

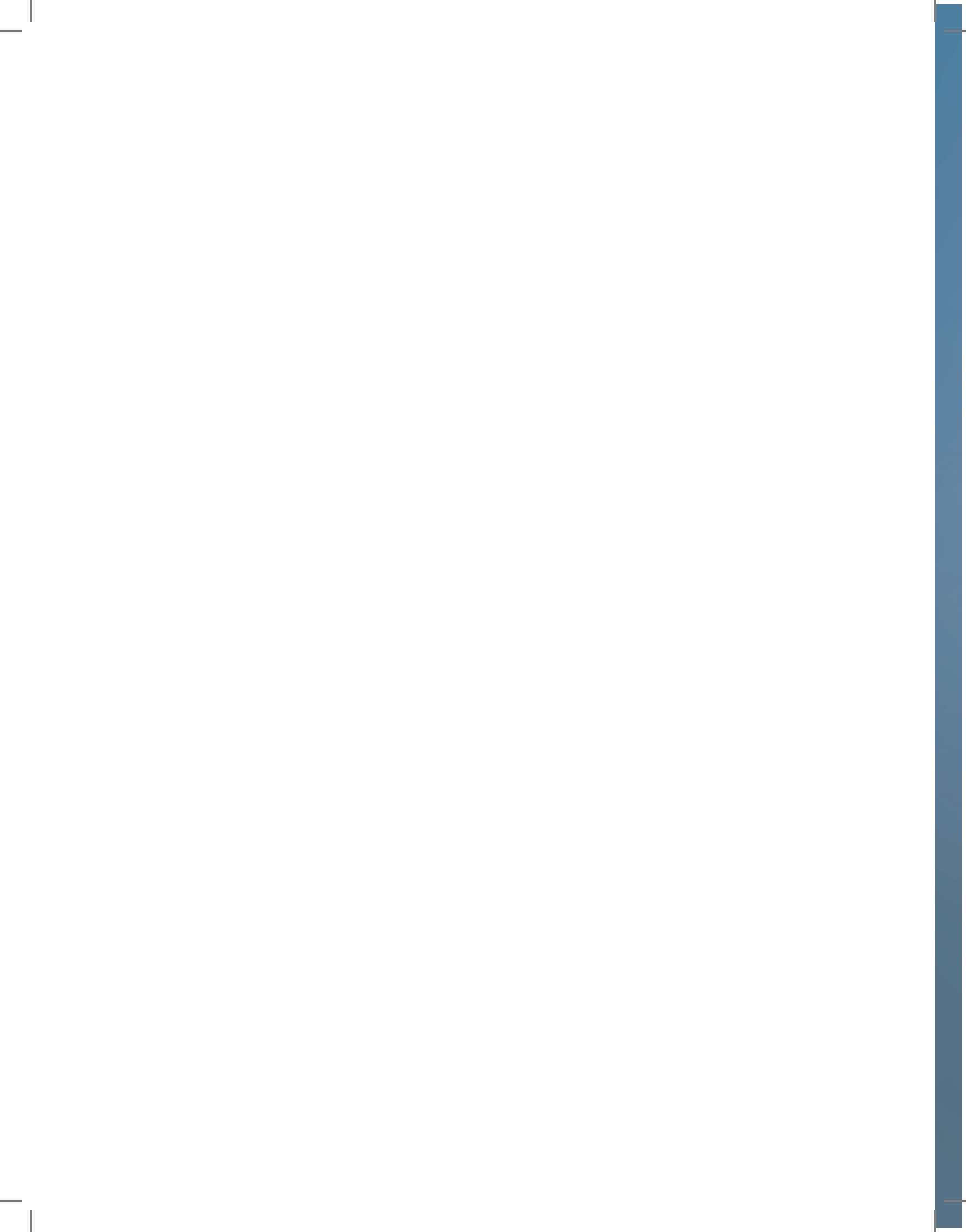


# Sagicor Investments

TRINIDAD & TOBAGO



**2023 GO MUTUAL FUNDS ANNUAL REPORT**  
**SAGICOR INVESTMENTS TRINIDAD & TOBAGO LIMITED**



## TABLE OF CONTENTS

## Page

---

Mutual Fund Update as at December 2023

5

Sagicor Go-Mutual Balanced (TTD) Fund

11

Sagicor Go-Mutual Bond (TTD) Fund

35

Sagicor Go-Mutual Bond (USD) Fund

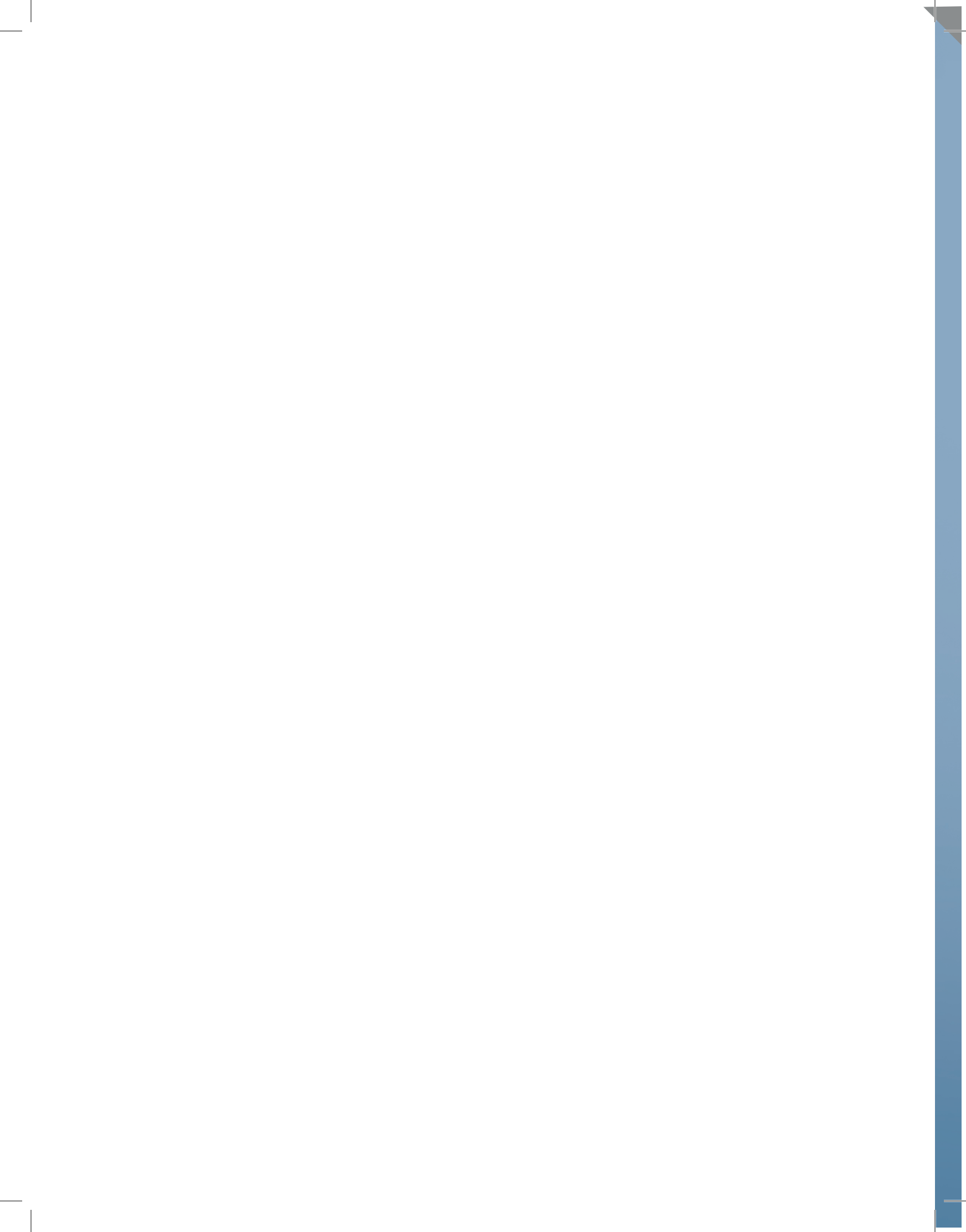
60

Sagicor Go-Mutual Equity (TTD) Fund

82

Sagicor Go-Mutual Income (USD) Fund

102





## Mutual Fund Update as at December 2023

# The Fund Managers' Update

The global economic growth outlook is forecast to decelerate to 2.2% in 2024, from an estimated 2.5% in 2023. This reflects geopolitical shocks and regionalisation in the world economy, the long-term consequences of the pandemic, and other cyclical influences which include the effects of monetary policy.

It was a strong quarter for global shares as the US Federal Reserve signaled that interest rate cuts were likely to come during 2024. Q4 saw developed markets outperform emerging markets amid ongoing worries over China's real estate sector. The energy sector posted a negative return with crude oil prices weaker during the quarter. Technology stocks, growth stocks and cryptocurrencies were top performers in 2023 as appetite for risk assets returned to the market. Meanwhile, bonds avoided an unprecedented third straight year of losses and staged a fourth quarter comeback for 2023 on the growing optimism that inflation was cooling, and interest rates would soon be lowered.

Recent indicators in the US suggest that growth of economic activity has slowed from its strong pace in the third quarter. Inflation has eased over the past year but remains elevated at 3.1% year on year in November. The data reinforced market expectations that the Fed has finished its rate hiking cycle and will move towards cuts in 2024.

Key Metrics	Dec-2022	Mar-2023	Jun-2023	Sep-2023	Dec-2023	% change from last Quarter	YOY % Change
Crude Oil - Brent	USD 85.91	USD 79.77	USD 74.90	USD 95.31	USD 77.04	↓ -19.17%	↓ -10.32%
Crude Oil - WTI	USD 80.26	USD 75.67	USD 70.64	USD 90.79	USD 71.65	↓ -21.08%	↓ -10.73%
Natural Gas – Henry Hub	USD 4.475	USD 2.216	USD 2.798	USD 2.929	USD 2.514	↓ -14.17%	↓ -43.82%
CBTT 365-day Rate	1.06%	1.04%	1.40%	1.66%	1.79%	↑ 7.83%	↑ 68.87%
US Federal Reserve Bank Rate	4.50%	5.00%	5.25%	5.50%	5.50%	→ 0.00%	↑ 22.22%
YOY US Inflation	6.50%	5.00%	3.00%	3.70%	3.10%	↓ -16.22%	↓ -52.31%
YOY TT Headline Inflation	8.70%	7.30%	5.80%	3.90%	(Nov-23) 1.1%	↓ -71.79%	↓ -86.21%
BSE Index	610.28	613.73	616.73	645.13	665.73	↑ 3.19%	↑ 9.09%
TTCOMP Index	1,332.15	1,312.35	1,216.36	1,209.63	1,214.05	↑ 0.37%	↓ -8.87%
JSE Index	355,896.60	340,536	332,035	327,042	325,700	↓ -0.41%	↓ -8.48%
S&P 500 Index	3,839.50	4,109.31	4,450.38	4,288.05	4,769.83	↑ 11.24%	↑ 24.23%
Dow Jones Index	33,147.25	33,274.15	34,407.60	33,507.50	37,689.54	↑ 12.48%	↑ 13.70%
MSCI All Country World Index	605.38	646.76	682.84	656.82	727.00	↑ 10.68%	↑ 20.09%
Bloomberg Gobal Aggregate Index	445.9152	459.3227	452.2958	436.0752	471.3998	↑ 8.10%	↑ 5.72%

Data as of December 31st, 2023: Data has been sourced from Bloomberg: BSE Index represents Barbados Stock Exchange Index price return, TTCOMP Index represents Trinidad and Tobago composite Index price return, JSE Index represents Jamaica Stock Exchange Index price return, S&P 500 Index represents S&P 500 price return, Dow Jones Index represents Dow Jones Industrial Index price return, MSCI All Country World Index represents MSCI All Country World Index price return.

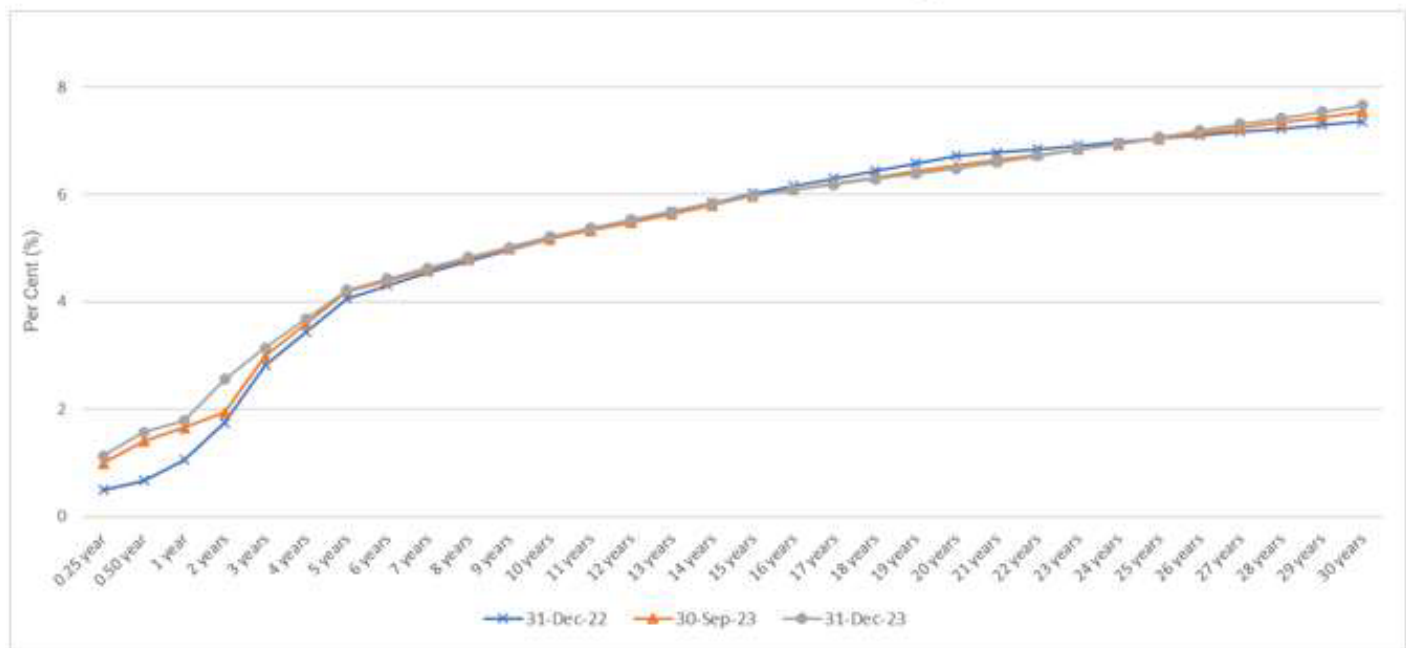
# The Fund Managers' Update

As markets priced in easing conditions, government bond yields fell across the globe. The US 10-year Treasury yield fell from 4.57% at the end of Q3 to 3.87% at the end of Q4.

Domestically, with respect to financial indicators, liquidity remains ample with Commercial banks' excess reserves at the Central Bank at a daily average of \$4.9 billion in November 2023. The reserves hovered around this level up until December 22, 2023. However, a recent uptick in government domestic financing operations has added to the variability of excess liquidity. Heightened government activity on the domestic capital markets continued the upward shift in shorter term domestic rates most notably in the 2- year yield climbing 62bps from September 2023.

Standardized Trinidad and Tobago Treasury Yield Curve (TTTYC)

Source: Central Bank of Trinidad and Tobago



Sagicor Investments Trinidad and Tobago Limited remains vigilant to position our Mutual Funds to take advantage of any opportunities in the market.

