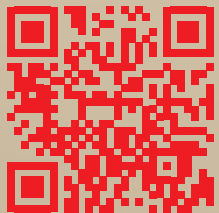




UNIT TRUST
CORPORATION

**Partners
for**



ANNUAL
REPORT
2015



INDIVIDUALLY, WE ARE ONE DROP.

TOGETHER, WE ARE AN OCEAN.

RYUNOSUKE SATORO



These three
simple words

Partners

convey so much sentiment and embody what we represent: they speak to our unwavering commitment to you, to building sustainable and enduring relationships and providing workable financial solutions for all of life's permutations that may come your way.

The better we know our unitholders and communities we operate in, the more opportunities we have to provide them with the products and services they need. This has been the cornerstone of our success for the past 33 years. With about \$TT 20 billion in Funds Under Management and about 550,000 unitholders, we continue to serve our customers by bringing added value and being on the pulse of your needs.

We have held firm to the belief that if we are to continue to build our relationship with you, our unitholders, to tap into and harness your investment potential, we must empower you to make the right decisions. Our promise is to never shirk that responsibility.

We remain resolute in our determination to bring products and financial services that change the lives of our unitholders in a positive way. That is our constant focus. Wherever life's journey takes you, we want to be there.

As we manoeuvre the economic contraction, as your Partners for Life, we see adversity as an opportunity for leading innovation and driving value; an opportunity for embracing new paths as well as improving efficiencies, thinking outside the box and

for life

clinically managing risks. One thing is certain: we will continue to distinguish ourselves from the clutter by embedding our name in the financial services landscape with transparency and good governance.

Adversity can carve new paths for growth and opportunity. It forces us to take a fresh perspective, test uncharted waters and modify our behaviour. It makes us sharper and more focused. At the Trinidad and Tobago Unit Trust Corporation, we continue to look ahead with confidence and meet with resilience, the challenges ahead. Buoyed by your optimism and with a heightened sense of purpose, it is critical to stay focused on increasing efficiency, inspire creativity and imbue our processes with innovation.

As we build lasting partnerships with our communities, we want to further entrench our Corporate Social Responsibility (CSR) footprint by setting up the UTC Foundation, a catalyst for positive social change in the communities we serve. We believe that as Partners for Life this is how we can bring enduring, meaningful impact and in a tangible way make a difference in people's lives.

Our mission is to continue with the relentless pursuit of providing our customers with the best in class, unrivalled service and tailored investment solutions to meet your diverse needs. It is this passion that fuels us to put our unit holders first - ingredients that ignite our passion to continue to be your Partners for Life.





Mission

TO CREATE AND ENHANCE WEALTH FOR ALL BY PROVIDING INNOVATIVE INVESTMENT SOLUTIONS AND WORLD-CLASS CUSTOMER SERVICE

Vision

TO BE THE LEADER IN INVESTMENT MANAGEMENT AND WEALTH CREATION IN THE REGION

Mandate

TO FOSTER A CULTURE OF SAVING AND INVESTMENT THROUGH EDUCATION AND INNOVATIVE SOLUTIONS THAT ALLOW EVERYONE ACCESS TO THE CAPITAL MARKETS

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UNIT TRUST
CORPORATION



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Corporate Information

CHAIRMAN

Mr. R. Krishna Boodhai

EXECUTIVE DIRECTOR

Mr. Ian Chinapoo

DIRECTORS

Mr. Leonardo Ambrose (Insurance Representative)

Mr. Douglas Camacho (Insurance Representative)

Mrs. Helen Drayton (Bankers Association Representative)

Ms. Anne-Marie James (Central Bank Representative)

Ms. Lorraine Kam (Independent)

Mr. Ruben McSween (NIB Representative)

Ms. Sharon Mohammed (Ministry of Finance Representative)

Mr. Dominic Rampersad (Independent)

Mr. John Tang Nian (Bankers Association Representative)

Mr. Jonathan Walker (Independent)

GENERAL COUNSEL & CORPORATE SECRETARY

Mr. Derrick Redman (from September 23rd, 2015)

CHANGES IN THE BOARD

The terms of office of **Mrs. Michal Y. Andrews** and **Mr. Terrence Bharath**, both Independent Directors, expired on June 2nd, 2015.

Mr. Leonardo Ambrose, Representative of the Life Insurance Companies, was reappointed to the Board of Directors of the Unit Trust Corporation under sections 7(1), (f) and (6) of the Unit Trust Corporation of Trinidad and Tobago Act, 1981, effective April 15th, 2015 for a period of four (4) years.

Mr. John Tang Nian, the Bankers Association Representative, was reappointed to the Board of Directors of the Unit Trust Corporation for a period of four (4) years, effective April 15th, 2015 in accordance with sections 7(1), (f) and (6) of the Act.

Ms. Lorraine Kam, Independent Director, was appointed by the Board of Directors under sections 7(2), (5A) and (6) of the Act effective June 3rd, 2015, for a period of one (1) year.

Mr. Jonathan Walker, Independent Director, was appointed by the Board of Directors under sections 7(2), (5A) and (6) of the Act, effective June 3rd, 2015, for a period of one (1) year.

The term of office of **Mr. Dennis Gurley**, the Bankers Association Representative, expired on April 14th, 2015 and **Mrs. Helen Drayton** was appointed to the Board in place of Mr. Gurley for a period of four (4) years, in accordance with sections 7(1) (f), (4) and (5) of the Act, effective June 25th, 2015.

Mr. R. Krishna Boodhai was appointed Chairman of the Board of Directors of the Corporation in accordance with sections 7(1) (a) and 10(1) of the Act for a period of two (2) years with effect from August 1st, 2015. Mr. Boodhai replaces **Mr. Wendell Mottley**, whose term of office expired on July 31st, 2015.

Mr. Douglas Camacho, the Bankers Association Representative, was appointed to the Board of the Corporation in accordance with sections 7(1) (f) and (5) of the Act, effective January 1st, 2016. Mr. Camacho replaces Mr. Peter Clarke, whose term of office expired on December 31st, 2015.

CORPORATE OFFICES

HEAD OFFICE & 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: news@ttutc.com
Website: www.ttutc.com

INVESTMENT CENTRES

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

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

CHAGUANAS
26-28 Endeavour Road
Chaguanas, 500611
Tel: (868) 671-UNIT (8648)
Fax: (868) 671-6581

SAN FERNANDO
19-21 High Street
San Fernando
Tel: (868) 657-UNIT(8648)
Fax: (868) 652-0620

COUVA
26 Southern Main Road
Couva
Tel: (868) 636-9871/679-8648
Fax: (868) 636-4750

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

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

AGENCIES

David Downer
Shop 174
The Falls, West Mall
Western Main Road
Westmoorings
Tel/Fax: (868) 223-9151/9152/9157

Eve Financial Services Limited
(Ruben Mcsween)
61 Level 2, MovieTowne Boulevard
Invaders Bay
Audrey Jeffers Highway
Port Of Spain
Tel: (868) 223-6697/6805/6505/6517
Fax: 223-6728

GMF Investments & Financial Planning Services Limited
(Glenn 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
Suite 11
Tropical Plaza
Pointe-a-Pierre
Tel/Fax: (868) 658-7283/7340

Opufin Limited
(Sheldon Trim)
Anva Plaza
16-20 Eastern Main Road
Tunapuna
Tel: (868) 645-8648
Fax: (868) 645-8185

Opufin Limited
(Jamela Akinlana)
Shop 3, Building A
Grand Bazaar
Valsayn
Tel/Fax: (868) 663-8648

Superior Wealth & Advisory Services Limited
(Jovan Sankar-Paul)
2nd Floor
216 SS Erin Road
Debe
Tel: (868) 647-2721
Fax: (868) 647-2201

Tomco Financial Services Limited
(Garth Thomas)
1st Floor, Wellness House
9 Naparima Mayaro Road, Cocoyea
San Fernando
Tel: (868) 652-8031
Fax: (868) 222-8226

Socorro Shopping
Village Compound
Cor. 5th Street &
El Socorro Road (North)
San Juan
Tel/Fax: (868) 221-2211

Unique Investments
(Samuel Saunders)
Unit B2:15 Level 2
Trincity Mall
Trincity
Tel/Fax: (868) 640-8589

AUDITORS LOCAL

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 PricewaterhouseCoopers Chartered Accountants
11-13 Victoria Avenue
Port of Spain

Head Internal Audit Vickram Joasingsh
AVP Internal Audit

OVERSEAS

Cohen Fund Audit Services Limited
1350 Euclid Avenue, Suite 800
Cleveland, OH 44115-1877
United States of America

Robert Milner, CPA Accell Audit & Compliance PA
4868 West Gandy Boulevard
Tampa, FL 33611
United States of America

Campbell Corporate Services Ltd.
P.O. Box 268
Grand Cayman KY1 1104
Cayman Islands

BANKERS LOCAL

Central Bank of Trinidad & 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, NY 10043
United States of America

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

Girwar & Deonarine
17-19 Court Street
San Fernando

J.D. Sellier & Company
129- 131 Abercromby Street
Port of Spain

Lex Caribbean
5/7 Sweet Briar Road
St. Clair

Johnson, Camacho & Singh
10 Sweet Briar Road
St. Clair

OVERSEAS

Foley & Lardner
777 East Wisconsin Avenue
Milwaukee, WI 53202-5367
United States of America

Law Offices of Jon P. Yormick Co., LPA
Leader Building
526 Superior Avenue, E. - Suite 230
Cleveland, OH 44114
United States of America

Scan here for Bios



Ruben McSween
NATIONAL INSURANCE
BOARD REPRESENTATIVE

Anne-Marie James
CENTRAL BANK
REPRESENTATIVE

Douglas Camacho
INSURANCE
REPRESENTATIVE

Leonardo Ambrose
INSURANCE
REPRESENTATIVE

Ian Chinapoo
EXECUTIVE
DIRECTOR

Sharon Mohammed
MINISTRY OF FINANCE
REPRESENTATIVE



BOARD OF **Directors**

Your partners setting the destination

Helen Drayton

BANKERS ASSOCIATION
REPRESENTATIVE

Jonathan Walker

INDEPENDENT

R. Krishna Boodhai

CHAIRMAN

Lorraine Kam

INDEPENDENT

Dominic Rampersad

INDEPENDENT

John Tang Nian

BANKERS ASSOCIATION
REPRESENTATIVE



Derrick Redman

GENERAL COUNSEL
& CORPORATE SECRETARY

Judith Sobion

VICE PRESIDENT
CORPORATE SUPPORT SERVICES

Nigel Edwards

VICE PRESIDENT
FINANCE

Pamela Williams

VICE PRESIDENT
OFFICE OF STRATEGY
MANAGEMENT

Ian Chinapoo

EXECUTIVE DIRECTOR



EXECUTIVE

Management

Your partners charting the course

Warren Sookdar

CHIEF INFORMATION OFFICER
INFORMATION AND
COMMUNICATIONS TECHNOLOGY

Ravi Ramoutar

VICE PRESIDENT
TRUST SERVICES

Gayle Daniel-Worrell

VICE PRESIDENT
MARKETING, COMMUNICATIONS &
DISTRIBUTION CHANNELS

Amoy Van Lowe

VICE PRESIDENT
ADVISORY SERVICES

Sekou Mark

VICE PRESIDENT
INVESTMENTS



Performance Highlights



FUNDS UNDER MANAGEMENT

	2009	2010	2011	Dec-12	Dec-13	Dec-14	Dec-15
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Growth & Income Fund	3,123.82	3,031.23	3,320.19	3,748.45	4,392.58	4,647.41	4,645.30
TT\$ Income Fund	10,345.82	10,138.22	10,602.66	11,203.77	10,662.59	10,474.48	10,657.14
Universal Retirement Fund	149.26	162.90	186.92	212.71	254.44	271.39	288.27
US\$ Income Fund	4,830.43	4,140.49	4,166.06	4,578.22	3,900.08	4,054.42	4,111.07
UTC Corporate Fund	-	-	-	-	-	19.28	26.80
UTC Energy Fund	30.15	32.78	39.62	31.52	-	-	-
UTC Latin American Fund	6.71	8.12	7.12	7.57	-	-	-
UTC European Fund	6.38	6.67	5.97	6.76	-	-	-
UTC Asia Pacific Fund	9.39	13.70	11.96	11.75	-	-	-
UTC Global Bond Fund	9.90	10.72	10.64	10.69	-	-	-
UTC North American Fund	215.20	195.29	189.41	196.44	225.48	262.48	245.62
Belize Money Market Fund	85.40	24.03	-	-	-	-	-
Pension & Other Funds	596.09	528.98	560.54	650.28	535.00	564.54	582.13
Treasury Portfolio	3,160.08	2,587.63	2,462.40	1580.38	1,175.54	573.19	60.28
Total Funds Under Management (\$M)	22,568.63	20,880.76	21,563.49	22,238.53	21,145.72	20,867.19	20,616.60

MUTUAL FUND SALES (\$M)
FOR THE YEAR

Growth & Income Fund	684.96	327.61	408.64	552.37	623.08	630.87	575.43
TT\$ Income Fund	6,932.21	4,912.84	4,975.55	5,317.91	4,361.36	3,376.34	3,421.82
Universal Retirement Fund	23.79	23.21	22.50	26.24	44.42	36.02	37.34
US\$ Income Fund	2,548.93	1,808.49	1,566.10	1,428.31	1,272.81	1,265.17	1,036.16
UTC Corporate Fund	-	-	-	-	-	19.28	31.10
UTC Energy Fund	4.21	52.62	201.21	26.51	8.21	-	-
UTC Latin American Fund	0.12	0.51	0.65	0.19	0.12	-	-
UTC European Fund	0.08	0.23	0.08	0.04	0.04	-	-
UTC Asia Pacific Fund	0.33	3.62	0.53	0.28	0.21	-	-
UTC Global Bond Fund	0.13	0.56	0.28	0.09	0.83	-	-
UTC North American Fund	1.93	1.70	1.12	0.67	2.56	17.90	2.19
Belize Money Market Fund	7.89	9.27	1.37	0.00	-	-	-
Total Sales (\$M)	10,204.59	7,140.66	7,178.03	7,352.62	6,313.62	5,345.59	5,104.04
Funds Mobilised (\$M) to date	75,796.88	82,937.54	90,115.56	97,468.18	103,781.80	109,127.40	114,231.44
Unitholder Accounts to date	742,996	764,685	784,107	804,162	824,207	841,375	855,463

Portfolio of Investments

Trinidad and Tobago Unit Trust Corporation

GROWTH & INCOME FUND TOP 10 HOLDINGS

AS AT DECEMBER 31, 2015

TOP 10 HOLDINGS

	% of Portfolio 2015
Pan West Engineers and Constructors, LLC	7.74
Scotiabank Trinidad & Tobago Limited Common Shares	6.18
Massy Holdings Limited Common Shares	5.96
ANSA McAl Limited Common Shares	5.91
Republic Financial Holdings Limited Common Shares	5.68
SPDR S&P 500 ETF	5.41
First Citizens Bank Limited Common Shares	4.85
UDECOTT TT\$3.40 Bn 15 Yr Variable Rate Bond due 2028	4.81
Government of Trinidad & Tobago TT\$1 Bn FXRB 6.0% due 2031	2.80
Government of Trinidad & Tobago TT\$1 Bn 15 Yr FXRB 7.75% due 2024	2.31
TOTAL	51.65

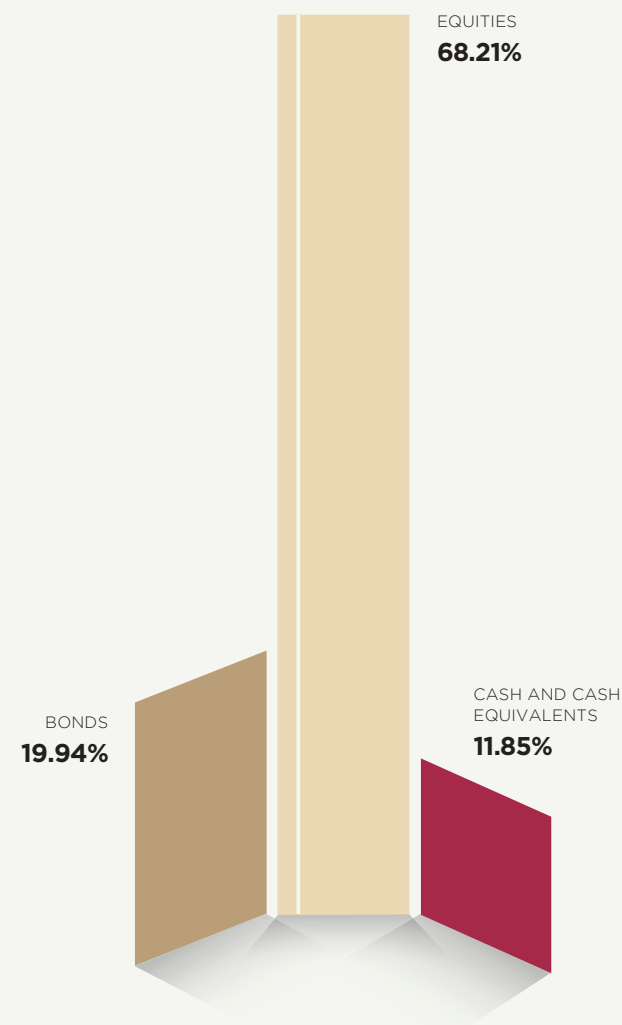
Trinidad and Tobago Unit Trust Corporation

GROWTH & INCOME FUND PORTFOLIO OF INVESTMENTS

AS AT DECEMBER 31st, 2015, EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Market Value 2015 TT\$
Corporate Securities	280,480,414
Government and Government Guaranteed Securities	666,021,193
Equities	3,237,374,665
Cash and Cash Equivalents	312,307,812
Other Assets in Excess of Liabilities	249,893,440
TOTAL NET ASSETS	4,746,077,524

ASSET ALLOCATION FOR THE
GROWTH & INCOME FUND



Portfolio of Investments

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND TOP 10 HOLDINGS

AS AT DECEMBER 31st, 2015

TOP 10 HOLDINGS

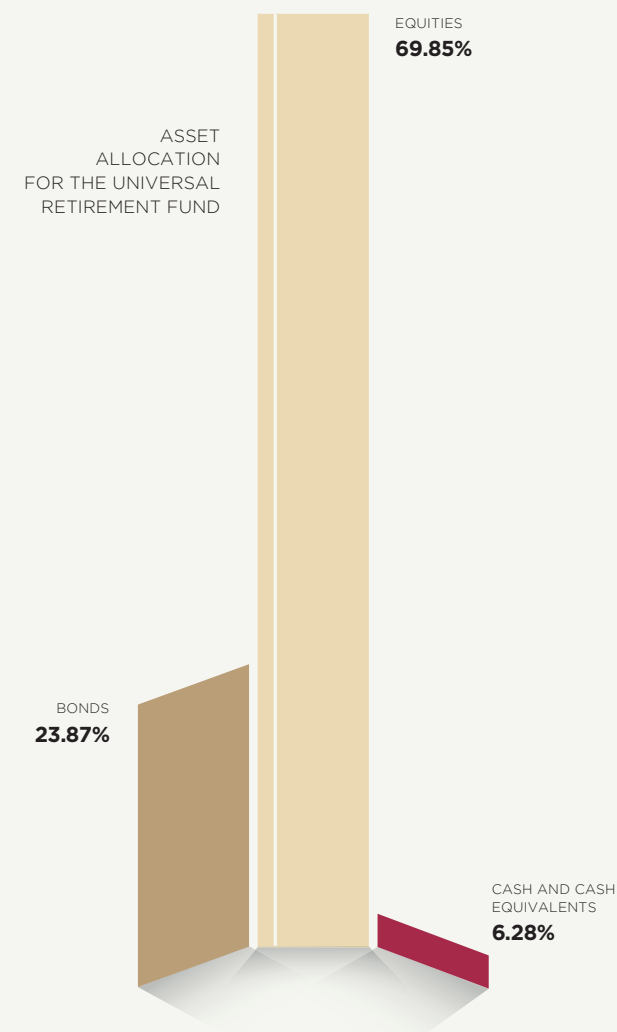
	% of Portfolio 2015
Clico Investment Fund Common Shares	7.03
Trinidad & Tobago National Gas Limited Common Shares	6.55
iShares S&P Global 100 Index Fund ETF	6.42
Citicorp Merchant Bank Limited ZCB 4.15% due 2027	5.11
Massy Holdings Limited Common Shares	4.72
ANSA McAl Limited Common Shares	4.19
Republic Financial Holdings Limited Common Shares	3.43
Scotiabank Trinidad & Tobago Limited Common Shares	3.42
West Indian Tobacco Company Common Shares	3.30
FirstCaribbean International Bank Ltd. TT\$480 Mn FXB due 2018	3.29
TOTAL	<u>47.47</u>

