

Savinvest Group Retirement Fund

Audited Financial Statements

For the year ended December 31, 2024

Savinvest Group Retirement Fund

Audited Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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Savinvest Group Retirement Fund

Statement of Trustee's and Management's Responsibilities Year ended December 31, 2024


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 Group Retirement Fund (the "Fund") which comprise the statement of financial position as at December 31, 2024, 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 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 and the Trustee affirm that they have carried out their responsibilities as outlined above.



Trustee
March 25, 2025



Trustee
March 25, 2025



Manager
March 25, 2025



Manager
March 25, 2025



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Trinidad and Tobago

Independent auditors' report

To the Trustee of
Savinvest Group Retirement Fund

Opinion

We have audited the financial statements of Savinvest Group Retirement Fund (the "Fund") which comprise the statement of financial position as at December 31, 2024, the related statements of comprehensive income, changes in net assets attributable to unit holders 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, 2024, 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.



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.



March 25, 2025

Port of Spain,
Trinidad, West Indies

Savinvest Group Retirement Fund

Statement of Financial Position


As at December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

| | Notes | 2024 | 2023 |
|--|-------|---------------------|---------------------|
| Assets | | | |
| Investment securities | | | |
| -Fair value through profit or loss (FVPL) | 5 | 14,291,060 | 13,433,480 |
| Cash and cash equivalents | 4 | 1,399,695 | 1,885,827 |
| Other receivable | | 4,949 | - |
| Dividend receivable | | 22,849 | 22,606 |
| Total assets | | \$15,718,553 | \$15,341,913 |
| Liabilities | | | |
| Accounts payable and accrued expenses | 6 | 62,728 | 76,181 |
| Total liabilities (excluding net assets attributable to unit holders) | | 62,728 | 76,181 |
| Net assets attributable to unit holders | 7 | \$15,655,825 | \$15,265,732 |
| Represented by: | | | |
| Number of participating units | | 920,668 | 897,430 |
| Net asset value per unit | | \$17.0049 | \$17.0105 |

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

On March 25, 2025, the Trustee and management of Savinvest Group Retirement Fund authorised these financial statements for issue.


Trustee


Management

Savinvest Group Retirement Fund

Statement of Comprehensive Income

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

| | Notes | 2024 | 2023 |
|---|-------|------------------|------------------|
| Income | | | |
| Dividend income | | 165,310 | 163,254 |
| Mutual fund income | | 15,321 | 17,061 |
| Interest income | | 438,463 | 345,495 |
| Other income | | - | 186 |
| Amortised discount | | 153,733 | 128,315 |
| Net unrealised foreign exchange gain | | 24,447 | - |
| Net realised gains on investment securities | | 109,329 | 51,885 |
| Total operating income | | 906,603 | 706,196 |
| Expenditure | | | |
| Impairment losses on investment securities | | (92,826) | - |
| Net unrealised losses on investment securities | | (664,916) | (259,417) |
| Net unrealised foreign exchange loss | | - | (19,012) |
| Management fees | 8 | (76,816) | (68,506) |
| Trustee fees | 8 | (38,377) | (34,045) |
| Audit fees | | (31,252) | (46,629) |
| Other expenses | | (5,829) | (32,137) |
| Total operating expenditure | | (910,016) | (459,746) |
| (Decrease) / increase in net assets attributable to unit holders | | \$(3,413) | \$246,450 |

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

Savinvest Group Retirement Fund

Statement of Changes in Net Assets Attributable to Unit Holders

For the year ended December 31, 2024

(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, 2024 | | | | |
| Balance at January 1, 2024 | 897,430 | 10,365,306 | 4,900,426 | 15,265,732 |
| Issue of units | 24,044 | 407,161 | - | 407,161 |
| Redemption of units | (806) | (13,655) | - | (13,655) |
| Decrease in net assets attributable to unit holders | - | - | (3,413) | (3,413) |
| Balance at the end of the year | 920,668 | \$10,758,812 | \$4,897,013 | \$15,655,825 |
| Year ended December 31, 2023 | | | | |
| Balance at January 1, 2023 | 808,996 | 8,866,547 | 4,653,976 | 13,520,523 |
| Issue of units | 88,434 | 1,498,759 | - | 1,498,759 |
| Increase in net assets attributable to unit holders | - | - | 246,450 | 246,450 |
| Balance at the end of the year | 897,430 | \$10,365,306 | \$4,900,426 | \$15,265,732 |

