

RENAISSANCE

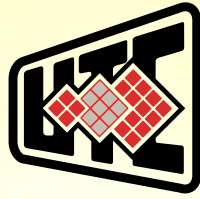
ANNUAL REPORT 2013

SAFETY ■ STRENGTH ■ STABILITY



UNIT TRUST
CORPORATION

SAFETY ■ STRENGTH ■ STABILITY



UNIT TRUST
CORPORATION



The New UTC,
more than
just mutual funds,

RENAISSANCE

re inventing the way
we do business and
shaping a strategy
that brings greater
value to our unit
holders. We are
standing at another
vital point in our
ability to play an
essential role in the
lives of those we
have touched.

We are on the cusp of a new year and challenging ourselves to offer new products and services to our unit holders. As we continue to strive at being the best investment firm for the people of Trinidad and Tobago, we are adapting to market changes and competitive forces all around us.

The New UTC, more than just mutual funds, is reinventing the way we do business and shaping a strategy that brings greater value to our unit holders. We are standing at another vital point in our ability to play an essential role in the lives of those we have touched.

With these goals in mind, we face the future with certainty and are emboldened by the opportunities that arise. We are harnessing our resources to bring better returns to our unit holders and unlocking new opportunities.

We are plotting our future and taking charge of our destiny. Renaissance, symbolic of energy, confidence and innovation will be rooted in our values and ideals of providing safety, strength and stability.

With renewed vigour, we are pressing forward to deliver our brand of Renaissance; one that brings benefits to our unit holders and which contributes to the economic development of our country. It reflects a belief that exemplifies a renewed and energetic engagement to stakeholders and a commitment to value creation.

For more than thirty years, we have stayed the course of financial prudence and raising the bar as we did so. In this new vein, our responsibility continues to be one where we strengthen the bonds we have developed with our unit holders.

You, our unit holders, have been responsible for driving the impetus for change and given us the motivation to continue to strive for excellence. We continue to be here for you, in thick and thin.

We are evolving into more than just a mutual fund company that impacts the financial landscape. We are committed to being innovative and creating value for unit holders with both purpose and passion. We are becoming leaner, more efficient and further focused on increasing returns. We are adopting new technologies to position the Corporation for future growth and enable us to seize opportunities as they arise.

Our aim is to bring added value to our unit holders as we continue to assert ourselves in the market. We are shedding old structures and refining our strategy for the future. We are ready to meet the challenges ahead and the evolving needs of our unit holders by continuing to deliver positive results in an ever-changing competitive environment.

A full-page background image of a sunset over a body of water. The sun is a bright yellow circle on the horizon, with its reflection on the water. The sky is filled with soft, golden and orange clouds, transitioning to a darker orange near the horizon. The water is a deep, calm orange-red color.

VISION

To be the people's preferred financial services provider in the region

A sunset over a body of water. The sky is a mix of blue, orange, and yellow, with wispy clouds. In the foreground, there are large, dark, silhouetted clouds. The water in the foreground is calm, reflecting the colors of the sky and the silhouettes of the clouds.

MISSION

To create and enhance customers' wealth by providing superior financial services, in a cost effective manner through dynamic leadership, good governance, advanced technology and an empowered and knowledgeable staff

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Board of Directors

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Chairman's Review



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Wendell Mottley

Executive Director

Mr. Ian Chinapoo

Directors

Mr. Leonardo Ambrose
(Insurance Representative)

Mrs. Michal Y. Andrews
(Independent)

Mr. Terrence Bharath
(Independent)

Mr. Peter Clarke
(Insurance Representative)

Mr. Dennis Gurley
(Bankers Association Representative)

Mr. Ruben McSween
(NIB Representative)

Ms. Sharon Mohammed
(Ministry of Finance Representative)

Ms. Wendy Ho Sing
(Central Bank Representative)

Mr. John Tang Nian
(Bankers Association Representative)

Corporate Secretary

Mrs. Kendra Thomas-Long

CHANGES IN THE BOARD

Mr. Terrence Bharath and **Mrs. Michal Y. Andrews** both Independent Directors, were re-appointed by the Board of Directors under section 7, sub-sections (2), (5A) & (6) of the Act for a period of one (1) year with effect from April 23, 2013.

CORPORATE OFFICES

Head Office and Main Investment Centre

PORT OF SPAIN

UTC Financial Centre
82 Independence Square
Port of Spain
Tel: (868) 624-UNIT (8648)
Fax (868) 624-5207
E-Mail: utc@ttutc.com
Website: www.ttutc.com

Investment Centres

ARIMA

40-40A Green Street
Arima
Tel: (868) 667-UNIT (8648)
Fax: (868) 667-2586

CHAGUANAS

26-28 Endeavour Road
Chaguanas, 500677
Tel: (868) 671-UNIT (8648)
Fax: (868) 671-6581

COUVA

26 Southern Main Road
Couva
Tel: (868) 636-9871
Fax: (868) 636-4750

ONE WOODBROOK PLACE

Unit #27, One Woodbrook Place
189 Tragarete Road
Port of Spain
Tel: (868) 625-UNIT (8648)
Fax: (868) 628-4879

POINT FORTIN

#13 Handel Road
Point Fortin
Tel: (868) 648-6836/2997
Fax (868) 648-2997

SANGRE GRANDE

Sinanan Building
#2 Eastern Main Road
Sangre Grande
Tel: (868) 668-6475/
691-UNIT (8648)
Fax: (868) 668-3872

SAN FERNANDO

#19-21 High Street
San Fernando
Tel: (868) 657-UNIT
Tel: (8648)/657-0041
Fax: (868) 652-0620

TOBAGO

Cor. Main & Castries Streets
Scarborough
Tobago
Tel: (868) 639-5096/3921
Fax: (868) 660-7730

AGENCIES**DAVID DOWNER LTD.**

Shop 174
The Falls, West Mall
Western Main Road

WEST MOORINGS

Tel./Fax: (868)223-9151
Tel./Fax: (868)223-9152
Tel./Fax: (868)223-9157

EVE FINANCIAL SERVICES LIMITED

(Ruben McSween)
Level 2 Movie Towne Boulevard
Invaders Bay
Audrey Jeffers Highway
Port of Spain
Tel: 223-6697/6805/6515/6517
Fax: 223-6728

GMF INVESTMENTS & FINANCIAL PLANNING SERVICES LIMITED

(Glen Miguel Figuera)
21 Shoppes of Maraval
Maraval
Tel./Fax: (868)628-0809

KEITH KING

46 Agra Street
St. James
Tel: (868)628-1175/1554

MICHAEL REDHEAD LIMITED

Suites 11 & 12
Tropical Plaza
Pointe-a-Pierre
Tel./Fax: (868) 658-7283
Tel./Fax: (868) 658-7340

OPUFIN LIMITED (Sheldon Trim/Jamela Akinlana)

Anva Plaza
16-20 Eastern Main Road
Tunapuna
Tel./Fax (868) 645-8648

Shop No. 3, Building A
Grand Bazaar
Tel./Fax No. 663-8648

SUPERIOR WEALTH & ADVISORY SERVICES

(Jovan Sankar-Paul)
2nd Floor
216 SS Erin Road
DEBE
Tel: (868)647-2721
Fax: (868)647-2201

UNIQUE INVESTMENTS

(Samuel Saunders)
Unit B2:15 Level 2,
Trinity Mall
Trincity
Tel./Fax: (868) 640-8589

TOMCO FINANCIAL SERVICES LIMITED

(Garth Thomas)
1st Floor, Wellness House
No. 9 Naparima Mayaro Road, Cocoyea
San Fernando
Tel: (868)652-8031
Fax: (868)653-8709

El Socorro Shopping Village Compound
Corner 5th Street &
El Socorro Road -North
San Juan
Tel./Fax 221-2211

AUDITORS**The Auditor General of the Republic of Trinidad & Tobago**

Level 2-4, Tower C
Port-of-Spain International
Waterfront Centre
1 Wrightson Road
Port of Spain

Audit Advisory & Taxation Pricewaterhouse Coopers Chartered Accountants

11-13 Victoria Avenue
Port of Spain

Head Internal Audit

Vickram Joadsingh
AVP Internal Audit

OVERSEAS**PricewaterhouseCoopers**

PO Box 258
Strathvale House
Grand Cayman KY1-1104
Cayman Islands

Cohen Fund Audit Services Limited

1350 Euclid Avenue, Suite 800
Cleveland, OH 44115-1877
United States of America

Mayer Hoffman McCann P.C.

KRMT Tampa Bay Division
13577 Feather Sound Drive, Suite 400
Clearwater, FL 33762
United States of America

BANKERS**LOCAL****Central Bank of Trinidad and Tobago**

Central Bank Building
Eric Williams Plaza
Independence Square
Port of Spain

Republic Bank Limited

Promenade Centre
72 Independence Square
Port of Spain

RBC Royal Bank (Trinidad & Tobago) Limited

55 Independence Square
Port of Spain

Citibank (Trinidad & Tobago) Limited

#12 Queen's Park East
Port of Spain

First Citizens Bank Limited

62 Independence Square
Port of Spain

OVERSEAS**Citibank N.A.**

11 Wall Street
New York
U.S.A.

ATTORNEYS**LOCAL****Fitzwilliam, Stone, Furness Smith & Morgan**

#40-45 Sackville Street
Port of Spain

Mair & Company

#50 Richmond Street
Port of Spain

Pollonais, Blanc, de la Bastide & Jacelon

Pembroke Court
17-19 Pembroke Street
Port of Spain

OVERSEAS**Foley & Lardner**

Firststar Center
777 East Wisconsin Avenue
Milwaukee
Wisconsin 53202-5367
USA

Kelly Drye & Warren LLP

101 Park Avenue

Campbells

P.O. Box 884
Floor 4, Willow House
Cricket Square
Grand Cayman KY1-1103,
Cayman Islands

BOARD OF DIRECTORS

**LEONARDO
AMBROSE**

Insurance
Representative

WENDY HO SING

Central Bank
Representative

**RUBEN
McSWEEN**

National Insurance
Representative

**IAN
CHINAPOO**

Executive
Director

**PETER
CLARKE**

Insurance
Representative

**TERRENCE
BHARATH**

Independent



**WENDELL
MOTTLEY**

Chairman

**DENNIS
GURLEY**

Bankers Association
Representative

**JOHN TANG
NIAN**

Bankers Association
Representative

**SHARON
MOHAMMED**

Ministry of Finance
Representative

**MICHAL Y.
ANDREWS**

Independent



EXECUTIVE MANAGEMENT



Mr. Ian Chinapoo

Mrs. Gayle Daniel-Worrell

Mr. Nigel Edwards

Mr. Derrick Redman

Mrs. Judith Sobion

Mr. Patrick Solomon

Mr. Gregory Thomson

Ms. Amoy Van Lowe

Ms. Pamela Williams

Executive Director

Vice President - Marketing, Communications & Distribution Channels

Vice President - Finance

General Counsel & Vice President - Corporate Affairs

Vice President - Corporate Support Services

Vice President - Risk Management

Executive Advisor - Investment Research & Portfolio Management

Vice President - UTC Advisory Services

Vice President - Office of Strategy Management



PERFORMANCE HIGHLIGHTS



FUNDS UNDER MANAGEMENT

	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Growth & Income Fund	4 711.25	3 468.31	3 123.82	3 031.23	3 320.19	3 748.45	4 438.09
TT\$ Income Fund	7 192.86	7 972.32	10 345.82	10 138.22	10 602.66	11 203.77	10 662.59
Universal Retirement Fund	153.37	138.67	149.26	162.90	186.92	212.71	257.35
US\$ Income Fund	4 343.64	3 995.19	4 830.43	4 140.49	4 166.06	4 578.22	3900.08
UTC Energy Fund	37.32	27.51	30.15	32.78	39.62	31.52	-
UTC Latin American Fund	0.25	6.22	6.71	8.12	7.12	7.57	-
UTC European Fund	0.47	5.75	6.38	6.67	5.97	6.76	-
UTC Asia Pacific Fund	0.72	9.44	9.39	13.70	11.96	11.75	-
UTC Global Bond Fund	0.51	8.90	9.90	10.72	10.64	10.69	-
UTC North American Fund	N/A	190.75	215.20	195.29	189.41	196.44	225.48
Belize Money Market Fund	96.02	102.22	85.40	24.03	-	-	-
Pension & Other Funds	695.66	649.47	596.09	528.98	560.54	650.28	535.00
Treasury portfolio	1 746.82	3 391.82	3 160.08	2 587.63	2 462.40	1580.38	1 175.54
Total Funds Under Management (\$M)	18 978.88	19 966.56	22 568.63	20 880.76	21 563.49	22 238.53	21 194.13

2007**2008****2009****2010****2011****2012****2013****MUTUAL FUND SALES (\$M) FOR THE YEAR**

	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Growth & Income Fund	486.65	516.81	684.96	327.61	408.64	552.37	623.08
TT\$ Income Fund	4 340.19	4 871.89	6 932.21	4 912.84	4 975.55	5 317.91	4 361.36
Universal Retirement Fund	16.60	23.23	23.79	23.21	22.50	26.24	44.42
US\$ Income Fund	3 364.34	2 993.13	2 548.93	1 808.49	1 566.10	1 428.31	1 272.81
UTC Energy Fund	34.72	4.19	4.21	52.62	201.21	26.51	8.21
UTC Latin American Fund	0.27	6.45	0.12	0.51	0.65	0.19	0.12
UTC European Fund	0.50	6.45	0.08	0.23	0.08	0.04	0.04
UTC Asia Pacific Fund	0.76	9.13	0.33	3.62	0.53	0.28	0.21
UTC Global Bond Fund	0.51	9.85	0.13	0.56	0.28	0.09	0.83
UTC North American Fund	N/A	130.06	1.93	1.70	1.12	0.67	2.56
Belize Money Market Fund	13.62	18.21	7.89	9.27	1.37	-	-
Total Sales (\$M)	8 258.15	8 589.40	10 204.59	7 140.66	7 178.03	7 352.62	6 313.62
Funds Mobilised (\$M) to date	57 002.88	65 592.28	75 796.88	82 937.54	90 115.56	97 468.18	103 781.80
Unitholder Accounts to date	668 755	709 603	742 996	764 685	784 107	804 162	824 207

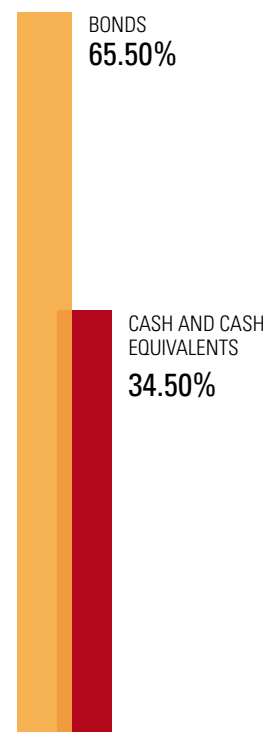
PORTFOLIO OF INVESTMENTS

Trinidad & Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND TOP TEN HOLDINGS

As at 31 December, 2013

HOLDINGS	% of Portfolio
NIPDEC TT\$500M 6.05% FXRB due 2026	1.49%
Treasury Bill OMO 11-85 TT\$265M 1.04% due Jan 2014	1.53%
Treasury Bill OMO 1259 TT\$385M 0.56% due Sept. 2014	1.88%
Treasury Bill 334	1.88%
Republic Bank Limited TT\$1B 8.55% 10 Yrs FXRB due 2018	2.08%
Treasury Bill OMO 11-76 TT\$360M 0.99% due Jan 2014	2.45%
NIPDEC TT\$1B 4% FXRB 16 YRS due 2029	2.89%
Petrotrin US\$850 9.75% FXRB due 2019	3.67%
Government of Trinidad & Tobago TT\$2B 15Yr. 5.20% FXRB due 2027	3.78%
UDECOTT TT\$3.40B 15YR FLRB due 2028	5.19%
TOTAL	26.84%



ASSET ALLOCATION
FOR THE TT DOLLAR
INCOME FUND

Trinidad & Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

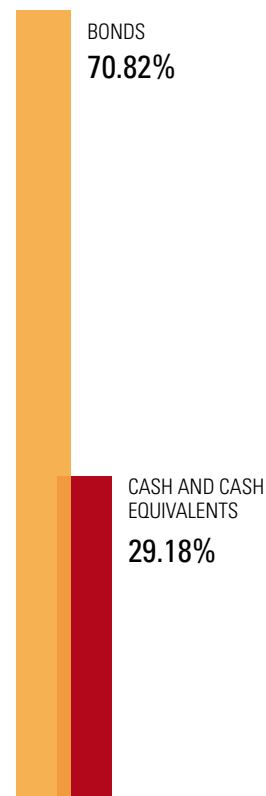
	MARKET VALUE 2013 TT\$
CORPORATE SECURITIES	3,853,340,464
GOVERNMENT AND GOVERNMENT GUARANTEED SECURITIES	3,083,978,360
MUTUAL FUND UNITS	12,146,553
SHORT TERM INVESTMENTS	775,655,330
CASH AND CASH EQUIVALENTS	2,815,568,866
OTHER ASSETS IN EXCESS OF LIABILITIES	69,712,517
TOTAL NET ASSETS	10,610,402,090

Trinidad & Tobago Unit Trust Corporation

US DOLLAR INCOME FUND TOP TEN HOLDINGS

As at 31 December, 2013

HOLDINGS	% of Portfolio
Amgen Inc. US\$500M 6.15% FXRB due 2018	1.95%
Pharmacia Corp US\$500M 6.50% FXRB due 2018	2.01%
Portfolio Credit Mgt Co Ltd (PCML) US\$12.82M 1.65% FLRB (Series 2) due 2021	2.08%
ANSA Merchant Bank Ltd. US\$25M 3.40% FXRB due 2014 Tranche 1	2.50%
Barclays Bank Plc. US\$17m 10Yr. CMS FLRB due 2020	2.50%
Lloyds TSB Bank US\$11M 10Yr. CMS FLRB due 2020	2.56%
Portfolio Credit Mgt Co Ltd (PCML) US\$15.75M 1.65% FLRB (Series 4) due 2021	2.62%
Government of Trinidad & Tobago US\$550M 4.375% FXRB due 2024	3.41%
Citigroup Inc US\$30M 5Yr CMS FLRB due 2015	4.05%
Petrotrin US\$850M 9.75% FXRB due 2019	9.35%
TOTAL	33.03%

ASSET ALLOCATION
FOR THE US DOLLAR
INCOME FUND

Trinidad & Tobago Unit Trust Corporation

US DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

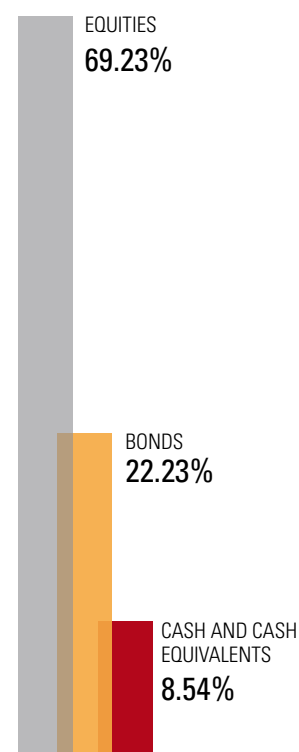
	MARKET VALUE 2013 TTS
CORPORATE SECURITIES	2,276,677,172
GOVERNMENT AND GOVERNMENT GUARANTEED SECURITIES	360,425,989
MUTUAL FUND UNITS	77,638,657
SHORT TERM INVESTMENTS	602,758,800
CASH AND CASH EQUIVALENTS	501,343,060
OTHER ASSETS IN EXCESS OF LIABILITIES	14,603,468
TOTAL NET ASSETS	3,833,447,146

Trinidad & Tobago Unit Trust Corporation

GROWTH AND INCOME FUND TOP TEN HOLDINGS

As at 31 December, 2013

HOLDINGS	% of Portfolio
GOTT TT\$1Bn 7.75% 15yr FXRB due 2024	2.29
GOTT TT\$1Bn 6.00% 15yr FXRB due 2024	2.81
Global Infrastructure Partners C. L. P.	2.86
iShares S & P Global 100 Index Fund	3.64
UDECOTT TT\$3.40B 15Yr FLRB due 2028	5.31
First Citizens Bank Limited Common shares	5.83
Neal & Massy Holdings Limited Common shares	5.99
Republic Bank Limited Common shares	6.15
ANSA Mc Al Limited Common shares	6.17
Scotiabank Trinidad and Tobago Limited Common shares	7.57
TOTAL	48.63%

ASSET ALLOCATION
FOR GROWTH &
INCOME FUND

Trinidad & Tobago Unit Trust Corporation

GROWTH AND INCOME FUND PORTFOLIO OF INVESTMENTS

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

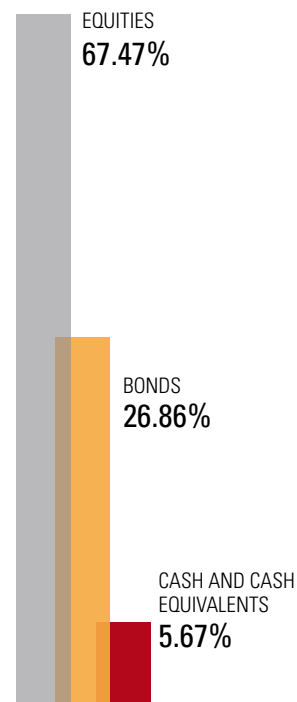
	MARKET VALUE 2013 TT\$
CORPORATE SECURITIES	236,142,090
GOVERNMENT AND GOVERNMENT GUARANTEED SECURITIES	750,506,094
EQUITIES	3,072,263,165
CASH AND CASH EQUIVALENTS	404,066,576
OTHER LIABILITIES IN EXCESS OF ASSETS	(24,932,805)
TOTAL NET ASSETS	4,438,045,120

Trinidad & Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND TOP TEN HOLDINGS

As at 31 December, 2013

HOLDINGS	% of Portfolio
West Indian Tobacco Company Common Shares	3.18
National Enterprises Limited	3.35
Republic Bank Limited Common shares	3.72
Clico Investment Fund Common shares	4.19
Scotiabank Trinidad and Tobago Limited Common shares	4.20
Ansa McAL Limited Common shares	4.39
Neal & Massy Holdings Limited Common shares	4.84
Citicorp Merchant Bank Ltd ZCB 4.15% due 2027	4.87
Petrotrin US\$850M 9.75% FXRB due 2019	7.60
iShares S & P Global 100 Index Fund ETF	8.43
TOTAL	48.77%

ASSET ALLOCATION
FOR UNIVERSAL
RETIREMENT FUND

Trinidad & Tobago Unit Trust Corporation

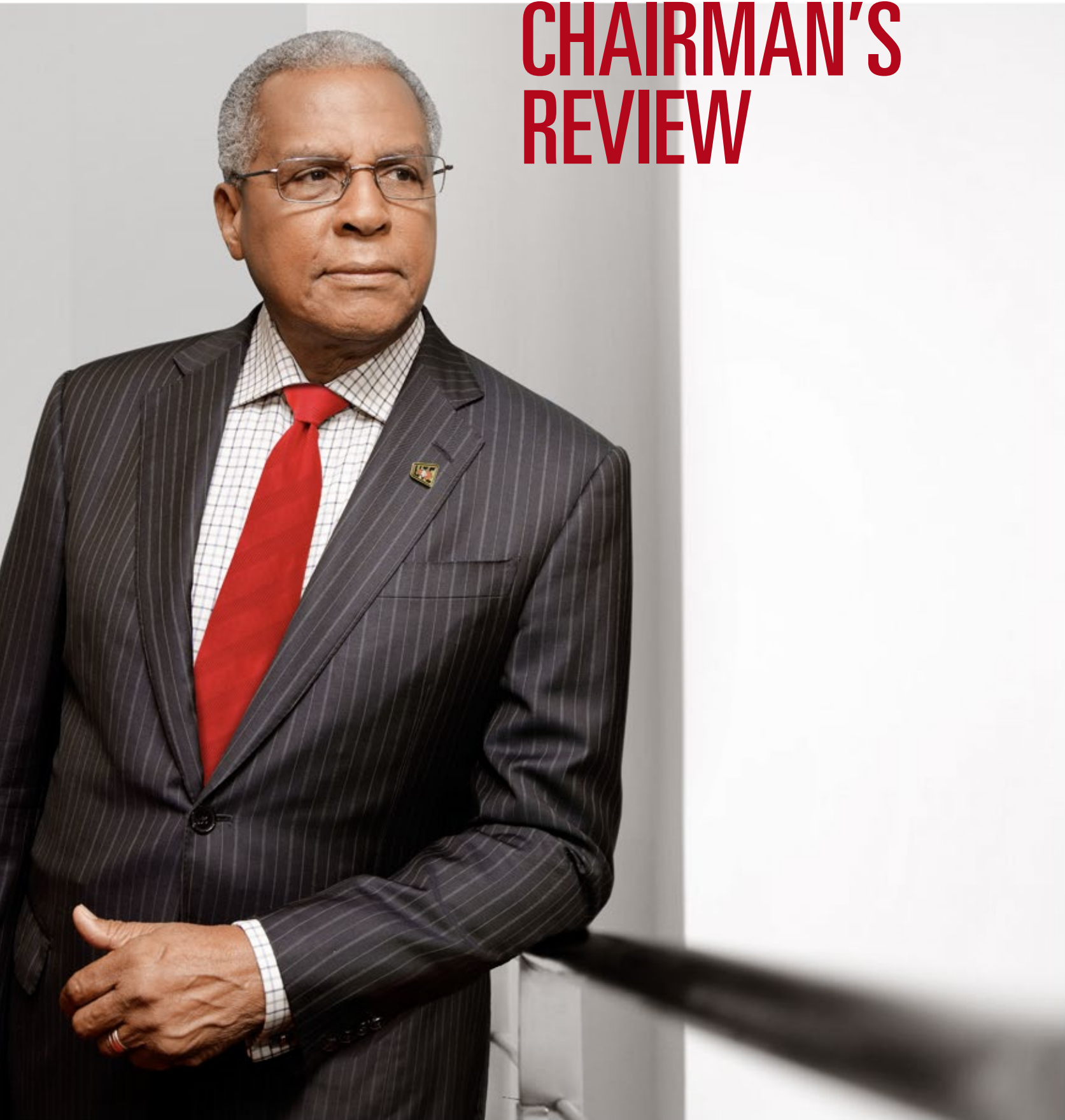
UNIVERSAL RETIREMENT FUND PORTFOLIO OF INVESTMENTS

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	MARKET VALUE 2013 TT\$
CORPORATE SECURITIES	35,539,185
GOVERNMENT AND GOVERNMENT GUARANTEED SECURITIES	33,595,501
EQUITIES	173,643,949
CASH AND CASH EQUIVALENTS	17,800,557
OTHER LIABILITIES IN EXCESS OF ASSETS	(3,231,478)
TOTAL NET ASSETS	257,347,714

CHAIRMAN'S REVIEW



2013 proved to be a good year as the advanced economies continued to gain momentum. Emerging economies also posted growth, however they were challenged by tighter monetary conditions, depreciating currencies and increased inflation. The improved economic environment contributed to soaring international stock markets and higher interest rates in advanced economies. Here, at home GDP growth was also noteworthy but its full potential was hindered, yet again, by reduced energy output due to maintenance projects. The local stock market continued its upward trend but interest rates remained low due to high levels of excess liquidity. Against this backdrop, the Corporation posted increased profits and generated positive returns for unit holders in all five of its mutual funds in 2013.

