The Immortelle Income and Growth Fund
Financial Statements
30 June 2022
(Expressed in Trinidad and Tobago Dollars)

First Citizens

Statement of Trustee Responsibilities

The Trustee is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The Immortelle Income and Growth Fund, which comprise the statement of financial position as at 30 June 2022, the statements of comprehensive income and changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Fund keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Fund's assets, detection/ prevention of fraud, and the achievement of the Fund's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, the Trustee 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, the Trustee chose those considered most appropriate in the circumstances.

Nothing has come to the attention of the Trustee 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.

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

Trustee
12 October 2022

Trustee
12 October 2022

Independent auditor's report

To the Unitholders of
The Immortelle Income and Growth Fund

Opinion

We have audited the financial statements of The Immortelle Income and Growth Fund, which comprise the statement of financial position as at 30 June 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Immortelle Income and Growth Fund as at 30 June 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

Responsibilities of the Trustee for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

Independent auditor's report (continued)

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 the Trustee 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.

AKF

Barataria
TRINIDAD
12 October 2022

Statement of Financial Position

		As at 30 June	
		2022	**2021**
Assets	**Notes**	**$**	**$**
Cash and cash equivalents	4	8,657,010	7,980,012
Income receivable		234,974	180,689
Due from related parties		-	1,450
Investment securities - FVPL	5	51,156,670	47,133,867
Total Assets		**60,048,654**	**55,296,018**
Liabilities			
Management and trustee fees payable	7	86,941	78,072
Other payables		181,895	200,399
Due to related parties		450	-
Total Liabilities		**269,286**	**278,471**
Equity			
Net assets attributable to Unitholders	6	59,779,368	55,017,547
Total Liabilities and Equity		**60,048,654**	**55,296,018**

The accompanying notes form a part of these financial statements.

These financial statements were approved by the Trustee and authorised for issue on 12 October, 2022.

Trustee

Trustee

The Immortelle Income and Growth Fund
Financial Statements
30 June 2022
(Expressed in Trinidad and Tobago Dollars)

First Citizens

Statement of Comprehensive Income

	Notes	For the year ended 30 June 2022 $	2021 $
Income			
Net investment income		1,287,004	1,046,007
Realised gain on sale of investment securities - FVPL		-	128,583
Net unrealised (loss)/ gain on investment securities - FVPL		(2,666,069)	6,559,587
Miscellaneous income		231	464
Foreign exchange (loss)/ gain		(17,704)	69,957
Total net (loss)/income		(1,396,538)	7,804,598
Expenses			
Management and trustee fees	7	1,053,114	917,725
Other administrative expenses		179,912	211,420
Total Expenses		1,233,026	1,129,145
Net (loss)/ income for the year		(2,629,564)	6,675,453
Total comprehensive (loss)/ income for the year		**(2,629,564)**	**6,675,453**

The accompanying notes form a part of these financial statements.

Statement of Changes in Equity

	Net assets Attributable to Unitholders $	Retained earnings $	Total equity $
Year ended 30 June 2022			
Balance at beginning of year	43,014,611	12,002,936	55,017,547
Comprehensive Income:			
Net loss for the year	-	(2,629,564)	(2,629,564)
Total Comprehensive Loss	-	(2,629,564)	(2,629,564)
Transactions with Unitholders:			
Subscriptions	9,923,227	-	9,923,227
Redemptions	(2,178,440)	-	(2,178,440)
Distributions to unitholders	-	(353,402)	(353,402)
Total transactions with unitholders	7,744,787	(353,402)	7,391,385
Balance at end of year	**50,759,398**	**9,019,970**	**59,779,368**
Year ended 30 June 2021			
Balance at beginning of year	45,139,127	5,641,892	50,781,019
Comprehensive Income:			
Net income for the year	-	6,675,453	6,675,453
Total Comprehensive Income	-	6,675,453	6,675,453
Transactions with Unitholders:			
Subscriptions	4,301,623	-	4,301,623
Redemptions	(6,426,139)	-	(6,426,139)
Distributions to unitholders	-	(314,409)	(314,409)
Total transactions with unitholders	(2,124,516)	(314,409)	(2,438,925)
Balance at end of year	**43,014,611**	**12,002,936**	**55,017,547**

The accompanying notes form a part of these financial statements.

Statement of Cash Flows

	Year ended 30 June 2022 $	2021 $
Operating Activities:		
Net (loss)/income for the year	(2,629,564)	6,675,453
Adjustment for items not involving cash:		
Appreciation cost of units redeemed	(327,017)	(338,723)
Net unrealised loss/(gain) on investment securities	2,666,069	(6,559,587)
Net amortised discount/premium on investment securities	19,385	24,054
Net cash from operating activities before working capital changes	(271,127)	(198,803)
Net change in receivable	(54,285)	15,667
Net change in payable	(9,635)	(2,222,103)
Net change in amounts due from related party	1,900	61,748
Cash used in Operating Activities	(333,147)	(2,343,491)
Investing Activities:		
Purchase of investment securities	(7,714,114)	(1,030,400)
Proceeds from sale/maturities of investment securities	1,005,857	4,665,425
Cash (used in)/generated from Investing Activities	(6,708,257)	3,635,025
Financing Activities:		
Subscriptions (net of distribution to unitholders)	9,569,825	3,987,214
Redemptions	(1,851,423)	(6,087,416)
Cash generated from/ (used in) Financing Activities	7,718,402	(2,100,202)
Increase/(decrease) in cash and cash equivalents for the year	676,998	(808,668)
Cash and cash equivalents at the beginning of the year	7,980,012	8,788,680
Cash and cash equivalents at the end of the year	**8,657,010**	**7,980,012**

