CLICO INVESTMENT FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Ernst & Young Services Limited

Building a better working world

CLICO INVESTMENT FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF CLICO INVESTMENT FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Clico Investment Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with a non-going concern basis of accounting and 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 *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' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Emphasis of Matter

We draw your attention to Note 2 of the financial statements where on 2 January 2023 the Clico Investment Fund was terminated as described under Clause 19 of the Declaration of Trust. As a result, the Administrators and the Trustees have prepared the financial statements using a non-going concern basis of accounting. Our opinion is not qualified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF CLICO INVESTMENT FUND

Report on the Audit of the Financial Statements
(Continued)

Responsibilities of the Fund Administrator and the Trustee for the Financial Statements

The Fund Administrator is responsible for the preparation and fair presentation of the financial statements in accordance with a non-going concern basis of accounting and IFRSs, and for such internal control as the Fund Administrator 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 Fund Administrator is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is 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.

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.

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF CLICO INVESTMENT FUND

Report on the Audit of the Financial Statements
(Continued)

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

- 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 Fund Administrator.

- Conclude on the appropriateness of the Fund Administrator'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. We draw your attention to Note 2 in the financial statements which outlines the liquidation of the Fund.

- 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF CLICO INVESTMENT FUND

Report on the Audit of the Financial Statements
(Continued)

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

We also provide the Trustee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner in charge of the audit resulting in this independent auditor's report is Pria Narinesingh



Port of Spain,
TRINIDAD:
24 March 2023

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CLICO INVESTMENT FUND

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(Expressed in Trinidad and Tobago Dollars)

	Notes	2022	2021
Assets			
Cash and cash equivalents	4	161,536,247	142,679,984
Interest receivable		4,992,281	4,998,028
Investment securities	5	6,187,907,169	6,227,205,249
Total assets		6,354,435,697	6,374,883,261
Liabilities			
Accrued expenses	6	36,573,778	1,466,673
Unclaimed dividends	7	6,810,563	6,287,910
		43,384,341	7,754,583
Equity			
Undistributed income	16 b)	1,211,051,356	1,267,128,678
Capital account		5,100,000,000	5,100,000,000
		6,311,051,356	6,367,128,678
Total liabilities and equity		6,354,435,697	6,374,883,261
Number of units	8	204,000,000	204,000,000
Net assets value per unit		$30.94	$31.21

These financial statements were approved by the Trustee and authorised for issue on 24 March 2023.

: Trustee

We draw your attention to Note 2 which describes the basis of preparation of the financial statements on a non-going concern basis from 2021.

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

CLICO INVESTMENT FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Trinidad and Tobago Dollars)

	Notes	2022	2021
Investment income			
Dividend income		180,325,346	160,289,196
Interest income		29,874,558	30,281,496
Net (loss)/gain on investment securities	9	(38,529,259)	203,228,249
Total investment income		171,670,645	393,798,941
Expenses			
Fees and expenses	10	38,027,967	2,845,694
Total expenses		38,027,967	2,845,694
Net income		133,642,678	390,953,247
Total comprehensive income		133,642,678	390,953,247

We draw your attention to Note 2 which describes the basis of preparation of the financial statements on a non-going concern basis from 2021.

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

CLICO INVESTMENT FUND

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Trinidad and Tobago Dollars)

	Capital account	Undistributed income	Equity
Balance at 1 January 2021	5,100,000,000	1,027,135,431	6,127,135,431
Net income	–	390,953,247	390,953,247
Distributions (Note 14)	–	(150,960,000)	(150,960,000)
Balance at 31 December 2021	5,100,000,000	1,267,128,678	6,367,128,678
Balance at 1 January 2022	5,100,000,000	1,267,128,678	6,367,128,678
Net income	–	133,642,678	133,642,678
Distributions (Note 14)	–	(189,720,000)	(189,720,000)
Balance at 31 December 2022	5,100,000,000	1,211,051,356	6,311,051,356

We draw your attention to Note 2 which describes the basis of preparation of the financial statements on a non-going concern basis from 2021.

