Sagicor US$ Global Balanced Fund

Financial Statements

31 December 2023

(Expressed in United States Dollars)

Sagicor US$ Global Balanced Fund

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Sagicor US$ Global Balanced Fund

Statement of Management's Responsibility

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Sagicor US$ Global Balanced 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
25 April 2024

Fund Manager
25 April 2024

Independent auditor's report

To the unitholders of Sagicor US$ Global Balanced Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor US$ Global Balanced 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
25 April 2024

Sagicor US$ Global Balanced Fund

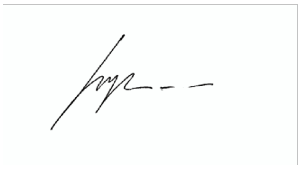
Statement of Financial Position

(Expressed in United States Dollars)

	Notes	As at 31 December 2023 $	2022 $
Assets			
Financial assets	5	1,456,983	1,298,740
Cash and cash equivalents		33,396	34,390
Amounts due from related parties	6	70	70
Total assets		1,490,449	1,333,200
Liabilities			
Amount due to related parties	6	97,751	62,824
Other liabilities		6,037	24,541
Total liabilities		103,788	87,365
Unitholders' capital and reserves			
Unitholders' funds	7	984,340	977,853
Retained earnings		402,321	267,982
Total unitholders' capital and reserves		1,386,661	1,245,835
Total liabilities and unitholders' capital and reserves		1,490,449	1,333,200

The notes on pages 8 to 22 are an integral part of these financial statements.

On 25 April 2024, the Directors of the Fund Manager authorised these financial statements for issue



Director



Director

Sagicor US$ Global Balanced Fund

Statement of Comprehensive Income

(Expressed in United States Dollars)

	Notes	Year ended 31 December 2023 $	2022 $
Income			
Net interest and dividend income	8	47,832	37,329
Realised gain on disposal of financial assets		20,808	17,099
Fair value gains/(losses) on financial assets		119,746	(263,355)
Total income/(loss)		188,386	(208,927)
Expenses			
Management fees	6	(35,143)	(35,347)
Other operating expenses		(18,904)	(17,416)
Total expenses		(54,047)	(52,763)
Net profit/(loss) for the year		134,339	(261,690)
Total comprehensive income/(loss)		134,339	(261,690)

The notes on pages 8 to 22 are an integral part of these financial statements.

Sagicor US$ Global Balanced Fund

Statement of Changes in Unitholders' Capital and Reserves

(Expressed in United States Dollars)

	Unitholders' funds $	Retained earnings $	Total $
Year ended 31 December 2023			
As previously stated at 1 January 2023	977,853	267,982	1,245,835
Total comprehensive income	--	134,339	134,339
Transaction with unitholders in their capacity as unitholders:			
Subscriptions	7,292	--	7,292
Redemptions	(805)	--	(805)
Balance at 31 December 2023	984,340	402,321	1,386,661
Year ended 31 December 2022			
As previously stated at 1 January 2022	994,438	529,672	1,524,110
Total comprehensive income	--	(261,690)	(261,690)
Transaction with unitholders in their capacity as unitholders:			
Subscriptions	18,363	--	18,363
Redemptions	(34,948)	--	(34,948)
	(16,585)	--	(16,585)
Balance at 31 December 2022	977,853	267,982	1,245,835

The notes on pages 8 to 22 are an integral part of these financial statements.

Sagicor US$ Global Balanced Fund

Statement of Cash Flows

(Expressed in United States Dollars)

	Year ended 31 December	
	2023	**2022**
	$	**$**
Operating activities		
Net profit for the year	134,339	(261,690)
Adjustment for non-cash item:		
Interest and dividend income earned	(47,832)	(37,966)
Net realised/unrealised (gains)/losses on financial assets	(140,554)	246,256
Net amortisation of premiums and discounts	--	638
Changes in operating activities:		
Interest received	47,832	34,773
Increase/(decrease) in amount due to related parties	34,927	(4,800)
Decrease in amount due from related parties	--	19,417
(Decrease)/increase in other liabilities	(18,504)	6,011
Net cash inflow generated from operating activities	10,208	2,639
Investing activities		
Purchase of financial assets	(201,936)	(433,294)
Proceeds from sale of financial assets	184,247	207,673
Net cash outflow from investing activities	(17,689)	(225,621)
Financing activities		
Subscriptions	7,292	18,363
Redemptions	(805)	(34,948)
Net cash inflow/(outflow) from financing activities	6,487	(16,585)
Decrease in cash and cash equivalents	(994)	(239,567)
Cash and cash equivalents, beginning of year	34,390	273,957
Cash and cash equivalents, end of year	33,396	34,390

The notes on pages 8 to 22 are an integral part of these financial statements.