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

Notes to the Financial Statements

1 Description of the Fund

The following brief description of The Immortelle Income and Growth Fund (the Fund) is provided for general information purposes only. Reference should be made to the Trust Deed and rules of the Fund for more complete information.

(a) General information -

The Fund is an open ended mutual fund registered in Trinidad and Tobago and accordingly, there are no limits to the number of units which may be issued. It was established by the First Citizens Bank Limited under a Trust Deed dated 11 July 2005 in order to facilitate participation in the domestic, regional and international corporate and government sectors by the investing public through the purchase of units in the Fund. The Fund operations commenced on 15 September 2005.

First Citizens Trustee Services Limited was appointed Trustee of the Fund. The Trust Deed was amended on the terms subject to conditions of a Supplemental Declaration of Trust dated 17 September 2015. The Fund's investment activities are managed by First Citizens Portfolio and Investment Management Services Limited (the Investment Manager), with First Citizens Depository Services Limited as its custodian and administrator. The Fund's distributor is First Citizens Investment Services Limited.

The address of its registered office is No. 22-24 Victoria Avenue, Port of Spain.

(b) Subscriptions -

Subscriptions to the Fund are made by investors and are based on the net asset value per unit determined on each business day. Units may be subscribed at a minimum value of **TT$500** with subsequent subscriptions in the amount of **TT$100**.

1 Description of the Fund (continued)

(c) Redemptions -

Effective 14 October 2014, there are no early redemption charges payable by the investors. Redemptions from the Fund will be at the redemption price less any stamp duty or taxation to be levied thereon on the relevant redemption date. The redemption price will be the net asset value per unit calculated at the close of the business day on which the redemption form was submitted.

(d) Distributions -

Distributions are made semi-annually on 31st March and 30th September or such other date designated by the Trustee. Distributions payable can be reinvested in additional units of the Fund at the issue price at the relevant distribution date, or by way of a direct deposit to investors.

(e) Management and trustee fees -

First Citizens Trustee Services Limited is the Trustee of the Fund. Trustee fees are payable to the Trustee at a rate of 0.25% per annum on the average net assets of the Fund.

Investment management fees and custodian fees collectively are payable up to a maximum of 2.00% per annum on the average net assets of the Fund. Administration fees are payable at a rate of 0.25% per annum on the average net assets of the Fund. Distribution fees are payable at a rate of 0.25% per annum on the average net assets of the Fund.

(f) Taxation -

Tax on interest income is withheld on distributions paid to non-resident unitholders at rates applicable to the country in which the unitholders reside. Distribution income of the Fund will be subject to a deduction of tax in accordance with the current law.

2. Summary of Significant Accounting Policies:

The principal 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.

(a) 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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee 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 significant to the financial statements are disclosed in Note 3.

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

There are no new standards, amendments and interpretations which are effective on or after *1 July 2021* and have been adopted by the Fund.

(ii) Standards amendments and interpretations issued which are effective after 1 July 2021 and have been early adopted by the Fund.

The Fund has not early adopted any new standards, interpretations or amendments.

(iii) Standards, amendments and interpretations issued which are effective and not relevant to the Fund.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform-Phase 2 (Effective 1 January 2021). The amendments in Interest Rate Benchmark Reform — Phase 2 *(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)* introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.
- Amendments to IFRS 16- Covid-19-Related Rent Concessions beyond 30 June 2021 (Effective 1 April 2021). The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The relief was originally limited to reduction in lease payment that were due on or before 30 June 2020. However, the IASB subsequently extended to 30 June 2022.

(b) Foreign currency transactions -

Functional and presentation currency
The primary activity of the Fund is to invest in securities denominated in Trinidad and Tobago dollars. Subscriptions and redemptions of units are denominated in Trinidad and Tobago dollars. The Trustee considers the Trinidad and Tobago dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Trinidad and Tobago dollars which is the Fund's functional and presentation currency. The exchange rate between the TT dollar and US dollar as at the date of these statements was TT$6.6926 = US$1.00 (2021: TT$6.6926 = US$1.00). This rate represents the First Citizens Group midrate.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of security. Translation differences related to changes in the amortised cost are recognised in the Statement of Comprehensive Income.

(c) Financial assets and financial liabilities -

The Fund's financial assets and liabilities are recognised in the Statement of Financial Position when it becomes party to the contractual obligation of the instrument.

