

	2022		2021	
	\$'000	\$'000	\$'000	\$'000
	1%	4%	2%	8%
	revaluation	devaluation	revaluation	devaluation
Pooled Equity Fund	2,330	9,322	4,779	19,114
Pooled Fixed Income Fund	35,843	143,372	83,060	332,240
Pooled Foreign Currency Fund	80,620	322,481	195,936	783,743
Pooled Money Market Fund	2,648	10,593	6,006	24,024
Pooled International Equity Fund	70,812	283,248	190,787	763,149
Pooled Global Market Fund	1,330	5,321	3,012	12,047
Pooled Diversified Investment Fund	106	426	16	63
Pooled Mortgage and Real Estate Fund	8	30	15	61
Pooled CPI Fund	<u>2,856</u>	<u>11,426</u>	<u>110</u>	<u>439</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

4. Financial risk management (cont'd)

Risk management framework (cont'd)

(c) Market risk (cont'd):

(ii) Foreign exchange risk (cont'd)

The analysis assumes that all other variables, in particular, interest rates, remain constant.

At September 30, 2022, the exchange rate was US\$1 to J\$152.0191 (2021: US\$1 to J\$146.3464).

(iii) Equity price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

A change in the market price would have increased or decreased net income of the respective Funds as follows:

	2022		2021	
	6%	6%	5%	5%
	\$'000	\$'000	\$'000	\$'000
	Increase	Decrease	Increase	Decrease
Pooled Equity Fund	2,777,566	2,777,566	2,539,423	2,539,423
Pooled Foreign Currency Fund	21,781	21,781	13,012	13,012
Pooled Diversified Investment Fund	90,161	90,161	35,020	35,020
Pooled Mortgage and Real Estate Fund	316,638	316,638	199,773	199,773
Pooled Fixed Income Fund	59,770	59,770	26,473	26,473
Pooled Money Market Fund	31,425	31,425	14,409	14,409
Pooled International Equity Fund	<u>413,091</u>	<u>413,091</u>	<u>461,758</u>	<u>461,758</u>

(d) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Funds' processes, technology and infrastructure, and from the external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards and behaviour. Operational risks arise from the Funds' operations and are faced by all business entities.

The Funds' objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Funds' reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

4. Financial risk management (cont'd)

Risk management framework (cont'd)

(e) Management of Accumulated Funds:

The Fund Manager's objectives when managing the fund are to safeguard the fund's ability to continue as a going concern in order to provide optimum returns on funds under management. The Board of Directors and responsible senior management of the Fund Manager monitor the return on the funds under management.

The objective is to maintain a strong fund base so as to sustain future growth.

There were no changes to the approach to fund management during the year. Also, the Fund is not exposed to any externally imposed capital requirements.

5. Related party transactions and balances

Transactions with related parties are as follows:

(a) Pension contributions

	2022	2021
	\$'000	\$'000
Sagicor Bank Jamaica Limited	367,450	317,292
Sagicor Life Jamaica Limited	1,064,522	1,092,747
The Advantage General Insurance Company Limited	<u>214,074</u>	<u>1,010,214</u>
	<u>1,646,046</u>	<u>2,420,253</u>

(b) Investment management and administration fees

Sagicor Life Jamaica Limited charges investment and administration fees to clients of the Sagicor Pooled Pension Investment Funds. Investment management and administration fees deducted are disclosed in profit or loss of the respective Funds.

Investment management and administration fees paid to Sagicor Life Jamaica Limited and Employee Benefits Administrator Limited are as follows:

	2022	2021
	\$'000	\$'000
Pooled Equity Fund	448,154	450,015
Pooled Mortgage and Real Estate Fund	223,384	194,348
Pooled Fixed Income Fund	286,666	315,093
Pooled Foreign Currency Fund	539,931	466,078
Pooled Money Market Fund	37,395	42,288
Pooled International Equity Fund	80,647	80,859
Pooled Global Market Fund	38,143	40,981
Pooled Diversified Investment Fund	179,153	195,636
Pooled CPI Fund	<u>181,866</u>	<u>119,957</u>
	<u>2,015,339</u>	<u>1,905,255</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

5. Related party transactions and balances (cont'd)

- (c) The carrying values of securities purchased under agreements to resell held with Sagicor Investments Jamaica Limited, are as follows:

	2022	2021
	\$'000	\$'000
Securities purchased under agreements to resell:		
Pooled Equity Fund	43,145	105,957
Pooled Mortgage and Real Estate Fund	15,720	309,701
Pooled Fixed Income Fund	230,257	1,176,566
Pooled Foreign Currency Fund	155,624	407,268
Pooled Money Market Fund	265,408	261,689
Pooled International Equity Fund	100,930	192,670
Pooled Global Market Fund	22,067	7,705
Pooled Diversified Investment Fund	3,562	5,825
Pooled CPI Fund	<u>2,506,074</u>	<u>330,065</u>
	<u>3,342,787</u>	<u>2,797,446</u>

- (d) Directors' fees

Fees totalling \$2,271,150 (2021: \$2,498,265) were paid to the directors of Sagicor Pooled Investment Funds Limited by the Pooled Pension Investment Funds.

- (e) Related party balances shown in the statement of financial position are unsecured, interest free and payable on demand.

6. Notes to the Pooled Equity Fund [pages 5 – 7]

- (a) Quoted equities at FVTPL

	2022		2021	
	Number of	Valuation	Number of	Valuation
	shares	of shares	shares	of shares
	'000s	\$'000	'000s	\$'000
AMG Packaging and Paper Co. Ltd	11,319	39,618	10,000	16,500
Berger Paint Jamaica Limited	22,285	203,907	22,285	292,601
Caribbean Cement Company Limited	10,548	648,703	10,548	1,185,597
Caribbean Flavours and Fragrances Limited	1,956	3,482	1,956	3,698
Carreras Group Limited	179,485	1,570,491	179,485	1,489,723
Derrimon Trading Co. Limited	45,358	102,055	45,358	102,963
Equityline Mortgage Investment Corporation	384	105,076	384	110,573
First Caribbean International Bank	1,341	167,199	1,341	177,987
First Rock Capital Holdings Limited	10,846	144,035	13,746	179,385
1834 Investments Limited	25,000	28,500	25,000	24,250
General Accident Company Limited	4,252	21,301	4,252	23,172
GraceKennedy & Company Limited	39,894	3,582,517	41,910	4,156,614
Guardian Holdings Limited	292	146,214	292	209,605
Honey Bun 1982 Limited	2,500	19,750	2,500	22,200
Indies Pharma Jamaica Limited	8,172	24,108	4,190	15,711
Jamaica Broilers Limited	<u>33,476</u>	<u>984,205</u>	<u>37,476</u>	<u>1,198,869</u>
Balance brought forward	<u>397,108</u>	<u>7,791,161</u>	<u>400,723</u>	<u>9,209,448</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(a) Quoted equities at FVTPL

	2022		2021	
	Number of	Valuation	Number of	Valuation
	shares	of shares	shares	of shares
	'000s	\$'000	'000s	\$'000
Balance carried forward	<u>397,108</u>	<u>7,791,161</u>	<u>400,723</u>	<u>9,209,448</u>
Jamaica Money Market Brokers Limited	42,445	1,676,582	43,768	1,663,197
Jamaica Producers Group Limited	108,873	2,221,016	110,101	2,422,231
Jamaica Stock Exchange Limited	70,125	1,241,212	70,125	1,241,914
Kingston Properties Limited	2,000	16,020	2,000	17,000
Kingston Wharves Limited	37,860	1,495,466	32,860	1,448,135
Knutsford Express Services Limited	9,497	75,503	6,000	48,900
Lasco Distributors Limited	16,011	48,834	16,011	58,440
Lasco Financial Services Limited	4,000	11,200	4,000	12,720
Margaritaville Turks Limited	5,820	97,315	5,820	80,909
Mayberry Investments Limited	2,100	16,632	2,100	12,516
Mayberry Jamaica Equities Limited	210	2,415	210	1,733
NCB Financial Group Limited	78,712	7,084,102	79,993	10,159,144
MPC Caribbean Clean Energy Limited	4,192	251,580	4,192	482,115
Pan-Jamaica Investments Trust Limited	118,704	7,110,346	121,174	7,755,132
Radio Jamaica Limited	28,388	70,971	28,388	103,617
Sagicor Financial Corporation Limited	173	116,020	749	154,582
Sagicor Group Jamaica Limited	93,286	5,036,506	74,757	4,335,174
Scotia Group Jamaica Limited	63,242	2,302,005	63,242	2,465,802
Seprod Limited	2,485	166,764	885	55,332
Supreme Ventures Limited	48,950	1,321,661	48,950	871,317
Sygnus Credit Investments Limited	12,730	170,577	12,730	209,402
Sagicor Real Estate X Fund Limited	641,905	5,263,622	577,031	4,616,248
Sagicor Select Funds Limited	592,427	363,853	592,427	418,020
Trans Jamaican Highway Limited	709	1,028	709	886
138 Student Living Jamaica Limited	91,315	369,824	91,815	415,057
Wigton Wind Farm Limited	8,720	4,796	8,720	4,273
Wisynco Group Limited	25,914	453,487	23,914	382,378
JMMB Group 7.25% Preference Shares	-	-	175,000	218,750
PBS Preference Shares	1,305	143,550	2,500	275,000
JPS Indexed Class F 9.5%				
Preference Shares	23	65,499	59	99,137
Eppley Caribbean Value Fund	19	956	19	899
Eppley Limited 5.0% Class A				
Preference Share Due 2023	1,286	25,710	1,286	1,256
Eppley Limited 7.25% Class B				
Preference Share Due 2026	1,524	30,476	1,524	30,476
Eppley Limited 7.75% Class C				
Preference Share Due 2028	1,000	20,000	1,000	20,000
Proven Investments Ltd	5,310	159,352	5,510	179,073
Express Catering Limited	<u>12,500</u>	<u>64,375</u>	<u>-</u>	<u>-</u>
Balance brought forward	<u>2,530,868</u>	<u>45,290,416</u>	<u>2,610,292</u>	<u>49,470,213</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(a) Quoted equities at FVTPL (cont'd)

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u>	<u>Valuation</u>	<u>Number of</u>	<u>Valuation</u>
	<u>shares</u>	<u>of shares</u>	<u>shares</u>	<u>of shares</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Balance carried forward	<u>2,530,868</u>	<u>45,290,416</u>	<u>2,610,292</u>	<u>49,470,213</u>
Fontana Limited	1,984	18,653	-	-
Main Event Entertainment Group Limited	2,000	18,900	-	-
One-On-One Educational Services Limited	1,119	1,801	-	-
Sygnus Real Estate Finance Limited	<u>5,464</u>	<u>49,507</u>	<u>5,464</u>	<u>97,813</u>
	<u>2,541,435</u>	<u>45,379,277</u>	<u>2,615,756</u>	<u>49,568,026</u>

(b) Government of Jamaica securities at FVTPL

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
CPI Bonds	<u>372</u>	<u>338</u>

(c) Sagicor Sigma Global Funds at FVTPL

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u>	<u>Valuation</u>	<u>Number of</u>	<u>Valuation</u>
	<u>units</u>	<u>of units</u>	<u>units</u>	<u>of units</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Sigma Real Estate Portfolio	139,665	300,796	139,665	297,067
Sigma Equity	23,245	1,925,919	23,229	2,118,317
Sigma Global Equity	204,761	385,278	204,761	405,120
Sigma Money Market	422	725	27,747	47,137
Sigma Global Venture	<u>98,282</u>	<u>372,104</u>	<u>98,282</u>	<u>294,600</u>
	<u>466,375</u>	<u>2,984,822</u>	<u>493,684</u>	<u>3,162,241</u>

(c) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfill their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value.

The reverse repurchase agreements as at September 30, 2022 was \$43,145,000 (2021: \$105,957,000).

