Proven High Yield Fund

Financial Statements
31 March 2023

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Independent auditor's report

To the Fund Manager of Proven High Yield Fund

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Proven High Yield Fund (the Portfolio) as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Portfolio's financial statements comprise:

- the statement of financial position as at 31 March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Portfolio in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management 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, management is responsible for assessing the Portfolios' 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 Portfolio or to cease operations, or has no realistic alternative but to do so.

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 scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
29 June 2023

Proven High Yield Fund

Statement of Comprehensive Income

Year ended 31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	2023 $'000	2022 $'000
Income		
Interest income	26,189	20,540
Dividend income	3,767	176
Gains/(losses) on disposal of investment securities	57	(85)
Fair value gains/(losses) on investment securities	107	(129)
	30,120	20,502
Operating expenses		
Management fees	3,091	2,740
Administration expenses:		
Auditors' remuneration	537	478
Bank charges	18	16
Custody and trustee fees	1,530	1,440
Amortisation of premiums	11	14
Miscellaneous expenses	757	760
	5,944	5,448
Increase in Net Assets attributable to Unitholders from Investment Operations	24,176	15,054

Proven High Yield Fund

Statement of Financial Position
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Notes	2023 $'000	2022 $'000
Assets			
Cash and cash equivalents	4	19,019	17,587
Investment securities	5	299, 507	286,654
Receivables	6	25,000	-
		343,526	304,241
Liabilities			
Payables		842	602
Due to related party	7	238	290
		1,080	892
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	8	342,446	303,349

Approved for issue by the Directors of the Fund Manager on 29 June 2023 and signed on their behalf by:

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Johann Heaven — Group Chief Executive Officer

Richard Gordon — Senior Vice President, Group Asset Management

Proven High Yield Fund

Statement of Changes in Net Assets Attributable to Unitholders

Year ended 31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	2023 $'000	2022 $'000
Net assets attributable to unitholders at beginning of the period	303,349	230,800
Capital transactions		
Issue of new units	27,254	152,578
Redemption of units	(12,333)	(95,083)
Net increase in capital transactions	318,270	288,295
Increase in net assets attributable to unitholders from investment operations	24,176	15,054
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE PERIOD	342,446	303,349

Proven High Yield Fund

Statement of Cash Flows

Year ended 31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

	2023 $'000	2023 $'000
Cash Used in Operating Activities		
Increase in net assets attributable to unitholders from investment operations	24,176	15,054
Adjustments for:		
Amortization of premium	11	14
Fair value (gains)/losses on investment securities	(107)	129
(Gains)/losses on disposal of investment securities	(57)	85
Interest income	(26,189)	(20,540)
Dividend income	(3,767)	(176)
	(5,933)	(5,434)
Changes in operating assets and liabilities:		
Receivables	(25,000)	954
Due from related party	-	-
Payables	240	14
Due to related party	(52)	91
Purchase of investments	(144,123)	(190,050)
Sales of investments	134,871	131,316
	(39,997)	(63,109)
Interest received	22,559	15,707
Dividend received	3,767	178
Net cash used in operating activities	(13,671)	(47,224)
Cash Flows from Financing Activities		
Proceeds from sale of units	27,254	152,578
Redemption of units	(12,333)	(95,083)
Net cash provided by financing activities	14,921	57,495
Net increase in cash and cash equivalent	1,250	10,271
Effect of foreign exchange rate changes on net cash balances	182	(223)
Cash and cash equivalent at the beginning of the period	17,587	7,539
CASH AND CASH EQUIVALENT AT THE END OF PERIOD	19,019	17,587

Proven High Yield Fund

Notes to the Financial Statements
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Proven High Yield Fund is a portfolio under the Proven Non-Diversified Funds, an open-ended Collective Investment Scheme registered by the Financial Services Commission under certificate number UT/PNDF/010 on 24 January 2022. Proven Non- Diversified Funds is a product offered by Proven Wealth Limited which is an Investment Management Company licensed to deal in securities by the Financial Services Commission under license number P-05-1168. Proven Wealth Limited ("the Fund Manager") is a company incorporated and domiciled in Jamaica with its registered office at 7 Haining Road, Kingston 5, Jamaica.

The Trustee and Custodian of the Fund is JCSD Trustee Services Limited, a Company duly incorporated and licensed under the Laws of Jamaica and having its registered office at 40 Harbour Street, Kingston, Jamaica. The Trust Deed was signed by the Fund Manager and the Trustee and Custodian on 27 March 2018 and is available for inspection at 7 Haining Road, Kingston 5, Jamaica.