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND PORTFOLIO OF INVESTMENTS

AS AT DECEMBER 31st, 2015, EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Market Value 2015 TT\$
Corporate Securities	35,310,076
Government and Government Guaranteed Securities	33,496,402
Equities	201,346,068
Cash and Cash Equivalents	19,349,315
Other Liabilities in Excess of Assets	(1,235,400)
TOTAL NET ASSETS	<u>288,266,461</u>



Portfolio of Investments

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS

AS AT DECEMBER 31st, 2015

TOP 10 HOLDINGS

	% of Portfolio 2015
Republic Financial Holdings Limited TT\$1 Bn 10 Yr 8.55% FXRB 2018	2.31%
Treasury Bill OMO 14-54 TT\$250 Mn due Sept. 2016	2.31%
NIPDEC TT\$1 Bn 16 Yr 4% FXRB due 2029	2.68%
Treasury Bill OMO 13-82 TT\$300 Mn due Feb. 2016	2.82%
Petrotrin US\$850 Mn 9.75% FXRB due 2019	2.85%
Treasury Bill OMO 14-51 TT\$300 Mn due Sept. 2016	3.24%
Government of Trinidad & Tobago TT\$2 Bn 15 Yr 5.20% FXRB due 2027	3.70%
Treasury Bill OMO 14-44 TT\$400 Mn due Sept. 2016	3.71%
Trinidad Generation Unlimited TT\$960 Mn FLRB due 2016	4.52%
UDECOTT TT\$3.40 Bn 15 Yr variable rate bond due 2028	4.91%

TOTAL

33.04%

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS

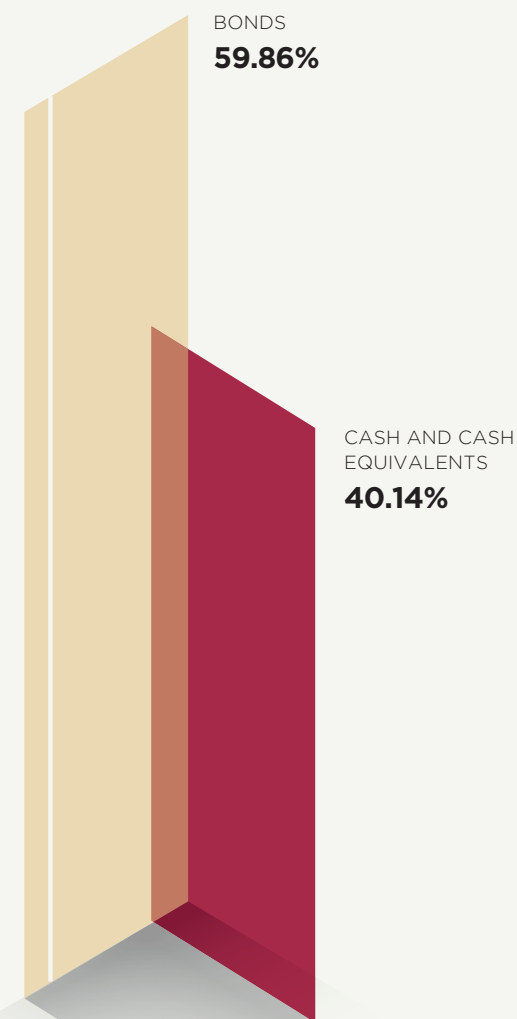
AS AT DECEMBER 31st, 2015, EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Market Value 2015 TT\$
Corporate Securities	3,304,872,527
Government and Government Guaranteed Securities	3,056,744,247
Short-Term Investments	3,618,092,193
Cash and Cash Equivalents	398,455,222
Other Assets in Excess of Liabilities	249,182,839

NET ASSETS

10,627,347,028

ASSET ALLOCATION
FOR THE TT DOLLAR
INCOME FUND



Portfolio of Investments

Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS

AS AT DECEMBER 31st, 2015

TOP 10 HOLDINGS

	% of Portfolio 2015
IBM FXRB 5.7% US\$3 Bn due 2017	1.69%
Altria Group Inc US\$1.5 Mn 4.75% FXRB due 2021	1.72%
Sagicor Finance Limited US\$320 Mn 8.875% FXRB due 2022	1.73%
Amgen Inc. US\$500 Mn 6.15% FXRB due 2018	1.74%
General Mills Inc US\$1.15 Bn 5.65% FXRB due 2019	1.74%
Pharmacia Corp US\$500 Mn 6.50% FXRB due 2018	1.78%
Lloyds TSB Bank US\$11 Mn 10 Yr CMS FLRB due 2020	2.37%
Barclays Bank PLC US\$15 Mn 10 Yr CMS FLRB due 2020	2.45%
Government of Trinidad & Tobago US\$550 Mn 4.375% FXRB due 2024	3.30%
Petrotrin US\$850 Mn 9.75% FXRB due 2019	3.71%
TOTAL	22.24%

Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS

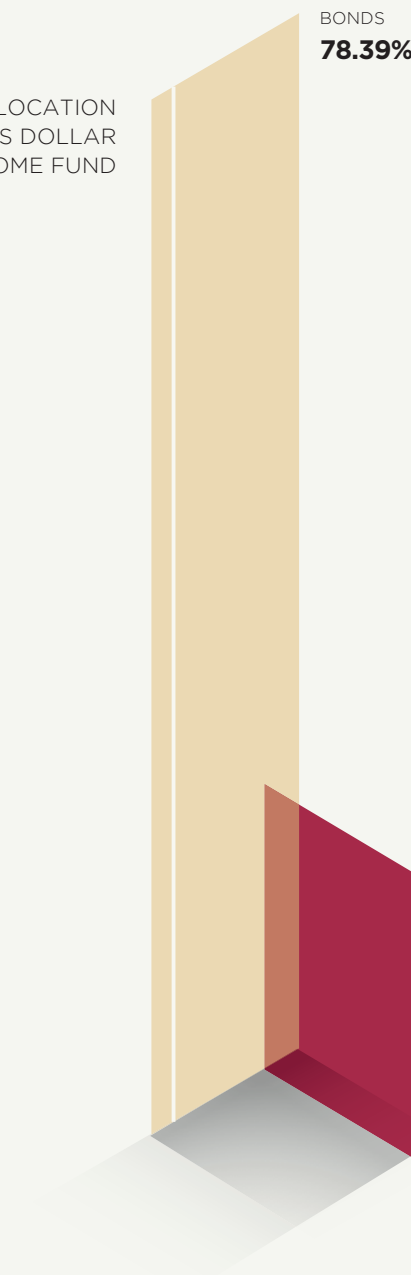
AS AT DECEMBER 31st, 2015, EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS

	Market Value 2015 TT\$
Corporate Securities	2,930,217,831
Government and Government Guaranteed Securities	263,305,313
Short-Term Investments	269,671,500
Cash and Cash Equivalents	566,645,650
Other Assets in Excess Of Liabilities	43,871,533
NET ASSETS	4,073,711,828

ASSET ALLOCATION
FOR THE US DOLLAR
INCOME FUND

BONDS
78.39%

CASH AND CASH
EQUIVALENTS
21.61%



CHAIRMAN'S REVIEW



DISTINGUISHED UNITHOLDERS,

It is a pleasure to be addressing you as the new Chairman of the Trinidad and Tobago Unit Trust Corporation, a very noble indigenous organisation that continues to grow from strength to strength in all spheres, including leadership, investment performance, innovation and governance. I would therefore like to graciously thank Mr. Wendell Mottley for his stellar service as Chairman of the UTC over the past two years. We also bid farewell to several long-standing Board Members, I pay tribute to their tremendous contribution over the years and I also warmly welcome the new members of our Board, as they begin a new chapter in the Corporation's history books.

As we reflect on our performance over the last year and look ahead towards our goals for the coming year, our Board and Management continue to work assiduously towards making the Unit Trust Corporation one of the best governed companies in Trinidad and Tobago. At the heart of this undertaking is our fiduciary duty to our unitholders, our responsibility to our stakeholders and our commitment to the values of probity, fairness, transparency and accountability. Our aim is to go beyond compliance in order to ensure that our governance practices are best in class. To this end, we have begun a benchmarking exercise to assess our governance practices using best practice standards such as the Central Bank's Corporate Governance Guidelines for Financial Institutions; the National Code for Corporate Governance of Trinidad and Tobago (2013); the OECD's Principles of Corporate Governance (2015); and the United Nations Principles of Responsible Investment; among others. These are all voluntary codes and therefore go above and beyond our current statutory obligations.

Over the years we have laid a strong foundation for effective governance having implemented many best practices, including the development of a Board Charter, which outlines our commitment to good governance. We have developed charters and terms of reference for our Board committees, we have a balanced and diverse Board, we regularly review policy, strategy, risk and financial performance, we monitor management's performance, we maintain healthy relationships with regulators and investors, and we communicate with shareholders, customers and employees. This year, we plan to engage in an externally-led Board evaluation and Director development process to further amplify our commitment to raising the corporate governance bar, as we have done in so many other areas.

Effective monitoring continued to be a key pillar of our risk management system; additionally, we strengthened our ability to measure and quantify our risks, which allowed us to implement avoidance and protection strategies to treat with expected and unknown challenges. We also reinforced internal controls and worked closely with our regulators to ensure that we remained compliant with the legal and regulatory framework that seeks to protect investors.

My time here, at the helm of this great institution, has been a truly humbling one and a most meaningful experience, particularly as it affords me the opportunity to collaborate with such a diverse and experienced team of investment and finance professionals. Despite the turbulent financial markets in 2015, which were marked by the significant decline in energy prices, we were able to navigate creditably, primarily due to our management's diverse expertise and years of investment experience with domestic and international financial markets. We were able to stand resolutely on our watchwords of Safety, Strength and Stability and where applicable, adopted a

flight to quality in our portfolios, to insulate you, our unitholders, from any significant volatility.

Global Economic Review

The global financial markets in 2015 were characterised by a prolonged depressed environment for commodity prices, divergent interest rate policies and significant geopolitical events. In August, global equity markets experienced a sharp correction as investors grew concerned about the weakness of China's economy, which was followed by an unexpected devaluation of China's currency, the Renminbi. Ongoing stimulus measures by the Chinese government failed to support their two major drivers of growth, investment and exports, despite a rise in consumer spending. Alternatively, based on positive employment data, the US Federal Reserve decided to raise its benchmark interest rate in December, to a range up to 0.25 percent. However, across other markets, such as Europe, Central Banks continued their quantitative easing programmes, maintaining low interest rates.

The US economy experienced some buoyancy in 2015 due to a resurgence in consumer spending, particularly in the housing and retail sectors. However, the manufacturing and construction sectors produced disappointing results and the energy sector dragged the broader market, declining approximately 21 percent in 2015 due to falling oil prices. Ultimately, the S&P 500 Index returned 1.38 percent for the year.

The Trinidad and Tobago Economy

Our local economy contracted in 2015, due to lower oil and gas prices, although the non-energy sector showed some expansion, buoyed by a strengthening consumer sector. In addition, Government spending

remained elevated, ahead of the general election held in September 2015, leading to a wider fiscal shortfall.

Although the economy was put on negative watch by the rating agency Standard and Poor's, Trinidad and Tobago was able to maintain its investment grade rating in 2015 due to the advantage of low external debt as a proportion of GDP, estimated at 9.2 percent at the end of 2015. When combined with domestic debt of 43 percent of GDP, our total debt stands at 52 percent of GDP, which compares very favourably to other countries such as the USA with 103 percent, Japan with 230 percent and Jamaica at 133 percent. This will assist in stabilising our economy against any external shocks in the coming months. In addition, our Heritage and Stabilisation Fund (HSF), which stood at over US\$5.6 billion in 2015 offers some cushioning to weather the economic storm. The Central Bank of Trinidad and Tobago continued to tighten monetary policy, hiking the benchmark repo rate to 4.75 percent in December, from 3.25 percent a year earlier, in order to limit capital outflows in light of US monetary policy normalisation and to rein in inflationary pressures.

The Trinidad & Tobago stock market performed much better in 2015, despite the economic conditions, delivering a modest performance. The Trinidad and Tobago Composite Index (TTCI) returned 0.99 percent in 2015, up from negative performance of the previous year of -2.88 percent in 2014. Conversely, rising local interest rates negatively impacted sovereign and local bonds.

Unit Trust Corporation

Amidst the volatile financial markets and the economic challenges, we maintained our focus on the long-term stable positioning of the Unit Trust Corporation. A corporation can only improve its effectiveness to its stakeholders if it can forecast its environment, anticipate problems, and develop plans to respond to those problems. As such,

in 2015, we embarked on our five-year Strategic Plan 2020, refining our Mission and Vision, developing our long-term objectives (with the development of strategies to achieve these objectives), along with a systematic procedure for monitoring our progress. This Strategic Plan was approved by our Board and will be implemented in 2016.

Ultimately, our Strategic Plan builds on our commitment to our mission of being your preferred financial services provider. This can only be realised through a focus on innovation and the development of our endogenous talent, while making the best use of our external environment. As such, in October 2015, we launched a pioneering fund to our local landscape, which is the Calypso Macro Index Fund. This is a closed-end index fund, which trades on the Trinidad and Tobago Stock Exchange. The fund gives investors access to Trinidad and Tobago's top local stocks and some international Energy Exchange Traded Funds (ETFs), with much lower fees.

We continue to forge forward, developing more innovative products and streamlining processes to adapt to our changing environment. At the core of our adaptation is a continuous assessment of new rules and regulations as they are introduced, to ensure our compliance as well as our flexibility and adaptability. In early 2015, you would have been contacted to update your records with us, which is in keeping with our obligation to comply with the new Foreign Account Tax Compliance Act (FATCA), introduced by the United States. We do thank you for your support and cooperation.

Closing Remarks

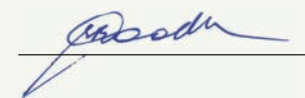
As we continue to maintain our market leadership in the mutual fund industry, I would like to sincerely thank you, our distinguished unitholders, for the continued trust you place in us. Similar to other energy-producing economies, the outlook for Trinidad and Tobago is challenging, given the volatility of energy prices. However, despite the direction of the economy and financial markets, we remain

committed to our watchwords of Safety, Strength and Stability. More importantly, we remain committed to you and will make certain that we focus our efforts on providing you with competitive returns, superior customer service and enhanced investment solutions for you and your family.

On behalf of the Board and Management, I would like to thank you, our unitholders, whom we consider our "Partners for Life", for continuing to place your trust in us. For the past 33 years, you have demonstrated your faith in our stewardship and this Board will continue to serve you and the people of Trinidad and Tobago by safeguarding the long-term value of the Unit Trust Corporation. We are committed to ensuring the best possible returns on your investments and providing an unsurpassed customer experience through prudent management and effective governance.

I would ultimately like to express my gratitude to Mr. Ian Chinapoo, Executive Director, the Executive Management Team and our committed staff for their contribution to the Corporation's 2015 performance and also extend special thanks to my fellow members of the Board, our Management team and all other stakeholders, for their continued drive and commitment to the Corporation. With our five-year Strategic Plan approved and in queue for execution, I want to assure you that I intend to do all within my power to advance the initiatives set out and I look forward with great enthusiasm to leading and working with this team in accomplishing even more for our unitholders in 2016 and beyond.

Sincerely,



Mr. R. Krishna Boodhai

Chairman
March 2016

EXECUTIVE DIRECTOR'S LETTER



MY FELLOW UNITHOLDERS

It is with great pleasure that I present my report on the Corporation's financial results and investment performance of its unit schemes and mutual funds for the year ended December 31, 2015.

Economic and Capital Market Background

Trinidad and Tobago's GDP is estimated to have contracted in the vicinity of 1.2-1.5 percent in 2015. Trinidad and Tobago was negatively impacted by the sharp decline in energy prices during the year, which eroded the nation's revenue.

At its December 2015 meeting, the Central Bank Monetary Policy Committee decided to raise its benchmark 'repo rate' to 4.75 percent. This decision marked the eighth consecutive 25 basis point (0.25%) increase. The action was attributed to expectant rising inflationary pressures in 2016 due to structural changes to the Value Added Tax (VAT), as well as the lowering of the Fuel Subsidy. The differential in US and TT benchmark interest rates also played a decisive role in Central Bank policy during 2015, given that the US monetary authorities also commenced increasing their interest rates after being at near zero percent for almost a decade.

The effect of lower oil prices spilled over into the non-energy sector performance of the country as well, most notably in the manufacturing and construction sectors. Headline inflation for December 2015 was 1.5 percent, marginally up from the 1.4 percent recorded in November

2015. The December 2015 figure was down from the 8.5 percent recorded for the same period a year earlier. The excess liquidity levels, as reported by the Central Bank ended the year, averaging roughly TT\$3.4 billion for the month of December 2015. However, this figure represents almost half of what it was a year prior, when liquidity levels were at the TT\$6 billion mark. The labour market continued to be generally stable in 2015 despite the fact that layoffs in the energy, manufacturing and construction sectors began in the last quarter of the year.

The local stock market is often a leading indicator of economic activity in Trinidad and Tobago. In this regard, the All T&T Index recorded a decline of 1.75 percent, while the Composite Index rose 0.99 percent for 2015. Regionally, the Jamaican stock market rose by over 80 percent over the year and was the world's top performing stock index for 2015. The Barbados stock market recorded an increase of 6.52 percent for the same period.

Global growth continues to be challenged. Global GDP for 2015 is estimated to have grown 3.1 percent, led by positive performances in Advanced Economies. Emerging market territories continue to be burdened by lower commodity prices and tighter fiscal conditions. Notably, the Euro area is thought to have grown by more than 1 percent as European Central Bank policies continue to be accommodative.

In its December 2015 meeting, the Federal Open Market Committee

decided to raise the target range for the federal funds rate from 0.25 percent to 0.50 percent in line with market expectations. This was its first rate increase since 2006. For 2015, The US S&P 500 Index fell 0.73 percent while the Dow Jones Industrial Average fell 2.23 percent. Conversely, the US fixed income benchmark, the 10 Year Treasury, rose 4.52 percent to a yield of 2.27 percent at the end of December, 2015.

Strategic Direction

Value Creation: Progress

The year 2015 marked the crystallisation of the Corporation's five-year Strategic Plan (2016-2020), with the singular focus being on bringing value to our unitholders. Based on our increased distributions and generally higher returns over the year, in the face of challenging interest rate and global equities markets in 2015, we are confident that our Enterprise Strategies will play a critical role in leading innovation and driving value.

Governance & Risk Management

The Corporation continued to strengthen its governance structures as well as embed its Enterprise Wide Risk Management Framework and Business Continuity Planning, with the aim of delivering benefits related to better informed strategic decisions, enhancing competitive advantage and increasing operational efficiency.

The Information and Communications Technology (ICT) Division's focus in 2015 was primarily on enhancing delivery via reliable and secure channels. Enhanced Disaster Recovery, security and key infrastructure upgrades resulted in significantly improved customer service delivery, in keeping with industry standards and customer expectations.

People & Talent Development

In recognising that people are key enablers to delivering strategy, 2015 saw us focusing on employee engagement, leadership and talent development as part of our enabling People Strategy. Staff engagement initiatives, such as the UTC STAR Reward (designed to recognise and reward employees) and wellness programmes (to improve work/life balance), were successfully launched. The Corporation continued its commitment to investing in staff development through the continuation of its Succession Planning Programme and other technical and customer service enhancement initiatives. Additionally, we implemented modules of our Human Capital Management System: Employee Central, Performance Management, Succession Planning, Learning Management, Recruitment Management and Compensation modules.