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

CLICO INVESTMENT FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Trinidad and Tobago Dollars)

	Notes	2022	2021
Operating activities			
Net income		133,642,678	390,953,247
Adjustments:			
Net loss/(gain) on investment securities		38,529,259	(203,228,249)
Net cash flows from operating income before changes in operating assets and liabilities		172,171,937	187,724,998
Decrease in interest receivable		5,747	3,248
Increase in liabilities		35,629,758	1,134,852
Cash provided by operating activities		35,635,505	1,138,100
Net cash flows provided by operating activities		207,807,442	188,863,098
Investing activities			
Purchase of investment securities		–	(917,373)
Proceeds on disposal of investment securities		768,821	1,012,151
Net cash provided by investing activities		768,821	94,778
Financing activities			
Distributions paid	14	(189,720,000)	(150,960,000)
Net cash used in financing activities		(189,720,000)	(150,960,000)
Net increase in cash and cash equivalents		18,856,263	37,997,876
Cash and cash equivalents at beginning of the year		142,679,984	104,682,108
Cash and cash equivalents at end of the year	4	161,536,247	142,679,984
Supplemental information			
Interest received		29,874,558	30,284,745
Dividends received		180,325,346	160,289,196

We draw your attention to Note 2 which describes the basis of preparation of the financial statements on a non-going concern basis from 2021.

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

1. Principal activity and status

The CLICO Investment Fund (the "Fund") was established on 31 October 2012 as a close-ended mutual fund. A close-ended mutual fund is one in which the number of units which may be issued in the Fund is limited. The investment objective of the Fund is to hold the initial assets and the additional Republic Financial Holdings Limited shares (RFHL), in the event that they become part of the deposited property, for a period of ten (10) years subject to the terms described under clause 19 of the Declaration of Trust, "Termination of the Fund".

The Fund is governed by the laws of the Republic of Trinidad and Tobago and established by a Declaration of Trust made by the Trustee, duly incorporated and validly existing and licensed under the provisions of the Financial Institutions Act, 2008 of the Republic of Trinidad and Tobago. The Trustee of the Fund is CLICO Trust Corporation Limited ("CTC" or "Trustee"). The address of the Trustee is Level 16, Ministry of the Finance (formally Ministry of the Finance and the Economy), Edward Street, Port of Spain. The Administrator of the Fund is Republic Bank Limited. The address of the Administrator is 9-17 Park Street, Port of Spain, Trinidad. Republic Financial Holdings Limited, the financial holding company for the Republic Group, is therefore considered a related party. The Registrar of the Fund is the Trinidad and Tobago Central Depository Limited. The address of the Registrar is 10th Floor Nicholas Tower, 63-65 Independence Square, Port of Spain.

On 1 December 2011, the Government of the Republic of Trinidad and Tobago ("GORTT" or "the Government") offered to holders of short term investment products (STIPs) issued by Colonial Life Insurance Company (Trinidad) Limited (CLICO) and British American Insurance Company (Trinidad) Limited (BAT) with balances greater than $75,000.00 the following:

1) cash up to $75,999.99 and
2) twenty (20), one (1) year zero coupon bonds with maturities ranging from years 1-10 and Government 11-20 year bonds in exchange for their STIPs.

Subsequently, the Government agreed to establish a Trust into which would be placed the RFHL shares and the Government securities which will be held in Trust in accordance with the provisions of the Trust Deed.

1. Principal activity and status (continued)

The Government has acquired the RFHL shares and the Government securities and has vested the RFHL shares and the Government securities in the Trustee, free from all encumbrances.

In the event that the Trustee acquires the additional RFHL shares in accordance with clause 2.9 of the Trust Deed, the Trustee shall thereafter hold the additional RFHL shares as part of the deposited property in substitution for the Government securities.

On 18 October 2012, the Trustee was incorporated in the Republic of Trinidad and Tobago and on 31 October 2012, the Fund Sponsor transferred the initial assets to the Trustee.

On 31 October 2012, by way of the Trust Deed, the Trustee declared that it held the initial assets, upon trust, to be applied by the Trustee.