Economic and Financial Market Review

Trinidad and Tobago's economy is estimated to have expanded 1.5% in 2013, with growth prospects being negatively impacted by maintenance works by two major natural gas producers. Output from the energy sector subsequently rebounded in the last quarter of 2013 as production levels normalized following the completion of the maintenance works. Much of the economic activity was driven by the non-energy sector, with increased activity in the finance sector, construction and distribution sectors. Against the backdrop of such positive growth, in December 2013, Standard and Poor's (S&P) affirmed Trinidad & Tobago's 'A/A-1' long and short-term sovereign credit ratings and maintained a "Stable" outlook.

Inflation remained subdued during the year as core inflation held steady at a rate of 1.9%-3.1%. Headline inflation for January 2013 stood at 7.3%, the highest rate recorded for the year and reached as low as 2.7% in October only to close the year at 5.6% on account of higher food prices. Local interest rates remained suppressed as excess liquidity remained

elevated, rising by 65.3% year on year from \$3.97 billion at the end of 2012 to \$6.55 billion by the end of 2013. The local stock market posted another year of strong gains in 2013 – with both the T&T Composite and All T&T Indices achieving double digit returns up 11.3% and 17.7% respectively. The regional stock markets failed to mirror such strong returns, with the Barbados Composite index posting a marginal gain of 1.4% and the All Jamaica Composite Index declining by 10.2%.

In 2013, Barbados contracted by roughly 0.20% as the country faced weaker exports and tourism arrivals. Consequently, S&P lowered its sovereign long-term credit rating to 'BB-' from 'BB+' in November with a Negative outlook. The Jamaican economy showed signs of recovery as there was improvement in the output from various industries. Jamaica secured a new IMF US\$932.3 million Extended Fund Facility (EFF) in early May 2013 and S&P raised Jamaica's long-term credit ratings to 'B-' from 'CCC+' following its successful debt restructuring; the outlook has been revised to "Stable".



Figure 1: Regional Stock Indices Return for 2013

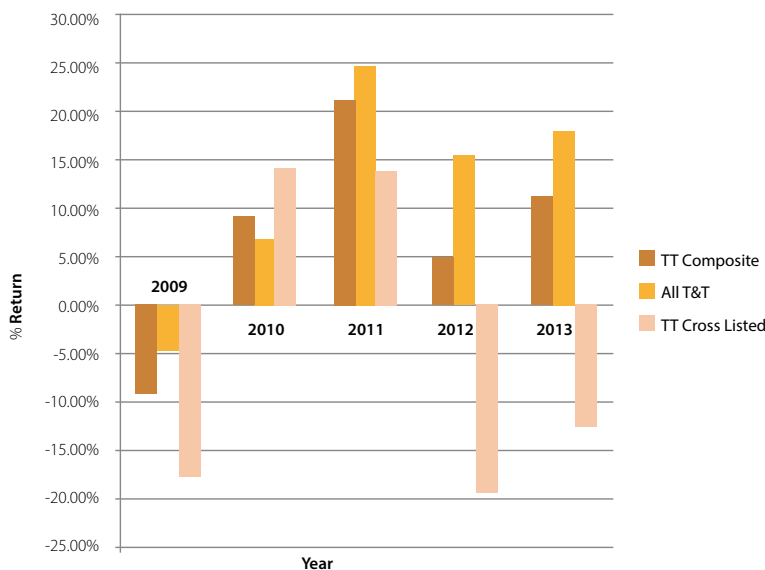


Figure 2: T&T Stock Market Returns 2009-2013

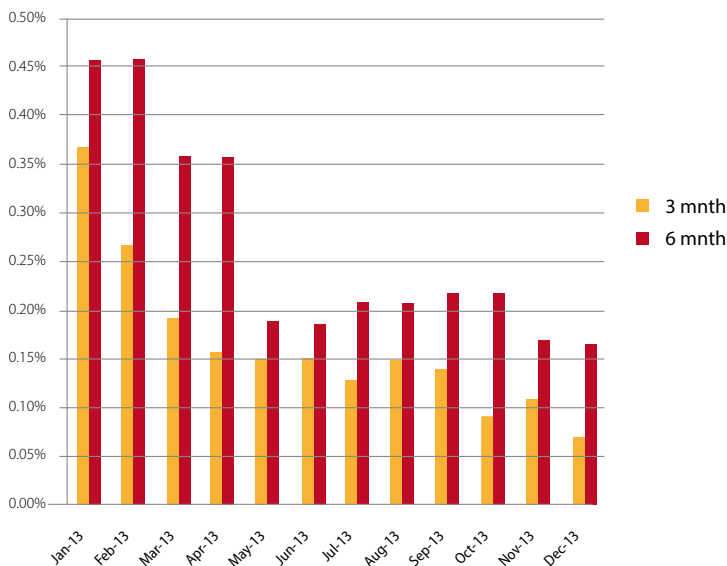


Figure 3: T&T Treasury Bill Rates 2013

The global economy strengthened in 2013, led by a pickup in economic activity in the US, the UK and Japan. The US economy expanded by 1.9% and was

bolstered by private consumption, aided by rising wealth as both home and stock prices soared. The economic recovery, however, was nearly derailed as political pressures rose concerning the passing of the nation's budget and raising the debt ceiling. Failure to come to an agreement culminated in a 16-day government shutdown in October and was estimated to have cut Q4 GDP growth by as much as 0.6%.

Europe was also plagued by political pressures in the first quarter of the year, following the controversial deposit tax initially proposed by the EU as part of Cyprus's rescue package and the political stalemate of Italy's elections. In the latter half of the year, economic momentum rebounded led by uptick in domestic private and public consumption in Germany and France supporting the region's exit from the recession. In 2013, GDP in the Euro area declined 0.5%. The UK economy proved more resilient with 1.8% GDP growth led by rising contributions from private consumption and investment activity.

In contrast, growth in many emerging countries moderated, particularly in China and India as the effects of government stimulus measures implemented after the recession waned and as tighter monetary conditions weighed on demand. Many emerging countries battled with rising consumer prices that resulted in central banks raising their borrowing costs. Emerging markets were also challenged by sizeable capital outflows following the US Federal Reserve's announcement in May 2013 of their intentions to taper the Quantitative Easing (QE) program. As investors considered the potential negative impact on the global economy from the removal of QE, risk appetites retreated and investors moved away from emerging market securities. This global

rebalancing led to significant capital outflows and caused several emerging market currencies to depreciate. In an effort to defend their currencies and curtail such outflows, several emerging market central banks intervened in their foreign exchange markets in 2013.

Stronger economic fundamentals allowed the US and the UK to maintain an accommodative monetary policy in 2013. Over in Europe, the weak recovery prompted the European Central Bank (ECB) to lower their policy rates on two occasions by a cumulative 50 basis points to 0.25%. Against the backdrop of the US Federal Reserves' tapering of QE, interest rates trended upwards in 2013 with yields on 10 year government securities rising in North America and Europe.

Table 1: Global Policy Rates

GLOBAL BENCHMARK RATES

Country Region	Dec-12	Dec-13	Y/Y change (bps)
US	0.25	0.25	0.00
Canada	1.00	1.00	0.00
Eurozone	0.75	0.25	-0.50
UK	0.50	0.50	0.00
Japan	0.10	0.10	0.00
Brazil	7.25	10.50	3.25

Table 2: Global 10 Year Bond Rates

GLOBAL 10 YR. BOND RATES

Country Region	Dec-12	Dec-13	Y/Y change (bps)
US	1.76	3.02	1.26
Canada	1.80	2.76	0.96
Eurozone	1.32	1.93	0.61
UK	1.83	3.02	1.19
Japan	0.79	0.74	-0.05

The strong recovery of the US economy and improvement in the economic fundamentals in Europe bolstered major stock markets around the world, with several of the advanced equity markets posting double digit returns – led by the Japan NIKKEI index with a return of 57%. The S&P 500 Index gained 30% while the German DAX index rose 25%. Slowing economic growth in emerging markets resulted in the underperformance of several emerging equity markets when compared to the stock markets in advanced economies. For the year, the China Shanghai Index fell by 7% while the Brazilian Bovespa index declined 15%.

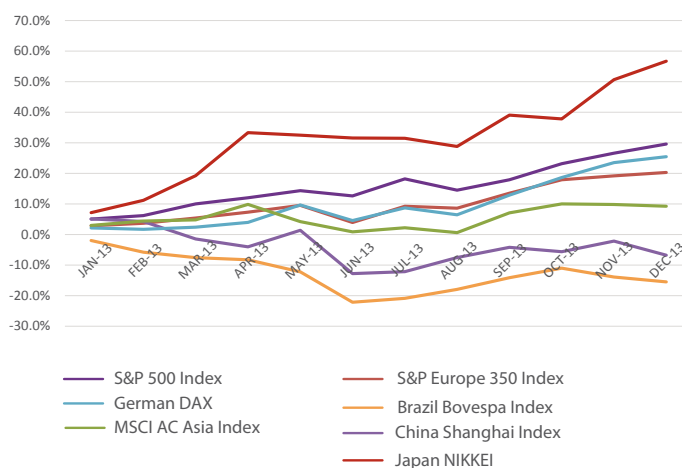
Stock Market Return

Figure 4: Global Stock Markets

Funds Under Management (FUM)

The T&T mutual fund industry remained relatively flat in 2013 at \$39.4 billion from \$39.74 billion in 2012. At the end of 2013 the UTC controlled 47% of the mutual fund industry, falling slightly from

47.9% in 2012. The Corporation's mutual funds under management declined to \$19.5 billion, down 2.6% from \$20 billion in 2012 mainly due to outflows from the US and TT dollar income funds. On the other hand, the Growth and Income Fund continued to show impressive growth in 2013 as it grew \$690 million or 18% to close at \$4.4 billion. The fund grew \$690 million or 18% to close at \$4.4 billion. The Universal Retirement Fund also grew to close the year at \$257.3 million, up 21%.

At the UTC, we continuously assess our product offerings to ensure that they are in line with your requirements. In 2013, we took a decision to close the International Suite of Funds (ISOF) and the Energy Fund allowing us to channel more resources to our flagship products and to expand other aspects of our business. The closure of these Funds did not have a significant impact, as they represented under 1% of total Funds Under Management in 2012 and at time of closure.

All five remaining mutual funds provided positive returns to unit holders for the year 2013. In line with the bullish local and international stock markets, the balanced funds had the better showing, posting double digit growth. The North American Fund was the top performer with a return of 14.68%. The Universal Retirement Fund and the Growth & Income Fund followed, with returns of 11.84% and 10.39% respectively. The income funds provided stable and competitive returns with the TT Dollar Income fund at 1.09% and the US Dollar Income fund at 0.96%.

Economic and Financial Market Outlook 2014

The domestic economy is projected to gain traction in 2014, with positive contributions from both the energy sector and non-energy sector. Economic activity is also projected to be supported by higher levels of government spending. Despite the increase in the borrowing ceiling by the Central Bank, excess liquidity is expected to remain high, keeping interest rates low over the short to medium term. In 2013, the Minister of Finance sought approval for raising Government's borrowing capacity from TT\$5B to TT\$15B for T-Notes and from TT\$15B to TT\$30B for T-Bills.

Global growth is also projected to accelerate in 2014, with the World Bank and IMF forecasting 3.2% and 3.6% expansion of World GDP respectively, up from 2.4% and 2.9% in 2013. The world economy will be led by the US, supported by the continued strengthening of private consumption as a result of employment gains and an increase in net wealth. Growth prospects for Europe remain tempered given the region's elevated debt levels, high unemployment and the fallout on consumption due to the austerity measures employed. Emerging economies are expected to continue to moderate in 2014, led by a slowdown in China as the government continues its effort to achieve a more sustainable growth path. Commodity prices are expected to remain low given the higher levels of output of key commodities such as shale oil and gas, thus negatively impacting the commodity-based Latin American region. The pickup in economic activity in the advanced nations should contribute positively to tourism-based Caribbean economies.

Global equity markets are expected to continue an upward trend in 2014 against the backdrop of the continued global recovery. Such gains however could come in below the returns of 2013 as the boost provided by the Fed's asset purchases fades, following its decision to taper its QE program and its current high valuations relative to historic periods. Volatility is also expected to accompany any political issues or stalemates that may arise. Emerging market equities are likely to maintain their underperformance relative to the advanced equity markets and will be tempered by lackluster growth and weak commodity prices. US interest rates are expected to trend upward as the Fed continues to taper its QE program.

Closing Remarks

While the uptick in growth continues in major economies, there remains a high level of income inequality in several developed and developing nations. The United Nations recently highlighted alarming widening income gaps in developing nations such as China and India which have experienced vigorous growth and warned of the greater risks to economic and political stability. As a developing nation, Trinidad and Tobago will also grapple with income inequality issues and the populace can be assured that the UTC will continue to provide opportunities for all income levels in the society to increase their wealth.

We will continue with our drive to improve efficiency and with structured risk management make decisions that are in your best interest, our unit holders. As part of good corporate governance, the UTC remains committed to implementing global best practices into its strategies, processes and control that will increase our competitive edge and further strengthen Trinidad and Tobago's financial sector.

We at the UTC would like to thank you, the unit holders, who continue to place your trust in us. We hope that you will stay with us through the long haul as we stay committed to achieving the best possible returns on your investment and improving your customer experience.

I wish to express my gratitude to Mr. Chinapoo, Executive Director as well as the former Executive Director, Ms. Eutrice Carrington for their contribution to the Corporation's 2013 performance. Special thanks to the members of the board, the management team and all staff of the Corporation for their continued commitment. Your commitment and hard work is deeply appreciated and I look forward to achieving further milestones with you in 2014 and beyond.



Wendell Mottley, Chairman

March 2014

EXECUTIVE DIRECTOR'S LETTER



Dear Fellow Unit holders,

It is my privilege to present to you my first report on the Corporation's financial results and the investment performance of its unit schemes and mutual funds for the year ended December 31, 2013.

Economic and Capital Market Background

GDP growth for 2013 in Trinidad & Tobago is forecast to be in the vicinity of 1.5 percent driven by the non-energy sector as the energy sector has been adversely affected by large-scale maintenance and security upgrades.

Private sector credit growth continues to improve, supported by gains in consumer credit and continued robust real estate mortgage lending. Business credit, however, remains anemic, contracting for a twelfth consecutive month in November. Inflationary pressures are relatively low and well-contained, with core and headline inflation at 2.0 percent and 5.6 percent, respectively. Excess liquidity in the financial system rose by 65.3 percent from \$3.97 billion at the end of 2012 to \$6.55 billion by the end of 2013, after receding from an all-time high of \$9.26 billion on September 26th. Legislation to amend the Central Bank's official borrowing ceiling from \$20 billion to \$45 billion, in order to tackle the lingering problem of high excess liquidity, was laid before the Parliament in December.

Against the backdrop of high excess liquidity there was general oversubscription and competitive bidding on new bond and equity issues. The initial public offering of First Citizens saw the listing of over 48 million shares of the company on the local stock exchange. The offer was three times oversubscribed with UTC's mutual funds being allotted 6.59 million shares or 13.6 percent of the issue.

In 2013, new registered debt issues totaled roughly TT\$14.2 billion with UTC's mutual funds successfully participating to the extent of TT\$1.64 billion or 11.6 percent. This includes a US dollar Government of Trinidad and Tobago bond whose original issue size was set to be US\$500 million, but was subsequently increased to US\$550 million to accommodate investor demand.

Against this backdrop and an accommodative monetary policy by the Central Bank, interest rates and yields on fixed income securities remained low in 2013. The stock market however benefited as investors opted for high yielding dividend stocks as an alternative, resulting in the TT Composite and All T&T Indices appreciating 11.3 percent and 17.7 percent respectively for the year. 2013 marks the fourth year

of back-to-back rallies for both indices.

In contrast, the other two major regional stock markets exhibited mixed performances as their economies fight to rebound from headwinds associated with the Global Financial Crisis. The Barbados Composite index gained 1.4 percent, while the All Jamaica Composite Index lost 10.2 percent.

The global economy fared better than expected in 2013, notwithstanding some lingering uncertainties, particularly in the US. GDP growth in the US is estimated at 1.9 percent in 2013 versus 2.8 percent in 2012. There was also some improvement exhibited in the EU which rose by 0.1 percent in 2013, after posting a decline in GDP of -0.4 percent in 2012.

The Federal Reserve's December announcement of the commencement of tapering of its Quantitative Easing (QE) Program was generally well-received by the global equity markets. The major equity indices in the advanced economies posted double-digit returns in 2013. The US Standard & Poor's 500 Index and the Dow Jones Industrial Average (DJIA) returned 32.4 percent and 31.3 percent respectively last year. The fixed-income markets reacted less favourably to the Fed's tapering announcement, resulting in lower returns in this asset class. This was evidenced by the decline in the Barclays Global Aggregate Index which shed 2.8 percent (in US\$ terms) during 2013. Moreover, the US 10-Year treasury yield added 126 basis points by the end of the year, moving from 1.76 percent to 3.02 percent, on account of the Federal Reserve's reduced appetite for US treasuries.

Strategic Direction – Value Creation

One of the quintessential concepts driving our strategy going forward is that of Value Creation for our Unit holders. The Corporation will be seeking to add value in every way we do business while eliminating those low-value activities that limit our potential for growth. With this in mind, we have started to critically examine and evaluate all of our key business processes with a view to streamlining them in order to maximize Value Creation. The decision to close the UTC Cayman/SPC Funds is one example of how this over-arching principle of "Value Creation" has been applied.

In 2013, the Corporation continued to implement its five-year strategic plan (2011-2015), with vari-

ous aspects being reviewed and refined, so as to ensure consistency with the vision for the Corporation going forward. As with any organization, the way forward must involve some degree of change – realigning our business strategies to meet client needs and market realities, enhancing our business model, organization structure, and perhaps most importantly, the continued evolution of our service-based organizational culture.

As we drive "Value Creation," the following Enterprise Strategies have been identified to take the organization forward:

- **Client Value and Investment Returns**
- **Governance & Risk Management**
- **People & Talent Development , and**
- **Innovation, Productivity & Control**

Client Value and Investment Returns

Under this strategy, our goal is to enhance our customers' experiences. In doing so, we must constantly raise the bar relative to our performance standards, and ultimately deliver superior returns for our unit holders. As part of our strategic plan, the Corporation has focused on ensuring that resources are appropriately aligned to address the needs of our customers and to position the Corporation for future growth. Our Investment Centers were rebranded during the past year, so that the new "look and feel" is consistent across our Investment Centre distribution network. As of the end of 2013, the Corporation's distribution network comprised nine (9) Investment Centres, seven (7) On-Line Agency outlets and sixteen (16) Automated Teller Machines (ATMs).

Our Advisory Services Unit (formerly Financial Advisory and Wealth Management) was operationalized in the second quarter of 2013. The mandate of this unit is to actively engage and build deeper, long-lasting relationships with our valued clients, add greater value by assisting them with investment decisions and in providing investment solutions for the achievement of their financial goals.

Governance & Risk Management

In an effort to tightly manage, mitigate or eliminate the various types of risks inherent in our business operations, we continue to implement a robust enterprise-wide risk management framework. Not only will this promote a new, accountable "risk cul-

ture" across the organization but it will prove critical in informing the Corporation's decisions regarding new products and processes, our business mix and geographic spread, amongst others.

People & Talent Development

Under this particular strategy, we aim to become a truly "Best in Class" Learning Organization. In this way, we can provide the foundation for the proper development and mentoring of our staff and solidify our succession planning pipeline, helping them to reach their full potential which can only redound to the positive benefit of the Corporation and its customers.

Innovation, Productivity & Control

This strategy is critical in helping the Corporation to defend and enhance its market position. Faced with an increasingly competitive environment, we will continue to meet the evolving needs of the customer with innovative product offerings as well as looking for ways to be cost-effective, with focused attention on providing the desired balance of investment security and superior returns.

Financial Performance Highlights

As we move to implement global best practices and promote transparency in our financial reporting, the Corporation adopted improvements and amendments to various accounting standards (IFRS), effective January 1, 2013. In particular, our adoption of IFRS 10 – Consolidated Financial Statements and IFRS 12 – Disclosure of Interests in Other Entities, has prompted significant changes to the format in which our Consolidated Financial Statements have been presented. It should be noted that for the purposes of this section of the report, Income includes the results of our UTC Cayman SPC Funds, which have been reported separately in the Consolidated Income Statement under "Discontinued Operations".

The following are some of the main highlights of our FY 2013 financial performance:

- Net Investment Income from Group Operations grew from TT\$30 million as at December 2012 to TT\$46 million by December 2013, an increase of 52.8 percent, driven by increased realized gains and lower interest expenses.
- The Corporation's Retained Income grew by 14.9 percent from TT\$832 million to TT\$956 million.
- The Corporation's asset base saw a strategic reduction of 4.1 percent from TT\$22.7 billion to TT\$21.8 billion, with Funds Under Management moving from TT\$22.2 billion to TT\$21.2 billion as we sought to reduce the negative cost of carry on our cash balances.
- The aggregate fund-size of the mutual funds contracted by 2.6 percent in 2013 to TT\$19.5 billion from TT\$20.0 billion a year ago, mainly due to net repurchases for 2013 of TT\$1.0 billion, which was partially offset by a TT\$438 million increase in unrealized capital appreciation on investments.
- Total income generated by our mutual funds in 2013 was TT\$675 million compared to TT\$976 million in 2012, shrinking 31 percent or TT\$301 million. This is a result of the prolonged low interest rate environment and lower realized capital gains. The resulting change in income was also significantly attributable to a one-off transfer of US\$28 million (TT\$178 million) to the US\$ Income Fund from the Corporation in 2012 which was recorded as Other Income/Non-Investment Income.
- TT\$165.4 million of asset impairments were recognized in the Income Statement for 2013, down 50.6 percent from TT\$335 million a year ago. These impairments reflected mostly unrealized mark to market reductions in some of our financial assets and reflect the treatment required by financial reporting standards.
- Total expenses incurred (excluding finance charges) declined by 29.2 percent or TT\$176 million from TT\$601 million to TT\$426 million during the year, helped by the TT\$169 million reduction in impairments and enhanced by a greater focus on operational efficiency.
- Consistent with the lower interest rate environment, aggregate cash distributions to Unitholders by the Funds dipped 19 percent to TT\$210 million from TT\$260 million.
- The customer base grew from 560,731 to 575,602 by the end of 2013, reflecting 2.7 percent growth, while the total number of registered accounts rose by 2.5 percent in 2013 to 824,207 from 804,162 in 2012.