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

Savinvest Group Retirement Fund

Statement of Cash Flows

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

| | 2024 | 2023 |
|--|--------------------|--------------------|
| Cash flows from operating activities | | |
| Net (loss) / profit for the year | (3,413) | 246,450 |
| Adjustments: | | |
| Impairment losses on investment securities | 92,826 | - |
| Net unrealised loss on investment securities | 664,916 | 259,417 |
| Realised gains on investment securities | (109,329) | (51,885) |
| Net foreign exchange movement | (24,447) | 19,012 |
| Interest income | (453,784) | (362,556) |
| Dividend income | (165,310) | (163,254) |
| (Increase) / decrease in other receivable | (4,949) | 208,326 |
| (Decrease) / increase in accounts payable and accrued expenses | (13,453) | 2,649 |
| Purchase of financial assets | (3,671,174) | (2,995,460) |
| Proceeds from disposal of financial assets | 2,214,822 | 1,128,311 |
| Interest received | 428,590 | 349,527 |
| Dividend received | 165,067 | 151,617 |
| Net cash used in operating activities | (879,638) | (1,207,846) |
| Cash flows from financing activities | | |
| Issue of units | 407,161 | 1,498,759 |
| Redemption of units | (13,655) | - |
| Net cash provided by financing activities | 393,506 | 1,498,759 |
| Net (decrease) / increase in cash and cash equivalents | (486,132) | 290,913 |
| Cash and cash equivalents at beginning of year | 1,885,827 | 1,594,914 |
| Cash and cash equivalents at end of year | \$1,399,695 | \$1,885,827 |
| Represented by: | | |
| Cash at bank | 430,968 | 1,351,102 |
| Income funds | 968,727 | 534,725 |
| | \$1,399,695 | \$1,885,827 |

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

1. Description of the Fund

The Fund's legal name is Savinvest Group Retirement Trust Fund (the "Trust Fund"), trading as Savinvest Group Retirement Fund (the "Fund"). The following brief description of 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 Group Retirement Plan (the "Plan") was established on November 10, 2003, and is approved by the Inland Revenue under Section 134(6) of the Income Tax Act. It is an arrangement by which payments are made by employers on behalf of and for the benefit of their employees of a periodic amount as a contribution held in trust by the Trustee and applied for providing to the named employee, commencing at maturity date, an annuity for life.

It is in essence a savings plan for retirement with a tax incentive. Each contribution placed with the Trustee is treated as a deferred annuity contribution and allowed as a tax deduction subject to the statutory limits.

The Plan 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, Administrator, Sponsor and Distributor of the Plan is Bourse Securities Limited. The address of the Trustee is 22-24 Victoria Avenue, Port of Spain, Trinidad.

The Plan 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 Plan is at the sole risk of the investor.

The Trust Fund was created to accumulate all monies held by the Trustee in trust for the members of the Plan. These are the financial statements of the Trust Fund.

Maturity date

Maturity Date means the date upon which the member attains the age specified in the contract or subsequently altered by written request of the member on a form supplied by the Sponsor and at which shall commence his annuity for life, provided that such date shall not be a date before the Member attains fifty (50) years of age or after seventy (70) years of age.

Contributions

Contributions shall be paid to the Fund by monthly or quarterly instalments or otherwise, provided that the employer may from time to time make additional contributions in sums not less than \$200.

Benefits

No benefits are payable prior to the maturity date. If the employee leaves his employer his contract becomes paid up and benefits are paid at maturity. On death before maturity, a lumpsum is paid to the nominated beneficiary or legal personal representative. This lumpsum is the total of the employee's contributions plus interest in the Plan less expenses and taxes.

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (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 IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). 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 Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Fund’s accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

(b) New standards, interpretations and amendments adopted from January 1, 2024

The following amendments are effective for the period beginning January 1, 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after January 1, 2024. See the applicable notes for further details on how the amendments affected the Fund.