Until 31 October 2012, the CL Financial Group held through its various subsidiaries, 51.4% of the shares of Republic Financial Holdings Limited. On 1 November 2012, 24.8% of RFHL formerly owned by CLICO was transferred into the Clico Investment Fund. The Trustee of the Fund, CTC, holds 24.56% shareholding in RFHL in Trust solely for the benefit of subscribing unitholders of the Fund. The Fund is as a consequence, the largest shareholder in RFHL. Even though the Fund holds in excess of 20% of the shares of RFHL, it is not accounted for as an investment in an associate. This is because it has been demonstrated that the Fund and its Trustee do not have significant influence over RFHL.

In accordance with the provisions of both Notifications, the Central Bank of Trinidad and Tobago ("CBTT") has the power to deal with the assets of the companies, including the RFHL shares. The CBTT will not receive any benefit, financial or otherwise, from the exercise of its powers under the Central Bank Act.

The sole shareholder of the Trustee is the Government of the Republic of Trinidad and Tobago (GORTT).

2. Significant accounting policies

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

a) Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in Trinidad and Tobago dollars. Based on the provisions of the Trust Deed, the Fund is due to be closed on 2 January 2023. Consequently, the going concern assumption is not appropriate. In accordance with IAS 1 "Presentation of Financial Statements" the financials statements of the Fund are prepared on a non-going concern basis for the year ended 31 December 2021 and 31 December 2022.The non-going concern basis of preparation contemplates the realisation of assets and the discharge of liabilities on the termination of the Fund.

Under this basis of preparation fees, costs, charges and expenses incidental to the administration, management and closure of the Fund are to be recognised in the statement of comprehensive income. These costs and charges have been included in the financial statements.

Change in basis of measurement

In accordance with IAS 1 "Presentation of Financial Statements" and IAS 10 "Events after the Reporting period" the Fund changed the basis of preparing the financial statements from a going concern basis used in 2020, to a non-going concern basis in 2022 and 2021 due to the terms described under clause 19 of the Declaration of Trust per Note 1.

This change in basis of preparation was adopted as IAS 10 does not permit the use of the going concern basis of accounting if liquidation is expected either before or after year end.

b) Changes in accounting policies and disclosures

i) New accounting policies/improvements adopted

New standards and amendments/revisions to published standards and interpretations effective in 2022

In the current year, the Fund has applied the following amendments issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for the accounting period commencing 1 January 2022.

2. Significant accounting policies (continued)

b) Changes in accounting policies and disclosures (continued)

i) New accounting policies/improvements adopted (continued)

New standards and amendments/revisions to published standards and interpretations effective in 2022 (continued)

- Reference to the Conceptual Framework - Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts - Cost of Fulfilling a Contract - Amendment to IAS 37

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

ii) Improvements to International Financial Reporting Standards

The annual process of the IASB deals with non-urgent but necessary clarifications and amendments to IFRS.

2018-2020 cycle (issued in May 2020)
The following is a summary of the amendments from the 2018-2020 annual improvements cycle:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - *Subsidiary as a first-time adopter*
- IFRS 9 Financial Instruments - *Fees in the '10 per cent' test for derecognition of financial liabilities*
- IAS 41 Agriculture - *Taxation in fair value measurements*

2. Significant accounting policies (continued)

b) Changes in accounting policies and disclosures (continued)

iii) Standards in issue but not yet effective

New standards, interpretations and revised or amended standards that are not yet effective and have not been early adopted by the Fund

Effective 1 January 2023:

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

Effective 1 January 2024:

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

2. Significant accounting policies (continued)

c) Financial instruments

The Fund's financial assets and financial liabilities are recognised in the statement of financial position when it becomes party to the contractual obligation of the instrument. A financial asset is derecognised when the right to receive the cash flows from the asset has expired or where the Fund has transferred all the risks and rewards of ownership of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. All 'regular way' purchases and sales are recognised at settlement date.

d) Investment securities

As the financial statements are currently being prepared on a non-going concern basis, investment securities are recognised at fair value which has been the valuation method utilised in accordance with the documented investment strategy for these assets. This basis is consistent with the prior year.

