

SavInvest Structured Investment Fund

Annual Report FY 2023

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MANAGEMENT REPORTEconomic & Financial Market Review and Outlook

Recent estimates from the IMF indicate that global growth is forecast at 3.2% for 2023 and is expected to remain at the same amount in 2024 and 2025. However, 2024's projection has been revised up by 0.1% from the 3.1% in January 2024's World Economic Outlook (WEO) Update.

Meanwhile, global headline inflation is anticipated to dip from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% percent in 2025. This would lead to advanced economies achieving inflation targets before emerging market and developing economies.

As geopolitical tensions continue to persist, both from the war in Ukraine and the conflict in Gaza and Israel, new price spikes are expected which would propel inflation thereby raising interest rate expectations and reducing asset prices.

On the domestic front, latest data from the Central Statistical Office (CSO) point toward continued economic recovery underpinned by the non-energy sector in 2023. Real GDP advanced 3.6% (year-on-year) during Q2 2023 compared to 1.4% in the previous quarter. Additionally, relatively strong performances in the Wholesale and Retail and the Construction sectors supported continued economic recovery during the second half of 2023.

The CSO also reported a decline of 0.5% in the unemployment rate to 3.2% in Q3 2023 from 3.7% in Q2 2023. Headline inflation increased 0.5% to 0.8% (year-on-year) in February 2024 from 0.3% in January while core inflation (which excludes food prices) remained steady at 1.0% over those 2 months. Food inflation came in at 0.1%, compared with a marginal decline recorded in January.

Financial sector liquidity was sustained, supported by private sector credit. Commercial banks' excess reserves at the Central Bank registered TT\$4.6 billion as at December 2023.

Yields on the Government of the Republic of Trinidad & Tobago (GORTT) TT dollar bond yield curve advanced over the trailing 12 months to December 2023. The 5-year yield advanced 16 basis points (bps) to 4.22%, from January's level of 4.06%. The 10-year and 30-year yields gained 4 bps and 30 bps to 5.22% and 7.66% respectively.

As we look to 2024, continued resilience in the non-energy sector is expected to influence overall economic activity in the short-term, while the energy sector is highly likely to remain muted. The Savinvest Structured Income Fund continues to benefit from efficient cash management and investment opportunities though domestic bond issuances remain limited.

SSIF Fund Performance

The Fund's performance declined during FY2023 with a lower unit Net Asset Value (NAV) of TT\$106.37, a decrease of 0.6% year-over-year in per unit value.

Total Net Assets Attributable to Unitholders amounted to **TT\$109.5M**, **16.4%** lower than the prior comparable period as investors deployed short-term cash holdings into higher-yielding investment opportunities.

The Fund remained focused on its investment objectives of earning returns superior to benchmark money market rates, while providing a good balance of liquidity and credit risk through a diversified portfolio of investments. With the domestic repo rate remaining stable throughout 2023, the Fund continues to invest in securities which are expected to provide high income yield and minimize fluctuations in capital values.

Financial Highlights (based on Audited Financials)

Total Assets of the Fund amounted to TT\$110.1M as at the December 31, 2023, a decline of 16.4% relative to the prior comparable period. Total Liabilities amounted to TT\$621.1K in FY2023, 15.0% lower than the figure reported in FY2022. The number of participating units also dipped 15.9% to 1,029,845 during the fiscal period. Distributions in FY2023 were Nil.

Financial Highlights	Unit	FY2023	FY2022
Total Assets	<i>TTD</i>	110,166,325	131,772,682
Total Liabilities	<i>TTD</i>	621,181	730,495
Net Assets Attributable to Unitholders	<i>TTD</i>	109,545,144	131,042,187
Participating Units	<i>#</i>	1,029,845	1,224,860
Distributions to unit holders – Total	<i>TTD</i>	0	0
Distributions to unit holders – Per unit	<i>TTD</i>	\$0.00	\$0.00

Related Party Transactions

Related party transactions have been summarized in Note 9 of the Notes to the Financial Statements.



Bourse Securities Limited
Manager for the SavInvest Structured Investment Fund

**AUDITED FINANCIAL STATEMENTS
SAVINVEST STRUCTURED INVESTMENT FUND**

As at 31st December 2023

Savinvest Structured Investment Fund

Audited Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

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Savinvest Structured Investment Fund

Statement of Trustee's and Management's Responsibilities Year ended December 31, 2023

The Trustee, First Citizens Trustee Services Limited, has delegated to Bourse Securities Limited, in their capacity as investment and administration manager (management) responsibilities for the following:

- Preparing and fairly presenting the accompanying financial statements of Savinvest Structured Investment Fund (the "Fund") which comprise the statement of financial position as at December 31, 2023, the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and a summary of 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 the security of the Fund's assets, detection/prevention of fraud, and the achievement of the Fund's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting 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.