(i) Financial assets

The Fund can classify its financial assets as follows, based on the fund's business model for managing these financial assets:

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

\- *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 8 (a) (iv). Interest income from these financial assets is included in "net investment 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 FVOCI. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or 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 and loss and recognised in "net investment income". The interest income from these financial assets is included in "net investment 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 FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit and loss and presented in the "Statement of Comprehensive Income" within "Gains on investments securities" in the period in which it arises, 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 "net investment income". Interest income from these financial assets is included in "net investment income" using the effective interest rate method.

Based on the business model, the Fund has not classified any of its financial assets at FVOCI or amortised cost. The Fund has therefore classified its financial assets into the category of FVPL.

2. Summary of Significant Accounting Policies: (continued)

(c) Financial assets and financial liabilities - (continued)

(i) Financial assets (continued)

- *Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

(i) The cash flow characteristics of the asset, and
(ii) The Fund's business model for managing the asset.

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.
- 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 includes 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, all financial assets are classified as fair value through profit or loss (FVPL).

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 are 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 payment of principal and interest.

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.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include ordinary shares.

The Fund subsequently measures all equity investments at FVPL, except where the Funds' management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Fund's right to receive payments is established.

Gains and losses on equity investments classified as FVPL are included in the Statement of Comprehensive Income.

Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its investment securities carried at amortised cost or FVOCI. 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;
- 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; and

Note 8 (a) (vi) provides more detail of how the expected credit loss allowance is measured.

The expected credit losses (ECL) are associated with assets carried at amortised cost and FVOCI and with the exposure arising from debt instruments, loan commitments and trade receivables. No ECL assessment is required by the Fund as all its debt instruments has been classified and measured at FVPL.

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 costs. Financial assets 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.

(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).

(d) Cash and cash equivalents -

Cash and cash equivalents comprise of cash in hand and deposits held at call with financial institutions and short-term highly liquid investments with original maturities of three months or less.

(e) Provisions -

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where there are a number of similar obligations, the likelihood that an outflow will be required if settlement is determined by considering the class of the obligation as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(f) Net assets attributable to unitholders -

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

The units are carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercises the right to put the unit back to the Fund. Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption.

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

2. Summary of Significant Accounting Policies: (continued)

(g) Interest income -

Interest income is recognised in the Statement of Comprehensive Income on a time-proportionate basis using the effective interest rate method based on the initial carrying amount. It includes interest income from cash and cash equivalents and on investment securities.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(h) Dividend income -

Dividend income is recognised in the profit and loss on the date on which the right to receive payment is established for quoted equity securities. This is usually the ex-dividend date.

For unquoted equity securities, this is usually the date on which the shareholder approves the payment of a dividend. Dividend income from equity securities designated at fair value thorough the profit and loss is recognised in the profit or loss in a separate line item.

(i) Expenses -

Expenses are accounted for on the accrual basis.

(j) Subscriptions and redemptions -

Subscriptions and redemptions are accounted for on the accrual basis.

(k) Offsetting financial instruments -

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

(l) Going concern -

The financial statements are prepared on the assumption that the Fund is a going concern and will continue in operation for the foreseeable future unless the sponsor intends to either liquidate the Fund or to cease operations or has no realistic alternative but to do so. If such an intention or need exists, the financial statements will be prepared on a non-going concern basis.

COVID – 19 is not expected to have a significant impact on the Fund. Management has determined that there is no material uncertainty that casts doubt on the Fund's ability to continue as a going concern. It expects that COVID-19 might have some impact, though not significant, for example, in relation to expected future have performance, or the effects on some future asset valuations.

The Russia/ Ukraine war might have some impact on the Fund in relation to the effects on some future asset valuations due to volatility in equity, debt security prices and foreign exchange rates. Management has determined that there is no material uncertainty that casts doubt on the Fund's ability to continue as a going concern.

3. Critical Accounting Estimates and Judgements in applying Accounting Principles:

The Fund makes estimates and assumptions about the future. The resulting 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 carrying amount of assets and liabilities within the next financial year are outlined below.

(i) Fair value of financial assets

The Fund uses the discounted cash flow method to determine the fair value of financial assets not traded in active markets. The discounted cash flow method discounts the cashflows of the financial assets at an appropriate yield plus a credit spread where applicable. The Group's credit spread methodology utilises gradient tenors and currency specific spreads. The appropriate credit spread for the agency or corporate fixed income security is determined using a cubic spline interpolation of the appropriate currency and credit rating category in the credit spread matrix on a per cash flow basis. This credit spread is then added to the discount spot rates to value the facility using the discounted cashflow method.

(ii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 8(a) (iv) which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets for the purpose of measuring ECL.

(iii) Loss given default

The Loss Given Default rate on corporate senior unsecured bonds is estimated to be 60% based on the International Swaps and Derivatives Association Standard Credit Default Swap contract specification for North American corporate issuers. The Loss Given Default rate on sovereign senior unsecured bonds is estimated to be 46% based on the average Loss Given Default rate on Sovereign bonds during the period 1983 to 2021 as reported by Moody's Investors Service.

