



SAMAAN TREE FUND

STATEMENT OF FINANCIAL
POSITION
AS AT JUNE 30, 2021.



SAMAAN TREE FUND

Management Discussion and Analysis for the six months ended June 30, 2021

Fund Overview

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

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, 2021, the Fund invested 99% 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. The STF was launched on February 20, 2020 and has generated a total return of 4.44% from inception with an annualized return of 3.25% as at June 30, 2021 (See Figure 1). The Fund's astute management of its residential mortgage portfolio ensures there is a limited risk to unitholders.

Figure 1– STF Annualised Returns & Total Return from Inception



*Fund launch date February 20, 2020

For the six months ending June 30, 2021, STF investor balances increased by 231% to TT\$45.5M. The Fund's marketing campaign is ongoing and continues to garner the interest of its target market.

As at June 30, 2021, liquidity conditions remained accommodative with excess reserves measured at TT\$7.6B. However, this position declined by 40% from the start of the year based on domestic financing activities from the Government of Trinidad and Tobago.

The mutual fund market grew its assets under management by 3% to TT\$61.4B for the first half of 2021 based on strong liquidity conditions within the local market.

For the six months to June 2021, the one (1) year benchmark rate increased by 0.31% to 0.53% based on the reduced level of excess reserves held at the Central Bank of Trinidad and Tobago. On a comparative basis, the STF has a spread of 2.84% to the benchmark rate and generates a competitive return within the Income Fund Market.

Financial Analysis

For the six months ending June 30, 2021, the STF held TT\$54.9M in assets dominated by its holding of prime residential mortgages. The Fund generated TT\$1M in interest income and distributed TT\$474.3K in dividends to unitholders after deducting the applicable Fund expenses.

Outlook

As per the World Economic Outlook Update July 2021, the global economy is expected to grow by 6.0% in 2021 driven by the return to pre-pandemic activities within advanced economies. As per the S&P credit rating review the Trinidad and Tobago economy is projected to decline by 1% in 2021, recovering to 3.9% growth in 2022.

The STF's investment strategy positions the Fund to deliver consistent growth. The Fund's primary asset 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 SAMAN TREE FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	30-Jun-21	30-Jun-20	31-Dec-20
	\$	\$	\$
ASSETS			
Mortgage Assets	54,699,057	9,946,846	25,059,073
Cash at bank	262,236	207,475	255,524
Total Assets	54,961,293	10,154,321	25,314,597
EQUITY AND LIABILITIES			
EQUITY			
Retained Earnings	-	-	-
Net assets attributable to unit holders	45,509,746	7,314,266	19,710,743
Total Equity	45,509,746	7,314,266	19,710,743
LIABILITIES			
Due to related party	9,421,995	2,832,332	5,576,963
Other payables	29,552	7,723	26,891
Total Liabilities	9,451,547	2,840,055	5,603,854
Total Equity & Liabilities	54,961,293	10,154,321	25,314,597

HOME MORTGAGE BANK SAMAAAN TREE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

	30-Jun-21	30-Jun-20	31-Dec-20
	\$	\$	\$
Income			
Interest income	1,180,653	223,237	691,640
Interest Expense	(151,976)	(33,371)	(109,865)
Total Income	1,028,677	189,866	581,775
Expenses			
Audit Fees	-	-	53,156
Trustee Fee	16,150	3,723	10,403
Investment Management Fee	308,375	75,740	105,789
Fund Administration Fee	92,436	18,567	52,013
Distribution Fee	92,436	18,567	52,013
Service charges	44,964	-	3,487
Unit holders' interest cost	474,316	73,269	304,914
Total Expenses	1,028,677	189,866	581,775
Net profit for the period	-	-	-

**HOME MORTGAGE BANK SAMAAAN TREE FUND
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE PERIOD ENDED 30 JUNE 2021**

	30-Jun-21	30-Jun-20	31-Dec-20
	\$	\$	\$
Balance as at 1 January	19,710,743	-	-
Net Profit for the period	-	-	-
Subscriptions	26,628,580	10,764,497	24,728,031
Net interest re-invested by unit holders	474,316	73,269	304,914
Redemptions	(1,303,893)	(3,523,500)	(5,322,202)
Balance as at 30 April	45,509,746	7,314,266	19,710,743

HOME MORTGAGE BANK SAMAAAN TREE FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021

	30-Jun-21	31-Dec-20
	\$	\$
Cash flows from operating activities		
Net profit for the period	-	-
<i>Adjustments for:</i>		
(Increase)/Decrease in due to related party	3,845,032	5,576,963
(Increase)/Decrease in other payables	2,661	26,891
Net cash (used in)/flow from operating activities	<u>3,847,693</u>	<u>5,603,854</u>
Cash flows from investment activities		
Purchase of mortgage assets	(43,111,745)	(39,881,530)
Repayment of mortgage assets	13,471,761	14,822,457
Net cash used in investing activities	<u>(29,639,984)</u>	<u>(25,059,073)</u>
Cash flows from financing activities		
Subscriptions and interest re-invested	27,102,897	25,032,945
Redemptions	(1,303,894)	(5,322,202)
Net cash flow from financing activities	<u>25,799,003</u>	<u>19,710,743</u>
Net increase in cash and cash equivalents	6,711	255,524
Cash and cash equivalents at the beginning of the period	255,524	-
Cash and cash equivalents at the end of the period	<u>262,235</u>	<u>255,524</u>
Represented by:		
Cash and cash equivalents	<u>262,236</u>	<u>255,524</u>



INVESTMENTS | MORTGAGES