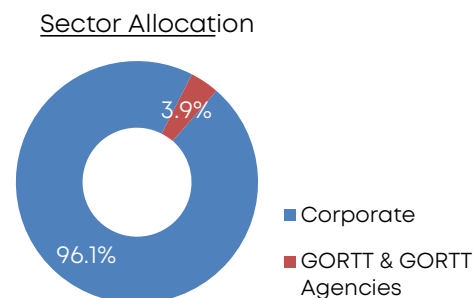
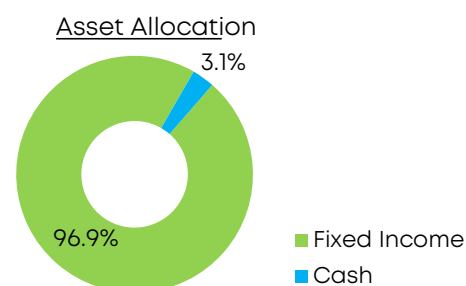
# Asset Description

## Go-Mutual Bond Fund (USD)

Portfolio Name	Profile & Objectives
Go-Mutual Bond Fund (USD)	<p>This is a United States Dollar fixed income portfolio invested mainly in global and regional corporate and sovereign debt securities and is suitable for investors who would have a moderate investment style.</p> <p>These investors would have a medium to long term horizon with limited liquidity needs in the first year.</p>

Positioning Strategy
<p>The Fund generated a YTD return of 3.32% while Bloomberg Barclays Global Aggregate Index delivered a 5.72% return.</p> <p>The Fund is heavily invested in Corporate USD assets. Given the current market volatility within the USD space, Management remains vigilant for high quality USD securities to further diversify the portfolio and build out the Fund's AUM.</p>

<b>Inception Date</b>	2021
<b>Asset Class/NAV Type</b>	Fixed Income/Floating
<b>Fund Strategy</b>	Corporate and Sovereign Debt Securities
<b>Geographical Focus</b>	Regional and Global
<b>Risk Profile</b>	Moderate
<b>Average Credit Rating</b>	BB
<b>Maturity Profile</b>	< 5 years
<b>Net Asset Value - US\$M</b>	1.073



### YTD Fund Performance for Q4 2023

Oct-23	Nov-23	Dec-23	1 year Return to Dec 2023
2.18%	2.80%	3.32%	3.32%



# Asset Description

## Go-Mutual Balanced Fund (TTD)

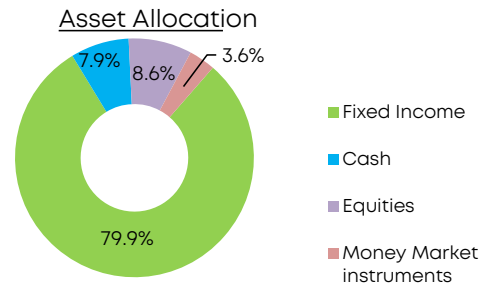
Portfolio Name	Profile & Objectives
Go-Mutual Balanced Fund (TTD)	<p>This portfolio is suitable for investors with a low to moderate risk tolerance and are seeking stable investments.</p> <p>These investors would have a long-term horizon with limited liquidity needs in the first year.</p>

**Positioning Strategy**

The Fund produced a YTD return of 1.99% as at December 2023. GORTT 5 year yielded 4.22% while the TT Composite generated a YTD return of -8.87%.

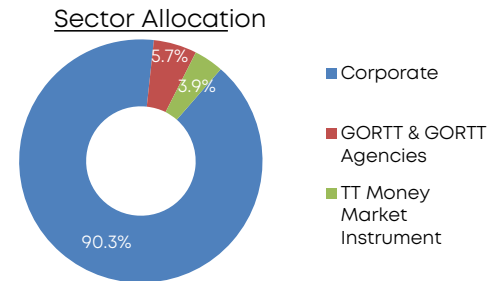
The Fund is heavily invested in corporate fixed income assets. As Management seeks to align the portfolio with the Fund's objective, we remain vigilant for local and regional equity opportunities as well as TTD Government and Corporate fixed income securities to diversify the portfolio and build out the Fund's AUM.

<b>Inception Date</b>	2021
<b>Asset Class/NAV Type</b>	Balanced/ Floating
<b>Fund Strategy</b>	Other Funds and securities of varying asset classes
<b>Geographical Focus</b>	Regional and Local
<b>Risk Profile</b>	Moderate
<b>Average Credit Rating</b>	BBB
<b>Maturity Profile</b>	< 20 years
<b>Net Asset Value - US\$M</b>	0.839



### YTD Fund Performance for Q4 2023

Oct-23	Nov-23	Dec-23	1 year Return to Dec 2023
<b>1.97%</b>	<b>1.93%</b>	<b>1.99%</b>	<b>1.99%</b>



# Asset Description

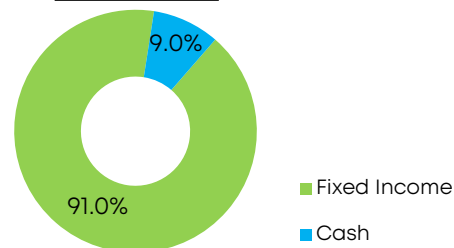
## Go-Mutual Bond Fund (TTD)

Portfolio Name	Profile & Objectives
Go-Mutual Bond Fund (TTD)	<p>This is a Trinidad and Tobago Dollar fixed income portfolio largely invested in sovereign debt and is suitable for investors who have a conservative investment style and are seeking returns in line with established short duration, risk free government instruments.</p> <p>These investors may have a short-term horizon and may need liquidity from time to time.</p>

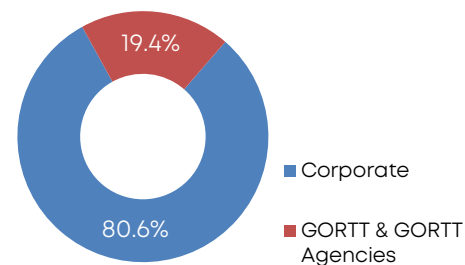
Positioning Strategy
<p>The Fund generated a YTD return of 2.33% as at December 2023 while The GORTT 5 Year Yield was 4.22%.</p> <p>The Fund is heavily invested in Government assets. Management remains vigilant for new Corporate and other securities to further diversify the portfolio and build out the Fund's AUM.</p>

<b>Inception Date</b>	2021
<b>Asset Class/ NAV Type</b>	Fixed Income/Floating
<b>Fund Strategy</b>	GORTT and Corporates Securities and other regional debt instruments
<b>Geographical Focus</b>	Regional and Local
<b>Risk Profile</b>	Moderate
<b>Average Credit Rating</b>	BBB
<b>Maturity Profile</b>	< 20 years
<b>Net Asset Value - US\$M</b>	0.842

Asset Allocation



Sector Allocation



### YTD Fund Performance for Q4 2023

Oct-23	Nov-23	Dec-23	1 year Return to Dec 2023
2.46%	2.42%	2.33%	2.33%

An aerial photograph of a white speedboat with a wooden deck and blue seating, moving across dark blue water and leaving a white wake. The image is partially covered by a large blue geometric shape on the left side.

# Sagicor Go-Mutual Balanced (TTD) Fund

## Financial Statements

31 December 2023

*(Expressed in Trinidad and Tobago Dollars)*

## Sagicor Go-Mutual Balanced (TTD) Fund

---

<b>Contents</b>	<b>Page</b>
Statement of Management's Responsibility	13
Independent Auditor's Report	14 - 15
Statement of Financial Position	16
Statement of Comprehensive Income	17
Statement of Changes in Unitholders' Capital and Reserves	18
Statement of Cash Flows	19
Notes to the Financial Statements	20 - 34

# Sagicor Go-Mutual Balanced (TTD) Fund

## Statement of Management's Responsibility

---

Management is responsible for the following:


- Preparing and fairly presenting the accompanying financial statements of Sagicor Go-Mutual Balanced (TTD) Fund (the Fund) which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in unitholders' capital and reserves and cash flows for the year then ended, and notes comprising material accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

  
\_\_\_\_\_  
Fund Manager  
27 March 2024

  
\_\_\_\_\_  
Fund Manager  
27 March 2024



## Independent auditor's report

To the unitholders of Sagicor Go- Mutual Balanced (TTD) Fund

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor Go- Mutual Balanced (TTD) Fund (the Fund) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in unitholders' capital and reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

---

### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

---

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Port of Spain  
Trinidad, West Indies  
28 March 2024

## Sagicor Go-Mutual Balanced (TTD) Fund


### Statement of Financial Position


(Expressed in Trinidad and Tobago Dollars)

		As at 31 December	
	Notes	2023 \$	2022 \$
<b>Assets</b>			
Financial assets	5	5,057,911	3,666,105
Cash and cash equivalents		451,638	1,849,701
Due from related party	6	<u>206,777</u>	<u>300</u>
<b>Total assets</b>		<u>5,716,326</u>	<u>5,516,106</u>
<b>Liabilities</b>			
Amount due to related parties	6	30,154	117,210
Other liabilities		<u>48,544</u>	<u>50,000</u>
<b>Total liabilities</b>		<u>78,698</u>	<u>167,210</u>
<b>Unitholders' capital and reserves</b>			
Unitholders' funds	7	5,442,513	5,260,891
Retained earnings		<u>195,115</u>	<u>88,005</u>
<b>Total unitholders' capital and reserves</b>		<u>5,637,628</u>	<u>5,348,896</u>
<b>Total liabilities and unitholders' capital and reserves</b>		<u>5,716,326</u>	<u>5,516,106</u>

The notes on pages 20 to 34 are an integral part of these financial statements.

On 27 March 2024, the Directors of the Fund Manager authorised these financial statements for issue.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



## Sagicor Go-Mutual Balanced (TTD) Fund

### Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

		Year ended 31 December	
	Note	2023 \$	2022 \$
<b>Income</b>			
Interest income	8	253,991	144,488
Fair value gains on financial assets		<u>18,502</u>	<u>120,469</u>
<b>Total income</b>		<u>272,493</u>	<u>264,957</u>
<b>Expenses</b>			
Management fees		(111,409)	(89,651)
Other operating expenses		<u>(53,974)</u>	<u>(99,818)</u>
<b>Total expenses</b>		<u>(165,383)</u>	<u>(189,469)</u>
<b>Net income for the year</b>		<u>107,110</u>	<u>75,488</u>
<b>Total comprehensive income</b>		<u>107,110</u>	<u>75,488</u>

The notes on pages 20 to 34 are an integral part of these financial statements.

## Sagicor Go-Mutual Balanced (TTD) Fund

### Statement of Changes in Unitholders' Capital and Reserves

(Expressed in Trinidad and Tobago Dollars)

	Unitholders' funds \$	Retained earnings \$	Total \$
<b>Year ended 31 December 2023</b>			
Balance at 1 January 2023	5,260,891	88,005	5,348,896
Total comprehensive income	--	107,110	107,110
Transaction with owners in their capacity as owners:			
Subscriptions	225,405	--	225,405
Redemptions	(43,783)	--	(43,783)
	181,622	--	181,622
Balance at 31 December 2023	5,442,513	195,115	5,637,628
<b>Year ended 31 December 2022</b>			
Balance at 1 January 2022	2,002,528	12,517	2,015,045
Total comprehensive income		75,488	75,488
Transaction with owners in their capacity as owners:			
Subscriptions	3,261,363	--	3,261,363
Redemptions	(3,000)	--	(3,000)
	3,258,363	--	3,258,363
Balance at 31 December 2022	5,260,891	88,005	5,348,896

The notes on pages 20 to 34 are an integral part of these financial statements.

## Sagicor Go-Mutual Balanced (TTD) Fund

### Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2023 \$	2022 \$
<b>Operating activities</b>		
Net income for the year	107,110	75,488
Adjustment for non-cash items:		
Interest earned	(253,991)	(144,488)
Net fair value gain on financial assets	(18,502)	(120,469)
Changes in operating activities:		
Interest received	226,408	116,132
(Increase)/decrease in amount due from related parties	(206,477)	570
(Decrease)/increase in amount due to related parties	(87,056)	113,695
(Decrease)/increase in other liabilities	<u>(1,456)</u>	<u>50,000</u>
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(233,964)</u>	<u>90,928</u>
<b>Cash flows from investing activities</b>		
Purchase of financial asset	(2,948,779)	(3,500,000)
Maturity of financial assets	<u>1,603,058</u>	<u>2,000,000</u>
<b>Net cash outflow from investing activities</b>	<u>(1,345,721)</u>	<u>(1,500,000)</u>
<b>Cash flows from financing activities</b>		
Subscriptions	225,405	3,261,363
Redemptions	<u>(43,783)</u>	<u>(3,000)</u>
<b>Net cash inflow from financing activities</b>	<u>181,622</u>	<u>3,258,363</u>
<b>(Decrease)/increase in cash and cash equivalents</b>	(1,398,063)	1,849,291
<b>Cash and cash equivalents, beginning of year</b>	<u>1,849,701</u>	<u>410</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>451,638</u></u>	<u><u>1,849,701</u></u>

The notes on pages 20 to 34 are an integral part of these financial statements.

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 1 General information

The Sagicor Go-Mutual Balance (TTD) Fund (“the Fund”) is an open ended fund which was established by Sagicor Investments Trinidad & Tobago Limited (SITTTL), formerly Sagicor Asset Management Limited (SAMTT), under a Trust Deed on 23 September 2021.

The Fund's objective is to create long term wealth for the unitholders by following a well proven and disciplined investment philosophy. It aims to manage the credit quality of the investments and will seek to generate capital appreciation through investment in excellent businesses in strong, long-term growth industries.

The investment strategy is to have a balanced asset portfolio invested in a mix of other Funds and securities of varying asset classes as determined by the Managers, denominated in TT dollars. This fund has a floating NAV.

The Fund is governed by the laws of Trinidad and Tobago and established by a declaration of Trust made by the Trustee, duly incorporated and validly existing under the provisions of the Financial Institutions Act 2008 of the Republic of Trinidad and Tobago. The Trustee of the Fund is Republic Bank Limited -Trust Services Division.

On 16 August 2021, the Trinidad and Tobago Securities and Exchange Commission approved the registration of the Sagicor Go-Mutual Balanced (TTD) Fund as a Reporting Issuer and Collective Investment Scheme.

#### *Subscriptions*

Units of the Fund were initially offered at \$6.75 per unit on inception date. Units may be subscribed at a minimum value of \$100. Thereafter it is offered at the prevailing day's NAV.

#### *Redemptions*

Units are redeemed at a price per unit based on their net asset value on the day the request is made less any applicable redemption charges. Partial redemptions are permitted provided that a minimum balance of a TT\$100 or USD\$100 or one (1) unit of the Portfolio is maintained by the unit holder whichever is greater.

Units can be redeemed at any time, as long as the aggregate amount redeemed does not exceed TT\$500,000 or 1% of the Total Net Asset Value, whichever is larger.

If the amount requested for redemption exceeds TT\$500,000 or 1% of the total net asset value of the Fund, the Investment Manager in its discretion may only process the portion of the redemption request up to TT\$500,000 or 1% of the total net asset value, whichever is larger.

#### *Distributions*

Distributions will be paid in the form of additional units on an annual basis unless otherwise stated.

#### *Management fees*

The management fee is calculated at 2.05% of the average net assets of the Fund. This annual Fund operating expense comprises Fund management fees of 1.75% and Trustee fees of 0.3%.

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### a. *Basis of preparation*

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of Fair Value through Profit and Loss financial assets.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Note 4.

#### (i) *New and amended standards and interpretations adopted by the Fund*

Amendment to IAS 1 'Presentation of financial statements' on classification of liabilities (effective from 1 January 2023 and applicable to the Fund from 1 January 2023). The narrow-scope amendment to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The amendment had no significant impact on the financial statements of the Fund.

Amendment to IAS 1 'Presentation of financial statements' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment did not have a significant impact on the current year disclosure of accounting policies of the Fund.

Amendment to IAS 8 'Accounting policies, changes in Accounting Estimates and Errors' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### a. Basis of preparation (continued)

##### (i) New and amended standards and interpretations adopted by the Fund (continued)

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment did not significantly impact the financial statements of the Fund.