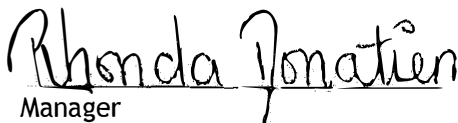
Management and the Trustee affirm that they have carried out their responsibilities as outlined above.



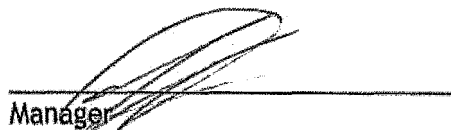
Trustee
March 25, 2024



Trustee
March 25, 2024



Manager
March 25, 2024



Manager
March 25, 2024

Independent auditors' report

To the Unit holders of
Savinvest Structured Investment Fund

Opinion

We have audited the financial statements of Savinvest Structured Investment Fund (the "Fund") which comprise the statement of financial position as at December 31, 2023, the related statements of comprehensive income, changes in net assets attributable to unitholders and cash flows for the year then ended and the accompanying notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

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 are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustee and Those Charged with Governance for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Trustee 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, the Trustee 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 the Trustee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

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.



Independent auditors' report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 the Trustee.
- Conclude on the appropriateness of the Trustee'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.

The logo for BDO, consisting of the letters 'BDO' in a stylized, handwritten-style font.

March 25, 2024

Port of Spain,
Trinidad, West Indies

Savinvest Structured Investment Fund

Statement of Financial Position


As at December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

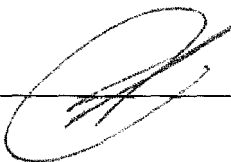
	Notes	2023	2022
Assets			
Investment securities			
- Fair value through profit or loss (FVPL)	5	101,202,628	113,151,332
Cash and cash equivalents	4	8,938,775	18,284,608
Other receivable		7,518	282,193
Dividend receivable		17,404	54,549
Total assets		\$110,166,325	\$131,772,682
Liabilities			
Accounts payable and accrued expenses	6	621,181	730,495
Total liabilities (excluding net assets attributable to unit holders)		621,181	730,495
Total net assets attributable to unit holders	7	\$109,545,144	\$131,042,187
Represented by:			
Number of participating units	7	1,029,845	1,224,860
Net asset value per unit	7	\$106.3705	\$106.9854

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

On March 25, 2024, the Trustee and management of Savinvest Structured Investment Fund authorised these financial statements for issue.



Trustee



Management

Savinvest Structured Investment Fund

Statement of Comprehensive Income For the year ended December 31, 2023 (Expressed in Trinidad and Tobago Dollars)

	Notes	2023	2022
Income			
Investment income	8	4,357,956	4,483,605
Dividend income		534,155	725,671
Amortised premium		780,756	761,120
Other income		6,329	50,000
Net realised gain on investment securities		685,643	-
Net gain on foreign exchange		37,320	-
Total operating income		6,402,159	6,020,396
Expenses			
Trustee fees		(299,453)	(341,558)
Audit fees		(63,882)	(63,862)
Fund administration fees	9a	(596,290)	(682,945)
Investment management fees	9b	(1,192,580)	(1,365,889)
Distribution fees	9c	(298,145)	(341,472)
Net unrealised loss on investment securities		(3,948,165)	(639,006)
Other expenses		(48,517)	(35,316)
Net loss on foreign exchange		-	(34,391)
Total operating expenses		(6,447,032)	(3,504,439)
Operating (loss)/profit before finance costs		(44,873)	2,515,957
Distributions to unit holders		(1,949,673)	(2,243,357)
Total comprehensive (loss)/income and (decrease)/increase in net assets attributable to unit holders		\$(1,994,546)	\$272,600

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

Savinvest Structured Investment Fund

Statement of Changes in Net Assets Attributable to Unit Holders

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

	Number of units	Capital account	Movement in net assets attributable to unit holders	Net assets attributable to unit holders
Year ended December 31, 2023				
Balance at January 1, 2023	1,224,860	122,485,300	8,556,887	131,042,187
Issue of units	192,188	19,218,788	-	19,218,788
Redemption of units	(406,629)	(40,663,868)	-	(40,663,868)
Distributions reinvested	19,426	1,942,583	-	1,942,583
Decrease in net assets attributable to unit holders	-	-	(1,994,546)	(1,994,546)
Balance at December 31, 2023	1,029,845	102,982,803	6,562,341	109,545,144
Year ended December 31, 2022				
Balance at January 1, 2022	1,313,289	131,329,063	8,284,287	139,613,350
Issue of units	317,376	31,737,645	-	31,737,645
Redemption of units	(428,240)	(42,824,765)	-	(42,824,765)
Distributions reinvested	22,435	2,243,357	-	2,243,357
Increase in net assets attributable to unit holders	-	-	272,600	272,600
Balance at December 31, 2022	1,224,860	\$122,485,300	\$8,556,887	\$131,042,187