Fund Performance

The Corporation's Energy Fund and the International Suite of Funds which comprise the Asia Pacific Fund, Latin American Fund, European Fund and the Global Bond Fund were closed in 2013. These Funds therefore did not form part of the Corporation Funds under Management as at December 31st, 2013. After five years of operation, these Funds only attracted some 902 investors who held less than US\$6.0 million (TT\$38 million) in aggregate in the five funds. This is in contrast to our other core Funds, for example the Growth and Income Fund, which has over 235,000 investors that hold investments of over TT\$4 billion in the Fund.

Collectively, the International Suite of Funds contributed US\$1.2 million (TT\$8 million) towards aggregate net income for the 2013 financial year vis-à-vis a net loss of US\$121 thousand (TT\$768 thousand) in the previous year. With an aggregate fund-size of TT\$68 million (US\$10.8 million), these five Funds collectively accounted for less than 1 percent of 2012 Mutual Funds Under Management.

All five (5) of the remaining Funds generated positive returns for investors in 2013. The favourable local and global equity market performances led to our equity and balanced funds posting higher returns relative to our fixed-income funds which continued to be negatively impacted by lower reinvestment interest rates.

TT\$ Income Fund

The TT\$ Income Fund's fund-size stood at TT\$10.7 billion, down 4.8 percent from TT\$11.2 billion a year ago due mainly to net repurchases of TT\$542 million. Total income declined by 29.3 percent from TT\$441 million to TT\$312 million during 2013 owing to lower reinvestment interest rates. This resulted in a 12.7 percent reduction in net income for the year from TT\$147 million to TT\$128 million. The Fund distributed TT\$125 million in 2013, compared to TT\$144 million in 2012. This ultimately saw the net return to Unitholders fall to 1.11 percent in 2013 from 1.33 percent in 2012. Similar to last year, TT\$3 million of net investment income was allocated to the Fund's Reserves. The Fund's asset allocation as at the end of 2013 was 66 percent long term fixed income and 34 percent short term investments and cash.

US\$ Income Fund

The US\$ Income Fund ended 2013 at US\$611.5 million (TT\$3.9 billion), down 14.8 percent relative to its 2012 fund-size of US\$711.3 million (TT\$4.6 billion), as the Fund faced net repurchases of US\$104.1 million (TT\$664 million). Total recurrent income increased year-over-year by 21.3 per cent to US\$18.8 million (TT\$120.1 million) from US\$15.5 million (TT\$99 million). In 2012, total income included a one-off transfer of US\$28 million (TT\$177.88 million) to the Fund from the Corporation.

The Fund's 2013 distribution pay-out was US\$6.6 million (TT\$42 million), compared to US\$6.5 million (TT\$41 million) in the preceding year. The net return to Unitholders was 0.96 percent for 2013 compared to 1.10 percent in the previous year. US\$3.0 million (TT\$19 million) was allocated to the Fund's Reserves during 2013 versus US\$3.1 million (TT\$20 million) in 2012. The Fund's asset allocation as at the end of the year was 71 percent long term fixed income and 29 percent short term investments and cash.

Growth & Income Fund

The fund-size of the Growth & Income Fund at December 31, 2013 was TT\$4.4 billion, up 18.4 percent from TT\$3.7 billion a year ago. The increase in fund-size was driven by TT\$445 million in capital appreciation and TT\$254 million in net sales growth. The bid and offer prices appreciated in 2013 to TT\$16.78 and TT\$17.12 per unit, respectively, versus TT\$15.22 and TT\$15.52 per unit in 2012.

Total income declined by 17.7 percent in 2013 from TT\$235 million to TT\$193 million. The Fund recognized an impairment loss of TT\$81 million in 2013, up from TT\$39 million last year. This key overriding factor prompted a 41.8 percent rise in aggregate expenses during the year. Net investment income available for distribution was thus restricted to TT\$23 million compared to TT\$116 million in the prior period.

For the year 2013, the Unit Trust Corporation's Growth and Income Fund, our First Unit Scheme, provided Unitholders with a return of 10.39 percent versus 6.25 percent in 2012. The Fund distributed over TT\$31 million dollars in dividends, which is equivalent to 12 cents on each unit.

An amount of TT\$1 million was allocated to the Growth & Income Fund's Guarantee Reserves in 2013. As of December 31, 2013 the asset allocation was 42 percent domestic and regional equities, 23 percent international equities, 26 percent bonds and 9 percent cash & cash equivalents.

Universal Retirement Fund

The fund-size of the Universal Retirement Fund increased 21.0 percent from TT\$213 million to TT\$257 million. The URF recorded TT\$16 million in unrealized capital appreciation and TT\$20 million in net sales for 2013. The Fund's Net Asset Value (NAV) appreciated to TT\$39.68 at the end of 2013 from TT\$35.46 in 2012. Total income grew by 34.0 percent year-over-year from TT\$12 million to TT\$16 million.

The Fund provided Unitholders with a net return of 11.90 percent, compared to 8.31 percent a year ago, as both local and global equity asset classes performed favourably in 2013. The portfolio comprised 40 percent domestic and regional equities, 27 percent international equities, 27 percent bonds, and 6 percent cash at the end of 2013.

UTC North American Fund

The UTC North American Fund's fund-size grew by 14.8 percent during 2013 from US\$30.9 million (TT\$196 million) to US\$35.4 million (TT\$225 million). The Net Asset Value (NAV) as at December 31, 2013 increased to US\$10.84 per share, up from US\$9.97 a year ago. The Fund paid a distribution of US 59 cents per share in 2013 compared to US 5 cents a year ago, and produced a net return to investors of 14.68 percent compared to 6.04 percent in 2012. The Fund's performance was bolstered by the robust US equity market performance, evidenced by the rallies of US stocks last year. By the end of 2013, the NAF's asset allocation was: 82 percent equities, 12 percent bonds, and 6 percent cash and cash equivalents.

Corporate Social Responsibility

The UTC's commitment to corporate social responsibility continues to embody the promotion and development of our communities. With "sweat equity" and monetary contributions, we continue to build bridges, cultivate and cement relationships with or-

ganizations that have a profound and lifelong impact in the communities in which we operate.

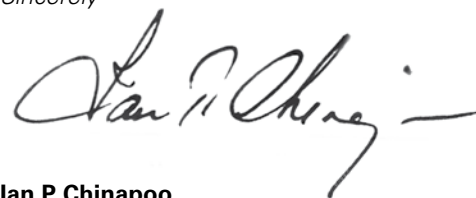
Team members continue to bring smiles to the faces of children by taking part in entertaining and engaging extracurricular activities, all aimed at building communities throughout Trinidad and Tobago. From dance classes with children from the Cotton Tree Foundation to attending a field trip with the teenagers from the Agents of Change Camp, staff brought tremendous enjoyment to the children from Just Because Foundation's (JBF) as well as those from The Lady Hochoy Home. Our goal is to continue to make a positive difference in the lives of people and our nation.

Appreciation

I wish to express sincere thanks to the Chairman, and the other board members for their support and guidance over the past year. I also take this opportunity to acknowledge the Corporation's executive and management teams, and all other staff for their cooperation and dedicated service during 2013 as we transitioned to my new leadership and strategies. I look forward to your continued loyalty and support in 2014 and in the years to come.

Last, but by no means least, I extend my heartfelt gratitude to you, our valued Unitholders, for your patronage throughout 2013. As we continue this newest chapter in our proud UTC history, we pledge that it will not be "business as usual". We endeavor to take the necessary action to ensure that the Corporation obtains the maximum value for money from its various business decisions going forward, so that you, our dear Unitholders, will reap the benefits of better investment returns and continuously improving customer service.

Sincerely



Ian P. Chinapoo
Executive Director
March 2014

BUILDING THE UTC BRAND

The winds of change blew through the Unit Trust Corporation when Executive Director, Ian Chinapoo assumed office on June 1st, 2013. Since then, he has wasted no time sharing his vision with staff, engaging external stakeholders and crafting corporate strategy. In one year, Mr. Chinapoo has left an indelible mark on the Unit Trust and carved out a personal space in a competitive financial landscape. In this collage of photographs, the Executive Director is captured in full flight during his first year in office.



In one of his first engagements, Executive Director Ian Chinapoo held "Meet and Greets" throughout the Corporation in an effort to share his vision and familiarise himself with staff. Here, Mr. Chinapoo greets Ms. Johanna Salvary during a session at One Woodbrook Place Investment Centre.



Ian Chinapoo, UTC Executive Director, greets Orville London, Chief Secretary of the Tobago House of Assembly at Canaan Bon Accord during the Tobago Heritage Festival. The Unit Trust Corporation continues to demonstrate its commitment towards community development and cultural enrichment.



Ian Chinapoo in discussion with customers after attending his first Annual General Meeting at Queen's Hall. UTC's AGM is used as a forum to inform unit holders about the Corporation's performance and strategy.



The Executive Director makes a point during a discussion with senior officials from the Inter-American Development Bank during a breakfast meeting hosted by the Ministry of Planning and Sustainable Development. The meeting was held to open healthy discussions on the financial underpinnings of the Non-Sovereign Government operations as well as possible avenues for collaboration between the IDB and local financial institutions, towards private sector financing and development. It was held at the Courtyard Marriott, Movietowne.

The UTC Executive Director lights the first deya of the night during UTC's Divali Art competition awards ceremony and Divali celebration. Themed "Of Light, Laughter and Love," the ceremony, held at the Chaguanas Investment Centre, offered a spectacular insight into the celebration of Divali through the artistic energies of youth.



Mr Chinapoo presents Gift of Units to Chaguanas North Secondary who placed third in the Schools' Investment Game (SIG). The SIG was initiated to introduce students to the world of investing, foster teamwork and improve their financial literacy skills.

The Executive Director offers some motivational words to staff gearing up for the aerobics competition held as a lead up to UTC's Sports and Family Day. Staff came out in full force to win points for their team during the event held at the gym at UTC's Head Office.



Unit Trust Chairman, Wendell Mottley, and Executive Director Ian Chinapoo celebrate with the Port of Spain Investment Centre, winners of the Walk/Dance Past at UTC's Sports and Family day held at UWI Spec Grounds.



Team leaders Jamie Cheeseman and Crystal Noel are all smiles as they pose with the Executive Director with the 3rd place trophy for the best Walk/Dance past team in UTC's Sports and Family Day held to build greater teamwork and camaraderie among staff. The event, themed "Ulympics," took place at the UWI Spec Grounds.



**CORPORATE SOCIAL
RESPONSIBILITY**

villageseed
solutions
Agents of Change

villageseed
solutions
Agents of Change

BUILDING COMMUNITIES WITH SWEAT EQUITY

"The better we know our communities, the better we can serve them."

EXECUTIVE DIRECTOR, IAN CHINAPOO

The UTC's commitment to corporate social responsibility (CSR) continues to embody the promotion and development of our communities. With "sweat equity," we continue to build bridges, cultivate and cement relationships with organizations that have a profound and lifelong impact in the communities in which we operate.

Team members continue to bring smiles to the faces of children by taking part in entertaining and engaging extracurricular activities, all aimed at building communities throughout Trinidad and Tobago. From dance classes with children from the Cotton Tree Foundation, or attending a field trip with the teenagers from the Agents of Change Camp, to improving literacy through the Arrow Foundation, staff have brought tremendous enjoyment to children from homes such as the Just Because Foundation (JBF) as well as those from The Lady Hochoy Home. Our goal is to continue to make a positive difference in the lives of people and our country.



Team UTC practices their moves with Cotton Tree Foundation campers at their dance class.



Children from the Lady Hochoy Home proudly display their Easter Bonnet costumes to the Unit Trust judges.



Wendell Mottley, Chairman, Unit Trust Corporation has the rapt attention of the Agents of Change campers during a tour of the Farmers Market in Santa Cruz.



Children were all smiles as they pose with their awards from the Pan American Scholastic Chess Championships.

HEALTH AND FITNESS

"It's never too late to change your habits, and by establishing a healthy lifestyle now, you'll continue to reap the rewards in the future."

VICE PRESIDENT, FINANCE, **NIGEL EDWARDS**

Whether it is donating blood, assisting with water distribution at various walkathons and marathons or supporting the promotion of health awareness, the UTC is a strong proponent for living healthy lifestyles.

By showing support to events that promote health and fitness, the UTC is saying "YES" to life by encouraging holistic living.



Sheneil Burke, Accounting Clerk, is relaxed as she makes a donation to the Blood Bank.



Lisa Hitlal, Manager, Chaguanas Investment Center, awards the first place trophy and Gift of Units in the 5K Under 15 category to a student of Presentation College, Chaguanas.



Clemencia Neutrice, Customer Service Representative, places medals on victorious students at the Nelson Street Boys RC School Sport Day.

FINANCIAL LITERACY AND WELLBEING

"Providing financial solutions for life is the Corporation's major thrust and we intend to serve our clients no matter where their lives take them."

VICE PRESIDENT, UTC ADVISORY SERVICES,
AMOY VAN LOWE

For more than 30 years, the UTC has been meeting its mandate to improve the financial literacy of our citizens. Through financial workshops and seminars to businesses, schools as well as communities and interest bodies, we live the mantra of financial education.

The UTC was especially proud to sponsor the ARROW Programme, which focuses on developing the literacy skills of children through reading, spelling, dictation, speech and listening skills. Twenty students from the Pt. Cumana Government School graduated from the programme, a feat we are immensely proud of and elated to have played a role in boosting the self-confidence of the students.

In the spirit of volunteerism, and as part of the National Day of Caring, the UTC team visited the senior citizens at the All Saints Gordon Home. Here, staff engaged in fun activities, including morning worship, board and card games and sharing a meal with the residents.



Rory Rostant, Communications Manager (right) presents a sponsorship cheque to Chris Bonterre of the ARROW Foundation.



Students proudly display their ARROW programme certificates of participation and gift bags from the Unit Trust Corporation.



Keisha Jones, Data Entry Clerk and Matthew Gibbs, Data Entry Assistant "Read Aloud" to the kids of the ARROW Programme.



Neil Phillips, Sales and Advertising Officer, congratulates one of the campers at the Agents of Change Vacation Camp for her financial aptitude during UTC's financial planning seminar.

Jhonique De Gannes SEA awardee and National Scholarship winner, receives a MAC Book Pro from Executive Director, Ian Chinapoo for academic excellence.



Abigail Ramnath, Customer Service Representative, assists a member of the All Saints Gordon Home on the National Day of Caring.

ENVIRONMENT AWARENESS

"We must not neglect
the economic returns
of the environment."

VICE PRESIDENT, CORPORATE SUPPORT
SERVICES, **JUDITH SOBION**

UTC team members come together to assist with the clean-up and restoration of various institutions, public spaces and coastlines as a commitment to enhance the environment.

With this in mind, staff undertook the task to re-paint and clean the library at the National Centre for Persons with Disabilities (NCPD). In addition, our staff in Tobago partnered with Ocean Conservancy, a global conservation group, as part of an annual International Coastal Cleanup targeted at creating and maintaining trash free seas. We worked with volunteers in a global initiative to rid the coastal areas of debris, to foster a healthy and sustainable ocean environment.



Members of the Tobago Investment Centre take control during the coastal clean-up of their beaches.

STAKEHOLDER ENGAGEMENT

"Connecting with our stakeholders is the foundation on which our business stands and remains sustainable."

VICE PRESIDENT, MARKETING, COMMUNICATIONS AND DISTRIBUTION CHANNELS, **GAYLE DANIEL-WORRELL**

Stakeholder engagement is crucial to business sustainability and one in which we remain committed. With this in mind, our media professionals were hosted to a Christmas Luncheon at Jaffa at the Oval, where they had the opportunity to exchange ideas and views with members of our Executive team.



(L-R): Omatie Lyder, Editor in Chief, Trinidad Express strikes a pose with Judith Sobion, Vice President, Corporate Support Services, and Gregory Thompson, Executive Advisor, Investment Research & Portfolio Management.



Ian Chinapoo, Executive Director, UTC (centre) and Rory Rostant, Communications Manager, UTC share a light moment with journalist Tony Fraser.



UTC Chairman Wendell Mottley (right) and Amoy Van Lowe, Vice President, UTC Advisory Services engage the attention of (from left) Curtis Rampersad, Head of Business News, Trinidad Express, and Guardian business reporters Raphael John Lall and Aleem Khan.



UTC Chairman, Wendell Mottley, gestures during a discussion with Newsday reporter Sasha Harrinanan.



FINANCIAL STATEMENTS



**TO: THE BOARD OF DIRECTORS
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION FOR THE YEAR ENDED 31 DECEMBER, 2013**

The accompanying consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31 December, 2013 have been audited. The Statements as set out on pages 1 to 76 and on pages referenced A-1 to A-20 comprise:

- (i) a Consolidated Statement of Financial Position as at 31 December, 2013, a Consolidated Statement of Profit or Loss, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Changes in Equity and a Consolidated Statement of Cash Flows for the year ended 31 December, 2013 in respect of the Trinidad and Tobago Unit Trust Corporation;
- (ii) Notes to the Consolidated Financial Statements for the year ended 31 December, 2013 numbered 1 to 40, and
- (iii) Additional Information comprising a Statement of Financial Position as at 31 December, 2013, a Statement of Profit or Loss, a Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year ended 31 December, 2013 in respect of each of the following: the Growth and Income Fund (First Unit Scheme), the TT Dollar Income Fund, the Universal Retirement Fund and the US Dollar Income Fund respectively.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The management of the Trinidad and Tobago Unit Trust Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these consolidated financial statements in accordance with section 30 (4) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03 (the Act) based on the audit. The audit which was carried out in accordance with section 30 (1) of the said Act was conducted in accordance with auditing standards which require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

OPINION

6. In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Trinidad and Tobago Unit Trust Corporation, its four locally domiciled funds and its subsidiaries as at 31 December, 2013 and their financial performance and cash flows for the year ended 31 December, 2013 in accordance with International Financial Reporting Standards.

26th March, 2014



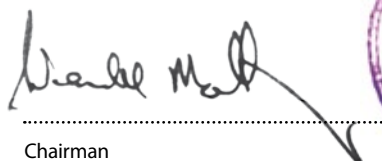
Sharmar O'Pley
SHARMAR O'PLEY
AUDITOR GENERAL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December, 2013

Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-13 \$ '000	Restated 31-Dec-12 \$ '000	Restated 31-Dec-11 \$ '000
ASSETS				
Cash and Cash Equivalents	3	4 375 210	7 309 235	2 629 830
Receivables		170 374	236 665	466 202
Prepayments and Other Assets		17 121	23 653	24 177
Investment Securities	4	17 026 057	14 933 910	17 961 885
Property, Plant and Equipment	5	164 273	172 260	184 322
Intangible Assets	6	5 996	16 015	20 829
TOTAL ASSETS		21 759 031	22 691 738	21 287 245
LIABILITIES				
Accounts Payable and Short Term Liabilities		38 715	42 002	66 290
Other Liabilities		23 659	26 195	55 498
Financial Instruments	7	1 175 544	1 579 161	1 897 681
Distribution Payable		27 128	73 436	101 348
Deferred Income Tax Liability	9	5 513	4 209	3 149
Sinking Fund Liability	10	-	13 587	7 805
Pension and Other Post Retirement Liabilities	11	12 997	14 356	8 398
Guarantee Pricing Liability	12	5 043	16 837	44 721
Net assets attributable to non-group interests	13	19 314 323	19 831 281	18 379 152
TOTAL LIABILITIES		20 602 922	21 601 064	20 564 042
EQUITY				
Statutory Reserves	14	5 050	5 050	5 050
Revaluation Reserve	15	194 991	253 438	(3 312)
Retained Income		956 068	832 186	721 465
		1 156 109	1 090 674	723 203
TOTAL LIABILITIES AND EQUITY		21 759 031	22 691 738	21 287 245


Chairman




Executive Director

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-13 \$ '000	Restated 31-Dec-12 \$ '000
CONTINUING OPERATIONS			
INCOME			
Investment Income -	16,17		
Growth & Income Fund		193 366	234 903
TT\$ Income Fund		311 825	440 889
Universal Retirement Fund		16 244	12 136
US\$ Income Fund		120 098	98 360
Net Investment Income - Group Operations	17	45 503	29 778
Realized Gains re-classified from Equity	18	55 016	154 989
Initial Charge		10 790	8 818
Other Income		16 244	24 669
Total Income		769 086	1 004 542
EXPENSES			
Commissions		(18 470)	(17 368)
Impairment	19	(165 419)	(334 624)
Administrative	20	(212 394)	(223 134)
Depreciation and Amortisation		(25 111)	(20 571)
Sinking Fund Expense		(4 269)	(5 782)
Total Expenses		(425 663)	(601 479)
Net Income before Finance & Guarantee Charges		343 423	403 063
Finance Charges	21	(73)	(119)
Guarantee Pricing Provision	12	5 160	17 449
Net Income after Finance Charges		348 510	420 393
Net Income attributable to non-group interest		(220 128)	(302 452)
Net Income before Taxation from Continuing Operations		128 382	117 941
Taxation	8	(10 374)	(6 938)
Net Income after Taxation		118 008	111 003
DISCONTINUED OPERATIONS			
Net Gain/(Loss) from Discontinued Operations	27	5 874	(282)
Net Income for the year		123 882	110 721

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-13 \$ '000	Restated 31-Dec-12 \$ '000
Net Income for the year		123 882	110 721
Other Comprehensive Income:			
<i>Amounts that may be transferred to Profit or Loss in the future:</i>			
Revaluation of Available-for-Sale financial assets	15	(3 332)	293 768
Exchange differences on translating foreign operations	15	(48 297)	(29 889)
<i>Amounts that will never be transferred to Profit or Loss in the future:</i>			
Re-measurements of Pension and Other Post Retirement liabilities	11	(6 818)	(7 129)
Other Comprehensive (Loss)/Income for the year		(58 447)	256 758
Total Comprehensive Income for the year		65 435	367 471

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago dollars

	Statutory Reserves \$'000	Revaluation Reserve \$'000	Retained Income \$'000	Total \$'000
Balance as at 1 January, 2013	5 050	253 438	832 186	1 090 674
Total Comprehensive Income for the year	-	(58 447)	123 882	65 435
Balance as at 31 December, 2013	5 050	194 991	956 068	1 156 109
Balance as at 1 January, 2012	5 050	(3 312)	721 465	723 203
Total Comprehensive Income for the year	-	256 750	110 721	367 471
Balance as at 31 December, 2012 (Restated)	5 050	253 438	832 186	1 090 674

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago dollars

	31-Dec-13 \$ '000	Restated 31-Dec-12 \$ '000
OPERATING ACTIVITIES		
Net Income before Taxation	128 382	117 941
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Net Income attributable to non-group interests	220 128	302 452
Depreciation and Amortisation	25 111	20 571
Impairment loss non-financial assets	7 339	5 085
Impairment financial assets	165 419	334 624
Loss on sale of Property, Plant and Equipment	103	362
Gain - Discontinued Operations	6 190	(26)
	552 672	781 009
<i>Movements in Working Capital</i>		
Decrease in Receivables	66 130	224 224
Increase in Prepayments and Other Assets	(807)	(4 562)
Decrease in Accounts Payable and Liabilities	(3 700)	(51 720)
Taxation paid	(10 374)	(6 938)
(Decrease)/Increase in Sinking Fund Liability	(13 587)	5 782
Decrease in Distribution Liability	(46 308)	(27 912)
Decrease in Guarantee Pricing Liability	(11 794)	(27 884)
Decrease in Pension and Other Post Retirement Liabilities	(1 049)	(1 361)
Net cash (used in)/ flow from operating activities of discontinued operations	(976)	4 245
Net Cash Flow From Operating Activities	530 207	894 883
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(7 315)	(3 547)
Proceeds from Disposal of Property, Plant and Equipment	723	171
Purchase of Intangible Assets	(617)	(679)
Purchase of Investment Securities	(9 333 831)	(7 471 733)
Proceeds from Disposal of Investments	7 409 929	10 951 912
Net cash flow from/(used in) investing activities of discontinued operations	67 595	(2 472)
Net Cash (Used In)/Flow From Investing Activities	(1 863 516)	3 473 652
FINANCING ACTIVITIES		
Subscriptions from non-group interests	3 792 352	4 147 425
Redemptions by non-group interests	(4 724 061)	(3 238 758)
Financial Instruments	(403 617)	(318 520)
Distribution Payments to non-group interests	(198 624)	(258 859)
Interest Earned on Reserve Assets	933	903
Guarantee Reserve Payment by Investment Funds	(1 000)	(11 000)
Net cash used in financing activities of discontinued operations	(71 824)	(10 639)
Net Cash (Used In)/Flow From Financing Activities	(1 605 841)	310 552
Translation Adjustment	5 125	318
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2 934 025)	4 679 405
Cash and Cash Equivalents at beginning of year	7 309 235	2 629 830
Cash and Cash Equivalents at end of year	4 375 210	7 309 235

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

1. INCORPORATION AND PRINCIPAL ACTIVITIES

The Trinidad and Tobago Unit Trust Corporation (the Corporation) was established by the Unit Trust Corporation of Trinidad and Tobago Act (the Act), Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago, *inter alia*, to provide facilities for members of the public to invest in shares and securities approved by the Board of the Corporation.