##### (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: (effective from 1 January 2024 and applicable to the Fund from 1 January 2024). The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs') Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

This amendment is not expected to significantly impact the financial statements of the Fund.

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Trinidad and Tobago Dollars, which is the Fund's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through profit and loss are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss.

#### c. Financial assets

The Fund classifies its financial assets as fair value through profit and loss financial assets. Management determines the classification of its investments at initial recognition.

##### *Fair Value through Profit and Loss financial assets*

Fair value through profit and loss financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular-way purchases and sales of financial assets are recognised on trade-date – the date on which the Fund commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

Fair value through profit and loss financial assets are subsequently carried at fair value. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the "statement of comprehensive income" within "fair value gains/loss on financial assets" in the period in which it arises. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### c. *Financial assets (continued)*

Dividends on fair value through profit and loss equity instruments are recognised in the statement of comprehensive income when the entity's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Fund establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

#### d. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### e. *Interest income*

Interest income for all interest-bearing financial instruments, are recognised on the effective interest rate basis within 'interest income' in the statement of comprehensive income.

#### f. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and call deposits balances with less than three months' maturity from the date of acquisition.

#### g. *Unitholders' funds*

The Fund issues one class of units. These are redeemable at the holder's option and are classified as equity in accordance with IAS 1 (Amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. Should the redeemable units' terms and conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value (NAV) per unit at the time of issue or redemption. The NAV is calculated as the value of the Fund's assets less its liabilities divided by the number of units outstanding. In accordance with the Fund's Prospectus each security owned by the Fund is valued at its last sale price or official closing price based on the date as of which assets are valued. Where market quotations are not available the Fund will value securities at their fair value pursuant to procedures established by and under the Supervision of the Board of Directors of the Fund Manager.



# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

### 3 Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried within the Fund governed by policies approved by the Investment Committee. The Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

#### a. Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Fund by failing to discharge an obligation. Credit risk is the most important risk for the Fund's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in investment activities that bring debt securities and other bills into the Fund's asset portfolio. The credit risk management and control are centralised in the credit risk management department within the Investment Manager and report to the Board of Sagicor Life Inc

#### (i) Credit risk measurement

The Fund uses the external ratings where available to benchmark its internal credit risk assessment. The Investment Manager has developed an internal credit rating for its financial assets which is being utilised by the Fund. The internal rating is a 10 point scale which allows for distinctions in risk characteristics and is referenced to the rating scales of international credit rating agencies. The scale is as follows:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best	CariCRIS
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	AAA,AA	AAA, AA
		2	Low risk	A	A	A	A	A
		3	Moderate risk	BBB	Baa	BBB	BBB	BBB
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	BB	BB
		5	Average risk	B	B	B	B	B
	Watch	6	Higher risk	CCC, CC	Caa, Ca	CCC, CC	CCC,CC	C
		7	Special mention	C	C	C	C	C
Default	8	Substandard				DDD		
	9	Doubtful		D	C	DD	D	D
	10	Loss				D		

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 3 Financial risk management (continued)

#### a. Credit risk (continued)

##### *Debt securities and other bills*

For debt securities and other bills, internal credit assessment accompanied with external rating such as Standard & Poor's rating where available or their equivalents are used by the Risk Management department for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

##### (ii) *Risk limit control and mitigation policies*

The Fund manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the Investment Committee.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-statement of financial position exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

#### b. *Market risk*

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate. The Fund separates exposures to market risk into either trading or non-trading portfolios.

Non-trading portfolios primarily arise from the interest rate management of the entity's assets and liabilities.

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 3 Financial risk management (continued)

#### b. Market risk (continued)

##### (i) Foreign exchange risk

Foreign exchange risk arises as the value of future transactions, assets and liabilities denominated in other currencies will fluctuate due to changes in foreign exchange rates. The Fund Manager monitors the exposure on all foreign currency denominated assets and liabilities. The Fund does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements.

##### (ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund manages these risks by duration analysis and measurement of interest rate gaps.

#### c. Liquidity risks

Liquidity risk is the risk that the Fund is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn. The Fund's liquidity management process includes:

- Week to week funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against unforeseen interruption of cash flow.
- Monitoring statement of financial position liquidity ratios.
- Managing the concentration profile of debt maturities.
- Limits on redemptions by any one investor per month

### 4 Critical accounting estimates and judgments

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. The items which may have the most significant effect on the Fund's financial statements are set out below.

#### a. Fair valuation of investment securities

The fair value of financial instruments that are not traded in an active market is determined by using an internally developed bond valuation model. The key assumptions used in this model relate to current market yields. These assumptions are validated and reviewed internally by qualified personnel on a periodic basis. Where applicable, data is calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in the assumptions used in these valuations could affect the reported fair value of investment securities. The fair value of these investments amounted to TT\$4,566,811 (2022: TT\$3,146,105). If the yields had increased/decreased by 1% with all other variables held constant, the income reported for the year would have been TT\$43,463 lower/higher (2022: TT\$30,000).

# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

### 5 Financial assets

This portfolio is classified as fair value through the profit and loss to reflect the Fund's primary focus on fair value information which is used to assess its performance.

	2023 \$	2022 \$
Corporate Bonds	4,260,361	3,146,105
Government bonds	306,450	--
Equities	<u>491,100</u>	<u>520,000</u>
	<u>5,057,911</u>	<u>3,666,105</u>

### 6 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund is managed by Sagicor Investments Trinidad & Tobago Limited. Under the terms of the management agreement, Sagicor Investments Trinidad & Tobago Limited was appointed to provide management services to the Fund. Sagicor Investment Trinidad & Tobago Limited receives in return a fee calculated at 2.05% of the average net assets of the Fund.

During the year the Fund engaged in a Repurchase agreement with Sagicor Investment Trinidad & Tobago Limited at an interest rate of 1.35%.

#### *Amount due from related parties*

Amounts due from Sagicor TT\$ Fixed Income Fund	--	300
Amounts due from Sagicor Investments Trinidad & Tobago Limited	1,592	--
Repurchase Agreement – SITTL	<u>205,185</u>	<u>--</u>
	<u>206,777</u>	<u>300</u>

#### *Amount due to related parties*

Management fees payable to SITTL	30,154	93,166
Due to Sagicor investments Trinidad & Tobago Limited	<u>--</u>	<u>24,044</u>
	<u>30,154</u>	<u>117,210</u>

### 7 Unitholders' funds

Units held by Fund Manager	5,008,776	5,003,844
Units held by third parties	<u>433,737</u>	<u>257,047</u>
	<u>5,442,513</u>	<u>5,260,891</u>

## Sagicor Go-Mutual Balanced (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

8	Interest income	2023 \$	2022 \$
	Debt securities	<u>253,991</u>	<u>144,488</u>
		<u>253,991</u>	<u>144,488</u>
9	Financial risk		
	a. Credit risk		
	(i) Maximum exposure to credit risk before collateral held or other credit enhancements		
	Exposures		
	Due from related parties:	206,777	300
	Debt securities:		
	Government of Trinidad & Tobago	306,450	--
	Corporate	<u>4,260,361</u>	<u>3,146,105</u>
		<u>4,566,811</u>	<u>3,146,105</u>
	Cash and cash equivalents:		
	Scotiabank Trinidad and Tobago Limited	<u>451,638</u>	<u>1,849,701</u>
		<u>451,638</u>	<u>1,849,701</u>
	Total	<u>5,225,226</u>	<u>4,996,106</u>

## Sagicor Go-Mutual Balanced (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 9 Financial risk (continued)

##### a. Credit risk (continued)

##### (ii) Concentration of risks of financial assets with credit risk exposure

The following table breaks down the Fund's main credit risk exposure at their carrying amounts, as categorised by the industry sectors of counterparties:

	Financial institutions \$	Public sector \$	Other corporate \$	Total \$
<b>Year ended 31 December 2023</b>				
Cash and cash equivalents	451,638	--	--	451,638
Debt securities	--	306,450	4,260,361	4,566,811
	451,638	306,450	4,260,361	5,018,449

	Financial institutions \$	Public sector \$	Other corporate \$	Total \$
<b>Year ended 31 December 2022</b>				
Cash and cash equivalents	1,849,701	--	--	1,849,701
Debt securities	--	--	3,146,105	3,146,105
	1,849,701	--	3,146,105	4,995,806

The credit quality of financial assets can be assessed by reference to internal credit ratings analysed as follows:

Financial Investments & Cash and cash equivalents				2023		2022	
Category		Sagicor Risk Rating	Classification	Exposure		Exposure	
				\$	%	\$	%
Non-default	Investment grade	1	Minimal risk	451,638	9%	1,849,701	37%
		2	Low risk	4,566,811	91%	3,146,105	63%
		3	Moderate risk			--	0%
	Non-investment grade	4	Acceptable risk			--	0%
				5,018,449	100%	4,995,806	100%

## Sagicor Go-Mutual Balanced (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 9 Financial risk (continued)

##### b. Liquidity risk

##### *Maturity analysis of financial assets and liabilities*

The following table analyses the Fund's financial assets and liabilities into relevant maturity groupings based on the remaining period at statement of financial position date to the contractual maturity date. The amounts disclosed in respect of financial liabilities are the contractual undiscounted cash flows.

##### *Maturity profiles*

	<b>Due within 1 year \$</b>	<b>Due between 1 – 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total \$</b>
<b>31 December 2023</b>				
<i>Financial assets</i>				
Cash and cash equivalents	451,638	--	--	451,638
Debt securities	262,412	1,227,645	4,823,215	6,313,272
Amounts due from related parties	206,777	--	--	206,777
<b>Total</b>	<b>920,827</b>	<b>1,227,645</b>	<b>4,823,215</b>	<b>6,971,687</b>
<i>Financial liabilities</i>				
Amount due to related parties	30,154	--	--	30,154
Other liabilities	48,544	--	--	48,544
<b>Total</b>	<b>78,698</b>	<b>--</b>	<b>--</b>	<b>78,698</b>
<b>Net position</b>	<b>842,129</b>	<b>1,227,645</b>	<b>4,823,215</b>	<b>6,892,989</b>
	<b>Due within 1 year \$</b>	<b>Due between 1 – 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total \$</b>
<b>31 December 2022</b>				
<i>Financial assets</i>				
Cash and cash equivalents	1,849,701	--	--	1,849,701
Debt securities	161,250	645,000	3,322,500	4,128,750
Amounts due from related parties	300	--	--	300
<b>Total</b>	<b>2,011,251</b>	<b>645,000</b>	<b>3,322,500</b>	<b>5,978,751</b>
<i>Financial liabilities</i>				
Amount due to related parties	117,210	--	--	117,210
Other liabilities	50,000	--	--	50,000
<b>Total</b>	<b>167,210</b>	<b>--</b>	<b>--</b>	<b>167,210</b>
<b>Net position</b>	<b>1,844,041</b>	<b>645,000</b>	<b>3,322,500</b>	<b>5,811,541</b>

## Sagicor Go-Mutual Balanced (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 9 Financial risk (continued)

##### c. Interest rate risk

##### Concentration of interest rate risk

The table below summarises the Fund's exposure to interest rate risk. Included in the table are the Fund's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Within 1 year \$	Between 1 – 5 years \$	After 5 years \$	Non-interest bearing \$	Total \$
<b>31 December 2023</b>					
<i>Financial assets</i>					
Cash and cash equivalents	451,638	--	--	--	451,638
Debt securities	262,412	1,227,645	3,017,939	549,915	5,057,911
Amounts due from related parties	206,777	--	--	--	206,777
<b>Total</b>	<b>920,827</b>	<b>1,227,645</b>	<b>3,017,939</b>	<b>549,915</b>	<b>5,716,326</b>
<i>Financial liabilities</i>					
Amount due to related parties	30,154	--	--	--	30,154
Other Liabilities	48,543	--	--	--	48,543
<b>Total</b>	<b>78,698</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>78,698</b>
<b>Net position</b>	<b>842,129</b>	<b>1,227,645</b>	<b>3,017,939</b>	<b>549,915</b>	<b>5,637,628</b>
	Within 1 year \$	Between 1 – 5 years \$	After 5 years \$	Non-interest bearing \$	Total \$
<b>31 December 2022</b>					
<i>Financial assets</i>					
Cash and cash equivalents	1,849,701	--	--	--	1,849,701
Debt securities	161,250	645,000	2,308,047	551,808	3,666,105
Amounts due from related parties	300	--	--	--	300
<b>Total</b>	<b>2,011,251</b>	<b>645,000</b>	<b>2,308,047</b>	<b>551,808</b>	<b>5,516,106</b>
<i>Financial liabilities</i>					
Amount due to related parties	117,210	--	--	--	117,210
Other Liabilities	50,000	--	--	--	50,000
<b>Total</b>	<b>167,210</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>167,210</b>
<b>Net position</b>	<b>4,797,088</b>	<b>--</b>	<b>--</b>	<b>551,808</b>	<b>5,348,896</b>

##### Sensitivity analysis

As at 31 December 2023, if interest rates had been 1% higher/lower with all other variables held constant, total comprehensive income and unitholders' capital and reserves would have been \$46,463 (2022: \$30,000) lower/higher, mainly as a result of lower/higher unrealised losses/gains on fixed rate investments.



# Sagicor Go-Mutual Balanced (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 9 Financial risk (continued)

d. *Foreign exchange risk*

All assets and liabilities are denominated in TTD.

e. *Price risk*

(i) *Definition*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market.

(ii) *Management of risk*

The Fund currently has holdings in government agency debt instruments issued in Trinidad and Tobago. The Fund did not hold any equity investments during the year.

### 10 Financial instruments carried at fair value

Financial instruments carried at fair value in the financial statements are measured according to a fair value hierarchy which reflects the significance of market inputs in the valuations. This hierarchy is described below:

a. *Level 1 - unadjusted quoted prices in an active markets for identical instruments*

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund Manager considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no data available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

b. *Level 2 - inputs that are observable for the instrument either directly or indirectly*

A financial instrument is classified as Level 2 if:

The fair value is derived from quoted prices of similar instruments which would be classified as Level 1; or

The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

c. *Level 3 - inputs for the instrument are not based on observable market data*

A financial instrument is classified as Level 3 if:

The fair value is derived from quoted prices of similar instruments that are observable and which would be classified as Level 2; or

The fair value is derived from inputs that are not based on observable market data.

Level 3 fair value through profit and loss securities comprise primarily of government agency debt instruments issued in Trinidad and Tobago. The fair values of these instruments have been derived from 31 December market yields of government instruments of similar durations in Trinidad and Tobago.

## Sagicor Go-Mutual Balanced (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 10 Financial instruments carried at fair value (continued)

<i>Financial assets carried at fair value</i>	31 December 2023			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit and loss:				
Debt securities	--	--	4,566,811	4,566,811
Equity securities	491,100	--	--	491,100
<b>Total assets</b>	<b>491,100</b>	<b>--</b>	<b>4,566,811</b>	<b>5,057,911</b>
Total assets by percentage	10%		90%	100%

<i>Financial assets carried at fair value</i>	31 December 2022			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit and loss:				
Debt securities	--	--	3,146,105	3,146,105
Equity securities	520,000	--	--	520,000
<b>Total assets</b>	<b>520,000</b>	<b>--</b>	<b>3,146,105</b>	<b>3,666,105</b>
Total assets by percentage	14%		86%	100%

The following table presents the movement in Level 3 instruments for the year.

	2023 \$	2022 \$
Opening balance	3,146,105	2,017,280
Purchases	2,948,779	3,000,000
Maturities	(1,603,058)	(2,000,000)
Net changes in accrued interest	27,582	28,356
Net gains	47,403	100,469
<b>Closing balance</b>	<b>4,566,811</b>	<b>3,146,105</b>

#### 11 Contingent liabilities

The Fund is not involved in claims and counterclaims arising from the conduct of its business.