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

Savinvest Structured Investment Fund

Statement of Cash Flows

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

	2023	2022
Cash flows from operating activities		
Net (loss)/profit before finance costs	(44,873)	2,515,957
Adjustments:		
Net unrealised loss on investment securities	3,948,165	639,006
Net foreign exchange movement	(37,320)	34,391
Interest income	(4,357,956)	(4,483,605)
Dividend income	(534,155)	(725,671)
Net realised gain on financial assets	(685,643)	-
Decrease/(increase) in other receivable	274,675	(268,983)
Decrease in accounts payable and accrued expenses	(109,314)	(9,695)
Dividend received	571,300	688,647
Interest received	4,429,234	4,474,227
Purchase of financial assets	(11,275,873)	(13,818,199)
Disposal proceeds from financial assets	19,928,097	13,022,300
Net cash provided by operating activities	12,106,337	2,068,375
Cash flows from financing activities		
Issue of units	19,218,788	31,737,645
Redemption of units	(40,663,868)	(42,824,765)
Distributions paid	(7,090)	-
Net cash used in financing activities	(21,452,170)	(11,087,120)
Net decrease in cash and cash equivalents	(9,345,833)	(9,018,745)
Cash and cash equivalents at beginning of year	18,284,608	27,303,353
Cash and cash equivalents at end of year	\$8,938,775	\$18,284,608
Represented by:		
Cash at bank	7,410,130	16,250,867
Income funds	1,528,645	2,033,741
	\$8,938,775	\$18,284,608

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

1. Description of the Fund

The following brief description of Savinvest Structured Investment Fund (the “Fund”) is provided for general information purposes only. Reference should be made to the Trust Deed and Prospectus of the Fund for more complete information.

General information

The Savinvest Structured Investment Fund was established on March 28, 2003, as an open-ended mutual fund. An open-ended fund is one in which the number of units which may be issued in the Fund is unlimited. The investment objective of the Fund is to seek to generate investment returns which are superior to benchmark money market rates while providing acceptable levels of liquidity and credit risk by investing primarily in a diversified portfolio of debt securities instruments and contracts which are collateralized mainly by marketable securities and with a concentration of such financial instruments registered or domiciled in Trinidad and Tobago.

The Fund is governed by the laws of the Republic of Trinidad and Tobago and established by a declaration of Trust made by the Trustee, duly incorporated and validly existing and licensed under the provision of the Financial Institutions Act of the Republic of Trinidad and Tobago. The Trustee of the Fund is First Citizens Trustee Services Limited. The Investment Manager, Fund Administrator and Distributor of the Fund is Bourse Securities Limited (“BSL”). BSL and its subsidiaries are therefore considered related parties. The address of the trustee is 5th Floor East, Albion Plaza, 22-24 Victoria Avenue, Port of Spain .

The Fund is neither insured with the Deposit Insurance Corporation in Trinidad and Tobago nor is it guaranteed by the Central Bank of Trinidad and Tobago or by any of the parties related thereto. Any investment in the fund is at the sole risk of the investor.

Subscriptions

Subscriptions to the Fund are made by investors at a price per unit based on the net asset value. The Fund seeks to maintain as far as possible a price per unit of \$100. There is a minimum initial subscription requirement of \$10,000 with subsequent purchases requiring a minimum investment of \$1,000.

Distributions

The Trustee intends to make distributions based on the net income and net realised profits of the Fund. The amount of such distributions is payable to those unit holders whose names appear on the register as the holders of units for at least one day since the immediately preceding distribution date and shall be determined in accordance with the number of units and the number of days so held by them.

Distributions are automatically reinvested in additional units of the Fund. However, investors may request the Trustee that distributions are made in cash or cheque to the unit holders.

Redemptions

Redemptions of units shall be permitted only when a duly completed redemption form has been submitted to the Trustee (or its duly authorised agent) by no later than 11:00 am on the relevant redemption date. Units are redeemed based on the net asset value per unit at the date of receipt of the request for redemption. The Fund seeks to maintain as far as possible a price per unit of \$100. In the event that unit holders’ holdings in the Fund fall below the minimum requirement of \$10,000 the Trustee has the discretion to redeem the units and to remit balances to the unit holder.

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets at fair value.

(a) Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are material to the financial statements are disclosed in Note 3.

(b) New standards, amendments and interpretations which are effective and have been adopted by the Fund

The Fund adopted the following amendments with a transition date of January 1, 2023. There were no significant changes made to these financial statements resulting from the adoption of these amendments:

- In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023.
- In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.
- In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

Savinvest Structured Investment Fund

Notes to the Financial Statements For the year ended December 31, 2023 (Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New standards, amendments and interpretations issued but not effective and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Fund's future financial statements in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the note below.