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(d) Unquoted equities and other investments at FVTPL

	2022		2021	
	Number of	Valuation	Number of	Valuation
	units	of units	units	of units
	'000	\$'000	'000	\$'000
BETA SPV Limited	4,068	912,571	4,068	1,219,549
Jamaica Unit Trust	<u>24</u>	<u>913</u>	<u>24</u>	<u>885</u>
	<u>4,092</u>	<u>913,484</u>	<u>4,092</u>	<u>1,220,434</u>

(f) Accounts receivable

	2022	2021
	\$'000	\$'000
Interest receivable	11	23
Dividend and other receivable	81,179	27,646
Withholding tax recoverable	<u>19,223</u>	<u>19,223</u>
	<u>100,413</u>	<u>46,892</u>

(g) Accounts payable

	2022	2021
	\$'000	\$'000
Accrued audit fees	5,252	4,916
Due to brokers and others	<u>17,268</u>	<u>56,019</u>
	<u>22,520</u>	<u>60,935</u>

(h) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	Carrying	Contractual	1-3
	Amount	cash flows	months
	\$'000	\$'000	\$'000
Accounts payable	22,520	22,520	22,520
Due to related party	2,973	2,973	2,973
Inter-fund accounts	<u>136,791</u>	<u>136,791</u>	<u>136,791</u>
	<u>162,284</u>	<u>162,284</u>	<u>162,284</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(h) Financial instruments (cont'd)

(ii) Liquidity risk (cont'd):

September 30, 2021	Carrying Amount \$'000	Contractual cash flows \$'000	1-3 months \$'000
Accounts payable	60,935	60,935	60,935
Due to related party	147,223	147,223	147,223
Inter-fund accounts	<u>36,007</u>	<u>36,007</u>	<u>36,007</u>
	<u>244,165</u>	<u>244,165</u>	<u>244,165</u>

(iii) Market risk:

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates.

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	> 5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	5,639	5,639	-	-	-	-
Quoted equities	45,379,277	-	-	-	-	45,379,277
Government of Jamaica Securities	372	-	-	-	372	-
Unquoted equities and other investments	913,484	-	-	-	-	913,484
Sagicor Sigma Global Funds	2,984,822	-	-	-	-	2,984,822
Securities purchased under agreement to resell	43,145	43,145	-	-	-	-
Accounts receivable	100,413	-	-	-	-	100,413
Inter-fund accounts	19,053	-	-	-	-	19,053
Due from related party	<u>3,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,561</u>
Total assets	<u>49,449,766</u>	<u>48,784</u>	<u>-</u>	<u>-</u>	<u>372</u>	<u>49,400,610</u>
<u>Liabilities</u>						
Accounts payable	22,520	-	-	-	-	22,520
Due to related parties	2,973	-	-	-	-	2,973
Inter-fund accounts	<u>136,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,791</u>
Total liabilities	<u>162,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,284</u>
Interest rate sensitivity gap	<u>49,287,482</u>	<u>48,784</u>	<u>-</u>	<u>-</u>	<u>372</u>	<u>49,238,326</u>
Cumulative gap	<u>49,287,482</u>	<u>48,784</u>	<u>48,784</u>	<u>48,784</u>	<u>49,156</u>	<u>49,287,482</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(h) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	> 5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	8,456	8,456	-	-	-	-
Quoted equities	49,568,026	-	-	-	-	49,568,026
Government of Jamaica Securities	338	-	-	-	338	-
Unquoted equities and other investments	1,220,434	-	-	-	-	1,220,434
Sagicor Sigma Global Funds	3,162,241	-	-	-	-	3,162,241
Securities purchased under agreement to resell	105,957	105,957	-	-	-	-
Accounts receivable	46,892	-	-	-	-	46,892
Inter-fund accounts	275,729	-	-	-	-	275,729
Due from related party	<u>1,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,921</u>
Total assets	<u>54,389,994</u>	<u>114,413</u>	<u>-</u>	<u>-</u>	<u>338</u>	<u>54,275,243</u>
<u>Liabilities</u>						
Accounts payable	60,935	-	-	-	-	60,935
Due to related parties	147,223	-	-	-	-	147,223
Inter-fund accounts	<u>36,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,007</u>
Total liabilities	<u>244,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,165</u>
Interest rate sensitivity gap	<u>54,145,829</u>	<u>114,413</u>	<u>-</u>	<u>-</u>	<u>338</u>	<u>54,031,078</u>
Cumulative gap	<u>54,145,829</u>	<u>114,413</u>	<u>114,413</u>	<u>114,413</u>	<u>114,751</u>	<u>54,145,829</u>

At the reporting date, the interest profile of the Fund's interest bearing financial instruments was as follows:

	2022 \$'000	2021 \$'000
Fixed rate instruments		
Financial assets	<u>30,599</u>	<u>105,957</u>
Variable rate instruments		
Financial assets	<u>372</u>	<u>338</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(h) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	Increase in basis point		Decrease in basis point	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below. The analysis assumes that all other variables, particularly foreign currency rates, remain constant.

The analysis was performed on the same basis as in 2021.

	Increase		Decrease	
	<u>Effect of change in net income</u>	<u>Effect of change in fair value</u>	<u>Effect of change in net income</u>	<u>Effect of change in fair value</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
September 30, 2022				
Financial assets	<u>870</u>	<u>(3)</u>	<u>(218)</u>	<u>1</u>
September 30, 2021				
Financial assets	<u>3</u>	<u>-</u>	<u>(3)</u>	<u>-</u>

(i) Fair values of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(i) Fair values of financial instruments (cont'd)

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (a) the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- (b) the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets, however, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount are a reasonable approximation of fair value due to the short term nature of these financial assets, which are all considered to be within the level two fair value hierarchy.

2022				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:				
Quoted equities	45,379,277	-	-	45,379,277
Government of Jamaica Securities	-	372	-	372
Sagicor Sigma Global Funds	-	2,984,822	-	2,984,822
Unquoted equity	-	-	913,484	913,484
	<u>45,379,277</u>	<u>2,985,194</u>	<u>913,484</u>	<u>49,277,955</u>
2021				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:				
Quoted equities	49,568,026	-	-	49,568,026
Government of Jamaica Securities	-	338	-	338
Sagicor Sigma Global Funds	-	3,162,241	-	3,162,241
Unquoted equity	-	-	1,220,434	1,220,434
	<u>49,568,026</u>	<u>3,162,579</u>	<u>1,220,434</u>	<u>53,951,039</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

6. Notes to the Pooled Equity Fund [pages 5 – 7] (cont'd)

(i) Fair values of financial instruments (cont'd)

Reconciliation of Level 3 fair values

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

	2022 \$'000	2021 \$'000
Balance as at October 1	1,220,434	1,247,928
Net change in fair value	(306,950)	(27,494)
Balance as at September 30	<u>913,484</u>	<u>1,220,434</u>

Sensitivity to significant unobservable inputs movements:

For the fair values of Level 3 instruments, a 6% increase or 6% decrease (2021: 5% increase or 5% decrease) of the equity price would have increase or decrease net income by \$55,000,000 (2021 \$61,000,000).

7. Notes to the Pooled Mortgage and Real Estate Fund [pages 8 – 10]

(a) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfill their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximates the carrying value.

The reverse repurchase agreements as at September 30, 2022 was \$15,720,000 (2021: \$309,701,000).

(b) Sagicor Sigma Global Funds

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>
Sigma Real Estate	4,513,720	9,721,199	5,081,162	10,807,632
Sigma Money Market	<u>22,950</u>	<u>39,474</u>	<u>22,950</u>	<u>38,987</u>
	<u>4,536,670</u>	<u>9,760,673</u>	<u>5,104,112</u>	<u>10,846,619</u>

(c) Quoted equities

This represents 635,556,368 (2021: 490,260,812) units in Sagicor Real Estate X Fund Limited, valued at \$5,211,562,000 (2021: \$3,922,086,000) and 16,233,332 (2021: 16,233,332) units in 138 Student Living valued at \$65,745,000 (2021: \$73,375,000).

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

7. Notes to the Pooled Mortgage and Real Estate Fund [pages 8 – 10] (cont'd)

(d) Investment properties

	<u>2022</u> \$'000	<u>2021</u> \$'000
Jewel Grande Montego Bay (formerly Palmyra)*	13,083,220	12,404,579
Lot 17, Dominica Drive, New Kingston **	2,200,000	2,000,000
6b Manchester Avenue, May Pen***	<u>140,000</u>	<u>115,000</u>
	<u>15,423,220</u>	<u>14,519,579</u>

* This represents investment in units at the Jewel Grande Montego Bay, from which rental income will be earned. The Jewel Grande was opened for business in September 2021. The property is valued every year by an independent professional valuator. Valuation of property, which is located at Rose Hall, St. James was performed by Allison, Pitter & Co. an independent professional valuator, on July 17, 2022, at which time the asset was valued at \$13,083,220,000. There was no significant change in the fair value of the property from the valuation date to the reporting date.

** The valuation of this property which is located at Lot 17, Dominica Drive, New Kingston was performed by Allison, Pitter & Co. an independent professional valuator, on October 6, 2022, for the period ended September 30, 2022, at which time the asset was valued at \$2,200,000,000. There was no significant change in the fair value of the property from the valuation date to the reporting date.

*** The valuation of this property, which is located at 6b Manchester Avenue, May Pen, Clarendon was performed by Allison, Pitter & Co. an independent professional valuator, on September 29, 2022 at which time the asset was valued at \$140,000,000,000. There was no significant change in the fair value of the property from the reporting date and the valuation date.

The fair value of investment properties of \$15,423,220,000 (2021: \$14,510,579,000) has been categorised as level 3 in the fair value hierarchy.

The following table shows the valuation technique used in measuring fair value as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Market approach. This model takes into account:</p> <ul style="list-style-type: none"> A willing seller and buyer; A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market; 	<ul style="list-style-type: none"> Judgements if the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. The potential rental value of the property in the current investment climate. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> the potential rental value of the property increased/ decreased. judgement about what the property can be sold, exchanged, let, mortgaged, which had been determined to be better/(worse).

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

7. Notes to the Pooled Mortgage and Real Estate Fund [pages 8 – 10] (cont'd)

(d) Investment properties (cont'd)

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Market approach. This model takes into account:</p> <ul style="list-style-type: none"> • remain stable throughout the period of market exposure and disposal by of sale (hypothetical); • The property will be freely exposed to the market; and • Potential rental value of the property in the current investment climate. 	<ul style="list-style-type: none"> • The strength of demand for the property, given its condition, location and range of potential uses. 	<ul style="list-style-type: none"> • The strength of the demand is greater/(less) than judged.

The rental income earned on the properties during the year amounted to \$2,481,035,000 (2021: \$835,986,000) and the related expenses totalled \$2,290,455,000 (2021: \$1,181,302,000).

(e) Accounts receivable

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Other receivables	5,111	-
Interest receivable	3	36
Withholding tax recoverable	6,250	6,250
Rent Receivable	38,677	-
Miscellaneous*	67	67
Property insurance**	<u>9,604</u>	<u>10,501</u>
	<u>59,712</u>	<u>16,854</u>

*In the prior year, miscellaneous receivables represented amounts advanced towards renovation of the Jewel Grande that has not yet been spent.

