
CMMB / Fixed Income Paper



CMMB:
Intelligent investing



About Fixed Income Paper Investment

What is an FIP Investment?

- An investment backed by a debt instrument issued by a borrower such as a private corporation or government
- A debt instrument is normally issued when the borrower wants to raise funds on the money market
- FIP is an income-bearing investment that is used for short-term investments such as 30, 60, 90, 180 or 365 days
- The principal is secured by investments in the underlying government or corporate security
- At maturity, funds may be encashed or reinvested for another period

Why open an FIP Account?

- Excellent returns
- No withholding tax
- No management fees
- Funds are invested in a security of your choice
- No withdrawal fees upon investment maturity
- Investment statements every reinvestment period
- Returns are calculated at a rate specified at the start of investment
- Funds are invested for a fixed period of time with a stipulated maturity date

What returns can I expect?

The rate of return is relative to the underlying instrument and term of investment (tenor), and fixed for the specified period. Tenors range from one day to 365 days.

Rates are updated every day by our Trading Department. Call us for our rates today.

How are returns calculated?

Returns are calculated using the formula:

$$\frac{\text{Principal} \times \text{Rate} \times \text{Time}}{365}$$

Therefore, the return on US\$100,000 invested for one year (365 days) at a rate of 5% will be:

$$\frac{100,000 \times .05 \times 365}{365} = \$5,000.00$$

And the return on US\$100,000 invested for one month (30 days) at a rate of 5% will be:

$$\frac{100,000 \times .05 \times 30}{365} = \$410.96$$

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How do I open an FIP Account?

Opening your FIP Account is easy. The requirements vary depending on whether you are an individual or a company wishing to invest through us.

Individuals

- Signed Client Agreement Form
- Two pieces of valid photo ID per account signatory
- A copy of the account beneficiary's ID
- Account signatories must be at least 18 years of age

Corporates

- Signed Client Agreement Form/Master Repurchase Agreement (MRA)
- Certificate of Incorporation
- Articles of Association
- Certificate of Continuance (as applicable)
- Letter indicating signatories for your account
- Copy of signatories ID
- Any encashment limits for signatories

An investment receipt and the client agreement setting out the legal terms and conditions will be issued to you upon the account opening.

How do I invest into an FIP?

You can invest via:

- Manager's cheques
- Direct deposits into CMMB's bank accounts
- Wire transfers
- Personal cheques (subject to management approval)

All cheques should be made payable to CMMB.

FIP Investments start at:

US\$	25,000	EC\$	10,000
TT\$	100,000	€	10,000
BDS\$	10,000	G\$	500,000

How do I encash from an FIP Account?

Encashments are usually made upon maturity of the investment. Early encashments may be requested; however, the rate of return will be adjusted downwards depending on how close to the maturity date the payout is requested, and prevailing market conditions.

Individuals

- You must be an authorised signatory on the account
- You can give permission to a non-account signatory in the form of a letter specifying the amount to be encashed and by whom

Corporates

- You must be an authorised signatory on the account
- The amount being encashed should fall within the signatory's authorised limits

Kindly provide CMMB with 24 hours notice to ensure speedy remittance of funds if you intend to encash over:

US\$	200,000
TT\$	400,000
BDS\$	500,000
EC\$	250,000
€	75,000
G\$	6,000,000

CMMB manages investments in debt and equity, government securities and corporate paper. We underwrite Government Bonds and offer same-day settlements for all fixed income transactions. CMMB offers a full range of Fixed Income Products, such as Fixed Income Paper, Caribbean and Latin American Bonds, Money Market Accounts, Index-linked Portfolios and Portfolio Management Services. As a member of the Trinidad and Tobago, Barbados and Eastern Caribbean Stock Exchanges, CMMB also actively trades in equities thereby providing a complete range of services that cater to all our clients' investing needs.

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