The following amendments are effective for the period beginning January 1, 2023:

- The IFRS Interpretations Committee issued an agenda decision in June 2020 - Sale and leaseback with Variable Payments. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after January 1, 2024.
- Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(c) *New standards, amendments and interpretations issued but not effective and not early adopted (continued)*

- On May 25, 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- On August 15, 2023, the IASB issued Lack of Exchangeability which amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Fund and have not been disclosed.

(d) *Standards and amendments to published standards early adopted by the Fund*

The Fund did not early adopt any new, revised or amended standards.

2.2 Foreign currency translation

(a) *Functional and presentation currency*

The accounting records, as well as the financial statements of the Fund, are maintained in Trinidad and Tobago (“TT”) dollars. TT dollar is the functional and reporting currency of the Fund and subscriptions and redemptions are performed in TT dollars. The Trustee considers the TT dollar to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from the translation of financial assets and liabilities are included in the statement of comprehensive income.

Savinvest Structured Investment Fund

Notes to the Financial Statements For the year ended December 31, 2023 (Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities

The Fund's financial assets and liabilities are recognised in the statement of financial position when it becomes a party to the contractual obligation of the instrument.

(i) *Investment securities*

The Fund can classify its financial assets based on the following business models:

- Amortised cost
- Fair value through other comprehensive income
- Fair value through profit or loss

Based on these factors the Fund classified its financial assets into one of the following three measurement categories:

- *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at fair value through profit or loss (FVPL) are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3 (ii). Interest income from these financial assets is included in "Interest income" on the statement of comprehensive income using the effective interest rate method.

- *Fair value through other comprehensive income (FVOCI)*

Assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Interest income" on the statement of comprehensive income. The interest income from these financial assets is included in "interest income" using the effective interest rate method.

- *Fair value through profit or loss (FVPL)*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of comprehensive income within realised gain or loss on sale of investment securities in which it is paid, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented in "Interest income". Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

Savinvest Structured Investment Fund

Notes to the Financial Statements For the year ended December 31, 2023 (Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(i) *Investment securities (continued)*

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether flows represent solely payment of principal and interest (SPPI test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Recognition/de-recognition of financial assets

All purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the financial asset. Financial assets are initially recognised at fair value plus transaction cost and are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all risks and rewards of ownership.

Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
 - The time value of money; and
 - Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- Note 3 (ii) provides more detail on how the expected credit loss allowance is measured.

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(ii) *Financial liabilities*

Financial liabilities are classified and subsequently measured at amortised cost. Financial liabilities include due to related parties and payables. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished (that is, when the obligation specified in the contract is discharged, cancelled or expired).

(iii) *Determination of fair value*

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or a significant increase in the bid-offer spread or there are few recent transactions.

For financial instruments traded in an active market, the determination of fair values of financial assets and liabilities is based on quoted market prices or dealer price quotations.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using input existing at year-end.

The Fund uses an internally developed model which is generally consistent with other valuation models used in the industry. Valuation models are used to value unlisted debt securities and other debt securities for which the market has become or is illiquid. Some of the inputs of this model may not be market observable and are therefore based on assumptions.

2.4 Cash and cash equivalents

Cash and cash equivalents comprises cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Such investments are normally those with maturities up to three months from the date of acquisition.

Cash and cash equivalents that are managed as part of investments are reported within investments, as these funds are not used for operating needs.

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.5 Revenue recognition

Revenue comprises interest income, dividend income and net fair value gains on investment securities. Revenue is shown net of rebates and discounts and after eliminating sales within the Fund.

The Fund recognises revenue when it meets the following criteria:

- it is probable that any future economic benefit associated with the item of revenue will flow to the entity, and
- the amount of revenue can be measured with reliability

Interest income is accounted for on the effective interest method.

Dividend income is recognised when the right to receive the dividend is established that being the ex-div date.

2.6 Net assets attributable to unit holders

Units are redeemable at the unit holder's option subject to certain restrictions as outlined in Note 1 and are classified as financial liabilities. The distribution on these units is recognised in the statement of comprehensive income. The units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value as determined under the Trust Deed. Units are carried as capital account at the redemption amount that is payable at the statement of financial position date, if the unit holder exercised its right to put the unit back to the Fund.

2.7 Expenses

Expenses are accounted for on the accrual basis.

2.8 Subscriptions and redemptions

Subscriptions and redemptions are accounted for as at the effective date of the transaction.

2.9 Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that the Fund will be required to settle the obligation, and a reliable estimate can be made of the amount the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.10 Taxation

(a) *Tax levied on unitholders*

Distribution income to Trinidad and Tobago residents are not subject to taxation. Tax on distribution income is withheld on distributions paid to non-resident unitholders at the rate applicable to the country in which the unitholders reside.

(b) *Tax levied on the Fund*

Under the provisions of the Corporation Tax Act of Trinidad and Tobago, the Fund is exempt from taxation on its profits; therefore, no provisions have been made in these financial statements for taxes.

The Fund is subject to foreign withholding tax on certain interest, dividends and capital gains receivable.