4. Cash and cash equivalents

	30 June 2022 $	30 June 2021 $
Balances with banks	8,634,876	7,966,854
Cash equivalents	22,134	13,158
	8,657,010	**7,980,012**

5. Investment Securities – Fair value through profit or loss:

	30 June 2022 $	30 June 2021 $
Government debt securities	17,205,337	11,620,756
Corporate debt securities	1,524,392	1,723,704
Equities	32,426,941	33,789,407
Total	**51,156,670**	**47,133,867**
Movement:		
Balance brought forward	47,133,867	44,233,359
Additions	7,714,114	1,030,400
Disposal/maturities	(1,005,857)	(4,665,425)
Net amortised discount and premium on financial assets	(19,385)	(24,054)
Net unrealised (loss)/gain on investment securities	(2,666,069)	6,559,587
Balance carried forward	**51,156,670**	**47,133,867**

6. Net Assets Attributable to Unitholders:

	30 June 2022 $	30 June 2021 $
Net Assets Attributable to Unitholders – unadjusted	59,779,368	55,017,547
Number of units outstanding at year end	4,178,795	3,673,736
Net asset value per unit	**14.31**	**14.98**

7. Related Party Transactions:

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

The Trustee of the Fund is First Citizens Trustee Services Limited which receives a fee based on the average net asset value of the Fund (2022: 0.25% :2021: 0.25%)

Total trustee fees for the year, including the outstanding accrued fees due at the end of the year, are detailed below:

	30 June 2022 $	30 June 2021 $
Trustee fee for the year	150,445	131,104
Accrued at the end of the year	12,420	11,153

First Citizens Portfolio and Investment Management Services Limited is the Investment Manager, of the Fund, and receives in return a fee based on the average net assets of the Fund (2022: 0.75%; 2021: 0.69%), while First Citizens Depository Services Limited is the Custodian of the Fund, and receives in return a fee based on the average net assets of the Fund (2022: 0.25%; 2021: 0.31%).

Total investment management and custodian fees for the year, including the outstanding accrued fees are detailed below:

Investment management and custodian fees for the year	601,779	524,413
Accrued at the end of the year	49,681	44,613

The administrator of the Fund is First Citizens Depository Services Limited which receives a fee based on the average net asset value of the Fund (2022: 0.25% :2021: 0.25%).

Total administration fee for the year, including the outstanding accrued fees due to First Citizens Depository Services Limited at the end of the year, are detailed below:

	30 June 2022 $	30 June 2021 $
Administration fee for the year	150,445	131,104
Accrued at the end of the year	12,420	11,153

First Citizens Investment Services Limited is the distributor of the Fund and receives a fee based on the average net asset value of the Fund (2022: 0.25%; 2021: 0.25%).

Total distribution fee for the year, including the outstanding accrued fees due to First Citizens Investment Securities Limited at the end of the year, are detailed below:

	30 June 2022 $	30 June 2021 $
Distribution fee for the year	150,445	131,104
Accrued at the end of the year	12,420	11,153

First Citizens Bank Limited acts as the Bank of the Fund with a banking relationship similar to that of non-related bank.

Other balances

Cash and cash equivalents	8,526,938	68,328
Due from/(to) related parties	(450)	1,450
Investment securities	3,446,569	3,446,569
Income receivable	4,960	4,960

8. Financial Risk Management

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

The 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 Investment Manager regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice.

Risk management is overseen by the Board of Directors of the Investment Manager which has delegated its responsibility to an Investment Committee that is responsible for the supervision of the fiduciary investment activities of the Investment Manager. The Investment Committee receives information on key market and economic risk events, trends and forecasts. In addition, the Fund's Investment Policy Statement identifies and defines the various financial risks faced by the Fund and sets appropriate risk limits and controls.

The First Citizens Group's risk policies utilizes the three lines of defense concept to manage risk. The first line encompasses the functional areas which design and implement controls to mitigate the risks which they face, the second line are control functions such as risk management and finance which monitor the first line against these standards/controls. The third line is the Group's internal audit function which provides additional assurance and independent review or risk management and the control environment.

(a) Credit risk -

(i) Definition

The Fund is exposed to credit risk which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Fund is exposed arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and receivable balances.

(ii) Management of risk

Credit risk is mitigated to some extent by limiting the Fund's exposure to issuers with high credit rating. The Fund also reduces this risk by prudent credit analysis of issuers to restrict questionable exposures in the Fund.

(iii) Credit risk grading

The Fund uses the Group's internal credit risk grading or ratings which reflect its assessment of the risk profile or probability of default (PD) of counterparties. The Fund utilises one (1) rating model for all investment securities.

Investment securities

For sovereign and corporate investment securities, the ratings published by Standards and Poor's Rating Agency (S&P), where available, are used. For sovereigns with no S&P rating, the Group's Research and Analytics Unit uses a model based on the S&P methodology to generate a rating. For corporate investment securities with no S&P rating, a rating is assigned using the Borrower Risk Rating (BRR) model.

S&P published ratings are continuously monitored and updated. The PD's associated with each rating are determined based on realised default over the prior 12 months, as published by the rating agency. The ratings generated by the BRR model are also updated annually.