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7) - 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 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.

These amendments had no effect on the financial statements of the Fund.

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policy information (continued)

2.1 Basis of preparation (continued)

(b) *New standards, interpretations and amendments adopted from January 1, 2024 (continued)*

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) - On September 22, 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments). Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a 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.

These amendments had no effect on the financial statements of the Fund.

- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1) - The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- 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.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements of the Fund.

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policy information (continued)

2.1 Basis of preparation (continued)

(c) *New standards, interpretations and amendments not yet effective*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Fund has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning January 1, 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the annual reporting period beginning January 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning January 1, 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Fund is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of comprehensive income, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Fund does not expect to be eligible to apply IFRS 19.

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.

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policy information (continued)

2.2. Foreign currency

(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.

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.

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(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)*

- *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.

Fund's business model

The business model reflects how the Fund manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Fund's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows from the sale of assets.

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (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)*

Fund's business model (continued)

- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Management identification of and response to various risks, which include but not limited to liquidity risk, market risk, credit risk and interest rate risk.
- Management considers, in classifying its assets, the level of historical sales and forecasted liquidity requirements.

Arising out of the assessment, the portfolio was deemed to have the business model identified as follows:

| |
|---|
| FVPL (Hold for Trading) |
| Debt instruments with tenors less than or equal to one (1) year which can be easily liquidated within three (3) business days |
| Actively traded equities |
| Actively traded bonds |
| Cash and cash equivalents |

The Fund reclassifies debt instruments when, and only when, its business model for managing those assets changes. The classification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

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.

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(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)*

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.

(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.

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.3 Financial assets and financial liabilities (continued)

(iii) *Determination of fair value (continued)*

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.

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 obtaining approval from the Board of Inland Revenue. These units are classified as financial liabilities. The unit holders are all members of the Plan.

2.7 Expenses

Expenses are accounted for on the accrual basis.

2.8 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.

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

2. Summary of material accounting policies (continued)

2.8 Provisions (continued)

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.

2.9 Taxation

(a) Tax levied on unitholders

Taxes applicable to the acquisition, holding or disposition of units are dealt with in accordance with the laws of the country in which unit holders reside.

(b) Tax levied on the Fund

Under the provisions of the Income 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:

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

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

(ii) Impairment of financial assets (continued)

- (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;
- (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

| | 2024 | 2023 |
|--|---------------------------|---------------------------|
| Cash in bank | 430,968 | 1,351,102 |
| Income funds | 968,727 | 534,725 |
| Total cash and cash equivalents | <u>\$1,399,695</u> | <u>\$1,885,827</u> |

5. Investment securities

Investments - Fair value through profit or loss (FVPL)

| | 2024 | 2023 |
|---------------------------------------|----------------------------|----------------------------|
| Exchange traded funds | 169,837 | 188,308 |
| Equities | 3,656,230 | 3,328,841 |
| Mutual funds | - | 357,690 |
| Fixed income | 10,358,650 | 9,477,492 |
| Interest income receivable | 106,343 | 81,149 |
| Balance at the end of the year | <u>\$14,291,060</u> | <u>\$13,433,480</u> |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

5. Investment securities (continued)

Investments - Fair value through profit or loss (FVPL) (continued)

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Balance at the beginning of the year | 13,433,480 | 11,779,846 |
| Interest received | (428,590) | (349,527) |
| Interest income | 453,784 | 362,556 |
| Impairment losses on investment securities | (92,826) | - |
| Realised gains on investment securities | 109,329 | 51,885 |
| Net foreign exchange movement | 24,447 | (19,012) |
| Additions | 3,671,174 | 2,995,460 |
| Net decrease in fair value | (664,916) | (259,417) |
| Disposals | (2,214,822) | (1,128,311) |
| Balance at the end of the year | <u>\$14,291,060</u> | <u>\$13,433,480</u> |