3. Critical accounting estimates and judgements in applying accounting principles

The Fund makes estimates and assumptions concerning the future. The accounting estimates will by definition rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the amounts of the assets and liabilities are outlined below:

(i) *Fair value of financial assets*

The fair values of financial assets that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. To the extent practical, models use only observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

(ii) *Impairment of financial assets*

IFRS 9 requires the Fund to record Expected Credit Losses (ECL) on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. Assessment is required on a historical basis, current basis as well as a forward-looking analysis including the identification of key economic variables impacting credit risk and expected credit losses for each investment within the portfolio. The expected credit loss is recognised in the statement of profit or loss.

Objective evidence that an investment is impaired includes observable data that comes to the attention of the Fund about the following loss events:

- (i) significant financial difficulty of the issuer or debtor;
- (ii) a breach of contract, such as default or delinquency in payments;
- (iii) it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- (iv) the disappearance of an active market for that financial asset because of financial difficulties;

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

3. Critical accounting estimates and judgements in applying accounting principles (continued)

(ii) Impairment of financial assets (continued)

(v) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of individual assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of issuers or debtors in the group; or
- national or local economic conditions that correlate with defaults on assets in the group.

The expected credit losses (ECL) is associated with assets carried at amortised cost and FVTOCI and with the exposure arising from debt instruments promissory notes, trade receivables and cash and cash equivalents. No ECL is required by the Fund as all of its debt securities have been classified and measured at fair value through profit or loss.

4. Cash and cash equivalents

	2023	2022
Cash at bank	7,410,130	16,250,867
Mutual funds	1,528,645	2,033,741
Total cash and cash equivalents	\$8,938,775	\$18,284,608

5. Investment securities

Investments - Fair value through profit or loss (FVPL)

	2023	2022
Fixed income securities	84,001,640	91,699,568
Accrued interest on investments	591,166	662,444
Equities	16,609,822	20,789,320
Balance at the end of the year	\$101,202,628	\$113,151,332
Balance at the beginning of the year	113,151,332	113,019,452
Interest received	(4,429,234)	(4,474,227)
Interest income	4,357,956	4,483,605
Net foreign exchange movement	37,320	(34,391)
Additions	11,275,873	13,818,199
Net realised gain on investment securities	685,643	-
Net decrease in fair value	(3,948,165)	(639,006)
Disposals	(19,928,097)	(13,022,300)
Balance at the end of the year	\$101,202,628	\$113,151,332

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

6. Accounts payable and accrued expenses

	2023	2022
Investment management fees payable (Note 9b)	279,251	333,944
Fund administration fees payable (Note 9a)	139,626	166,937
Trustee fees payable	69,813	83,468
Distribution fees payable (Note 9c)	69,813	83,468
Audit fees payable	50,000	50,000
Other payables	12,678	12,678
Total	\$621,181	\$730,495

7. Net assets attributable to unit holders

	2023	2022
Balance at beginning of the year	131,042,187	139,613,350
Subscriptions	19,218,788	31,737,645
Redemptions	(40,663,868)	(42,824,765)
Increase in net assets attributable to unit holders	(1,994,546)	272,600
Distributions reinvested	1,942,583	2,243,357
Balance at end of the year	\$109,545,144	\$131,042,187
Number of units outstanding at end of year	1,029,845	1,224,860
Net asset value per unit	\$106.3705	\$106.9854

8. Investment income

	2023	2022
Interest income on fixed income securities	4,321,242	4,285,470
Mutual fund income	36,714	29,582
Repurchase agreement interest income	-	168,553
Total	\$4,357,956	\$4,483,605

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

9. 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. In the normal course of business, the Fund considers Bourse Securities Limited and its subsidiaries to be related parties. All related party transactions are made in accordance with established commercial practices.

a. Fund administration fees

Bourse Securities Limited is the Fund Administrator. Fees are paid out of the assets invested of the Fund, with a quarterly fee calculated on the basis of the net asset value in that quarter. The annual fee does not exceed 2% of the net asset value of the Fund.

	2023	2022
Fund administration fees payable (Note 6)	<u>\$139,626</u>	<u>\$166,937</u>
Fund administration fees for the year	<u>\$596,290</u>	<u>\$682,945</u>

b. Investment management fees

Bourse Securities Limited is the Investment Manager for the Fund. Fees are paid out of the assets invested of the Fund, with a quarterly fee calculated on the basis of the net asset value in that quarter. The annual fee does not exceed 2.5% of the net asset value of the fund.

	2023	2022
Investment management fees payable (Note 6)	<u>\$279,251</u>	<u>\$333,944</u>
Investment management fees for the year	<u>\$1,192,580</u>	<u>\$1,365,889</u>

c. Distribution fees

Bourse Securities Limited is the distributor for the Fund. Fees are paid out of the net income and net realised profits of the Fund, with a quarterly fee calculated on the basis of the net asset value in that quarter. The annual fee rate does not exceed 1% of the net asset value of the fund.