The objective of the portfolio is to invest in a wide cross section of fixed income securities, primarily medium to long term private placements and other illiquid bonds.

The financial statements show the financial position and results of operations of the Portfolio.

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 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to entities reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets. The preparation of financial statements in conformity with IFRS requires the Fund Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on the Fund Manager's best knowledge of current events and actions, actual results could differ from those estimates.

Standards, interpretations of and amendments to published accounting standards effective in the current year
Certain standards, amendments and interpretations to existing standards have been published that became effective during the current financial period. The Portfolio has assessed the relevance of all such new interpretations and amendments and has concluded that no standards, interpretations and amendments are relevant to its operations.

Proven High Yield Fund
Notes to the Financial Statements
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations of and amendments to published standards that are not yet effective
At the date of authorisation of these financial statements, a number of new standards, amendments and interpretations to existing standards have been issued which were not effective at the date of the statement of financial position, and which the Portfolio has not early adopted. The Portfolio has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective annual periods beginning on or after 1 January 2023). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Portfolio is currently assessing the impact of future adoption of the new standard on its financial statements.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The Portfolio is currently assessing the impact of future adoption of new standard on its financial statements.

(b) Units issued and redeemed
Units are issued to unitholders based on the prevailing unit price at the time of issue. Units redeemed by unitholders are based on the prevailing unit price at the time of redemption.

(c) Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the Portfolio operates ('the functional currency'). The financial statements are presented in United States dollars, which is the Portfolio's functional currency.

2. Significant Accounting Policies (Continued)

(c) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary and non-monetary assets and liabilities are recognised in the statement of comprehensive income.

(d) Revenue recognition

Income comprises the fair value of the consideration received or receivable from investments made in the ordinary course of the Portfolio's activities. Income is recognised as follows:

Interest income
Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Gain or loss on sale of investment
Gain or loss on the sale of investments is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in the statement of comprehensive income.

Fair value gains or losses on investments
Fair value gains or losses on investments are recognised when there is a change in the fair value of investments from one period to the next.

Miscellaneous income
Miscellaneous income is recognised when it becomes receivable.

(e) Taxation

The Portfolio is domiciled in Jamaica and is exempt from paying corporation taxes under section 12(t) of the Income Tax Act.

(f) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to the management fees, the Portfolio is responsible for the payment of all direct expenses relating to its operations such as audit, custody and trustee fees and, professional fees.

2. Significant Accounting Policies (Continued)

(g) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, investment securities, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Portfolio's financial instruments is discussed in Note 3.

The Fund Manager determines the classification of the Portfolio's financial assets at initial recognition and re-evaluates this designation at every reporting date.

Fair value through profit or loss

A financial asset is classified in this category if it is so designated by the Fund Manager or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on settlement date - the date on which the Portfolio receives or transfers the security. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Portfolio has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income and expenditure in the period in which they arise.

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Portfolio is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Portfolio establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(h) Receivables

Receivables are carried at cost which approximates the fair value of those assets.

(i) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and short-term deposits with original maturities of three months or less, net of bank overdrafts.

(j) Payables

Payables are initially recognised at fair value and are subsequently carried at amortised cost.

Proven High Yield Fund
Notes to the Financial Statements
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(k) Related party balance and transactions
Parties are considered to be related if they have common directors and/or common shareholders or if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

(i) Enterprises and individuals having operational and financial decision-making responsibilities for the Portfolio that gives them significant influence over the Portfolio's affairs and close members of the family of these individuals.

(ii) Key management personnel that are those persons having authority and responsibility for planning, directing and controlling the activities of the Portfolio, including management and close members of the families of these individua

3. Financial Risk Management

The Portfolio's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Portfolio's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Portfolio's financial performance.

The Fund Manager is ultimately responsible for the establishment and oversight of the Portfolio's risk management framework. The Fund Manager provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk
The Portfolio takes on exposure to credit risk, which is the risk that its counterparties will cause a financial loss for the Portfolio by failing to discharge their contractual obligations. Credit risk is the most significant risk for the Portfolio's business. The Fund Manager therefore carefully manages the Portfolio's exposure to credit risk. Credit exposure arises principally from the Portfolio's operating activities. The Portfolio structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to any one investment.

Credit review process
The Fund Manager performs ongoing analyses of the ability of borrowers and other counterparties to meet repayment obligations.

(i) Investment securities
The Portfolio limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. Accordingly, the Fund Manager does not expect any counterparty to fail to meet its obligations.

(ii) Cash
Cash transactions are limited to high credit quality financial institutions. The Portfolio has policies in place to limit the amount of exposure to any one financial institution.

3. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Portfolio is unable to meet its payment obligations associated with its financial liabilities when they fall due and demands for redemption of units, when such demands are made. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Portfolio is exposed to cash redemptions by unit holders. The Portfolio's liquidity management process, as carried out within the Portfolio and monitored by the Fund Manager, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of highly marketable and liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

(iii) Optimising cash returns on investments.

The maturity profile of the Portfolio's financial liabilities at year end based on contractual undiscounted payments was as follows:

The Portfolio's undiscounted liabilities at year end, equal their carrying amounts, as these liabilities bear no interest. At 31 March 2023, all liabilities are due within months. The Portfolio is also exposed to liquidity risks from redemption of units held by unit holders. The potential liability arising from these redemptions is fully backed by the assets held by the Portfolio, which can be liquidated by the Portfolio to settle any such amounts which will be then owing.

(c) Market risk

The Portfolio takes on exposure to market risks, which is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Portfolio's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

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. The Portfolio has no exposure to currency risk as all of its financial assets and liabilities are denominated in JMD dollars which is the Portfolio's functional currency.

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Portfolio to cash flow interest risk, whereas fixed interest rate instruments expose the Portfolio to fair value interest risk.

The Portfolio's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets. The Portfolio has no interest-bearing financial liabilities.

The following table summarises the Portfolio's exposure to interest rate risk. It includes the Portfolio's financial instruments at carrying amounts, categorised by the earlier of contractual interest rate repricing or maturity dates.

Proven High Yield Fund

Notes to the Financial Statements
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	2023					
	Within 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets						
Cash and cash equivalents	19,019	-	-	-	-	19,019
Investment securities	-	119,123	100,169	70,010	10,205	299,507
Receivables	-	-	-	-	25,000	25,000
Total financial assets	19,019	119,123	100,169	70,010	35,205	343,526
Liabilities						
Payables	-	-	-	-	842	842
Due to related party	-	-	-	-	238	238
Total financial liabilities	-	-	-	-	1,080	1,080
Total interest repricing gap	19,019	119,123	100,169	70,010	34,125	342,446

	2022					
	Within 3 Months	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets						
Cash and cash equivalents	17,587	-	-	-	-	17,587
Investment securities	-	134,881	75,169	70,000	6,604	286,654
Total financial assets	17,587	134,881	75,169	70,000	6,604	304,241
Liabilities						
Payables	-	-	-	-	602	602
Due to related party	-	-	-	-	290	290
Total financial liabilities	-	-	-	-	892	892
Total interest repricing gap	17,587	134,881	75,169	70,000	5,712	303,349

3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Portfolio's comprehensive income.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on net assets attributable to unitholders based on the financial assets carried at fair value through profit or loss. Revaluing fixed rate financial assets at fair value through profit or loss for the effects of the assumed changes in interest rates will impact fair value gains or losses. The effect on changes in net assets attributable to unitholders below is the total of the individual sensitivities done for each asset.

	Change in Basis Points 2023	Effect on Statement of Comprehensive Income 2023 $'000	Change in Basis Points 2022	Effect on Statement of Comprehensive Income 2022 $'000
JMD	+100	2,893	+300	6,032
JMD	-50	(1,447)	-50	(1,050)

(d) Capital management
The capital of the Portfolio is represented by the net assets attributable to unitholders. The Portfolio is not directly subject to any externally imposed capital requirement. Capital is managed by the Fund Manager who reports the required information on a quarterly basis to the Financial Services Commission.

(e) Fair value of financial instruments
The fair value of financial instruments traded in active markets is based on quoted market prices at year end. The quoted market price used for financial assets held by the Portfolio is the current bid price.

The financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:
(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Portfolio uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for quoted debt securities. Other techniques, such as estimated discounted

Proven High Yield Fund

Notes to the Financial Statements
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(e) Fair value of financial instruments (continued)

cash flows are used to determine fair value for the remaining financial instruments. The following methods and assumptions have been used:

(i) Investment securities are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

(ii) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial instruments.

	2023			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total Balance $'000
Investment securities				
Corporate bonds	-	-	170,179	170,179
Secured loan facility	-	-	119,123	119,123
	-	-	289,302	289,302

Reconciliation of level 3 inputs -

	2023 $'000
Balance at beginning of the period	280,050
Purchases	144,123
Sales	(134,871)
Balance at end of period	289,302

	2022			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total Balance $'000
Investment securities				
Corporate bonds	-	-	145,169	145,169
Secured loan facility	-	-	109,881	109,881
Unquoted preference shares	-	-	25,000	25,000
	-	-	280,050	280,050

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Notes to the Financial Statements
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(e) Fair value of financial instruments (continued)

Reconciliation of level 3 inputs -

	2022 $'000
Balance at beginning of the period	221,316
Purchases	190,050
Sales	(131,316)
Balance at end of period	280,050

(f) Equity price risk

The Portfolio is exposed to equity securities price risk. This arises for investments held by the Portfolio for which price in the future is uncertain.