1 General information

The Sagicor US$ Global Balanced Fund (the "Fund") is an open ended fund which was established by Sagicor Asset Management (Trinidad and Tobago) Limited (SAMTT) formerly Sagicor Merchant Limited under a Trust Deed on 29 September 2008. This Company is now known as Sagicor Investments Trinidad & Tobago Limited (SITTL) as the name changed in 2020.

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 invest in excellent businesses in strong, long-term growth industries. At least 50% of the Fund's assets will be invested in equities of well managed companies operating in industries with good growth potential. At least 25% of the Fund's net assets may be invested in other mutual funds, hedge funds, closed–ended funds or other investment schemes to facilitate better access to opportunities in foreign markets. The Fund may also invest up to 50% of its net assets in debt obligations, bonds and rated commercial paper of American and foreign companies; Bonds, Debentures and Treasury Bills issued by Sovereign states and their Municipalities and in derivative securities for non-speculative purposes. The Fund will invest primarily for total return.

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 FirstCaribbean International Bank (Trinidad and Tobago) Limited.

On 3 February 2015, the Trinidad and Tobago Securities and Exchange Commission approved the transfer of the role of Fund Manager, Sponsor and Investment Manager from SAMTT to Sagicor Life Inc.

Subscriptions

Subscriptions to the Fund are made by investors and are expressed in units using the net asset value per unit determined on each business day. Units may be subscribed at a minimum value of US$1,000 initially and US$100 thereafter.

Redemptions

Units are redeemed at a price per unit based on their net asset value on the day that request for redemption is made less any applicable redemption charge. Except where prior notice of at least one month is given to the Fund Manager, units may be redeemed in cash up to a limit of US$250,000 or one percent of the net asset value of the Fund, whichever is lower, during any thirty day period for any one investor.

The Fund reserves the right to pay other redemptions, either total or partial, by a distribution in kind of readily marketable securities (instead of cash) from the Fund's portfolio which will be valued at the same amount as that assigned to them in calculating the net asset value for the units being redeemed. These securities may attract transaction costs when being converted to cash.

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 2.7% of the average net assets of the Fund. This annual Fund operating expense comprises Fund management fees of 1.5%, Fund distribution fees of 0.5%, Trustee fees of 0.2% and other Fund expenses of 0.5%.

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).

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.

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.

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.

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

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 and expense*

Interest income and expense for all interest-bearing financial instruments, are recognised using the effective interest method 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.

3 **Financial risk management (continued)**

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 Fund 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	D	C	DDD	d	D
		9	Doubtful			DD		
		10	Loss			D		

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 of 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.

3 **Financial risk management (continued)**

b. *Market risk (continued)*

(i) *Foreign exchange risk*

The Fund is not exposed to foreign exchange risks at present.

(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 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 judgements**

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. There were no such investments in the current year or in the prior year. . The fair value of these investments amounted to US$202,412 (2022: US$202,681) . If the market prices had increased/decreased by 1% with all other variables held constant, the fair value reserve for the year would have increased/decreased by US$1,986 (2022: US$2,000) . There were no such investments in the prior year.

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 securities	202,412	202,681
Equities	1,254,571	1,096,059
	1,456,983	1,298,740

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 Life Inc. Under the terms of the management agreement, Sagicor Life was appointed to provide management services to the Fund. Sagicor Life receives in return a fee calculated at 2.7% of the average net assets of the Fund.

Management fees expense	35,143	35,347
Amount due from related parties		
Amounts due to Sagicor Investments Trinidad & Tobago Limited	70	70
Amount due to related parties		
Amounts due to Sagicor Investments Trinidad & Tobago Limited	4,185	781
Management fees payable to Sagicor Life Insurance Trinidad & Tobago Limited	93,566	62,043
	97,751	62,824

7 Unitholders' funds

Units held by Fund Manager	184,212	182,998
Units held by Sagicor Investments Trinidad & Tobago Limited	700,247	695,633
Units held by third parties	99,881	99,222
	984,340	977,853

8 Net interest and dividend income

Net interest income on debt securities	16,149	8,684
Dividend income	31,121	25,584
Other	562	3,061
	47,832	37,329

9 **Financial risk**

a. *Credit risk*

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

	2023 $	2022 $
Exposures		
Debt securities:		
Corporate	202,412	202,681
	202,412	202,681
Due from related parties	70	70
Cash and cash equivalents:		
Scotiabank Trinidad and Tobago Limited	17,461	23,149
Morgan Stanley	15,935	11,241
	33,396	34,390
Total	235,878	237,141