The Corporation's registered office is UTC Financial Centre, 82 Independence Square, Port of Spain.

The Finance Act of 1997 permitted expansion of the Corporation's scope of business to include other financial services, such as merchant banking, trustee and card services.

The Corporation controlled twelve (12) entities during 2013. Prior to the adoption of IFRS 10 on 1 January 2013, the Corporation controlled eight (8) entities. The additional entities controlled during 2013 were the four (4) locally domiciled funds sponsored by the Corporation namely: the Growth and Income Fund (G&IF), the TT Dollar Income Fund (TTDIF), the Universal Retirement Fund (URF) and the US Dollar Income Fund (USDIF).

It should be noted that on 28 October 2013, Unit Trust Corporation (Cayman) SPC Limited, a subsidiary of the Corporation, decided to close the five (5) funds under its management. The assets of the funds were liquidated and investors' units redeemed by 29 November 2013 - the date on which the funds were officially closed. At 31 December 2013 the company was inactive.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Consolidated Financial Statements (the Financial Statements) are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of Preparation

- i. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Act under the historical cost convention, except for certain financial instruments, which are measured at fair value. The accounting policies in all material respects conform to IFRS.
- ii. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
- iii. 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.
- iv. These Financial Statements are presented in Trinidad and Tobago dollars (TTD), which is the functional currency of the Corporation. All financial information presented in TTD has been rounded to the nearest thousand except where otherwise indicated.
- v. The preparation of the Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions. Management reviews these judgments, estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management has exercised significant judgment in estimating the following:
 - (a) impairment charges in respect of fixed assets, intangible assets and investment securities;
 - (b) the liability under the guarantee offered to unit holders in the Growth and Income Fund; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

2. Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

- (c) the fair value of financial assets categorized as Level 3. (See Note 2f.)

Management also exercised significant judgment in determining that it is a principal and not an agent of the locally domiciled funds for purposes of IFRS 10 – Consolidated Financial Statements. (See Note 2c).

b) Changes in Accounting Policies

- i. Treatment of Growth and Income Fund Guarantee Payments.* The Corporation has historically funded shortfalls of the Guarantee Reserve Fund, established under section 26(1) of the Act, by making transfers from its Retained Earnings to the Guarantee Reserve Fund. In keeping with best practice, management has discontinued that practice and instead has:

- (i) recognized payments made by the Corporation to the Guarantee Reserve Fund in the Consolidated Statement of Profit or Loss; and
- (ii) recognized a provision with respect to the Guarantee Pricing Liability in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

ii. New accounting standards, amendments to accounting standards and interpretations adopted by the Group

The Group adopted the following improvements to IFRS and amendments to IFRSs on 1 January, 2013:

- **IFRS 10 – Consolidated Financial Statements:** IFRS 10 establishes control as the sole basis for consolidation of the financial position and results of an entity with a parent entity. IFRS 10 provides a more robust definition of control than its predecessor, International Accounting Standard (IAS) 27.

On adopting IFRS 10, the Corporation determined that it was a principal of, and for IFRS 10 purposes, controlled the four (4) locally domiciled funds. Consequently, the said funds have been consolidated with the other entities within the Group. The financial statements, including the comparative data, have been restated and re-formatted to reflect the re-classification of the line items. See Notes 2c and 31.

- **Amendments to IFRS 10 and IFRS 12 with respect to Investment Entities:** the Corporation early adopted the IFRS 10 and IFRS 12 amendments with respect to Investment Entities. The amendments define Investment Entities and their treatment in Financial Statements. Early adoption had no impact on these financial statements.
- **IFRS 11 - Joint Arrangements:** IFRS 11 provides guidance with respect to the classification and treatment of Joint Arrangements in financial statements. The Corporation was not party to any joint arrangement during the years presented. Adoption of IFRS 11 did not impact these financial statements.
- **IFRS 12 – Disclosure of Interests in Other Entities:** IFRS 12 requires an entity to disclose information that enables users of financial statements to evaluate:
 - The nature of, and risks associated with, its interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities; and
 - The effect of those interests on its financial position, financial performance and cash flows.

The Corporation had no joint arrangements, associates or unconsolidated structured entities during the years presented. Financial information with respect to significant entities within

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

2. Significant Accounting Policies (continued)

the Group, is provided in Notes 34 to 39 of these financial statements.

- **Amendments to the transitional Guidance of IFRS 10, IFRS 11 and IFRS 12:** The amendments clarify the transitional guidance for IFRS 10, IFRS 11 and IFRS 12. Significantly, the Guidance stipulates that where an entity adopts IFRS 10 on 1 January 2013, the date of initial application is 1 January 2013 and not 1 January 2012 so that re-statement of the 2012 financial statements rather than the 2011 financials is required.

The Group has restated its Statements of Consolidated Financial Position as at 31 December 2012 and 2011.

- **IAS 27 – Separate Financial Statements as revised in 2011:** The revised standard sets out the requirements for separate financial statements. Adoption of the revised standard had no impact on these financial statements.
- **IAS 28 – Investments in Associates and Joint Ventures as revised in 2011:** The revisions to IAS 28 prescribe the use of the equity method to account for investments in joint ventures. The Group was not involved in any joint ventures during the financial years presented. Adoption of the amendment had no impact on these financial statements.
- **IFRS 13 – Fair Value Measurement:** IFRS 13 has been established as the single source of guidance for fair value measurements and disclosures. The disclosures with respect to fair value have been enhanced in accordance with the new stipulations.
- **IFRS 1 – Government Loans:** This amendment to IFRS 1 provides relief to first-time adopters of IFRSs. Adoption of the amendment had no impact on these financial statements.
- **IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities:** The amendments to IFRS 7 require entities (which meet certain criteria prescribed in IAS 32) to disclose information about rights of off-set and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. Adoption of this amendment had no impact on the financial statements.
- **IAS 16 – Property, Plant and Equipment:** The amendments clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16. In all other circumstances the said items should be classified as inventory. Adoption of the amendment had no impact on the financial statements.
- **IAS 32 – Financial Instruments: Presentation:** The amendments clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity instrument transaction should be accounted for in accordance with IAS 12 – Income Taxes. Adoption of the amendment had no impact on the financial statements.
- **International Financial Reporting Interpretations Committee (IFRIC) 20 – Stripping Costs in the Production Phase of a Surface Mine:** This interpretation applies to waste removal costs incurred in surface mining activity during the production phase and is not relevant to the Group at present.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

2. Significant Accounting Policies (continued)

iii. Standards and Interpretations in issue, not yet effective and not early adopted

There are new IFRSs and amendments to IFRSs that the Group did not early adopt in 2013. These new standards and amendments were not applied in the preparation of these financial statements. The standards and amendments are:

- **IFRS 9 - Financial Instruments:** IFRS 9, which introduces new requirements for classifying and measuring financial assets, will eventually replace IAS 39 – Financial Instruments: Recognition and Measurement. Mandatory application of IFRS 9 was postponed initially from 1 January 2013 to 1 January 2015. In November 2013 the International Accounting Standards Board, on completing the Hedge Accounting phase of the IFRS 9 project, signaled that the date for mandatory implementation of IFRS 9 will be announced closer to the completion of the entire IFRS 9 project.
- **IAS 32 amendment:** The amendment clarifies the meaning of certain terms with respect to the qualifying criteria for off-setting financial assets and liabilities. Application is mandatory from 1 January 2014.
- **IFRIC Interpretation 21 - Levies:** This Interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets - was issued in May 2013 and is mandatory for annual periods beginning on or after 1 January 2014. The Interpretation provides guidance on the recognition of an entity's liability to pay Government levies.

c) Basis of Consolidation

On adoption of IFRS 10 on 1 January 2013, management concluded that, for purposes of IFRS 10, its relationship with the locally domiciled funds was that of a principal rather than that of an agent. Management's conclusion was based primarily on its exposure to significant variability of returns as a result of its commitment to support the funds.

As a principal under IFRS 10, the Corporation 'controls' the funds for IFRS purposes. Accordingly the locally domiciled funds have been consolidated in these financial statements.

The Corporation reassesses at each reporting period whether or not it controls the entities with which it is involved using the control criteria established in IFRS 10. It concludes that it controls an entity if, and only if, after considering all the circumstances, it forms the view *inter alia* that:

- it has power over the entity;
- it is exposed, or has rights, to variable returns from its involvement with the entity; and
- it has the ability to use its power to affect its returns from the entity.

Consolidation of an entity begins when the Corporation obtains control over the entity and ceases when the Corporation loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Corporation gains control until the date the Corporation ceases to control the entity.

The line item 'Net assets attributable to non-group unit holders' represents the portion of the profit and net assets not owned, directly or indirectly, by either the Corporation or another Group entity. IAS 32: AG 29 requires that such non-group interests be recognized as a liability in the Consolidated Financial Statements as the units/shares represent obligations to deliver cash on presentation for redemption.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

*For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars*

2. Significant Accounting Policies *(continued)***c) Basis of Consolidation** *(continued)*

All material intra-group transactions and accounts have been eliminated in full in preparing these consolidated financial statements.

The financial year end of the group is 31 December. The accounting policies of each group entity is consistent with those of the Group.

d) Revised presentation of the Consolidated Financial Statements

Consolidation of the locally domiciled funds in accordance with IFRS 10 required reformatting of the Group's Consolidated Financial Statements. In particular:

- i. The format of the Consolidated Statement of Financial Position has been amended by:
 - (a) dis-aggregating Investment Funds and consolidating the assets and liabilities of the Investment Funds within the following line items: Cash and cash equivalents, Investment Securities, Receivables, Accounts Payable and Short-term Liabilities and Other Liabilities (See Note 31). Prior to these Consolidated Financial Statements, the Funds' assets and liabilities were summarized, and reported as Investment Funds on the Statement of Financial Position;
 - (b) re-classifying capital - which represents the Initial Capital of the Growth and Income Fund and Unit Capital of the TT Dollar Income Fund, the Universal Retirement Fund and the US Dollar Income Fund - as Net assets attributable to non-group unit holders; and
 - (c) elimination of the Fund Reserves from the face of the Consolidated Statement of Financial Position.
- ii. The format of the Consolidated Statement of Profit or Loss has been amended by removing the analysis of the Funds' distributions;
- iii. The format of the Consolidated Statement of Changes in Equity has been amended by eliminating the Fund Reserve Transactions, and
- iv. The Consolidated Statement of Cash Flows now includes the cash flows of the locally domiciled funds.

e) Investment Securities

The Group recognizes financial assets and liabilities when it becomes party to the contractual obligations of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires or where the group has transferred substantially all the risks and rewards of ownership of the asset to another party. Group financial liabilities are derecognized when the obligation under the liability is discharged, cancelled or has expired.

The Group classifies its financial assets on initial recognition into the following categories: available-for-sale, held-to-maturity and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

Investment securities intended to be held for an indefinite period of time but which may be sold in response to liquidity requirements or market conditions, are classified as available-for-sale. Available-for-sale investments are carried at fair value.

Un-realized gains and losses from changes in the fair value of investments classified as available-for-sale are recognized in equity. When available-for-sale financial assets are disposed of or are impaired, the related fair value adjustments are re-classified to the Consolidated Statement of Profit or Loss.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

2. Significant Accounting Policies *(continued)*
e) Investment Securities *(continued)*

Investment securities with fixed maturities that management has the intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are carried at amortized cost, less adjustments for impairment.

Investment securities with fixed and determinable payments, but which are not quoted in an active market, are classified as Loans and Receivables. Loans and Receivables are carried at amortized cost, using the effective interest method. The effective interest method is a mechanism for computing and allocating interest income. The effective interest rate is the rate that exactly discounts estimated future cash receipts for the life of the debt instrument to the net carrying amount on initial recognition. Impairment adjustments are made to the amortized cost of loans and receivables where necessary.

Purchases and sales of equity investments are recognized at the trade date. Purchases and sales of all other investment securities are recognized on the settlement date.

f) Fair value estimation - Investment Securities

Financial assets traded in active markets

The fair value of financial assets traded in active markets is based on quoted prices at the close of trading on the reporting date. An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Where the last day of trading is not the reporting date and significant movements in prices occur subsequent to the close of trading and before the reporting date, valuation techniques are used to determine the fair value.

The Group had no traded financial liabilities at the reporting date.

Financial assets and liabilities not traded in an active market

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques commonly used by market participants including: discounted cash flow analysis and reference to recent comparable arm's length transactions. In determining the fair value, the Group makes assumptions that are based on market conditions existing at the reporting date and makes the maximum use of market inputs relying as little as possible on entity-specific inputs.

Financial assets and liabilities with no active market

For financial assets and liabilities with no active market, the Group uses internally developed models which are based on standard valuation methods and techniques generally recognized within the finance industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were, or have been, inactive during the financial year. Some of the inputs to these models are not market observable.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty. Valuation techniques employed may not fully reflect all factors relevant to the positions held by the Group. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

Receivables, payables and short-term liabilities

The carrying value less impairment provisions of receivables and payables are assumed to approximate their fair values. The carrying value of short-term financial liabilities are assumed to approximate their fair value also.

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2. Significant Accounting Policies *(continued)*

f) Fair Value Estimation - Investment Securities *(continued)*

Fair value hierarchy

Fair value measurements of securities are categorized into three levels based on the degree to which the fair value measurement inputs are observable. The three levels are:

- **Level 1.** Level 1 valuation inputs are unadjusted quoted prices for identical assets and liabilities in active markets that the entity can access at the measurement date.
- **Level 2.** Level 2 valuation inputs exclude Level 1 inputs but are inputs that are observable for the asset or liability either directly or indirectly.
- **Level 3.** Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy to which fair value measurements are assigned is determined by the lowest level input that is significant to the fair value measurement in its entirety. Thus, where a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, it is classified as Level 3.

The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

g) Impairment of Financial Assets

Assets carried at amortized cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets carried at amortized cost, is impaired. A financial asset or group of financial assets is considered impaired and impairment losses are recognized only if:-

- i. there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'); and
- ii. the impact on the future cash flows as a result of the loss event can be reliably estimated.

The criteria used by the Group to determine whether an impairment loss should be recognized include evidence that:-

- (a) the issuer, or obligor, is in significant financial difficulty;
- (b) there has been a breach of contract, such as a default or delinquency in interest payments or principal re-payment by the issuer or obligor;
- (c) the issuer's lender, for economic or legal reasons relating to the issuer's financial difficulty, has granted to the issuer a concession that the lender would not otherwise consider;
- (d) it is probable that the borrower will enter bankruptcy or other financial re-organization;
- (e) an active market for the financial asset has disappeared because of financial difficulties; or
- (f) there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the portfolio including:-

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2. Significant Accounting Policies *(continued)***g) Impairment of Financial Assets** *(continued)*

- i. adverse changes in the payment status of borrowers in the portfolio; and
- ii. national or local economic conditions that correlate with defaults on the assets in the portfolio.

Where there is objective evidence of impairment to financial assets carried at amortized cost, the Group measures the amount of the loss as the difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the Consolidated Statement of Profit or Loss. If a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the Consolidated Statement of Profit or Loss.

Assets classified as Available-for-Sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets classified as available-for-sale is impaired. For debt securities, the Group uses the criteria used for financial assets carried at amortized cost (see above).

In the case of equity investments classified as available-for-sale, in addition to the criteria for amortizing assets mentioned above, the Group assesses whether there has been either a significant or a prolonged decline in the fair value of the security below cost. If there has been a significant or prolonged decline, it is regarded as evidence that the asset is impaired. If any such evidence exists for available-for-sale equity investments, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is moved from equity and recognized in the Consolidated Statement of Profit or Loss.

The Group considers a decline for a period of twelve or more months as prolonged and a 30% decline below cost, as significant.

h) Repurchase and Reverse Repurchase Agreements

A repurchase agreement is the sale of securities for cash with a simultaneous agreement to repurchase the securities at a fixed price on a contracted date. An interest rate is negotiated for the term of the agreement. A reverse repurchase agreement is the opposite of a repurchase agreement.

A reverse repurchase agreement is the purchase of securities for cash with a simultaneous agreement to re-sell them at a fixed price on a contracted date and at an agreed rate of interest.

A repurchase agreement may be construed as a borrowing. In the normal course of business the Corporation does not enter into repurchase agreements. As part of its short-term investment activity, it does enter reverse repurchase agreements. Deterioration in the value of the securities bought under reverse repurchase agreements is materially covered through margin calls comprising cash and/or additional securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2. Significant Accounting Policies (continued)

i) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs for repairs and maintenance are charged to the Consolidated Statement of Profit or Loss during the financial period in which such costs are incurred.

Where the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the disposal proceeds with the carrying amounts. The resulting gains or losses are recognized in the Consolidated Statement of Profit or Loss.

Freehold land is not depreciated. Leasehold land is capitalized and amortized over the term of the lease.

Depreciation on other assets, except for motor vehicles, is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Property, Plant and Equipment Category	Estimated Useful Life
Building	50 years
Office Improvement	3-15 years
Computer Equipment	2-8 years
Office Equipment	3-13 years
Office Furniture & Fixtures	3-10 years

Motor vehicles are depreciated using a rate of 25% per annum on the reducing balance.

j) Intangible Assets

Acquired computer software and licenses are the only Intangible Assets recognized by the Group in these financial statements. Computer software and licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognized as Intangible Assets if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

The cost of Intangible Assets is amortized on a straight line basis over the estimated useful life of the asset. With effect from 1 January 2013, the maximum useful life of Group Intangible Assets was reduced from 10 years to 5 years.

As a result of the reduction in the maximum estimated useful life of Intangible Assets, additional amortization charges of approximately \$6.5 million were recognized in the 2013 Consolidated Statement of Profit or Loss.

Costs associated with maintaining computer software are expensed as incurred.

2. Significant Accounting Policies *(continued)***k) Impairment of Non-Financial Assets**

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit or Loss.

Non-financial assets are reviewed for impairment at least annually.

l) Foreign Currency Translation

The Group's functional currency is Trinidad and Tobago dollars. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the Consolidated Statement of Profit or Loss.

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. All resulting exchange differences are recognized in the Consolidated Statement of Comprehensive Income.

m) Employee Benefits**i. Short-term benefits**

Short-term employee benefits such as salaries are recognized in the accounting period during which services are rendered by employees.

ii. Pension obligations

Group contributions to retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefits comprise a small portion of the Group's pension plan benefits (see Note 11). The Group's defined benefit obligations are calculated by estimating the value of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of the plan assets are deducted. The discount rate approximates either high quality corporate bonds or the long-term bond rate for government bonds with a duration similar to the defined benefit obligations.

The defined benefit obligation calculations are performed by an actuary regularly using the projected unit credit method. Should the calculation result in a surplus, the surplus is not recognized as an asset since the Group is not entitled to reduce its contributions to the plan.

iii. Other post-retirement obligations

The Group provides post-retirement medical and insurance benefits to its retirees. Entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that used in the computation of the defined benefit pension obligations. An independent qualified actuary conducts a valuation of these obligations.

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2. Significant Accounting Policies *(continued)***n) Cash and Cash Equivalents**

Cash and cash equivalents represent balances held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. It includes cash in hand, deposits held at call with banks, cash balances at brokers, other short-term investments with original maturities of ninety days or less and bank overdrafts.

o) Provisions

Provisions are recognized when: the Group has a present or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

p) Revenue Recognition

Income comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Income is shown net of value-added tax, discounts and after eliminating services within the Group.

Interest income is recognized in the Consolidated Statement of Profit or Loss using the effective interest method. Dividend income is recognized when the right to receive payment is established. Realized investment gains and losses are also recognized in the Consolidated Statement of Profit or Loss.

q) Borrowings

Borrowings are recognized initially at fair value, and are subsequently stated at amortized cost. The Corporation does not borrow to finance the acquisition, construction or production of qualifying assets.

r) Segment Reporting

A segment is a distinguishable component of the Group that is engaged in providing similar products or services which are subject to risk and rewards that are different from those of other segments. The Group consists of one segment as all the Group's activities are incidental to its main activity of collective investment scheme management.

s) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed in accordance with specific Investment Management Agreements, are not included in the Consolidated Statement of Financial Position of the Corporation. The market value of these portfolios as at 31 December, 2013 is \$535 million (2012: \$650 million).

t) Taxation

The Corporation is exempt from Corporation Tax; however, it is subject to the Green Fund Levy. Corporation tax is payable on profits realized by the subsidiaries and is recognized as an expense in the period in which profits arise.

Taxes are based on the applicable tax laws in each jurisdiction. The tax effects of taxation losses available for carrying forward, are recognized as an asset when it is probable that future taxable profits will be available against which the losses can be utilized.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2. Significant Accounting Policies (continued)

t) Taxation (continued)

Deferred tax is determined using tax rates that have been enacted at the date of the Consolidated Statement of Financial Position and are expected to apply when the related deferred tax asset is realized or the deferred corporation tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized.

u) Comparative Information

Certain changes in presentation have been made in these financial statements. These changes resulted in alteration of the operating results of the previous financial year. The changes are outlined in Note 2c above.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed below:

	2013	2012	2011
	\$'000	\$'000	\$'000
Corporation	625,947	639,211	336,610
Locally domiciled funds	3,737,875	6,655,504	2,270,636
Foreign funds	555	5,763	14,891
Other Group entities	10,833	8,757	7,693
	4,375,210	7,309,235	2,629,830

Cash and cash equivalents held by the locally domiciled funds and foreign funds form part of the capital of the said funds. In compliance with legislation, regulatory restrictions and best practice, the funds' assets, including cash and cash equivalents, are ring-fenced and are not available for use by the Group.

4. INVESTMENT SECURITIES

The Group's investment securities are classified by major instrument type below.

	2013	2012	2011
	\$'000	\$'000	\$'000
Held-to-maturity investments carried at amortized cost:			
Bonds	5,974,864	5,622,751	4,860,023
Equity	29,540	28,827	57,521
Short-term Investments	2,254,429	2,156,759	5,056,256
	8,258,833	7,808,337	9,973,800
Available-for-sale assets carried at fair value:			
Bonds	5,194,765	4,237,732	5,384,175
Equity	3,452,336	2,783,570	2,481,736
Mutual Funds	78	33,297	109,148
Short-term Investments	120,045	70,974	13,026
	8,767,224	7,125,573	7,988,085
Total Investment Securities	17,026,057	14,933,910	17,961,885

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4. Investment Securities (continued)

(a) The fair value of Investment Securities carried at amortized cost.

The fair value of Investment Securities carried at amortized cost is provided below.

	2013	
	Carrying Value \$'M	Fair Value \$'M
Bonds	5,974.9	6,565.9
Equity	29.5	29.5
Short-term Investments	2,254.4	2,254.4
	8,258.8	8,849.8

(b) The fair value hierarchy for Investment Securities as at 31 December 2013

The fair value of the Group's investment securities are analyzed by the fair valuation hierarchy below:

	Level 1 (Quoted prices in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unob- servable inputs) \$'000	Total \$'000
Recurring fair value measurements				
Held-to-maturity investments carried at amortized cost:				
Bonds	222,999	9,298	5,742,567	5,974,864
Equity	-	-	29,540	29,540
Short-term Investments	2,254,429	-	-	2,254,429
	2,477,428	9,298	5,772,107	8,258,833
Available-for-sale assets carried at fair value:				
Bonds	45,000	2,395,435	2,754,330	5,194,765
Equity	3,205,203	3,201	243,932	3,452,336
Short-term Investments	120,045	-	-	120,045
Mutual Fund Units	78	-	-	78
	3,370,326	2,398,636	2,998,262	8,767,224
Total Investment Securities	5,847,754	2,407,934	8,770,369	17,026,057

(c) Transfers between Fair Value Hierarchy levels.

IFRS 13 – Fair Value Measurement was implemented on 1 January 2013. There were no transfers between the hierarchy levels during 2013.

(d) Investment Securities included in Level 1

Investments whose values are based on quoted securities in an active market are classified as Level 1 and include: active listed equities, quoted US Government securities and listed Exchange Traded Funds (ETFs). The Group does not adjust the quoted price on these instruments in arriving at their fair value.

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4. Investment Securities *(continued)***(e) Level 2 fair values**

Financial instruments that are valued on the average of quotes provided by brokers, dealers or alternative pricing sources supported by observable inputs, are classified as Level 2. Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions. Valuations of such instruments may be adjusted to reflect their illiquidity and/or non-transferability. Such adjustments are based on available market information.

(f) Valuation Techniques used to derive Level 3 fair values

Investments classified as Level 3 have significant unobservable inputs. The valuation techniques used by the Group to arrive at the fair value of Level 3 investments are summarized below.

Held-to-maturity Bonds:

The bonds classified as held-to-maturity are carried at amortized cost and principally include locally issued bonds. In valuing such bonds, the Group uses internally constructed models designed to forecast future interest rates for TT\$ and US\$ bonds issued in Trinidad and Tobago. The models are commonly referred to as yield curves. The yield curves are updated regularly by management based on 'market reads' i.e. information gathered from market participants on the interest rates required for bonds issued in Trinidad and Tobago. The Group's yield curves are largely comparable with the publicly available international yield curves for TT\$ and US\$ bonds issued in Trinidad and Tobago.