The sensitivity analysis for equity risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

The Fund Manager monitors movements of financial assets and equity price risk movements on a monthly basis by assessing the expected changes in the different portfolios due to movements in the various stock exchange indices on the various stock exchanges with all other variables held constant and all equity instruments in that particular index moving proportionally.

The equity securities described in this note are classified as financial assets at fair value through profit or loss. The percentage used in the analysis represents the Fund Manager's assessment of a reasonably possible change in the market indices.

	Effect on Statement of Comprehensive Income 2023 $'000	Effect on Statement of Comprehensive Income 2022 $'000
Change in equity prices:		
-6% (2022- -5%)	-	(1,250)
+6% (2022- +5%)	-	1,250

Proven High Yield Fund

Notes to the Financial Statements
31 March 2023
(expressed in Jamaican dollars unless otherwise indicated)

4. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2023 $'000	2022 $'000
Cash and bank balances	11,946	668
Repurchase agreements with original maturities of less than three months	-	16,919
Certificates of deposit with original maturities of less than three months	7,073	-
	19,019	17,587

The weighted average effective interest rate on bank balances and deposits at year end was nil and 7.5% (2022- Nil and 3.70%).

5. Investment Securities

	Carrying Value 2023 $'000	Carrying Value 2022 $'000
Investment securities	289,302	280,050
Interest receivable	10,205	6,604
	299,507	286,654

	Carrying Value 2023 $'000	Carrying Value 2022 $'000
Investment securities -		
Corporate bonds	170,179	145,169
Secured loan facility	119,123	109,881
Unquoted preference shares	-	25,000
	289,302	280,050
Interest receivable	10,205	6,604
	299,507	286,654

Proven High Yield Fund

Notes to the Financial Statements

31 March 2023

(expressed in Jamaican dollars unless otherwise indicated)

5. Investment Securities (Continued)

Investment securities comprise the following:

(a) Corporate bonds

	2023		2022	
	Nominal Value $'000	Carrying Value $'000	Nominal Value $'000	Carrying Value $'000
JPSCO 8.40% Fr Unsecured Bond Due 2024	70,000	70,010	70,000	70,000
Jamaica Tours 8.50%	55,169	55,169	55,169	55,169
GHL 8.75% FR 2030 Bond	20,000	20,000	20,000	20,000
JMMBGL Bond Tranche C 12.30% 2027	25,000	25,000	-	-
	170,169	170,179	145,169	145,169

(b) Secured loan facility

	2023		2022	
	Nominal Value $'000	Carrying Value $'000	Nominal Value $'000	Carrying Value $'000
Shipping Association of Jamaica (SAJ)	119,123	119,123	109,881	109,881

(c) Unquoted preference shares

	2023		2022	
	No. of Stock units/shares	Carrying Value	No. of Stock units/shares	Carrying Value
CORP REIT IC OF ORIGO 15% Preference share 2023	-	-	25,000	25,000
	-	-	25,000	25,000

6. Receivables

Receivables comprise of the following:

	2023 $'000	2022 $'000
Other receivables	25,000	-

Proven High Yield Fund
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(expressed in Jamaican dollars unless otherwise indicated)

7. Related Party Transactions and Balances

(a) Related party transactions

(i) Transactions with the Fund Manager

	2023 $'000	2022 $'000
Management fees	(3,091)	(2,470)

(b) Related party balances

(i) Due to related party

	2023 $'000	2022 $'000
Proven Wealth Limited	238	290

The balance represents unpaid management fees at period end.

	2023 $'000	2022 $'000
(ii) Cash and cash equivalents		
Proven Wealth Limited	-	16,919

The Portfolio had Reverse Repurchase Agreements with its broker Proven Wealth Limited that have original maturities of three months or less. During the period, the Portfolio recorded $632,000 (2022 – $362,000) interest income from the Reverse Repurchase Agreements.

8. Net Assets Attributable to Unitholders

	2023 Units	2022 Units
Movement of units issued		
Balance of units issued at the beginning of the period	2,590,694	2,083,001
Units issued during the period	226,471	1,344,440
Units redeemed during the period	(101,960)	(836,747)
Balance of units issued at the end of the period	2,715,205	2,590,694

	$	$
Net assets attributable to unitholders	342,446,000	303,349,000
Net asset value per unit	126.122	117.092