Interest earned or incurred on instruments designated at fair value through profit or loss (FVPL) is accrued in interest income. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

The Fund only measures fixed deposits at amortised cost if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, and
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

2. Significant accounting policies (continued)

d) Investment securities (continued)

i) Impairment of financial assets

IFRS 9 requires the Fund to record an allowance for ECLs for all financial assets not held at FVPL.

Cash and cash equivalents and fixed deposits are short term funds placed with companies of good financial strength and reputation and the Fund therefore considers the risk of default to be very low.

The ECL on these deposits were determined to be zero.

(ii) Fair value measurement

The Fund measures investment securities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs specifically the fair values for unquoted equity instruments or unlisted securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer.

2. Significant accounting policies (continued)

d) Investment securities (continued)

(ii) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Assets and liabilities included in level 3 are held at cost, being the fair value of the consideration paid on acquisition and are regularly assessed for impairment.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. Significant accounting policies (continued)

e) Revenue and expenditure recognition

Dividend income is recognised when the right to receive payment is established. Interest income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Interest income is recognised as the interest accrues, taking into account the effective yield on the asset unless collectability is in doubt.

Expenses are accounted for on the accrual basis.

f) Cash and cash equivalents

Cash and cash equivalents are carried at cost and consist of cash at bank and highly liquid investments with original maturities of three months or less. From 1 January 2018 the Fund classifies cash and cash equivalents at amortised cost.

g) Foreign currency translation

Functional and presentation currency

The Fund's functional currency is the Trinidad and Tobago dollar (TTD), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in TTD. Therefore, the TTD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the TTD.

2. Significant accounting policies (continued)

g) Foreign currency translation (continued)

Foreign currency transactions

Foreign currency transactions during the year are translated into Trinidad and Tobago dollars at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities in foreign currencies, at the statement of financial position date, are expressed in Trinidad and Tobago dollars at the exchange rates ruling at that date. Profits and losses thus arising are recorded in the statement of comprehensive income.

h) Subscriptions

During the initial period, units in the Fund were exchanged for the subscription consideration at the rate of forty (40) units for $1,000 of face value of Government 11-20 year bonds with a minimum subscription for units by a bondholder being $1,000. Thereafter units were offered for sale by the Government, at any time prior to the redemption date, for the subscription consideration in the form of $1,000 Government 11-20 year bonds at face value per forty (40) units in an over-the-counter trade at the expense of the subscriber. The bondholders were only permitted to subscribe for units in respect of their entire holdings of Government 11-20 year bonds, partial subscription were not permitted subject to the restriction that a single unitholder and its affiliates, was not permitted to hold more than 16% of the units issued.

Subsequent to the initial period, trading is performed by unitholders and investors on the Trinidad and Tobago Stock Exchange.

i) Redemptions

On the trading date, a unitholder shall only be entitled to sell, transfer or otherwise dispose of the units held by a unitholder by trading on the Trinidad and Tobago Stock Exchange in accordance with its rules for effecting transactions in the units or via over- the-counter trading and at his expense.

2. Significant accounting policies (continued)

j) Net asset value per unit

The net asset value per share is calculated by dividing the net assets in the statement of financial position by the number of units outstanding at the period end. Net assets is total assets less total liabilities in the statement of financial position.

k) Provision

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 the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations 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.

l) Distributions

Distributions to the Fund's unitholders is recognised as an appropriation in the Fund's financial statements in the period in which the distribution is approved by the Trustees.

Distributions in the Fund are made semi annually on the 21 February and 21 August each year.

m) Taxation

Tax on interest income is withheld on distributions to non-resident unitholders at the rates applicable to the country in which the unitholders reside. Resident unitholders are exempted from tax on distributions.

n) Comparative information

Where necessary comparative figures have been adjusted to confirm with changes in the presentation in the current year.