6. Accounts payable and accrued expenses

| | 2024 | 2023 |
|-------------------------|-----------------|-----------------|
| Audit fees payable | 33,750 | 50,000 |
| Management fees payable | 19,319 | 17,454 |
| Trustee fees payable | 9,659 | 8,727 |
| | <u>\$62,728</u> | <u>\$76,181</u> |

7. Net assets attributable to unit holders

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Balance at beginning of the year | 15,265,732 | 13,520,523 |
| Subscriptions | 407,161 | 1,498,759 |
| Redemptions | (13,655) | - |
| Increase in net assets attributable to unitholders | (3,413) | 246,450 |
| Balance at end of the year | <u>\$15,655,825</u> | <u>\$15,265,732</u> |
| Number of participating units | <u>920,668</u> | <u>897,430</u> |
| Net asset value per unit | <u>\$17.0049</u> | <u>\$17.0105</u> |

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

8. 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 along with the Savinvest suite of funds to be related parties. All related party transactions are made in accordance with established commercial practices.

Management fees

The Trustee has appointed Bourse Securities Limited as Fund Manager to provide Fund administration and investment advisory services to the Fund. Bourse Securities Limited is entitled in return to a quarterly fee on the basis of the net asset value of the Fund in that calendar quarter, pro-rated where necessary on the basis of the number of days remaining or elapsed in such quarter according to an annual rate of 2.75% or such lesser fee as agreed by the Trustee and the Fund Manager of the net asset value of the Fund.

The management fees for the year ended December 31, 2024, totalled \$76,816 (2023: \$68,506) of which \$19,319 (2023: \$17,454) was payable at the year-end and included in accounts payable and accrued expenses.

Trustee fees

The Trustee of the Fund is First Citizens Trustee Services Limited. The relationship between the Fund and the Trustee is governed by a Trust Deed which was duly approved by the Board of Inland Revenue. The fees payable to the Trustee are at an annual rate of 0.25% of the Net Asset Value of the Fund and are paid in calendar quarters and prorated where necessary on the basis of the number of days remaining or elapsed in such quarter.

The trustee fees for the year ended December 31, 2024, totalled \$38,377 (2023: \$34,045) of which \$9,659 (2023: \$8,727) was payable at the year-end and included in accounts payable and accrued expenses.

The related party balances are as follows:

| | 2024 | 2023 |
|---------------------------------------|---------------------|---------------------|
| Cash and cash equivalents | | |
| Savinvest Structured Investment Fund | 274,770 | 371,884 |
| Savinvest US\$ Investment Income Fund | 692,598 | 161,515 |
| | <u>\$967,368</u> | <u>\$533,399</u> |
| Investments | | |
| Savinvest India Asia Fund | \$- | \$357,690 |
| | <u>\$11,695,326</u> | <u>\$11,433,731</u> |
| Amounts due to unit holders | | |
| Management fees | <u>\$76,816</u> | <u>\$68,506</u> |
| Management fees payable | <u>\$19,319</u> | <u>\$17,454</u> |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

9. Risk management

9.1 Categories of financial instruments

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Financial assets | | |
| Cash and cash equivalents | 1,399,695 | 1,885,827 |
| Dividend receivable | 22,849 | 22,606 |
| Other receivable | 4,949 | - |
| Interest income receivable | 106,343 | 81,149 |
| Investment securities | 14,184,717 | 13,352,331 |
| | <u>\$15,718,553</u> | <u>\$15,341,913</u> |
| Financial liabilities | | |
| Accounts payable and accrued expenses | 62,728 | 76,181 |
| Net assets attributable to unit holders | 15,655,825 | 15,265,732 |
| | <u>\$15,718,553</u> | <u>\$15,341,913</u> |

9.2 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, set appropriate risk limits and controls and 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.

Savinvest Group Retirement Fund

Notes to the Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

9. Risk management (continued)

9.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to fair value. The Fund believes that it has sufficient resources to meet the present and foreseeable needs of its operations.

In accordance with the Fund's policy, the Sub-Investment Committee monitors the Fund's liquidity position on a daily basis with the Investment Manager performing a quarterly review.