Innovation, Productivity & Control

The Corporation's investment in Anti-Money Laundering (AML) technology has strengthened our internal AML control environment and suspicious transaction detection capabilities. Our Human Capital Development software brings enhanced productivity and ensures a stronger control environment. We took positive steps towards establishing business continuity processes by developing response plans for all critical areas and functions. We completed substantial reviews of our process maps as part of a larger documentation upgrade plan, which also supports business continuity and the achievement of even greater operational efficiencies. In addition, we pursued legislative amendments that would enable greater scope for investment opportunities and allow for more innovation in products and services. We continue to make strides in our unitholder register updating exercise, allowing us to meet regulatory and statutory requirements, and enhancing our ability to tailor relevant products and services to our unitholders based on their needs.

Financial Performance Highlights

As is our custom, in order to adhere to the international best practices in accounting and promote transparency in our financial reporting, amendments have been made to match International Accounting Standards (IFRS), effective January 1st, 2016. The Group adopted: Amendments to IAS 27 – Equity Method in Separate Finance Statements, Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between Investor and its Associate or Joint Venture, Amendment to IFRS 11 – Accounting for Acquisitions of interests in Joint Operations.

The following are some of the main highlights of our FY 2015 financial performance:

- Net Investment Income from Group Operations increased by TT\$62.8 million to TT\$85.7 million by December 2015, or an increase of 272.74 percent driven mainly by solid increases in interest income.
- The Corporation's retained income grew by 13.10 percent from TT\$1.076 billion to TT\$1.217 billion.
- The Corporation's asset base reduced marginally by 0.96 percent to TT\$21.23 billion from TT\$21.42 billion.
- The aggregate fund-size of the mutual funds was flat with a marginal increase of 0.23 percent in 2015 to TT\$19.90 billion from TT\$19.85 billion a year ago.
- Total income generated by our locally domiciled mutual funds in 2015 was TT\$679.14 million, an increase of 18.45 percent over the 2014 position of TT\$573.35 million. These gains were as a result of gains in the local market which the Corporation was able to capitalise on in 2015.

- In 2015, the Group impairment declined by 31.3 percent to TT\$ 113.75 million, down from TT\$165.59 million of asset impairments in 2014. These impairments reflected mostly unrealised mark to market reductions in some of our financial assets and reflect the prudent treatment required by financial reporting standards.
- The Corporation's total expenses from continuing operation (excluding finance charges, guarantee provisions and taxation) decreased 10.22 percent from TT\$428.07 million to TT\$384.32 million during the year, driven by the large decrease in impairments to financial assets over the year, as well as, other targeted cost cutting exercises across the Corporation.
- Although interest rates remained low, the aggregate distributions to unitholders by the Funds increased 44.28 percent to TT\$218 million from TT\$151 million.
- The customer base totalled approximately 595,706 unitholders at December 31st, 2015.

Fund Performance

Our overall fund size for the locally-domiciled funds for the year ended 31 December, 2015 increased by 0.32 percent to close the year at TT\$19.65 billion, in comparison to TT\$19.60 billion as at 31 December 2014. The North American Fund decreased by US\$2.63 million to US\$38.25 million (TT\$245.62 million), a downward movement of 6.42 percent.

The five (5) funds under review are (i) The TT Dollar Income Fund, (ii) The US Dollar Income Fund (iii) The Growth & Income Fund (iv) The Universal Retirement Fund and (v) The North American Fund. Four (4) of the five (5) funds generated positive returns for investors in 2015. The Corporation was able to capitalise on both the local equities markets and fixed-income securities, despite continued low

interest rate environments which prevailed for much of 2015, both domestically and internationally.

TT Dollar Income Fund

The TT Dollar Income Fund's fund size increased by 1.81 percent from TT\$10.47 billion to TT\$10.66 billion, as at the end of December 2015. Total income generated from the fund declined by 3.69 percent to TT\$283.10 million from TT\$293.95 million during 2015, as the fixed income environment remained constrained by low interest rates and lower reinvestment interest rates.

The Fund therefore distributed TT\$87.36 million in 2015, down 11.79 percent from distributions of TT\$99.04 million in 2014. The net return to unitholders remained stable, at 0.92 percent.

US Dollar Income Fund

As at year-end 2015, the US Dollar Income Fund stood at US\$634.46 million (approx. TT\$4.10 billion), up 0.47 percent relative to its 2014 fund size of US\$631.46 million (approx. TT\$4.05 billion). Total income generated from the Fund increased by 3.51 percent to US\$16.23 million (TT\$104.24 million) from US\$ 15.68 million (TT\$100.70 million) during 2015.

Year on year comparisons illustrate that the Fund's net return to unitholders was also stable, at 0.81 percent, unchanged from 2014.

Growth & Income Fund

The fund size of the Growth & Income Fund as at December 31, 2015 was flat at TT\$4.65 billion. As at December 31, 2015 the bid price appreciated to TT\$17.17 per unit, versus TT\$16.99 in the prior year. Total income generated by the fund increased by 60.09 percent

from TT\$176.87 million (2014) to TT\$283.15 million (2015). The fund continued to align itself more closely to its strategic outlook and successfully reduced impairment charges over the year. Through these and other considerable efforts, the Growth and Income Fund distribution to unitholders increased 148 percent from TT\$16.5 million paid in 2014 to TT\$41.14 million 2015.

Universal Retirement Fund

The fund size of the Universal Retirement Fund (URF) increased by 6.22 percent from TT\$271.39 million to TT\$288.27 million year on year to 2015. The Fund's unit price increased to TT\$41.07 at the end of 2015 from TT\$40.56 in 2014. Total income declined by 14.23 percent year over year from TT\$10.05 million to TT\$8.62 million. The URF posted returns to the unitholders of 1.26%, despite a flat local stock market and a volatile international equity market in 2015.

UTC North American Fund

The UTC North American Fund fund size decreased by 6.42 percent throughout 2015 from US\$40.88 million (TT\$262.48 million) to US\$38.25 million (TT\$245.62 million). The return for unitholders for 2015 was -3.71 percent, down from the 8.56 percent return in 2014, symptomatic of challenging international equity markets.

Corporate Social Responsibility

Our focus on Corporate Social Responsibility is reflected in the work we do throughout the year in playing an active role in the communities we serve. We continue to work with Non-Governmental Organisations (NGOs) and through these linkages, we are well integrated into the development of our local society.

As always, the TTUTC has shown strong numbers at the National

Day of Caring, with projects that impacted throughout the nation. Innovations such as our UTC Schools' Investment Game (SIG) and UTC SEA Scholarship Programme are a clear illustration of the manner in which we pair innovation and nurturing, in support of the development of our nation's youth. Our presence in the cultural events of Trinidad and Tobago also remains strong.

The TTUTC has remained a stalwart at the Tobago Heritage, and at the Red Cross Children's Carnival and a number of other events which strengthen our understanding of the needs of our customers, as well as their families and friends.

Appreciation

I would like to thank the Chairman, Mr. R. Krishna Boodhai, and other members of the Board for their sterling service provided in 2015. I wish to also especially thank Mr. Wendell Mottley, former Chairman; Mrs. Michal Andrews, Mr. Peter Clarke and Mr. Dennis Gurley, former Board Members; for their expert and dedicated service to the Corporation over the years.

The international financial marketplace has proven challenging this year. Given the performance of the energy sector, the slowing down of China and ultra-low commodity prices, consensus views are that such turbulent times are likely to continue. In the face of these realities, we are fortunate to be buoyed by the experienced and committed team of management and staff of the UTC, whose loyalty and expertise have set us on a continued path of delivering excellence to unitholders.

In closing, the most significant tribute I can pay as Executive Director is the one which I will now attribute to you, our fellow Unitholders. Notwithstanding the many storms over the years, locally, regionally and internationally, your support of and belief in the Unit Trust has never wavered. We believe that the coming year will strengthen your

belief in us and we will continue to bring to you the consistent returns and safety that you deserve. It is with a renewed sense of vigour that we move into the new financial year, which should prove to be one that is full of opportunity for expansion and reward.

Sincerely,



Ian P. Chinapoo

Executive Director
March 2016

CORPORATE
SOCIAL
RESPONSIBILITY

Partners



for life

UTC. STRENGTHENING LINKAGES IN THE COMMUNITY

Over the past 33 years, the UTC has built immeasurable goodwill within the national community and we continue to do so through active social investment. Through the pillars of Health, Sport, Art and Culture, Education and the Environment, staff volunteers have donated their time to advocate for the underprivileged and at-risk groups in society.

The simple act of lending a hand infuses us with the belief that we can make a positive difference in people's lives. By strengthening existing partnerships and building new ones, we can continue to bring value to our communities. These partnerships have engendered an enhanced awareness of the needs of the less fortunate and inspire us to become better citizens by seeking out ways to improve the lives of others.

By engaging our partners, we commit to having a meaningful impact and fostering sustainable development. In so doing, we contribute our knowledge, skills, financial and technical support to deliver long-term solutions not only to our local communities, but on a national scale as well.

The good feeling that comes from giving back through “sweat equity” is a catalyst for social re-engineering, as it inculcates camaraderie amongst colleagues and takes us out of our comfort zone. The desire is to go beyond philanthropy and take it a step further by building and generating sustainable and symbiotic relationships in the community.

From working with various non-governmental organisations (NGOs), schools, homes such as Kids In Need of Direction (KIND), Loveuntil Foundation and Living Water Community, to name a few, we have made a tangible contribution to our national community.

To bring traction to our philanthropic initiatives and articulate our social investment mandate, we aim to establish the UTC Foundation. It will be the catalyst for positive social change in the communities in which the UTC operates. In so doing, we can continue to build strategic and philanthropic alliances, bring added value to our social stakeholders and enhance our reputation and sustainability. We seek to contribute to the sustainable development of society by responding to the trust that society places in us, and creating new value that exceeds expectations.



A BETTER **life** FOR OUR YOUTH

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Whether through sports, education or financial support, UTC strives to not just lead our nation's youth, but partner with them to create opportunities today in hopes of a brighter tomorrow.

1. UTC Spartans in collaboration with Loveuntil Foundation pose for a team shot after a football clinic with the boys from Diego Martin North Secondary School
2. UTC family at the Children's Christmas Party
3. Staff support the kids at a swim meet at the Point Fortin Community Swimming Pool
4. The boys of Diego Martin North Secondary School learn footballing skills from UTC Spartans
5. The children from KIND learn to "Be a Buddy, not a Bully"
6. Children from the Brasso R.C. Primary School receive their back-to-school kits
7. Team UTC are all smiles with homes at the Red Cross Kiddies Carnival



BRINGING COMMUNITIES TO **life**

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UTC understands that to foster success and happiness we must truly tap into our inner potential – and also create beautiful and inspiring surroundings. To this end, we engage in programmes which benefit children with special physical and learning needs, and volunteer our time to community and environmental activities.

1. Children with team UTC are all smiles doing their “Like Ah Boss” pose at Red Cross Kiddies Carnival
2. Excited preschoolers receive books collected through a corporate-wide book drive
3. Staff sing karaoke with residents of the Pius Rigsby, St. Vincent de Paul Home on the National Day of Caring
4. Executive Director, Ian Chinapoo, with unitholders after the Annual General Meeting
5. Partnering with the Down Syndrome Family Network to celebrate differences at their Buddy Walk
6. UTC staff assist a child at the Red Cross Kiddies Carnival
7. Team UTC partners with Living Water Community to pack food hampers for Christmas



BRINGING COMMUNITIES TO **life**



The progress of any nation is seen not just in the wealth of its wallets, but in the wealth of its culture. UTC remains a steadfast supporter of artistic and cultural pursuits in Trinidad and Tobago.

1. Amritam Shakti Dance Company at UTC's Divali celebration and art competition prize-giving ceremony
2. The young ones enjoy a spirited day of festivities with Vessels of Virtue for the National Day of Caring
3. Saniyah Bedeshi, third place Secondary School winner, proudly looks on at her art piece for the Divali art competition
4. Featured artists at UTC's Client Cocktail event
5. UTC supports the Canaan/Bon Accord community at the Tobago Heritage Festival
6. The kids from the Lady Hochoy Home happily display their costumes for the Easter Bonnet parade
7. UTC vacation interns make jewellery with the children from KIND

SOUND BY

UTC SCHOOLS' INVESTMENT GAME

Bringing investing to life

Launched in 1991, the Unit Trust Schools' Investment Game, or SIG as it has become known, was designed to give secondary school students early exposure to the dynamic and intriguing world of finance and investing. It was structured so that students would become more informed about the principles of sound wealth management and savvy on knowledge about risk and return.



At its inception 25 years ago, the investment game began with the allocation of a notional sum of \$20,000. Today, that sum is \$100,000. Teams adopt appropriate investment strategies to construct a portfolio comprising financial securities offered by the Unit Trust Corporation, shares of companies listed on the domestic stock exchange, and the shares of companies traded on the New York Stock Exchange (NYSE) and the National Association of Securities Dealers Automated Quotations (NASDAQ). At the end of the competition, the team with the highest portfolio value is adjudged the winner. What the SIG has done is bring to life the esoteric world of investing, giving an insight into the skills needed for effective financial management, fiscal discipline and patience.

Ian Chinapoo, Executive Director of the Unit Trust Corporation, believes the SIG is all about giving back to the community.

“SIG is pivotal to the UTC’s social investment programme in that it gives us the opportunity to have a meaningful and positive impact on our budding scholars. Having a channel to shape their lives gives us every reason to celebrate their achievements.

We continue to see ourselves as partners for life and the game is a tangible way to build a foundation for wealth management and instil in the students the nuts and bolts of financial literacy.”

Seventy-five secondary schools participated in the 2015 game, which ran for eight weeks. The game’s online format, which came onstream in 2006, is an innovative shift away from the manual paper-based system that was used at inception. Last year alone, the SIG awarded \$90,000 in prizes and the opportunity to intern at the Corporation during the 2016 July/August vacation.

Former winning schools include Hillview College, Chaguanas Senior Comprehensive, St. Benedict’s College, Iere High School, Queen’s Royal College, Cowen Hamilton Secondary School and Fyzabad Secondary School.

The excitement and exuberance during the 2015 prize-giving functions were matched only by the unbridled joy and anticipation of securing the top spots. Vivec Ramkissoon, the teacher at Palo Seco Secondary School who led the 2015 winning teams, described the result as mind-blowing.

“I wasn’t expecting to be placed, much less attain the top three places,” he said at the prize-giving ceremony at the school’s auditorium. The secondary school emerged victorious, only the second time in the 25-year history of the SIG that a secondary school bagged the top three positions in the competition. The first school to achieve this feat was Chaguanas North Secondary, in the 2012/13 edition of the game.

Mrs. Rajkumarie Maharaj, the teacher who guided the Chaguanas North Secondary team expressed pride in their victory. “They exercised vigilance, did the necessary research and remained committed to ensuring that the right investments were made. Their perseverance paid off.”

Team members at Holy Name Convent, who copped the fourth place in the 2015 competition, expressed the view that SIG tested their investing knowledge. Team leader, Maria Soo Ping Chow spoke of the team’s tenacity in the face of pressing school work. “Get involved and even though the value of stock may fall at times, don’t give up!”

GOALS

The southern champions, Palo Seco Secondary School, celebrate their victory at the school’s auditorium with their principal, Ms. Shakilla Rambarath-Ali, teacher Mr. Vivec Ramkission and UTC marketing officer, Ms. Keisha Alexander during the UTC’s SIG award ceremony.



ACHIEVEMENTS

Holy Name Convent students are all smiles as they receive their prizes during the award ceremony, held for the first time in the school’s auditorium.



WINNING

Chaguanas North Secondary, the first team to cop 1st, 2nd, and 3rd place in the SIG Competition at the 2012/2013 award ceremony.



The background of the slide features a close-up, slightly blurred image of a person's hands holding a pen over a document. The document contains various financial charts and tables, including a bar chart with blue, green, and red bars, and a table with columns and rows. A large, semi-transparent, light brown shape is overlaid on the right side of the image, and a thin red line curves across the top and left. The text 'FINANCIAL STATEMENTS' is prominently displayed in the upper left quadrant.

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, 2015**

The accompanying consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31 December, 2015 have been audited. The Statements as set out on pages 1 to 72 and on pages referenced A-1 to A-20 comprise:

- (i) A Consolidated Statement of Financial Position as at 31 December, 2015, 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, 2015 in respect of the Trinidad and Tobago Unit Trust Corporation;
- (ii) Notes to the Consolidated Financial Statements for the year ended 31 December, 2015 numbered 1 to 37; and
- (iii) Additional Information comprising a Statement of Financial Position as at 31 December, 2015, 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, 2015 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 comments made at paragraph six.

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, 2015 and their financial performance and cash flows for the year ended 31 December, 2015 in accordance with International Financial Reporting Standards.

24th MARCH, 2016



MAJEED ALI
MAJEED ALI
AUDITOR GENERAL

SS
 20160324


Trinidad and Tobago Unit Trust Corporation


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
ASSETS				
Cash and Cash Equivalents	3	1,702,425	2,398,439	4,374,680
Receivables		181,286	163,734	170,904
Prepayments and Other Assets		253,625	19,030	17,121
Investment Securities	4	18,928,502	18,678,727	16,968,152
Property, Plant and Equipment	5	165,296	163,460	164,273
Intangible Assets	6	1,428	2,554	5,996
Deferred Tax Asset	9	85	-	-
TOTAL ASSETS		21,232,647	21,425,944	21,701,126
LIABILITIES				
Accounts Payable and Short-term Liabilities		67,286	60,762	53,420
Financial Instruments	7	60,276	573,190	1,175,544
Distribution Payable		54,935	35,381	27,128
Deferred Income Tax Liability	9	-	6,964	5,513
Pension and Other Post-retirement Liabilities	10	13,485	11,734	12,997
Guarantee Pricing Liability	11	4,943	3,723	5,043
Net Assets Attributable to Non-group Interests	12	19,766,638	19,494,376	19,265,912
Other Liabilities		1,647	3,574	8,954
TOTAL LIABILITIES		19,969,210	20,189,704	20,554,511
EQUITY				
Statutory Reserves	13	5,050	5,050	5,050
Revaluation Reserve	14	40,755	155,234	194,991
Retained Income		1,217,632	1,075,956	946,574
		1,263,437	1,236,240	1,146,615
TOTAL LIABILITIES AND EQUITY		21,232,647	21,425,944	21,701,126




Chairman


Executive Director

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-15 \$'000	Restated 31-Dec-14 \$ '000
INCOME			
Investment Income -	15,16		
Growth and Income Fund		283,155	168,647
TT\$ Income Fund		283,123	293,945
Universal Retirement Fund		8,620	10,050
US\$ Income Fund		104,239	100,707
Net Investment Income - Group Operations	16	85,782	23,014
Realised Gains Re-classified from Equity	17	32,297	78,034
Initial Charge		9,434	11,952
Other Income		5,738	12,866
Total Income		812,388	699,215
EXPENSES			
Commissions		(14,781)	(17,529)
Impairment	18	(113,746)	(165,591)
Administrative	19	(242,104)	(226,206)
Depreciation and Amortisation		(13,698)	(18,751)
Total Expenses		(384,329)	(428,077)
Net Income before Finance & Guarantee Charges		428,059	271,138
Finance Charges	20	-	(22)
Guarantee Pricing Provision	11	(5,354)	(419)
Net Income after Finance Charges & Guarantee Charges		422,705	270,697
Distributions to Non-group Interest	25	(164,894)	(146,726)
Transfer from Non-group Interest to Reserves	32,33,35	(11,505)	(15,852)
Income Capitalised by Non-group Interest	34	(1,159)	(2,042)
Net (Income)/Loss Attributable to Non-group Interest		(101,175)	31,087
Net Income before Taxation		143,972	137,164
Taxation	8	(9,347)	(9,194)
Net Income for the year		134,625	127,970