3. Significant accounting judgements and estimates

The preparation of the Fund's financial statements requires the Trustee to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Fund's exposure to risks and uncertainties include:

- Financial instruments risk management (Note 13)
- Fund management (Note 15)

i) Judgement

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of investment securities (Note 2 (d) (i))

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

4. Cash and cash equivalents	2022	2021
Cash and call deposits	161,536,247	142,679,984

Cash at bank earns interest at floating rates based on daily bank deposit rates. Call deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rates. Short-term funds are deposits held with maturity dates of three months or less.

5. Investment securities	2022	2021
Fair value through profit or loss		
Equities held in RFHL	5,569,648,838	5,616,533,428
Government bond	618,258,331	609,902,999
Amortised cost		
Fixed deposits	–	768,822
Total investment securities	6,187,907,169	6,227,205,249

6. Accrued expenses

	2022	2021
Fund administration fees	1,533,081	1,354,079
Advertising fees	67,161	66,244
Audit fees	49,000	46,350
Other fees	78,443	–
Wind-Up fees	34,846,093	–
	36,573,778	1,466,673

7. Unclaimed dividends

In accordance with the Trinidad & Tobago Central Depository Registrar Agreement, all dividends unclaimed within three (3) years of the date of declaration of the dividend are to be refunded to the Trustee. For the year ending 31 December 2022, $807,825 was refunded to the Trustees as unclaimed dividends for the year 2019 (2021: $1,048,597 for the year 2018).

8. Units

Units are limited to 204,000,000 and are traded on the Trinidad and Tobago Stock Exchange at the prevailing quoted unit prices.

9. Net (loss)/gains on investment securities

	2022	2021
Unrealised (loss)/gain on equities	(46,884,590)	207,173,786
Unrealised gain/(loss) on government bond	8,355,331	(3,945,537)
	(38,529,259)	203,228,249

10. Fees and expenses

a) Republic Bank Limited (“RBL”) has been appointed as administrator of the Fund. Under the terms of the agreement, RBL is entitled to receive an annual Fund Administrator fee of 1% of the Fund income which is payable semi annually.

The Trustee, Clico Trust Corporation Limited ("CTC") is entitled to receive Trustee fees from the Fund income.

10. Fees and expenses (continued)

a) The Registrar shall be paid out of the Fund income, the following fees as outlined in the schedule of fees in the Registrar Services Agreement:

- A membership fee payable annually;
- A fee for the processing of distributions; and
- Fees for the maintenance of the register and reasonable fees incurred by it in the performance of the Registrar's duties.

All other charges, fees or expenses are to be charged against the Unitholders or against the Deposited Property. Details of permitted expenses are described in the Declaration of Trust.

The following is a breakdown of fees and expenses in the statement of comprehensive income and complies with the approved fee structure:

	Note	2022	2021
Fund administration fees		2,101,999	1,905,707
Legal fees		13,190	10,586
Trustee expenses		395,000	363,000
Registrar fees		219,201	172,720
Advertising		190,366	197,018
Stock exchange fee		145,782	124,782
Audit fees		72,495	49,594
Corporate secretary fee		43,841	22,287
Wind-up fees	10(b)	34,846,093	–
		38,027,967	2,845,694

10. Fees and expenses (continued)

	Note	2022	2021
b) Wind up fees consist of the following:			
Audit fees		20,000	–
Director fees		181,500	–
TTSE/TTCD Put through fees		13,397,508	–
Legal fees		70,000	–
Brokerage fees*		18,379,841	–
Accounting and Valuation		200,000	–
Marketing and Communications		250,000	–
ACH/RTGS fees for distributions		399,360	–
Notices - Redemption notices		265,760	–
Contingency fees		1,682,124	–
		34,846,093	–

* Brokerage and Advisory Services related to the Put through of RFHL shares to qualifying unitholders pursuant to the termination of the Clico Investment Fund.