9.3.1 Liquidity risk management

The table below analyses the Fund's non-derivative financial instruments into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

| | On Demand | Up to 1 year | 1 - 3 years | Over 3 years | Total |
|---|--------------------|--------------------|--------------------|----------------------|---------------------|
| As at December 31, 2024 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 1,399,695 | - | - | - | 1,399,695 |
| Investment securities | 3,826,067 | 563,633 | 1,588,425 | 9,251,093 | 15,229,218 |
| Interest income receivable | - | 551,208 | 862,286 | 1,984,812 | 3,398,306 |
| Other receivable | - | 4,949 | - | - | 4,949 |
| Dividend receivable | - | 22,849 | - | - | 22,849 |
| Total assets | \$5,225,762 | \$1,142,639 | \$2,450,711 | \$11,235,905 | \$20,055,017 |
| Liabilities | | | | | |
| Net assets attributable to unit holders | - | 11,009 | 445,141 | 15,199,675 | 15,655,825 |
| Accounts payable and accrued expenses | - | 62,728 | - | - | 62,728 |
| Total financial liabilities | \$- | \$73,737 | \$445,141 | \$15,199,675 | \$15,718,553 |
| Net liquidity gap | \$5,225,762 | \$1,068,902 | \$2,005,570 | \$(3,963,770) | \$4,336,464 |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

9. Risk management (continued)

9.3 Liquidity risk (continued)

9.3.1 Liquidity risk management (continued)

| | On Demand | Up to 1 year | 1 - 3 years | Over 3 years | Total |
|---|--------------------|--------------------|--------------------|----------------------|---------------------|
| As at December 31, 2023 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 1,885,827 | - | - | - | 1,885,827 |
| Investment securities | 3,874,839 | 1,633,432 | 481,000 | 8,378,529 | 14,367,800 |
| Interest income receivable | - | 403,467 | 607,319 | 1,428,161 | 2,438,947 |
| Dividend receivable | - | 22,606 | - | - | 22,606 |
| Total assets | \$5,760,666 | \$2,059,505 | \$1,088,319 | \$9,806,690 | \$18,715,180 |
| Liabilities | | | | | |
| Net assets attributable to unit holders | - | 13,720 | 11,013 | 15,240,999 | 15,265,732 |
| Accounts payable and accrued expenses | - | 76,181 | - | - | 76,181 |
| Total financial liabilities | \$- | \$89,901 | \$11,013 | \$15,240,999 | \$15,341,913 |
| Net liquidity gap | \$5,760,666 | \$1,969,604 | \$1,077,306 | \$(5,434,309) | \$3,373,267 |

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

| | 2024 | | 2023 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial assets | | | | |
| Cash and cash equivalents | 1,399,695 | 1,399,695 | 1,885,827 | 1,885,827 |
| Other receivable | 4,949 | 4,949 | - | - |
| Dividend receivable | 22,849 | 22,849 | 22,606 | 22,606 |
| Interest income receivable | 106,343 | 106,343 | 81,149 | 81,149 |
| Investment securities | 14,184,717 | 14,184,717 | 13,352,331 | 13,352,331 |
| | \$15,718,553 | \$15,718,553 | \$15,341,913 | \$15,341,913 |
| Financial liabilities | | | | |
| Accounts payable and accrued expenses | 62,728 | 62,728 | 76,181 | 76,181 |
| Net assets attributable to unit holders | 15,655,825 | 15,655,825 | 15,265,732 | 15,265,732 |
| | \$15,718,553 | \$15,718,553 | \$15,341,913 | \$15,341,913 |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

9. Risk management (continued)

9.4 Market price risk

The Fund is exposed 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, 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 and credit spreads. All investment securities present a risk of loss of capital. The Sub-Investment Committee moderates this risk through a careful selection of securities and other financial instruments within specified limits. The Fund's overall market positions are reviewed on a quarterly basis by the Investment Manager, Investment Committee and the Board of Directors.

As at December 31, 2024, had market prices decreased by 5% with all other variables held constant income would have changed by TT\$191,303 (2023: TT\$193,742).

9.5 Interest rate risk

Cash flow interest rate risk is the risk that 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 takes on exposure to the effects of fluctuations in prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Investment Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored on a daily basis by the Sub-Investment Committee and on a quarterly basis by the Investment Manager, Investment Committee and the Board of Directors.