The table below provides a comparative view of the rating models used by the First Citizens Group:

	S&P Rating	Research & Analytics Risk Rating (Investment Securities)	FC Borrower Risk Rating (Corporate)	FC IG Code	Interpretation
Investment Grade	AAA, AA+	A+	1	98	Extremely Low Risk
	AA, AA-	A			
	A+, A	A-	2	95	Very Low Risk
	BBB+, BBB, BBB-	B+	3	90	Low Risk
Speculative Grade	BB+, BB, BB-	B	4	85	Moderate Risk
	B+, B, B-	B-	5	80	High Risk
	CCC+, CCC, CCC-, CC+, CC, CC-, C+, C, C-	C	6		Very High Risk
	D	D	7	65	In Default

For June 2022 95.41% (2021: 98.16%) of the investments in debt securities and other bills have at least a BBB- based on Standards & Poor's Ratings.

8. Financial Risk Management (continued)

(a) Credit risk - (continued)

(iv) Expected credit loss measurement

The Fund applies the simplified approach to all receivables and amounts due from related parties. At initial recognition, the Fund recognizes a loss allowance based on Lifetime ECLs. This approach does not require the significant estimation and judgement necessary to determine whether there have been changes in credit risk and whether such changes are significant. A provision matrix is used to measure the lifetime ECL.

For all investments, IFRS 9 outlines a three-stage model (general approach) for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Fund.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to note 8(a) (v) for a description of how the Fund defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Please refer to note 8(a) (vi) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information. Note 8(a) (vii) includes an explanation of how the Fund has incorporated this in its ECL model.
- Purchased or originated credit-impaired (POCI) financial assets are those assets that are credit- impaired on initial recognition. The ECL is always measured on a lifetime basis and is deemed "built-in" to the fair value on origination. A credit impaired effective interest rate is used to amortize these instruments to their maturity. Changes to the life-time expected credit losses are adjusted in the amortized prices.

Further explanation is also provided of how the Fund determines appropriate groupings when ECL is measured on a collective basis refer to note 8(a) (vi).

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
(Initial Recognition) 12 month expected credit losses	**(Significant increase in credit risk)** Lifetime expected credit losses	**(Credit - impaired assets)** Lifetime expected credit losses

Significant increases in credit risk (SICR)

The Fund considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following criteria have been met:

Investment securities:

Criteria	*Investment Grade Portfolio*	*Single "B" Speculative Grade Portfolio*
Absolute Measure	PD - 15% or higher	PD - 25% or higher
AND	**AND**	**AND**
Relative Measure	One notch downgrade (investment securities rating scale)	One Notch downgrade (investment securities rating scale)
OR	**OR**	**OR**
Special Consideration	Eurobonds with Trigger 3 Breaches	Eurobonds with Trigger 3 Breaches

The Fund has not used the low credit risk exemption for any financial instruments in the year ended 30 June 2022.

Significant decrease in credit risk (SDCR)

With respect to the cure for SICR, the Fund considers a significant decrease in credit risk has occurred when the following happens:

Investment securities:

Criteria	*Investment Grade Portfolio*	*Single "B" Speculative Grade Portfolio*
Absolute Measure	PD - 15% or lower	PD - 25% or lower
AND	**AND**	**AND**
Relative Measure	Credit rating reverts to level just prior to the SICR	One Notch upgrade (investment securities rating scale)
OR	**OR**	**OR**
Special Consideration	No credit stop loss breaches	No credit stop loss breaches

(v) Definition of default and credit-impaired assets

The Fund defines a financial instrument as in default or credit impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than ninety (90) days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower formally files for bankruptcy or there is a commencement of foreclosure proceedings.
- The obligation is classified Doubtful or worse as per the Group's classification process.
- A modification to the terms and conditions of the original agreement that would not normally be considered is executed.
- Restructure proceedings or an indication of the intention to restructure is initiated by the issuer (investments only).

The criteria above have been applied to all financial instruments held by the Fund and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD), throughout the Fund's expected loss calculations.

An investment instrument is considered to no longer be in default (i.e. to have cured) when it has been restructured. An exception exists for credit impaired facilities at origination.

(vi) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation (as defined in note 8 (a) (v), either over the next twelve (12) months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Fund expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). The EAD is calculated as the outstanding balance less the discounted collateral value.
- LGD is expressed as the percentage of loss expected to be incurred if the default occurs over the remaining expected lifetime of the loan and represents management's expectation of the extent of loss on a defaulted exposure. LGD varies by seniority of claim and product type, while the availability of collateral is factored before LGD is considered.

8. Financial Risk Management (continued)

(a) Credit risk - (continued)

(vi) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

PDs

The investment securities' PDs for sovereign and corporate instruments are taken from the Standard & Poor's (S&P) Annual Sovereign Default and Rating Transition Study and the Annual Global Corporate Default and Transition Study, respectively.

EAD

For amortising products and bullet repayment loans, EAD is based on the contractual repayments owed by the borrower over a twelve (12) month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment assumptions are also incorporated into the calculation.

For revolving products, the EAD is calculated by taking the current drawn balance and adding a credit conversion factor (CCF) which adjusts for the expected drawdown of the remaining unutilised limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on an analysis of the product's usage over a two (2) year period. (Note 8 a.(v)).