11. Related parties

From time to time the Fund will acquire investments from a related party, the Investment Manager, at commercial rates and in the normal course of business. Investments in related party instruments and the recognised income thereon were as follows:

	2022	2021
Assets		
Republic Financial Holdings Limited		
Investment securities	5,569,648,838	5,616,533,428
Cash and cash equivalents	161,536,247	142,679,984
	5,731,185,085	5,759,213,412
Liabilities		
Republic Financial Holdings Limited		
Accrued expenses	1,533,081	1,354,079
Income		
Republic Financial Holdings Limited		
Dividend income	180,325,346	160,289,196
Interest income	–	399,664
Net (loss)/gain from investment securities	(46,884,590)	207,173,785
	133,440,756	367,862,645
Expenses		
Director fees	395,000	363,000
Republic Financial Holdings Limited	2,101,999	1,905,707
	2,496,999	2,268,707

12. Fair value of financial instruments

Government bonds are recorded at fair value using valuation techniques as current market transactions or observable market data are not available. Their fair value is determined using a valuation model that has been tested against the prices of actual market transactions and using the Investment Manager's best estimate of the most appropriate model inputs. These are adjusted to reflect counterparty credit spread.

Equity instruments are measured using quoted market prices. In the statement of financial position, equity is carried at fair value with changes recognised in profit or loss.

Assets for which fair value approximates carrying value

For financial assets and liabilities that are liquid or have a short-term maturity, it is assumed that the carrying amounts approximate to their fair value. These include cash and cash equivalents, fixed deposits, interest receivable, accrued expenses and accruals for distributions.

Fair value hierarchy

The following table shows an analysis of financial instruments recognised at fair value, analysed by level of fair value hierarchy:

12. Fair value of financial instruments (continued)

Fair value hierarchy (continued)

	31 December 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets	**$**	**$**	**$**	**$**
Investments				
Equities in RFHL	5,569,648,838	–	–	5,569,648,838
Government bond	–	618,258,331	–	618,258,331
	5,569,648,838	618,258,331	–	6,187,907,169

	31 December 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets	**$**	**$**	**$**	**$**
Investments				
Equities in RFHL	5,616,533,428	–	–	5,616,533,428
Government bond	–	609,902,999	–	609,902,999
	5,616,533,428	609,902,999	–	6,226,436,427

There were no instruments classified in Level 3 for the years ended 31 December 2022 and 31 December 2021.

There were no transfers of financial instruments between levels for the years ended 31 December 2022 and 31 December 2021.

13. Risk management

Introduction

Risk is inherent in the Fund's activities but it is managed through a process of ongoing identification and measurement and monitoring, subject to risk limits and other controls.

This process of risk management is critical to the Fund's continuing profitability.

Role of the Trustee

The Trustee's responsibility is that of safeguarding unitholders' interests. The Trustee will act as custodian of the Fund's assets and will ensure that the rights of the unitholders are no way infringed. The sole shareholder of the Trustee is the Government.

Risk management structure

Republic Bank Limited (the "Bank"), which acts as the Fund Administrator, performs or arranges for the performance of the administrative services necessary for the daily operation of the Fund. These include maintaining the corporate and financial books and records of the Fund, preparing financial statements of the Fund, calculation of the NAV and performing all duties required on termination of the Fund.

The Fund is exposed to various risks. A summary of these risks is as follows:

Market risk

Market risk is the risk that investments held in the portfolio will fluctuate due to changes in market prices. Market risk comprises of interest rate risk, currency risk and equity price risk.

Equity price risk

Equity price risk is the risk that investments held in the portfolio will fluctuate due to changes in market price.

The Fund invests in financial instruments that are traded on registered exchanges. These securities are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund has set investment objectives to reduce its market risk by setting limits to its exposure by geographical concentration and industry sector.

13. Risk management (continued)

Equity price risk (continued)

Through ongoing daily control procedures, management closely monitors the exposure of the Fund's investment portfolio to changes in market prices and is therefore able to mitigate the market risk resulting from fluctuations in underlying prices.

