

SAMAAN TREE FUND

Semi-Annual Financial Statements

June 30, 2020



**SAMAAN TREE
FUND**



SAMAAN TREE FUND

Management Discussion and Analysis for the period ending June 30, 2020

Fund Overview

The Samaan Tree Fund (STF) is registered under Section 62 (1) of the Securities Act (SA) 2012 as a Collective Investment Scheme. The Samaan Tree Fund was registered as a Reporting Issuer with the Trinidad and Tobago Securities and Exchange Commission (TTSEC) on September 18, 2019.

The STF is the newest mutual fund to the Trinidad and Tobago market having been launched on February 20, 2020. The Fund has a floating Net Asset Value (NAV) per unit and dividends are paid quarterly. Its investment strategy is to be overweight in fixed income securities and mortgages. As at June 30, 2020 the Fund has invested 87% of its assets in prime residential mortgages.

The Fund's investment in prime residential mortgages allows for stability in asset values and the delivery of consistent returns.

For the period ending June 30, 2020 STF investor balances under management totaled TT\$7.3M. The Fund launched its marketing campaign following the ease of Covid-19 restrictions and expects increased investor interest over the ensuing months.

As at June 30, 2020 excess liquidity within the economy was approximated at TT\$8.3B doubling from its position at the start of the year. This increased liquidity has been fueled by the accommodative monetary policy measures initiated by the Central Bank of Trinidad and Tobago (CBTT) at the onset of Covid-19 in Trinidad and Tobago.

Increased liquidity also benefited the mutual fund market as aggregate funds under management grew by 6% to TT\$55.9B. During the six (6) month period the one (1) year benchmark rate declined by 0.20% to close at 2.08%. From inception to June 30, 2020 the STF has generated a compound annualized growth rate of 2.57%.

Financial Analysis

As at June 30, 2020 the STF held TT\$11.5M in assets dominated by its holding of prime residential mortgages. The Fund generated TT\$223K in interest income and distributed TT\$73.3K in dividends to unitholders.

Outlook

As per the World Economic Outlook Update June 2020, the global economy continues to suffer the negative effects of Covid-19. It is now projected the global economy will decline by 4.9% in 2020, recovering by 5.4% in 2021. The Trinidad and Tobago economy is expected to decline by 4.5% in 2020 before recovering by 2.6% in 2021.

The STF's investment strategy positions the Fund to deliver consistent growth through this global pandemic and as the economy recovers. The Fund's primary asset prime residential mortgages and its underlying collateral (a person's home) ensures there is a consistency of cash flows and stability in asset values.



Brent Mc Fee

Chief Executive Officer (Ag)

HOME MORTGAGE BANK SAMAAAN TREE FUND

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Jun-20
	\$
ASSETS	
Mortgage assets	9,973,240
Interest receivable	49,867
Due from HMB	1,256,793
Cash at bank	207,475
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Total Assets	11,487,375
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LIABILITIES	
Due to HMB	4,093,830
Fees payable	74,279
Other payables	5,000
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Total Liabilities	4,173,109
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Equity	
Net assets attributable to unit holders	7,314,266
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Total Equity	7,314,266
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Total Liabilities and Equity	11,487,375
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HOME MORTGAGE BANK SAMAAAN TREE FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020**

	Jun-20
	\$
Income	
Interest income	223,237
Total Income	<u>223,237</u>
Expenses	
Trustee Fee	3,724
Investment Management Fee	33,421
Fund Administration Fee	18,567
Distribution Fee	18,567
Interest Expense	75,389
Other Expenses	300
Total Expenses	<u>149,968</u>
Net profit for the period	<u><u>73,269</u></u>

HOME MORTGAGE BANK SAMAAAN TREE FUND

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE PERIOD ENDED 30 JUNE 2020**

	Jun-20
	\$
Balance at beginning of period	-
<i>Contributions and redemptions by unit holders</i>	
Subscriptions	10,764,497
Dividend reinvestment	73,269
Redemptions	(3,523,500)
Balance at end of period	<u><u>7,314,266</u></u>

HOME MORTGAGE BANK SAMAAAN TREE FUND

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	Jun-20
	\$
Cash flows from operating activities	
Net profit for the period	73,269
Adjustments for:	
Interest receivable and sundry debtors	(1,306,660)
Intercompany Account	4,093,830
Other payables	79,279
Net cash flow from operating activities	<u>2,939,718</u>
Cash flows from investment activities	
Purchase of mortgage sssets	(9,973,240)
Net cash used in investing activities	<u>(9,973,240)</u>
Cash flows from financing activities	
Subscriptions	10,764,497
Redemptions	(3,523,500)
Net cash flow from financing activities	<u>7,240,997</u>
Net increase in cash and cash equivalentents	207,475
Cash and cash equivalentents at the beginning of the period	-
Cash and cash equivalentents at the end of the period	<u><u>207,475</u></u>
Represented by:	
Cash and cash equivalentents	<u><u>207,475</u></u>