	2023	2022
Distribution fees payable (Note 6)	<u>\$69,813</u>	<u>\$83,468</u>
Distribution fees for the year	<u>\$298,145</u>	<u>\$341,472</u>

Savinvest Structured Investment Fund

Notes to the Financial Statements For the year ended December 31, 2023 (Expressed in Trinidad and Tobago Dollars)

9. Related party transactions (continued)

d. Balances held with related parties

The Fund holds balances with its investment manager and related mutual funds as detailed below:

	2023	2022
Cash and cash equivalents	<u>\$1,201,229</u>	<u>\$1,710,293</u>
Investment income	<u>\$32,365</u>	<u>\$194,437</u>
Net assets attributable to unit holders	<u>\$1,911,201</u>	<u>\$2,302,114</u>
Distributions to unit holders	<u>\$88,042</u>	<u>\$100,846</u>
Other payable	<u>\$(5,295)</u>	<u>\$(5,620)</u>

As at December 31, 2023, Bourse Securities Limited, Bourse International Asset Management Limited and Bourse Brokers Limited had holdings in the Fund which accounted for 0.10%, 0.11% and 0.05% of the net assets attributable to unit holders (2022: 0.07%, 0.09% and 0.04%) respectively.

10. Financial instruments

10.1 Categories of financial instruments

	2023	2022
Financial assets		
Investment securities	100,611,462	112,488,888
Interest income accrued	591,166	662,444
Cash and cash equivalents	8,938,775	18,284,608
Other receivables	7,518	282,193
Dividend receivable	17,404	54,549
	<u>\$110,166,325</u>	<u>\$131,772,682</u>
Financial liabilities		
Accounts payable and accrued expenses	621,181	730,495
Net assets attributable to unit holders	<u>109,545,144</u>	<u>131,042,187</u>
	<u>\$110,166,325</u>	<u>\$131,772,682</u>

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.2 Financial risk management objectives

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 risk. Taking risks is core to the financial business and operational risks are an inevitable consequence of being in business. The aim of the Investment Manager of the Fund is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance by focusing on the unpredictability of financial markets.

The Investment Manager'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 most important types of risks to the Fund are liquidity risk, market risk, and credit risk. Market risks include currency risk, interest rate risk and other price risk.

While the Trustee is ultimately responsible for identifying and controlling risks, there are separate independent bodies responsible for managing and monitoring risks as follows:

(a) Board of Directors- Investment Manager

The Board of Directors of the investment manager has overall responsibility and oversight for corporate governance and specifically, approval of the investment policy and limits of authority. The Board of Directors has delegated authority to the Investment Committee and the Sub-Investment Committee as appropriate.

(b) Investment Committee- Investment Manager

The Investment Committee is responsible for investment policy formulation, risk management, performance review, investment strategy development and the delegation of authority to the Sub-Investment Committee. The Committee oversees the development, interpretation and implementation of policies for identifying, evaluating, monitoring and measuring the significant risks to which the Fund is exposed.

10.3 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, currency and equity 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 rates, credit spreads, foreign exchange rates and equity prices.

As at December 31, 2023, had equity indices decreased by 5% with all other variables held constant income would have changed by \$830,491 (2022: \$1,039,466).

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.4 Foreign currency risk management

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund holds assets denominated in currencies other than Trinidad & Tobago dollars, the measurement currency of the Fund. Consequently, the Fund is exposed to currency risk since the value of the securities denominated in other currencies will fluctuate due to changes in the exchange rates.

Concentrations of assets and liabilities

Assets are primarily funded by like currency liabilities thus reducing the element of cross-currency risk. Foreign currency transactions do not require the use of interest rate swaps and foreign currency options and other derivative instruments which all carry inherent risks. Currency exposure resides mainly in trading activity.

The Fund had the following significant currency positions:

As at December 31, 2023	TT	US	Total
Assets			
Investment securities	97,404,426	3,207,036	100,611,462
Interest income accrued	571,798	19,368	591,166
Cash and cash equivalents	7,634,859	1,303,916	8,938,775
Other receivable	7,518	-	7,518
Dividend receivable	-	17,404	17,404
Total financial assets	\$105,618,601	\$4,547,724	\$110,166,325
Liabilities			
Accounts payable and accrued expenses	621,181	-	621,181
Net assets attributable to unit holders	109,545,144	-	109,545,144
Total financial liabilities	\$110,166,325	\$-	\$110,166,325
Net currency gap		\$4,547,724	

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.4 Foreign currency risk management (continued)

Concentrations of assets and liabilities (continued)