**Property insurance receivables represent prepayment made on the 6b Manchester Avenue and 17 Dominica Drive investment properties.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

7. Notes to the Pooled Mortgage and Real Estate Fund [pages 8 – 10] (cont'd)

(f) Property Rental and Services Fees Payable/Receivable

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Due to Jewel Grande Montego Bay	(1,621,450)	(2,124,924)
Due from Jewel Grande Montego Bay	<u>1,998,608</u>	<u>1,959,765</u>
	<u>377,158</u>	<u>(165,159)</u>

(g) Accounts payable

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Stale-dated cheques and other payables	<u>8,489</u>	<u>7,651</u>

(h) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	<u>Carrying</u>	<u>Contractual</u>	<u>1-3</u>
	<u>Amount</u>	<u>cash flows</u>	<u>months</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Accounts payable	8,489	8,489	8,489
Due to related parties	63,430	63,430	63,430
Inter-fund accounts	<u>21,651</u>	<u>21,651</u>	<u>21,651</u>
	<u>93,570</u>	<u>93,570</u>	<u>93,570</u>
 September 30, 2021	 <u>Carrying</u>	 <u>Contractual</u>	 <u>1-3</u>
	<u>Amount</u>	<u>cash flows</u>	<u>months</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Accounts payable	7,651	7,651	7,651
Due to related parties	54,520	54,520	54,520
Inter-fund accounts	<u>75,255</u>	<u>75,255</u>	<u>75,255</u>
	<u>137,426</u>	<u>137,426</u>	<u>137,426</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

7. Notes to the Pooled Mortgage and Real Estate Fund [pages 8 – 10] (cont'd)

(h) Financial instruments (cont'd)

(iii) Market risk:

Interest rate risk

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	≥5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	11,255	11,255	-	-	-	-
Sagicor Sigma Global Funds	9,760,673	-	-	-	-	9,760,673
Quoted equities	5,277,307	-	-	-	-	5,277,307
Securities purchased under agreement to resell	15,720	15,720	-	-	-	-
Accounts receivable	59,712	-	-	-	-	59,712
Inter-fund accounts	18,295	-	-	-	-	18,295
Due from related parties	<u>381,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,595</u>
Total assets	<u>15,524,557</u>	<u>26,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,497,582</u>
<u>Liabilities</u>						
Accounts payable	8,489	-	-	-	-	8,489
Due to related parties	63,430	-	-	-	-	63,430
Inter-fund accounts	<u>21,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,651</u>
Total liabilities	<u>93,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,570</u>
Interest rate sensitivity gap	<u>15,430,987</u>	<u>26,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,404,012</u>
Cumulative gap	<u>15,430,987</u>	<u>26,975</u>	<u>26,975</u>	<u>26,975</u>	<u>26,975</u>	<u>15,430,987</u>
September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	≥5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	6,479	6,479	-	-	-	-
Sagicor Sigma Global Funds	10,846,619	-	-	-	-	10,846,619
Quoted equities	3,995,461	-	-	-	-	3,995,461
Securities purchased under agreement to resell	309,701	309,701	-	-	-	-
Accounts receivable	16,854	-	-	-	-	16,854
Inter-fund accounts	76,419	-	-	-	-	76,419
Due from related parties	<u>38,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,456</u>
Total assets	<u>15,289,989</u>	<u>316,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,973,809</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

7. Notes to the Pooled Mortgage and Real Estate Fund [pages 8 – 10] (cont'd)

(h) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	≥5 years \$'000	Non sensitive \$'000
<u>Liabilities</u>						
Accounts payable	7,651	-	-	-	-	7,651
Due to related parties	54,520	-	-	-	-	54,520
Inter-fund accounts	<u>75,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,255</u>
Total liabilities	<u>137,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,426</u>
Interest rate sensitivity gap	<u>15,152,563</u>	<u>316,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,836,383</u>
Cumulative gap	<u>15,152,563</u>	<u>316,180</u>	<u>316,180</u>	<u>316,180</u>	<u>316,180</u>	<u>15,152,563</u>

At the reporting date, the interest profile of the Fund's interest-bearing financial instruments was as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Fixed rate instruments		
Financial assets	<u>15,720</u>	<u>309,701</u>

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	<u>Increase in basis point</u>		<u>Decrease in basis point</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below. The analysis assumes that all other variables, particularly foreign currency rates, remain constant. As at September 30, 2022 there were no variable rate instruments.

(i) Fair values of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

7. Notes to the Pooled Mortgage and Real Estate Fund [pages 8 – 10] (cont'd)

(i) Fair values of financial instruments (cont'd)

- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets such as securities purchased under agreement to resell because the carrying amount is a reasonable approximation of fair value due to the short-term nature of these financial assets, which are all considered to be within the level two fair value hierarchy.

	<u>2022</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Sagicor Sigma Global Funds	-	9,760,673	9,760,673
Quoted equities	<u>5,277,307</u>	<u>-</u>	<u>5,277,307</u>
	<u>5,277,307</u>	<u>9,760,673</u>	<u>15,037,980</u>
	<u>2021</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Sagicor Sigma Global Funds	-	10,846,619	10,846,619
Quoted equities	<u>3,995,461</u>	<u>-</u>	<u>3,995,461</u>
	<u>3,995,461</u>	<u>10,846,619</u>	<u>14,842,080</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13]

(a) Government of Jamaica securities

	2022	2021
	\$'000	\$'000
Bonds:		
CPI		931,730
Benchmark	1,847,687	2,716,612
Highway		415,638
Global	2,710,124	3,221,875
Other Government of Jamaica Bonds	<u>870,023</u>	<u>1,854,035</u>
	<u>5,427,834</u>	<u>9,139,890</u>

(b) Corporate Bonds

	2022	2021
	\$'000	\$'000
USD Corporate Bonds	714,078	686,689
JMD Corporate Bonds	<u>7,768,648</u>	<u>8,334,819</u>
	<u>8,482,726</u>	<u>9,021,508</u>

(c) Investment in finance leases

	2022	2021
	\$'000	\$'000
Total minimum payment receivable	27,265	59,460
Unearned income	<u>(3,682)</u>	<u>(11,480)</u>
	<u>23,583</u>	<u>47,980</u>
	2022	2021
	\$'000	\$'000
Comprised as follows:		
Current portion	27,265	36,194
Non-current portion	<u>-</u>	<u>11,786</u>
	<u>27,265</u>	<u>47,980</u>
Future minimum payments are receivable as follows:		
Within 1 year	27,265	45,310
Between 1 and 5 years	<u>-</u>	<u>14,150</u>
	<u>27,265</u>	<u>59,460</u>

(d) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfill their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13] (cont'd)

(d) Securities purchased under agreements to resell (cont'd)

The reverse repurchase agreements as at September 30, 2022 was \$230,257,000 (2021: \$1,176,000,000).

(e) Sagicor Sigma Global Funds

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>
Sigma Global Venture	48,962	185,376	48,962	146,764
Sigma Bond	11,472	406,641	4,770	170,641
Sigma Money Market	344,783	593,027	490,132	832,636
Sigma Diversified	364,507	865,084	364,507	889,761
Sigma Global Bond	<u>96,725</u>	<u>1,843,200</u>	<u>109,585</u>	<u>2,221,563</u>
	<u>866,449</u>	<u>3,893,328</u>	<u>1,017,956</u>	<u>4,261,365</u>

(f) Sagicor Pooled Pension Fund

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>
Pooled Mortgage and Real Estate Fund	<u>58</u>	<u>786,253</u>	<u>68</u>	<u>875,325</u>

(g) Quoted Equities at FVTPL

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>
JPS Indexed Class F 9.5% Preference Shares	70	201,840	33	55,275
JMMB 7.35% Fixed Rate Preference Share	33,350	100,050	33,350	100,050
JMMB 7.25% Variable Rate Preference Shares	<u>175,000</u>	<u>315,000</u>	<u>-</u>	<u>-</u>
	<u>208,420</u>	<u>616,890</u>	<u>33,383</u>	<u>155,325</u>

(h) Unquoted Equities at FVTPL

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>	<u>Number of</u> <u>units</u> <u>'000</u>	<u>Valuation</u> <u>of units</u> <u>\$'000</u>
Trans Jamaican Highway Limited Preference Shares	176,983	235,387	176,983	235,387
Caribbean Mezzanine Fund Class A Preference Shares	3,347	35,010	3,347	35,010
West Indies Petroleum Class D Preference Shares	<u>10,000</u>	<u>108,885</u>	<u>10,000</u>	<u>103,733</u>
	<u>190,330</u>	<u>379,282</u>	<u>190,330</u>	<u>374,130</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13] (cont'd)

(i) Accounts receivable

	2022	2021
	\$'000	\$'000
Interest receivable	166,772	215,641
Withholding tax recoverable	34,432	30,970
General Consumption Tax (GCT) receivable	18,805	18,805
Due from broker	24,401	6,164
Other receivables	2,506	3,194
Dividends receivables	<u>-</u>	<u>4,967</u>
	<u>246,916</u>	<u>279,741</u>

(j) Accounts payable

	2022	2021
	\$'000	\$'000
GCT and other payable	195	241
Accrued audit fees	2,184	2,266
Stale-dated cheques	-	5,172
Electronic bank transfers not yet allocated	<u>189,715</u>	<u>128,889</u>
	<u>192,094</u>	<u>136,568</u>

(k) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022

	Carrying	Contractual	1-3
	Amount	cash flows	months
	\$'000	\$'000	\$'000
Due to related party	19,333	19,333	19,333
Accounts payable	192,094	192,094	192,094
Inter-fund accounts	<u>621,477</u>	<u>621,477</u>	<u>621,477</u>
	<u>832,904</u>	<u>832,904</u>	<u>832,904</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13] (cont'd)

(k) Financial instruments (cont'd)

(ii) Liquid risk (cont'd):

September 30, 2021

	<u>Carrying Amount</u> \$'000	<u>Contractual cash flows</u> \$'000	<u>1-3 months</u> \$'000
Due to related party	155,381	155,381	155,381
Accounts payable	136,568	136,568	136,568
Inter-fund accounts	<u>310,550</u>	<u>310,550</u>	<u>310,550</u>
	<u>602,499</u>	<u>602,499</u>	<u>602,499</u>

(iii) Market risk:

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates.

September 30, 2022	<u>Carrying Amount</u> \$'000	<u>Within 3 months</u> \$'000	<u>3-12 months</u> \$'000	<u>1-5 years</u> \$'000	<u>>5 years</u> \$'000	<u>Non sensitive</u> \$'000
<u>Assets</u>						
Cash	20,305	20,305	-	-	-	-
Government of Jamaica securities	5,427,835	73,626	9,904	224,283	5,120,022	-
Corporate Bonds	8,482,726	97,499	1,048,344	1,222,782	6,114,101	-
Sagicor Sigma Global Funds	3,893,328	-	-	-	-	3,893,328
Sagicor Pooled Pension Funds	786,253	-	-	-	-	786,253
Securities purchased under agreement to resell	230,257	230,257	-	-	-	-
Quoted equities	616,890	-	-	-	-	616,890
Unquoted equities	379,282	-	-	-	-	379,282
Investment in finance leases	23,583	-	-	-	-	23,583
Accounts receivable	246,916	-	-	-	-	246,916
Inter-fund accounts	319,665	-	-	-	-	319,665
Due from related parties	<u>2,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,241</u>
Total assets	<u>20,429,281</u>	<u>421,687</u>	<u>1,058,248</u>	<u>1,447,065</u>	<u>11,234,123</u>	<u>6,268,158</u>
<u>Liabilities</u>						
Due to related party	19,333	-	-	-	-	19,333
Accounts payable	192,094	-	-	-	-	192,094
Inter-fund accounts	<u>621,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>621,477</u>
Total liabilities	<u>832,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>832,904</u>
Interest rate sensitivity gap	<u>19,596,377</u>	<u>421,687</u>	<u>1,058,248</u>	<u>1,447,065</u>	<u>11,234,123</u>	<u>5,435,254</u>
Cumulative gap	<u>19,596,377</u>	<u>421,687</u>	<u>1,479,935</u>	<u>2,927,000</u>	<u>14,161,123</u>	<u>19,596,377</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13] (cont'd)

(k) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
Cash	48,270	48,270	-	-	-	-
Government of Jamaica securities	9,139,890	-	145,839	740,739	8,253,312	-
Corporate Bonds	9,021,508	-	755,840	1,673,185	6,592,483	-
Sagicor Sigma Global Funds	4,261,365	-	-	-	-	4,261,365
Sagicor Pooled Pension Funds	875,325	-	-	-	-	875,325
Securities purchased under agreement to resell	1,176,566	1,176,566	-	-	-	-
Quoted equities	155,325	-	-	-	-	155,325
Unquoted equities	374,130	-	-	-	-	374,130
Investment in finance leases	47,980	-	-	-	-	47,980
Accounts receivable	279,741	-	-	-	-	279,741
Inter-fund accounts	419,384	-	-	-	-	419,384
Due from related parties	15,203	-	-	-	-	15,203
Total assets	25,814,687	1,224,836	901,679	2,413,924	14,845,795	6,428,453
Liabilities						
Due to related party	155,381	-	-	-	-	155,381
Accounts payable	136,568	-	-	-	-	136,568
Inter-fund accounts	310,550	-	-	-	-	310,550
Total liabilities	602,499	-	-	-	-	602,499
Interest rate sensitivity gap	25,212,188	1,224,836	901,679	2,413,924	14,845,795	5,825,954
Cumulative gap	25,212,188	1,224,836	2,126,515	4,540,439	19,386,234	25,212,188

At the reporting date, the interest profile of the Fund's interest-bearing financial instruments was as follows:

	2022 \$'000	2021 \$'000
Fixed rate instruments		
Financial assets	<u>13,841,970</u>	<u>17,444,510</u>
Variable rate instruments		
Financial assets	<u>241,169</u>	<u>1,893,454</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13] (cont'd)

(k) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	Increase in basis point		Decrease in basis point	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below. The analysis assumes that all other variables, particularly foreign currency rates, remain constant. The analysis was performed on the same basis as in 2021.