The table below summarises the Fund's exposure to equity price risks by geographical concentrations:

	2022		2021	
	$	**%**	**$**	**%**
Domestic	5,569,648,838	100	5,616,533,428	100
	5,569,648,838	**100**	**5,616,533,428**	**100**

The tables below summarises the concentration of the Fund's assets subject to equity price risk by sector:

	2022		2021	
	$	**%**	**$**	**%**
Financial services sector	5,569,648,838	100	5,616,533,428	100
	5,569,648,838	**100**	**5,616,533,428**	**100**

The effect on net assets at 31 December due to a reasonably possible change in equity indices, with all other variables held constant, as follows:

Change in equity price	**$ Effect on net assets**	**$ Effect on net assets**
%	**2022**	**2021**
+/-	+/-	+/-
1	55,696,488	56,165,334

13. Risk management (continued)

Interest rate risk

The Fund's interest-bearing financial assets and liabilities exposes it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Investment Manager reviews the interest rate risk using gap analysis, interest rate sensitivity and exposure limits for financial instruments.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Fund's net assets.

	Change in basis points	**$ Effect on net assets**
	+/-	+/-
2022	100	63,760,982
2021	100	66,725,202

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 has no material financial assets or financial liabilities denominated in currencies other than the reporting currency. As a result the Fund's exposure to currency risk is considered immaterial.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund. Impairment provisions are provided for losses that have been incurred by the statement of financial position date, if any.

The Fund's main credit risk concentration lies in debt securities. The Fund manages credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits. The Investment Manager monitors the Fund's credit exposure on a quarterly basis.

13. Risk management (continued)

Credit risk (continued)

The following table shows the maximum exposure to credit risk without taking account of any collateral or other credit enhancements:

	Gross maximum exposure	
Assets	**2022**	**2021**
Cash and cash equivalents	161,536,247	142,679,984
Investment securities	618,258,331	610,671,821
Interest receivable	4,992,281	4,998,028
	784,786,859	758,349,833

Total credit risk exposure

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Risk concentrations of the maximum exposure to credit risk

Concentration of risk is managed by asset class, geographical region and industry sector. All of the Fund's assets are concentrated in Trinidad and Tobago. Information with respect to the Fund's concentration of risk by asset class is as follows:

Assets	**2022**	**2021**
Government bond	623,250,612	614,895,281
Money market instruments	–	774,568
Cash with financial institutions	161,536,247	142,679,984
	784,786,859	758,349,833

13. Risk management (continued)

Risk concentrations of the maximum exposure to credit risk (continued)

The following table is an analysis of the Fund's assets subject to credit risk by industry sector:

	2022	2021
Financial services sector	161,536,247	143,454,552
Government	623,250,612	614,895,281
	784,786,859	758,349,833

Analysis of financial assets bearing credit risk

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
2022				
Cash	161,536,247	–	–	161,536,247
Government bond	618,258,331	–	–	618,258,331
Interest receivable	4,992,281	–	–	4,992,281
	784,786,859	–	–	784,786,859
2021				
Cash	142,679,984	–	–	142,679,984
Government bond	609,902,999	–	–	609,902,999
Fixed deposits	768,822	–	–	768,822
Interest receivable	4,998,028	–	–	4,998,028
	758,349,833	–	–	758,349,833

13. Risk management (continued)

Credit quality per class of financial assets

The credit quality of financial assets that are not impaired is managed by the Fund using internal investments ratings. These ratings are based on the financial strength, reputation and market position of the issuing company and the ability of that company to service the debt.

Superior: Investments classified as superior comprise of Government and Government guaranteed bonds secured by a letter of comfort from the Government. These securities are considered risk free. Also included in this category are corporate bonds where the issuing company has excellent financial strength and reputation. These instruments are current and are being serviced in accordance with the terms and conditions of the underlying agreements.

Desirable: Investments classified as desirable include corporate bonds and money market instruments. These instruments are current and are being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has good financial strength and reputation.

Acceptable: Acceptable investments include mortgages and corporate loans. These securities are current and are being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has fair financial strength and reputation.

Sub-standard: Assets classified as sub-standard represent securities displaying indicators of impairment however are being serviced in accordance with their existing terms and conditions, or have been restructured in prior financial years but are currently being serviced in accordance with their new terms and conditions.