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-15 \$'000	Restated 31-Dec-14 \$ '000
Net Income for the year		134,625	127,970
Other Comprehensive Income:			
<i>Amounts that may be transferred to Profit or Loss in the future:</i>			
Revaluation of Available-for-Sale Financial Assets	14	(85,492)	44,958
Exchange Differences on Translating Foreign Operations	14	(3,428)	(5,978)
<i>Amounts that will not be transferred to Profit or Loss in the future:</i>			
Re-measurements of Pension and Other Post-retirement Liabilities	10	6,738	(703)
		(82,182)	38,277
Fair Value gains transferred to Profit or Loss	17	(32,297)	(78,034)
Other Comprehensive Loss for the year		(114,479)	(39,757)
Total Comprehensive Income for the year		20,146	88,213

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	<u>Statutory Reserves \$'000</u>	<u>Revaluation Reserve \$'000</u>	<u>Retained Income \$'000</u>	<u>Total \$'000</u>
Balance as at 1 January, 2015	5,050	155,234	1,075,956	1,236,240
Total Comprehensive Income for the year	-	(114,479)	134,625	20,146
Adjustment for UTC Property Holdings	-	-	7,051	7,051
Balance as at 31 December, 2015	<u>5,050</u>	<u>40,755</u>	<u>1,217,632</u>	<u>1,263,437</u>
Balance as at 1 January, 2014	5,050	194,991	946,574	1,146,615
Total Comprehensive Income for the year	-	(39,757)	127,970	88,213
Adjustment for SPC Cayman	-	-	1,412	1,412
Balance as at 31 December, 2014 (Restated)	<u>5,050</u>	<u>155,234</u>	<u>1,075,956</u>	<u>1,236,240</u>
Balance as at 1 January, 2013	5,050	253,438	832,186	1,090,674
Total Comprehensive Income for the year	-	(58,447)	114,388	55,941
Balance as at 31 December, 2013 (Restated)	<u>5,050</u>	<u>194,991</u>	<u>946,574</u>	<u>1,146,615</u>

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
OPERATING ACTIVITIES		
Net Income before Taxation	143,972	137,164
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Net Income Attributable to Non-group Interests	278,734	133,532
Depreciation and Amortisation	13,698	18,751
Impairment – Non-financial Assets	-	391
Impairment – Financial Assets	113,746	165,591
Loss/(Gain) on sale of Property, Plant and Equipment	58	(139)
Guarantee Pricing Provision	5,354	419
Revaluation of Reserve Assets	375	625
	555,937	456,334
<i>Movements in Net Current Assets</i>		
(Increase)/Decrease in Receivables	(17,552)	7,168
Increase in Prepayments and Other Assets	(234,595)	(2,300)
(Decrease)/Increase in Accounts Payable and Liabilities	(2,471)	3,413
Taxation paid	(9,347)	(9,194)
Increase in Distribution Liability	19,554	8,252
Decrease in Pension and Other Post-retirement Liabilities	(4,987)	(559)
Net Cash Flow from Operating Activities	306,539	463,114
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(14,276)	(12,802)
Proceeds from Disposal of Property, Plant and Equipment	98	280
Purchase of Intangible Assets	(288)	(1,833)
Purchase of Investment Securities	(9,427,524)	(6,120,023)
Proceeds from Disposal of Investments	8,941,594	4,283,854
Net Cash Used in Investing Activities	(500,396)	(1,850,524)

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
FINANCING ACTIVITIES		
Subscriptions from Non-group Interests	2,520,841	2,690,372
Redemptions by Non-group Interests	(2,343,565)	(2,527,805)
Financial Instruments	(512,914)	(602,354)
Distribution Payments to Non-group Interests	(164,894)	(146,726)
Interest on Reserve Assets	583	403
Guarantee Reserve Payment	(5,133)	(2,739)
Net Cash Used In Financing Activities	(505,082)	(588,849)
Translation Adjustment	2,925	18
NET DECREASE IN CASH AND CASH EQUIVALENTS	(696,014)	(1,976,241)
Cash and Cash Equivalents at beginning of year	2,398,439	4,374,680
Cash and Cash Equivalents at end of year	1,702,425	2,398,439

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2015 | 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 principal place of business 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 eleven (11) entities during 2015 (2014:11), two of which are in the process of liquidation, namely:

- i. UTC Property Holdings Limited. On 20th July 2015, UTC Property Holdings Limited, a wholly owned subsidiary of the Corporation, entered into voluntary liquidation. The assets of the company will be transferred to the Corporation and all liabilities settled by year end 2016. The company has been inactive, for all intents and purposes, since July 2015; and
- ii. UTC Energy Investments Limited. On 2nd October 2014, UTC Energy Investments Limited, a wholly owned subsidiary of the Corporation, filed a Certificate of Dissolution with the Secretary of State of Delaware, United States of America. Notwithstanding the filing in 2014, reversal of the dissolution was under active consideration during the first quarter of 2015. Subsequently, on the sale of its only asset during March 2015, a final decision was taken to allow the dissolution to proceed. The company has been inactive, for all intents and purposes, since March 2015.

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. The accounting policies in all material respects conform to IFRS.
- ii. The historical cost convention was used in the preparation of these Financial Statements except with respect to financial assets, the majority of which are carried and reported at their fair values at the reporting date. Though adjustments may be made for depreciation or impairment, the historical cost convention requires that assets acquired are carried at the value of the consideration originally given in exchange for the assets acquired. Fair value, on the other hand, adjusts the carrying value of assets and liabilities to reflect the price that would be received to sell the asset, or paid to transfer the liability, in an orderly transaction between market participants at the reporting date.
- iii. 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.
- iv. The preparation of the Financial Statements in accordance with IFRS requires management to make judgements, estimates and assumptions. Management reviews these judgements, estimates and underlying assumptions on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management has exercised significant judgement in determining:

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

- (a) impairment charges in respect of fixed assets, intangible assets and investment securities;
- (b) the quantum of the liability under the price guarantee offered to unitholders of the Growth and Income Fund at the reporting date (see Note 11);
- (c) the fair value of financial assets categorised as Level 3 (see Note 2e); and
- (d) whether or not for purposes of IFRS 10, it controls those entities of which it is the investment manager, trustee and sponsor (see Note 2c).

b) Changes in Accounting Policies

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

On 1 January 2015 the Group adopted the following improvements and amendments to IFRSs, which are relevant to its operations:

- ***Amendments to IAS 27 - Equity Method in Separate Financial Statements (effective 1 January 2016).***

The amendment permits investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Early adoption had no impact on these Consolidated Financial Statements.

- ***Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between Investor and its Associate or Joint Venture (effective 1 January 2016).***

The amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture. Entities will now be required to fully recognise in the investor's financial statements the gain or loss arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations) and to partially recognise gains and losses where the asset does not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interest in that associate or joint venture. The Group has no associates and was not a party to any joint venture at the reporting date. Early adoption had no impact on these Consolidated Financial Statements.

- ***Amendment to IFRS 11 - Accounting for Acquisitions of interests in Joint Operations (effective 1 January 2016).***

The amendment requires an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined by IFRS 3 Business Combinations) to apply all business combination accounting principles and disclosures. The amendment applies to both the initial acquisition and to the acquisition of any additional interest in a joint operation. The Group was not a party to any joint operation at the reporting date. Early adoption of the amendment had no impact on these Consolidated Financial Statements.

ii. *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 2015. These new standards and amendments were not applied in the preparation of these Financial Statements. The standards and amendments are:

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

b) Changes in Accounting Policies (continued)

- **IFRS 9 - Financial Instruments**
IFRS 9, was issued in July 2014 and is mandatory for annual periods beginning on or after 1 January 2018 with early adoption permitted. IFRS 9 replaces IAS 39 'Financial Instruments - Recognition and Measurement'. Adoption of IFRS 9 will primarily impact the classification and measurement of the Group's financial assets.
- **IFRS 14 - Regulatory Deferral Accounts**
IFRS 14 was issued during January 2014 and specifies the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. IFRS 14 is mandatory for annual Financial Statements beginning on or after 1 January 2017. Adoption of IFRS 14 will not impact the Group's financial statements
- **IFRS 15 Revenue from Contracts with Customers**
IFRS 15 was issued on 28 May 2014 and supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. The standard establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 is mandatory for annual Financial Statements beginning on or after 1 January 2017. Adoption of IFRS 5 will not impact the Group's Financial Statements.

c) Basis of Consolidation

The Consolidated Financial Statements incorporate the unconsolidated Financial Statements of the Corporation, the Financial Statements of The Growth and Income Fund, the TT\$

Income Fund, the Universal Retirement Fund, and the US\$ Income Fund (the locally domiciled Funds hereafter) and the Financial Statements of its incorporated subsidiaries (see Note 27). The Corporation and the consolidated entities are referred to as the Group hereafter.

Management concluded that for purpose of IFRS 10, its relationship with the locally domiciled Funds was that of a principal rather than that of an agent hence their consolidation in these financial statements. Management's conclusion was based primarily on its exposure to significant variability of returns as a result of its commitment to support the locally domiciled Funds.

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:

- i. it has power over the entity;
- ii. it is exposed, or has rights, to variable returns from its involvement with the entity; and
- iii. 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. The income and expenses of an entity acquired 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 Interests' represents the portion of the profit and net assets not owned, directly or indirectly, by either the Corporation or another entity which the Corporation controls. IAS 32: AG 29 requires that such

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

c) Basis of Consolidation (continued)

non-group interests be recognized as a liability in the Consolidated Financial Statements as the units/shares represent obligations to deliver cash on presentation of such units/shares for redemption.

All material intra-group transactions and accounts have been eliminated in full in preparing these Financial Statements.

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

d) Investment Securities

The Group recognises financial assets and liabilities when it becomes party to the contractual obligations of the instrument. The Group derecognises 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 derecognised 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.

Unrealised gains and losses from changes in the fair value of investments classified as available for sale are recognised in Other Comprehensive Income. When available-for-sale financial assets are disposed of, or are impaired, the related fair value adjustments

are reclassified to the Consolidated Statement of Profit or Loss.

Investment Securities with fixed maturities and that management has the intent and ability to hold to maturity, are classified as held to maturity. Held-to-maturity investments are carried at amortised cost, less adjustments for impairment. During 2015, substantially all of the Group's held-to-maturity financial assets were reclassified as available for sale.

Non-derivative investment securities with fixed and determinable payments, which are not quoted in an active market and are not designated as available-for-sale, are classified as loans and receivables. Loans and receivables are carried at amortised cost, using the effective interest method. The effective interest method uses the effective interest rate to recognise interest income over the life of a financial asset. The effective interest rate is the rate that exactly discounts all the estimated future cash receipts of a financial asset to the net carrying amount on initial recognition. Impairment adjustments are made to the amortised cost of loans and receivables where necessary.

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

e) 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.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

e) Fair Value Estimation – Investment Securities (continued)

Financial assets and liabilities not traded in an active market

During 2015, an independent firm, with experience in rating and valuing financial assets, was engaged to value substantially all of the illiquid financial assets in the locally domiciled funds.

However, the fair value of the Corporation's equity and debt, most of which, have very restricted markets were valued internally by management.

The valuation techniques used by both the independent firm (see Note 4 for a summary of the firm's valuation method) and the Corporation are market based and broadly consistent.

Corporation valuation method

The Corporation's valuation of its illiquid assets was done using valuation techniques and models commonly used by market participants and incorporate assumptions that are based on market conditions existing at the reporting date.

The Corporation's valuations were undertaken primarily in respect of the Corporation's equity and debt instruments with severely restricted markets. Many of the inputs used are not market observable.

The output of any valuation model is always an estimate of a value that cannot be determined with certainty. Accordingly, the valuation models may not fully reflect all factors relevant to the positions held by the Group. The valuations generated by the models used to value the Corporation's illiquid assets were 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.

Fair value hierarchy

Fair value measurements of securities are categorised 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 within 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 requires significant judgement with respect to an input, 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.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

f) Impairment of Financial Assets

Assets carried at amortised cost

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

- i. there is objective evidence of impairment as a result of one or more events that occurred subsequent to 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 there has been a loss event 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 repayment 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 reorganisation;
- (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:-

- 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 amortised cost, the Group measures the amount of the loss as the difference between:

- a) the asset's carrying amount; and
- b) 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 by the amount of the loss which is recognised 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 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 recognised (such as an improvement in the debtor's credit rating), the reversal of an appropriate portion of the previously recognised impairment loss is recognised in the Consolidated Statement of Profit or Loss.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

f) Impairment of Financial Assets (continued)

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 amortised cost (see foregoing paragraphs).

In the case of equity investments classified as available for sale, in addition to the criteria for amortising 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 either a significant or a 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 unrealised loss is reclassified from equity and recognised in the Consolidated Statement of Profit or Loss as an impairment expense.

The Group considers a decline for a period of twelve (12) or more months as prolonged and a 30% decline below cost, as significant.

g) 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 resell 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 into 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.

h) 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 recognised 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 recognised in the Consolidated Statement of Profit or Loss.

Freehold land is not depreciated. Leasehold land is capitalised and amortised over the term of the lease.

Depreciation on Property, Plant and Equipment, with the exception of motor vehicles, is calculated using the straightline method to allocate their cost over their estimated useful lives. The estimated useful life of the various categories of the Group's Property, Plant and Equipment are as follows:

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)**h) Property, Plant and Equipment (continued)**

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 and Fixtures	3-10 years

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

i) Intangible Assets

Acquired computer software and licenses are the only intangible assets recognised by the Group in these Financial Statements. Computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognised 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 amortised on a straight line basis over the estimated useful life of the asset (between three (3) to five (5) years).

Costs associated with maintaining computer software are expensed as incurred.

j) Impairment of Non-financial Assets

Assets that are subject to amortisation 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 recognised in the Consolidated Statement of Profit or Loss.

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

k) Foreign Currency Translation

The Group's functional and presentation currency is Trinidad and Tobago dollars. Foreign currency transactions are translated into the functional currency using the average mid-rate for the currency, quoted by the Central Bank of Trinidad and Tobago, 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 recognised in the Consolidated Statement of Profit or Loss.

The results and financial position of all Group entities that have a functional currency other than the presentation currency are translated into the presentation currency using the closing rate. All resulting exchange differences are recognised in the Consolidated Statement of Comprehensive Income.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

l) Employee Benefits

i. Short-term benefits

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

ii. Pension obligations

Group contributions to retirement benefit plans are recognised 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 10). 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 unrecognised 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 regularly by an actuary using the projected unit credit method. Should the calculation result in a surplus, the surplus is not recognised 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 to compute the defined benefit pension obligations. An independent qualified actuary conducts a valuation of these obligations regularly.

m) 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 instruments with original maturities of ninety (90) days or less.

n) Provisions

Provisions are recognised when the Group has:

- i. a present or constructive obligation as a result of past events;
- ii. it is probable that an outflow of resources will be required to settle the obligation; and
- iii. the amount of the obligation has been reliably estimated.

o) 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 provided by Group entities.

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

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

2) Significant Accounting Policies (continued)

p) Borrowings

Borrowings are recognised initially at fair value, and are subsequently stated at amortised cost. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised. A qualifying asset is an asset which takes a substantial amount of time to be ready for use or sale. The Corporation does not borrow to finance the acquisition, construction or production of qualifying assets.

q) 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.

r) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed by the Group 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, 2015 is \$582 million (2014: \$565 million).

s) Taxation

The Corporation is exempt from Corporation Tax, however, it is subject to the Green Fund Levy. Corporation Tax is payable on profits realised by the subsidiaries, based on the applicable laws in each jurisdiction, and is recognised as an expense in the period in which profits arise.

The tax effects of income tax losses available for carry forward, are recognised as an asset when it is probable that future taxable profits will be available against which the losses can be utilised.

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 Financial Statements.

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 realised or the deferred corporation tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

t) Comparative Information

Certain changes in presentation have been made in these Financial Statements. These changes had no effect on the operating results or net income after tax of the Group for the previous year.

The Group has, however, restated its 2013 Statement of Financial Position and its Financial Statements for 2014 to correct misstatements quantified during the third quarter of 2015 (see Note 4 - Misstatement of Investment Securities).

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

3) Cash and Cash Equivalents

Cash and cash equivalents are analysed below:

	2015	Restated	Restated
	\$'000	2014	2013
	\$'000	\$'000	\$'000
Corporation	389,485	388,021	625,947
Locally Domiciled Funds	1,296,758	1,996,603	3,737,875
Foreign Funds	1,034	20	25
Other Group Entities	15,148	13,795	10,833
	<u>1,702,425</u>	<u>2,398,439</u>	<u>4,374,680</u>

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, all the assets of the said Funds, including cash and cash equivalents, are ring-fenced and are not available for use by the Group.

4) Investment Securities

The Group reclassified a substantial portion of its held-to-maturity bonds and private equity interests to available-for-sale during the course of 2015 and retained the services of a local firm of independent professionals to value the illiquid bonds within the portfolios of the locally domiciled funds. The reclassification of the bonds provides users with better information to evaluate the financial position and performance of the portfolios. The net increase/(decrease) in Other Comprehensive Income at 31 December 2015 as a result of the reclassification is provided in the Table below.

Fund	TT\$'000
Growth and Income Fund	28,931
TT\$ Income Fund	57,242
Universal Retirement Fund	1,152
US\$ Income Fund	<u>(46,156)</u>
TOTAL	<u>41,169</u>

Management discovered during 2015 that certain transactions related to private equity investments held by the Growth and Income Fund and the Universal Retirement Fund were accounted for incorrectly. In accordance with International Accounting Standards 8 - Accounting Policies, Changes in Accounting Estimates and Errors - these mis-statements have been corrected retrospectively in the restated Notes and Statement of Financial Position for 2013 (\$48.4 million loss) and 2014 (\$5.9 million gain). In addition, the Analysis of the Group's Investments now includes an additional line item - Private Equity Investments.

The enhanced and corrected analysis of the Group's investment securities for the years 2013, 2014 and 2015, is provided overleaf.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investments Securities (continued)

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
<u>Held-to-maturity investments carried at cost or amortised cost:</u>			
Bonds classified as held-to-maturity on recognition	5,349,012	5,378,832	5,974,863
Bonds now disclosed under Private Equity available for sale	-	(29,820)	(28,894)
Carrying value of bonds re-classified to available for sale during 2015	(5,349,012)	-	-
<i>Held-to-maturity Bonds at 31 December</i>	-	5,349,012	5,945,969
Equity (unquoted equity on initial recognition)	649	19,785	20,046
Transfers to Private Equity	-	(19,139)	(19,401)
<i>Unquoted Equity at 31 December</i>	649	646	645
Short-term Investments	3,975,193	4,261,975	2,254,430
Short-term Investments transferred to available-for-sale	(3,975,193)	-	-
<i>Held-to-maturity Short-term Investments at 31 December</i>	-	4,261,975	2,254,430
Held-to-maturity investments carried at cost or amortised cost	649	9,611,633	8,201,044
<u>Available-for-sale assets carried at fair value:</u>			
Bonds classified as available for sale on initial recognition	5,959,987	5,383,630	5,194,765
Carrying value of bonds reclassified from held to maturity during 2015	5,349,012	-	-
<i>Available-for-sale Bonds at 31 December</i>	11,308,999	5,383,630	5,194,765
Equity	3,533,844	3,621,348	3,403,924
Transfers to Private Equity	-	(80,431)	(88,566)
<i>Available-for-sale Equity at 31 December</i>	3,533,844	3,540,917	3,315,358
Private Equity	104,729	129,390	136,862
Short-term Investments	3,975,193	13,067	120,045
Mutual Funds	5,088	90	78
<i>Available-for-sale Private Equity, Mutual Funds and Short-term Investments</i>	4,085,010	142,547	256,985
Available-for-sale assets carried at fair value:	18,927,853	9,067,094	8,767,108
Total Investment Securities	18,928,502	18,678,727	16,968,152

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

(4) Investments Securities (continued)

a) The fair value of Level 3 Investment Securities carried at Amortised Cost.

The fair value of Level 3 investment securities carried at cost or amortised cost is provided below.