As at December 31, 2022	TT	US	Total
Assets			
Investment securities	103,908,763	8,580,125	112,488,888
Interest income accrued	587,947	74,497	662,444
Cash and cash equivalents	16,472,699	1,811,909	18,284,608
Other receivable	282,193		282,193
Dividend receivable	-	54,549	54,549
Total financial assets	\$121,251,602	\$10,521,080	\$131,772,682
Liabilities			
Accounts payable and accrued expenses	730,495	-	730,495
Net assets attributable to unit holders	131,042,187	-	131,042,187
Total financial liabilities	\$131,772,682	\$-	\$131,772,682
Net currency gap		\$10,521,080	

Sensitivity of possible movement in select currencies

Stress testing is used as a market risk measurement technique which provides an indication of the potential size of losses that could arise in extreme conditions. The stress tests conducted by the Fund include risk factor testing, where stress movements are applied to each risk category. The US dollar was the only foreign currency to which the Fund had significant exposure. An analysis was conducted to demonstrate the sensitivity to reasonable possible movements of the US dollar against the TT dollar.

As at December 31, 2023, had the exchange rate between the TT dollar and US dollar increased or decreased by 10% with all other variables held constant, the increase or decrease in net assets attributable to unit holders would amount to approximately \$454,772 (2022: \$1,052,108)

10.5 Interest rate risk management

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

10.5.1 Interest rate sensitivity analysis

The Fund is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management sets limits on the level of mismatch of interest rate repricing that may be undertaken. The figures below summarise the Fund's exposure to interest rate risks. Included are the Fund's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The level of mismatch of interest rate repricing that may be undertaken is monitored on a monthly basis by the Investment Manager.

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.5 Interest rate risk management (continued)

10.5.1 Interest rate sensitivity analysis (continued)

The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	On Demand	Up to 1 year	1 - 5 years	Over 5 years	Total
As at December 31, 2023					
Assets					
Cash and cash equivalents	8,938,775	-	-	-	8,938,775
Investment securities	-	1,127,351	28,452,455	54,421,834	84,001,640
Total financial assets	\$8,938,775	\$1,127,351	\$28,452,455	\$54,421,834	\$92,940,415
Liabilities					
Accounts payable and accrued expenses	-	-	-	-	-
Total financial liabilities	\$-	\$-	\$-	\$-	\$-
Total Interest re-pricing gap	\$8,938,775	\$1,127,351	\$28,452,455	\$54,421,834	

	On Demand	Up to 1 year	1 - 5 years	Over 5 years	Total
As at December 31, 2022					
Assets					
Cash and cash equivalents	18,284,608	-	-	-	18,284,608
Investment securities	-	706,459	30,301,559	60,691,550	91,699,568
Total financial assets	\$18,284,608	\$706,459	\$30,301,559	\$60,691,550	\$109,984,176
Liabilities					
Accounts payable and accrued expenses	-	-	-	-	-
Total financial liabilities	\$-	\$-	\$-	\$-	\$-
Total Interest re-pricing gap	\$18,284,608	\$706,459	\$30,301,559	\$60,691,550	

Savinvest Structured Investment Fund

Notes to the Financial Statements For the year ended December 31, 2023 (Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.5 Interest rate risk management (continued)

10.5.1 Interest rate sensitivity analysis (continued)

Sensitivity of possible movements in interest rates

Stress testing is used as a market risk measurement technique which provides an indication of the potential size of losses that could arise in extreme conditions. The stress test conducted by the Fund includes risk factor testing, where stress movements are applied to each risk category. An analysis was conducted to demonstrate the sensitivity to reasonable possible movements in interest rates in respect of the Fund's fixed income portfolio.

As at December 31, 2023, had the interest rates increased or decreased by 100 basis points with all other variables held constant, the increase or decrease in net assets attributable to unit holders would amount to approximately \$929,404 (2022: \$1,099,842), arising substantially from the increase/decrease in market values of debt securities.

10.6 Credit risk management

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is mitigated to some extent by limiting the Fund's total exposure to a single credit. The Fund also reduces this risk by prudent credit analysis of issuers to restrict questionable credits in the Fund. The Fund also manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Investment Manager has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating and are validated, where appropriate, by comparisons with externally available data. The rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. Risk ratings are subject to regular revision. The credit quality review process allows the Investment Manager to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Savinvest Structured Investment Fund

Notes to the Financial Statements For the year ended December 31, 2023 (Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.7 Liquidity risk management

The objective of the Fund is to seek to maximize investment returns while providing for acceptable levels of liquidity and credit risk by investing in a diversified portfolio of securities and contracts of issuers primarily domiciled in Trinidad and Tobago. Interest income will be important though not the only consideration in the portfolio section.

The Fund may invest in securities and contracts, including but not limited to debt collateralised by marketable securities, and sovereign debt issued in countries other than Trinidad and Tobago which are expected to provide high-income yield and are not expected to cause an aggregate deterioration in capital value.

At the statement of financial position date, the Fund operated within these guidelines.