	Increase		Decrease	
	<u>Effect of change in net income \$'000</u>	<u>Effect of change in fair value \$'000</u>	<u>Effect of change in net income \$'000</u>	<u>Effect of change in fair value \$'000</u>
September 30, 2022				
Financial assets	<u>9,353</u>	<u>(1,567,182)</u>	<u>(2,338)</u>	<u>450,512</u>
	Increase		Decrease	
	<u>Effect of change in interest rate \$'000</u>	<u>Effect of change in fair value \$'000</u>	<u>Effect of change in interest rate \$'000</u>	<u>Effect of change in fair value \$'000</u>
September 30, 2021				
Financial assets	<u>18,935</u>	<u>(2,949,844)</u>	<u>(18,935)</u>	<u>596,254</u>

(l) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13] (cont'd)

(l) Fair value of financial instruments (cont'd)

- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets such as securities purchased under agreements to resell because the carrying amount is a reasonable approximation of fair value due to the short term nature of these financial assets, which are all considered to be within the level two fair value hierarchy.

	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:				
Government of Jamaica Securities	-	5,427,834	-	5,427,834
Corporate Bonds	-	8,482,726	-	8,482,726
Sagicor Sigma Global Funds	-	3,893,328	-	3,893,328
Sagicor Pooled Pension Funds	-	786,253	-	786,253
Unquoted equities	-	-	379,282	379,282
Quoted equities	<u>616,890</u>	<u>-</u>	<u>-</u>	<u>616,890</u>
	<u>616,890</u>	<u>18,590,141</u>	<u>379,282</u>	<u>19,586,313</u>
	<u>2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:				
Government of Jamaica Securities	-	9,139,890	-	9,139,890
Corporate Bonds	-	9,021,508	-	9,021,508
Sagicor Sigma Global Funds	-	4,261,365	-	4,261,365
Sagicor Pooled Pension Funds	-	875,325	-	875,325
Unquoted equities	-	-	374,130	374,130
Quoted equities	<u>155,325</u>	<u>-</u>	<u>-</u>	<u>155,325</u>
	<u>155,325</u>	<u>23,298,088</u>	<u>374,130</u>	<u>23,827,543</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

8. Notes to the Pooled Fixed Income Fund [pages 11 – 13] (cont'd)

(l) Fair value of financial instruments (continued)

Reconciliation of Level 3 fair values

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

	2022	2021
	\$'000	\$'000
Balance as at October 1	374,130	350,000
Net change in fair value	<u>5,152</u>	<u>24,130</u>
Balance as at September 30	<u>379,282</u>	<u>374,130</u>

Sensitivity to significant unobservable inputs movements:

For the fair values of Level 3 instruments, a 6% increase or 6% decrease (5% increase or 5% decrease) of the equity price would have increase or decrease net income by \$22,800,000 (2021:18,700,000).

9. Notes to the Pooled Foreign Currency Fund [pages 14 - 16]

	2022	2021
	\$'000	\$'000
(a) (i) Government of Jamaica securities:		
Global Bonds	6,753,090	8,148,907
Benchmark Bonds	79,972	112,650
Other – Government guaranteed	<u>124,065</u>	<u>750,376</u>
	<u>6,957,127</u>	<u>9,011,933</u>

	2022	2021
	\$'000	\$'000
(a) (ii) Corporate Bonds:		
USD Corporate Bonds	1,055,485	1,148,242
JMD Corporate Bonds	<u>416,803</u>	<u>974,085</u>
	<u>1,472,288</u>	<u>2,122,327</u>

(b) Quoted equity at FVTPL

	2022		2021	
	Number of	Valuation	Number of	Valuation
	shares	of shares	shares	of shares
	'000s	\$'000s	'000s	\$'000s
JPS Indexed 9.5% preference shares	<u>79</u>	<u>228,851</u>	<u>79</u>	<u>132,181</u>

(c) Investment in finance lease

	2022	2021
	\$'000	\$'000
Total minimum payment receivable	10,390	10,002
Unearned income	(823)	(112)
Comprised of current portion	<u>9,567</u>	<u>9,890</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

9. Notes to the Pooled Foreign Currency Fund [pages 14 – 1 (cont'd)]

(c) Investment in finance lease (cont'd)

	2022	2021
	\$'000	\$'000
Future minimum payments are receivable as follows:		
Within 1 year	<u>10,389</u>	<u>10,002</u>

(d) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfil their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value. The reverse repurchase agreements as at September 30, 2022 was \$155,624,000 (2021: \$407,268,000)

(e) Sagicor Sigma Global Funds

	2022		2021	
	Number of units '000	Valuation of units \$'000	Number of units '000	Valuation of units \$'000
Sigma Money Market	857,711	1,475,263	916,534	1,557,009
Sigma Global Bond	<u>761,395</u>	<u>14,509,217</u>	<u>747,349</u>	<u>15,150,630</u>
	<u>1,619,106</u>	<u>15,984,480</u>	<u>1,663,883</u>	<u>16,707,639</u>

(f) Sagicor Pooled Pension Funds

	2022		2021	
	Number of units '000	Valuation of units \$'000	Number of units '000	Valuation of units \$'000
Pooled Mortgage and Real Estate Funds	<u>65</u>	<u>866,514</u>	<u>69</u>	<u>889,375</u>

(g) Unquoted Equities at FVTPL

	2022		2021	
	Number of units '000	Valuation of units \$'000	Number of units '000	Valuation of units \$'000
Caribbean Mezzanine Fund Class B				
Preference Shares	2,375	25,273	2,375	24,330
West Indies Petroleum Plan D				
Preference Shares	<u>10,000</u>	<u>108,886</u>	<u>10,000</u>	<u>103,733</u>
	<u>12,375</u>	<u>134,159</u>	<u>12,375</u>	<u>128,063</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

9. Notes to the Pooled Foreign Currency Fund [pages 14 - 16] (cont'd)

(h) Accounts receivable

	2022	2021
	\$'000	\$'000
Interest receivable	126,465	140,904
Withholding tax recoverable	13,357	13,357
GCT receivable	3,357	3,357
Due from broker	<u>34,895</u>	<u>33,420</u>
	<u>178,074</u>	<u>191,038</u>

(i) Accounts payable

	2022	2021
	\$'000	\$'000
Accrued audit fees	2,874	2,692
Due to brokers and others	2,969	4,988
Stale-dated cheques	<u>2,063</u>	<u>4,875</u>
	<u>7,906</u>	<u>12,555</u>

(j) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	Carrying amount \$'000	Contractual cash flows \$'000	1-3 months \$'000
Inter-fund account	53,542	53,542	53,542
Accounts payable	7,906	7,906	7,906
Due to related party	<u>24,620</u>	<u>24,620</u>	<u>24,620</u>
	<u>86,068</u>	<u>86,068</u>	<u>86,068</u>
September 30, 2021	Carrying amount \$'000	Contractual cash flows \$'000	1-3 months \$'000
Inter-fund account	283,838	283,838	283,838
Accounts payable	12,555	12,555	12,555
Due to related party	<u>34,917</u>	<u>34,917</u>	<u>34,917</u>
	<u>331,310</u>	<u>331,310</u>	<u>331,310</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

9. Notes to the Pooled Foreign Currency Fund [pages 14 - 16] (cont'd)

(j) Financial instruments (cont'd)

(iii) Market risk:

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates:

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	20,930	20,930	-	-	-	-
Government of Jamaica						
Securities	6,957,127	-	-	886,008	6,071,119	-
Corporate Bonds	1,472,288	-	169,109	190,240	1,112,939	-
Quoted equities	228,851	-	-	-	-	228,851
Sagicor Sigma Global						
Funds	15,984,480	-	-	-	-	15,984,480
Sagicor Pooled Pension						
Funds	866,514	-	-	-	-	866,514
Unquoted equity	134,159	-	-	-	-	134,159
Securities purchased under						
agreement to resell	155,624	155,624	-	-	-	-
Investment in finance leases	9,567	-	-	-	-	9,567
Accounts receivable	178,074	-	-	-	-	178,074
Due from related parties	1,203	-	-	-	-	1,203
Inter-fund accounts	415	-	-	-	-	415
Total assets	<u>26,009,232</u>	<u>176,554</u>	<u>169,109</u>	<u>1,076,248</u>	<u>7,184,058</u>	<u>17,403,263</u>
<u>Liabilities</u>						
Inter-fund accounts	24,620	-	-	-	-	24,620
Accounts payable	7,906	-	-	-	-	7,906
Due to related parties	<u>53,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,542</u>
Total liabilities	<u>86,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,068</u>
Interest rate sensitivity						
gap	<u>25,923,164</u>	<u>176,554</u>	<u>169,109</u>	<u>1,076,248</u>	<u>7,184,058</u>	<u>17,317,195</u>
Cumulative gap	<u>25,923,164</u>	<u>176,554</u>	<u>345,663</u>	<u>1,431,911</u>	<u>8,605,969</u>	<u>25,923,164</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

9. Notes to the Pooled Foreign Currency Fund [pages 14 - 16] (cont'd)

(j) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	18,445	18,445	-	-	-	-
Government of Jamaica Securities	9,011,933	-	27,940	932,116	8,051,877	-
Corporate Bonds	2,122,327	-	-	815,030	1,307,297	-
Quoted equities	132,181	-	-	-	-	132,181
Sagicor Sigma Global Funds	16,707,639	-	-	-	-	16,707,639
Sagicor Pooled Pension Funds	889,375	-	-	-	-	889,375
Unquoted equities	128,063	-	-	-	-	128,063
Securities purchased under agreement to resell	407,268	407,268	-	-	-	-
Investment in finance leases	9,890	-	-	-	-	9,890
Accounts receivable	191,038	-	-	-	-	191,038
Due from related parties	8,203	-	-	-	-	8,203
Inter-fund accounts	3,274	-	-	-	-	3,274
Total assets	29,629,636	425,713	27,940	1,747,146	9,359,174	18,069,663
<u>Liabilities</u>						
Inter-fund accounts	283,838	-	-	-	-	283,838
Accounts payable	12,555	-	-	-	-	12,555
Due to related parties	34,917	-	-	-	-	34,917
Total liabilities	331,310	-	-	-	-	331,310
Interest rate sensitivity gap	<u>29,298,326</u>	<u>425,713</u>	<u>27,940</u>	<u>1,747,146</u>	<u>9,359,174</u>	<u>17,738,353</u>
Cumulative gap	<u>29,298,326</u>	<u>425,713</u>	<u>453,653</u>	<u>2,200,799</u>	<u>11,559,973</u>	<u>29,298,326</u>

At the reporting date, the interest profile of the Fund's interest bearing financial instruments was as follows:

	2022 \$'000	2021 \$'000
Fixed rate instruments		
Financial assets	<u>8,585,040</u>	<u>11,541,527</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

9. Notes to the Pooled Foreign Currency Fund [pages 14 - 16] (cont'd)

(j) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	Increase in basis point		Decrease in basis point	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below. The analysis assumes that all other variables, particularly foreign currency rates, remain constant. The analysis was performed on the same basis as in 2021.