The yield curves are used to estimate the returns required by market participants given the bond's term to maturity. The desired market yield serves as a benchmark in valuing bonds carried at amortized cost. The benchmark is increased to arrive at an appropriate discount rate where management is of the view that an additional premium is warranted given the liquidity and other risks attaching to the bond at the reporting date. The discount rate is used to discount the bond's future cash flows and arrive at the net present value/fair value of the bond.

Markets are dynamic and the market reads used to construct the yield curve may quickly become dated. Management therefore reviews the benchmark at reporting dates to ensure that it reflects market participants' view of the credit, liquidity, business and other risks of Level 3 bonds at the reporting date.

Management's estimate of the fair value of the Group's held-to-maturity bonds is provided at Note 4 (a) above.

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4. Investment Securities (continued)

(f) Valuation Techniques used to derive Level 3 fair values (continued)

Held-to-Maturity Equity:

Management estimates the value of its held-to-maturity equity using net present value techniques. Impairment reviews of the equity classified as held-to-maturity are undertaken regularly. No impairment charges were recognized for these securities in 2013. The carrying value of the Group's held-to-maturity equity approximates its fair value at the reporting date.

Short-term Investments:

Management estimates that the value of its short-term investments approximates carrying value.

Available-for-sale Bonds:

Available-for-sale bonds are valued based on the average of quotations received for the bond at the reporting date.

Available-for-sale Equity:

Available-for-sale equity are valued based on the average of quotations received for the security at the reporting date.

The Table below summarizes the valuation techniques used in estimating the fair value of Level 3 securities, the significance of the unobservable inputs, the relationship of the unobservable inputs to fair value and the direction that an increase or decrease in the unobservable inputs would have had on the valuation results.

	Level 3 fair value 2013	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
Held-to-maturity investments carried at amortized cost:	\$'M				\$'M
Bonds	5,742.6	Yield Curve/Net Present Value	Bond yields and risk premia	+1% -1%	-188.6 +205.7
Equity	29.5	Not applicable	Not applicable	Not applicable	Not applicable
Sub-total	5,772.1				
Available-for-sale investments carried at fair value					
Bonds	2,754.3	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Equity	244.0	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Sub-total	2,998.3				
TOTAL	8,770.4				

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4. Investment Securities (continued)

(f) Valuation Techniques used to derive Level 3 fair values (continued)

The following Table presents the movement in Level 3 instruments for the year 2013.

	Carrying Value Level 3 Securities 1/1/2013	Purchases/ Capitalized Interest	Sales/ Repayments/ Maturities	Net Gains/ Losses recognized in Profit or Loss	Un-realized Gains/Losses recognized in Other Com- pre-hensive Income	Carrying Values Level 3 valuation 31/12/2013	Fair Values
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Held-to-maturity assets carried at amortized cost:							
Bonds	5,607.3	2,204.6	(2,106.2)	36.9	-	5,742.6	6,330.9
Equity	28.8	-	-	0.7	-	29.5	29.5
	5,636.1	2,204.6	(2,106.2)	37.6	-	5,772.1	6,360.4
Available-for-sale assets carried at fair value							
Bonds	3,266.4	157.7	(646.8)	-	(23.0)	2,754.3	2,754.3
Equity	334.4	67.7	(131.8)	-	(26.3)	244.0	244.0
	3,600.8	225.4	(778.6)	-	(49.3)	2,998.3	2,998.3
TOTAL	9,236.9	2,430.0	(2,884.8)	37.6	(49.3)	8,770.4	9,358.7

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5. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Office Im- provement	Motor Vehicles	Office & Computer Equipment	Office Furniture	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 Dec., 2013							
Opening Net Book Value	16,140	109,843	21,400	2,398	17,705	4,774	172,260
Acquisitions	-	-	2,572	250	3,079	1,414	7,315
Re-classifications	-	-	-	-	(2)	2	-
Disposals	-	-	(47)	(513)	(231)	(36)	(827)
Depreciation/Amortization	(22)	(2,808)	(5,399)	(551)	(4,699)	(996)	(14,475)
Closing Net Book Value	16,118	107,035	18,526	1,584	15,852	5,158	164,273

As at 31 Dec., 2013

Cost	16,569	139,427	49,077	4,528	62,589	22,271	294,461
Accumulated Depreciation/ impairment charges	(451)	(32,392)	(30,551)	(2,944)	(46,737)	(17,113)	(130,188)
Net Book Value	16,118	107,035	18,526	1,584	15,852	5,158	164,273

Year ended 31 Dec., 2012

Opening Net Book Value	16,161	112,652	25,646	3,367	21,111	5,385	184,322
Acquisitions	-	-	840	-	2,359	348	3,547
Re-classifications	-	-	(12)	-	14	(2)	-
Disposals	-	-	(151)	(163)	(215)	(3)	(532)
Depreciation/Amortization	(21)	(2,809)	(4,923)	(806)	(5,564)	(954)	(15,077)
Closing Net Book Value	16,140	109,843	21,400	2,398	17,705	4,774	172,260

As at 31 Dec., 2012

Cost	16,569	139,427	46,565	6,258	61,423	20,928	291,170
Accumulated Depreciation/ Impairment charges	(429)	(29,584)	(25,165)	(3,860)	(43,718)	(16,154)	(118,910)
Net Book Value	16,140	109,843	21,400	2,398	17,705	4,774	172,260

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5. Property, Plant and Equipment (continued)

	Land \$'000	Building \$'000	Office Im- provement \$'000	Motor Vehicles \$'000	Office & Computer Equipment \$'000	Office Furniture \$'000	Total \$'000
Year ended 31 Dec., 2011							
Opening Net Book Value	16,183	115,461	25,215	3,880	19,518	5,969	186,226
Acquisitions	-	-	4,553	790	7,486	365	13,194
Re-classifications	-	-	(30)	-	(99)	129	-
Disposals	-	-	(2)	(330)	(205)	(35)	(572)
Depreciation/Amortization	(22)	(2,809)	(4,090)	(973)	(5,589)	(1,043)	(14,526)
Closing Net Book Value	16,161	112,652	25,646	3,367	21,111	5,385	184,322
As at 31 Dec., 2011							
Cost	16,569	139,427	46,668	6,658	64,266	19,085	292,673
Accumulated Depreciation/ Impairment charges	(408)	(26,775)	(21,022)	(3,291)	(43,155)	(13,700)	(108,351)
Net Book Value	16,161	112,652	25,646	3,367	21,111	5,385	184,322

Land

Land includes leasehold land of \$2.2 million (2012 \$2.2 million) and freehold land of \$14.4 million (2012: \$14.4 million).

Fair Value Land and Buildings

The fair value of Land and Buildings was estimated at \$191.5 million at 31 December, 2013 (2012: \$187.5 million). Land and Buildings are valued by independent professional valuers every three years. The valuation in the intervening years is undertaken by management. Information related to the valuation of Land and Buildings is provided in the table below:

	Cost	Independent Valuation	Date of last valuation	Fair value 31 Dec 2013	Valuation Level
Property	\$'M	\$'M		\$'M	
Leasehold Land	2.2	17.0	31 Dec 2013	17.0	Level 1
Freehold Land	14.4	46.0	31 Dec 2011	46.0	Level 2
Building	70.9	77.0	31 Dec 2013	77.0	Level 1
Buildings	68.5	51.5	31 Dec 2011	51.5	Level 2
Total	156.0	191.5		191.5	

Valuation Technique used to derive Level 2 fair valuation Land and Buildings

Management estimated the fair value of Level 2 Land and Buildings by reference to recent sale prices of comparable Land and Buildings in the immediate vicinity of the Group's properties.

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6. INTANGIBLE ASSETS

	2013	2012	2011
	\$'000	\$'000	\$'000
Year ended 31 December			
Opening Net Book Value	16,015	20,829	25,499
Acquisitions	617	679	1,340
Disposals	-	-	-
Amortization Adjustment	(6,496)	-	-
Amortization	(4,140)	(5,493)	(6,010)
Closing Net Book Value	5,996	16,015	20,829
As at 31 December			
Cost	50,608	49,991	49,311
Accumulated Amortization	(44,612)	(33,976)	(28,482)
Net Book Value	5,996	16,015	20,829

The amortization adjustment of \$6.5 million above is the result of the change in the maximum estimated useful life of the Group's computer software licenses from ten (10) years to five (5) years. This change of accounting estimate will reduce future annual amortization charges.

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7. FINANCIAL INSTRUMENTS

	Term	2013 \$'000	2012 \$'000	2011 \$'000
Fixed-term Funding	Less than 1 year	1,174,898	1,577,918	1,721,375
Guaranteed Investment Certificate	Less than 1 year	-	-	174,511
Long-term Bonds	10 years	646	1,243	1,795
Total		1,175,544	1,579,161	1,897,681

Fixed-term funding represents financial liabilities in the form of Investment Note Certificates all of which were originated with maturities of less than one year. The carrying value of these liabilities is assumed to approximate their fair value.

The Long-term interest bearing bonds were issued by UTC Property Holdings Limited to finance the construction of its properties.

8. TAXATION

The local subsidiary companies are subject to Corporation Tax and the foreign subsidiaries are subject to taxation relevant to their country of domicile.

	2013 \$'000	2012 \$'000	2011 \$'000
Net Income before taxation	128,382	117,941	30,100
Less: Income taxed at 0%	(123,164)	(113,196)	(26,478)
Net Income subject to tax	5,218	4,745	3,622
Corporation Tax at 25% for local subsidiaries	1,305	1,060	905
Corporation Tax for foreign subsidiaries	-	871	232
Withholding Tax	8,562	4,397	4,153
Business Levy payments	87	118	23
Green Fund Levy payments	420	492	489
Tax charge	10,374	6,938	5,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9. DEFERRED TAX

Deferred taxes are calculated on all temporary differences under the liability method using the current rate of 25%.

Deferred tax assets and liabilities and deferred tax (credit)/charge in the profit or loss account are attributable to the following items:

	2013	2012	2011
	\$'000	\$'000	\$'000
Tax losses carried forward	(1,434)	(2,269)	(2,768)
Accelerated tax depreciation	6,947	6,478	5,917
Net deferred liability	5,513	4,209	3,149

The movements in deferred tax assets and liabilities during the years presented follow:

Deferred Tax Liability	Accelerated Tax Depreciation
	\$'000
Balance at 1 January 2011	5,253
Charged to the Consolidated Statement of Profit or Loss 2011	<u>664</u>
Balance at 31 December 2011	5,917
Charged to the Consolidated Statement of Profit or Loss 2012	<u>561</u>
Balance as at 31 December 2012	6,478
Charged to the Consolidated Statement of Profit or Loss 2013	<u>469</u>
Balance as at 31 December 2013	<u>6,947</u>

Deferred Tax Asset	Tax Losses
	\$'000
Balance at 1 January 2011	(3,009)
Charged to the Consolidated Statement of Profit or Loss 2011	<u>241</u>
Balance at 31 December 2011	(2,768)
Charged to the Consolidated Statement of Profit or Loss 2012	<u>499</u>
Balance as at 31 December 2012	(2,269)
Charged to the Consolidated Statement of Profit or Loss 2013	<u>835</u>
Balance as at 31 December 2013	<u>(1,434)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. SINKING FUND LIABILITY

The Corporation was contractually obligated to generate minimum returns on two (2) sinking funds under management at the beginning of 2013. The sinking funds were closed by the counterparties and the Group's liabilities to the counter-parties were settled during 2013.

11. PENSION AND OTHER POST RETIREMENT BENEFITS

(a) Pension benefits

Prior to 1 January, 2001 the Unit Trust Corporation Pension Fund Plan (the Plan) was a defined benefit plan. Although the Plan received formal approval during 2002 for conversion to a defined contribution plan with effect from 1 January 2001, pre- 1 January, 2001 benefits are guaranteed. For purposes of IAS 19 the Plan remains a defined benefit plan. Retirement benefits are currently paid out of the Plan and are guaranteed for life. The defined benefits comprise a small portion of Plan benefits.

- i. Changes in the present value of the defined benefit obligations follow:

	2013	2012	2011
	\$'000	\$'000	\$'000
Opening present value of defined benefit obligation	136,298	109,100	92,068
Current service costs	8,081	7,865	7,123
Plan participant contributions	3,524	3,595	3,435
Interest cost	13,137	8,693	8,761
Actuarial (gains)/losses on obligation	(1,429)	10,618	(273)
Benefit and expenses paid	(5,720)	(3,573)	(2,014)
Closing present value of defined benefit obligation	153,891	136,298	109,100

- ii. Changes in the fair value of Plan assets are as follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Opening fair value of Plan assets	131,652	113,801	94,538
Expected return on Plan assets	13,370	9,022	8,934
Actuarial loss on Plan assets	(924)	(1,259)	(711)
Employer contributions for current service	9,866	10,066	9,619
Plan participant contributions for current service	3,524	3,595	3,435
Benefits and expenses paid	(5,720)	(3,573)	(2,014)
Closing fair value of Plan assets	151,768	131,652	113,801

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11. Pension and Other Post Retirement Benefits (continued)

(a) Pension benefits (continued)

iii. The amounts recognized in the Consolidated Statement of Financial Position follow:

	2013	2012	2011
	\$'000	\$'000	\$'000
Present value of the defined benefit obligation	(153,891)	(136,298)	(109,100)
Fair value of Plan assets	151,768	131,652	113,801
Sub-total	(2,123)	(4,646)	4,701
Un-recognized asset due to limit in IAS 19:64 (b)	-	-	(4,701)
Liability recognized in the Consolidated Statement of Financial Position	(2,123)	(4,646)	-

iv. The amounts recognized in the Consolidated Statement of Profit or Loss follows:

	2013	2012
	\$'000	\$'000
Current service costs	8,081	7,865
Net interest costs	(232)	(329)
Total recognized in Staff Costs	7,849	7,536

v. The amounts recognized in the Consolidated Statement of Comprehensive Income follow:

	2013	2012
	\$'000	\$'000
Actuarial losses	(1,429)	(11,877)
IAS 19: 64 (b) limit	924	4,701
	(505)	(7,176)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. Pension and Other Post Retirement Benefits (continued)

(a) Pension benefits (continued)

- vi. The major categories of Plan assets as a percentage of total Plan assets follow:

	2013	2012	2011
	%	%	%
Universal Retirement Fund	73.0	75.0	76.0
TT\$ Income Fund	27.0	25.0	24.0

- vii. The actual return on Plan assets follow:

	2013	2012	2011
	\$'000	\$'000	\$'000
Actual return	12,446	7,763	8,223

- viii. The actuarial assumptions have been based on market expectations at 31 December annually for the period over which the obligations are to be settled. The principal actuarial assumptions used follow:

	2013	2012	2011
	%	%	%
Discount rate at 31 December	5.0	5.0	7.0
Expected return on Plan assets	5.0	5.0	7.0
Future salary increases	5.0	5.0	6.5

- ix. The Group expects to contribute \$10.4 million to the plan in 2014.

(b) Group Life Benefits

The Corporation operates a post-employment Group Life Scheme. The method of accounting, the assumptions and the frequency of valuations are similar to those used for computing the defined benefit pension obligations.

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11. Pension and Other Post Retirement Benefits (continued)

(b) Group Life Benefits (continued)

i. The changes in the present value of the Defined Benefit Obligation follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Present value of the defined benefit obligations of the Group Life Scheme			
Opening present value of defined benefit obligations	1,398	992	919
Current service costs	94	61	52
Interest costs	74	73	67
Actuarial Loss/(Gains) on obligations	34	302	(22)
Benefit paid	(25)	(30)	(24)
Closing present value of defined benefit obligations	<u>1,575</u>	<u>1,398</u>	<u>992</u>

ii. The changes in the fair value of Plan assets follow:

	2013	2012	2011
	\$'000	\$'000	\$'000
Opening fair value of Plan assets	-	-	-
Adjustment	-	-	-
Return on Plan assets at discount rate	-	-	-
Gain (Loss) on Plan assets	-	-	-
Employer contributions for current service	25	30	24
Plan participant contributions for current service	-	-	-
Benefits paid	(25)	(30)	(24)
Closing fair value of Plan assets	<u>-</u>	<u>-</u>	<u>-</u>

iii. The amounts recognized in the Consolidated Statement of Financial Position follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Present value of the Defined Benefit Obligation	1,575	1,398	992
Fair value of Plan assets	-	-	-
	<u>1,575</u>	<u>1,398</u>	<u>992</u>
Unrecognized assets due to limit in IAS 19:64 (b)	-	-	-
Unrecognized Actuarial Gain/(Loss)	-	-	-
Liability recognized in the Consolidated Statement of Financial Position	<u>1,575</u>	<u>1,398</u>	<u>992</u>

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11. Pension and Other Post Retirement Benefits (continued)

(b) Group Life Benefits (continued)

iv. The amounts recognized in the Consolidated Statement of Profit or Loss follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Current service cost	94	61	52
Net interest cost	74	73	67
Expense recognized in the Consolidated Statement of Profit or Loss	168	134	119

v. The amounts recognized in the Consolidated Statement of Comprehensive Income follow:

	2013	2012	2011
	\$'000	\$'000	\$'000
Experience Losses/(Gains) - Demographic	34	5	(22)
Experience Losses/(Gains) – Financial	-	297	-
Re-measurement Losses/(Gains) - Demographic	-	-	-
Re-measurement Losses/(Gains) – Financial	-	-	-
Total Actuarial Losses/(Gains) recognized in the Consolidated Statement of Comprehensive Income	34	302	(22)

(c) Medical Benefits

The Corporation operates a post-employment medical benefit scheme. The method of accounting, the assumptions and the frequency of valuations are similar to those used for computing the defined benefit pension obligations.

i. The changes in the Present Value of the Defined Benefit Obligation follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Present value of the defined benefit obligations of the Medical Benefit Scheme			
Opening present value of defined benefit obligation	8,313	7,406	6,580
Current service costs	652	593	551
Interest cost	445	557	497
Actuarial losses	13	(159)	(167)
Benefit paid	(124)	(85)	(55)
Closing present value of defined benefit obligation	9,299	8,312	7,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. Pension and Other Post Retirement Benefits (continued)

(c) Medical Benefits (continued)

ii. The changes in the fair value of Plan assets follow:

	2013	2012	2011
	\$'000	\$'000	\$'000
Opening fair value of Plan assets	-	-	-
Adjustment	-	-	-
Return on Plan assets at Discount Rate	-	-	-
Gain (Loss) on Plan assets	-	-	-
Employer contributions for current service	124	85	55
Plan participant contributions for current service	-	-	-
Benefits paid	(124)	(85)	(55)
Closing fair value of Plan assets	-	-	-

iii. The amounts recognized in the Consolidated Statement of Financial Position follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Present value of the Defined Benefit Obligation	9,299	8,313	7,406
Fair value of Plan assets	-	-	-
	9,299	8,313	7,406
Unrecognized assets due to limit in IAS 19:64 (b)	-	-	-
Unrecognized Actuarial Gain/(Loss)	-	-	-
Liability recognized in the Consolidated Statement of Financial Position	9,299	8,313	7,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. Pension and Other Post Retirement Benefits *(continued)*

(c) Medical Benefits *(continued)*

iv. The amounts recognized in the Consolidated Statement of Profit or Loss follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Current service cost	652	593	551
Net interest cost	445	557	497
Expense recognized in the Consolidated Statement of Profit or Loss	1,097	1,150	1,048

v. The amounts recognized in the Consolidated Statement of Comprehensive Income follow:

	2013	2012	2011
	\$'000	\$'000	\$'000
Experience Losses/(Gains) - Demographic	13	(159)	(168)
Experience Losses/(Gains) - Financial	-	-	-
Re-measurement Losses/(Gains) - Demographic	-	-	-
Re-measurement Losses/(Gains) - Financial	-	-	-
Total Actuarial Losses/(Gains) recognized in the Consolidated Statement of Comprehensive Income	13	(159)	(168)

In addition to the pension benefit actuarial assumptions at 11 (a) (viii) above, the Medical Benefit Scheme benefit obligation calculation assumes that long term health costs will increase by 3% (2012: 3%; 2011: 5%).

A summary of the post retirement liabilities follows:

	2013	2012	2011
	\$'000	\$'000	\$'000
Pension liability (see Note 11 (a) (iii) above)	2,123	4,646	-
Group Life liability (see Note 11 (b) (iii) above)	1,575	1,398	992
Medical Benefit liability (see Note 11(c) (iii) above)	9,299	8,312	7,406
Total	12,997	14,356	8,398

**NOTES TO THE CONSOLIDATED
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12. GUARANTEE PRICING LIABILITY

The Growth and Income Fund (G&IF) guarantees that all unit holders that hold their units in the Fund for three years from the date of purchase, will redeem those units at a price no less than the purchase price of those units. The Corporation established the Guarantee Reserve Fund under section 26 (1) of the Act to meet claims under the Guarantee Pricing Plan.

There is significant uncertainty with regard to the timing and value of the claims made under the Guarantee Pricing Plan. Factors that appear to influence the timing of guarantee claims include:

- i. *The prevailing price of the Growth and Income Fund Units.* Generally, the price of the G&IF Units and the total Guarantee Pricing Liability are inversely related. Increases in the price of G&IF units generally results in a decrease in the total Guarantee Pricing Liability as the number of units 'in the money' tends to contract. Conversely a decrease in the price of the units generally increases the total Guarantee Pricing Liability as more units are 'in the money'; and
- ii. *General public sentiment* with regard to the local and global economy.

The G&IF allocates \$500,000 out of its undistributed earnings to the Guarantee Reserve Fund at each distribution, to meet any guarantee claims that may arise. The Corporation has historically funded shortfalls in the Guarantee Reserve Fund and is committed to doing so in the future.

Prior to 2013, the Guarantee Reserve Fund shortfalls were funded by transfers from the Corporation's Retained Earnings. During 2013, the Corporation, in keeping with best practice, changed its accounting policy and created a provision based on its best estimate of the Guarantee Pricing Liability at 31 December 2013 (see Note 2 (b) (i)).

The change in accounting policy required re-statement of the Consolidated Statement of Financial Position at 31 December 2011 and all the primary financial statements for 2012. See Note 31.

In estimating its total Guarantee Pricing Liability at December 2013, the Corporation:

- i. used historical data to develop scenarios of the possible future paths of the unit prices of the Growth and Income Fund during the ensuing calendar year;
- ii. estimated the claims that may arise under each price projection scenario based on the value of the units entitled to claims at 31 December 2013 (\$50.4 million) and the offer price at 31 December 2013;
- iii. assigned probability weightings to the claim projections for each scenario;
- iv. computed the expected value of each scenario by multiplying the projected claims for the scenario by the probability weighting assigned to that scenario, and
- v. aggregated the expected value of each scenario to determine the total liability.

The expected value represents the Corporation's best estimate of the expenditure required to settle its constructive obligations under the Guarantee Pricing Plan at the end of each of the annual periods presented. The actual claims against the liability at December 2013 may vary significantly from the Corporation's best estimate due to material variances in the foregoing assumptions.

The Guarantee Pricing Liability for the years 2011 and 2012 was computed in a similar manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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13. NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS

This represents units issued by the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund, the US\$ Income Fund and the North American Fund. The units issued by each of the foregoing Funds may be redeemed by unit holders of the Funds at any time. Each fund is primarily responsible for redemption of its units out of its assets. The Corporation is committed to making good any shortfall that may arise.

The units in the locally domiciled funds and the North American Fund are treated as equity instruments in their financial statements in accordance with IAS 32.16A to 16D.

However as required by IAS 32: AG29, the units are treated as a liability in these Consolidated Financial Statements. An analysis of Net Assets attributable to unit holders is provided below.

	2013	2012	2011
	\$'000	\$'000	\$'000
Initial Capital Growth and Income Fund	4,766	4,766	4,766
Unit Capital Growth and Income Fund	4,433,321	3,743,679	3,315,429
Unit Capital TT\$ Income Fund	10,662,594	11,203,766	10,602,655
Unit Capital Universal Retirement Fund	257,348	212,709	186,917
Unit Capital US\$ Income Fund	3,900,078	4,578,223	4,166,057
Sub-total locally domiciled funds	19,258,107	19,743,143	18,275,824
Unit Trust Corporation (Cayman) SPC Limited	5,989	41,135	56,547
North American Fund	50,227	47,003	46,781
Sub-total corporate bodies	56,216	88,138	103,328
Net assets attributable to non-group interests	19,314,323	19,831,281	18,379,152

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13. Net assets attributable to non-group interests (continued)

ANALYSIS OF NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS	2013 \$'000	2012 \$'000	2011 \$'000
Cash and cash equivalents	3,737,884	6,660,727	2,284,987
Receivables	331,203	804,239	1,033,661
Investment Securities	15,570,862	13,050,860	15,891,897
Total assets	19,639,949	20,515,826	19,210,545
Less: Liabilities	(156,364)	(507,958)	(670,312)
Less: Group holdings in UTC (Cayman) SPC and North American Fund	(169,262)	(176,587)	(161,081)
Net Assets attributable to non-group interests	19,314,323	19,831,281	18,379,152

Initial Capital represents the capital subscribed by the Initial Contributors, in accordance with Section 17 of the Act. The subscriptions were invested in the Growth and Income Fund. Initial Capital at 31 December, 2013 was \$4.8 million (2012: \$4.8 million; 2011 \$4.8 million).