(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 $	Total $
Year ended 31 December 2023			
Cash and cash equivalents	33,396	--	33,396
Debt securities	--	202,412	202,412
	33,396	202,412	235,808
Year ended 31 December 2022			
Cash and cash equivalents	34,390	--	34,390
Debt securities	--	202,681	202,681
	34,390	202,681	237,071

9 **Financial risk (continued)**

a. *Credit risk (continued)*

(iii) *Credit risk exposure*

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	Exposure $	Exposure $	%	Exposure $	%
Non-default	Investment grade	1	Minimal Risk	33,396	14%	34,390	15%
		2	Low Risk			--	--%
		3	Moderate Risk	202,412	86%	202,681	85%
	Non-investment grade	4	Acceptable Risk	--	--	--	--
				235,808	**100%**	**237,071**	**100%**

(iv) *Financial assets -subject to impairment*

As at year end, there were no assets included in this category (2022 – nil).

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

31 December 2023	**Due within 1 year $**	**Due between 1 – 6 years $**	**Total $**
Financial assets			
Cash and cash equivalents	33,396	--	33,396
Debt securities	--	217,450	217,450
Total	33,396	217,450	250,846
Financial liabilities			
Amount due to related parties	97,751	--	97,751
Other liabilities	6,037	--	6,037
Total	103,788	--	103,788
Net position	(70,392)	217,450	147,058

9 **Financial risk (continued)**

b. *Liquidity risk (continued)*

Maturity analysis of financial assets and liabilities (continued)

Maturity profiles (continued)

	Due within 1 year $	Due between 1 – 6 years $	Total $
31 December 2022			
Financial assets			
Cash and cash equivalents	34,390	--	34,390
Debt securities	--	230,729	230,729
Total	34,390	230,729	265,119
Financial liabilities			
Amount due to related parties	62,824	--	62,824
Other liabilities	24,541	--	24,541
Total	87,365	--	87,365
Net position	(52,975)	230,729	177,754

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 $	Non interest bearing $	Total $
31 December 2023				
Financial assets				
Cash and cash equivalents	33,396	--	--	33,396
Financial investments	12,708	186,475	1,257,800	1,456,983
Amount due from related parties	--	--	70	70
Total	46,104	186,475	1,257,870	1,490,449
Financial liabilities				
Amount due to related parties	--	--	97,751	97,751
Other liabilities	--	--	6,037	6,037
Total	--	--	103,788	103,788
Net position	46,104	186,475	1,154,082	1,386,661

9 **Financial risk (continued)**

c. *Interest rate risk (continued)*

Concentration of interest rate risk (continued)

	Within 1 year $	Between 1 – 5 years $	Non interest bearing $	Total $
31 December 2022				
Financial assets				
Cash and cash equivalents	34,390	--	--	34,390
Financial investments	6,319	193,129	1,099,292	1,298,740
Amount due from related parties	--	--	70	70
Total	40,709	193,129	1,099,362	1,333,200
Financial liabilities				
Amount due to related parties	--	--	62,824	62,824
Other liabilities	--	--	24,541	24,541
Total	--	--	87,365	87,365
Net position	40,709	193,129	1,011,997	1,245,835

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 US$ 2,000 (2022: US$2,000) lower/higher, mainly as a result of lower/higher unrealised losses/gains on fixed rate investments.

d. *Foreign exchange risk*

There is no foreign exchange risk at present as all assets and liabilities are in United States dollars.

e. *Other 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's exposure is limited to its investment in equities which comprise exchange traded funds publicly traded on international exchanges.

9 **Financial risk (continued)**

e. *Other price risk (continued)*

(iii) *Sensitivity analysis*

As at 31 December 2023, had the prices of equity securities increased/decreased by 5% with all variables held constant, total comprehensive income for the year would have increased/decreased by $62,728 (2022: $54,777).

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 December 31 market yields of government instruments of similar durations in Trinidad and Tobago.

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

	31 December 2023			
Financial assets carried at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value through profit and loss				
Debt securities	--	--	202,412	202,412
Equity securities	--	1,254,570	--	1,254,571
Total assets	--	1,254,570	202,412	1,456,983
Total assets by percentage		86%	14%	100%

	31 December 2022			
Financial assets carried at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value through profit and loss				
Debt securities	--	--	202,681	202,681
Equity securities	--	1,096,059	--	1,096,059
Total assets	--	1,096,059	--	1,298,740
Total assets by percentage		84%	16%	100%

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

	2023	**2022**
	$	**$**
Opening balance	202,681	180,644
Sales	(3,617)	--
Net changes in accrued interest	--	3,229
Changes in fair value	3,348	18,808
Closing balance	202,412	202,681

There were no transfers between the levels during the years ended 31 December 2023 and 31 December 2022.