13. Risk management (continued)

Credit quality per class of financial assets (continued)

2022 **Assets**	**Superior**	**Desirable**	**Total**
Cash and fixed deposits	–	161,536,247	161,536,247
Government bond	618,258,331	–	618,258,331
Interest receivable	4,992,281	–	4,992,281
	623,250,612	161,536,247	784,786,859

2021 **Assets**	**Superior**	**Desirable**	**Total**
Cash and fixed deposits	–	143,448,806	143,448,806
Government bond	609,902,999	–	609,902,999
Interest receivable	4,998,028	–	4,998,028
	614,901,027	143,448,806	758,349,833

There were no instruments classified as acceptable or sub-standard for the years ended 31 December 2022 and 31 December 2021.

Liquidity risk

Liquidity risk is the risk that the Fund will be unable to liquidate positions to satisfy its commitments to Unitholders due to market conditions. The Fund has limited exposure to close-ended liquidity risk as it is a close ended mutual fund with a set redemption date of 2 January 2023, except where the Fund is terminated as a result of a Special Transaction. In both instances, the Trustees shall distribute the Deposited Property, that comprises of the RFHL shares and any other assets and fund income, to the Unitholders in accordance with the provisions as detailed in the Declaration of Trust dated 31 October 2012.

14. Distributions

	2022	2021
Distributions paid are analysed as follows:		
Final dividend for 2021 - $0.64 (2020 - $0.47)	130,560,000	95,880,000
Interim dividend for 2022 - $0.29 (2021 - $0.27)	59,160,000	55,080,000
	189,720,000	150,960,000

Subsequent to the respective year ends, the Trustee declared dividends for the year ended 31 December 2022 and 2021 as follows:

	2022	2021
Final dividend for 2022: $0.57 (2021: $0.64) per share (not recognised as a liability as at 31 December 2022 and 2021)	116,280,000	130,560,000

15. Fund management

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

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

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

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

16. Subsequent events

a) Clico Investment Fund was terminated on 2 January 2023 in accordance with Clause 19.1 of the Declaration of Trust Deed and the Deposited Property comprising of 40,072,299 ordinary shares in RFHL and GORTT Series II, 4.25% Bond due 31 October 2037 valued at $702,867,000.00 were distributed in specie to the Unitholders listed in CLICO Investment Fund register as at 5 January 2023 as follows:

24 January 2023	Transfer of the RFHL Shares by the Trustee to the Unitholders via a Put-Through on the Trinidad and Tobago Stock Exchange ("TTSE")
27 January 2023	(a) Settlement of the RFHL Shares in the names of the Unitholders transferred on 24 January 2023. (b) Listing of the Government Bond on the TTSE and the allocation of the Government Bond pro rata to the Unitholders. (c) Payment of residual cash arising from the distribution of the RFHL Shares and Government Bonds to the Unitholders
30 January 2023	Unitholders are free to trade their RFHL Shares and Government Bonds on the TTSE.

Unitholders received 0.19643284 RFHL Shares for each unit held, calculated as 40,072,299 shares divided by 204,000,000 CIF units. Clause 19.2.1 states where the distribution in specie of the RFHL Shares would result in fractional shares being distributed to any unitholder, the number of RFHL Shares shall be rounded down to avoid any absurd result.

The Government Bonds, which are in multiple of $1,000, was similarly pro-rated and distributed in specie with unitholders being entitled to 3.44542647 bonds per unit held, calculated as $702,867,000 divided by 204,000,000 units.

Any residual amount due to unitholders resulting from the above distribution was paid in cash using the closing market value of RFHL Shares at the redemption date (that is, $138.99), and the value of the Bond as at 2 January 2023 ($0.879605).

16. Subsequent events (continued)

b) Undistributed income

Undistributed Income as at 31 December 2022	1,211,051,356
Less: Net gains on investment securities	(1,092,987,518)
Less: Distribution of Residual Income: $0.57 per share (Paid 28 February 2023)	(116,280,000)
Undistributed Income as at 22 March 2023	1,783,838