	Increase		Decrease	
	<u>Effect of change in net income</u>	<u>Effect of change in fair value</u>	<u>Effect of change in net income</u>	<u>Effect of change in fair value</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
September 30, 2022				
Financial assets	<u>3,112</u>	<u>(1,066,203)</u>	<u>(778)</u>	<u>308,813</u>
September 30, 2021				
Financial assets	<u>-</u>	<u>(2,277,174)</u>	<u>-</u>	<u>476,175</u>

(k) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

9. Notes to the Pooled Foreign Currency Fund [pages 14 - 16] (cont'd)

(k) Fair value of financial instruments (cont'd)

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (a) the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- (b) the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy. It does not include fair value information for financial assets such as securities purchased under agreements to resell because the carrying amount is a reasonable approximation of fair value due to the short term nature of these financial assets, which are all considered to be within the level two fair value hierarchy.

2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			<u>Total</u>
			<u>\$'000</u>
Unquoted Equity	-	-	134,159
Government of Jamaica Securities	-	6,957,127	-
Quoted Equities	228,851	-	-
Corporate Bonds	-	1,472,288	-
Sagicor Pooled Pension Funds	-	866,514	-
Sagicor Sigma Global Funds	-	15,984,480	-
	<u>228,851</u>	<u>25,280,409</u>	<u>134,159</u>
			<u>25,643,419</u>
2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			<u>Total</u>
			<u>\$'000</u>
Unquoted Equity	-	-	128,063
Government of Jamaica Securities	-	9,011,933	-
Quoted Equity	132,181	-	-
Corporate Bonds	-	2,122,327	-
Sagicor Pooled Pension Funds	-	889,375	-
Sagicor Sigma Global Funds	-	16,707,639	-
	<u>132,181</u>	<u>28,731,274</u>	<u>128,063</u>
			<u>28,991,518</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

9. Notes to the Pooled Foreign Currency Fund [pages 14 - 16] (cont'd)

(k) Fair value of financial instruments (cont'd)

Reconciliation of Level 3 fair values

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

	2022 \$'000	2021 \$'000
Balance as at October 1	128,063	100,000
Net change in fair value	<u>6,096</u>	<u>28,063</u>
Balance as at September 30	<u>134,159</u>	<u>128,063</u>

Sensitivity to significant unobservable inputs movements:

For the fair values of Level 3 instruments, a 6% increase or 6% decrease (5% increase or 5% decrease) of the equity price would have increase or decrease net income by \$3,068,000 (2021: 6,400,000).

10. Notes to the Pooled Money Market Fund [pages 17 - 19]

	2022 \$'000	2021 \$'000
(a) (i) Government of Jamaica securities:		
Benchmark Bonds	<u>629,549</u>	<u>1,416,223</u>

	2022 \$'000	2021 \$'000
(a) (ii) Corporate Bonds:		
JMD Corporate Bonds	1,639,966	1,292,039
USD Corporate Bonds	<u>-</u>	<u>91,770</u>
	<u>1,639,966</u>	<u>1,383,809</u>

(a) (iii) Quoted equities

	2022		2021	
	Number of units '000	Valuation of units \$'000	Number of units '000	Valuation of units \$'000
Eppley 8.75% Preference Shares Due 2023	-	-	788	4,882
JMMB Preference Shares 7.25%	175,000	315,000	175,000	218,750
PBS Preference Shares	1,195	131,450	-	-
Eppley 6.00% Preference Shares Due 2024	<u>450</u>	<u>77,302</u>	<u>450</u>	<u>64,539</u>
	<u>176,645</u>	<u>523,752</u>	<u>176,238</u>	<u>288,171</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

10. Notes to the Pooled Money Market Fund [pages 17 - 19] (cont'd)

(b) Sagicor Sigma Global Funds

	2022		2021	
	Number of	Valuation	Number of	Valuation
	<u>units</u>	<u>of units</u>	<u>units</u>	<u>of units</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Sigma Money Market	<u>1,654,368</u>	<u>2,845,513</u>	<u>1,341,025</u>	<u>2,278,134</u>

(c) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfill their contractual obligations. The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value.

The reverse repurchase agreements as at September 30, 2022 was \$265,408,000 (2021: \$261,689,000).

(d) Accounts receivable

	2022	2021
	<u>\$'000</u>	<u>\$'000</u>
Interest receivable	18,415	38,287
Withholding tax recoverable	18,479	17,738
Other receivables	<u>172,619</u>	<u>12,756</u>
	<u>209,513</u>	<u>68,781</u>

(e) Accounts payable

	2022	2021
	<u>\$'000</u>	<u>\$'000</u>
Accrued audit fees	670	534
Stale dated cheques	<u>737</u>	<u>737</u>
	<u>1,407</u>	<u>1,271</u>

(f) Financial instruments

(i) Credit risk:

Exposure to credit risk:

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

10. Notes to the Pooled Money Market Fund [pages 17 - 19] (cont'd)

(f) Financial instruments (cont'd)

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	<u>Carrying amount</u> \$'000	<u>Contractual cash flows</u> \$'000	<u>1-3 months</u> \$'000
Bank overdraft	23,876	23,876	23,876
Interfund Accounts	9,754	9,754	9,754
Accounts payable	1,407	1,407	1,407
Due to related party	<u>14,018</u>	<u>14,018</u>	<u>14,018</u>
	<u>49,055</u>	<u>49,055</u>	<u>49,055</u>
 September 30, 2021	 <u>Carrying amount</u> \$'000	 <u>Contractual cash flows</u> \$'000	 <u>1-3 months</u> \$'000
Bank overdraft	8,926	8,926	8,926
Accounts payable	1,271	1,271	1,271
Due to related party	<u>4,961</u>	<u>4,961</u>	<u>4,961</u>
	<u>15,158</u>	<u>15,158</u>	<u>15,158</u>

(iii) Market risk:

Interest rate risk:

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates:

September 30, 2022	<u>Carrying Amount</u> \$'000	<u>Within 3 months</u> \$'000	<u>3-12 months</u> \$'000	<u>1-5 years</u> \$'000	<u>>5 years</u> \$'000	<u>Non sensitive</u> \$'000
<u>Assets</u>						
Quoted equities	523,752	-	-	-	-	523,752
Government of Jamaica securities	629,549	456,268	99,043	74,238	-	-
Corporate Bonds	1,639,966	85,263	797,521	757,182	-	-
Sagicor Sigma Global Funds	2,845,513	-	-	-	-	2,845,513
Securities purchased under agreement to resell	265,408	265,408	-	-	-	-
Accounts receivable	209,513	-	-	-	-	209,513
Due from related parties	1,638	-	-	-	-	1,638
Inter-fund accounts	<u>276,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,659</u>
Total assets	<u>6,391,998</u>	<u>806,939</u>	<u>896,564</u>	<u>831,420</u>	<u>-</u>	<u>3,857,075</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

10. Notes to the Pooled Money Market Fund [pages 17 - 19] (cont'd)

(f) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd):

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates:

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Liabilities</u>						
Bank overdraft	23,876	23,876	-	-	-	-
Accounts payable	1,407	-	-	-	-	1,407
Interfund Accounts	9,754	-	-	-	-	9,754
Due to related parties	<u>14,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,018</u>
Total liabilities	<u>49,055</u>	<u>23,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,179</u>
Interest rate sensitivity gap	<u>6,342,943</u>	<u>783,063</u>	<u>896,564</u>	<u>831,420</u>	<u>-</u>	<u>3,831,896</u>
Cumulative gap	<u>6,342,943</u>	<u>783,063</u>	<u>1,679,627</u>	<u>2,511,047</u>	<u>2,511,047</u>	<u>6,342,943</u>
September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Quoted equities	288,171	-	-	-	-	288,171
Government of Jamaica securities	1,416,223	-	944,325	471,898	-	-
Corporate Bonds	1,383,809	-	625,171	758,638	-	-
Sagicor Sigma Global Funds	2,278,134	-	-	-	-	2,278,134
Securities purchased under agreement to resell	261,689	261,689	-	-	-	-
Accounts receivable	68,781	-	-	-	-	68,781
Due from related parties	148,388	-	-	-	-	148,388
Inter-fund accounts	<u>72,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,987</u>
Total assets	<u>5,918,182</u>	<u>261,689</u>	<u>1,569,496</u>	<u>1,230,536</u>	<u>-</u>	<u>2,856,461</u>
<u>Liabilities</u>						
Bank overdraft	8,926	8,926	-	-	-	-
Accounts payable	1,271	-	-	-	-	1,271
Due to related parties	<u>4,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,961</u>
Total liabilities	<u>15,158</u>	<u>8,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,232</u>
Interest rate sensitivity gap	<u>5,903,024</u>	<u>252,763</u>	<u>1,569,496</u>	<u>1,230,536</u>	<u>-</u>	<u>2,850,229</u>
Cumulative gap	<u>5,903,024</u>	<u>252,763</u>	<u>1,822,259</u>	<u>3,052,795</u>	<u>3,052,795</u>	<u>5,903,024</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

10. Notes to the Pooled Money Market Fund [pages 17 - 19] (cont'd)

(f) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd):

At the reporting date, the interest profile of the Funds' interest-bearing financial instruments was as follows:

	2022 \$'000	2021 \$'000
Fixed rate instruments		
Financial assets	<u>1,993,392</u>	<u>2,623,351</u>
Variable rate instruments		
Financial assets	<u>541,531</u>	<u>438,370</u>

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	Increase in basis point		Decrease in basis point	
	2022	2021	2022	2021
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below. The analysis assumes that all other variables, particularly foreign currency rates, remain constant. The analysis was performed on the same basis as in 2021.

	Increase		Decrease	
	Effect of change in net income \$'000	Effect of change in fair value \$'000	Effect of change in net income \$'000	Effect of change in fair value \$'000
September 30, 2022				
Financial assets	<u>15,969</u>	<u>(45,869)</u>	<u>(3,992)</u>	<u>(11,801)</u>
September 30, 2021				
Financial assets	<u>4,384</u>	<u>(87,973)</u>	<u>(4,384)</u>	<u>(15,433)</u>

(g) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

10. Notes to the Pooled Money Market Fund [pages 17 - 19] (cont'd)

(g) Fair value of financial instruments (cont'd)

- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy. It does not include fair value information for financial assets such as securities purchased under agreement to resell because the carrying amount is a reasonable approximation of fair value due to the short term nature of these financial assets which are all considered to be within the level two fair value hierarchy.

	<u>2022</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Government of Jamaica Securities	-	629,549	629,549
Quoted Equities	523,752	-	523,752
Corporate Bonds	-	1,639,966	1,639,966
Sagicor Sigma Global Funds	-	2,845,513	2,845,513
	<u>523,752</u>	<u>5,115,028</u>	<u>5,638,780</u>
	<u>2021</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Government of Jamaica Securities	-	1,416,223	1,416,223
Quoted Equities	288,171	-	288,171
Corporate Bonds	-	1,383,809	1,383,809
Sagicor Sigma Global Funds	-	2,278,134	2,278,134
	<u>288,171</u>	<u>5,078,166</u>	<u>5,366,337</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