#### 12 Subsequent events

After 31 December 2023, no events, situations or circumstances have occurred which might significantly affect the Fund's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements



# **Sagicor Go-Mutual Bond (TTD) Fund**

## **Financial Statements**

**31 December 2023**

*(Expressed in Trinidad and Tobago Dollars)*

## Sagicor Go-Mutual Bond (TTD) Fund

---

<b>Contents</b>	<b>Page</b>
Statement of Management's Responsibility	37
Independent Auditor's Report	38 - 39
Statement of Financial Position	40
Statement of Comprehensive Income	41
Statement of Changes in Unitholders' Capital and Reserves	42
Statement of Cash Flows	43
Notes to the Financial Statements	44 - 59

# Sagicor Go-Mutual Bond (TTD) Fund

## Statement of Management's Responsibility

---

Management is responsible for the following:


- Preparing and fairly presenting the accompanying financial statements of Sagicor Go-Mutual Bond (TTD) Fund (the Fund) which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in unitholders' capital and reserves and cash flows for the year then ended, and notes comprising material accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

  
\_\_\_\_\_  
Fund Manager  
27 March 2024

  
\_\_\_\_\_  
Fund Manager  
27 March 2024



## Independent auditor's report

To the unitholders of Sagicor Go-Mutual Bond (TTD) Fund

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor Go-Mutual Bond (TTD) Fund (the Fund) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### *What we have audited*

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in unitholders' capital and reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

---

### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

---

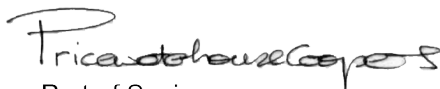
## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Port of Spain  
Trinidad, West Indies  
28 March 2024

## Sagicor Go-Mutual Bond (TTD) Fund

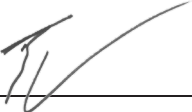
### Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

		As at 31 December	
	Notes	2023 \$	2022 \$
<b>Assets</b>			
Financial assets	5	5,225,735	5,203,496
Amount due from related parties	6	3,037	--
Cash and cash equivalents		<u>510,979</u>	<u>223,463</u>
<b>Total assets</b>		<u>5,739,751</u>	<u>5,426,959</u>
<b>Liabilities</b>			
Amount due to related parties	6	30,586	102,025
Other liabilities		<u>46,875</u>	<u>50,000</u>
<b>Total liabilities</b>		<u>77,461</u>	<u>152,025</u>
<b>Unitholders' capital and reserves</b>			
Unitholders' funds	7	5,387,194	5,122,689
Retained earnings		<u>275,096</u>	<u>152,245</u>
<b>Total unitholders' capital and reserves</b>		<u>5,662,290</u>	<u>5,274,934</u>
<b>Total liabilities and unitholders' capital and reserves</b>		<u>5,739,751</u>	<u>5,426,959</u>

The notes on pages 44 to 59 are an integral part of these financial statements.

On 27 March 2024, the Directors of the Fund Manager authorised these financial statements for issue.

  
\_\_\_\_\_

Director

  
\_\_\_\_\_

Director



## Sagicor Go-Mutual Bond (TTD) Fund

### Statement of Comprehensive Income

*(Expressed in Trinidad and Tobago Dollars)*

		Year ended 31 December	
	Note	2023	2022
		\$	\$
<b>Income</b>			
Net interest income	8	264,703	181,299
Fair value gains on financial assets		<u>22,038</u>	<u>150,235</u>
<b>Total income</b>		<u>286,741</u>	<u>331,534</u>
<b>Expenses</b>			
Management fees		(111,720)	(85,190)
Other operating expenses		<u>(52,170)</u>	<u>(100,024)</u>
<b>Total expenses</b>		<u>(163,890)</u>	<u>(185,214)</u>
<b>Net income for the year</b>		<u>122,851</u>	<u>146,320</u>
<b>Total comprehensive income</b>		<u>122,851</u>	<u>146,320</u>

The notes on pages 44 to 59 are an integral part of these financial statements.

## Sagicor Go-Mutual Bond (TTD) Fund

### Statement of Changes in Unitholders' Capital and Reserves

(Expressed in Trinidad and Tobago Dollars)

	Unitholders' funds \$	Retained earnings \$	Total \$
<b>Year ended 31 December 2023</b>			
Balance at 1 January 2023	5,122,689	152,245	5,274,934
Total comprehensive income	--	122,851	122,851
Transaction with owners in their capacity as owners:			
Subscriptions	388,361	--	388,361
Redemptions	(123,856)	--	(123,856)
	<u>264,505</u>	--	<u>264,505</u>
Balance at 31 December 2023	<u>5,387,194</u>	<u>275,096</u>	<u>5,662,290</u>
<b>Year ended 31 December 2022</b>			
Balance at 1 January 2022	1,023,614	5,925	1,029,539
Total comprehensive income	--	146,320	146,320
Transaction with owners in their capacity as owners:			
Subscriptions	4,124,813	--	4,124,813
Redemptions	(25,738)	--	(25,738)
	<u>4,099,075</u>	--	<u>4,099,075</u>
Balance at 31 December 2022	<u>5,122,689</u>	<u>152,245</u>	<u>5,274,934</u>

The notes on pages 44 to 59 are an integral part of these financial statements.

## Sagicor Go-Mutual Bond (TTD) Fund

### Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Year ended 31 December	
	2023	2022
	\$	\$
<b>Cash flow from operating activities</b>		
Net income for the year	122,851	146,320
Adjustment for non-cash items:		
Interest earned	(264,703)	(181,299)
Net fair value gain on financial assets	(22,038)	(150,235)
Changes in operating activities		
Interest received	262,002	136,678
(Increase)/decrease in amount due from related parties	(3,037)	22,285
(Decrease)/increase in amount due to related parties	(71,439)	100,229
(Decrease)/increase in other liabilities	<u>(3,125)</u>	<u>50,000</u>
<b>Net cash inflow from operating activities</b>	<u>20,511</u>	<u>123,978</u>
<b>Cash flow from investing activities</b>		
Purchases of investments	(100,000)	(5,000,000)
Sales of Investments	<u>102,500</u>	<u>1,000,000</u>
<b>Net cash inflow/(outflow) from investing activities</b>	<u>2,500</u>	<u>(4,000,000)</u>
<b>Cash flow from financing activities</b>		
Redemptions	(123,856)	(25,738)
Subscriptions	<u>388,361</u>	<u>4,124,813</u>
<b>Net cash inflow from financing activities</b>	<u>264,505</u>	<u>4,099,075</u>
<b>Increase in cash and cash equivalents</b>	287,516	223,053
<b>Cash and cash equivalents, beginning of year</b>	<u>223,463</u>	<u>410</u>
<b>Cash and cash equivalents, end of year</b>	<u>510,979</u>	<u>223,463</u>

The notes on pages 44 to 59 are an integral part of these financial statements.

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements

31 December 2023

*(Expressed in Trinidad and Tobago Dollars)*

---

### 1 General information

The Sagicor Go-Mutual Bond (TTD) Fund (“the Fund”) is an open ended fund which was established by Sagicor Investments Trinidad & Tobago Limited (SITTTL), formerly Sagicor Asset Management Limited (SAMTT), under a Trust Deed on 23 September 2021.

The Fund’s objective is to create long term wealth for the unitholders by following a well proven and disciplined investment philosophy. It aims to manage the credit quality of the investments and will seek to generate capital appreciation through investment in excellent businesses in strong, long-term growth industries.

The investment strategy is to primarily invest in Trinidad and Tobago dollar denominated Government of Trinidad and Tobago, Corporate securities and other regional debt instruments. This fund has a floating NAV. The Fund is governed by the laws of Trinidad and Tobago and established by a declaration of Trust made by the Trustee, duly incorporated and validly existing under the provisions of the Financial Institutions Act 2008 of the Republic of Trinidad and Tobago. The Trustee of the Fund is Republic Bank Limited -Trust Services Division.

On 16 August 2021, the Trinidad and Tobago Securities and Exchange Commission approved the registration of the Sagicor Go-Mutual Bond (TTD) Fund as a Reporting Issuer and Collective Investment Scheme.

#### *Subscriptions*

Units of the Fund were initially offered at \$6.75 per unit on inception date, units may be subscribed at a minimum value of \$100. Thereafter it is offered at the prevailing day’s NAV.

#### *Redemptions*

Units are redeemed at a price per unit based on their net asset value on the day the request is made less any applicable redemption charges. Partial redemptions are permitted provided that a minimum balance of a TT\$100 or USD\$100 or one (1) unit of the Portfolio is maintained by the unit holder whichever is greater.

Units can be redeemed at any time, as long as the aggregate amount redeemed does not exceed TT\$500,000 or 1% of the Total Net Asset Value, whichever is larger.

If the amount requested for redemption exceeds TT\$500,000 or 1% of the total net asset value of the Fund, Investment Manager in its discretion may only process the portion of the redemption request up to TT\$500,000 or 1% of the total net asset value, whichever is larger.

#### *Distributions*

Distributions will be paid in the form of additional units on an annual basis unless otherwise stated.

#### *Management fees*

The management fee is calculated at 2.05% of the average net assets of the Fund. This annual Fund operating expense comprises Fund management fees of 1.75% and Trustee fees of 0.3%.

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### a. *Basis of preparation*

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of Fair Value through Profit and Loss financial assets.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Note 4.

#### (i) *New and amended standards and interpretations adopted by the Fund*

Amendment to IAS 1 'Presentation of financial statements' on classification of liabilities (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

The narrow-scope amendment to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The amendment had no significant impact on the financial statements of the Fund.

Amendment to IAS 1 'Presentation of financial statements' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment did not have a significant impact on the current year disclosure of accounting policies of the Fund.

Amendment to IAS 8 'Accounting policies, changes in Accounting Estimates and Errors' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### a. Basis of preparation (continued)

##### (i) New and amended standards and interpretations adopted by the Fund (continued)

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment did not significantly impact the financial statements of the Fund.

##### (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: (effective from 1 January 2024 and applicable to the Fund from 1 January 2024). The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs') Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

This amendment is not expected to significantly impact the financial statements of the Fund.

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Trinidad and Tobago Dollars, which is the Fund's functional and presentation currency.

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### b. Foreign currency translation (continued)

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through profit and loss are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

#### c. Financial assets

The Fund classifies its financial assets as fair value through profit and loss financial assets. Management determines the classification of its investments at initial recognition.

##### *Fair value through profit and loss financial assets*

Fair value through profit and loss financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular-way purchases and sales of financial assets are recognised on trade-date – the date on which the Fund commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

Fair value through profit and loss financial assets are subsequently carried at fair value. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the “income statement within “fair value gains/loss on financial assets” in the period in which it arises. Interest income from these financial assets is included in “Interest income” using the effective interest rate method. Dividends on Fair Value through Profit and Loss equity instruments are recognised in the income statement when the entity’s right to receive payment is established.

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### c. *Financial assets (continued)*

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Fund establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

#### d. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### e. *Interest income and expense*

Interest income and expense for all interest-bearing financial instruments, are recognised on the effective interest rate basis within 'interest income' and 'interest expense' in the statement of comprehensive income.

#### f. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and call deposits balances with less than three months' maturity from the date of acquisition.

#### g. *Unitholders' funds*

The Fund issues one class of units. These are redeemable at the holder's option and are classified as equity in accordance with IAS 1 (Amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'.

Should the redeemable units' terms and conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value (NAV) per unit at the time of issue or redemption. The NAV is calculated as the value of the Fund's assets less its liabilities divided by the number of units outstanding. In accordance with the Fund's Prospectus each security owned by the Fund is valued at its last sale price or official closing price based on the date as of which assets are valued. Where market quotations are not available the Fund will value securities at their fair value pursuant to procedures established by and under the Supervision of the Board of Directors of the Fund Manager.



# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 3 Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried within the Fund governed by policies approved by the Investment Committee. The Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

#### a. *Credit risk*

The Fund takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Fund by failing to discharge an obligation. Credit risk is the most important risk for the Fund's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in investment activities that bring debt securities and other bills into the Fund's asset portfolio. The credit risk management and control are centralised in the credit risk management department within the Investment Manager and report to the Board of Sagicor Life Inc.

## Sagicor Go-Mutual Bond (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### a. Credit risk (continued)

##### (i) Credit risk measurement

The Fund uses the external ratings where available to benchmark its internal credit risk assessment. The Investment Manager has developed an internal credit rating for its financial assets which is being utilised by the Fund. The internal rating is a 10 point scale which allows for distinctions in risk characteristics and is referenced to the rating scales of international credit rating agencies. The scale is as follows:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best	CariCRIS
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	AAA, AA	AAA, AA
		2	Low risk	A	A	A	A	A
		3	Moderate risk	BBB	Baa	BBB	BBB	BBB
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	BB	BB
		5	Average risk	B	B	B	B	B
	Watch	6	Higher risk	CC, CC	Caa, Ca	CC, CC	CC, C	C
		7	Special mention	C	C	C	C	C
Default	8	Substandard				DDD		
	9	Doubtful	D	C	DD	D	D	
	10	Loss			D			

##### *Debt securities and other bills*

For debt securities and other bills, internal credit assessment accompanied with external rating such as Standard & Poor's rating where available or their equivalents are used by the Risk Management department for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

##### (ii) Risk limit control and mitigation policies

The Fund manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the Investment Committee.

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 3 Financial risk management (continued)

#### a. Credit risk (continued)

##### (ii) Risk limit control and mitigation policies (continued)

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

##### (iii) Collateral

The Fund employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Fund implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

#### b. Market risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate. The Fund separates exposures to market risk into either trading or non-trading portfolios.

Non-trading portfolios primarily arise from the interest rate management of the entity's assets and liabilities.

##### (i) Foreign exchange risk

Along with its TT\$ assets, the Fund also holds assets which are denominated in US\$. Foreign currency risk arises as the value of future transactions, assets and liabilities denominated in other currencies will fluctuate due to changes in foreign exchange rates. The Fund Manager monitors the exposure on all foreign currency denominated assets and liabilities. The Fund does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements. The table in Note 9 d. provides an analysis of the Fund's assets and liabilities by currency.

##### (ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund manages these risks by duration analysis and measurement of interest rate gaps.

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 3 Financial risk management (continued)

#### c. Liquidity risks

Liquidity risk is the risk that the Fund is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn. The Fund's liquidity management process includes:

- Week to week funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against unforeseen interruption of cash flow.
- Monitoring balance sheet liquidity ratios.
- Managing the concentration profile of debt maturities.
- Limits on redemptions by any one investor per month

### 4 Critical accounting estimates and judgments

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. The items which may have the most significant effect on the Fund's financial statements are set out below.

#### a. Fair valuation of investment securities

The fair value of financial instruments that are not traded in an active market is determined by using an internally developed bond valuation model. The key assumptions used in this model relate to current market yields. These assumptions are validated and reviewed internally by qualified personnel on a periodic basis. Where applicable, data is calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in the assumptions used in these valuations could affect the reported fair value of investment securities. The fair value of these investments amounted to TT\$5,225,735 (2022: TT\$5,203,496). If the yields had increased/decreased by 1% with all other variables held constant, the income reported for the year would have been TT\$49,975 (2022: TT\$50,000) lower/higher.

### 5 Financial assets

This portfolio is classified as fair value through the profit and loss to reflect the Fund's primary focus on fair value information which is used to assess its performance.

	2023	2022
	\$	\$
Government bonds	1,012,304	1,008,689
Corporate bonds	<u>4,213,431</u>	<u>4,194,807</u>
	<u>5,225,735</u>	<u>5,203,496</u>

## Sagikor Go-Mutual Bond (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 6 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund is managed by Sagikor Investments Trinidad & Tobago Limited. Under the terms of the management agreement, Sagikor Investments Trinidad & Tobago Limited was appointed to provide management services to the Fund. Sagikor Investment Trinidad & Tobago Limited receives a return a fee calculated at 2.05% of the average net assets of the Fund.