	2015		2014 Restated		2013 Restated	
	Carrying Value \$M	Fair Value \$M	Carrying Value \$M	Fair Value \$M	Carrying Value \$M	Fair Value \$M
Bonds	-	-	4,902.1	5,521.8	5,713.7	6,301.7
Equity	649	649	0.6	0.6	0.6	0.6
	649	649	4,902.7	5,522.4	5,714.3	6,302.3

b) The Fair Value Hierarchy for Investment Securities

The Group's investment securities are analysed by the fair valuation hierarchy below:

Fair Value Hierarchy for Investment Securities December 2015

Recurring fair value measurements	Level 1 (Quoted price in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
Held-to-maturity investments carried at cost or amortised cost:				
Bonds	-	-	-	-
Equity	-	-	649	649
Short-term Investments	-	-	-	-
	-	-	649	649
Available-for-sale assets carried at fair value:				
Bonds	43,662	-	11,265,337	11,308,999
Equity	3,524,736	-	9,108	3,533,844
Private Equity	-	-	104,729	104,729
Short-term Investments	3,975,193	-	-	3,975,193
Mutual Funds	5,088	-	-	5,088
	7,548,679	-	11,379,174	18,927,853
Total Investment Securities	7,548,679	-	11,379,823	18,928,502

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

(4) Investments Securities (continued)**b) The Fair Value Hierarchy for Investment Securities (continued)**

Fair Value Hierarchy for Investment Securities December 2014 - Restated				
Recurring fair value measurements	Level 1 (Quoted price in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
Held-to-maturity investments carried at amortised cost:				
Bonds	443,847	3,099	4,902,066	5,349,012
Equity	-	-	646	646
Short-term Investments	4,261,975	-	-	4,261,975
	4,705,822	3,099	4,902,712	9,611,633
Available-for-sale assets carried at fair value:				
Bonds	37,512	3,295,650	2,050,468	5,383,630
Equity	3,062,021	3,329	475,567	3,540,917
Private Equity	-	-	129,390	129,390
Short-term Investments	13,067	-	-	13,067
Mutual Fund Units	90	-	-	90
	3,112,690	3,298,979	2,655,425	9,067,094
Total Investment Securities	7,818,512	3,302,078	7,558,137	18,678,727

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)

b) The Fair Value Hierarchy for Investment Securities (continued)

Fair Value Hierarchy for Investment Securities December 2013 - Restated

Recurring fair value measurements	Level 1 (Quoted price in active markets for identical assets) \$'000	Level 2 (Significant other observable inputs) \$'000	Level 3 (Significant unobservable inputs) \$'000	Total \$'000
Held-to-maturity investments carried at amortised cost:				
Bonds	222,999	9,298	5,713,672	5,945,969
Equity	-	-	645	645
Short-term Investments	2,254,430	-	-	2,254,430
	2,477,429	9,298	5,714,317	8,201,044
Available-for-sale assets carried at fair value:				
Bonds	45,000	3,181,346	1,968,419	5,194,765
Equity	3,295,987	19,051	320	3,315,358
Private Equity	-	-	136,862	136,862
Short-term Investments	120,045	-	-	120,045
Mutual Fund Units	78	-	-	78
	3,461,110	3,200,397	2,105,601	8,767,108
Total Investment Securities	5,938,539	3,209,695	7,819,918	16,968,152

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)

c) Transfers between Fair Value Hierarchy Levels.

There were no transfers between the Fair Value Hierarchy Levels during 2014.

After reviewing the 2015 valuations, management concluded that the observable inputs used in the 2015 valuations were insufficient to warrant a Level 2 classification in 2015 and therefore reclassified the affected securities to Level 3 (see the Fair Value Hierarchy for 2014 and 2015 Tables on pages 65-66).

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: Equities and Exchange Traded Funds (ETFs) listed in active markets. The Group does not adjust the quoted price on these instruments in arriving at their fair value.

e) Level 2 Fair Values

Financial instruments that are valued on the average of quotes provided by 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. There were no instruments classified as Level 2 investments at 31 December 2015 (see Note 4c).

f) Valuation Techniques used to derive Level 3 Fair Values

Investments classified as Level 3 have significant unobservable inputs. Estimating the value of financial instruments in this Level

requires considerable judgement particularly as the market for the instruments are often illiquid and trading is infrequent. The proceeds realised on disposal of the instruments may therefore vary significantly from the valuations reported.

The valuation techniques used by the Group to arrive at the fair value of Level 3 investments are summarised below.

Held-to-maturity Bonds:

During 2015, the Group reclassified substantially all of its held-to-maturity bonds to available for sale and engaged a firm of independent valuers to value its bonds. The procedures adopted by the independent firm included:

- i. estimating the Net Cash Flows for the instruments based on its knowledge of the market and assessment of the credit rating of the issuer;
- ii. using its proprietary yield curve, developed based on market reads, to assist in determining appropriate discount rates for the instruments; and
- iii. adjusting the discount rate extrapolated from their proprietary yield curve to reflect the credit, the liquidity and other risks attaching to the instrument.

In valuing the held-to-maturity bonds in 2014 and 2013, the Group adopted broadly similar procedures but used its internally constructed yield curves to forecast future interest rates for TT\$ and US\$ bonds issued in Trinidad and Tobago. The Group's 2013 and 2014 yield curves were based on its 'market reads' (i.e. information gathered from market participants on the interest rates required for bonds issued in Trinidad and Tobago). The yield curves were largely comparable with the publicly available international yield curves for TT\$ and US\$ bonds issued in Trinidad and Tobago.

Markets are dynamic and management, in a manner similar to the independent valuers, reviewed and adjusted the yields extrapolated from its yield curves to ensure that it is reflected market participants' view of the credit, liquidity, business and other risks of the bonds at the reporting date.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)

f) Valuation Techniques used to derive Level 3 Fair Values (continued)

Unquoted Equities

Unquoted equity is carried at cost. Management estimates that the carrying value of the Group's unquoted equity approximates its fair value at the reporting date. Impairment reviews of the equity classified as held-to-maturity are undertaken regularly. No impairment charges were recognised for these securities in 2015 (2014: Nil).

Short-term Investments

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

Available-for-sale Bonds

Traded available-for-sale bonds are valued based on the average of indicative quotations received from brokers for the bond at the reporting date. The quotations do not necessarily reflect the price at which the broker would be willing to execute a transaction and the valuations have been assigned to Level 3.

Available-for-sale Equity

Available-for-sale equity instruments are valued based on the trading prices for the security at the reporting date.

Valuation Techniques Summary

The Table on the next page summarises the valuation techniques used in estimating the fair value of Level 3 securities, the significant unobservable inputs, the relationship of the unobservable inputs to fair value and the impact that an increase or decrease in the unobservable inputs would have had on the valuation results.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)**(f) Valuation Techniques used to derive Level 3 Fair Values (continued)**

The following Tables present the movement in Level 3 instruments for the year 2015.

	As at 31 December 2015				
	Level 3 fair value 2015	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
Held-to-maturity investments carried at amortised cost:	\$'M				\$'M
Bonds	-	Not applicable	Not applicable	Not applicable	Not applicable
Equity	<u>1</u>	Not applicable	Not applicable	Not applicable	Not applicable
Sub-total	<u>1</u>				
Available-for-sale investments carried at fair value					
Bonds	11,265	Independent Valuator,	Not applicable	Not applicable	Not applicable
		Trading prices			
Equity	9	Trading prices at reporting date	Not applicable	Not applicable	Not applicable
Private Equity	<u>105</u>				
Sub-total	<u>11,379</u>				
TOTAL	<u><u>11,380</u></u>				

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)

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

Valuation Techniques Summary (continued)

	Carrying Value Level 3 Securities 1/1/2015 \$'M	Purchases/ Capitalised Interest \$'M	Re-class \$'M	Sales/ Repayment/ Maturities \$'M	Net Gains/ Losses recognised in Profit or Loss \$'M	Unrealised Gains/ Losses recognised in OCI \$'M	Carrying Values Level 3 Securities 31/12/2015 \$'M	Fair Values \$'M
Held-to-maturity assets carried at cost or amortised cost:								
Bonds	5,521.8	-	(5,521.8)	-	-	-	-	-
Equity	0.6	-	-	-	0.1	-	0.7	0.7
	5,522.4	-	(5,521.8)	-	0.1	-	0.7	0.7
Available-for-sale assets carried at fair value								
Bonds	2,050.5	7,085.8	5,521.8	(3,478.3)	-	85.5	11,265.3	11,265.3
Equity	475.6	-	-	(466.6)	-	-	9.0	9.0
Private Equity	129.4	-	-	-	(12.0)	(12.7)	104.7	104.7
	2,655.5	7,085.8	5,521.8	(3,944.9)	(12.0)	72.8	11,379.0	11,379.0
TOTAL	8,177.9	7,085.8	-	(3,944.9)	(11.9)	72.8	11,379.7	11,379.7

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)**f) Valuation Techniques used to derive Level 3 fair values (continued)***Valuation Techniques Summary (continued)*

The following Tables present the movement in Level 3 instruments for the year 2014

	As at 31 December 2014 - Restated				
	Restated Level 3 fair value 2014	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
Held-to-maturity investments carried at amortised cost:	\$'M				\$'M
Bonds	5,521.8	Yield Curve/ Net Present Value	Bond yields and risk premia	+1% -1%	-380.8 44.6
Equity	0.6	Not applicable	Not applicable	Not applicable	Not applicable
Sub-total	5,522.4				
Available-for-sale investments carried at fair value					
Bonds	2,050.5	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Equity	475.6	Trading prices at reporting date	Not applicable	Not applicable	Not applicable
Private Equity	129.4	General Partner's estimate	Valuation by General Partner	Not applicable	Not applicable
Sub-total	2,655.5				
TOTAL	8,177.9				

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)

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

Valuation Techniques Summary (continued)

	Restated Carrying Value Level 3 Securities 1/1/2014 \$'M	Purchases/ Capitalised Interest \$'M	Sales/ Repayment Maturities \$'M	Re-class from Level 2 \$'M	Restated Net Gains/ Losses recognised in Profit or Loss \$'M	Unrealised Gains/ Losses recognised in OCI \$'M	Restated Carrying Values Level 3 Securities 31/12/2014 \$'M	Restated Fair Values \$'M
Held-to-maturity assets carried at amortised cost:								
Bonds	5,713.7	205.7	(930.1)	-	(87.2)	-	4,902.1	5,521.8
Equity	0.6	-	-	-	-	-	0.6	0.6
	5,714.3	205.7	(930.1)	-	(87.2)	-	4,902.7	5,522.4
Available-for-sale assets carried at fair value								
Bonds	1,968.4	73.9	-	-	-	8.2	2,050.5	2,050.5
Equity	0.3	377.0	-	73.0	-	25.3	475.6	475.6
Private Equity	136.9	-	(7.5)	-	-	-	129.4	129.4
	2,105.6	450.9	(7.5)	73.0	-	33.5	2,655.5	2,655.5
TOTAL	7,819.9	656.6	(937.6)	73.0	(87.2)	33.5	7,558.2	8,177.9

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)**f) Valuation Techniques used to derive Level 3 fair values (continued)***Valuation Techniques Summary (continued)*

	As at 31 December 2013 – Restated				
	Restated Level 3 fair value 2013	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/-
Held-to-maturity investments carried at amortised cost:	\$'M				\$'M
Bonds	6,301.7	Yield Curve/ Net Present Value	Bond yields and risk premia	+1% -1%	(170.1) 185.6
Equity	0.6	Not applicable	Not applicable	Not applicable	Not applicable
Sub-total	6,302.3				
Available-for-sale investments carried at fair value					
Bonds	1,968.4	Average of broker and other quotations	Not applicable	Not applicable	Not applicable
Equity	0.3	Trading prices at reporting date	Not applicable	Not applicable	Not applicable
Private Equity	136.9	General Partner's estimate	Valuation by General Partner	Not applicable	Not applicable
Sub-total	2,105.6				
TOTAL	8,407.9				

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

4) Investment Securities (continued)

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

Valuation Techniques Summary (continued)

	Carrying Value Level 3 Securities 1/1/2013 \$'M	Purchases/ Capitalised Interest \$'M	Re-class \$'M	Sales/ Repayment/ Maturities \$'M	Restated Net Gains/ Losses recognised in Profit or Loss \$'M	Unrealised Gains/ Losses recognised in OCI \$'M	Restated Carrying Values Level 3 Securities 31/12/2013 \$'M	Restated Fair Values \$'M
Held-to-maturity assets carried at amortised cost:								
Bonds	5,607.3	2,204.6	(19.4)	(2,106.2)	27.4	-	5,713.7	6,301.7
Equity	28.8	-	(28.2)	-	-	-	0.6	0.6
	5,636.1	2,204.6	(47.6)	(2,106.2)	27.4	-	5,714.3	6,302.3
Available-for-sale assets carried at fair value								
Bonds	3,266.4	157.7	(785.9)	(646.8)	-	(23.0)	1,968.4	1,968.4
Equity	334.4	67.7	(270.0)	(131.8)	-	-	0.3	0.3
Private Equity	-	-	179.6	-	(62.0)	19.3	136.9	136.9
	3,600.8	225.4	(876.3)	(778.6)	(62.0)	(3.7)	2,105.6	2,105.6
TOTAL	9,236.9	2,430.0	(923.9)	(2,884.8)	(34.6)	(3.7)	7,819.9	8,407.9

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

5) Property, Plant and Equipment

	Land \$'000	Building \$'000	Office Improvement \$'000	Motor Vehicles \$'000	Office & Computer Equipment \$'000	Office Furniture \$'000	Total \$'000
Year ended 31 December 2015							
Opening Net Book Value	16,096	104,226	15,666	1,375	21,739	4,358	163,460
Acquisitions	-	-	2,252	-	10,628	1,396	14,276
Reclassifications	-	-	-	-	(6)	6	-
Disposals	-	-	-	(97)	(59)	-	(156)
Depreciation/Amortisation	(22)	(2,809)	(3,106)	(280)	(5,220)	(847)	(12,284)
Closing Net Book Value	16,074	101,417	14,812	998	27,082	4,913	165,296
As at 31 December, 2015							
Cost	16,569	139,427	53,078	3,456	82,643	23,853	319,026
Accumulated Depreciation/Impairment charges	(495)	(38,010)	(38,266)	(2,458)	(55,561)	(18,940)	(153,730)
Net Book Value	16,074	101,417	14,812	998	27,082	4,913	165,296
Year ended 31 December, 2014							
Opening Net Book Value	16,118	107,035	18,526	1,584	15,852	5,158	164,273
Acquisitions	-	-	1,749	286	10,587	180	12,802
Disposals	-	-	-	(136)	(5)	-	(141)
Depreciation/Amortisation	(22)	(2,809)	(4,609)	(359)	(4,695)	(980)	(13,474)
Closing Net Book Value	16,096	104,226	15,666	1,375	21,739	4,358	163,460
As at 31 December, 2014							
Cost	16,569	139,427	50,826	3,856	72,590	22,451	305,719
Accumulated Depreciation/Impairment charges	(473)	(35,201)	(35,160)	(2,481)	(50,851)	(18,093)	(142,259)
Net Book Value	16,096	104,226	15,666	1,375	21,739	4,358	163,460

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

5) Property, Plant and Equipment (continued)

	Land \$'000	Building \$'000	Office Improvement \$'000	Motor Vehicles \$'000	Office and Computer Equipment \$'000	Office Furniture \$'000	Total \$'000
Year ended 31 December, 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
Reclassifications	-	-	-	-	(2)	2	-
Disposals	-	-	(47)	(513)	(231)	(36)	(827)
Depreciation/Amortisation	(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

Land

Land includes leasehold land of \$2.2 million (2014 \$2.2 million) and freehold land of \$14.4 million (2014: \$14.4 million).

Fair Value Land and Buildings

The fair value of land and buildings was estimated at \$194.6 million at 31 December, 2015 (2014: \$192.2 million). Land and buildings are normally

valued by independent professional valuers every three years. Due to the planned disposal of the assets of UTC Property Holdings Limited as part of its voluntary liquidation process, its Property and Buildings were revalued during November 2015. Information related to the valuation of land and buildings at 31 December 2015 is provided in the following table:

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

5) Property, Plant and Equipment (continued)

Property	Cost \$'M	Independent Valuation \$'M	Date of last valuation	Fair Value 31 Dec 2015 \$'M	Valuation Level
Leasehold Land	2.2	17.0	31 Dec 2013	17.0	Level 2
Freehold Land	14.4	61.9	24 Nov 2015	61.9	Level 1
Building	70.9	77.0	31 Dec 2013	77.0	Level 2
Buildings	68.5	38.7	24 Nov 2015	38.7	Level 1
Total	156.0	194.6		194.6	

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 properties.

6) Intangible Assets

	2015 \$'000	2014 \$'000	2013 \$'000
Year ended 31 December			
Opening Net Book Value	2,554	5,996	16,015
Acquisitions	288	1,833	617
Disposals	-	-	-
Amortisation Adjustment	-	-	(6,496)
Amortisation	(1,414)	(5,275)	(4,140)
Closing Net Book Value	1,428	2,554	5,996
As at 31 December			
Cost	52,729	52,441	50,608
Accumulated Amortisation	(51,301)	(49,887)	(44,612)
Net Book Value	1,428	2,554	5,996

In 2013, the Group changed the maximum estimated useful life of its computer software licenses from ten (10) years to five (5) years which resulted in a one-time amortisation adjustment of \$6.5 million.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

7) Financial Instruments

	Term	2015	2014	2013
		\$'000	\$'000	\$'000
Fixed-term Funding	Less than 1 year	60,276	573,190	1,174,898
Long-term Bonds	10 years	<u>-</u>	<u>-</u>	<u>646</u>
Total		<u>60,276</u>	<u>573,190</u>	<u>1,175,544</u>

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 Trinidad and Tobago Corporation Tax and the foreign subsidiaries are subject to taxation relevant to their country of domicile.

	2015	2014	2013
	\$'000	\$'000	\$'000
Net Income before taxation	143,972	137,162	118,888
Less: Income taxed at 0%	(142,903)	(131,358)	(113,670)
Net Income subject to tax	<u>1,069</u>	<u>5,804</u>	<u>5,218</u>
Corporation Tax at 25% for local subsidiaries	2	1,450	1,305
Corporation Tax for foreign subsidiaries	1,968	638	-
Withholding Tax	6,719	6,534	8,562
Business Levy payments	155	163	87
Green Fund Levy payments	503	409	420
Tax charge	<u>9,347</u>	<u>9,194</u>	<u>10,374</u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

9) Deferred Tax

Deferred taxes are calculated on all temporary differences using the liability method. Temporary differences arise only in the Group's subsidiaries domiciled in Trinidad and Tobago. The rate used to compute deferred tax on these differences is 25%.