Unit Capital represents the Net Asset Value of the four (4) investment funds domiciled in Trinidad and Tobago at the reporting dates. In respect of the Growth and Income Fund (First Unit Scheme), this excludes the acquisition cost of the units issued in respect of Initial Capital.

Financial information is provided for the locally domiciled entities represented above in Notes 35-38.

Unit Trust Corporation (Cayman) SPC Limited discontinued operations on 29 November 2013 (see Note 27). Summarized information for the North American Fund is provided in Note 39.

14. STATUTORY RESERVES

In accordance with Section 59(3)(d)(iii) of the Securities Industry Act, Chapter 83:02 and Section 12(1)(a) and (b) of the Securities Industry By-Laws, Chapter 83:02, a reserve of \$5 million was established to satisfy the capital requirements for registration as an Underwriter and \$50,000 for registration as an Investment Adviser.

15. REVALUATION RESERVE

The Revaluation Reserve reflects un-realized capital appreciation and depreciation from changes in the fair values of available-for-sale financial instruments and foreign currency translation differences related to such financial instruments. The revaluation of the investments held by the Investment Funds is reflected in the line item Net assets attributable to non-group interests and is not included in this Revaluation Reserve.

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16. INVESTMENT INCOME – INVESTMENT FUNDS

The Investment Income of the Funds reported in the Consolidated Statement of Profit or Loss excludes transfers from the Corporation. During 2013 the Corporation transferred income in the amount of \$2.65 million to the Growth and Income Fund (2012: \$178 million to the US\$ Income Fund).

17. NET INVESTMENT INCOME – GROUP OPERATIONS

Net Investment Income includes the contribution to revenue from Treasury operations and the corporate subsidiaries. It comprises the following:

	2013	2012
	\$'000	\$'000
Net Investment Income		
Interest and Other Fee Income	732,020	867,198
Interest Expense and Other Charges	(44,984)	(51,132)
Total	687,036	816,066

18. REALIZED GAINS RE-CLASSIFIED FROM EQUITY

Un-realized gains in the amount of \$392 million were recognized in equity on the revaluation of available-for-sale bonds during 2012. On receipt of principal repayments and on disposal of available-for-sale bonds, the relevant portion of the un-realized gains in equity is re-classified to the Consolidated Statement of Profit or Loss. The total un-realized gains re-classified from equity to the Consolidated Statement of Profit or Loss was \$55 million (2012: \$155 million).

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19. IMPAIRMENT

Two (2) of the locally domiciled funds did not impair certain equity investments in their portfolios in periods prior to 2013. In accordance with International Accounting Standards 8 - Accounting Policies, Changes in Accounting Estimates and Errors - these have been corrected retrospectively in 2011 (\$86.0 million) and 2012 (\$20.3 million). Accordingly, the Consolidated Financial Statements for 2011 and 2012 have been restated. A summary of the impairment charges for 2013 and the revised impairment charges for the years 2011 and 2012 follows.

Entity	2013 \$'000	2012 \$'000	2011 \$'000
Growth and Income Fund	80,952	39,183	80,597
TT\$ Income Fund	12,216	79,434	-
Universal Retirement Fund	2,387	4,830	5,383
US\$ Income Fund	33,443	211,017	-
Sub-total	128,998	334,464	85,980
Corporation	36,421	160	-
Total	165,419	334,624	85,980

A significant portion of the impairment charges recognized represents amounts previously recognized as un-realised losses on available-for-sale assets in the equity of the respective funds. Accordingly, recognition of those impairment losses in the Profit or Loss Account did not impact the carrying value of the assets in the respective Funds and consequently had no impact on the Net Asset Value (NAV) of the Funds. The impairment charges are analyzed to show those amounts that affected the carrying value of the assets.

	2013 \$'000	2012 \$'000	2011 \$'000
Impairments which reduced the carrying value of assets	96,486	296,272	-
Impairments which did not impact the carrying value of assets	68,933	38,352	85,980
Total	165,419	334,624	85,980

The impairment charges are analyzed by IAS 39 classification below.

	2013 \$'000	2012 \$'000	2011 \$'000
Available-for-sale	116,884	38,352	85,980
Held-to-maturity	48,535	296,272	-
Total	165,419	334,624	85,980

The carrying value of the assets impaired and the fair value of collateral held are provided below.

	2013 \$'000	2012 \$'000	2011 \$'000
Carrying value of impaired investments	222,427	359,025	303,190
Fair value of collateral held for impaired investments	-	-	-

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20. ADMINISTRATIVE EXPENSES

Administrative expenses comprised:

	2013 \$'000	2012 \$'000
Audit fees	668	763
Bank charges	2,033	2,062
Building maintenance	5,304	4,522
Directors' fees	1,762	1,686
General administration	43,238	45,214
Insurance	2,341	2,410
Impairment– non-financial assets	7,339	5,085
Marketing and advertising	9,148	12,640
Professional services	12,382	30,359
Rental of premises	6,205	5,702
Security	12,478	12,639
Staff costs (Note 25)	109,496	100,052
Total	212,394	223,134

21. FINANCE CHARGES

	2013 \$'000	2012 \$'000
Long-term bonds (Note 7)	73	119

22. MANAGEMENT CHARGE

The Corporation, in accordance with the regulations governing the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund and the US\$ Income Fund, may charge a management fee of up to 2% on the value of the funds under management. The average rate of management charge for the year was 1.53% (2012: 1.6%).

Management charge is eliminated on consolidation. Management charge eliminated for the years ended 31 December 2013 and 31 December 2012 follows:

	2013 \$'000	2012 \$'000
Growth and Income Fund	81,209	72,687
TT\$ Income Fund	159,028	200,257
Universal Retirement Fund	4,787	4,128
US\$ Income Fund	36,734	30,323
Total	281,758	307,395

In addition to the management charge of \$281.8 million, the Group earned management charge of \$3.0 million (2012: \$2.6 million) from its foreign investment portfolios and other funds under management. Management Charge from third party funds under management is recognized in the Consolidated Statement of Profit or Loss.

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23. RESTRICTED ASSETS

The Group, in keeping with best practice and legislation, has no access to the investment securities, cash holdings, cash flows or other assets of the Funds. The Funds are by nature Collective Investment Schemes and as such the assets, including cash, are ring-fenced and used exclusively for the interests of the unit holders/shareholders. The Tables below analyze the significant line items in the Consolidated Statement of Financial Position which include assets that are not available to the Group.

Particulars	2013 \$'000	2012 \$'000	2011 \$'000
Cash and Cash Equivalents (see Note 3)	4,375,210	7,309,235	2,629,830
Restricted Cash and Cash Equivalents	(3,738,430)	(6,661,267)	(2,285,527)
Available to Group without restriction	636,780	647,968	344,303

Particulars	2013 \$'000	2012 \$'000	2011 \$'000
Receivables	170,374	236,665	466,202
Restricted Receivables	(159,575)	(175,448)	(443,430)
Available to Group without restriction	10,799	61,217	22,772

Particulars	2013 \$'000	2012 \$'000	2011 \$'000
Investment Securities (see Note 4)	17,026,057	14,933,910	17,961,885
Restricted Investment Securities	(15,622,604)	(13,101,052)	(15,376,447)
Available to Group without restriction	1,403,453	1,832,858	2,585,438

24. FOREIGN EXCHANGE GAINS / (LOSSES)

The exchange differences credited to the Consolidated Statement of Profit or Loss are included in Other Income as follows:

	2013 \$'000	2012 \$'000
Foreign exchange gains	1,988	1,618

25. STAFF COSTS

	2013 \$'000	2012 \$'000
<i>Salaries and benefits</i>	97,737	89,052
<i>Pension costs</i>	7,849	7,536
<i>National insurance</i>	3,910	3,464
Total	109,496	100,052
Number of employees	497	495

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26. DISTRIBUTIONS

	2013	2012
	\$'000	\$'000
Growth and Income Fund	31,259	73,758
TT\$ Income Fund	125,206	143,848
US\$ Income Fund	42,159	41,253
Total	198,624	258,859

(a) **Growth and Income Fund**

The Growth and Income Fund paid \$31.3 million to its unit holders in respect of its June 2013 and December 2013 distributions (2012: \$73.8 million). Included in the \$31.3 million referred to, are distributions to Initial Capital Contributors of \$0.1 million (2012: \$0.3 million).

(b) **TT\$ Income Fund**

The TT\$ Income Fund makes quarterly distributions at the end of February, May, August and November. Income accrued at 31 December, 2013 for distribution in the quarter ending 28 February, 2014 amounted to \$13.7 million (2012: \$12.6 million).

(c) **US\$ Income Fund**

Distributions in the US\$ Income Fund are paid by calendar quarters.

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27. DISCONTINUED OPERATIONS

Unit Trust Corporation (Cayman) SPC Limited

On 28 October, 2013, the Board of Unit Trust Corporation (Cayman) SPC Limited, a subsidiary of the Corporation, decided to close the five (5) funds under its management. The assets of the funds were liquidated and investors' units redeemed by 29 November, 2013 when the funds were officially closed. At 31 December, 2013 the company was inactive.

Financial information for the Unit Trust Corporation (Cayman) SPC Limited (after eliminations for the financial years ended 31 December, 2013 and 31 December, 2012) is presented below.

Year	2013	2012
	\$'000	\$'000
Total Revenues and other income	9,880	1,521
Expenses	(2,004)	(1,454)
Profit before interest and taxation	7,876	67
Taxes	(240)	(349)
Discontinued operations – UTC (Cayman) SPC Limited	7,636	(282)

A summary of the cash flows of Unit Trust Corporation (Cayman) SPC Limited is provided below:

Year	2013	2012
	\$'000	\$'000
Net cash (used in) / provided by operating activities	(976)	4,245
Net cash provided by / (used in) investing activities	67,595	(2,472)
Net cash used in financing activities	(71,824)	(10,639)

Merchant Banking Department

An issue arose during 2013 with respect to the interpretation of certain clauses of the Sales Agreement governing the 2011 disposal of the Merchant Bank Portfolio. The issue was resolved and the Corporation agreed to absorb one-off costs in the amount of \$1.762 million.

Summary	2013	2012
	\$'000	\$'000
Gain/(Loss) on disposal - UTC (Cayman) SPC Limited	7,636	(282)
2011 Disposal expenses - Merchant Bank Portfolio	(1,762)	-
Total Discontinued Operations	5,874	(282)

28. FINANCIAL RISK MANAGEMENT

The Group's Collective Investment Schemes and proprietary investment activities expose it to a variety of financial risks, including security price risk, interest rate risk (fair value and cash flow), foreign exchange rate risk, credit risk and liquidity risk.

The Group's overall risk management programme seeks to minimize the potentially adverse effects which the unpredictability of the financial markets could have on the Group's financial performance.

The Board of Directors of the Trinidad and Tobago Unit Trust Corporation has overall responsibility for the management of the financial, operational and business risks. The Board is critically assisted in this regard by its Audit, Risk & Compliance Committee (ARCC). The ARCC meets quarterly in order to:

- i. ensure that the overall risk profile and policy environment of the Corporation is consistent with its strategic objectives;
- ii. oversee/review the key internal control systems affecting the Corporation's significant operating activities, and
- iii. consider the specific risk issues highlighted by the Management Risk Committee, which is a management committee comprising the Corporation's executive leadership and chaired by the Executive Director.

The Management Risk Committee is supported in its deliberations by the Risk Management Department led by the Vice President - Risk. The Risk Management Department facilitates risk management policy setting, scenario and stress testing and risk exposure monitoring across all business and operating activities.

The Risk Management Department, in consultation with relevant line management, may also make recommendations for the management and mitigation of financial and other risks. The Risk Management Department is directed by and reports to the ARCC.

In addition, the Investment Committee of the Board approves each Collective Investment Scheme's investment policy statement which takes into account risk management considerations for the investment portfolios.

The financial risk management disclosures which follow focus on the investment activities of the Corporation's Collective Investment Scheme products (the Growth & Income Fund, the TT\$ Income Fund, the US\$ Income Fund, the Universal Retirement Fund and the UTC North American Fund), as well as the Corporation's investment activities.

28. Financial Risk Management *(continued)***Strategy in using financial instruments**

Financial risks arise from the acquisition of various classes of financial instruments including equity and debt instruments (traded and non-traded). With regard to the Collective Investment Schemes, the Corporation's practice is to acquire financial assets that provide consistent risk-adjusted returns relative to the specific investment objectives of the individual portfolios. In general, the investment activities of the Funds involve taking long positions in securities with a focus on medium term performance as opposed to short-term gains-taking. The Collective Investment Schemes neither use leverage nor sell securities short and have no financial liabilities arising out of their investment activities.

In respect of its Treasury function, the Corporation's strategy focuses on cash management while earning intermediation income via the interest spread of its financial assets over its associated funding instruments.

Equity price risk

The Group may acquire equity instruments that are exposed to fluctuations in market value. These exposures create equity price risk for the portfolios and may contribute to substantial volatility in the value of the portfolios' net assets. This risk is managed via careful asset allocation and security selection within specified limits.

Key influences on the asset allocation decision include domestic as well as global economic and financial market trends. In the case of equity, the security selection decision is typically influenced by consideration of fundamental and technical valuation factors as well as by the instrument's historical price sensitivity to the stock market, otherwise known as its beta. The amount of a particular security eventually acquired takes into account the need to maintain appropriate levels of diversification at the overall portfolio level.

The equity price risk exposure of the portfolios is monitored and measured via categorization of the stocks by their beta. Stocks that have a beta of 1 would change by approximately 1% for every 1% move in the overall stock market. By contrast, a stock with a beta of 0.5 would change by approximately 0.5% for every 1% change in the market while a stock with a beta of 1.5 would change by approximately 1.5% for every 1% change in the market.

A stock with a beta below 0.9 is considered to have low equity price risk relative to the overall market whereas a stock with a beta above 1.1 is considered to have high equity price risk relative to the overall market. A stock with a beta between 0.9 and 1.1 is regarded as having equity price risk comparable to the overall market.

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28. Financial Risk Management (continued)

Equity price risk (continued)

The categorization of the Group's equity holdings is provided below both in dollar terms and as a percentage of total equity holdings of the Group:

	Lower than market	Comparable to market	Higher than market
	\$'000	\$'000	\$'000
At 31 December, 2013	1,915,048	1,074,526	428,817
	56.0%	31.4%	12.5%
At 31 December, 2012	1,464,405	919,487	350,140
	53.6%	33.6%	12.8%

The following table presents the approximate sensitivity of the net asset value of the Group to a 5% change in the TTSE Composite Index and the S&P 500 Composite Index respectively as at 31 December, 2013 and 31 December, 2012 with all other variables held constant.

	31 December, 2013	31 December, 2012
TTSE Composite Index	65.9 million	76.1 million
S&P 500 Composite Index	63.1 million	42.9 million

Interest rate risk

The Group's holdings of listed and unlisted debt instruments are exposed to movements in market rates of interest. In general, rising interest rates expose the portfolios to deterioration in net assets arising out of lower carrying values for bonds (fair value interest rate risk). Conversely, falling interest rates can expose the portfolios to potential diminution in earnings on variable rate instruments (cash flow interest rate risk).

Given the general offsetting effect of exposures to fair value interest rate risk and cash flow interest rate risk, the overall interest rate risk is managed by making judicious adjustments of the overall weighted average term to maturity (i.e. duration) based on the relevant economic and financial market outlook. Management monitors the duration of the portfolios by segregating the fixed income securities by the earlier of contractual maturity or interest rate reset dates that are less than or equal to one year, greater than one year but less than five years, and greater than or equal to five years. The degree of interest rate sensitivity in the overall portfolio is then reflected by the relative proportions in the given maturity terms/interest rate reset frequencies.

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28. Financial Risk Management *(continued)***Interest rate risk** *(continued)*

As at 31 December, 2013, the Group's TT dollar denominated fixed income positions were primarily categorized as held-to-maturity and as a consequence, changes in long term TT dollar interest rates would not have materially affected the Group's net income or net worth given that this category of financial asset is always carried at amortized cost in accordance with IFRS.

On the other hand, a number of US dollar denominated fixed income positions held by the local TT domiciled Funds are categorized as available-for-sale and as such changes in long term US dollar interest rates would affect the net assets attributable to non-group unit holders given that this category of financial asset is always carried at fair value in accordance with IFRS.

In addition, the North American Fund's US dollar denominated fixed income position is exclusively categorized as available-for-sale and as a consequence, changes in US dollar interest rates would have materially affected the net assets of the portfolio given that this category of financial asset is always carried at fair value in accordance with IFRS.

The Corporation's proprietary interest bearing asset and liability positions are exposed to movements in market rates of interest.

A surplus of interest bearing assets in relation to interest bearing liabilities exposes intermediation earnings to declines in market interest rates. Conversely, a deficit of interest bearing assets in relation to interest bearing liabilities exposes intermediation earnings to increases in market interest rates.

In general, the Corporation focuses on controlling the rate re-pricing mismatch between its proprietary assets and liabilities so as to maintain a stable, consistent spread over its cost of funds. This is achieved by maintaining a reasonably substantial variable rate asset portfolio, by active management of the maturity profile of funding instruments and by holding a minimum level of readily tradable assets.

The interest rate re-pricing exposures (as defined by the earlier of the contractual maturity or interest fixing date for each instrument) of Group's assets and liabilities are provided below as at 31 December, 2013 and 31 December, 2012:

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28. Financial Risk Management (continued)

Interest rate risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
At 31 December, 2013					
Assets					
Cash & Cash Equivalents	4,321,067	-	-	-	4,321,067
Money Market Instruments	1,481,345	-	-	-	1,481,345
Fixed Income Securities	2,112,613	1,282,550	1,781,090	-	5,176,253
Equities & Mutual Funds	112,894	14,011	15,112	2,014	144,031
Other Assets	468,104	-	-	-	468,104
Liabilities					
Financial Instruments	(1,174,898)	-	-	-	(1,174,898)
Other Liabilities	(133,789)	-	-	-	(133,789)
Net assets attributable to unitholders	-	-	-	(17,579,017)	(17,579,017)
Rate Re-pricing Position	7,187,336	1,296,561	1,796,202	(17,577,003)	(7,296,904)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
At 31 December, 2012					
Assets					
Cash & Cash Equivalents	9,550,865	-	-	-	9,550,865
Money Market Instruments	2,156,765	-	-	-	2,156,765
Fixed Income Securities	4,228,153	1,956,390	3,417,597	-	9,602,140
Equities & Mutual Funds	225,719	1,353	34,905	391,782	653,759
Liabilities					
Financial Instruments	(1,577,918)	-	(2,459)	-	(1,580,377)
Other Liabilities	(443,692)	(7,886)	-	-	(451,578)
Net assets attributable to unitholders	-	-	-	(18,499,810)	(18,499,810)
Rate Re-pricing Position	14,139,892	1,949,857	3,450,043	(18,108,028)	1,431,764

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28. Financial Risk Management (continued)

Interest rate risk (continued)

Given the above rate re-pricing profile, a change in long term US interest rates, with all other variables held constant, by 1% increase and decrease as at 31 December, 2013 and 31 December, 2012 would have had the following estimated impact on the net assets attributable to unit holders:

	31 December, 2013	31 December, 2012
100 basis point increase	(\$35.59 million)	(\$42.39 million)
100 basis point decrease	\$37.45 million	\$41.82 million

Further, a change in short term market rates of interest of 1% effective from 31 December, 2013 would have modified net interest income of the proprietary net assets over the coming twelve months by an estimated TT\$2.2 million (2012: TT\$1.8 million) with all other variables held constant.

Exchange rate risk

The value of the net assets of the portfolios may fluctuate with changes in foreign exchange rates. As a consequence, the value of the net assets and/or earnings of the TT\$ denominated portfolios could increase or decrease in value due to exchange rate fluctuations of individual currencies relative to the TT dollar. This risk is managed by restricting non-TT dollar holdings in the individual Funds to an appropriate proportion of net assets. The primary foreign exchange exposure in the Investment Funds is to the US\$/TT\$ exchange rate given the negligible holdings of other currencies in the portfolios.

The material foreign currency assets and liabilities of the Group as at 31 December, 2013 and 31 December, 2012 are provided below.

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28. Financial Risk Management (continued)

Exchange rate risk (continued)

	At 31 December, 2013		At 31 December, 2012	
	US\$	Other	US\$	Other
	(Presented in TT\$)		(Presented in TT\$)	
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash & Cash Equivalents	1,033,928	-	2,608,593	-
Money Market Instruments	671,827	-	1,046,303	-
Fixed Income Securities	5,112,574	-	941,637	-
Equities & Mutual Funds	1,628,993	-	1,482,623	14,668
Liabilities				
Financial Instruments	(801,539)	-	(912,678)	-
Other liabilities	-	-	(13,587)	-
Net assets attributable to unitholders	(3,858,329)	-	(4,504,255)	-
Total	3,787,455	-	648,636	14,668

A 1% change in the TT dollar relative to the US dollar would have changed the net assets of the Group as at 31 December, 2013 and 31 December, 2012 as follows:

	2013	2012
	\$'000	\$'000
Change in net assets	37,875	6,486

Credit risk

The Group's holdings of debt instruments expose it to the risk that issuers or counterparties may default on their financial obligations, that is, fail to make full timely payments of scheduled interest and/or principal sums. Default risk has the potential to lower net asset value or fund earnings in the event that part or all of the scheduled cash flows become uncollectible after being past due for an extended period of time. This risk of loss may be tempered by the availability of realizable collateral that enhances the potential recovery value on the debt instrument.

Default risk is managed at the outset by subjecting all issuers/counterparties to a robust credit risk assessment process that results in the assignment of a credit score or rating. The acquisition or retention of a debt issue is subject to the credit rating limits and constraints contained in each member of the Group's investment policy statement, and any other relevant factors. It is the Corporation's policy that a credit rating review of each issuer/counterparty be performed at least annually.

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28. Financial Risk Management (continued)

Credit risk (continued)

The overall Group exposure to default risk is measured by monitoring the relative credit quality of the issuers making up the fixed income portfolio. Issuers/counterparties that are rated at least BBB- equivalent by international credit rating agencies or that have an internally determined credit score consistent with such a credit rating are deemed to have a high credit quality. Issuers/counterparties that are rated CCC equivalent and below by international agencies or have an internally determined score consistent with such a rating or that are past due or otherwise distressed or that are exposed to considerable short-term economic/industry/project risk are all deemed low credit quality. All other issuers/counterparties are considered to be of moderate credit quality.

The internal credit quality rating is mapped to comparable external rating grades as per the following table:

Agency	High							Moderate						Low			
S&P	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+ and below
Moody's	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 and below
Fitch	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC and below
CariCris	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	C+ and below

The credit quality of the Group's fixed income portfolio is given below:

	High \$'000	Moderate \$'000	Low \$'000	Total \$'000
At 31 December, 2013				
Cash & Cash Equivalents	3,737,875	-	-	3,737,875
Debt instruments – traded	3,528,228	183,060	101,389	3,812,677
Debt instruments – non-traded	<u>6,914,652</u>	<u>1,094,458</u>	<u>317,200</u>	<u>8,326,310</u>
	14,180,755	1,277,518	418,589	15,876,862
At 31 December, 2012				
Cash & Cash Equivalents	9,035,320	-	-	9,035,320
Debt instruments – traded	1,737,193	106,905	6,369	1,850,467
Debt instruments – non-traded	<u>5,605,803</u>	<u>112,018</u>	<u>420,318</u>	<u>6,138,139</u>
	16,378,316	218,923	426,687	17,023,926

During the course of its proprietary investment activities, the Corporation may incur credit exposures through its fixed income securities and cash holdings.

Except for a single instrument with a carrying value of approximately \$6.7 million, which has been deemed to be of low credit quality, substantially all of the Corporation's fixed income exposures, totalling roughly \$1.4 billion as at 31 December, 2013, were with issuers/counterparties of a high credit quality - i.e. rated at least BBB- equivalent by international credit rating agencies or having an internally determined credit score consistent with such a credit rating.

Past due, impaired or other distressed investments held by the Group are monitored by management and reported to the Management Risk Committee, the Investment Committee and the Board. The carrying values of assets past due but not impaired at the 2013 and 2012 year ends for the Group are as follows:

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28. Financial Risk Management (continued)

Credit risk (continued)

<u>Days past due as at</u>	1-30 days	31-90 days	91-180 days	Over 180 days
	\$'000	\$'000	\$'000	\$'000
31 December, 2013	-	-	-	-
31 December, 2012	-	-	-	54,122

Impaired assets

Impairment charges are computed in accordance with IFRS and the Group's accounting policies. In summary, an asset is considered impaired where there is no longer reasonable assurance of collection (within the contractually established timeframe) of the full amount of principal and interest due to deterioration in the credit quality of the counterparty or any other factor which may affect contractual performance. In other words, an asset is impaired if its estimated recoverable amount is less than its carrying amount.