11. Notes to the Pooled International Equity Fund [pages 20 - 22]

	<u>2022</u>		<u>2021</u>	
	<u>\$'000</u>		<u>\$'000</u>	
(a) (i) Government of Jamaica securities				
Benchmark Bonds	-		386,385	
Global Bonds	<u>99,410</u>		<u>121,622</u>	
	<u>99,410</u>		<u>508,007</u>	
(a) (ii) Quoted Equities				
	<u>2022</u>		<u>2021</u>	
	<u>Number of</u>	<u>Valuation</u>	<u>Number of</u>	<u>Valuation</u>
	<u>shares</u>	<u>of shares</u>	<u>shares</u>	<u>of shares</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Comm Serv Select Sector SPDR	50	363,744	53	622,947
Consumer Discretionary Selt	33	716,828	40	1,059,784
Consumer Staples SPDR	42	429,280	34	344,911
Energy Select Sector SPDR	13	139,554	10	77,222
Financial Select Sector SPDR	123	568,523	146	799,527
Health Care Select Sector	33	599,101	33	605,796
Industrial Select Sector SPDR	44	558,289	47	676,891
Invesco S&P 500 Pure Value ETF	2	16,799	20	219,334
Ishares Core S&P Small-Cap E	6	79,482	6	95,877
Ishares MSCI EAFE ETF	18	155,872	18	209,016
Ishares MSCI Emerging Market Asia	14	121,451	14	172,224
Ishares MSCI Emerging Market	5	31,867	5	44,055
Ishares MSCI Japan ETF	28	206,540	28	286,095
Ishares NASDAQ Biotechnology	17	308,511	17	410,178
Ishares S&P 500 Value ETF	5	100,345	9	182,453
Ishare US Financial Services	9	201,521	9	258,334
Ishares USTechnology ETF	45	502,624	56	825,302
Materials Select Sector SPDR	20	203,819	20	228,180
Real Estate Select Sect SPDR	24	130,428	28	184,591
SPDR S&P 500 ETF	4	231,697	5	341,154
SPDR S&P Biotech ETF	13	152,611	13	232,761
SPDR S&P Regional Banking	16	140,493	16	155,465
Technology Select Sector SPDR	29	532,479	38	824,262
Utilities Select Sector SPDR	24	240,042	24	225,196
Vanguard FTSE Europe ETF	16	112,250	16	153,605
Vanguard Consumer Staple	<u>2</u>	<u>40,700</u>	<u>-</u>	<u>-</u>
	<u>635</u>	<u>6,884,850</u>	<u>705</u>	<u>9,235,160</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

11. Notes to the Pooled International Equity Fund [pages 20 - 22] (cont'd)

(b) Sagicor Sigma Global Funds

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u>	<u>Valuation</u>	<u>Number of</u>	<u>Valuation</u>
	<u>units</u>	<u>of units</u>	<u>units</u>	<u>of units</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Sigma Global Equity	102,583	193,020	102,583	202,961
Sigma Money Market	-	-	227,193	385,956
Sigma Global Bond	-	-	4,774	96,786
	<u>102,583</u>	<u>193,020</u>	<u>334,550</u>	<u>685,703</u>

(c) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfil their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value.

The reverse repurchase agreements as at September 30, 2022 was \$100,930,000 (2021:\$192,670,000).

(d) Accounts receivable

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest and dividend receivable	75	202
Due from broker	<u>22,675</u>	<u>4,868</u>
	<u>22,750</u>	<u>5,070</u>

(e) Accounts payable

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Accrued audit fees	<u>857</u>	<u>1,049</u>

Financial instruments

(i) Credit risk:

Exposure to credit risk:

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

11. Notes to the Pooled International Equity Fund [pages 20 - 22] (cont'd)

(f) Financial instruments (cont'd)

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	Carrying Amount \$'000	Contractual cash flows \$'000	1-3 months \$'000
Accounts payable	857	857	857
Due to related parties	5,794	5,794	5,794
Inter-fund account	<u>70,001</u>	<u>70,001</u>	<u>70,001</u>
	<u>76,652</u>	<u>76,652</u>	<u>76,652</u>
 September 30, 2021	 Carrying Amount \$'000	 Contractual cash flows \$'000	 1-3 months \$'000
Accounts payable	1,049	1,049	1,049
Due to related parties	17,548	17,548	17,548
Inter-fund account	<u>31,464</u>	<u>31,464</u>	<u>31,464</u>
	<u>50,061</u>	<u>50,061</u>	<u>50,061</u>

(iii) Market risk:

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates.

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	7,498	7,498	-	-	-	-
Government of Jamaica securities	99,410	-	-	-	99,410	-
Sagicor Sigma Global Funds	193,020	-	-	-	-	193,020
Quoted equities	6,884,850	-	-	-	-	6,884,850
Securities purchased under agreement to resell	100,930	100,930	-	-	-	-
Accounts receivable	22,750	-	-	-	-	22,750
Due from related party	-	-	-	-	-	-
Inter-fund accounts	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63</u>
Total assets	<u>7,308,521</u>	<u>108,428</u>	<u>-</u>	<u>-</u>	<u>99,410</u>	<u>7,100,683</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

11. Notes to the Pooled International Equity Fund [pages 20 - 22] (cont'd)

(f) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates.

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Liabilities</u>						
Inter-fund account	70,001	-	-	-	-	70,001
Accounts payable	857	-	-	-	-	857
Due to related parties	5,794	-	-	-	-	5,794
Total liabilities	<u>76,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,652</u>
Interest rate sensitivity gap	<u>7,231,869</u>	<u>108,428</u>	<u>-</u>	<u>-</u>	<u>99,410</u>	<u>7,024,031</u>
Cumulative gap	<u>7,231,869</u>	<u>108,428</u>	<u>108,428</u>	<u>108,428</u>	<u>207,838</u>	<u>7,231,869</u>
September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	7,026	7,026	-	-	-	-
Government of Jamaica securities	508,007	-	-	386,385	121,622	-
Sagicor Sigma Global Funds	685,703	-	-	-	-	685,703
Quoted equities	9,235,160	-	-	-	-	9,235,160
Securities purchased under agreement to resell	192,670	192,670	-	-	-	-
Accounts receivable	5,070	-	-	-	-	5,070
Due from related party	60,271	-	-	-	-	60,271
Inter-fund accounts	-	-	-	-	-	-
Total assets	<u>10,693,907</u>	<u>199,696</u>	<u>-</u>	<u>386,385</u>	<u>121,622</u>	<u>9,986,204</u>
<u>Liabilities</u>						
Inter-fund account	31,464	-	-	-	-	31,464
Accounts payable	1,049	-	-	-	-	1,049
Due to related parties	17,548	-	-	-	-	17,548
Total liabilities	<u>50,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,061</u>
Interest rate sensitivity gap	<u>10,643,846</u>	<u>199,696</u>	<u>-</u>	<u>386,385</u>	<u>121,622</u>	<u>9,936,143</u>
Cumulative gap	<u>10,643,846</u>	<u>199,696</u>	<u>199,696</u>	<u>586,081</u>	<u>707,703</u>	<u>10,643,846</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

11. Notes to the Pooled International Equity Fund [pages 20 - 22] (cont'd)

(f) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

At the reporting date, the interest profile of the Fund's interest bearing financial instruments was as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Fixed rate instruments		
Financial assets	<u>200,339</u>	<u>314,292</u>
Variable rate instruments		
Financial assets	<u>-</u>	<u>386,385</u>

A change of basis points outlined below in interest rates and yields:

Currency	Increase <u>in basis point</u>		Decrease <u>in basis point</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

Sensitivity analysis

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below. The analysis assumes that all other variables, particularly foreign currency rates, remain constant. The analysis was performed on the same basis as in 2021.

	Increase		Decrease	
	<u>Effect of</u> <u>change in</u> <u>net income</u> <u>\$'000</u>	<u>Effect of</u> <u>change in</u> <u>fair value</u> <u>\$'000</u>	<u>Effect of</u> <u>change in</u> <u>net income</u> <u>\$'000</u>	<u>Effect of</u> <u>change in</u> <u>fair value</u> <u>\$'000</u>
September 30, 2022				
Financial assets	<u>2,019</u>	<u>(16,444)</u>	<u>(505)</u>	<u>4,830</u>
September 30, 2021				
Financial assets	<u>3,864</u>	<u>(31,894)</u>	<u>(3,864)</u>	<u>6,781</u>

At September 30, 2022, the Fund does not hold any fixed rate financial assets that are subject to material changes in fair value through profit and loss.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

11. Notes to the Pooled International Equity Fund [pages 20 - 22] (cont'd)

(g) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (a) the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- (b) the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy. It does not include fair value information for financial assets such as securities purchased under agreements to resell because the carrying amount is a reasonable approximation of fair value due to the short-term nature of these financial assets, which are all considered to be within the level two fair value hierarchy.

	<u>2022</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Government of Jamaica Securities	-	99,410	99,410
Quoted equity	6,884,850	-	6,884,850
Sagicor Sigma Global Funds	-	193,020	193,020
	<u>6,884,850</u>	<u>292,430</u>	<u>7,177,280</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

11. Notes to the Pooled International Equity Fund [pages 20 - 22] (cont'd)

(g) Fair value of financial instruments (cont'd)

	2021		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Government of Jamaica Securities	-	508,007	508,007
Quoted equities	9,235,160	-	9,235,160
Sagicor Sigma Global Funds	-	685,703	685,703
	<u>9,235,160</u>	<u>1,193,710</u>	<u>10,428,870</u>

12. Notes to the Pooled Global Market Fund [pages 23 – 25]

(a) Government of Jamaica securities

	2022	2021
	<u>\$'000</u>	<u>\$'000</u>
Global Bonds	<u>132,988</u>	<u>141,893</u>

(b) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfill their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value.

The reverse repurchase agreements as at September 30, 2022 was \$22,067,000 (2021: 7,705,000).

(c) Sagicor Sigma Global Funds

	2022		2021	
	<u>Number of</u>	<u>Valuation</u>	<u>Number of</u>	<u>Valuation</u>
	<u>units</u>	<u>of units</u>	<u>units</u>	<u>of units</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Funds				
Sigma Global Corporate	277,682	681,570	277,682	677,876
Sigma Global Equity	345,004	649,160	345,004	682,591
Sigma Global Bond	47,237	900,151	47,237	957,610
Sigma Global Venture	<u>233,180</u>	<u>882,842</u>	<u>242,433</u>	<u>726,692</u>
	<u>903,103</u>	<u>3,113,723</u>	<u>912,356</u>	<u>3,044,769</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

12. Notes to the Pooled Global Market Fund [pages 23 – 25] (cont'd)

(d) Sagicor Pooled Pension Fund

This represents 1,141,566 units in Pooled International Equity Fund valued at \$379,776,000 (2021: 2,450,000 units valued at \$955,713,000).

(e) Accounts receivable

	2022	2021
	\$'000	\$'000
Interest receivable	2,247	2,167
Due from broker	452	453
Withholding tax recoverable	<u>4,022</u>	<u>4,022</u>
	<u>6,721</u>	<u>6,642</u>

(f) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities

September 30, 2022	Carrying Amount	Contractual cash flows	1-3 months
	\$'000	\$'000	\$'000
Accounts payable	385	385	385
Due to related party	767	767	767
Inter-fund account	<u>42,236</u>	<u>42,236</u>	<u>42,236</u>
	<u>43,388</u>	<u>43,388</u>	<u>43,388</u>
 September 30, 2021	 Carrying Amount	 Contractual cash flows	 1-3 months
	\$'000	\$'000	\$'000
Accounts payable	398	398	398
Due to related party	29	29	29
Inter-fund account	<u>49,091</u>	<u>49,091</u>	<u>49,091</u>
	<u>49,518</u>	<u>49,518</u>	<u>49,518</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

12. Notes to the Pooled Global Market Fund [pages 23 – 25] (cont'd)

(f) Financial instruments (cont'd)

(iii) Market risk:

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities and to arrive at the Fund's interest rate gap based on the earlier of contractual re-pricing and maturity dates.