	2023 \$	2022 \$
<i>Amount due from related parties</i>		
Amounts due from SITTL	<u>3,037</u>	<u>--</u>
	<u>3,037</u>	<u>--</u>
<i>Amount due to related parties</i>		
Due to SITTL	--	15,039
Management fees payable to SITTL	<u>30,586</u>	<u>86,986</u>
	<u>30,586</u>	<u>102,025</u>
<b>7 Unitholders' funds</b>		
Units held by Fund Manager	5,015,394	5,002,191
Units held by third parties	<u>371,800</u>	<u>120,498</u>
	<u>5,387,194</u>	<u>5,122,689</u>
<b>8 Net interest income</b>		
	2023 \$	2022 \$
Debt securities	<u>264,703</u>	<u>181,299</u>
	<u>264,703</u>	<u>181,299</u>

## Sagicor Go-Mutual Bond (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 9 Financial risk

a. *Credit risk*

	2023	2022
	\$	\$

(i) *Maximum exposure to credit risk before collateral held or other credit enhancements*

*Exposures*

*Due from related parties:* 3,037 --

*Debt securities:*

Government of Trinidad & Tobago	1,012,304	1,008,689
Corporate	<u>4,213,431</u>	<u>4,194,807</u>

	<u>5,225,735</u>	<u>5,203,496</u>
--	------------------	------------------

*Cash and cash equivalents:*

Scotiabank Trinidad and Tobago Limited	<u>510,979</u>	<u>223,463</u>
--	----------------	----------------

	<u>510,979</u>	<u>223,463</u>
--	----------------	----------------

Total	<u>5,739,751</u>	<u>5,426,959</u>
-------	------------------	------------------

(ii) *Concentration of risks of financial assets with credit risk exposure*

The following table breaks down the Fund's main credit risk exposure at their carrying amounts, as categorised by the industry sectors of counterparties:

	Financial institutions \$	Public sector \$	Other corporate \$	Total \$
<b>Year ended 31 December 2023</b>				
Cash and cash equivalents	510,979	--	--	510,979
Debt securities	--	1,012,304	4,213,431	5,225,735
	<u>510,979</u>	<u>1,012,304</u>	<u>4,213,431</u>	<u>5,736,714</u>
<b>Year ended 31 December 2022</b>				
Cash and cash equivalents	223,463	--	--	223,463
Debt securities	--	1,008,689	4,194,807	5,203,496
	<u>223,463</u>	<u>1,008,689</u>	<u>4,194,807</u>	<u>5,426,959</u>

## Sagicor Go-Mutual Bond (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 9 Financial risk (continued)

##### a. Credit risk (continued)

The credit quality of financial assets can be assessed by reference to internal credit ratings analysed as follows:

Financial Investments & Cash and cash equivalents				2023		2022	
Category		Sagicor Risk Rating	Classification	Exposure		Exposure	
				\$	%	\$	%
Non-default	Investment grade	1	Minimal risk	510,979	9%	223,463	4%
		2	Low risk	1,012,304	18%	1,008,689	19%
		3	Moderate risk	4,213,431	73%	4,194,807	77%
	Non-investment grade	4	Acceptable risk	--	--	--	--
				5,736,714	100%	5,426,959	100%

##### b. Liquidity risk

##### Maturity analysis of financial assets and liabilities

The following table analyses the Fund's financial assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts disclosed in respect of financial liabilities are the contractual undiscounted cash flows.

## Sagicor Go-Mutual Bond (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 9 Financial risk (continued)

##### b. Liquidity risk (continued)

##### Maturity profiles (continued)

	Due within 1 year \$	Due between 1 – 5 years \$	Due after 5 years \$	Total \$
<b>31 December 2023</b>				
<i>Financial assets</i>				
Cash and cash equivalents	510,979	--	--	510,979
Debt securities	364,842	1,411,216	5,056,142	6,832,200
Amounts due from related parties	3,037	--	--	3,037
<b>Total</b>	<b>878,858</b>	<b>1,411,216</b>	<b>5,056,142</b>	<b>7,346,216</b>
<i>Financial liabilities</i>				
Amount due to related parties	30,586	--	--	30,586
Other liabilities	46,875	--	--	46,875
<b>Total</b>	<b>77,461</b>	<b>--</b>	<b>--</b>	<b>77,461</b>
<b>Net position</b>	<b>801,397</b>	<b>1,411,216</b>	<b>5,056,142</b>	<b>7,268,755</b>
	Due within 1 year \$	Due between 1 – 5 years \$	Due after 5 years \$	Total \$
<b>31 December 2022</b>				
<i>Financial assets</i>				
Cash and cash equivalents	223,463	--	--	223,463
Debt securities	358,768	1,390,284	4,991,765	6,740,817
Amounts due from related parties	--	--	--	--
<b>Total</b>	<b>582,231</b>	<b>1,390,284</b>	<b>4,991,765</b>	<b>6,964,280</b>
<i>Financial liabilities</i>				
Amount due to related parties	102,025	--	--	102,025
Other liabilities	50,000	--	--	50,000
<b>Total</b>	<b>152,025</b>	<b>--</b>	<b>--</b>	<b>152,025</b>
<b>Net position</b>	<b>430,206</b>	<b>1,390,284</b>	<b>4,991,765</b>	<b>6,812,255</b>



## Sagicor Go-Mutual Bond (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 9 Financial risk (continued)

##### c. Interest rate risk

##### Concentration of interest rate risk

The table below summarises the Fund's exposure to interest rate risk. Included in the table are the Fund's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Within 1 year	Between 1 – 5 years	After 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$
<b>31 December 2023</b>					
<i>Financial assets</i>					
Cash and cash equivalents	510,979	--	--	--	510,979
Debt securities	364,842	1,411,216	3,400,629	49,048	5,225,735
Amount due from related parties	3,037	--	--	--	3,037
<b>Total</b>	<b>878,858</b>	<b>1,411,216</b>	<b>3,400,629</b>	<b>49,048</b>	<b>5,739,751</b>
<i>Financial liabilities</i>					
Amount due to related parties	30,586	--	--	--	30,586
Other liabilities	--	--	--	46,875	46,875
<b>Total</b>	<b>30,586</b>	<b>--</b>	<b>--</b>	<b>46,875</b>	<b>77,461</b>
<b>Net position</b>	<b>848,272</b>	<b>1,411,216</b>	<b>3,400,629</b>	<b>2,173</b>	<b>5,662,290</b>
	Within 1 year	Between 1 – 5 years	After 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$
<b>31 December 2022</b>					
<i>Financial assets</i>					
Cash and cash equivalents	223,463	--	--	--	223,463
Debt securities	358,768	1,390,284	3,408,097	46,347	5,203,496
<b>Total</b>	<b>582,231</b>	<b>1,390,284</b>	<b>3,408,097</b>	<b>46,347</b>	<b>5,426,959</b>
<i>Financial liabilities</i>					
Amount due to related parties	102,025	--	--	--	102,025
Other liabilities	--	--	--	50,000	50,000
<b>Total</b>	<b>102,025</b>	<b>--</b>	<b>--</b>	<b>50,000</b>	<b>152,025</b>
<b>Net position</b>	<b>480,206</b>	<b>1,390,284</b>	<b>3,408,097</b>	<b>(3,653)</b>	<b>5,274,934</b>

##### Sensitivity analysis

As at 31 December 2023, if interest rates had been 1% higher/lower with all other variables held constant, total comprehensive income and unitholders' capital and reserves would have been TT\$49,975 (2022: TT\$50,000) lower/higher, mainly as a result of lower/higher unrealised losses/gains on fixed rate investments.

# Sagicor Go-Mutual Bond (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 9 Financial risk (continued)

d. *Foreign exchange risk*

All assets and liabilities are denominated in TTD.

e. *Price risk*

(i) *Definition*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market.

(ii) *Management of risk (continued)*

The Fund manages price risk by holding a diversified portfolio of assets spread across types and geographic locations. This spread provides some negative correlation, therefore losses in one sector will be offset against gains in another. The Fund did not hold any equity investments during the year.

### 10 Financial instruments carried at fair value

Financial instruments carried at fair value in the financial statements are measured according to a fair value hierarchy which reflects the significance of market inputs in the valuations. This hierarchy is described below:

a. *Level 1 - unadjusted quoted prices in an active markets for identical instruments*

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other independent source and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund Manager considers that market transactions should occur with sufficient frequency that is appropriate for the particular market, when measured over a continuous period preceding the date of the financial statements. If there is no date available to substantiate the frequency of market transactions of a financial instrument, then the instrument is not classified as Level 1.

b. *Level 2 - inputs that are observable for the instrument either directly or indirectly*

A financial instrument is classified as Level 2 if:

The fair value is derived from quoted prices of similar instruments which would be classified as Level 1; or

The fair value is determined from quoted prices that are observable but there is no data available to substantiate frequent market trading of the instrument.

c. *Level 3 - inputs for the instrument are not based on observable market data*

A financial instrument is classified as Level 3 if:

The fair value is derived from quoted prices of similar instruments that are observable and which would be classified as Level 2; or

The fair value is derived from inputs that are not based on observable market data.

Level 3 fair value through profit and loss securities comprise primarily of corporate and government agency debt instruments issued in Trinidad and Tobago. The fair values of these instruments have been derived from 31 December market yields of government instruments of similar durations in Trinidad and Tobago.

## Sagicor Go-Mutual Bond (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 10 Financial instruments carried at fair value (continued)

<i>Financial assets carried at fair value</i>	31 December 2023			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit and loss:				
Debt securities	--	--	5,225,735	5,225,735
Total assets	--	--	5,225,735	5,225,735
Total assets by percentage	--	--	100%	100%

<i>Financial assets carried at fair value</i>	31 December 2022			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit and loss:				
Debt securities	--	--	5,203,496	5,203,496
Total assets	--	--	5,203,496	5,203,496
Total assets by percentage	--	--	100%	100%

The following table presents the movement in Level 3 instruments for the year.

	2023 \$	2022 \$
Opening balance	5,203,496	1,008,640
Purchases	100,000	5,000,000
Sales	(102,500)	(1,000,000)
Net changes in accrued interest	2,701	44,621
Net gains	22,038	150,235
Closing balance	<u>5,225,735</u>	<u>5,203,496</u>

#### 11 Contingent liabilities

The Fund is not involved in claims and counterclaims arising from the conduct of its business.

#### 12 Subsequent events

After 31 December 2023, no events, situations or circumstances have occurred which might significantly affect the Fund's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements.



# Sagicor Go-Mutual Bond (USD) Fund

## Financial Statements

31 December 2023

*(Expressed in United States Dollars)*

## Sagicor Go-Mutual Bond (USD) Fund

---

<b>Contents</b>	<b>Page</b>
Statement of Management's Responsibility	62
Independent Auditor's Report	63 - 64
Statement of Financial Position	65
Statement of Comprehensive Income	66
Statement of Changes in Unitholders' Capital and Reserves	67
Statement of Cash Flows	68
Notes to the Financial Statements	69 - 81

# Sagicor Go-Mutual Bond (USD) Fund

## Statement of Management's Responsibility

---

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Sagicor Go-Mutual Bond (USD) Fund (the Fund) which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in unitholders' capital and reserves and cash flows for the year then ended, and notes comprising material accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



---

Fund Manager  
27 March 2024



---

Fund Manager  
27 March 2024



## Independent auditor's report

To the unitholders of Sagicor Go-Mutual Bond (USD) Fund

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor Go-Mutual Bond (USD) Fund (the Fund) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Funds financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in unitholders' capital and reserve for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

---

### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

---

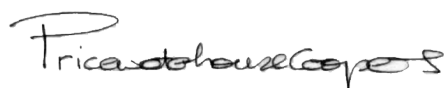
## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Port of Spain  
Trinidad, West Indies  
28 March 2024



# Sagicor Go-Mutual Bond (USD) Fund


## Statement of Financial Position


(Expressed in United States Dollars)

	Notes	As at 31 December	
		2023	2022
		\$	\$
<b>Assets</b>			
Investments	5	1,049,874	1,053,670
Cash and cash equivalents		<u>33,210</u>	<u>6,378</u>
<b>Total assets</b>		<u>1,083,084</u>	<u>1,060,048</u>
<b>Liabilities</b>			
Amount due to related parties	6	5,765	21,941
Other liabilities		<u>4,422</u>	<u>6,000</u>
<b>Total liabilities</b>		<u>10,187</u>	<u>27,941</u>
<b>Unitholders' capital and reserves</b>			
Unitholders' funds	7	1,041,669	1,035,800
Retained earnings/(loss)		<u>31,228</u>	<u>(3,693)</u>
<b>Total unitholders' capital and reserves</b>		<u>1,072,897</u>	<u>1,032,107</u>
<b>Total liabilities and unitholders' capital and reserves</b>		<u>1,083,084</u>	<u>1,060,048</u>

The notes on pages 69 to 81 are an integral part of these financial statements.

On 27 March 2024, the Directors of the Fund Manager authorised these financial statements for issue.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## Sagikor Go-Mutual Bond (USD) Fund

### Statement of Comprehensive Income

(Expressed in United States Dollars)

		Year ended 31 December	
	Note	2023	2022
		\$	\$
<b>Income</b>			
Net interest income	8	64,605	42,964
Fair value loss		<u>(1,827)</u>	<u>(18,212)</u>
<b>Total income</b>		<u>62,778</u>	<u>24,752</u>
<b>Expenses</b>			
Management fee		(21,439)	(15,854)
Other operating expenses		<u>(6,418)</u>	<u>(12,321)</u>
<b>Total expenses</b>		<u>(27,857)</u>	<u>(28,175)</u>
<b>Net income/(loss) for the year</b>		<u>34,921</u>	<u>(3,423)</u>
<b>Total comprehensive income/loss</b>		<u>34,921</u>	<u>(3,423)</u>

The notes on pages 69 to 81 are an integral part of these financial statements.

## Sagicor Go-Mutual Bond (USD) Fund

### Statement of Changes in Unitholders' Capital and Reserves

(Expressed in United States Dollars)

	Unitholders' funds \$	Retained earnings \$	Total \$
<b>Year ended 31 December 2023</b>			
Balance at 1 January 2023	1,035,800	(3,693)	1,032,107
Total comprehensive income	--	34,921	34,921
Transaction with owners in their capacity as owners: Subscriptions	5,869	--	5,869
	<u>5,869</u>	<u>--</u>	<u>5,869</u>
Balance at 31 December 2023	<u>1,041,669</u>	<u>31,228</u>	<u>1,072,897</u>
<b>Year ended 31 December 2022</b>			
Balance at 1 January 2022	10,000	(270)	9,730
Total comprehensive loss	--	(3,423)	(3,423)
Transaction with owners in their capacity as owners: Subscriptions	1,025,800	--	1,025,800
	<u>1,025,800</u>	<u>--</u>	<u>1,025,800</u>
Balance at 31 December 2022	<u>1,035,800</u>	<u>(3,693)</u>	<u>1,032,107</u>

The notes on pages 69 to 81 are an integral part of these financial statements.

## Sagicor Go-Mutual Bond (USD) Fund

### Statement of Cash Flows

(Expressed in United States Dollars)

	Year ended 31 December	
	2023 \$	2022 \$
<b>Cash flows from operating activities</b>		
Net profit/(loss) for the year	34,921	(3,423)
Adjustment for non-cash items:		
Interest earned	(64,605)	(42,964)
Fair value loss	1,827	18,212
Amortisation of premium	1,829	5,188
Changes in operating activities:		
Interest received	62,916	21,375
(Decrease)/increase in amount due to related parties	(16,176)	21,924
(Decrease)/increase in other liabilities	<u>(1,578)</u>	<u>6,000</u>
<b>Net cash inflow from operating activities</b>	<u>19,134</u>	<u>26,312</u>
<b>Cash flows from investing activities</b>		
Sale/(purchase) of investments	<u>1,829</u>	<u>(1,055,481)</u>
<b>Net cash inflow/(outflow) from investing activities</b>	<u>1,829</u>	<u>(1,055,481)</u>
<b>Cash flows from financing activities</b>		
Subscriptions	<u>5,869</u>	<u>1,025,800</u>
<b>Net cash inflow from financing activities</b>	<u>5,869</u>	<u>1,025,800</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	26,832	(3,369)
<b>Cash and cash equivalents, beginning of year</b>	<u>6,378</u>	<u>9,747</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>33,210</u></u>	<u><u>6,378</u></u>

The notes on pages 69 to 81 are an integral part of these financial statements.

# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements

31 December 2023

(Expressed in United States Dollars)

---

### 1 General information

The Sagicor Go-Mutual Bond (USD) Fund (“the Fund”) is an open ended fund which was established by Sagicor Investments Trinidad & Tobago Limited (SITTTL), formerly Sagicor Asset Management Limited (SAMTT), under a Trust Deed on 23 September 2021.

The Fund’s objective is to create long term wealth for the unitholders by following a well proven and disciplined investment philosophy. It aims to manage the credit quality of the investments and will seek to generate capital appreciation through investment in excellent businesses in strong, long-term growth industries.

The investment strategy is to primarily invest mainly in United States dollar denominated regional and global corporate and sovereign debt securities. This fund has a floating NAV. The Fund is governed by the laws of Trinidad and Tobago and established by a declaration of Trust made by the Trustee, duly incorporated and validly existing under the provisions of the Financial Institutions Act 2008 of the Republic of Trinidad and Tobago. The Trustee of the Fund is Republic Bank Limited -Trust Services Division.

On 16 August 2021, the Trinidad and Tobago Securities and Exchange Commission approved the registration of the Sagicor Go-Mutual Bond (USD) Fund as a Reporting Issuer and Collective Investment Scheme.

#### *Subscriptions*

Units of the Fund were initially offered at US\$1.00 per unit on inception date, units may be subscribed at a minimum value of US\$100. Thereafter it is offered at the prevailing day’s NAV.

#### *Redemptions*

Units are redeemed at a price per unit based on their net asset value on the day the request is made less any applicable redemption charges. Partial redemptions are permitted provided that a minimum balance of a TT\$100 or USD\$100 or one (1) unit of the Portfolio is maintained by the unit holder whichever is greater.

Units can be redeemed at any time, as long as the aggregate amount redeemed does not exceed US\$75,000 or 1% of the Total Net Asset Value, whichever is larger.

If the amount requested for redemption exceeds US\$75,000 or 1% of the total net asset value of the Fund, Investment Manager in its discretion may only process the portion of the redemption request up to US\$75,000 or 1% of the total net asset value, whichever is larger.

#### *Distributions*

Distributions will be paid in the form of additional units on an annual basis unless otherwise stated.

#### *Management fees*

The management fee is calculated at 2.05% of the average net assets of the Fund. This annual Fund operating expense comprises Fund management fees of 1.75% and Trustee fees of 0.3%.

# Sagikor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### a. *Basis of preparation*

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fair value through profit and loss financial assets.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Note 4.

#### (i) *New and amended standards and interpretations adopted by the Fund*

Amendment to IAS 1 'Presentation of financial statements' on classification of liabilities (effective from 1 January 2023 and applicable to the Fund from 1 January 2023). The narrow-scope amendment to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The amendment had no significant impact on the financial statements of the Fund.

Amendment to IAS 1 'Presentation of financial statements' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment did not have a significant impact on the current year disclosure of accounting policies of the Fund.

Amendment to IAS 8 'Accounting policies, changes in Accounting Estimates and Errors' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

# Sagikor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### a. Basis of preparation (continued)

##### (i) New and amended standards and interpretations adopted by the Fund (continued)

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment did not significantly impact the financial statements of the Fund.

##### (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: (effective from 1 January 2024 and applicable to the Fund from 1 January 2024). The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs') Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

This amendment is not expected to significantly impact the financial statements of the Fund.

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in United States Dollars, which is the Fund's functional and presentation currency.

# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### b. Foreign currency translation (continued)

##### (ii) Transactions and balances (continued)

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through profit and loss are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

#### c. Financial assets

The Fund classifies its financial assets as fair value through profit and loss financial assets. Management determines the classification of its investments at initial recognition.

##### *Fair value through profit and loss financial assets*

Fair value through profit and loss financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular-way purchases and sales of financial assets are recognised on trade-date – the date on which the Fund commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

Fair value through profit and loss financial assets are subsequently carried at fair value. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the “income statement within “fair value gain/loss on financial assets” in the period in which it arises. Interest income from these financial assets is included in “Interest income” using the effective interest rate method. Dividends on fair value through profit and loss equity instruments are recognised in the income statement when the entity’s right to receive payment is established.



# Sagikor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### c. *Financial assets (continued)*

##### *Fair value through profit and loss financial assets (continued)*

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Fund establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

#### d. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### e. *Interest income and expense*

Interest income and expense for all interest-bearing financial instruments, are recognised on the effective interest rate basis within 'interest income' and 'interest expense' in the statement of comprehensive income.

#### f. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and call deposits balances with less than three months' maturity from the date of acquisition.

#### g. *Unitholders' funds*

The Fund issues one class of units. These are redeemable at the holder's option and are classified as equity in accordance with IAS 1 (Amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'.

Should the redeemable units' terms and conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value (NAV) per unit at the time of issue or redemption. The NAV is calculated as the value of the Fund's assets less its liabilities divided by the number of units outstanding. In accordance with the Fund's Prospectus each security owned by the Fund is valued at its last sale price or official closing price based on the date as of which assets are valued. Where market quotations are not available the Fund will value securities at their fair value pursuant to procedures established by and under the Supervision of the Board of Directors of the Fund Manager.

# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

### 3 Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried within the Fund governed by policies approved by the Investment Committee. The Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

#### a. Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Fund by failing to discharge an obligation. Credit risk is the most important risk for the Fund's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in investment activities that bring debt securities and other bills into the Fund's asset portfolio. The credit risk management and control are centralised in the credit risk management department within the Investment Manager and report to the Board of Sagicor Life Inc.

#### (i) Credit risk measurement

The Fund uses the external ratings where available to benchmark its internal credit risk assessment. The Investment Manager has developed an internal credit rating for its financial assets which is being utilised by the Fund. The internal rating is a 10 point scale which allows for distinctions in risk characteristics and is referenced to the rating scales of international credit rating agencies. The scale is as follows:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best	CariCRIS
Non-default	Investment grade	1	Minimal risk	AAA, AA	AAA, AA	AAA, AA	AAA, AA	AAA, AA
		2	Low risk	A	A	A	A	A
		3	Moderate risk	BBB	BAA	BBB	BBB	BBB
	Non-investment grade	4	Acceptable risk	BB	BA	BB	BB	BB
		5	Average risk	B	B	B	B	B
	Watch	6	Higher risk	CC, CC	CAA, CA	CC, CC	CCC, CC	C
7		Special mention	C	C	C	C	C	
Default		8	Substandard			DDD		
		9	Doubtful	D	C	DD	D	D
		10	Loss			D		

# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 3 Financial risk management (continued)

#### a. Credit risk (continued)

##### (i) Credit risk measurement (continued)

###### *Debt securities and other bills*

For debt securities and other bills, internal credit assessment accompanied with external rating such as Standard & Poor's rating where available or their equivalents are used by the Risk Management department for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

##### (ii) Risk limit control and mitigation policies

The Fund manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the Investment Committee.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

##### (iii) Collateral

The Fund employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Fund implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

#### b. Market risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate. The Fund separates exposures to market risk into either trading or non-trading portfolios.

Non-trading portfolios primarily arise from the interest rate management of the entity's assets and liabilities.

# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 3 Financial risk management (continued)

#### b. Market risk (continued)

##### (i) Foreign exchange risk

The Fund also holds assets which are denominated in US\$. Foreign currency risk arises as the value of future transactions, assets and liabilities denominated in other currencies will fluctuate due to changes in foreign exchange rates. The Fund Manager monitors the exposure on all foreign currency denominated assets and liabilities. The Fund does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements.

##### (ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund manages these risks by duration analysis and measurement of interest rate gaps.

#### c. Liquidity risks

Liquidity risk is the risk that the Fund is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn. The Fund's liquidity management process includes:

- Week to week funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against unforeseen interruption of cash flow.
- Monitoring balance sheet liquidity ratios.
- Managing the concentration profile of debt maturities.
- Limits on redemptions by any one investor per month

### 4 Critical accounting estimates and judgments

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses.

The items which may have the most significant effect on the Fund's financial statements are set out below.

#### a. Fair valuation of investment securities

The fair value of financial instruments that are not traded in an active market is determined by using an internally developed bond valuation model. The key assumptions used in this model relate to current market yields. These assumptions are validated and reviewed internally by qualified personnel on a periodic basis. Where applicable, data is calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in the assumptions used in these valuations could affect the reported fair value of investment securities. The fair value of these investments amounted to US\$1,049,874 (2022: USD \$1,053,670). If the yields had increased/decreased by 1% with all other variables held constant, the income reported for the year would have been US\$10,400 (2022: USD \$14,000) lower/higher.

# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

### 5 Financial assets

This portfolio is classified as fair value through the profit and loss to reflect the Fund's primary focus on fair value information which is used to assess its performance.

	2023 \$	2022 \$
Government bonds	40,536	40,265
Corporate Bonds	<u>1,009,338</u>	<u>1,013,405</u>
	<u>1,049,874</u>	<u>1,053,670</u>

### 6 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund is managed by Sagicor Investments Trinidad & Tobago Limited. Under the terms of the management agreement, Sagicor Investments Trinidad & Tobago Limited was appointed to provide management services to the Fund. Sagicor Investment Trinidad & Tobago Limited receives a return a fee calculated at 2.05% of the average net assets of the Fund.

*Amount due to related parties*

Due to SITTL	--	6,070
Management fees payable to SITTL	<u>5,765</u>	<u>15,871</u>
	<u>5,765</u>	<u>21,941</u>

### 7 Unitholders' funds

Units held by Fund Manager	1,030,575	1,030,494
Units held by third parties	<u>11,094</u>	<u>5,306</u>
	<u>1,041,669</u>	<u>1,035,800</u>

### 8 Interest income

Debt securities	<u>64,605</u>	<u>42,964</u>
	<u>64,605</u>	<u>42,964</u>

### 9 Financial risk

#### a. Credit risk

##### (i) Maximum exposure to credit risk before collateral held or other credit enhancements

*Exposures*

*Debt securities:*

Government of Trinidad & Tobago	40,536	40,265
Corporate	<u>1,009,338</u>	<u>1,013,405</u>
	<u>1,049,874</u>	<u>1,053,670</u>

## Sagicor Go-Mutual Bond (USD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

#### 9 Financial risk (continued)

		2023	2022
		\$	\$
a.	<i>Credit risk (continued)</i>		
(i)	<i>Maximum exposure to credit risk before collateral held or other credit enhancements (continued)</i>		
	<i>Cash and cash equivalents:</i>		
	Scotiabank Trinidad and Tobago Limited	33,210	6,378
	Total	<u>33,210</u>	<u>6,378</u>
(ii)	<i>Concentration of risks of financial assets with credit risk exposure</i>		

The following table breaks down the Fund's main credit risk exposure at their carrying amounts, as categorised by the industry sectors of counterparties:

	Financial institutions \$	Public sector \$	Other corporate \$	Total \$
<b>Year ended 31 December 2023</b>				
Cash and cash equivalents	33,210	--	--	33,210
Debt securities	--	40,536	1,009,338	1,049,874
	<u>33,210</u>	<u>40,536</u>	<u>1,009,338</u>	<u>1,083,084</u>
<b>Year ended 31 December 2022</b>				
Cash and cash equivalents	6,378	--	--	6,378
Debt securities	--	40,265	1,013,405	1,053,670
	<u>6,378</u>	<u>40,265</u>	<u>1,013,405</u>	<u>1,060,048</u>

The credit quality of financial assets can be assessed by reference to internal credit ratings analysed as follows:

Financial Investments & Cash and cash equivalents				2023		2022	
Category	Sagicor Risk Rating	Classification	Exposure		Exposure		
			\$	%	\$	%	
Non-default	1	Minimal risk	33,210	3%	6,378	1%	
	Investment grade	2	40,536	4%	40,265	4%	
		3	1,009,338	93%	1,013,405	95%	
	Non-investment grade	4	--	0%	--	0%	
			<u>1,083,084</u>	<u>100%</u>	<u>1,060,048</u>	<u>100%</u>	

# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

### 9 Financial risk (continued)

#### b. Liquidity risk

##### Maturity analysis of financial assets and liabilities

The following table analyses the Fund's financial assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts disclosed in respect of financial liabilities are the contractual undiscounted cash flows.

##### Maturity profiles

	Due within 1 year \$	Due between 1 – 5 years \$	Due after 5 years \$	Total \$
<b>31 December 2023</b>				
<i>Financial assets</i>				
Cash and cash equivalents	33,210	--	--	33,210
Debt securities	66,947	2,394,982	--	2,461,929
<b>Total</b>	<b>100,157</b>	<b>2,394,982</b>	<b>--</b>	<b>2,495,139</b>
<i>Financial liabilities</i>				
Amount due to related parties	5,765	--	--	5,765
Other liabilities	4,422	--	--	4,422
<b>Total</b>	<b>10,187</b>	<b>--</b>	<b>--</b>	<b>10,187</b>
<b>Net position</b>	<b>89,970</b>	<b>2,394,982</b>	<b>--</b>	<b>2,484,952</b>
<b>31 December 2022</b>				
<i>Financial assets</i>				
Cash and cash equivalents	6,378	--	--	6,378
Debt securities	73,099	2,599,143	--	2,672,242
<b>Total</b>	<b>79,477</b>	<b>2,599,143</b>	<b>--</b>	<b>2,678,620</b>
<i>Financial liabilities</i>				
Amount due to related parties	21,941	--	--	21,941
Other liabilities	6,000	--	--	6,000
<b>Total</b>	<b>27,941</b>	<b>--</b>	<b>--</b>	<b>27,941</b>
<b>Net position</b>	<b>51,536</b>	<b>2,599,143</b>	<b>--</b>	<b>2,650,679</b>

## Sagikor Go-Mutual Bond (USD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

#### 9 Financial risk (continued)

##### c. Interest rate risk

##### Concentration of interest rate risk

The table below summarises the Fund's exposure to interest rate risk. Included in the table are the Fund's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Within 1 year	Between 1 – 5 years	After 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$
<b>31 December 2023</b>					
<i>Financial assets</i>					
Cash and cash equivalents	33,210	--	--	--	33,210
Debt securities	66,947	966,666	--	16,261	1,049,874
<b>Total</b>	<b>100,157</b>	<b>966,666</b>	<b>--</b>	<b>16,261</b>	<b>1,083,084</b>
<i>Financial liabilities</i>					
Amount due to related parties	--	--	--	5,765	5,765
Other liabilities	--	--	--	4,422	4,422
<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10,187</b>	<b>10,187</b>
<b>Net position</b>	<b>100,157</b>	<b>966,666</b>	<b>--</b>	<b>6,074</b>	<b>1,072,897</b>
<b>31 December 2022</b>					
<i>Financial assets</i>					
Cash and cash equivalents	6,378	--	--	--	6,378
Debt securities	73,099	964,170	--	16,401	1,053,670
<b>Total</b>	<b>79,477</b>	<b>964,170</b>	<b>--</b>	<b>16,401</b>	<b>1,060,048</b>
<i>Financial liabilities</i>					
Amount due to related parties	--	--	--	21,941	21,941
Other liabilities	--	--	--	6,000	6,000
<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>27,941</b>	<b>27,941</b>
<b>Net position</b>	<b>79,477</b>	<b>964,170</b>	<b>--</b>	<b>(11,540)</b>	<b>1,032,107</b>



# Sagicor Go-Mutual Bond (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 9 Financial risk (continued)

d. *Foreign exchange risk*

All assets and liabilities are denominated in USD.

e. *Price risk*

(i) *Definition*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market.