	On Demand	Less than 1 month	1 - 3 months	3 - 12 months	Over 12 months	Total
As at December 31, 2023						
Financial assets						
Investment securities	-	-	-	1,143,378	83,719,980	84,863,358
Interest income accrued	-	919,201	984,106	2,952,318	27,793,919	32,649,544
Cash and cash equivalents	8,938,775	-	-	-	-	8,938,775
Other receivables	-	7,518	-	-	-	7,518
Dividend receivable	-	17,404	-	-	-	17,404
Total assets	\$8,938,775	\$944,123	\$984,106	\$4,095,696	\$111,513,899	\$126,476,599
Liabilities						
Net assets attributable to unit holders	109,545,144	-	-	-	-	109,545,144
Accounts payable and accrued expenses	-	621,181	-	-	-	621,181
Total financial liabilities	\$109,545,144	\$621,181	\$-	\$-	\$-	\$110,166,325
Net liquidity gap	\$(100,606,369)	\$322,942	\$984,106	\$4,095,696	\$111,513,899	\$16,310,274
As at December 31, 2022						
Financial assets						
Investment securities	-	-	-	704,000	92,428,162	93,132,162
Interest income accrued	-	1,028,839	1,099,184	3,284,649	29,462,311	34,874,983
Cash and cash equivalents	18,284,608	-	-	-	-	18,284,608
Other receivables	-	282,193	-	-	-	282,193
Dividend receivable	-	54,549	-	-	-	54,549
Total assets	\$18,284,608	\$1,365,581	\$1,099,184	\$3,988,649	\$121,890,473	\$146,628,495
Liabilities						
Net assets attributable to unit holders	131,042,187	-	-	-	-	131,042,187
Accounts payable and accrued expenses	-	730,495	-	-	-	730,495
Total financial liabilities	\$131,042,187	\$730,495	\$-	\$-	\$-	\$131,772,682
Net liquidity gap	\$(112,757,579)	\$635,086	\$1,099,184	\$3,988,649	\$121,890,473	\$14,855,813

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.7 Liquidity risk management (continued)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements are approximate to their fair values.

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investment securities	100,611,462	100,611,462	112,488,888	112,488,888
Interest income receivable	591,166	591,166	662,444	662,444
Cash and cash equivalents	8,938,775	8,938,775	18,284,608	18,284,608
Dividend receivable	17,404	17,404	54,549	54,549
Other receivable	7,518	7,518	282,193	282,193
	\$110,166,325	\$110,166,325	\$131,772,682	\$131,772,682
Financial liabilities				
Accounts payable and accrued expenses	621,181	621,181	730,495	730,495
Net assets attributable to unit holders	109,545,144	109,545,144	131,042,187	131,042,187
	\$110,166,325	\$110,166,325	\$131,772,682	\$131,772,682

10.8 Fair value of financial instruments

Due to the short-term maturity of the promissory notes, the carrying value of these financial instruments approximates their fair value.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Savinvest Structured Investment Fund

Notes to the Financial Statements

For the year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

10. Financial instruments (continued)

10.8 Fair value of financial instruments (continued)

	Level 1	Level 2	Level 3	Total
As at December 31, 2023				
Equities	16,609,822	-	-	16,609,822
Fixed income securities	4,683,117	79,318,523	-	84,001,640
Total	\$21,292,939	\$79,318,523	-	\$100,611,462
As at December 31, 2022				
Equities	20,789,320	-	-	20,789,320
Fixed income securities	8,986,911	82,712,657	-	91,699,568
Total	\$29,776,231	\$82,712,657	\$-	\$112,488,888

There were no transfers between Level 2 and Level 3 investment securities during the period.

11. Contingencies and commitments

The Fund has no undisclosed contingent liabilities or commitments which have not been provided for in these financial statements.

12. Capital management

When managing capital, which is represented by unit holders' balances, the objectives of the Fund Administrator are:

- To comply with the requirements set out in the Fund's prospectus and Trust Deed;
- To safeguard the Fund's ability to continue as a going concern so that it can continue to provide returns for unit holders'; and
- To maintain a strong capital base to support the development of its business.

The Fund endeavours to invest the proceeds from the issue of units in appropriate investments while maintaining sufficient liquidity to meet redemptions where necessary, such liquidity being augmented by disposal of investment securities where necessary.

The use of proceeds from the issue of units is monitored on a daily basis by the Fund Distributor, based on guidelines set out in the Prospectus and the Trust Deed. The Fund complied with the requirements set out in the Prospectus and Trust Deed during the reported financial periods and no changes were made to the Fund's objectives, policies and processes from the previous year.

13. Subsequent events

The Fund evaluated all events that occurred from January 1, 2024, through March 25, 2024, the date the financial statements were available to be issued. During the period, the Fund did not have any subsequent events requiring recognition or disclosure in the financial statements, other than those disclosed below.

- (a) Subsequent to year-end, up to March 25, 2024, the Fund received subscriptions amounting to TT\$3,617,237, paid redemptions amounting to TT\$8,579,484 and distributed no income.