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

| | On Demand | Up to 1 year | 1 - 5 years | Over 5 years | Total |
|---------------------------------------|--------------------|------------------|--------------------|--------------------|---------------------|
| As at December 31, 2024 | | | | | |
| Assets | | | | | |
| Investment securities | - | 558,329 | 4,892,811 | 4,907,510 | 10,358,650 |
| Cash and cash equivalents | 1,399,695 | - | - | - | 1,399,695 |
| Total financial assets | \$1,399,695 | \$558,329 | \$4,892,811 | \$4,907,510 | \$11,758,345 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | - | - | - | - | - |
| Total financial liabilities | \$- | \$- | \$- | \$- | \$- |
| Total interest re-pricing gap | \$1,399,695 | \$558,329 | \$4,892,811 | \$4,907,510 | |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

9. Risk management (continued)

9.5 Interest rate risk (continued)

| | On Demand | Up to 1 year | 1 - 5 years | Over 5 years | Total |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| As at December 31, 2023 | | | | | |
| Assets | | | | | |
| Investment securities | - | 1,633,914 | 2,133,857 | 5,709,721 | 9,477,492 |
| Cash and cash equivalents | 1,885,827 | - | - | - | 1,885,827 |
| Total financial assets | \$1,885,827 | \$1,633,914 | \$2,133,857 | \$5,709,721 | \$11,363,319 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | - | - | - | - | - |
| Total financial liabilities | \$- | \$- | \$- | \$- | \$- |
| Total Interest re-pricing gap | \$1,885,827 | \$1,633,914 | \$2,133,857 | \$5,709,721 | |

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, 2024, had the interest rates increased or decreased by 100 basis points with all other variables held constant, the increase or decrease in net assets would amount to approximately TT\$117,583 (2023: TT\$113,633).

9.6 Credit risk

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 exposures arise principally in investment activities that bring debt securities and other bills into the Fund's asset portfolio. 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 Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

9. Risk management (continued)

9.6 Credit risk (continued)

Internal ratings scale and mapping of external ratings

| Internal rating | Description of the grade | External rating: Standard & Poor's equivalent |
|---------------------------|--------------------------|--|
| High grade | | |
| 1 | Excellent | AAA, AA+, AA, AA- |
| 2 | Very good | A+, A, A-, BBB+, BBB, BBB- |
| Standard grade | | |
| 3 | Good | BB+, BB, BB- |
| 4 | Satisfactory | B+, B, B- |
| Sub-standard grade | | |
| 5 | Unacceptable | CCC+, CCC, CCC- |
| 6 | Bad and doubtful | CC+, CC, CC- |
| 7 | Virtual certain loss | C+, C, C- |

The ratings of the major rating agency shown in the table above are mapped to the Fund's rating classes based on the long-term average default rates of each external grade. The Fund uses the external ratings where available to benchmark its internal credit risk assessment. Observed defaults per rating category vary year on year, especially over an economic cycle. Where a credit is not assigned a risk rating under the internal risk rating system and cannot be benchmarked against an international rating, these have been classified as unrated. These would include equities, local corporate bonds and funds held in a managed pool by a foreign investment broker.

Maximum exposure to credit risk

The table below represents a worst-case scenario of credit risk exposure to the Fund at December 31.

| | Maximum exposure | |
|--------------------------------------|---------------------|---------------------|
| | 2024 | 2023 |
| Investment securities - fixed income | 10,358,650 | 9,477,492 |
| Receivables | 134,141 | 103,755 |
| Cash and cash equivalents | 1,399,695 | 1,885,827 |
| As at December 31 | <u>\$11,892,486</u> | <u>\$11,467,074</u> |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