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

	2015 \$'000	2014 \$'000	2013 \$'000
Tax losses carried forward	(85)	(369)	(1,434)
Accelerated tax depreciation	-	7,333	6,947
Net deferred (asset)/liability	(85)	6,964	5,513

The movements in deferred tax assets and liabilities during the years presented are as follows:

Deferred Tax Liability

Balance at 1 January 2013	
Charged to the Consolidated Statement of Profit or Loss 2013	
Balance as at 31 December 2013	
Charged to the Consolidated Statement of Profit or Loss 2014	
Balance as at 31 December 2014	
Charged to the Consolidated Statement of Profit or Loss 2015	
Charge to Equity 2015	
Balance as at 31 December 2015	

Accelerated Tax Depreciation

\$'000
6,478
469
6,947
386
7,333
-
(7,333)
-

Deferred Tax Asset

Balance at 1 January 2013	
Charged to the Consolidated Statement of Profit or Loss 2013	
Balance as at 31 December 2013	
Charged to the Consolidated Statement of Profit or Loss 2014	
Balance as at 31 December 2014	
Charge to the Consolidated Statement of Profit or Loss 2015	
Charge to Equity 2015	
Balance as at 31 December 2015	

Tax Losses
\$'000
(2,269)
835
(1,434)
1,065
(369)
2
282
(85)

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

10) 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, the 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 are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Opening present value of defined benefit obligation	160,803	153,891	136,298
Current service costs	8,413	8,156	8,081
Plan participant contributions	3,623	3,506	3,524
Interest cost	3,891	7,875	13,137
Actuarial gains on obligation	(1,659)	(8,175)	(1,429)
Benefit and expenses paid	(3,611)	(4,449)	(5,720)
Closing present value of defined benefit obligation	<u>171,460</u>	<u>160,804</u>	<u>153,891</u>

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

	2015 \$'000	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	163,202	151,768	131,652
Expected return on Plan assets	8,414	7,980	13,370
Actuarial loss on Plan assets	(7,485)	(5,419)	(924)
Employer contributions for current service	10,144	9,816	9,866
Plan participant contributions for current service	3,623	3,506	3,524
Benefits and expenses paid	(3,611)	(4,449)	(5,720)
Closing fair value of Plan assets	<u>174,287</u>	<u>163,202</u>	<u>151,768</u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

10) Pension and Other Post-retirement Benefits (continued)**a) Pension benefits (continued)**

iii. The amounts recognised in the Consolidated Statement of Financial Position are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	(171,460)	(160,804)	(153,891)
Fair value of Plan assets	174,287	163,202	151,768
Sub-total	2,827	2,398	(2,123)
Unrecognized asset due to limit in IAS 19:64 (b)	(2,827)	(2,398)	-
Liability recognised in the Consolidated Statement of Financial Position	-	-	(2,123)

iv. The amounts recognised in the Consolidated Statement of Profit or Loss are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Current service costs	8,413	8,156	8,081
Net interest costs	(4,524)	(106)	(232)
Total recognised in Staff Costs	3,889	8,050	7,849

v. The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Actuarial losses	5,826	(2,755)	(1,429)
IAS 19: 64 (b) limit	428	2,398	924
	6,254	(357)	(505)

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

10) 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 are as follows:

	2015	2014	2013
	%	%	%
Universal Retirement Fund	73.0	73.0	73.0
TT\$ Income Fund	27.0	27.0	27.0

vii. The actual return on Plan assets are as follows:

	2015	2014	2013
	\$'000	\$'000	\$'000
Actual return	<u>929</u>	<u>2,562</u>	<u>12,446</u>

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 are as follows:

	2015	2014	2013
	%	%	%
Discount rate at 31 December	5.0	5.0	5.0
Future salary increases	5.0	5.0	5.0

ix. The Group expects to contribute \$10.7 million to the Plan in 2016.

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.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

10) Pension and Other Post-retirement Benefits (continued)**b) Group Life Benefits (continued)**

i. The changes in the present value of the defined benefit obligation are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
<u>Present value of the defined benefit obligations of the Group Life Scheme</u>			
Opening present value of defined benefit obligations	1,663	1,575	1,398
Current service costs	111	113	94
Interest costs	88	83	74
Actuarial (gains)/losses on obligations	(64)	(70)	34
Benefits paid	(45)	(38)	(25)
Closing present value of defined benefit obligations	<u>1,753</u>	<u>1,663</u>	<u>1,575</u>

ii. The changes in the fair value of Plan assets are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	-	-	-
Employer contributions for current service	45	38	25
Benefits paid	(45)	(38)	(25)
Closing fair value of Plan assets	<u>-</u>	<u>-</u>	<u>-</u>

iii. The amounts recognised in the Consolidated Statement of Financial Position are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	<u>1,753</u>	<u>1,663</u>	<u>1,575</u>
Liability recognised in the Consolidated Statement of Financial Position	<u>1,753</u>	<u>1,663</u>	<u>1,575</u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

10) Pension and Other Post Retirement Benefits (continued)

b) Group Life Benefits (continued)

iv. The amounts recognised in the Consolidated Statement of Profit or Loss are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Current service costs	111	113	94
Net interest costs	<u>88</u>	<u>83</u>	<u>74</u>
Expense recognised in the Consolidated Statement of Profit or Loss	<u><u>199</u></u>	<u><u>196</u></u>	<u><u>168</u></u>

v. The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Experience (gains)/losses - Demographic	<u>(64)</u>	<u>(70)</u>	<u>34</u>
Total actuarial (gains)/losses recognised in the Consolidated Statement of Comprehensive Income	<u><u>(64)</u></u>	<u><u>(70)</u></u>	<u><u>34</u></u>

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 are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Present value of the defined benefit obligations of the Medical Benefit Scheme			
Opening present value of defined benefit obligation	10,071	9,299	8,313
Current service costs	751	725	652
Interest costs	519	479	445
Actuarial (gains)/losses	547	(276)	13
Benefits paid	<u>(156)</u>	<u>(156)</u>	<u>(124)</u>
Closing present value of defined benefit obligation	<u><u>11,732</u></u>	<u><u>10,071</u></u>	<u><u>9,299</u></u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

10) Pension and Other Post-retirement Benefits (continued)**c) Medical Benefits**

ii. The changes in the fair value of Plan assets are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Opening fair value of Plan assets	-	-	-
Employer contributions for current service	156	156	124
Benefits paid	(156)	(156)	(124)
Closing fair value of Plan assets	<u>-</u>	<u>-</u>	<u>-</u>

iii. The amounts recognised in the Consolidated Statement of Financial Position are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Present value of the defined benefit obligation	<u>11,732</u>	<u>10,071</u>	<u>9,299</u>
Liability recognised in the Consolidated Statement of Financial Position	<u>11,732</u>	<u>10,071</u>	<u>9,299</u>

iv. The amounts recognised in the Consolidated Statement of Profit or Loss are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Current service costs	751	725	652
Net interest costs	519	479	445
Expense recognised in the Consolidated Statement of Profit or Loss	<u>1,270</u>	<u>1,204</u>	<u>1,097</u>

v. The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Experience (gains)/losses - Demographic	547	(276)	13
Total Actuarial (gains)/losses recognised in the Consolidated Statement of Comprehensive Income	<u>547</u>	<u>(276)</u>	<u>13</u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

10) Pension and Other Post-retirement Benefits (continued)

c) Medical Benefits

In addition to the pension benefit actuarial assumptions at 10 (a) (viii) above, the Medical Benefit Scheme benefit obligation calculation assumes that long-term health costs will increase by 3% (2014: 3%).

A summary of the post-retirement liabilities are as follows:

	2015	2014	2013
	\$'000	\$'000	\$'000
Pension liability (see Note 10 (a) (iii) above)	-	-	2,123
Group Life liability (see Note 10 (b) (iii) above)	1,753	1,663	1,575
Medical Benefit liability (see Note 10(c) (iii) above)	11,732	10,071	9,299
Total	<u>13,485</u>	<u>11,734</u>	<u>12,997</u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

11) Guarantee Pricing Liability

The Growth and Income Fund (G&IF) guarantees that all unitholders that hold units in the G&IF for at least three years from the date of purchase, can redeem those units at a price no less than the purchase price of the 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 result 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.

In estimating its total Guarantee Pricing Liability at December 2015, the Corporation:

- i. used historical data to develop scenarios of the possible future paths of the unit prices of the G&IF 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 2015 (\$24.7 million) and the offer price at 31 December 2015;
- iii. revised the probability weightings to the claim projections for each scenario based on its experience during 2015;
- 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.

As a result of the revised probability weights at (iii) above, 20% of the total liability has been provided for at 31 December 2015 rather than 10% as was provided in 2013 and 2014 previously (see Note 30).

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 Guarantee Pricing Liability was estimated at \$4.94 million at December 2015 (2014: \$3.72 million).

The actual claims made against the December 2015 liability in 2016 and beyond may vary significantly from the Corporation's best estimate due to material variances in the foregoing assumptions.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

12) Net Assets Attributable to Non-group Interests

This represents the entitlement of unitholders in the Growth and Income Fund, the TT\$ Income Fund, the Universal Retirement Fund, the US\$ Income Fund and shareholders of the North American Fund to the net consolidated assets reported. The units/shares issued by each of the foregoing Funds may be redeemed by unit/shareholders of the Funds at any time. Each Fund is primarily responsible for redemption of its units/shares 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 by Fund and a summary computation of the net assets attributable to unitholders is provided below.

ANALYSIS OF NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS

Initial Capital Growth and Income Fund (see below)
 Unit Capital Growth and Income Fund (see below)
 Unit Capital TT\$ Income Fund
 Unit Capital Universal Retirement Fund
 Unit Capital US\$ Income Fund

Sub-total locally domiciled Funds

Unit Trust Corporation (Cayman) SPC Limited
 North American Fund

Sub-total corporate bodies

Net Assets Attributable to Non-group Interests

	2015	Restated	Restated
	\$'000	2014	2013
		\$'000	\$'000
	4,766	4,766	4,766
	4,640,532	4,642,640	4,387,815
	10,657,135	10,474,481	10,662,594
	288,271	271,389	254,443
	4,111,072	4,054,418	3,900,078
	19,701,776	19,447,694	19,209,696
	-	-	5,989
	64,862	46,682	50,227
	64,862	46,682	56,216
	19,766,638	19,494,376	19,265,912

COMPUTATION OF NET ASSETS ATTRIBUTABLE TO NON-GROUP INTERESTS

Cash and Cash Equivalents
 Receivables
 Investment Securities
Total Assets
 Less: Liabilities
 Less: Group holdings in UTC (Cayman) SPC and North American Fund
Net Assets Attributable to Non-group Interests

	2015	Restated	Restated
	\$'000	2014	2013
		\$'000	\$'000
	1,297,254	1,996,609	3,737,884
	498,431	343,486	331,203
	18,273,340	17,491,745	15,522,451
	20,069,025	19,831,840	19,591,538
	(121,626)	(121,667)	(156,364)
	(180,761)	(215,797)	(169,262)
	19,766,638	19,494,376	19,265,912

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

12) Net Assets Attributable to Non-group Interests (continued)

Initial Capital in line one of the Analysis on page 87, 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, 2015 was \$4.8 million (2014: \$4.8 million).

Unit Capital in line two of the Analysis on page 87, 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 31-35. Summarised information for the North American Fund is provided in Note 36.

13) Statutory Reserves

In accordance with Section 51(1)(b) and (c) of the Securities Act, Chapter 83:02 and Section 27(1)(c) and (d) 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.

14) Revaluation Reserve

The revaluation reserve reflects unrealised 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 and revaluations related to the Pension Plan. 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.

15) Investment Income - Investment Funds

The investment income of the Funds reported in the Consolidated Statement of Profit or Loss excludes transfers from the Corporation. No transfer to the Funds were required during 2015 (2014: \$8.2 million to the Growth and Income Fund).

16) Net Investment Income - Group Operations

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

Net Investment Income	2015	2014
	\$'000	\$'000
Interest and Other Fee Income	94,242	45,864
Interest Expense and Other Charges	(8,460)	(22,850)
Total	<u>85,782</u>	<u>23,014</u>

17) Realised Gains Reclassified from Equity

Unrealised gains in the amount of \$392 million were recognised in equity on the revaluation of certain available-for-sale bonds during 2012. On receipt of principal repayments and on disposal of the available-for-sale bonds, the relevant portion of the unrealised gains in equity is reclassified to the Consolidated Statement of Profit or Loss. The total of such gains reclassified from equity to the Consolidated Statement of Profit or Loss was \$32 million (2014:\$78 million).

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18) Impairment

The Group recognised impairment charges of \$114 million during 2015. A summary of the impairment charges for 2015 and 2014 is as follows.

Entity	2015 \$'000	2014 \$'000
Growth and Income Fund	9,590	51,072
TT\$ Income Fund	40,411	6,179
Universal Retirement Fund	1,301	2,182
US\$ Income Fund	22,127	46,158
Sub-total	73,429	105,591
Corporation and subsidiaries	40,317	60,000
Total	113,746	165,591

A portion of the impairment charges recognised, represents amounts previously recognised as unrealised 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 analysed to show those amounts that affected the carrying value of the assets.

	2015 \$'000	2014 \$'000
Impairments which impacted the carrying value of assets	108,825	112,337
Impairments which did not impact the carrying value of assets	4,921	53,254
Total	113,746	165,591

The impairment charges are analysed by IAS 39 financial asset classification below.

	2015 \$'000	2014 \$'000
Available for sale	113,746	113,254
Held to maturity	-	52,337
Total	113,746	165,591

The carrying value of the assets impaired (before deducting any impairment loss) and the fair value of collateral held are provided below.

	2015 \$'000	2014 \$'000
Carrying value of impaired investments	991,895	685,281
Fair value of collateral held for impaired investments	-	-

Trinidad and Tobago Unit Trust Corporation

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19) Administrative Expenses

Administrative expenses comprised:

	2015	2014
	\$'000	\$'000
Audit fees	480	187
Bank charges	1,168	1,688
Building maintenance	6,997	6,187
Directors' fees	2,333	1,659
General administration	50,834	40,446
Insurance	2,269	2,387
Impairment- non-financial assets	-	391
Marketing and advertising	11,148	10,363
Professional services	15,206	13,566
Rental of premises	5,154	6,040
Security	12,606	11,896
Staff costs (Note 24)	133,909	131,396
Total	<u>242,104</u>	<u>226,206</u>

20) Finance Charges

	2015	2014
	\$'000	\$'000
Long-term bonds (Note 7)	-	22
	<u>-</u>	<u>22</u>

21) 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 0.9% (2014: 1.0% restated).

Management charge earned by the Corporation from the Funds is eliminated on consolidation. Management charge eliminated in respect of the locally domiciled Funds for the years ended 31 December is as follows:

	2015	2014
	\$'000	\$'000
Growth and Income Fund	93,831	94,560
TT\$ Income Fund	171,742	174,905
Universal Retirement Fund	5,730	5,395
US\$ Income Fund	55,169	42,046
Total	<u>326,472</u>	<u>316,906</u>

In addition to the management charge of \$326 million, the Group earned management charge of \$3.3 million (2014: \$3.2 million) from its foreign investment portfolios and other funds under management. Management charge from third party funds under management is recognised in the Consolidated Statement of Profit or Loss.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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22) 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 unitholders/shareholders. The Tables below analyse the significant line items in the Consolidated Statement of Financial Position which include assets that are not available to the Group.

Particulars

	2015 \$'000	2014 \$'000	2013 \$'000
Cash and Cash Equivalents (see Note 3)	1,702,425	2,398,439	4,374,680
Restricted Cash and Cash Equivalents	<u>(1,297,792)</u>	<u>(1,996,623)</u>	<u>(3,737,900)</u>
Available to Group without restriction	404,633	401,816	636,780

Particulars

	2015 \$'000	2014 \$'000	2013 \$'000
Receivables	181,286	163,734	170,904
Restricted Receivables	<u>(164,401)</u>	<u>(149,337)</u>	<u>(160,105)</u>
Available to Group without restriction	16,885	14,397	10,799

Particulars

	2015 \$'000	2014 \$'000	2013 \$'000
Investment Securities (see Note 4)	18,928,502	18,678,727	16,968,152
Restricted Investment Securities	<u>(18,273,989)</u>	<u>(17,534,976)</u>	<u>(15,564,699)</u>
Available to Group without restriction	654,513	1,143,751	1,403,453

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

23) Foreign Exchange Gains/(Losses)

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

	2015 \$'000	2014 \$'000
Foreign exchange (loss)/gain	<u>(332)</u>	<u>1,720</u>
	<u>(332)</u>	<u>1,720</u>

24) Staff Costs

	2015 \$'000	2014 \$'000
Salaries and benefits	125,124	118,780
Pension costs	3,889	8,050
National insurance	4,896	4,566
Total	<u>133,909</u>	<u>131,396</u>
Number of employees	<u>493</u>	<u>510</u>

25) Distributions

	2015 \$'000	2014 \$'000
Growth and Income Fund	41,136	16,547
TT\$ Income Fund	87,359	99,037
US\$ Income Fund	36,399	31,142
Total	<u>164,894</u>	<u>146,726</u>

a) Growth and Income Fund

The Growth and Income Fund paid \$41.1 million to its unitholders in respect of its June 2015 and December 2015 distributions (2014: \$16.5 million). Included in the \$41.1 million referred to are distributions to Initial Capital Contributors of \$0.1 million (2014: \$0.05 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, 2015 for distribution in the quarter ending 28 February, 2016 amounted to \$8.2 million (2015: \$17.1 million).

c) US\$ Income Fund

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

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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26) Financial Risk Management

The financial assets and liabilities of the Group are summarised below:

Financial Assets	2015	Restated	Restated
	\$'000	2014	2013
		\$'000	\$'000
Cash and Bank Balances (see Note 3)	1,702,425	2,398,439	4,374,680
Receivables	181,286	163,734	170,904
Investment Securities (see Note 4)	18,928,502	18,678,727	16,968,152
Financial Liabilities			
Financial Instruments (see Note 7)	(60,276)	(573,190)	(1,175,544)
Net Assets Attributable to Non-group Interest (see Note 12)	(19,766,638)	(19,494,376)	(19,265,912)

Financial Risk Management Framework

The Collective Investment Schemes managed by the Corporation and the Corporation's investment activities expose the Group to a variety of financial risks. The Board of Directors established policies, procedures and an Audit Risk and Compliance Committee to minimise the potential loss arising from such financial risks. In late 2015, the Audit Risk and Compliance Committee was split into two committees namely, the Strategic Risk Committee and the Audit and Compliance Committee. The Strategic Risk Committee will assume responsibility for oversight of the Strategic Risks which the Group faces.

During 2015, the Audit Risk and Compliance Committee met at least once per quarter to:

- i. monitor compliance with the risk management policies and procedures established by the Board;
- ii. ensure that the overall risk profile and policy environment of the Group was appropriate and consistent with the Group's strategic objectives; and

- iii. consider reports and recommendations submitted by the Risk Management Department, the Internal Audit Department and the Management Risk Committee - an executive committee chaired by the Executive Director.

Financial Risk Exposures

The primary financial risks to which the Group is exposed are:

- i. equity price risk
- ii. interest rate risk
- iii. currency risk
- iv. credit risk; and
- v. liquidity risk

The Group does not use derivatives to hedge any of the foregoing risks neither does it enter into transactions for speculative purposes.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

26) Financial Risk Management (continued)**Equity Price Risk**

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

Three (3) of the Funds within the Group have significant holdings of equities most of which are traded on either the local or North American stock exchanges. Negative equity price movements in the local and foreign equity markets can subject the portfolios to decreases in their Net Asset Values. This risk is managed by:

- i. careful asset allocation and security selection;
- ii. daily monitoring of security prices; and
- iii. monitoring and measurement of each portfolio's price risk exposure.

The equity price risk exposure is monitored and measured with reference to the beta of equity instruments. Beta is a measure of the stock's price sensitivity to the stock market e.g. stocks that have a beta of 1 would change by approximately 1% for every 1% move in the overall stock market.

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

The Group's equity holdings are categorised below, both in dollar terms and as a percentage of total equity holdings into three (3) categories to reflect the Group's exposure to movements in equity prices.

	Lower than market \$'000	Comparable to market \$'000	Higher than market \$'000
At 31 December, 2015	2,191,953 62.1%	910,526 25.8%	429,340 12.1%
At 31 December, 2014	2,393,071 55.6%	720,023 29.0%	570,647 15.4%
At 31 December, 2013	1,915,048 56.0%	1,074,526 31.4%	428,817 12.6%

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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26) Financial Risk Management (continued)

Equity Price Risk

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 with all other variables held constant.

	31 December, 2015	31 December, 2014	31 December, 2013
TTSE Composite Index	\$ 111.4 million	\$39.6 million	\$65.9 million
S&P 500 Composite Index	\$ 54.8 million	\$58.4 million	\$63.1 million

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Funds

Two (2) of the Funds within the Group have significant bond holdings and are therefore exposed to interest rate risks.

In general, rising interest rates expose these portfolios to significant fair value interest rate risk i.e. the risk that the fair value of fixed rate

debt instruments held by the portfolios diminishes because of a rise in market interest rates. Conversely, falling interest rates generally expose the variable rate debt of these portfolios to significant cash flow interest rate risk as they will experience a diminution in earnings as market interest rates fall.

The overall interest rate risk of the portfolios is managed by making appropriate adjustments to the weighted average duration (term to maturity) of the portfolios based on relevant economic and financial market information.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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26) Financial Risk Management (continued)**Interest Rate Risk (continued)****Corporation**

Due to the Corporation's interest bearing asset and liability positions, movements in interest rates expose it to volatility in its net interest income. A substantial portion of its interest bearing assets are at variable

rates. Its financial liabilities are short-term fixed rate instruments and are significantly less in value than its interest bearing assets. The Corporation therefore carefully manages potential rate repricing mismatches to maintain a stable and consistent spread between its interest bearing assets and its financial liability instruments.