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	678	678	-	-	-	-
Government of Jamaica securities	132,988	-	-	132,988	-	-
Securities purchased under agreement to resell	22,067	22,067	-	-	-	-
Sagicor Sigma Global Funds	3,113,723	-	-	-	-	3,113,723
Sagicor Pooled Pension Fund	379,776	-	-	-	-	379,776
Inter-fund account	1,028	-	-	-	-	1,028
Accounts receivable	<u>6,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,721</u>
Total assets	<u>3,656,981</u>	<u>22,745</u>	<u>-</u>	<u>132,988</u>	<u>-</u>	<u>3,501,248</u>
<u>Liability</u>						
Accounts payable	385	-	-	-	-	385
Due to related party	767	-	-	-	-	767
Inter-fund account	<u>42,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,236</u>
Total liability	<u>43,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,388</u>
Interest rate sensitivity gap	<u>3,613,593</u>	<u>22,745</u>	<u>-</u>	<u>132,988</u>	<u>-</u>	<u>3,457,860</u>
Cumulative gap	<u>3,613,593</u>	<u>22,745</u>	<u>22,745</u>	<u>155,733</u>	<u>155,733</u>	<u>3,615,593</u>
September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	3,659	3,659	-	-	-	-
Government of Jamaica securities	141,893	-	-	141,893	-	-
Securities purchased under agreement to resell	7,705	7,705	-	-	-	-
Sagicor Sigma Global Funds	3,044,769	-	-	-	-	3,044,769
Sagicor Pooled Pension Fund	955,713	-	-	-	-	955,713
Due from related parties	46,949	-	-	-	-	46,949
Inter-fund account	1,000	-	-	-	-	1,000
Accounts receivable	<u>6,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,642</u>
Total assets	<u>4,208,330</u>	<u>11,364</u>	<u>-</u>	<u>141,893</u>	<u>-</u>	<u>4,055,073</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

12. Notes to the Pooled Global Market Fund [pages 23 – 25] (cont'd)

(f) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2021 (cont'd)

	<u>Carrying Amount</u> \$'000	<u>Within 3 months</u> \$'000	<u>3-12 months</u> \$'000	<u>1-5 years</u> \$'000	<u>>5 years</u> \$'000	<u>Non sensitive</u> \$'000
<u>Liability</u>						
Accounts payable	398	-	-	-	-	398
Due to related party	29	-	-	-	-	29
Inter-fund account	<u>49,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,091</u>
Total liability	<u>49,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,518</u>
Interest rate sensitivity gap	<u>4,158,812</u>	<u>11,364</u>	<u>-</u>	<u>141,893</u>	<u>-</u>	<u>4,005,555</u>
Cumulative gap	<u>4,158,812</u>	<u>11,364</u>	<u>11,364</u>	<u>153,257</u>	<u>153,257</u>	<u>4,158,812</u>

At the reporting date, the interest profile of the Fund's interest-bearing financial instruments was as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Fixed rate instruments		
Financial assets	<u>155,055</u>	<u>149,598</u>

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	<u>Increase in basis point</u>		<u>Decrease in basis point</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below. The analysis assumes that all other variables, particularly foreign currency rates, remain constant. The analysis was performed on the same basis as in 2021.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

12. Notes to the Pooled Global Market Fund [pages 23 – 25] (cont'd)

(f) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

Fixed rate financial instruments:

The Fund does not hold any fixed rate financial assets that are subject to material changes in fair value through profit and loss.

	<u>Increase</u>		<u>Decrease</u>	
	<u>Effect of</u>	<u>Effect of</u>	<u>Effect of</u>	<u>Effect of</u>
	<u>change in</u>	<u>change in</u>	<u>change in</u>	<u>change in</u>
	<u>net income</u>	<u>fair value</u>	<u>net income</u>	<u>fair value</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$,000</u>	<u>\$'000</u>
September 30, 2022				
Financial assets	<u>441</u>	<u>(6,385)</u>	<u>(110)</u>	<u>1,658</u>
September 30, 2021				
Financial assets	<u>-</u>	<u>(13,250)</u>	<u>-</u>	<u>2,367</u>

(g) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (a) the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- (b) the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

12. Notes to the Pooled Global Market Fund [pages 23 – 25] (cont'd)

(g) Fair value of financial instruments (cont'd)

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy. It does not include fair value information for financial assets such as securities purchased under agreements to resell because the carrying amount is a reasonable approximation of fair value due to the short-term nature of these financial assets, which are all considered to be within the level two fair value hierarchy.

	<u>2022</u>	<u>2021</u>
	<u>Level 2</u>	
	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:		
Government of Jamaica Securities	132,988	141,893
Sagicor Pooled Pension Fund	379,776	955,713
Sagicor Sigma Global Funds	<u>3,113,723</u>	<u>3,044,769</u>
	<u>3,626,487</u>	<u>4,142,375</u>

13. Notes to the Pooled Diversified Investment Fund [Pages 26 – 28]

(a) Quoted equities at FVTPL

This represents 183,254,021 (2021: 87,550,754) units in Sagicor Real Estate X Fund Limited, valued at \$1,502,683,000 (2021: \$700,406,000).

(b) Sagicor Pooled Pension Funds

	<u>2022</u>		<u>2021</u>	
	<u>Number of</u>	<u>Valuation</u>	<u>Number of</u>	<u>Valuation</u>
	<u>units</u>	<u>of units</u>	<u>units</u>	<u>of units</u>
	<u>'000</u>	<u>\$'000</u>	<u>'000</u>	<u>\$'000</u>
Pooled Fixed Income Fund	4	154,084	35	1,313,305
Pooled Foreign Currency Fund	12	785,218	28	1,848,893
Pooled Equity Fund	31	4,434,253	2,359	5,167,689
Pooled CPI Fund	30	168,725	26	131,928
Pooled International Equity Fund	2,126	707,316	-	-
Pooled Mortgage and Real Estate Fund	74	1,002,731	33	418,506
Pooled Money Market Fund	<u>36</u>	<u>251,493</u>	<u>161</u>	<u>1,100,986</u>
	<u>2,313</u>	<u>7,503,820</u>	<u>2,642</u>	<u>9,981,307</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

13. Notes to the Pooled Diversified Investment Fund [pages 26 – 28] (cont'd)**(c) Sagicor Sigma Global Funds**

	2022		2021	
	Number of	Valuation	Number of	Valuation
	units	of units	units	of units
	'000	\$'000	'000	\$'000
Sigma Real Estate	1,394,975	3,004,357	1,394,975	2,967,111
Sigma Equity	3,603	298,509	3,603	328,569
Sigma Global Equity	48,186	90,667	48,186	95,337
Sigma Money Market	217	373	217	368
Sigma Diversified	119,048	282,536	119,048	290,595
Sigma Corporate	257,758	632,667	-	-
Sigma Bond	5,557	196,962	-	-
Sigma Real Growth	-	-	<u>776,952</u>	<u>1,300,619</u>
	<u>1,829,344</u>	<u>4,506,071</u>	<u>2,342,981</u>	<u>4,982,599</u>

(d) Securities purchased under agreements to resell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfil their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value.

The reverse repurchase agreements as at September 30, 2022 was \$3,562,000 (2021: \$5,825,000).

(e) Accounts receivable

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Interest receivable	1	1
Other receivables	1,831	-
Withholding tax recoverable	<u>25,161</u>	<u>24,049</u>
	<u>26,993</u>	<u>24,050</u>

(f) Accounts payable

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Accrued audit fees	1,344	1,417
Stale-dated cheques	2,304	2,304
Other payables	<u>2,211</u>	<u>336</u>
	<u>5,859</u>	<u>4,057</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

13. Notes to the Pooled Diversified Investment Fund [pages 26 – 28] (cont'd)

(g) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	<u>Carrying Amount</u> \$'000	<u>Contractual cash flows</u> \$'000	<u>1-3 months</u> \$'000
Accounts payable	5,859	5,859	5,859
Due to related parties	3,271	3,271	3,271
Interfund account	<u>1,048,523</u>	<u>1,048,523</u>	<u>1,048,523</u>
	<u>1,057,653</u>	<u>1,057,653</u>	<u>1,057,653</u>
 September 30, 2021	 <u>Carrying Amount</u> \$'000	 <u>Contractual cash flows</u> \$'000	 <u>1-3 months</u> \$'000
Accounts payable	4,057	4,057	4,057
Due to related parties	197,298	197,298	197,298
Interfund account	<u>20,195</u>	<u>20,195</u>	<u>20,195</u>
	<u>221,550</u>	<u>221,550</u>	<u>221,550</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

13. Notes to the Pooled Diversified Investment Fund [pages 26 – 28] (cont'd)

(g) Financial instruments (cont'd)

(iii) Market risk

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities and to arrive at the Fund's interest rate gap based on the earlier of contractual re-pricing and maturity dates.

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	1,556	1,556	-	-	-	-
Quoted equities	1,502,683	-	-	-	-	1,502,683
Sagicor Pooled Pension Funds	7,503,820	-	-	-	-	7,503,820
Sagicor Sigma Global Funds	4,506,071	-	-	-	-	4,506,071
Securities purchased under agreement to resell	3,562	3,562	-	-	-	-
Accounts receivable	26,993	-	-	-	-	26,993
Due from related parties	1,401	-	-	-	-	1,401
Inter-fund Accounts	-	-	-	-	-	-
Total assets	13,546,086	5,118	-	-	-	13,540,968
<u>Liabilities</u>						
Accounts payable	5,859	-	-	-	-	5,859
Due to related parties	3,271	-	-	-	-	3,271
Inter-fund accounts	1,048,523	-	-	-	-	1,048,523
Total liabilities	1,057,653	-	-	-	-	1,057,653
Interest rate sensitivity gap	12,488,433	5,118	-	-	-	12,483,315
Cumulative gap	12,488,433	5,118	5,118	5,118	5,118	12,488,433
September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	1,420	1,420	-	-	-	-
Quoted equities	700,406	-	-	-	-	700,406
Sagicor Pooled Pension Funds	9,981,307	-	-	-	-	9,981,307
Sagicor Sigma Global Funds	4,982,599	-	-	-	-	4,982,599
Securities purchased under agreement to resell	5,825	5,825	-	-	-	-
Accounts receivable	24,050	-	-	-	-	24,050
Due from related parties	1,401	-	-	-	-	1,401
Inter-fund Accounts	4,277	-	-	-	-	4,277
Total assets	15,701,285	7,245	-	-	-	15,694,040

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

13. Notes to the Pooled Diversified Investment Fund [pages 26 – 28] (cont'd)

(g) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Liabilities</u>						
Accounts payable	4,057	-	-	-	-	4,057
Due to related parties	197,298	-	-	-	-	197,298
Inter-fund accounts	<u>20,195</u>	-	-	-	-	<u>20,195</u>
Total liabilities	<u>221,550</u>	-	-	-	-	<u>221,550</u>
Interest rate sensitivity gap	<u>15,479,735</u>	<u>7,245</u>	-	-	-	<u>15,472,490</u>
Cumulative gap	<u>15,479,735</u>	<u>7,245</u>	<u>7,245</u>	<u>7,245</u>	<u>7,245</u>	<u>15,479,735</u>

At the reporting date, the interest profile of the Fund's interest-bearing financial instruments was as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Fixed rate instruments		
Financial assets	<u>828</u>	<u>5,825</u>

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	<u>Increase in basis point</u>		<u>Decrease in basis point</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
JMD	200	300	50	50
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

There were no financial assets that were impacted by interest rate sensitivity as at September 30, 2022.

(h) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

13. Notes to the Pooled Diversified Investment Fund [pages 26 – 28] (cont'd)

(h) Fair value of financial instruments (cont'd)

- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (a) the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- (b) the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value, which are all considered to be within the level two fair value hierarchy.

	2022		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Quoted equities	1,502,683	-	1,502,683
Sagicor Pooled Pension Funds	-	7,503,820	7,503,820
Sagicor Sigma Global Funds	-	4,506,071	4,506,071
	<u>1,502,683</u>	<u>12,009,891</u>	<u>13,512,574</u>
	2021		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Financial assets measured at fair value:			
Quoted equities	700,406	-	700,406
Sagicor Pooled Pension Funds	-	9,981,307	9,981,307
Sagicor Sigma Global Funds	-	4,982,599	4,982,599
	<u>700,406</u>	<u>14,963,906</u>	<u>15,664,312</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

14. Notes to the Pooled CPI Fund [pages 29 – 31]

(a) Government of Jamaica securities

	<u>2022</u> \$'000	<u>2021</u> \$'000
Benchmark Bonds	1,333,266	-
Other Government Guaranteed Bonds	3,259,668	-
Highway Bonds	3,094,661	2,567,341
CPI Bonds	<u>9,653,500</u>	<u>8,149,673</u>
	<u>17,341,095</u>	<u>10,717,014</u>

(b) Corporate Bonds

	<u>2022</u> \$'000	<u>2021</u> \$'000
JMD Securities	<u>584,996</u>	<u>-</u>

(c) Investment in finance leases

	<u>2022</u> \$'000	<u>2021</u> \$'000
Total minimum payment receivable	513,650	-
Unearned income	(163,650)	-
	<u>350,000</u>	<u>-</u>
Comprised as follows:		
Current portion	<u>68,953</u>	-
	<u>513,650</u>	<u>-</u>
Future minimum payments are receivable as follows:		
Within 1 year	68,953	-
Between 1 and 5 years	<u>444,697</u>	-
	<u>27,265</u>	<u>-</u>

(d) Securities purchased under agreement to sell

The Fund entered into reverse repurchase agreements collateralised by the Government of Jamaica Bonds and other securities. These agreements may result in credit exposure in the event that the counterparties to these transactions are unable to fulfil their contractual obligations.