9. Risk management (continued)

9.6 Credit risk (continued)

Financial assets and other credit exposure

| | Neither past due nor impaired | | Past due | Impaired | Total |
|--------------------------------|-------------------------------|--------------------|------------|------------|---------------------|
| | High grade | Standard grade | | | |
| As at December 31, 2024 | | | | | |
| Cash and cash equivalents | 1,399,695 | - | - | - | 1,399,695 |
| Investment securities | 8,175,708 | 2,182,942 | - | - | 10,358,650 |
| Interest income receivable | 70,841 | 35,502 | - | - | 106,343 |
| Other receivable | 4,949 | - | - | - | 4,949 |
| Dividend receivable | 22,849 | - | - | - | 22,849 |
| Total financial assets | \$9,674,042 | \$2,218,444 | \$- | \$- | \$11,892,486 |

| | Neither past due nor impaired | | Past due | Impaired | Total |
|--------------------------------|-------------------------------|--------------------|------------|------------|---------------------|
| | High grade | Standard grade | | | |
| As at December 31, 2023 | | | | | |
| Cash and cash equivalents | 1,885,827 | - | - | - | 1,885,827 |
| Investment securities | 7,634,135 | 1,843,357 | - | - | 9,477,492 |
| Interest income receivable | 52,938 | 28,211 | - | - | 81,149 |
| Dividend receivable | 22,606 | - | - | - | 22,606 |
| Total financial assets | \$9,595,506 | \$1,871,568 | \$- | \$- | \$11,467,074 |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

9. Risk management (continued)

9.7 Currency risk

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 and Tobago Dollars, consequently, the Fund is exposed to currency risk since the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

| | TT | US | Other | Total |
|--------------------------------|---------------------|--------------------|------------|---------------------|
| As at December 31, 2024 | | | | |
| Investment securities | 9,951,231 | 4,233,486 | - | 14,184,717 |
| Cash and cash equivalents | 706,684 | 693,011 | - | 1,399,695 |
| Interest income receivable | 49,198 | 57,145 | - | 106,343 |
| Other receivable | - | 4,949 | - | 4,949 |
| Dividend receivable | 5,588 | 17,261 | - | 22,849 |
| Total assets | \$10,712,701 | \$5,005,852 | \$- | \$15,718,553 |
| Total liabilities | \$15,718,553 | \$- | \$- | \$15,718,553 |
| Net currency gap | | \$5,005,852 | \$- | |
| As at December 31, 2023 | | | | |
| Investment securities | 8,771,750 | 4,580,581 | - | 13,352,331 |
| Cash and cash equivalents | 1,723,908 | 161,919 | - | 1,885,827 |
| Interest income receivable | 35,820 | 45,329 | - | 81,149 |
| Dividend receivable | 12,145 | 10,461 | - | 22,606 |
| Total assets | \$10,543,623 | \$4,798,290 | - | \$15,341,913 |
| Total liabilities | \$15,341,913 | \$- | - | \$15,341,913 |
| Net currency gap | | \$4,798,290 | \$- | |

The table below illustrates the impact on net assets distributable to Unit holders of a reasonable possible shift in exchange rates:

| | 2024 | 2023 |
|-------------|--------------------|--------------------|
| USD up 5% | <u>\$250,293</u> | <u>\$239,914</u> |
| USD down 5% | <u>\$(250,293)</u> | <u>\$(239,914)</u> |

Savinvest Group Retirement Fund

Notes to the Financial Statements For the year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

10. Fair value of financial instruments

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).

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------|--------------------|--------------------|------------|---------------------|
| As at December 31, 2024 | | | | |
| Equities | 3,656,230 | - | - | 3,656,230 |
| Exchange traded funds | 169,837 | - | - | 169,837 |
| Fixed income | 5,277,635 | 5,187,358 | - | 10,464,993 |
| Total | \$9,103,702 | \$5,187,358 | \$- | \$14,291,060 |
| As at December 31, 2023 | | | | |
| Equities | 3,328,841 | - | - | 3,328,841 |
| Exchange traded funds | 188,308 | - | - | 188,308 |
| Mutual funds | - | 357,690 | - | 357,690 |
| Fixed income | 4,093,706 | 5,464,935 | - | 9,558,641 |
| Total | \$7,610,855 | \$5,822,625 | \$- | \$13,433,480 |

11. Contingencies and commitments

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

12. Subsequent events

The Fund evaluated all events that occurred from January 1, 2025, through March 25, 2025, 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\$53,090, paid no redemptions and distributed no income.