The Corporation's accounting policies require review for impairment of all financial assets at each reporting period or more regularly when individual circumstances require. The assessment includes a review of the collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that financial asset.

During the course of 2013 and 2012, the impairment charges recognized are summarized in the following Table.

	2013	2012
	\$'000	\$'000
Impairment	165,419	334,624

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet payment obligations associated with its financial liabilities when they fall due. The Corporation's treasury management activities include: (i) daily monitoring of future cash flow requirements; (ii) maintenance of a portfolio of investments that can be easily liquidated as protection against any unforeseen interruptions to cash flow, and (iii) management of the concentration and profile of debt maturities.

Units in the Growth & Income Fund, the TT\$ Income Fund and the US\$ Income Fund are redeemable upon demand by investors. This is also true of the fund products issued by the North American Fund. Consequently, these Funds are exposed to daily unit redemptions. The Funds mitigate this risk by maintaining adequate portfolio liquidity through appropriate cash, near cash and other short-term investments. Given the tradable nature of a substantial proportion of the Fund portfolios, this risk is not deemed significant.

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28. Financial Risk Management (continued)

The following Table presents cash flows payable by the Group for financial liabilities. The amounts disclosed in the Table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2013			
Sinking Fund Liabilities	-	-	-
Financial Instruments	1,174,898	-	-
Net assets attributable to unit holders	14,596,760	-	-
Total	15,771,658	-	-

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2012			
Sinking Fund Liabilities	5,701	7,866	-
Financial Instruments	1,577,918	-	2,459
Net assets attributable to unit holders	15,771,659	-	-
Total	17,355,278	7,866	2,459

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29. INTERESTS CORPORATE ENTITIES

a) Local Corporate Entities

The Corporation established three (3) wholly-owned local subsidiary companies incorporated under the Companies Act 81:01 of the Laws of the Republic of Trinidad and Tobago as follows:

Company	Interest	Principal Place of business	Date of Incorporation
UTC Financial Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	23 March, 1999
UTC Trust Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	2 June, 1999
UTC Property Holdings Limited	100%	82, Independence Square, Port of Spain, Trinidad	18 June, 2002

All the directors of these three companies are directors of the Corporation.

UTC Financial Services Limited carries on the business of a registrar and paying agent.

UTC Trust Services Limited was activated in 2012 and is the registered Trustee for certain bonds.

UTC Property Holdings Limited currently owns buildings constructed for rental to the Corporation to house its investment centres.

The assets, liabilities and results of these subsidiaries have been fully incorporated in these financial statements.

The auditor for UTC Property Holdings Limited and UTC Financial Services Limited is PricewaterhouseCoopers.

(b) Foreign Corporate Entities

The Corporation has four (4) foreign subsidiaries. These are:

Company	Interest	Date of Incorporation	Country of Incorporation
UTC Fund Services, Inc.	100%	8 December, 1997	Delaware, USA
UTC Financial Services USA, Inc.	100%	8 June, 1999	Rhode Island, USA
UTC Energy Investment Limited	90%	31 May, 2007	Delaware, USA
UTC North American Fund Inc.	71%	24 October, 1990	Maryland, USA

The auditors of these foreign subsidiaries are as follows:

Company	Auditors
UTC Financial Services USA, Inc.	Mayer Hoffman McCann P.C. (formerly Kirkland, Russ, Murphy & Tapp, USA)
UTC North American Fund Inc.	Cohen Fund Audit Services, Cleveland, Ohio

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29. Interests Corporate Entities (continued)

UTC Energy Investment Limited and UTC Fund Services Inc. are not engaged in activities that require treatment as publicly traded entities and do not require audited statements for any regulatory purpose.

UTC Energy Investment Limited was incorporated in 2007 under the laws of Delaware, USA. The Corporation holds 90% of the capital of this company and the Growth and Income Fund holds the remaining 10%. All of the assets of this subsidiary are reported on the Consolidated Statement of Financial Position.

UTC Fund Services Inc. was inactive from its incorporation until 1 March, 2009 when it began operations as the investment advisor to the UTC North American Fund Inc.

UTC North American Fund Inc. is registered as an open-end, diversified, management investment company under the Investment Act of 1940 of the United States of America, as amended.

30. RELATED-PARTY TRANSACTIONS

Related parties are individuals or entities that are related to the Corporation. An individual is related to the Corporation when that individual or a close member of that individual's family either:

- i. has significant influence over the Corporation; or
- ii. is a key member of the management of the Corporation.

An entity is related to the Corporation because the entity is a subsidiary of the Corporation, is an associate of the Corporation, is in a joint venture with the Corporation or participates in a post-employment benefit plan of either the Corporation or one of its related entities.

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

	2013	2012
	\$'000	\$'000
Loans		
Key management personnel of the Group	2,159	2,027
Represented by:		
Balance at beginning of year	2,027	957
Loans advanced during year	1,250	1,626
Loan repayments received during year	(1,118)	(556)
Interest Income during year	96	50
Interest received during year	(96)	(50)
Balance at end of year	2,159	2,027
Key Management compensation		
Salaries and other short-term benefits	20,500	17,583
Consultancy fees		
Consultancy fees to directors	1,286	1,527
Deposits held by directors and key management personnel	8,224	6,869
Sale of assets to a director	168	--

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31. RE-STATEMENTS AND RE-CLASSIFICATIONS

(i) Summary of adjustments to the 2012 Consolidated Statement of Financial Position

	Previously Reported	IFRS 10 adjustments	Recognition of Liability	Impairment	As Restated
Impact on Assets and Liabilities	\$'000	\$'000	\$'000	\$'000	\$'000
Investment Funds	19,568,046	(19,568,046)	-	-	-
Cash and cash equivalents	615,584	6,693,651	-	-	7,309,235
Receivables	245,295	(8,630)	-	-	236,665
Prepayments and other assets	23,653	-	-	-	23,653
Investment securities	2,145,254	12,788,656	-	-	14,933,910
Property, plant and equipment	172,260	-	-	-	172,260
Intangible assets	16,015	-	-	-	16,015
Accounts payable & short-term liabilities	(248,370)	206,368	-	-	(42,002)
Other liabilities	(10,033)	(16,162)	-	-	(26,195)
Financial instruments	(1,580,377)	1,216	-	-	(1,579,161)
Distribution payable	-	(73,436)	-	-	(73,436)
Deferred income tax liability	(4,209)	-	-	-	(4,209)
Sinking fund liability	(13,587)	-	-	-	(13,587)
Pension and other post-retirement liabilities	(4,646)	-	(9,710)	-	(14,356)
Guarantee pricing liability	-	-	(16,837)	-	(16,837)
Net assets attributable to non-group unit holders	-	(19,831,281)	-	-	(19,831,281)
	20,924,885	(19,807,664)	(26,547)	-	1,090,674
	\$'000	\$'000	\$'000	\$'000	\$'000
Initial capital	(4,766)	4,766	-	-	-
Unit capital	(19,563,280)	19,563,280	-	-	-
Fund reserves	(151,480)	151,480	-	-	-
Statutory reserves	(5,050)	-	-	-	(5,050)
Revaluation reserves	(253,391)	-	(47)	-	(253,438)
Retained income	(858,780)	-	26,594	-	(832,186)
Non-controlling interest	(88,138)	88,138	-	-	-
Total	(20,924,885)	19,807,664	26,547	-	(1,090,674)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
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31. Re-statements and Re-classifications (continued)

(ii) Summary of adjustments to the 2012 Consolidated Statement of Profit or Loss

	Previously Reported	IFRS 10 adjustments	Recognition of Liabilities	Impairments / Discontinued Operations	As Restated
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME					
Investment Income -					
Growth & Income	235,015	(112)	-	-	234,903
TT\$ Income Fund	440,894	(5)	-	-	440,889
Universal Retirement Fund	12,136	-	-	-	12,136
US\$ Income Fund	126,949	(28,589)	-	-	98,360
Net Investment Income –Group operations	31,299	-	-	(1,521)	29,778
Realized Gains re-classified from equity	154,989	-	-	-	154,989
Initial Charge	8,818	-	-	-	8,818
Other Income	23,720	-	-	949	24,669
TOTAL INCOME	1,033,820	(28,706)	-	(572)	1,004,542
EXPENSES					
Commissions	(17,368)	-	-	-	(17,368)
Impairment	(314,322)	-	-	(20,302)	(334,624)
Administrative	(222,471)	-	(1,169)	506	(223,134)
Depreciation and amortization	(20,571)	-	-	-	(20,571)
Sinking fund expense	(5,782)	-	-	-	(5,782)
TOTAL EXPENSES	(580,514)	-	(1,169)	(19,796)	(601,479)
Sub-total	453,306	(28,706)	(1,169)	(20,368)	403,063
Finance Charge	(235)	116	-	-	(119)
Guarantee pricing - net expenditure	-	-	17,449	-	17,449
Net income attributable to non-group unit holders	-	(302,452)	-	-	(302,452)
Undistributed income at start of year	7,443	(7,443)	-	-	-
Distributions	(258,859)	258,859	-	-	-
Transfer to reserves	(76,729)	76,729	-	-	-
Income capitalized	(5,883)	5,883	-	-	-
Undistributed income	(13,522)	13,522	-	-	-
NET INCOME BEFORE TAXATION	105,521	16,508	16,280	(20,368)	117,941
Taxation	(7,287)	-	-	349	(6,938)
Discontinued operations	-	-	-	(282)	(282)
Net income attributable to non-controlling interests	(3,792)	3,792	-	-	-
NET INCOME FOR THE YEAR	94,442	20,300	16,280	(20,301)	110,721

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
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31. Re-statements and Re-classifications (continued)

(iii) Summary of adjustments to the 2011 Consolidated Statement of Financial Position

	Previously Reported	IFRS 10 adjustments	Recognition of Liabilities	Impairment Financial Assets	As Restated
Impact on Assets and Liabilities	\$'000	\$'000	\$'000	\$'000	\$'000
Investment funds	18,144,849	(18,144,849)	-	-	-
Cash and cash equivalents	308,035	2,321,795	-	-	2,629,830
Receivables	152,504	313,698	-	-	466,202
Prepayments and other assets	24,177	-	-	-	24,177
Investment securities	2,882,455	15,079,430	-	-	17,961,885
Property, plant and equipment	184,322	-	-	-	184,322
Intangible assets	20,829	-	-	-	20,829
Accounts payable & short-term liabilities	(66,167)	(123)	-	-	(66,290)
Other liabilities	(39,690)	(15,808)	-	-	(55,498)
Financial instruments	(2,462,426)	564,745	-	-	(1,897,681)
Distribution payable	-	(101,348)	-	-	(101,348)
Deferred income tax liability	(3,149)	-	-	-	(3,149)
Sinking fund liability	(7,805)	-	-	-	(7,805)
Pension and other post-retirement liabilities	-	-	(8,398)	-	(8,398)
Guarantee pricing liability	-	-	(44,721)	-	(44,721)
Net assets attributable to non-group unit holders	-	(18,379,152)	-	-	(18,379,152)
	19,137,934	(18,361,612)	(53,119)	-	723,203
	\$'000	\$'000	\$'000	\$'000	\$'000
Initial capital	(4,766)	4,766	-	-	-
Unit capital	(18,140,083)	18,140,083	-	-	-
Fund reserves	(113,436)	113,436	-	-	-
Statutory reserves	(5,050)	-	-	-	(5,050)
Revaluation reserves	3,502	-	(190)	-	3,312
Retained income	(774,773)	-	53,308	-	(721,465)
Non-controlling interest	(103,328)	103,328	-	-	-
Total	(19,137,934)	18,361,613	53,118	-	(723,203)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
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31. Re-statements and Re-classifications (continued)

(iv) Impact on cash flows for the year ended 31 December, 2012 on the application of IFRS10

	Previously Reported	IFRS 10 adjustments	As Restated
	\$'000	\$'000	\$'000
Net cash flow from operating activities	155,330	739,553	894,883
Net cash flow from investing activities	978,072	2,495,580	3,473,652
Net cash (used in)/ flow from financing activities	(825,853)	1,136,405	310,552
Net cash inflow	307,549	4,371,538	4,679,087

32. COMMITMENTS

At 31 December, 2013, the Group had contractual obligations for capital contributions under two contracts. Under the first contract there was a capital commitment of \$13.4 million payable over the next five (5) years (2012: \$13.4 million). Under the second contract there was a contractual obligation in the amount of \$20.5 million (2012: \$20.5 million).

33. CONTINGENT LIABILITIES

(a) At 31 December, 2013, there were no legal proceedings outstanding against the Group and as such no provisions were required. The claim which was instituted against the Corporation in 2011 with respect to the Dellis Cay Project was dismissed during 2013.

(b) **Growth and Income Fund Guarantee Pricing Contingent Liability:** the computation of the Contingent Liability under the Growth and Income Fund Price Guarantee for the years 2013, 2012 and 2011 is provided in the table below:

Year	2013 \$'M	2012 \$'M	2011 \$'M
Total Guarantee Pricing Liability	50.4	168.4	447.2
Less: Provision (see Note 12)	(5.0)	(16.8)	(44.7)
Contingent liability	45.4	151.6	402.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars*

34. LOCALLY DOMICILED FUNDS

The four (4) locally domiciled funds controlled by the Corporation, are considered subsidiaries for the purposes of IFRS 10 and are consolidated structured entities for the purposes of IFRS 12. The portfolio values of the locally domiciled funds are shown in the Table below.

	2013 \$'000	2012 \$'000	2011 \$'000
Growth and Income Fund	4,520,770	3,870,392	3,438,025
TT\$ Income Fund	10,835,646	11,394,623	10,981,397
Universal Retirement Fund	262,045	214,872	187,163
US\$ Income Fund	3,931,856	4,701,947	4,315,717
Total assets	19,550,317	20,181,834	18,922,302

The summarized financial information in Notes 35-38 discloses the Corporation's interests in the funds and the arrangements that may require the Corporation to provide financial support to the funds.

35. SUMMARIZED FINANCIAL INFORMATION – GROWTH AND INCOME FUND

The Table below summarizes Financial Information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

35. Summarized Financial Information – Growth and Income Fund (continued)

	2013	Restated	Restated
	\$'000	2012	2011
		\$'000	\$'000
Cash and cash equivalents	403,163	528,529	420,768
Receivables	58,696	47,281	31,640
Investment Securities (see Tables below)	4,058,911	3,294,582	2,985,617
Total assets	4,520,770	3,870,392	3,438,025
Liabilities	82,683	121,947	117,831
Equity	4,438,087	3,748,445	3,320,194
Total liabilities and equity	4,520,770	3,870,392	3,438,025
Investment income	193,433	235,014	176,437
Net income available for distribution	23,193	116,464	25,317
Distribution	(31,259)	(73,758)	(88,896)
Allocations to reserves (see paragraphs below)	(1,000)	(54,000)	(11,000)
Other comprehensive income for the year	444,602	196,262	275,690
Total comprehensive income for the year	435,536	184,968	201,112
Net cash flow from operating activities	53,466	144,123	313,460
Net cash flow used in investing activities	(400,677)	(151,887)	(206,975)
Net cash flow from/(used in) financing activities	221,847	115,525	(13,464)
Net change in cash flows for the year	(125,366)	107,761	93,021

Investment Securities – Growth and Income Fund

The Table below analyses the investment securities held by the Growth and Income Fund.

	2013	2012	2011
	\$'000	\$'000	\$'000
Government Securities	720,527	643,042	507,915
Corporate Securities	236,142	195,940	135,966
Equity (Local and Foreign)	3,072,263	2,455,600	2,272,089
Short-term investments	29,979	-	69,647
Total	4,058,911	3,294,582	2,985,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

35. Summarized Financial Information – Growth and Income Fund (continued)

The table below classifies the investment securities held by the Growth and Income Fund

	2013 \$'000	2012 \$'000	2011 \$'000
Available-for-sale assets	3,072,263	2,537,062	2,353,365
Held to maturity	986,648	757,520	632,252
Total	4,058,911	3,294,582	2,985,617

Growth and Income Fund Guarantee Reserves

In 1984, in accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation established a Guarantee Reserve Fund in respect of the Growth and Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan. During 2013 the Growth and Income Fund made allocations in the amount of \$1.0 million to the Guarantee Reserve. Calls totalling \$7.6 million were made on the Reserve, of which the Corporation met \$6.6 million.

The Corporation has met and will continue to meet any shortfalls in the Guarantee Reserve. In accordance with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets - a provision for this liability has been established (see Note 12).

In 2012 the Board approved the establishment of a Secondary Reserve Facility for the Growth and Income Fund (First Unit Scheme). The Secondary Reserve Facility is funded from: Income of the Growth and Income Fund, and Income of the Corporation. The Secondary Reserve is used to fund requirements for capital reinstatement and/or distribution liabilities of the Growth and Income Fund. A summary of the transactions in each of the Growth and Income Fund Reserves is provided below.

Growth and Income Fund Primary Reserve	2013 \$'000	2012 \$'000	2011 \$'000
Fund reserve as at 1 January	-	10,000	-
Allocation to reserve (Growth and Income Fund)	1,000	1,000	11,000
Call on reserve	(7,634)	(21,435)	(27,371)
Allocation to reserve (Corporation)	6,634	10,435	26,371
Guarantee Reserve as at 31 December	-	-	10,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

35. Summarized Financial Information – Growth and Income Fund (continued) Growth and Income Fund Guarantee Reserves (continued)

Growth and Income Fund Secondary Reserve Facility	2013 \$'000	2012 \$'000	2011 \$'000
Fund reserve as at 1 January	53,000	-	-
Allocation to reserve (Growth and Income Fund)	-	53,000	-
Call on Reserve	(53,000)	-	-
Secondary Reserve as at 31 December	-	53,000	-
Total Growth and Income Fund Reserves as at 31 December	-	53,000	-

The Corporation may from time to time transfer a portion of its income to the secondary reserves of the Growth and Income Fund.

During 2013 the Corporation transferred \$2.65 million (2012: Nil; 2011: Nil) to the Growth and Income Fund to support the December Distribution of the Growth and Income Fund. The Corporation is the sponsor of the Growth and Income Fund and is committed to supporting the fund financially and otherwise as necessary.

More detailed financial information in respect of the Growth and Income Fund may be found in the Additional Information section of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. SUMMARIZED FINANCIAL INFORMATION – TT\$ INCOME FUND

The Table below summarizes Financial Information for the TT\$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

	2013	Restated	Restated
	TT\$'000	2012	2011
		TT\$'000	TT\$'000
Cash and cash equivalents	2,815,569	5,071,626	1,374,500
Receivables	294,932	261,904	627,210
Investment Securities (see Tables below)	7,725,145	6,060,393	8,979,687
Total assets	10,835,646	11,393,923	10,981,397
Liabilities	173,052	190,156	378,742
Equity	10,662,594	11,203,767	10,602,655
Total liabilities and equity	10,836,646	11,393,923	10,981,397
Investment Income	311,825	440,895	360,604
Net income available for distribution	128,006	146,648	191,113
Distributions (see paragraphs below)	(125,206)	(143,848)	(188,313)
Allocations to Reserves	(2,800)	(2,800)	(2,800)
Other comprehensive income for the year	4,860	64,273	(27,859)
Total comprehensive income for the year	4,860	64,273	(27,859)
Net cash flow from operating activities	90,089	402,802	170,520
Net cash (used in)/ flow from investing activities	(1,679,264)	2,904,133	(2,135,129)
Net cash (used in)/ flow from financing activities	(666,882)	390,191	258,504
Net change in cash flows for the year	(2,256,057)	3,697,126	(1,706,105)

The Table below analyses the investment securities held by the TT\$ Income Fund

	2013	2012	2011
	\$'000	\$'000	\$'000
Government Securities	3,083,977	2,332,533	2,804,114
Corporate Securities	3,019,478	2,696,374	2,274,209
Short-term investments	1,621,690	1,031,486	3,901,363
Total	7,725,145	6,060,393	8,979,687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. Summarized Financial Information – TT\$ Income Fund (continued)

The Table below classifies the investment securities held by the TT\$ Income Fund

	2013 \$'000	2012 \$'000	2011 \$'000
Available-for-sale assets	1,428,854	762,524	1,594,423
Held-to-maturity	6,296,291	5,297,869	7,385,263
Total	7,725,145	6,060,393	8,979,687

TT\$ Income Fund Reserves

In accordance with the provisions of Section 13 of the TT\$ Income Fund (Second Unit Scheme) Regulations issued under the Act, the Corporation established two reserves in respect of the TT\$ Income Fund, a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

The Corporation may from time to time transfer a portion of its income to the Reserves of the TT\$ Income Fund.

TT\$ Income Fund – Primary Reserve	2013 \$'000	2012 \$'000	2011 \$'000
Fund reserve as at 1 January	35,582	32,450	29,260
Allocation to primary reserve	2,800	2,800	2,800
Interest earned on the reserve	316	332	390
Primary Reserve as at 31 December	38,698	35,582	32,450

TT\$ Income Fund – Secondary Reserve	2013 \$'000	2012 \$'000	2011 \$'000
Fund reserve as at 1 January	3,546	3,511	3,498
Interest earned on the reserve	30	35	13
Secondary Reserve as at 31 December	3,576	3,546	3,511

Total TT\$ Income Fund Reserves as at 31 December	42,274	39,128	35,961
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The Corporation is the sponsor of the TT\$ Income Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the TT\$ Income Fund were required during 2013.

More detailed financial information in respect of the TT\$ Income Fund may be found in the Additional Information section of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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37. SUMMARIZED FINANCIAL INFORMATION – UNIVERSAL RETIREMENT FUND

The Table below summarizes financial information for the Universal Retirement Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

	2013	Restated	Restated
	\$'000	2012	2011
		\$'000	\$'000
Cash and cash equivalents	17,801	20,444	14,187
Receivables	1,465	1,013	1,598
Investment Securities (see Tables below)	242,779	193,415	171,378
Total assets	262,045	214,872	187,163
Liabilities	4,697	2,164	245
Equity	257,348	212,708	186,918
Total liabilities and equity	262,045	214,872	187,163
Investment Income	16,245	12,135	8,291
Net income/(loss) for capitalization	8,540	2,953	(908)
Other comprehensive income for the year	15,895	14,908	17,533
Total comprehensive income for the year	24,435	17,861	16,625
Net cash flow from operating activities	13,009	10,287	4,992
Net cash flow used in investing activities	(35,856)	(11,960)	(777)
Net cash flow from financing activities	20,205	7,930	7,396
Net change in cash flows for the year	(2,642)	6,257	11,611

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
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37. Summarized Financial Information – Universal Retirement Fund (continued)

The Table below analyses the investment securities held by the Universal Retirement Fund.

	2013 \$'000	2012 \$'000	2011 \$'000
Government Securities	33,596	24,161	20,886
Corporate Securities	35,539	22,843	35,906
Equity (Local and Foreign)	173,644	146,411	114,585
Total	242,779	193,415	171,377

The Table below classifies the investment securities held by the Universal Retirement Fund.

	2013 \$'000	2012 \$'000	2011 \$'000
Available-for-sale assets	199,562	146,411	114,585
Held-to-maturity	43,217	47,004	56,792
Total	242,779	193,415	171,377

The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the Universal Retirement Fund were required during 2013.