The fair value of collateral held pursuant to reverse repurchase agreements approximated the carrying value.

The reverse repurchase agreements as at September 30, 2022 was \$2,506,074,000 (2021: \$330,065,000).

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

14. Notes to the Pooled CPI Fund [pages 29 – 31] (cont'd)

(e) Sagicor Sigma Global Funds

	2022		2021	
	Number of	Valuation	Number of	Valuation
	units	of units	units	of units
	'000	\$'000	'000	\$'000
Sigma Bond	6,987	247,674	-	-
Sigma Money Market	155,514	267,483	10,165	17,268
Sigma Global Bond	<u>18,168</u>	<u>346,210</u>	<u>19,353</u>	<u>392,331</u>
	<u>180,669</u>	<u>861,367</u>	<u>29,518</u>	<u>409,599</u>

(f) Accounts receivable

	2022	2021
	\$'000	\$'000
Interest receivable	160,696	45,651
Withholding tax recoverable	<u>1,092</u>	<u>1,092</u>
	<u>161,788</u>	<u>46,743</u>

(g) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	Carrying	Contractual	1-3
	Amount	cash flows	months
	\$'000	\$'000	\$'000
Accounts payable	2,510	2,510	2,510
Due to related party	12,936	12,936	12,936
Inter-fund account	<u>2,756</u>	<u>2,756</u>	<u>2,756</u>
	<u>18,202</u>	<u>18,202</u>	<u>18,202</u>
September 30, 2021	Carrying	Contractual	1-3
	Amount	cash flows	months
	\$'000	\$'000	\$'000
Accounts payable	1,033	1,033	1,033
Due to related party	92,309	92,309	92,309
Inter-fund account	<u>35,531</u>	<u>35,531</u>	<u>35,531</u>
	<u>128,873</u>	<u>128,873</u>	<u>128,873</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

14. Notes to the Pooled CPI Fund [pages 29 – 31] (cont'd)

(g) Financial instruments (cont'd)

(iii) Market risk:

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates.

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	515,122	515,122	-	-	-	-
Government of Jamaica securities	17,341,095	936,453	-	352,829	16,051,813	-
Corporate Bonds	584,996	-	430,000	154,996	-	-
Investments in Finance leases	350,000	-	-	-	-	350,000
Sagicor Sigma Global Funds	861,367	-	-	-	-	861,367
Securities purchased under agreement to resell	2,506,074	2,506,074	-	-	-	-
Accounts receivable	161,788	-	-	-	-	161,788
Due from related parties	19,354	-	-	-	-	19,354
Inter-fund accounts	<u>1,320,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,320,855</u>
Total assets	<u>23,600,651</u>	<u>3,957,649</u>	<u>430,000</u>	<u>507,825</u>	<u>16,051,813</u>	<u>2,713,364</u>
<u>Liabilities</u>						
Accounts payable	2,510	-	-	-	-	2,510
Inter-fund accounts	2,756	-	-	-	-	2,756
Due to related party	<u>12,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,936</u>
Total liabilities	<u>18,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,202</u>
Interest rate sensitivity gap	<u>23,642,449</u>	<u>3,957,649</u>	<u>430,000</u>	<u>507,825</u>	<u>16,051,813</u>	<u>2,695,162</u>
Cumulative gap	<u>23,642,449</u>	<u>3,957,649</u>	<u>4,387,649</u>	<u>4,895,474</u>	<u>20,947,287</u>	<u>23,642,449</u>
September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	4,468	4,468	-	-	-	-
Government of Jamaica securities	10,717,014	-	-	108,074	10,608,940	-
Sagicor Sigma Global Funds	409,599	-	-	-	-	409,599
Securities purchased under agreement to resell	330,065	330,065	-	-	-	-
Accounts receivable	46,743	-	-	-	-	46,743
Due from related parties	6,102	-	-	-	-	6,102
Inter-fund accounts	<u>165,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,987</u>
Total assets	<u>11,679,978</u>	<u>334,533</u>	<u>-</u>	<u>108,074</u>	<u>10,608,940</u>	<u>628,431</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

14. Notes to the Pooled CPI Fund [pages 29 – 31] (cont'd)

(g) Financial instrument (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2021 (cont'd)	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Liabilities</u>						
Accounts payable	1,033	-	-	-	-	1,033
Inter-fund accounts	35,531	-	-	-	-	35,531
Due to related party	<u>92,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,309</u>
Total liabilities	<u>128,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,873</u>
Interest rate sensitivity gap	<u>11,551,105</u>	<u>334,533</u>	<u>-</u>	<u>108,074</u>	<u>10,608,940</u>	<u>499,558</u>
Cumulative gap	<u>11,551,105</u>	<u>334,533</u>	<u>334,533</u>	<u>442,607</u>	<u>11,051,547</u>	<u>11,551,105</u>

At the reporting date, the interest profile of the Funds' interest-bearing financial instruments was as follows:

	2022 \$'000	2021 \$'000
Fixed rate instruments		
Financial assets	<u>7,836,138</u>	<u>2,897,406</u>
Variable rate instruments		
Financial assets	<u>10,589,952</u>	<u>8,149,672</u>

Sensitivity analysis

A change of basis points outlined below in interest rates and yields:

Currency	Increase in basis point		Decrease in basis point	
	2022	2021	2022	2021
JMD	200	300	50	100
USD	<u>200</u>	<u>100</u>	<u>50</u>	<u>100</u>

A change in basis points would have increased or decreased net income and accumulated fund by the amounts shown below.

The analysis assumes that all other variables, particularly foreign currency rates, remain constant.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

14. Notes to the Pooled CPI Fund [pages 29 – 31] (cont'd)

(g) Financial instrument (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

The analysis was performed on the same basis as in 2021.

	<u>Increase</u>		<u>Decrease</u>	
	<u>Effect of</u>	<u>Effect of</u>	<u>Effect of</u>	<u>Effect of</u>
	<u>change in</u>	<u>change in</u>	<u>change in</u>	<u>change in</u>
	<u>net income</u>	<u>fair value</u>	<u>net income</u>	<u>fair value</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
September 30, 2022				
Financial assets	<u>261,654</u>	<u>(944,197)</u>	<u>(65,414)</u>	<u>263,449</u>
	<u>Increase</u>		<u>Decrease</u>	
	<u>Effect of</u>	<u>Effect of</u>	<u>Effect of</u>	<u>Effect of</u>
	<u>change in</u>	<u>change in</u>	<u>change in</u>	<u>change in</u>
	<u>interest rate</u>	<u>fair value</u>	<u>interest rate</u>	<u>fair value</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
September 30, 2021				
Financial assets	<u>81,497</u>	<u>(547,875)</u>	<u>(81,497)</u>	<u>107,967</u>

(h) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and liabilities; and
- the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

14. Notes to the Pooled CPI Fund [pages 29 – 31] (cont'd)

(h) Fair value of financial instruments (cont'd)

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy. It does not include fair value information for financial assets such as securities purchased under agreements to resell because the carrying amount is a reasonable approximation of fair value due to the short-term nature of these financial assets, which are all considered to be within the level two fair value hierarchy.

	<u>2022</u>	<u>2021</u>
	<u>Level 2</u>	
	\$'000	\$'000
Financial assets measured at fair value:		
Government of Jamaica Securities	17,341,095	10,717,014
Corporate Bonds	584,996	-
Investments in Finance lease	350,000	-
Sagicor Sigma Global Funds	<u>861,367</u>	<u>409,599</u>
	<u>19,137,458</u>	<u>11,126,613</u>

15. Notes to the Pooled General Fund [pages 32 – 34]

(a) Accounts receivable

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Withholding tax recoverable	55	55
Other receivables	<u>1,018</u>	<u>1,018</u>
	<u>1,073</u>	<u>1,073</u>

(b) Accounts payable

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Statutory deductions payable	39	172
Electronic bank transfers not yet allocated and other payables	134,509	134,169
Stale-dated cheques	<u>299,386</u>	<u>151,433</u>
	<u>433,934</u>	<u>285,774</u>

(c) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

15. Notes to the General Fund [pages 32 – 34] (cont'd)

(c) Financial instruments

(i) Credit risk:

Exposure to credit risk

The maximum credit exposure, that is, the amount of loss that would be suffered if every counterparty to the Fund's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position, without taking account of any collateral held or other credit enhancements.

(ii) Liquidity risk:

The following are the contractual maturities of financial liabilities:

September 30, 2022	Carrying Amount \$'000	Contractual cash flows \$'000	1-3 months \$'000
Inter-fund account	276,720	276,720	276,720
Accounts payable	433,934	433,934	433,934
Due to related party	<u>667</u>	<u>667</u>	<u>667</u>
	<u>711,321</u>	<u>711,321</u>	<u>711,321</u>
 September 30, 2021	 Carrying Amount \$'000	 Contractual cash flows \$'000	 1-3 months \$'000
Inter-fund account	512,475	512,475	512,475
Accounts payable	285,774	285,774	285,774
Due to related party	<u>15,683</u>	<u>15,683</u>	<u>15,683</u>
	<u>813,932</u>	<u>813,932</u>	<u>813,932</u>

(iii) Market risk:

Interest rate risk

The following table summarises the carrying amounts of assets and liabilities and to arrive at the Fund's interest rate gap based on the earlier of contractual re-pricing and maturity dates.

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	302,561	302,561	-	-	-	-
Accounts receivable	1,073	-	-	-	-	1,073
Inter-fund accounts	327,419	-	-	-	-	327,419
Due from related parties	<u>87,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,949</u>
Total assets	<u>719,002</u>	<u>302,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,441</u>

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

15. Notes to the General Fund [pages 32 – 34] (cont'd)

(c) Financial instruments (cont'd)

(iii) Market risk (cont'd):

Interest rate risk (cont'd)

September 30, 2022	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Liabilities</u>						
Inter-fund account	276,720	-	-	-	-	276,720
Accounts payable	433,934	-	-	-	-	433,934
Due to related party	<u>667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>667</u>
Total liabilities	<u>711,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>711,321</u>
Interest rate sensitivity gap	<u>7,681</u>	<u>302,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(294,880)</u>
Cumulative gap	<u>7,681</u>	<u>302,561</u>	<u>302,561</u>	<u>302,561</u>	<u>302,561</u>	<u>7,681</u>
September 30, 2021	Carrying Amount \$'000	Within 3 months \$'000	3-12 months \$'000	1-5 years \$'000	>5 years \$'000	Non sensitive \$'000
<u>Assets</u>						
Cash	30,569	30,569	-	-	-	-
Accounts receivable	1,073	-	-	-	-	1,073
Inter-fund accounts	275,078	-	-	-	-	275,078
Due from related parties	<u>515,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,775</u>
Total assets	<u>822,495</u>	<u>30,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>791,926</u>
<u>Liabilities</u>						
Inter-fund account	512,475	-	-	-	-	512,475
Accounts payable	285,774	-	-	-	-	285,774
Due to related party	<u>15,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,683</u>
Total liabilities	<u>813,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>813,932</u>
Interest rate sensitivity gap	<u>8,563</u>	<u>30,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,006)</u>
Cumulative gap	<u>8,563</u>	<u>30,569</u>	<u>30,569</u>	<u>30,569</u>	<u>30,569</u>	<u>8,563</u>

(d) Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 - fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurement includes inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - fair value measurement includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

SAGICOR POOLED PENSION INVESTMENT FUNDS

Notes to the Financial Statements (continued)
Year ended September 30, 2022

15. Notes to the General Fund [pages 32 – 34] (cont'd)

(d) Fair value of financial instruments (cont'd)

Accounting classifications and fair values

There were no financial assets and liabilities measured at fair value as the carrying amount of all financial assets and liabilities is a reasonable approximation of the fair value and are all considered to be within the level two fair value hierarchy.