LGD

For sovereign investment securities, LGDs are obtained from Moody's Investor Services' Data Report on Sovereign Global Default and Recovery Rates (1983-2021). Corporate investment securities LGDs are based on the standard terms for North American corporate entities CDS contracts, taken from Moody's Analytics' CDS-implied EDF™ Credit Measures and Fair-value Spreads.

(vii) Forward-looking information incorporated in the ECL models

Determination of macroeconomic scenarios and probabilities

For each country in which the Fund has investment securities, management performs scenario analysis to determine the impact of future economic conditions on the PD in these countries. After testing multiple economic indicators, a main macro-economic variable (MEV) is determined, which is statistically linked to the credit risk of that sovereign. To increase the robustness of the model and in light of the shock from COVID-19 and the Eastern European crisis, management adopted a bivariate model to determine two MEVs for key sovereigns. The statistical relationship is determined through regression analysis and an analysis of various measures of significance.

The sign of the co-efficients is also an important factor in determining the use of the two MEVs. Correlation analysis is then conducted between the two MEVs and key sovereign credit risk metrics, to determine which are most significant. Three selected sovereign credit risk metrics were identified as sovereign credit rating drivers to quantify the impact of the MEVs on each credit risk driver, ordinary least squares (OLS) regression is conducted. To establish scenarios, the MEVs are 'shocked', such that the official forecast for each year moves up and down by a multiple of the historical standard deviation to establish a best- and worse-case. The new values derived are run through a regression model to quantify the relationship between the credit rating and the scenarios. Data used in the update of the model as at 30 June, 2022 incorporate the impact of COVID-19 and the Eastern European crisis, as such the forward looking scenarios factor in the economic shock of the pandemic and the ongoing crisis between Russia and Ukraine.

Credit ratings were forecasted for the next three years using these macro-economic scenarios. The weightings applied to the forecasted ratings were 60% for year 1, 20% each for year 2 and 3. These weightings were determined based on management's judgment and experience.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Management judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Economics Research Unit on a periodic basis and provide the best estimate view of the economy over the next three years. After three years, to project the economic variables out for the full remaining lifetime of each instrument, a mean reversion approach has been used. The impact of these economic variables on the PD, EAD and LGD has been determined by performing regression analysis to understand the impact changes in these variables have had historically on default rates and LGD.

(viii) Risk limit control and mitigation policies

The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, groups of borrowers, industry and country segments. The Fund monitors its concentration of credit exposure so that no single borrower default will have a material impact on the Fund. These limits are implemented and monitored by the Group Credit Risk Management Unit through the Group Credit Policy Manual. In instances where it is strategically beneficial and adequately documented, the Fund would seek approval on an exception basis for variation to the approved limits from the Board of Directors.

(a) Single borrower and borrower group exposure limits

Limits established by regulatory authorities have been incorporated into the credit policies where concentration is restricted by limiting credit amounts to a percentage of the capital base. This is supported by a stringent reporting requirement and is further enhanced by policies requiring periodic review of all commercial credit relationships.

(b) Industry exposure limits

These limits have been established based on a ranking of the riskiness of various industries. The ranking is guided by a model developed for the Group for this purpose. The model utilises a scale incorporating scores of 1 to 6 with 1 being the least risky. Exposure limits as a percentage of the total credit portfolio have been established to the various Industry exposure categories based on the risk ranking.

(c) Country exposure limits

Exposure limits have been established for selected countries which are considered to be within the Fund's target market. Three (3) risk categories have been developed and the selected countries have been assigned to these categories based either on ratings issued by acceptable rating agencies or the Fund's own internal assessment of the strategic direction of the Fund. Maximum cross border exposure has been limited to a pre-determined portion of total assets and this amount is allocated to the various risk categories with a larger share being allocated to the more highly rated categories.

(d) Impairment and provisioning policies

The Fund's impairment provision policy is covered in detail in Note 2(c) (i).

(ix) Maximum exposure to credit risk

	30 June 2022 $	30 June 2021 $
Gross maximum exposure		
Cash and cash equivalents	8,657,010	7,980,012
Income receivables	216,307	180,689
Due from related parties	-	1,450
Investment securities	18,729,729	13,344,460
Total assets	**27,603,046**	**21,506,611**

The above table represents a worst case scenario of credit risk exposure to the Fund without taking account of any collateral held or other credit enhancements attached.

As shown above, 32.15% of the total maximum exposure is derived from cash and cash equivalents and receivables (2021:37.95%); while 67.85% represents investments in other debt securities (2021: 62.05%).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Fund resulting from both its cash and cash equivalents and receivables portfolio and its other debt securities based on the following:

- The Fund limits its exposure to issuers with high credit ratings.
- The Fund performs prudent credit analysis of issuers to restrict questionable exposures to the Fund.