(ii) *Management of risk*

The Fund manages price risk by holding a diversified portfolio of assets spread across types and geographic locations. This spread provides some negative correlation, therefore losses in one sector will be offset against gains in another. The Fund did not hold any equity investments during the year.

### 10 Contingent liabilities

The Fund is not involved in claims and counterclaims arising from the conduct of its business.

### 11 Subsequent events

After 31 December 2023, no events, situations or circumstances have occurred which might significantly affect the Fund's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements.



# **Sagicor Go-Mutual Equity (TTD) Fund**

## **Financial Statements**

**31 December 2023**

*(Expressed in Trinidad and Tobago Dollars)*

## Sagicor Go-Mutual Equity (TTD) Fund

---

<b>Contents</b>	<b>Page</b>
Statement of Management's Responsibility	84
Independent Auditor's Report	85 - 86
Statement of Financial Position	87
Statement of Comprehensive Income	88
Statement of Changes in Unitholders' Capital and Reserves	89
Statement of Cash Flows	90
Notes to the Financial Statements	91 - 101

# Sagicor Go-Mutual Equity (TTD) Fund

## Statement of Management's Responsibility

---

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Sagicor Go-Mutual Equity (TTD) Fund (the Fund) which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in unitholders' capital and reserves and cash flows for the year then ended, and notes comprising material accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



---

Fund Manager  
27 March 2024



---

Fund Manager  
27 March 2024



## Independent auditor's report

To the unitholders of Sagicor Go-Mutual Equity (TTD) Fund

### **Our opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor Go-Mutual Equity (TTD) Fund (the Fund) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### **What we have audited**

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in unitholders' capital and reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

---

### **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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

---

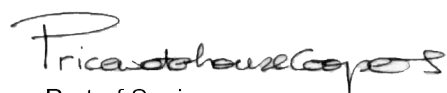
## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Port of Spain  
Trinidad, West Indies  
28 March 2024

# Sagicor Go-Mutual Equity (TTD) Fund

## Statement of Financial Position


(Expressed in Trinidad and Tobago Dollars)

		As at 31 December	
	Note	2023 \$	2022 \$
<b>Assets</b>			
Cash and cash equivalents		<u>570</u>	<u>990</u>
<b>Total assets</b>		<u>570</u>	<u>990</u>
<b>Unitholders' capital and reserves</b>			
Unitholders' funds	5	2,000	2,000
Retained earnings		<u>(1,430)</u>	<u>(1,010)</u>
<b>Total unitholders' capital and reserves</b>		<u>570</u>	<u>990</u>
<b>Total liabilities and unitholders' capital and reserves</b>		<u><u>570</u></u>	<u><u>990</u></u>

The notes on pages 91 -101 are an integral part of these financial statements.

On 27 March 2024, the Directors of the Fund Manager authorised these financial statements for issue.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## Sagicor Go-Mutual Equity (TTD) Fund

### Statement of Comprehensive Income

*(Expressed in Trinidad and Tobago Dollars)*

---

	Year ended 31 December	
	2023	2022
	\$	\$
<b>Income</b>		
Net interest income	---	---
<b>Total income</b>	---	---
<b>Expenses</b>		
Other operating expenses	(420)	(420)
<b>Total expenses</b>	(420)	(420)
<b>Net loss for the year</b>	(420)	(420)
<b>Total comprehensive loss</b>	(420)	(420)

The notes on pages 91 -101 are an integral part of these financial statements.



## Sagicor Go-Mutual Equity (TTD) Fund

### Statement of Changes in Unitholders' Capital and Reserves

*(Expressed in Trinidad and Tobago Dollars)*

	Unitholders' funds \$	Retained earnings \$	Total \$
<b>Year ended 31 December 2023</b>			
Balance at 1 January 2023	2,000	(1,010)	990
Total comprehensive loss	<u>--</u>	<u>(420)</u>	<u>(420)</u>
Balance at 31 December 2023	<u>2,000</u>	<u>(1,430)</u>	<u>570</u>
<b>Year ended 31 December 2022</b>			
Balance at 1 January 2022	1,000	(590)	410
Total comprehensive loss	--	(420)	(420)
Transaction with owners in their capacity as owners: Subscriptions	<u>1,000</u>	<u>--</u>	<u>1,000</u>
	<u>1,000</u>	<u>--</u>	<u>1,000</u>
Balance at 31 December 2022	<u>2,000</u>	<u>(1,010)</u>	<u>990</u>

The notes on pages 91 -101 are an integral part of these financial statements.

## Sagicor Go-Mutual Equity (TTD) Fund

### Statement of Cash Flows

*(Expressed in Trinidad and Tobago Dollars)*

---

	Year ended 31 December	
	2023 \$	2022 \$
<b>Cash flow from operating activities</b>		
Net loss for the year	(420)	(420)
<b>Cash flow from financing activities</b>		
Subscriptions	<u>          --</u>	<u>          1,000</u>
<b>Net cash inflow from financing activities</b>	<u>          --</u>	<u>          1,000</u>
<b>(Decrease)/increase in cash and cash equivalents</b>	(420)	580
<b>Cash and cash equivalents, beginning of year</b>	<u>          990</u>	<u>          410</u>
<b>Cash and cash equivalents, end of year</b>	<u>          570</u>	<u>          990</u>

The notes on pages 91 -101 are an integral part of these financial statements.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 1 General information

The Sagicor Go-Mutual Equity (TTD) Fund (“the Fund”) is an open-ended fund which was established by Sagicor Investments Trinidad & Tobago Limited (SITTTL), formerly Sagicor Asset Management Limited (SAMTT), under a Trust Deed on 23 September 2021.

The Fund’s objective is to create long term wealth for the unitholders by following a well proven and disciplined investment philosophy. It aims to manage the credit quality of the investments and will seek to generate capital appreciation through investment in excellent businesses in strong, long-term growth industries.

The investment strategy is to primarily invest in stocks listed on the Trinidad and Tobago and other Caribbean Stock Exchanges and recognised global exchanges. This fund has a floating NAV.

The Fund is governed by the laws of Trinidad and Tobago and established by a declaration of Trust made by the Trustee, duly incorporated and validly existing under the provisions of the Financial Institutions Act 2008 of the Republic of Trinidad and Tobago. The Trustee of the Fund is Republic Bank Limited -Trust Services Division.

On 16 August 2021, the Trinidad and Tobago Securities and Exchange Commission approved the registration of the Sagicor Go-Mutual Equity (TTD) Fund as a Reporting Issuer and Collective Investment Scheme.

#### *Subscriptions*

Units of the Fund were initially offered at \$6.75 per unit on inception date, units may be subscribed at a minimum value of \$100. Thereafter it is offered at the prevailing day’s NAV.

#### *Redemptions*

Units are redeemed at a price per unit based on their net asset value on the day the request is made less any applicable redemption charges. Partial redemptions are permitted provided that a minimum balance of a TT\$100 or USD\$100 or one (1) unit of the Portfolio is maintained by the unit holder whichever is greater.

Units can be redeemed at any time, as long as the aggregate amount redeemed does not exceed TT\$500,000 or 1% of the Total Net Asset Value, whichever is larger.

If the amount requested for redemption exceeds TT\$500,000 or 1% of the total net asset value of the Fund, Investment Manager in its discretion may only process the portion of the redemption request up to TT\$500,000 or 1% of the total net asset value, whichever is larger.

#### *Distributions*

Distributions will be paid in the form of additional units on an annual basis unless otherwise stated.

#### *Management fees*

The management fee will be calculated at 2.05% of the average net assets of the Fund. This annual Fund operating expense comprises Fund management fees of 1.75% and Trustee fees of 0.3% and will be incurred upon the launch of the Fund.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### a. *Basis of preparation*

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fair value through profit and loss financial assets.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Note 4.

#### (i) *New and amended standards and interpretations adopted by the Fund*

Amendment to IAS 1 'Presentation of financial statements' on classification of liabilities (effective from 1 January 2023 and applicable to the Fund from 1 January 2023). The narrow-scope amendment to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The amendment had no significant impact on the financial statements of the Fund.

Amendment to IAS 1 'Presentation of financial statements' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment did not have a significant impact on the current year disclosure of accounting policies of the Fund.

Amendment to IAS 8 'Accounting policies, changes in Accounting Estimates and Errors' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### a. Basis of preparation (continued)

##### (i) New and amended standards and interpretations adopted by the Fund (continued)

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment did not significantly impact the financial statements of the Fund.

##### (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: (effective from 1 January 2024 and applicable to the Fund from 1 January 2024). The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs') Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

This amendment is not expected to significantly impact the financial statements of the Fund.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Trinidad and Tobago Dollars, which is the Fund's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through profit and loss are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

#### c. Financial assets

The Fund classifies its financial assets as fair value through profit and loss financial assets. Management determines the classification of its investments at initial recognition.

##### *Fair Value through Profit and Loss financial assets*

Fair value through profit and loss financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular-way purchases and sales of financial assets are recognised on trade-date – the date on which the Fund commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### c. *Financial assets (continued)*

##### *Fair value through profit and loss financial assets (continued)*

Fair Value through Profit and Loss financial assets are subsequently carried at fair value. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the “income statement within “Fair Value gains/loss on financial assets” in the period in which it arises. Interest income from these financial assets is included in “Interest income” using the effective interest rate method. Dividends on Fair Value through Profit and Loss equity instruments are recognised in the income statement when the entity’s right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Fund establishes fair value using valuation techniques. These include the use of recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

#### d. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### e. *Interest income and expense*

Interest income and expense for all interest-bearing financial instruments, are recognised on the effective interest rate basis within ‘interest income’ and ‘interest expense’ in the statement of comprehensive income.

#### f. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and call deposits balances with less than three months’ maturity from the date of acquisition.

#### g. *Unitholders’ funds*

The Fund issues one class of units. These are redeemable at the holder’s option and are classified as equity in accordance with IAS 1 (Amendment), ‘Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation’.

Should the redeemable units’ terms and conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument’s fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### g. *Unitholders' funds (continued)*

Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value (NAV) per unit at the time of issue or redemption. The NAV is calculated as the value of the Fund's assets less its liabilities divided by the number of units outstanding. In accordance with the Fund's Prospectus each security owned by the Fund is valued at its last sale price or official closing price based on the date as of which assets are valued. Where market quotations are not available the Fund will value securities at their fair value pursuant to procedures established by and under the supervision of the Board of Directors of the Fund Manager.

### 3 Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried within the Fund governed by policies approved by the Investment Committee. The Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

#### a. *Credit risk*

The Fund takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Fund by failing to discharge an obligation. Credit risk is the most important risk for the Fund's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in investment activities that bring debt securities and other bills into the Fund's asset portfolio. The credit risk management and control are centralised in the credit risk management department within the Investment Manager and report to the Board of Sagicor Life Inc.



## Sagicor Go-Mutual Equity (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### a. Credit risk (continued)

##### (i) Credit risk measurement

The Fund uses the external ratings where available to benchmark its internal credit risk assessment. The Investment Manager has developed an internal credit rating for its financial assets which is being utilised by the Fund. The internal rating is a 10 point scale which allows for distinctions in risk characteristics and is referenced to the rating scales of international credit rating agencies. The scale is as follows:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best	CariCRIS
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	AAA, AA	AAA, AA
		2	Low risk	A	A	A	A	A
		3	Moderate risk	BBB	Baa	BBB	BBB	BBB
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	BB	BB
		5	Average risk	B	B	B	B	B
	Watch	6	Higher risk	CC, CC	Caa, Ca	CC, CC	CCC, CC	C
		7	Special mention	C	C	C	C	C
Default		8	Substandard			DDD		
		9	Doubtful	D	C	DD	D	D
		10	Loss			D		

##### *Debt securities and other bills*

For debt securities and other bills, internal credit assessment accompanied with external rating such as Standard & Poor's rating where available or their equivalents are used by the Risk Management department for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 3 Financial risk management (continued)

#### a. Credit risk (continued)

##### (ii) Risk limit control and mitigation policies

The Fund managers, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

##### (iii) Collateral

The Fund employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Fund implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

#### b. Market risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate. The Fund separates exposures to market risk into either trading or non-trading portfolios.

Non-trading portfolios primarily arise from the interest rate management of the entity's assets and liabilities.

##### (i) Foreign exchange risk

The Fund does have any balances denominated in foreign currency..

##### (ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund manages these risks by duration analysis and measurement of interest rate gaps.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

### 3 Financial risk management (continued)

#### c. Liquidity risks

Liquidity risk is the risk that the Fund is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn. There are no financial liabilities for the Fund.

### 4 Critical accounting estimates and judgments

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. There were no such items in the current year.

5 Unitholders' funds	2023 \$	2022 \$
Units held by Fund Manager	<u>2,000</u>	<u>2,000</u>
	<u>2,000</u>	<u>2,000</u>

### 6 Financial risk

#### a. Credit risk

##### (i) Maximum exposure to credit risk before collateral held or other credit enhancements

##### Exposures

##### Cash and cash equivalents:

Scotiabank Trinidad and Tobago Limited	<u>570</u>	<u>990</u>
Total	<u>570</u>	<u>990</u>

##### (ii) Concentration of risks of financial assets with credit risk exposure

The following table breaks down the Fund's main credit risk exposure at their carrying amounts, as categorised by the industry sectors of counterparties:

	Financial institutions \$	Public sector \$	Other corporate \$	Total \$
<b>Year ended 31 December 2023</b>				
Cash and cash equivalents	<u>570</u>	--	--	<u>570</u>
	<u>570</u>	--	--	<u>570</u>

## Sagikor Go-Mutual Equity (TTD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

#### 6 Financial risk

##### a. Credit risk

##### (ii) Concentration of risks of financial assets with credit risk exposure (continued)

	Financial institutions \$	Public sector \$	Other corporate \$	Total \$
<b>Year ended 31 December 2022</b>				
Cash and cash equivalents	990	--	--	990
	990	--	--	990

The credit quality of financial assets can be assessed by reference to internal credit ratings analysed as follows:

Financial Investments & Cash and cash equivalents				2023		2022	
Category	Sagikor Risk Rating	Classification	Exposure		Exposure		
			\$	%	\$	%	
Non-default	1	Minimal risk	570	100%	990	100%	
	Investment grade	2	Low risk	--	0%	--	0%
		3	Moderate risk	--	0%	--	0%
	Non-investment grade	4	Acceptable risk	--	0%	--	0%
			570	100%	990	100%	

##### b. Liquidity risk

##### Maturity analysis of financial assets and liabilities

The Fund's financial assets comprises of cash and cash equivalents and this would be categorised under the maturity profile as due within 1 year. There are no financial liabilities during the year.

##### c. Interest rate risk

##### Concentration of interest rate risk

All of the Fund's assets are categorised as non-interest bearing. The Fund has no financial liabilities in the current or prior year.

# Sagicor Go-Mutual Equity (TTD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in Trinidad and Tobago Dollars)

---

### 6 Financial risk (continued)

#### d. Price risk

##### (i) Definition

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market. There is no exposure to price risk.

##### (ii) Management of risk

The Fund manages price risk by holding a diversified portfolio of assets spread across types and geographic locations. This spread provides some negative correlation, therefore losses in one sector will be offset against gains in another. The Fund did not hold any debt or equity investments during the year.

### 7 Contingent liabilities

The Fund is not involved in claims and counterclaims arising from the conduct of its business.