The Group's exposure to interest rate risk is summarized below.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
At 31 December, 2015					
Assets					
Cash and Cash Equivalents	1,702,425	-	-	-	1,702,425
Short-term Investments	3,975,193	-	-	-	3,975,193
Fixed Income Securities	1,874,242	4,157,463	5,277,294	-	11,308,999
Liabilities					
Financial Instruments	(60,276)	-	-	-	(60,276)
Net Assets Attributable to Non-group Interest Rate Repricing Position	-	-	-	(19,766,638)	(19,766,638)
	7,491,584	4,157,463	5,277,294	(19,766,638)	(2,840,297)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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26) Financial Risk Management (continued)

Interest Rate Risk (continued)

Corporation (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, 2014 - Restated					
Assets					
Cash and Cash Equivalents	2,398,439	-	-	-	2,398,439
Short-term Investments	4,239,095	35,947	-	-	4,275,042
Fixed Income Securities	3,727,069	2,928,844	4,076,729	-	10,732,642
				-	
Liabilities					
Financial Instruments	(573,190)	-	-	-	(573,190)
Net assets attributable to non-group interests	-	-	-	(19,494,376)	(19,494,376)
Rate Repricing Position	9,791,413	2,964,791	4,076,729	(19,494,376)	(2,661,443)
At 31 December, 2013 - Restated					
Assets					
Cash and Cash Equivalents	4,374,680	-	-	-	4,374,680
Short-term Investments	2,302,474	72,000	-	-	2,374,474
Fixed Income Securities	877,099	3,433,512	6,830,123	-	11,140,734
Liabilities					
Financial Instruments	(1,175,544)	-	-	-	(1,175,544)
Net assets attributable to non-group interests	-	-	-	(19,265,912)	(19,265,912)
Rate Repricing Position	6,378,709	3,505,512	6,830,123	(19,265,912)	(2,551,568)

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

26) Financial Risk Management (continued)**Currency Risk**

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the TT\$ denominated portfolios contain significant investments denominated in US\$, these portfolios can be negatively impacted by movements in the US\$/TT\$ exchange rate.

The material foreign currency assets and liabilities of the Group as at 31 December are summarised below.

	At 31 December, 2015		At 31 December, 2014		At December 2013	
	US\$ (\$'000)	Other Foreign Currencies (\$'000)	US\$ (\$'000)	Other Foreign Currencies (\$'000)	US\$ (\$'000)	Other Foreign Currencies (\$'000)
Assets						
Cash and Cash Equivalents	1,094,959	3,024	693,641	2,559	1,033,928	-
Short-term Investments	1,393,013	-	504,981	-	671,827	-
Fixed Income Securities	4,847,364	2,537	5,662,793	-	5,112,574	-
Equities, Private Equity & Mutual Funds	1,567,194		1,728,230	-	1,580,582	-
Liabilities						
Financial Instruments	(60,276)	-	(548,110)	-	(801,539)	-
Net Assets Attributable to Unitholders	(4,356,696)	-	(4,009,767)	-	(3,858,329)	-
Total	4,485,558	5,561	4,031,768	2,559	3,739,043	-

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, 2015 and 31 December, 2014 as follows:

	2015 (\$'000)	Restated 2014 (\$'000)	Restated 2013 (\$'000)
Change in net assets	<u>45,329</u>	<u>40,743</u>	<u>37,875</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

26) Financial Risk Management (continued)

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will default on its financial obligations i.e. it fails to make full and timely payments of scheduled interest and/or principal sums due.

Default risk is managed by:

- i. subjecting counterparties to robust credit risk assessments prior to initial acquisition;
- ii. limiting the acquisition or retention of debt instruments to certain credit ratings; and
- iii. regular review, measurement and monitoring of counterparties' credit ratings.

The maximum exposure to credit risk before enhancements (e.g. collateral) at 31 December is the carrying amount of the financial assets and is set out below.

	2015	Restated	Restated
	\$'000	2014	2013
		\$'000	\$'000
Cash and bank balances (see Note 3)	1,702,425	2,398,439	4,374,680
Receivables	181,286	163,734	170,904
Investment securities (see Note 4)	18,928,502	18,678,727	16,968,152
	<u>20,812,213</u>	<u>21,240,900</u>	<u>21,513,736</u>

The quality of the Group's debt securities is analysed in the Table on page 100 into high, moderate and low using ratings primarily from international rating agencies and local rating agencies for either the instrument, the issuer, the sponsor in the case of Bond ETFs or the sovereign in the case of state-owned entities. In those few instances where instruments were rated internally, the ratings were mapped to the international credit quality grades used by Standard and Poor's.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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26) Financial Risk Management (continued)**Credit Risk (continued)**

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
A rated securities (e.g. S&P AAA to BBB-) are considered high credit quality instruments	10,782,906	7,028,407	10,442,880
B rated securities (e.g. S&P BB+ to B-) are considered medium credit quality instruments	441,488	3,546,126	1,277,518
C rated securities (e.g. CCC+ and below) are considered low quality instruments	84,605	187,928	418,589
	<u>11,308,999</u>	<u>10,762,461</u>	<u>12,138,987</u>
Short-term investments	3,975,193	4,275,042	3,737,875
	<u>15,284,192</u>	<u>15,037,503</u>	<u>15,876,862</u>

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they become due.

The units of the Growth and Income Fund, the TT\$ Income Fund, the US\$ Income Fund and the North American Fund are redeemable on demand. The risk is mitigated in each portfolio by maintaining adequate investments in cash, near cash and short-term liabilities. In addition, substantial portions of investments held by the portfolios are tradable. The risk is therefore deemed insignificant.

The financial liabilities of the Group are summarised by their due dates and shown below. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2015			
Financial Instruments	60,276	-	-
Net assets attributable to non-group interests	19,766,638	-	-
	<u>19,826,914</u>	<u>-</u>	<u>-</u>
Total	<u>19,826,914</u>	<u>-</u>	<u>-</u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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26) Financial Risk Management (continued)

Liquidity Risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2014 - Restated			
Financial Instruments	573,190	-	-
Net assets attributable to non-group interests	19,494,376	-	-
Total	20,067,566	-	-
	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
At 31 December, 2013 - Restated			
Financial Instruments	1,175,544	-	-
Net assets attributable to non-group interests	19,265,912	-	-
Total	20,441,456	-	-

27) Interests in 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 was in the business of renting commercial space to the Corporation but is now in voluntary liquidation.

The assets, liabilities and results of these subsidiaries have been fully incorporated in these Financial Statements.

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

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

27) Interests in Corporate Entities (continued)**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 Investments Limited	100%	31 May, 2007	Delaware, USA
UTC North American Fund Inc.	70%	24 October, 1990	Maryland, USA

Two of the foreign subsidiaries, UTC Fund Services Inc. and UTC Energy Investments Limited do not require auditors for any statutory purpose. The auditors of the other foreign subsidiaries are as follows:

Company	Auditors
UTC Financial Services USA, Inc.	Accell Audit & Compliance, PA, Tampa, Florida
UTC North American Fund Inc.	Cohen Fund Audit Services, Cleveland, Ohio

UTC Energy Investments 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 Investments Limited was incorporated in 2007 under the laws of Delaware, USA. The Corporation holds 90% capital of this company and the Growth and Income Fund holds the remaining 10%. Its sole investment was sold and the decision to dissolve the company confirmed in March 2015.

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.

28) 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

28) Related party Transactions (continued)

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.

Related party transactions and balances, not disclosed elsewhere in these Financial Statements, are disclosed below.

	2015	2014
	\$'000	\$'000
Loans		
Key management personnel of the Group	<u>1,934</u>	<u>1,756</u>
Represented by:		
Balance at beginning of year	1,756	2,159
Loans advanced during year	1,014	598
Loan repayments received during year	(836)	(1,001)
Interest income during year	71	79
Interest received during year	(71)	(79)
Balance at end of year	<u>1,934</u>	<u>1,756</u>
Key management compensation		
Salaries and other short-term benefits	<u>28,447</u>	<u>28,546</u>

	2015	2014
	\$'000	\$'000
Directors		
Units held by Directors and key management personnel	6,683	6,771
Subsidiaries		
Rents paid to subsidiaries	4,550	10,919
Administrative services provided to subsidiaries	2,081	3,346
Receivables from Corporate subsidiaries	28,665	27,064
Receivable balances from Funds which are considered subsidiaries for the purposes of IFRS 10	63,749	81,264
Loans balances receivable from subsidiaries	-	2,236
Loan repayments by subsidiaries	2,236	5,499
Investment transaction (see note in paragraph below)	251,693	-
Sale /Purchase of securities between Funds	22,000	-
Interest from Corporate subsidiaries	182	515
Loan balances payable to Corporate subsidiaries	31,755	31,755
Net appropriations payable to the Funds	51,800	103,748

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

28) Related party Transactions (continued)*Investment Transaction (see Subsidiaries Table above)*

In late 2014 the Corporation purchased and held unlisted shares in a local company on behalf of the Growth and Income Fund (the Fund in this paragraph) while certain matters related to the shares were being resolved. During 2015 the unlisted shares, together with the related dividends received by the Corporation, were transferred to the Fund at the price at which the unlisted shares were purchased by the Corporation. In substance all the risks and rewards of ownership with respect to the shares resided with the Fund from the day the said shares were purchased by the Corporation on behalf of the Fund.

29) Commitments

At 31 December 2015, the Group had contractual obligations for capital contributions in the amounts of approximately \$48.0 million (2014 - \$60.5 million).

30) Contingent Liabilities

(a) At 31 December 2015, there were no legal proceedings outstanding against the Group and as such no provisions were required.

(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 2015, 2014 and 2013 is provided in the table below:

Year	2015	2014	2013
	\$'M	\$'M	\$'M
Total Guarantee Pricing Liability	24.7	37.0	50.4
Less: Provision (see Note 11)	(4.9)	(3.7)	(5.0)
Contingent liability	19.8	33.3	45.4

31) 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.

	2015	2014	2013
	\$'000	\$'000	\$'000
Growth and Income Fund	4,746,077	4,704,120	4,475,264
TT\$ Income Fund	10,896,567	10,665,688	10,835,646
Universal Retirement Fund	291,180	274,187	259,140
US\$ Income Fund	4,188,532	4,078,936	3,931,856
Total assets	20,122,356	19,722,931	19,501,906

The summarised financial information in Notes 32-35 discloses the Corporation's interests in the Funds and the arrangements that may require the Corporation to provide financial support to the Funds.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

32) Summarised Financial Information – Growth and Income Fund

The Table below summarises financial information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015	Restated 2014	Restated 2013
	\$'000	\$'000	\$'000
Cash and Cash Equivalents	312,308	569,841	403,163
Receivables	222,237	27,163	58,696
Investment Securities (see Tables below)	4,211,532	4,107,116	4,013,405
Total assets	4,746,077	4,704,120	4,475,264
Liabilities	100,780	56,715	82,684
Equity	4,645,297	4,647,405	4,392,580
Total liabilities and equity	4,746,077	4,704,120	4,475,264
Investment Income	283,155	176,877	144,582
Net Income/(Loss) available for distribution	173,342	23,994	(19,468)
Distribution	(41,136)	(16,547)	(31,259)
Allocations to Reserves (see paragraphs below)	(1,000)	(1,000)	(1,000)
Other Comprehensive (Loss)/Income for the year	(91,426)	65,120	441,757
Total Comprehensive Income for the year	39,780	71,567	390,030
Net cash flow from operating activities	31,923	80,631	4,615
Net cash used in investing activities	(205,432)	(79,664)	(351,828)
Net cash (used in)/flow from financing activities	(84,024)	165,711	221,847
Net change in cash flows for the year	(257,533)	166,678	(125,366)

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

	2015	Restated 2014	Restated 2013
	\$'000	\$'000	\$'000
Government Securities	308,136	690,072	720,527
Corporate Securities	666,021	219,275	236,142
Equity (local and foreign)	3,237,375	2,998,619	3,026,757
Short-term Investments	-	199,150	29,979
Total	4,211,532	4,107,116	4,013,405

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

32) Summarised Financial Information - Growth and Income Fund (continued)

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

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Available-for-sale assets	4,211,532	3,154,077	3,186,315
Held-to-maturity assets	-	953,039	827,090
Total	4,211,532	4,107,116	4,013,405

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 2015, the Growth and Income Fund made allocations in the amount of \$1.0 million to the Guarantee Reserve. Calls totalling \$5.1 million were made on the Reserve, of which the Corporation met \$4.1 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 11).

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. There were no transactions in the Secondary Reserve during 2015. A summary of the transactions in the Growth and Income Fund Reserves is provided on page 107.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

32) Summarised Financial Information – Growth and Income Fund (continued)

Growth and Income Fund Primary Reserve

	2015 \$'000	2014 \$'000	2013 \$'000
Fund Reserve as at 1 January	-	-	-
Allocation to Reserve (Growth and Income Fund)	1,000	1,000	1,000
Call on Reserve	(5,133)	(2,739)	(7,634)
Allocation to Reserve (Corporation)	4,133	1,739	6,634
Guarantee Reserve as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

Growth and Income Fund Secondary Reserve

	2015 \$'000	2014 \$'000	2013 \$'000
Fund Reserve as at 1 January	-	-	53,000
Allocation to Reserve (Growth and Income Fund)	-	-	-
Call on Reserve	-	-	(53,000)
Secondary Reserve as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>
Total Growth and Income Fund Reserves as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

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

No transfers to support the Growth and Income Fund were required during 2015 (2014: \$8.2 million). 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 Financial Statements.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

33) Summarised Financial Information - TT\$ Income Fund

The Table below summarises financial information for the TT\$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	2014 \$'000	2013 \$'000
Cash and Cash Equivalents	398,455	1,029,044	2,815,569
Receivables	415,802	348,217	294,932
Investment Securities (see Tables below)	10,082,326	9,278,427	7,725,145
Total assets	10,896,583	10,665,688	10,835,646
Liabilities	239,447	181,207	173,052
Equity	10,657,136	10,474,481	10,662,594
Total liabilities and equity	10,896,583	10,665,688	10,836,646
Investment Income	283,123	293,945	311,825
Net Income available for distribution	61,585	101,837	128,006
Distributions	(87,359)	(99,037)	(125,206)
Allocations to Reserves (see paragraphs below)	(2,800)	(2,800)	(2,800)
Other comprehensive income/(loss) for the year	81,863	(7,668)	4,860
Total comprehensive income/(loss) for the year	53,289	(7,668)	4,860
Net cash flow from from operating activities	92,651	62,886	90,089
Net cash used in investing activities	(762,447)	(1,567,129)	(1,679,264)
Net cash flow from/(used in) financing activities	39,207	(282,282)	(666,882)
Net change in cash flows for the year	(630,589)	(1,786,525)	(2,256,057)

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

33) Summarised Financial Information - TT\$ Income Fund (continued)

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

	2015 \$'000	2014 \$'000	2013 \$'000
Government Securities	3,159,359	3,259,105	3,083,977
Corporate Securities	3,304,875	2,498,857	3,019,478
Short-term Investments	3,618,092	3,520,465	1,621,690
Total	10,082,326	9,278,427	7,725,145

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

	2015 \$'000	2014 \$'000	2013 \$'000
Available-for-sale assets	10,082,326	1,503,545	1,428,854
Held-to-maturity assets	-	7,774,882	6,296,291
Total	10,082,326	9,278,427	7,725,145

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.

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

33) Summarised Financial Information - TT\$ Income Fund (continued)

A summary of the transactions in the TT\$ Income Fund Reserves is provided below.

TT\$ Income Fund - Primary Reserve

	2015 \$'000	2014 \$'000	2013 \$'000
Fund reserve as at 1 January	41,660	38,669	35,553
Allocation to primary reserve	2,800	2,800	2,800
Interest earned on the reserve	334	191	316
Primary Reserve as at 31 December	44,794	41,660	38,669

TT\$ Income Fund - Secondary Reserve

	2015 \$'000	2014 \$'000	2013 \$'000
Fund reserve as at 1 January	3,623	3,605	3,575
Interest earned on the reserve	28	18	30
Secondary Reserve as at 31 December	3,651	3,623	3,605
Total TT\$ Income Fund Reserves as at 31 December	48,445	45,283	42,274

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 2015 (2014 - nil).

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

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

34) Summarised Financial Information - Universal Retirement Fund

The Table below summarises financial information for the Universal Retirement Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Cash and Cash Equivalents	19,349	42,208	17,801
Receivables	1,474	1,440	1,465
Investment Securities (see Tables below)	270,357	230,539	239,874
Total assets	291,180	274,187	259,140
Liabilities	2,910	2,798	4,696
Equity	288,270	271,389	254,444
Total liabilities and equity	291,180	274,187	259,140
Investment Income	8,620	10,050	12,537
Net Income for capitalisation	1,159	2,042	4,832
Other Comprehensive Income for the year	2,293	3,458	31,605
Total comprehensive income for the year	3,452	5,500	36,437
Net cash flow from operating activities	2,538	2,351	9,299
Net cash (used in)/flow from investing activities	(38,826)	10,611	(32,148)
Net cash flow from financing activities	13,429	11,445	20,206
Net change in cash flows for the year	(22,859)	24,407	(2,643)

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

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Government Securities	35,514	32,799	33,596
Corporate Securities	33,496	32,292	35,539
Equity (local and foreign)	201,347	165,448	170,739
Total	270,357	230,539	239,874

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

34) Summarised Financial Information - Universal Retirement Fund (continued)

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

	2015 \$'000	Restated 2014 \$'000	Restated 2013 \$'000
Available-for-sale assets	270,357	190,177	196,657
Held-to-maturity assets	-	40,362	43,217
Total	<u>270,357</u>	<u>230,539</u>	<u>239,874</u>

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 2015 (2014 - nil).

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

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

35) Summarised Financial Information - US\$ Income Fund

The Table below summarises Financial Information for the US\$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2015, 2014 and 2013.

	2015 \$'000	2014 \$'000	2013 \$'000
Cash and Cash Equivalents	566,646	368,447	501,343
Receivables	158,691	98,783	113,011
Investment Securities (see Tables below)	3,463,195	3,611,706	3,317,502
Total assets	4,188,532	4,078,936	3,931,856
Liabilities	77,459	24,518	31,777
Equity	4,111,073	4,054,418	3,900,079
Total liabilities and equity	4,188,532	4,078,936	3,931,856
Investment Income	104,240	100,706	120,131
Net Income available for distribution	25,610	11,301	48,672
Distributions	(36,399)	(31,142)	(42,159)
Allocations to reserves (see paragraphs below)	(7,705)	(12,052)	(19,141)
Other Comprehensive (Loss)/Income for the year	(39,124)	21,923	(39,376)
Total comprehensive loss for the year	(57,618)	(9,970)	(52,004)
Net cash flow from operating activities	40,769	64,429	303,928
Net cash flow from/(used in) investing activities	111,148	(318,333)	(135,831)
Net cash flow from/(used in) financing activities	43,356	120,367	(705,572)
Net change in cash flows for the year	195,273	(133,537)	(537,475)

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

	2015 \$'000	2014 \$'000	2013 \$'000
Government Securities	263,305	337,141	360,426
Corporate Securities	2,930,218	2,850,388	2,354,316
Short-term Investments	269,672	424,177	602,760
Total	3,463,195	3,611,706	3,317,502

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

35) Summarised Financial Information - US\$ Income Fund

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

	2015 \$'000	2014 \$'000	2013 \$'000
Available-for-sale assets	3,463,195	2,887,185	2,364,024
Held-to-maturity assets	-	724,521	953,478
Total	<u>3,463,195</u>	<u>3,611,706</u>	<u>3,317,502</u>

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 were no calls on the reserve during 2015 (2014: \$31.9 million).

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.

A summary of the transactions in the US\$ Income Fund Reserves is provided below.