8. Financial Risk Management (continued)

(a) Credit risk - (continued)

(x) Concentration of risks of financial assets with credit exposure

	Financial Institutions	Public Sector	Private Sector	Total
	$	$	$	$
As at 30 June 2022				
Cash and cash equivalents	8,657,010	-	-	8,657,010
Income receivable	4,960	200,555	10,792	216,307
Investment securities - FVPL	600,000	17,205,337	924,392	18,729,729
	9,261,970	**17,405,892**	**935,184**	**27,603,046**
As at 30 June 2021				
Cash and cash equivalents	7,980,012	-	-	7,980,012
Income receivable	4,960	161,510	14,219	180,689
Due from related parties	1,450	-	-	1,450
Investment securities - FVPL	600,000	11,620,756	1,123,704	13,344,460
	8,586,422	**11,782,266**	**1,137,923**	**21,506,611**

(b) Market risk -

The Fund takes on exposure to market risk, 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.

(i) Currency risk

- *Definition*

  Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

- *Management of risk*

  The majority of the Fund's assets are denominated in Trinidad and Tobago dollars with an insignificant portion denominated in United States dollars. All of the Fund's liabilities are denominated in Trinidad and Tobago dollars. The strategy is to minimise the amount of assets held in currencies other than Trinidad and Tobago dollars.

- *Concentration of currency risk*

  The following table analyses the Fund's assets and liabilities by currency with all amounts denominated in Trinidad and Tobago dollars:

	TT$	US$	Total
As at 30 June 2022	$	$	$
Cash and cash equivalents	8,191,010	466,000	8,657,010
Income receivable	212,286	22,688	234,974
Investment securities - FVPL	30,962,732	20,193,938	51,156,670
Total assets	**39,366,028**	**20,682,626**	**60,048,654**
Management and trustee fees payable	86,941	-	86,941
Other payables	181,895	-	181,895
Due from related parties	450		450
Total liabilities	**269,286**	**-**	**269,286**
Net position	**39,096,742**	**20,682,626**	**59,779,368**

	TT$	US$	Total
As at 30 June 2021	$	$	$
Cash and cash equivalents	6,800,835	1,179,177	7,980,012
Income receivable	156,006	24,683	180,689
Due from related parties	1,450	-	1,450
Investment securities - FVPL	24,749,600	22,384,267	47,133,867
Total assets	**31,707,891**	**23,588,127**	**55,296,018**
Management and trustee fees payable	78,072	-	78,072
Other payables	200,399	-	200,399
Total liabilities	**278,471**	**-**	**278,471**
Net position	**31,429,420**	**23,588,127**	**55,017,547**

- *Sensitivity analysis for currency risk*

  The table below summarises the Fund's sensitivity to a reasonable change in the foreign exchange rate between the US Dollar and the TT Dollar with all other variables held constant on equity.

	Effect on equity 2022 $	Effect on equity 2021 $
Cange in foreign exchange rate		
-100 bps	(206,826)	(235,881)
100 bps	206,826	235,881

(ii) Interest rate risk

- *Definition*

  Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value and future cash flows of financial assets and liabilities. Fixed interest securities expose the Fund to fair value interest rate risk. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes Floating rate debt instruments and cash and cash equivalents expose the Fund to cash flow interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

- *Management of risk*

  The Fund's fixed income assets are classified under the FVPL cost category, therefore there is limited exposure to fair value interest rate risk. There may be some exposure to cash flow interest rate risk.

  The Fund manages its exposure to interest rate risk by monitoring the daily interest sensitivity gap and attempts to ensure that an appropriate mix of interest-bearing securities are held.

- *Concentration of interest rate risk*

  The table below summarises the Fund's exposure to interest rate risk. The assets and liabilities categorised by the contractual date.

	Up to one year	One to five years	Over five years	Non-interest bearing	Total
	$	$	$	$	$
As at 30 June 2022					
Cash and cash equivalents	8,657,010	-	-	-	8,657,010
Income receivable	-	-	-	234,974	234,974
Investment securities - FVPL	2,347,634	8,054,434	8,327,660	32,426,942	51,156,670
Total assets	**11,004,644**	**8,054,434**	**8,327,660**	**32,661,916**	**60,048,654**
Management and trustee fees payable	-	-	-	86,941	86,941
Other payables				181,895	181,895
Due to related parties	-	-	-	450	450
Total liabilities	-	-	-	**269,286**	**269,286**
Interest sensitivity gap	**11,004,644**	**8,054,434**	**8,327,660**	**32,392,630**	**59,779,368**

Notes to the Financial Statements (continued)

8. Financial Risk Management (continued)

(b) Market risk - (continued)

(ii) Interest rate risk (continued)

- *Concentration of interest rate risk (continued)*

	Up to one year $	One to five years $	Over five years $	Non-interest bearing $	Total $
As at 30 June 2021					
Cash and cash equivalents	7,980,012	-	-	-	7,980,012
Income receivable	-	-	-	180,689	180,689
Due from related parties	-	-	-	1,450	1,450
Investment securities - FVPL	-	6,771,614	6,572,846	33,789,407	47,133,867
Total assets	**7,980,012**	**6,771,614**	**6,572,846**	**33,971,546**	**55,296,018**
Management and trustee fees payable	-	-	-	78,072	78,072
Other payables	-	-	-	200,399	200,399
Total liabilities	-	-	-	**278,471**	**278,471**
Interest sensitivity gap	**7,980,012**	**6,771,614**	**6,572,846**	**33,693,075**	**55,017,547**

- *Sensitivity analysis for interest rate risk*

The table below summarise the Fund's sensitivity to a reasonable change in the market interest rate (2022:300bps; 2021:100bps) with all other variables held constant on operating profit, other comprehensive income and equity before distributions to unitholders are considered.