More detailed financial information in respect of the Universal Retirement Fund may be found in the Additional Information section of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Expressed in Trinidad and Tobago Dollars

38. SUMMARIZED FINANCIAL INFORMATION – US\$ INCOME FUND

The Table below summarizes Financial Information for the US\$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

	2013 \$'000	2012 \$'000	2011 \$'000
Cash and cash equivalents	501,343	1,034,905	461,180
Receivables	113,011	425,559	347,027
Investment Securities (see Tables below)	3,317,502	3,241,482	3,507,510
Total assets	3,931,856	4,701,947	4,315,717
Liabilities	31,777	123,724	149,660
Equity	3,900,079	4,578,223	4,166,057
Total liabilities and equity	3,931,856	4,701,947	4,315,717
Investment Income	120,131	276,240	150,693
Net income available for distribution	48,672	32,593	87,326
Distributions (see paragraphs below)	(42,159)	(41,253)	(77,561)
Allocations to Reserves	(19,141)	(19,928)	(9,765)
Other comprehensive income for the year	(39,376)	251,300	(155,136)
Total comprehensive (loss)/income for the year	(52,004)	222,712	(155,136)
Net cash flow from operating activities	303,928	139,247	156,164
Net cash (used in)/flow from investing activities	(135,831)	308,201	(172,212)
Net cash (used in)/flow from financing activities	(705,572)	126,065	(58,197)
Net change in cash flows for the year	(537,475)	573,513	(74,245)

The Table below analyses the investment securities held by the US\$ Income Fund

	2013 \$'000	2012 \$'000	2011 \$'000
Government Securities	360,426	318,728	231,155
Corporate Securities	2,354,316	1,886,214	1,649,416
Short-term investments	602,760	1,036,540	1,626,939
Total	3,317,502	3,241,482	3,507,510

The Table below classifies the investment securities held by the US\$ Income Fund

	2013 \$'000	2012 \$'000	2011 \$'000
Available-for-sale assets	2,364,024	1,688,008	2,053,124
Held-to-maturity	953,478	1,553,474	1,454,386
Total	3,317,502	3,241,482	3,507,510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

38. Summarized Financial Information – US\$ Income Fund (continued)

US\$ Income Fund Reserves

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation has established two reserves in respect of the US\$ Income Fund, a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Fund. There was a call on the Primary Reserve during the last quarter of 2012.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

US\$ Income Fund – Primary Reserve	2013 \$'000	2012 \$'000	2011 \$'000
Fund reserve as at 1 January	38,186	58,685	49,411
Allocation to primary reserve	7,654	7,623	7,620
Call on reserve	-	(28,588)	-
Interest earned on the reserve	358	466	1,654
Primary Reserve as at 31 December	46,198	38,186	58,685

US\$ Income Fund – Secondary Reserve	2013 \$'000	2012 \$'000	2011 \$'000
Fund reserve as at 1 January	21,166	8,790	6,624
Allocation to secondary reserve	11,487	12,306	2,145
Call on Reserves	(12,628)	-	-
Interest earned on the reserve	228	70	21
Secondary Reserve as at 31 December	20,253	21,166	8,790

Total US\$ Income Fund Reserves as at 31 December	66,451	59,352	67,475
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The Corporation transferred US\$28 million to the US\$ Income Fund in 2012 to support the December 2012 distribution of the Fund. The Corporation is the sponsor of the US\$ Income Fund and is committed to supporting the Fund financially and otherwise as and when necessary.

More detailed financial information in respect of the US\$ Income Fund may be found in the Additional Information section of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

39. SUMMARIZED FINANCIAL INFORMATION – NORTH AMERICAN FUND

The North American Fund is an investment company organized under Investment Act 1940 of the United States of America. It is controlled by the Corporation with significant shareholding by third parties. The Table below summarizes Financial Information for the North American Fund (before inter-entity eliminations or consolidation adjustments) for the years 2013, 2012 and 2011.

	2013	2012	2011
	\$'000	\$'000	\$'000
Cash and cash equivalents	10	42	1
Receivables & Other Assets	463	858	7,815
Investment Securities (see Tables below)	226,526	197,226	190,587
Total assets	226,999	198,126	198,403
Liabilities	1,522	1,685	8,994
Equity	225,477	196,441	189,409
Total liabilities and equity	226,999	198,126	198,403
Investment Income/(Loss)	23,423	10,410	(1,848)
Net income	18,652	5,534	(6,650)
Distributions	11,690	993	1,469
Other comprehensive income for the year	10,102	5,985	(165)
Net cash flow from/(used in) operating activities	298	497	(6,419)
Net cash flow from investing activities	176	4,133	1,104
Net cash (used in)/flow from financing activities	(507)	(4,589)	3,910
Net change in cash flows for the year	(33)	41	(1,405)

The Table below analyses the investment securities held by the North American Fund.

	2013	2012	2011
	\$'000	\$'000	\$'000
Corporate Securities	26,932	37,679	33,992
Equity (Foreign)	185,328	152,975	143,837
Short-term investments	14,266	6,572	12,758
Total	226,526	197,226	190,587


The Table below classifies the investment securities held by the North American Fund

	2013	2012	2011
	\$'000	\$'000	\$'000
Available-for-sale assets	226,526	197,226	190,587
Held to maturity	-	-	-
Total	226,526	197,226	190,587

The Corporation is the sponsor of the North American Fund and is committed to supporting the Fund financially and otherwise as and when necessary. No transfers to support the North American Fund were required during 2013.

40. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on 26th March, 2014.



**ADDITIONAL
INFORMATION**

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12	Restated 31-Dec-11
	\$ '000	\$ '000	\$ '000
ASSETS			
Investment Securities	4 058 911	3 294 582	2 985 617
Cash and Cash Equivalents	403 163	528 529	420 768
Receivables	58 696	47 281	31 640
TOTAL ASSETS	4 520 770	<u>3 870 392</u>	<u>3 438 025</u>
LIABILITIES			
Accounts Payable	48 255	87 525	102 078
Other Liabilities	34 428	34 422	15 753
TOTAL LIABILITIES	82 683	<u>121 947</u>	<u>117 831</u>
EQUITY			
Net Assets attributable to unitholders	3 035 257	2 728 151	2 527 868
Fair Value Reserve	1 496 344	1 051 742	855 480
Fund Reserve	-	53 000	10 000
Retained Earnings	(93 514)	(84 448)	(73 154)
TOTAL EQUITY	4 438 087	<u>3 748 445</u>	<u>3 320 194</u>
TOTAL LIABILITIES AND EQUITY	4 520 770	<u><u>3 870 392</u></u>	<u><u>3 438 025</u></u>

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$ '000	\$ '000
INVESTMENT INCOME		
Dividends	113 507	114 373
Interest	54 411	44 575
Realised Capital Gains	25 515	76 066
Total Investment Income	193 433	235 014
EXPENSES		
Management Charge	(81 209)	(72 687)
Impairment	(80 951)	(39 183)
Other Expenses	(62)	(2 518)
Total Expenses	(162 222)	(114 388)
Net Income Before Taxation	31 211	120 626
Withholding Taxes	(8 018)	(4 162)
Net Income Available For Distribution	23 193	116 464
Distribution Paid to Initial Contributors per unit	(114)	(286)
Distribution Paid to Unitholders per unit	(31 145)	(73 472)
Total Distribution	(31 259)	(73 758)
Undistributed (Loss)/Income Before Reserves	(8 066)	42 706
Allocation to Guarantee Reserve Fund	(1 000)	(1 000)
Allocation to Secondary Reserve Fund	-	(53 000)
UNDISTRIBUTED LOSS AT END OF YEAR	(9 066)	(11 294)

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated
	\$ '000	31-Dec-12
		\$ '000
Net Loss for the year	(9 066)	(11 294)
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value gains arising during the year	387 824	232 585
Fair value gains transferred to income	(24 173)	(75 506)
Impairment losses transferred to income	80 951	39 183
Other Comprehensive Income for the year	444 602	196 262
Total Comprehensive Income for the year	435 536	184 968

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	<i>Net Assets Attributable to Unitholders</i>	<i>Fair Value Reserve</i>	<i>Fund Reserve</i>	<i>Retained Earnings</i>	<i>Total</i>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance as at 1 January, 2013	2 728 151	1 051 742	53 000	(84 448)	3 748 445
Other Comprehensive Income for the year	-	444 602	-	(9 066)	435 536
Subscriptions from unitholders	306 286	-	-	-	306 286
Fund reserve	53 000	-	(53 000)	-	-
Balance as at 31 December, 2013	3 035 257	1 496 344	-	(93 514)	4 438 087
Balance as at 1 January, 2012	2 527 868	855 480	10 000	(73 154)	3 320 194
Other Comprehensive Income for the year	-	196 262	-	(11 294)	184 968
Subscriptions from unitholders	278 638	-	-	-	278 638
Redemptions to unitholders	(78 355)	-	-	-	(78 355)
Fund reserve	-	-	43 000	-	43 000
Balance as at 31 December, 2012 (Restated)	2 728 151	1 051 742	53 000	(84 448)	3 748 445

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

STATEMENT OF CASH FLOWS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$ '000	\$ '000
OPERATING ACTIVITIES		
Net Income before Taxation	31 211	120 626
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Impairment	80 951	39 183
Taxation Paid	(8 018)	(4 162)
	104 144	155 647
<i>Movements in Working Capital</i>		
Increase in Receivables	(11 416)	(15 640)
(Decrease)/ Increase in Accounts Payables	(39 262)	4 116
Net Cash Flow From Operating Activities	53 466	144 123
INVESTING ACTIVITIES		
Purchase of Investment Securities	(1 005 356)	(382 684)
Disposal of Investment Securities	604 677	230 797
Net Cash Used In Investing Activities	(400 679)	(151 887)
FINANCING ACTIVITIES		
Subscriptions from unitholders	306 287	278 638
Redemptions by unitholders	(52 181)	(78 355)
Distributions	(31 259)	(73 758)
Guarantee Reserve	(1 000)	(11 000)
Net Cash Flow From Financing Activities	221 847	115 525
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(125 366)	107 761
Cash and Cash Equivalents at beginning of year	528 529	420 768
Cash and Cash Equivalents at end of year	403 163	528 529

TT DOLLAR INCOME FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12	Restated 31-Dec-11
	\$ '000	\$ '000	\$ '000
ASSETS			
Cash and Cash Equivalents	2 815 569	5 071 626	1 374 500
Receivables	294 932	261 904	627 210
Investment Securities	7 725 145	6 060 393	8 979 687
Total Assets	10 835 646	<u>11 393 923</u>	<u>10 981 397</u>
LIABILITIES			
Payables	51 404	72 527	44 950
Other Liabilities	121 648	117 629	333 792
Total Liabilities	173 052	<u>190 156</u>	<u>378 742</u>
EQUITY AND RESERVES			
Net Assets Attributable to Unitholders	10 595 569	11 144 748	10 611 076
Other Reserves	9 918	9 918	9 918
Fund Reserves	42 274	39 128	35 961
Fair Valuation Reserve	14 833	9 973	(54 300)
Total Equity and Reserves	10 662 594	<u>11 203 767</u>	<u>10 602 655</u>
TOTAL LIABILITIES, EQUITY AND RESERVES	10 835 646	<u>11 393 923</u>	<u>10 981 397</u>

TT DOLLAR INCOME FUND STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 \$ '000	Restated 31-Dec-12 \$ '000
INCOME		
Interest Income	303 167	493 086
Realised Capital Losses	-	(63 623)
Net Foreign Exchange Gains/(Losses)	1 089	(931)
Other Income	7 569	12 363
Total Income	311 825	440 895
EXPENSES		
Management Charge	(159 028)	(200 257)
Impairment	(12 215)	(79 434)
Commissions	(12 126)	(12 798)
Other Expenses	(450)	(1 758)
Total Expenses	(183 819)	(294 247)
NET INCOME AVAILABLE FOR DISTRIBUTION	128 006	146 648
Distribution	(119 732)	(131 233)
Provision for Distribution	(5 474)	(12 615)
Total Distribution	(125 206)	(143 848)
UNDISTRIBUTED INCOME BEFORE TRANSFER TO RESERVES	2 800	2 800
Allocation to Primary Reserve	(2 800)	(2 800)
UNDISTRIBUTED INCOME FOR THE YEAR	-	-

TT DOLLAR INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$ '000	\$ '000
UNDISTRIBUTED INCOME/(LOSS) FOR THE YEAR	-	-
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value (losses)/gains arising during the year	(176 249)	244 999
Fair value gains/(losses) transferred to income	193 324	(101 292)
Impairment losses transferred to income	(12 215)	(79 434)
Other Comprehensive Income for the year	4 860	64 273
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4 860	64 273

TT DOLLAR INCOME FUND

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders	Other Reserves	Retained Earnings	Fair Value Reserve	Fund Reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance as at 1 January, 2013	11 144 748	9 918	-	9 973	39 128	11 203 767
Net Income Available for Distribution	-	-	128 006	-	-	128 006
Subscriptions from Unitholders	2 273 416	-	-	-	-	2 273 416
Redemptions by Unitholders	(2 815 438)	-	-	-	-	(2 815 438)
Reallocation to Income	(7 157)	-	-	-	-	(7 157)
Distributions to Unitholders	-	-	(125 206)	-	-	(125 206)
Net Allocation to Reserves	-	-	(2 800)	-	3 146	346
Other Comprehensive Income for the year	-	-	-	4 860	-	4 860
Balance as at 31 December, 2013	10 595 569	9 918	-	14 833	42 274	10 662 594
Balance as at 1 January, 2012	10 611 076	9 918	-	(54 300)	35 961	10 602 655
Net Income Available for Distribution	-	-	146 648	-	-	146 648
Subscriptions from Unitholders	2 795 364	-	-	-	-	2 795 364
Redemptions by Unitholders	(2 261 692)	-	-	-	-	(2 261 692)
Distributions to Unitholders	-	-	(143 848)	-	-	(143 848)
Net Allocation to Reserves	-	-	(2 800)	-	3 167	367
Other Comprehensive Income for the year	-	-	-	64 273	-	64 273
Balance as at 31 December, 2012 (Restated)	11 144 748	9 918	-	9 973	39 128	11 203 767

TT DOLLAR INCOME FUND STATEMENT OF CASH FLOWS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$ '000	\$ '000
OPERATING ACTIVITIES		
Net Income	128 006	146 648
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	12 215	79 434
	140 221	226 082
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(33 028)	365 306
Decrease in Payables	(17 104)	(188 586)
Net Cash Flow From Operating Activities	90 089	402 802
INVESTING ACTIVITIES		
Purchase of Investment Securities	(6 596 279)	(3 895 981)
Disposal of Investment Securities	4 917 015	6 800 114
Net Cash (Used In)/Flow From Investing Activities	(1 679 264)	2 904 133
FINANCING ACTIVITIES		
Subscriptions from Unitholders	2 273 416	2 795 364
Redemptions to Unitholders	(2 815 438)	(2 261 692)
Distribution to Unitholders	(125 206)	(143 848)
Interest earned on the Reserve	346	367
Net Cash (Used In)/ Flow From Financing Activities	(666 882)	390 191
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2 256 057)	3 697 126
Cash and Cash Equivalents at beginning of year	5 071 626	1 374 500
Cash and Cash Equivalents at end of year	2 815 569	5 071 626

UNIVERSAL RETIREMENT FUND STATEMENT OF FINANCIAL POSITION

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12	Restated 31-Dec-11
	\$ '000	\$ '000	\$ '000
ASSETS			
Cash and Cash Equivalents	17 801	20 444	14 187
Receivables	1 465	1 013	1 598
Investment Securities	242 779	193 415	171 378
Total Assets	262 045	<u>214 872</u>	<u>187 163</u>
LIABILITIES			
Accounts Payable	2 691	2 162	197
Other Liabilities	2 006	2	48
Total Liabilities	4 697	<u>2 164</u>	<u>245</u>
EQUITY			
Net Assets attributable to unitholders	142 862	122 656	114 726
Fair Value Reserve	60 653	44 758	29 851
Retained Earnings	53 833	45 294	42 341
Total Equity	257 348	<u>212 708</u>	<u>186 918</u>
Total Liabilities and Equity	262 045	<u><u>214 872</u></u>	<u><u>187 163</u></u>

UNIVERSAL RETIREMENT FUND STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$ '000	\$ '000
INVESTMENT INCOME		
Dividends	6 604	6 549
Interest	3 120	6 338
Realised Capital Gains/(Loss)	6 502	(752)
Miscellaneous Income	19	-
Total Investment Income	16 245	<u>12 135</u>
EXPENSES		
Management Charge	(4 788)	(4 127)
Impairment	(2 387)	(4 830)
Other Expenses	(4)	(3)
Total Expenses	(7 179)	<u>(8 960)</u>
Net Income before Taxation	9 066	3 175
Withholding Tax	(526)	(222)
NET INCOME FOR CAPITALISATION	8 540	<u><u>2 953</u></u>

UNIVERSAL RETIREMENT FUND STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$ '000	\$ '000
Net Income for the year	8 540	<u>2 953</u>
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value gains arising during the year	20 194	9 448
Fair value (gains)/losses transferred to income	(6 686)	629
Impairment losses transferred to income	2 387	4 830
Other Comprehensive Income for the year	15 895	<u>14 907</u>
Total Comprehensive Income for the year	24 435	<u><u>17 860</u></u>

UNIVERSAL RETIREMENT FUND STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders	Fair Value Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January, 2013	122 656	44 758	45 293	212 707
Total Comprehensive Income for the year	-	15 895	8 540	24 435
Subscriptions from unitholders	38 604	-	-	38 604
Redemptions to unitholders	(18 397)	-	-	(18 397)
Balance as at 31 December, 2013	142 863	60 653	53 833	257 348
Balance as at 1 January, 2012	114 726	29 851	42 341	186 918
Total Comprehensive Income for the year	-	14 906	2 953	17 859
Subscriptions from unitholders	20 448	-	-	20 448
Redemptions to unitholders	(12 518)	-	-	(12 518)
Balance as at 31 December, 2012 (Restated)	122 656	44 757	45 294	212 707

UNIVERSAL RETIREMENT FUND STATEMENT OF CASH FLOWS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 \$ '000	Restated 31-Dec-12 \$ '000
OPERATING ACTIVITIES		
Net Investment Income	9 066	3 175
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	2 387	4 830
Taxation Paid	(526)	(222)
	10 927	7 783
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(453)	585
Increase in Accounts Payable	2 533	1 919
Net Cash Flow From Operating Activities	13 007	10 287
INVESTING ACTIVITIES		
Purchase of Investment Securities	(70 283)	(55 784)
Disposal of Investment Securities	34 427	43 824
Net Cash Used In Investing Activities	(35 856)	(11 960)
FINANCING ACTIVITIES		
Subscriptions from unitholders	38 603	20 448
Redemptions to unitholders	(18 397)	(12 518)
Net Cash Flow From Financing Activities	20 206	7 930
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2 643)	6 257
Cash and Cash Equivalents at beginning of year	20 444	14 187
Cash and Cash Equivalents at end of year	17 801	20 444

US DOLLAR INCOME FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12	Restated 31-Dec-11
	\$ '000	\$ '000	\$ '000
ASSETS			
Cash and Cash Equivalents	501 343	1 034 905	461 180
Receivables	113 011	425 560	347 027
Investments Securities	3 317 502	3 241 482	3 507 510
Total Assets	3 931 856	<u>4 701 947</u>	<u>4 315 717</u>
LIABILITIES			
Payables	31 439	25 519	56 841
Other Liabilities	338	98 205	92 819
Total Liabilities	31 777	<u>123 724</u>	<u>149 660</u>
EQUITY AND RESERVES			
Net Assets Attributable to Unitholders	3 858 329	4 504 255	4 335 138
Other Reserves	180	179	179
Fair Valuation Reserve	(24 881)	14 437	(236 735)
Fund Reserves	66 451	59 352	67 475
Total Equity and Reserves	3 900 079	<u>4 578 223</u>	<u>4 166 057</u>
TOTAL LIABILITIES, EQUITY AND RESERVES	3 931 856	<u>4 701 947</u>	<u>4 315 717</u>

US DOLLAR INCOME FUND STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13 \$'000	Restated 31-Dec-12 \$'000
INCOME		
Interest Income	113 889	144 142
Realised Capital Losses	-	(51 360)
Other Income	6 242	183 458
Total Income	120 131	<u>276 240</u>
EXPENSES		
Management Charge	(36 734)	(30 323)
Impairment	(33 443)	(211 017)
Commissions	(1 147)	(1 293)
Other Expenses	(135)	(1 014)
Total Expenses	(71 459)	<u>(243 647)</u>
NET INCOME AVAILABLE FOR DISTRIBUTION	48 672	<u>32 593</u>
Distribution	(42 159)	(41 253)
Total Distribution	(42 159)	<u>(41 253)</u>
UNDISTRIBUTED INCOME/(LOSS) BEFORE TRANSFER TO RESERVES	6 513	(8 660)
Allocation to Primary Reserve	(7 654)	(7 623)
Allocation to Secondary Reserve	(11 487)	(12 305)
UNDISTRIBUTED LOSS FOR THE YEAR	(12 628)	<u>(28 588)</u>

US DOLLAR INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$ '000	\$ '000
UNDISTRIBUTED LOSS FOR THE YEAR	(12 628)	(28 588)
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value (losses)/gains arising during the year	(69 897)	20 693
Fair value (gains)/losses transferred to income	(2 864)	19 718
Impairment losses transferred to income	33 443	211 017
Exchange translation differences	(58)	(128)
Other Comprehensive (Loss)/Income for the year	(39 376)	251 300
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(52 004)	222 712

US DOLLAR INCOME FUND

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2013

Expressed in Trinidad and Tobago Dollars

	Net Assets Attributable to Unitholders	Other Reserves	Retained Earnings	Fair Value Reserve	Fund Reserves	Capital Reinstatement	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January, 2013	4 504 255	179	(28 588)	14 437	59 352	28 588	4 578 223
Net Income Available for Distribution	-	-	48 672	-	-	-	48 672
Exchange translation differences	18 073	1	-	58	-	-	18 132
Subscriptions from unitholders	1 174 047	-	-	-	-	-	1 174 047
Redemptions to unitholders	(1 838 046)	-	-	-	-	-	(1 838 046)
Distribution to unitholders	-	-	(42 159)	-	-	-	(42 159)
Capital Reinstatement	-	-	-	-	-	12 628	12 628
Net Allocation to Reserves	-	-	(19 141)	-	7 099	-	(12 042)
Other Comprehensive Loss for the year	-	-	-	(39 376)	-	-	(39 376)
Balance as at 31 December, 2013	3 858 329	180	(41 216)	(24 881)	66 451	41 216	3 900 079
Balance as at 1 January, 2012	4 335 138	179	- (236 735)	67 475	-	-	4 166 057
Net Income Available for Distribution	-	-	32 593	-	-	-	32 593
Exchange translation differences	2 335	-	-	(128)	-	-	2 207
Subscriptions from unitholders	1 052 975	-	-	-	-	-	1 052 975
Redemptions to unitholders	(886 193)	-	-	-	-	-	(886 193)
Distributions to unitholders	-	-	(41 253)	-	-	-	(41 253)
Capital Reinstatement	-	-	-	-	-	28 588	28 588
Net Allocation to Reserves	-	-	(19 928)	-	(8 123)	-	(28 051)
Other Comprehensive Income for the year	-	-	-	251 300	-	-	251 300
Balance as at 31 December, 2012 (Restated)	4 504 255	179	(28 588)	14 437	59 352	28 588	4 578 223

US DOLLAR INCOME FUND STATEMENT OF CASH FLOWS

For the year ended 31 December, 2013
Expressed in Trinidad and Tobago Dollars

	31-Dec-13	Restated 31-Dec-12
	\$'000	\$'000
OPERATING ACTIVITIES		
Net Income	48 672	32 593
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	33 443	211 017
	82 115	243 610
<i>Movements in Working Capital</i>		
Decrease/(Increase) in Receivables	314 256	(78 347)
Decrease in Payables	(92 443)	(26 016)
Net Cash From Operating Activities	303 928	139 247
INVESTING ACTIVITIES		
Purchase of Investment Securities	(1 612 032)	(2 987 663)
Disposal of Investment Securities	1 476 201	3 295 864
Net Cash (Used In)/Flow From Investing Activities	(135 831)	308 201
FINANCING ACTIVITIES		
Subscriptions from unitholders	1 174 047	1 052 975
Redemptions to unitholders	(1 838 046)	(886 193)
Distribution to unitholders	(42 159)	(41 253)
Interest Earned on Fund Reserves	586	536
Net Cash (Used In)/Flow From Financing Activities	(705 572)	126 065
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(537 475)	573 513
Cash and Cash Equivalents at beginning of year	1 034 905	461 180
Translation Differences on Fund Reserves	(239)	(36)
Translation Adjustment	4 152	248
Cash and Cash Equivalents at end of year	501 343	1 034 905

CONTRIBUTORS TO INITIAL CAPITAL

Central Bank of Trinidad & Tobago

The National Insurance Board of Trinidad and Tobago

COMMERCIAL BANKS

Citibank (Trinidad & Tobago) Limited

First Citizens Bank Limited

RBC Royal Bank (Trinidad & Tobago) Limited

Republic Bank Limited

Scotiabank Trinidad & Tobago Limited

NON-BANK FINANCIAL INSTITUTIONS

ANSA Finance & Merchant Bank Limited

Caribbean Finance Company Limited

Clico Investment Bank Limited

First Citizens Asset Management Limited

General Finance Corporation Limited

RBC Trust Limited

RBC Merchant Bank (Caribbean) Limited

Republic Finance & Merchant Bank Limited

Scotiabank & Merchant Bank Trinidad & Tobago Limited

LIFE INSURANCE COMPANIES

British-American Insurance Company (Trinidad) Limited

Colonial Life Insurance Company (Trinidad) Limited

Cuna Caribbean Insurance Society Limited

Demerara Life Assurance Company of Trinidad Tobago

Guardian Life of the Caribbean Limited

Maritime Life (Caribbean) Limited (re Winsure Life Insurance Company Ltd.)

MEGA Insurance Company Limited

Nationwide Insurance Company Limited

Pan American (formerly American Life Insurance Company Ltd.)

Sagicor Life Inc.

Tatil Life Assurance Company Ltd.



SAFETY ■ STRENGTH ■ STABILITY



UNIT TRUST
CORPORATION

UTC Financial Centre
82 Independence Square
Port of Spain
Trinidad and Tobago
Telephone: (868) 625-UNIT (8648)
Fax: (868) 624-0819
Email: utc@ttutc.com
Website: www.ttutc.com

 www.facebook.com/ttutc

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