### 8 Subsequent events

After 31 December 2023, no events, situations or circumstances have occurred which might significantly affect the Fund's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements



# Sagicor Go-Mutual Income (USD) Fund

## Financial Statements

31 December 2023

*(Expressed in United States Dollars)*

## Sagicor Go-Mutual Income (USD) Fund

---

<b>Contents</b>	<b>Page</b>
Statement of Management's Responsibility	104
Independent Auditor's Report	105 - 106
Statement of Financial Position	107
Statement of Comprehensive Income	108
Statement of Changes in Unitholders' Capital and Reserves	109
Statement of Cash Flows	110
Notes to the Financial Statements	111 - 121

# Sagicor Go-Mutual Income (USD) Fund

## Statement of Management's Responsibility

---

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Sagicor Go-Mutual Income (USD) Fund (the Fund) which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in unitholders' capital and reserves and cash flows for the year then ended, and notes comprising material accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/prevention of fraud, and the achievement of Fund operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the IFRS Accounting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Fund will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



---

Fund Manager  
27 March 2024



---

Fund Manager  
27 March 2024





## Independent auditor's report

To the unitholders of Sagicor Go- Mutual Income (USD) Fund

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor Go- Mutual Income (USD) Fund (the Fund) as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in unitholders' capital and reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

---

### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

---

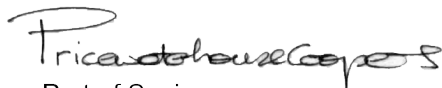
## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Port of Spain  
Trinidad, West Indies  
28 March 2024

## Sagicor Go-Mutual Income (USD) Fund


### Statement of Financial Position


(Expressed in United States Dollars)

	Note	As at 31 December	
		2023	2022
		\$	\$
<b>Assets</b>			
Cash and cash equivalents		<u>3,313</u>	<u>9,567</u>
<b>Total assets</b>		<u>3,313</u>	<u>9,567</u>
<b>Unitholders' capital and reserves</b>			
Unitholders' funds	5	10,000	10,000
Retained losses		<u>(6,687)</u>	<u>(433)</u>
<b>Total unitholders' capital and reserves</b>		<u>3,313</u>	<u>9,567</u>
<b>Total liabilities and unitholders' capital and reserves</b>		<u>3,313</u>	<u>9,567</u>

The notes on pages 111 to 121 are an integral part of these financial statements.

On 27 March 2024, the Directors of the Fund Manager authorised these financial statements for issue.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## Sagicor Go-Mutual Income (USD) Fund

### Statement of Comprehensive Income

*(Expressed in United States Dollars)*

---

	Year ended 31 December	
	2023	2022
	\$	\$
<b>Income</b>		
Interest income	--	--
<b>Total income</b>	<u>--</u>	<u>--</u>
<b>Expenses</b>		
Other operating expenses	<u>(6,254)</u>	<u>(180)</u>
<b>Total expenses</b>	<u>(6,254)</u>	<u>(180)</u>
<b>Net loss for the year</b>	<u>(6,254)</u>	<u>(180)</u>
<b>Total comprehensive loss</b>	<u><u>(6,254)</u></u>	<u><u>(180)</u></u>

The notes on pages 111 to 121 are an integral part of these financial statements.

## Sagicor Go-Mutual Income (USD) Fund

### Statement of Changes in Unitholders' Capital and Reserves

*(Expressed in United States Dollars)*

	Unitholders' funds \$	Retained earnings \$	Total \$
<b>Year ended 31 December 2023</b>			
Balance at 1 January 2023	10,000	(433)	9,567
Total comprehensive loss	<u>--</u>	<u>(6,254)</u>	<u>(6,254)</u>
Balance at 31 December 2023	<u>10,000</u>	<u>(6,687)</u>	<u>3,313</u>
<b>Year ended 31 December 2022</b>			
Balance at 1 January 2022	10,000	(253)	9,747
Total comprehensive loss	<u>--</u>	<u>(180)</u>	<u>(180)</u>
Balance at 31 December 2022	<u>10,000</u>	<u>(433)</u>	<u>9,567</u>

The notes on pages 111 to 121 are an integral part of these financial statements.

## Sagicor Go-Mutual Income (USD) Fund

### Statement of Cash Flows

*(Expressed in United States Dollars)*

---

	Year ended 31 December	
	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss for the year	<u>(6,254)</u>	<u>(180)</u>
<b>Net cash outflow from operating activities</b>	<u>(6,254)</u>	<u>(180)</u>
<b>Decrease in cash and cash equivalents</b>	(6,254)	(180)
<b>Cash and cash equivalents, beginning of year</b>	<u>9,567</u>	<u>9,747</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>3,313</u></u>	<u><u>9,567</u></u>

The notes on pages 111 to 121 are an integral part of these financial statements.

# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements

31 December 2023

(Expressed in United States Dollars)

---

### 1 General information

The Sagicor Go-Mutual Income (USD) Fund (“the Fund”) is an open ended fund which was established by Sagicor Investments Trinidad & Tobago Limited (SITTTL), formerly Sagicor Asset Management Limited (SAMTT), under a Trust Deed on 23 September 2021.

The Fund’s objective is to create long term wealth for the unitholders by following a well proven and disciplined investment philosophy. It aims to manage the credit quality of the investments and will seek to generate capital appreciation through investment in excellent businesses in strong, long-term growth industries.

The investment strategy is to primarily invest in a diversified portfolio of Government and Corporate securities, Money Market Instruments, Cash, Variable Rate and Fixed Rate securities, repurchase agreements and other short-term instruments. This fund has a floating NAV.

The Fund is governed by the laws of Trinidad and Tobago and established by a declaration of Trust made by the Trustee, duly incorporated and validly existing under the provisions of the Financial Institutions Act 2008 of the Republic of Trinidad and Tobago. The Trustee of the Fund is Republic Bank Limited -Trust Services Division.

On 16 August 2021, the Trinidad and Tobago Securities and Exchange Commission approved the registration of the Sagicor Go-Mutual Income (USD) Fund as a Reporting Issuer and Collective Investment Scheme.

#### *Subscriptions*

Units of the Fund were initially offered at US\$1.00 per unit on inception date, units may be subscribed at a minimum value of \$100. Thereafter it is offered at the prevailing day’s NAV.

#### *Redemptions*

Units are redeemed at a price per unit based on their net asset value on the day the request is made less any applicable redemption charges. Partial redemptions are permitted provided that a minimum balance of a TT\$100 or USD\$100 or one (1) unit of the Portfolio is maintained by the unit holder whichever is greater.

Units can be redeemed at any time, as long as the aggregate amount redeemed does not exceed US\$50,000 or 1% of the Total Net Asset Value, whichever is larger.

If the amount requested for redemption exceeds US\$50,000 or 1% of the total net asset value of the Fund, Investment Manager in its discretion may only process the portion of the redemption request up to US\$50,000 or 1% of the total net asset value, whichever is larger.

#### *Distributions*

Distributions will be paid in the form of additional units on an annual basis unless otherwise stated.

#### *Trustee fees*

This annual Fund operating expense comprises Trustee fees of .3%.

# Sagikor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### a. *Basis of preparation*

These financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fair value through profit and loss financial assets.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Note 4.

#### (i) *New and amended standards and interpretations adopted by the Fund*

Amendment to IAS 1 'Presentation of financial statements' on classification of liabilities (effective from 1 January 2023 and applicable to the Fund from 1 January 2023). The narrow-scope amendment to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The amendment had no significant impact on the financial statements of the Fund.

Amendment to IAS 1 'Presentation of financial statements' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Company from 1 January 2023).

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendment did not have a significant impact on the current year disclosure of accounting policies of the Fund.

Amendment to IAS 8 'Accounting policies, changes in Accounting Estimates and Errors' on disclosure of accounting policies (effective from 1 January 2023 and applicable to the Fund from 1 January 2023).



# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### a. Basis of preparation (continued)

##### (i) New and amended standards and interpretations adopted by the Fund (continued)

The amendment to clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment did not significantly impact the financial statements of the Fund.

##### (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: (effective from 1 January 2024 and applicable to the Fund from 1 January 2024). The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs')Disclosures falls short of meeting user information needs. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following: The terms and conditions of SFAs.

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities in (b).
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances.

This amendment is not expected to significantly impact the financial statements of the Fund.

#### b. Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in United States Dollars, which is the Fund's functional and presentation currency.

# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### b. Foreign currency translation (continued)

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through profit and loss are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

#### c. Financial assets

The Fund classifies its financial assets as fair value through profit and loss financial assets. Management determines the classification of its investments at initial recognition.

##### *Fair value through profit and loss financial assets*

Fair value through profit and loss financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular-way purchases and sales of financial assets are recognised on trade-date – the date on which the Fund commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

Fair value through profit and loss financial assets are subsequently carried at fair value. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the “income statement within “fair value gain/loss on financial assets” in the period in which it arises. Interest income from these financial assets is included in “Interest income” using the effective interest rate method. Dividends on fair value through profit and loss equity instruments are recognised in the income statement when the entity’s right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Fund establishes fair value using valuation techniques. These include the use of recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued) 31 December 2023

(Expressed in United States Dollars)

---

### 2 Summary of significant accounting policies (continued)

#### d. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### e. *Interest income and expense*

Interest income and expense for all interest-bearing financial instruments, are recognised on the effective interest rate basis within 'interest income' and 'interest expense' in the statement of comprehensive income.

#### f. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and call deposits balances with less than three months' maturity from the date of acquisition.

#### g. *Unitholders' funds*

The Fund issues one class of units. These are redeemable at the holder's option and are classified as equity in accordance with IAS 1 (Amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'.

Should the redeemable units' terms and conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value (NAV) per unit at the time of issue or redemption. The NAV is calculated as the value of the Fund's assets less its liabilities divided by the number of units outstanding. In accordance with the Fund's Prospectus each security owned by the Fund is valued at its last sale price or official closing price based on the date as of which assets are valued. Where market quotations are not available the Fund will value securities at their fair value pursuant to procedures established by and under the Supervision of the Board of Directors of the Fund Manager.

### 3 Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

## Sagicor Go-Mutual Income (USD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

#### 3 Financial risk management (continued)

Risk management is carried within the Fund governed by policies approved by the Investment Committee. The Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

##### a. Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Fund by failing to discharge an obligation. Credit risk is the most important risk for the Fund's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in investment activities that bring debt securities and other bills into the Fund's asset portfolio. The credit risk management and control are centralised in the credit risk management department within the Investment Manager and report to the Board of Sagicor Life Inc.

##### (i) Credit risk measurement

The Fund uses the external ratings where available to benchmark its internal credit risk assessment. The Investment Manager has developed an internal credit rating for its financial assets which is being utilised by the Fund. The internal rating is a 10 point scale which allows for distinctions in risk characteristics and is referenced to the rating scales of international credit rating agencies. The scale is as follows:

Category		Sagicor Risk Rating	Classification	S&P	Moody's	Fitch	AM Best	CariCRIS
Non-default	Investment grade	1	Minimal risk	AAA, AA	Aaa, Aa	AAA, AA	AAA	AAA, AA
		2	Low risk	A	A	A	A	A
		3	Moderate risk	BBB	Baa	BBB	BBB	BBB
	Non-investment grade	4	Acceptable risk	BB	Ba	BB	BB	BB
		5	Average risk	B	B	B	B	B
	Watch	6	Higher risk	CC, CC	Caa, Ca	CCC, CC	CC	C
7		Special mention	C	C	C	C	C	
Default		8	Substandard			DDD		
		9	Doubtful	D	C	DD	D	D
		10	Loss			D		

##### Debt securities and other bills

For debt securities and other bills, internal credit assessment accompanied with external rating such as Standard & Poor's rating where available or their equivalents are used by the Risk Management department for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 3 Financial risk management (continued)

#### a. Credit risk (continued)

##### (ii) Risk limit control and mitigation policies

The Fund managers, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries and countries.

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and by country are approved by the Investment Committee.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

#### b. Market risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate products all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate. The Fund separates exposures to market risk into either trading or non-trading portfolios.

Non-trading portfolios primarily arise from the interest rate management of the entity's assets and liabilities.

##### (i) Foreign exchange risk

The Fund also holds assets which are denominated in US\$. Foreign currency risk arises as the value of future transactions, assets and liabilities denominated in other currencies will fluctuate due to changes in foreign exchange rates. The Fund Manager monitors the exposure on all foreign currency denominated assets and liabilities. The Fund does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements.

# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

---

### 3 Financial risk management (continued)

#### b. Market risk (continued)

##### (ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. There is no interest rate exposure in the Fund.

#### c. Liquidity risks

Liquidity risk is the risk that the Fund is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn. There are no financial liabilities for the Fund.

### 4 Critical accounting estimates and judgments

The development of estimates and the exercise of judgment in applying accounting policies may have a material impact on the Fund's reported assets, liabilities, revenues and expenses. There were no such items in the current year.

### 5 Unitholders' funds

	2023 \$	2022 \$
Units held by Fund Manager	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

### 6 Financial risk

#### a. Credit risk

##### (i) Maximum exposure to credit risk before collateral held or other credit enhancements

###### Exposures

###### Cash and cash equivalents:

Scotiabank Trinidad and Tobago Limited	<u>3,313</u>	<u>9,567</u>
Total	<u>3,313</u>	<u>9,567</u>

## Sagicor Go-Mutual Income (USD) Fund

### Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

#### 6 Financial risk (continued)

##### a. Credit risk (continued)

##### (ii) Concentration of risks of financial assets with credit risk exposure

The following table breaks down the Fund's main credit risk exposure at their carrying amounts, as categorised by the industry sectors of counterparties:

	Financial institutions \$	Public sector \$	Other corporate \$	Total \$
<b>Year ended 31 December 2023</b>				
Cash and cash equivalents	3,313	--	--	3,313
	<u>3,313</u>	<u>--</u>	<u>--</u>	<u>3,313</u>
<b>Year ended 31 December 2022</b>				
Cash and cash equivalents	9,567	--	--	9,567
	<u>9,567</u>	<u>--</u>	<u>--</u>	<u>9,567</u>

The credit quality of financial assets can be assessed by reference to internal credit ratings analysed as follows:

Financial Investments & Cash and cash equivalents				2023		2022	
Category		Sagicor Risk Rating	Classification	Exposure		Exposure	
				\$	%	\$	%
Non-default	Investment grade	1	Minimal risk	3,313	100%	9,567	100%
		2	Low risk	--	0%	--	0%
		3	Moderate risk	--	0%	--	0%
	Non-investment grade	4	Acceptable risk	--	0%	--	0%
				3,313	100%	9,567	100%

# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

(Expressed in United States Dollars)

### 6 Financial risk (continued)

#### b. Liquidity risk

##### *Maturity analysis of financial assets and liabilities*

The Fund's financial assets comprises of cash and cash equivalents and this would be categorised under the maturity profile as due within 1 year. There are no financial liabilities during the year.

#### c. Interest rate risk

##### *Concentration of interest rate risk*

All of the Fund's assets are categorised as Non-interest bearing.

#### d. Foreign exchange risk

The following table analyses the Fund's assets and liabilities by currency:

##### **31 December 2023**

	<b>TT \$</b>	<b>US \$</b>	<b>Total \$</b>
<b>Assets</b>			
Cash and cash equivalents	--	3,313	3,313
<b>Total</b>	--	3,313	3,313

##### **31 December 2022**

	<b>TT \$</b>	<b>US \$</b>	<b>Total \$</b>
<b>Assets</b>			
Cash and cash equivalents	--	9,567	9,567
<b>Total</b>	--	9,567	9,567

#### e. Price risk

##### (i) *Definition*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market. There is no exposure to price risk.

##### (ii) *Management of risk*

The Fund manages price risk by holding a diversified portfolio of assets spread across types and geographic locations. This spread provides some negative correlation, therefore losses in one sector will be offset against gains in another. The Fund does not hold any debt or equity investments during the year.



# Sagicor Go-Mutual Income (USD) Fund

## Notes to the Financial Statements (continued)

31 December 2023

*(Expressed in United States Dollars)*

---

### 7 **Contingent liabilities**

The Fund is not involved in claims and counterclaims arising from the conduct of its business.

### 8 **Subsequent events**

After 31 December 2023, no events, situations or circumstances have occurred which might significantly affect the Fund's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements.







Sagikor  
Investments

TRINIDAD & TOBAGO