	30 June Effect on equity 2022 $	Effect on equity 2021 $
Change in interest rate		
- 300bps	1,167,428	321,842
300bps	(1,167,428)	(321,842)
- 100bps	389,143	107,281
100bps	(389,143)	(107,281)

(iii) Price risk

- *Definition*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from changes in interest rates or foreign exchange rates), whether those changes are caused by factors specific to the individual financial instruments or issuer, or factors affecting all similar financial instruments traded in the market. The Fund is affected by changing prices of equity instruments classified as FVPL and loss with fair value movements recognised in the statement of comprehensive income.

- *Management of risk*

The Fund invests in financial assets that are traded on registered exchanges and private placements.

Market price risk is managed through a diversification of the financial assets portfolio. The managers of the Fund set prudent exposure limits among its asset classes. The Fund's overall investment exposures are monitored on a daily basis and are reviewed monthly by the Investment Managers.

(c) Liquidity risk -

- *Definition*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and redeemable units.

- *Management of risk*

The Fund is exposed to daily cash redemption of redeemable units. It therefore invests the majority of its assets in marketable securities which can be disposed of in a relatively short space of time if the need arises.

The Fund has the ability to borrow using the Fund's assets as security at times when the Trustee considers it inadvisable to realise any of the assets of the Fund. Such borrowings may be used to provide cash to settle trades or to redeem units. No such borrowings have arisen during the year.

The Fund also provides for certain restrictions on the maximum value of units that can be redeemed in cash over defined periods of time and for the redemption of units in specie where there is insufficient cash available.

- *Maturity analysis of financial liabilities*

All balances are due within twelve months of the statement of financial position date and are equal to their carrying balances as the impact of discounting is not significant.

(d) Climate related risks:

Climate change presents immediate and long-term risks to the Fund and its clients with the risks expected to increase over time. Climate change risk refers to the risk of loss arising from climate change and is comprised of both physical risk and transition risk. Physical risk considers how chronic and acute climate change (e.g., increased storms, drought, fires, floods) can directly damage physical assets or otherwise impact their value or productivity.

Transition risk considers how changes in policy, technology, business practices and market preferences to address climate change can lead to changes in the value of assets. Climate change risk is an overarching risk that can act as a driver of other categories of risk, such as credit risk from obligors exposed to high climate risk, reputational risk from increased stakeholder concerns about financing high carbon industries and operational risk from physical climate risks to the Company's facilities.

The Fund currently identifies climate change risk as an emerging risk within its enterprise risk management framework. Emerging risks are risks or thematic issues that are either new to the landscape, or in the case of climate risk, existing risks that are rapidly changing or evolving in an escalating fashion, which are difficult to assess due to limited data or other uncertainties.

(e) Fair value of financial assets and liabilities -

(i) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Funds statement of financial position at their fair value.

	Carrying value 30 June 2022 $	Carrying value 30 June 2021 $	Fair value 30 June 2022 $	Fair value 30 June 2021 $
Financial Assets				
Cash and cash equivalents	8,657,010	7,980,012	8,657,010	7,980,012
Income receivable	234,974	180,689	234,974	180,689
Due from related parties	-	1,450	-	1,450
Financial Liabilities				
Other payables	181,895	200,399	181,895	200,399
Management and trustee fees payable	86,941	78,072	86,941	78,072
Due to related parties	450	-	450	-

The fair values of the Fund's financial instruments are determined in accordance with International Financial Reporting Standards (IFRS 9). See **Note 3** for further details of the fair value measurements.

8. Financial Risk Management (continued)

(e) Fair value of financial assets and liabilities - (continued)

(i) Financial instruments not measured at fair value (continued)

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is approximately equal to fair value include cash and cash equivalents, income receivable, due to related parties and payables.

(ii) Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Fund's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt instruments.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

The following table analyses within the fair value hierarchy the Fund's assets as at 30 June 2022 and 30 June 2021:

	Level 1	Level 2	Level 3	Total
As at 30 June 2022	**$**	**$**	**$**	**$**
Investment securities				
Fair value through profit or loss				
- Debt securities	-	18,729,729	-	18,729,729
- Equity	32,426,941	-	-	32,426,941
Total Investment Securities	**32,426,941**	**18,729,729**	**-**	**51,156,670**

	Level 1	Level 2	Level 3	Total
As at 30 June 2021	**$**	**$**	**$**	**$**
Investment securities				
Fair value through profit or loss				
- Debt securities	-	13,344,460	-	13,344,460
- Equity	33,789,407	-	-	33,789,407
Total Investment Securities	**33,789,407**	**13,344,460**	**-**	**47,133,867**

9. Contingencies and Commitments:

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

10. Events after the statement of financial position date:

There were no events after the reporting period which were material to the financial statements and should have resulted in adjustments to the financial statements or disclosures when the financial statements were authorised for issue.