US\$ Income Fund - Primary Reserve

	2015 \$'000	2014 \$'000	2013 \$'000
Fund reserve as at 1 January	22,476	46,016	38,007
Allocation to primary reserve	7,705	7,654	7,654
Call on reserve	-	(31,909)	-
Interest earned on the reserve	112	109	235
Foreign exchange revaluation	152	606	120
Primary Reserve as at 31 December	<u>30,444</u>	<u>22,476</u>	<u>46,016</u>

US\$ Income Fund - Secondary Reserve

	2015 \$'000	2014 \$'000	2013 \$'000
Fund reserve as at 1 January	24,954	20,435	21,344
Allocation to secondary reserve	-	4,398	11,487
Call on reserves	-	-	(12,628)
Interest earned on the reserve	109	85	175
Revaluation	166	36	57
Secondary Reserve as at 31 December	<u>25,229</u>	<u>24,954</u>	<u>20,435</u>
Total US\$ Income Fund Reserves as at 31 December	<u>55,673</u>	<u>47,430</u>	<u>66,451</u>

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

35) Summarised Financial Information - US\$ Income Fund (continued)

US\$ Income Fund Reserves (continued)

The Corporation is the sponsor of the US\$ Income Fund and is committed to supporting the Fund financially and otherwise as and when necessary. No transfers to support the US\$ Income Fund were required during 2015 (2014 - nil).

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

Cash and cash equivalents
Receivables and other assets
Investment securities (see Tables below)
Total assets
Liabilities
Equity
Total liabilities and equity
Investment income
Net Income/(Loss)
Distributions
Other comprehensive (loss)/income for the year
Net cash (used in)/flow from operating activities
Net cash flow from/(used in) investing activities
Net cash (used in)/flow from financing activities
Net change in cash flows for the year

36) Summarised Financial Information - North American Fund

The North American Fund is an investment company organized under the Investment Act 1940 of the United States of America. It is controlled by the Corporation though there is significant minority 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 2015, 2014 and 2013.

	2015 \$'000	2014 \$'000	2013 \$'000
	496	6	10
	582	520	463
	<u>245,930</u>	<u>263,957</u>	<u>226,526</u>
Total assets	247,008	264,483	226,999
Liabilities	1,385	2,003	1,522
Equity	<u>245,623</u>	<u>262,480</u>	<u>225,477</u>
Total liabilities and equity	247,008	262,483	226,999
Investment income	<u>62,405</u>	<u>3,894</u>	<u>23,423</u>
Net Income/(Loss)	<u>56,334</u>	<u>(1,152)</u>	<u>18,652</u>
Distributions	<u>53,953</u>	<u>4,956</u>	<u>11,690</u>
Other comprehensive (loss)/income for the year	<u>(65,772)</u>	<u>25,210</u>	<u>10,102</u>
Net cash (used in)/flow from operating activities	<u>(1,073)</u>	<u>(379)</u>	<u>298</u>
Net cash flow from/(used in) investing activities	<u>10,716</u>	<u>(12,561)</u>	<u>176</u>
Net cash (used in)/flow from financing activities	<u>(9,153)</u>	<u>12,937</u>	<u>(507)</u>
Net change in cash flows for the year	490	(3)	(33)

Trinidad and Tobago Unit Trust Corporation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

36) Summarised Financial Information – North American Fund (continued)

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

	2015	2014	2013
	\$'000	\$'000	\$'000
Corporate Securities	32,082	37,512	26,932
Equity (foreign)	213,848	213,378	185,328
Short-term Investments	-	13,067	14,266
Total	<u>245,930</u>	<u>263,957</u>	<u>226,526</u>

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

	2015	2014	2013
	\$'000	\$'000	\$'000
Available-for-sale assets	245,930	263,957	226,526
Total	<u>245,930</u>	<u>263,957</u>	<u>226,526</u>

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 2015.

37) Approval of the Financial Statements

These Financial Statements were approved by the Board of Directors and authorised for issue on 3rd February, 2016.

ADDITIONAL INFORMATION



Trinidad and Tobago Unit Trust Corporation

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF FINANCIAL POSITION

As at 31 December, 2015 | Expressed in Trinidad and Tobago dollars

ASSETS	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000	Restated 31-Dec-13 \$'000
Cash and Cash Equivalents	312,308	569,841	403,163
Receivables	222,237	27,163	58,696
Investment Securities	4,211,532	4,107,116	4,013,405
TOTAL ASSETS	4,746,077	4,704,120	4,475,264
LIABILITIES			
Accounts Payable	79,981	56,443	48,255
Other Liabilities	20,799	272	34,429
TOTAL LIABILITIES	100,780	56,715	82,684
EQUITY			
Net Assets attributable to unitholders	3,176,627	3,218,515	3,035,257
Fair Value Reserve	1,462,312	1,553,738	1,488,618
Retained Earnings	6,358	(124,848)	(131,295)
TOTAL EQUITY	4,645,297	4,647,405	4,392,580
TOTAL LIABILITIES AND EQUITY	4,746,077	4,704,120	4,475,264

Trinidad and Tobago Unit Trust Corporation

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
INCOME		
Interest income	73,987	68,700
Dividend income	92,318	83,052
Realised Capital Gains	116,850	25,125
Total Income	283,155	176,877
EXPENSES		
Management Charge	(93,831)	(94,560)
Impairment	(9,590)	(51,072)
Other Expenses	(106)	(1,161)
Bank Charges	(15)	-
Total Expenses	(103,542)	(146,793)
Net Income Before Taxation	179,613	30,084
Withholding Taxes	(6,271)	(6,090)
NET INCOME AVAILABLE FOR DISTRIBUTION	173,342	23,994
Distribution Paid to Initial Contributors	(115)	(57)
Distribution Paid to Unitholders	(41,021)	(16,490)
Total Distribution	(41,136)	(16,547)
UNDISTRIBUTED INCOME BEFORE TRANSFER TO RESERVES	132,206	7,447
Allocation to Guarantee Reserve Fund	(1,000)	(1,000)
UNDISTRIBUTED INCOME FOR THE YEAR	131,206	6,447

Trinidad and Tobago Unit Trust Corporation

**GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000
UNDISTRIBUTED INCOME FOR THE YEAR	131,206	6,447
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value gains arising during the year	14,168	40,035
Fair value gains transferred to income	(115,184)	(25,987)
Impairment losses transferred to income	9,590	51,072
Other Comprehensive (Loss)/Income for the year	(91,426)	65,120
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	39,780	71,567

Trinidad and Tobago Unit Trust Corporation

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	Net Assets Attributable to Unitholders \$'000	Fair Value Reserve \$'000	Fund Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 1 January, 2015	3,218,515	1,553,738	-	(124,848)	4,647,405
Subscriptions from Unitholders	135,606	-	-	-	135,606
Redemptions to Unitholders	(177,494)	-	-	-	(177,494)
Other Comprehensive (Loss)/Income for the year	-	(91,426)	-	131,206	39,780
Balance as at 31 December, 2015	<u>3,176,627</u>	<u>1,462,312</u>	<u>-</u>	<u>6,358</u>	<u>4,645,297</u>
Balance as at 1 January, 2014	3,035,257	1,488,618	-	(131,295)	4,392,580
Subscriptions from Unitholders	267,382	-	-	-	267,382
Redemptions to Unitholders	(84,124)	-	-	-	(84,124)
Other Comprehensive Income for the year	-	65,120	-	6,447	71,567
Balance as at 31 December, 2014 (Restated)	<u>3,218,515</u>	<u>1,553,738</u>	<u>-</u>	<u>(124,848)</u>	<u>4,647,405</u>

Trinidad and Tobago Unit Trust Corporation

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)**STATEMENT OF CASH FLOWS**

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	Restated 31-Dec-14 \$'000
OPERATING ACTIVITIES		
Net Income before Taxation	179,613	30,084
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Impairment	9,590	51,072
Taxation Paid	(6,271)	(6,090)
	182,932	75,066
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(195,074)	31,533
Increase/(Decrease) in Accounts Payables	44,065	(25,969)
Net Cash Flow From Operating Activities	31,923	80,630
INVESTING ACTIVITIES		
Purchase of Investment Securities	(1,168,667)	(370,984)
Disposal of Investment Securities	963,235	291,321
Net Cash Used In Investing Activities	(205,432)	(79,663)
FINANCING ACTIVITIES		
Subscriptions from Unitholders	135,606	267,382
Redemptions to Unitholders	(177,494)	(84,124)
Distributions to Unitholders	(41,136)	(16,547)
Guarantee Reserve	(1,000)	(1,000)
Net Cash Flow (Used In)/Flow From Financing Activities	(84,024)	165,711
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(257,533)	166,678
Cash and Cash Equivalents at the beginning of the year	569,841	403,163
Cash and Cash Equivalents at the end of the year	312,308	569,841

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	31-Dec-14 \$'000
ASSETS		
Cash and Cash Equivalents	398,455	1,029,044
Receivables	415,802	348,217
Investment Securities	10,082,326	9,278,427
Total Assets	10,896,583	10,655,688
LIABILITIES		
Payables	18,799	32,713
Other Liabilities	220,648	148,494
Total Liabilities	239,447	181,207
EQUITY AND RESERVES		
Net Assets Attributable to Unitholders	10,538,319	10,412,115
Other Reserves	9,918	9,918
Fund Reserves	48,445	45,283
Undistributed Income	(28,574)	-
Fair Valuation Reserve	89,028	7,165
Total Equity and Reserves	10,657,136	10,474,481
TOTAL LIABILITIES, EQUITY AND RESERVES	10,896,583	10,655,688

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND
STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	31-Dec-14 \$'000
INCOME		
Interest Income	282,398	290,697
Realised Capital Losses	(1,820)	(744)
Net Foreign Exchange Gains	957	2,015
Other Income	1,588	1,977
Total Income	283,123	293,945
EXPENSES		
Management Charge	(171,742)	(174,905)
Impairment	(40,411)	(6,179)
Commissions	(8,902)	(10,719)
Other Expenses	(468)	(305)
Bank Charges	(15)	-
Total Expenses	(221,538)	(192,108)
NET INCOME AVAILABLE FOR DISTRIBUTION	61,585	101,837
Distribution	(87,359)	(81,910)
Provision for Distribution	-	(17,127)
Total Distribution	(87,359)	(99,037)
UNDISTRIBUTED (LOSS)/INCOME BEFORE TRANSFER TO RESERVES	(25,774)	2,800
Allocation to Primary Reserve	(2,800)	(2,800)
UNDISTRIBUTED LOSS FOR THE YEAR	(28,574)	-

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	31-Dec-14 \$'000
UNDISTRIBUTED LOSS FOR THE YEAR	<u>(28,574)</u>	<u>-</u>
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Fair value gains/(losses) arising during the year	120,510	(16,834)
Fair value gains transferred to income	1,764	2,987
Impairment losses transferred to income	<u>(40,411)</u>	<u>6,179</u>
Other Comprehensive Income/(Loss) for the year	<u>81,863</u>	<u>(7,668)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u><u>53,289</u></u>	<u><u>(7,668)</u></u>

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	Net Assets Atributable to Unitholders \$'000	Other Reserves \$'000	Retained Earnings \$'000	Fair Value Reserve \$'000	Fund Reserve \$'000	Total \$'000
Balance as at 1 January, 2015	10,412,115	9,918	-	7,165	45,283	10,474,481
Net Income Available for Distribution	-	-	61,585	-	-	61,585
Subscriptions from Unitholders	1,398,080	-	-	-	-	1,398,080
Redemptions to Unitholders	(1,271,876)	-	-	-	-	(1,271,876)
Distributions to Unitholders	-	-	(87,359)	-	-	(87,359)
Net Allocation to Reserves	-	-	(2,800)	-	3,162	362
Other Comprehensive gain for the year	-	-	-	81,863	-	81,863
Balance as at 31 December, 2015	10,538,319	9,918	(28,574)	89,028	48,445	10,657,136
Balance as at 1 January, 2014	10,595,569	9,918	-	14,833	42,274	10,662,594
Net Income Available for Distribution	-	-	101,837	-	-	101,837
Subscriptions from Unitholders	1,395,280	-	-	-	-	1,395,280
Redemptions to Unitholders	(1,578,734)	-	-	-	-	(1,578,734)
Distributions to Unitholders	-	-	(99,037)	-	-	(99,037)
Net Allocation to Reserves	-	-	(2,800)	-	3,009	209
Other Comprehensive Loss for the year	-	-	-	(7,668)	-	(7,668)
Balance as at 31 December, 2014	10,412,115	9,918	-	7,165	45,283	10,474,481

Trinidad and Tobago Unit Trust Corporation

TT DOLLAR INCOME FUND
STATEMENT OF CASH FLOWS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	31-Dec-14 \$'000
OPERATING ACTIVITIES		
Net Income	61,585	101,837
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	40,411	6,179
<i>Movements in Working Capital</i>		
Increase in Receivables	(67,585)	(53,285)
Increase in Payables	58,240	8,155
Net Cash Flow From Operating Activities	92,651	62,886
INVESTING ACTIVITIES		
Purchase of Investment Securities	(7,472,757)	(4,018,593)
Disposal of Investment Securities	6,710,310	2,451,464
Net Cash Used In Investing Activities	(762,447)	(1,567,129)
FINANCING ACTIVITIES		
Subscriptions from Unitholders	1,398,080	1,395,280
Redemptions to Unitholders	(1,271,876)	(1,578,734)
Distribution to Unitholders	(87,359)	(99,037)
Interest earned on the Reserve	362	209
Net Cash Flow From/(Used In) Financing Activities	39,207	(282,282)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(630,589)	(1,786,525)
Cash and Cash Equivalents at beginning of the year	1,029,044	2,815,569
Cash and Cash Equivalents at the end of the year	398,455	1,029,044

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
STATEMENT OF FINANCIAL POSITION

As at 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000	Restated 31-Dec-13 \$ '000
ASSETS			
Cash and Cash Equivalents	19,349	42,208	17,801
Receivables	1,474	1,440	1,465
Investment Securities	270,357	230,539	239,874
TOTAL ASSETS	291,180	274,187	259,140
LIABILITIES			
Accounts Payable	2,906	2,794	2,691
Other Liabilities	4	4	2,006
TOTAL LIABILITIES	2,910	2,798	4,697
EQUITY			
Net Assets attributable to unitholders	167,737	154,308	142,862
Fair Value Reserve	67,207	64,914	61,456
Retained Earnings	53,326	52,167	50,125
TOTAL EQUITY	288,270	271,389	254,443
TOTAL LIABILITIES AND EQUITY	291,180	274,187	259,140

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
INCOME		
Dividends	5,638	5,073
Interest	3,202	3,431
Realised (Loss)/Gain	(245)	1,546
Miscellaneous Income	25	-
TOTAL INCOME	8,620	10,050
EXPENSES		
Management Charge	(5,730)	(5,395)
Impairment	(1,301)	(2,182)
Other Expenses	(4)	(3)
Bank Charges	(4)	-
TOTAL EXPENSES	(7,039)	(7,580)
Net Income before Taxation	1,581	2,470
Withholding Tax	(422)	(428)
NET INCOME FOR CAPITALISATION	1,159	2,042

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
Net Income for the year	1,159	<u>2,042</u>
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
-Fair value gain arising during the year	709	2,832
-Fair value loss/(gain) transferred to income	283	(1,556)
-Impairment losses transferred to income	1,301	<u>2,182</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	2,293	<u>3,458</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,452	<u><u>5,500</u></u>

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	Net Assets Attributable to Unitholders \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 1 January, 2015	154,308	64,914	52,167	271,389
Total Comprehensive Income for the year	-	2,293	1,159	3,452
Subscriptions from unitholders	32,951	-	-	32,951
Redemptions to unitholders	(19,522)	-	-	(19,522)
Balance as at 31 December, 2015	167,737	67,207	53,326	288,270
Balance as at 1 January, 2014	142,862	61,456	50,125	254,443
Total Comprehensive Income for the year	-	3,458	2,042	5,500
Subscriptions from unitholders	29,265	-	-	29,265
Redemptions to unitholders	(17,819)	-	-	(17,819)
Balance as at 31 December, 2014 (Restated)	154,308	64,914	52,167	271,389

Trinidad and Tobago Unit Trust Corporation
UNIVERSAL RETIREMENT FUND
STATEMENT OF CASH FLOWS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$ '000	Restated 31-Dec-14 \$ '000
OPERATING ACTIVITIES		
Net Investment Income	1,581	2,470
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	1,301	2,182
Taxation Paid	(422)	(428)
	2,460	4,224
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(34)	25
Increase/(Decrease) in Payables	112	(1,899)
	2,538	2,350
INVESTING ACTIVITIES		
Purchase of Investment Securities	(63,218)	(2,599)
Disposal of Investment Securities	24,392	13,210
	(38,826)	10,611
FINANCING ACTIVITIES		
Subscriptions from unitholders	32,951	29,265
Redemptions to unitholders	(19,522)	(17,819)
	13,429	11,446
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	(22,859)	24,407
Cash and Cash Equivalents at beginning of the year	42,208	17,801
Cash and Cash Equivalents at end of the year	19,349	42,208

Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2015 | Expressed in Trinidad and Tobago dollars

ASSETS

Cash and Cash Equivalents
Receivables
Investments Securities

Total Assets

LIABILITIES

Payables
Other Liabilities

Total Liabilities

EQUITY AND RESERVES

Net Assets Attributable to Unitholders
Other Reserves
Undistributable Loss
Fair Valuation Reserve
Fund Reserves
Capital Reinstatement

Total Equity and Reserves

TOTAL LIABILITIES EQUITY AND RESERVES

	31-Dec-15 \$ '000	31-Dec-14 \$ '000
	566,646	368,447
	158,691	98,783
	3,463,195	3,611,706
	4,188,532	4,078,936
	17,098	24,182
	60,361	336
	77,459	24,518
	4,115,795	4,009,767
	(18,313)	180
	(73,743)	(73,259)
	(42,083)	(2,959)
	55,674	47,430
	73,743	73,259
	4,111,073	4,054,418
	4,188,532	4,078,936

Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND
STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	31-Dec-14 \$'000
INCOME		
Interest Income	96,485	98,594
Realised Capital Gain/(Losses)	7,586	(5,862)
Other Income	169	7,974
Total Income	104,240	100,706
EXPENSES		
Management Charge	(55,169)	(42,047)
Impairment	(22,126)	(46,158)
Commissions	(1,205)	(1,074)
Other Expenses	(104)	(126)
Bank Charges	(26)	-
Total Expenses	(78,630)	(89,405)
NET INCOME	25,610	11,301
Distribution	(36,399)	(31,142)
Total Distribution	(36,399)	(31,142)
UNDISTRIBUTED LOSS	(10,789)	(19,841)
Allocation to Primary Reserve	(7,705)	(7,654)
Allocation to Secondary Reserve	-	(4,398)
UNDISTRIBUTED LOSS FOR THE YEAR	(18,494)	(31,893)

Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

UNDISTRIBUTED LOSS FOR THE YEAR

Other Comprehensive Income:

Amounts that may be transferred to Profit or Loss in the future:

Fair value losses arising during the period
 Fair value (gains)/losses transferred to income
 Impairment losses transferred to income
 Exchange translation differences

Other Comprehensive (Loss)/Income for the year

TOTAL COMPREHENSIVE LOSS FOR THE YEAR

31-Dec-15 \$ '000	31-Dec-14 \$ '000
(18,494)	(31,893)
(53,608)	(24,959)
(7,642)	725
22,126	46,158
-	(1)
(39,124)	21,923
(57,618)	(9,970)

Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	Net assets Attributable to Unitholders \$'000	Other Reserves \$'000	Retained Earnings \$'000	Fair Value Reserve \$'000	Fund Reserve \$'000	Capital Reinstatement \$'000	Total \$'000
Balance as at 1 January, 2015	4,009,767	180	(73,259)	(2,959)	47,430	73,259	4,054,418
Net Income Available for Distribution	-	-	25,610	-	-	-	25,610
Exchange translation differences	26,497	1	(484)	-	314	484	26,812
Subscriptions from unitholders	954,205	-	-	-	-	-	954,205
Redemptions to unitholders	(874,674)	-	-	-	-	-	(874,674)
Distribution to unitholders	-	-	(36,399)	-	-	-	(36,399)
Net Allocation to Reserves	-	-	(7,705)	-	7,930	-	225
Other Comprehensive Income for the year	-	(18,494)	18,494	(39,124)	-	-	(39,124)
Balance as at 31 December, 2015	4,115,795	(18,313)	(73,743)	(42,083)	55,674	73,743	4,111,073
Balance as at 1 January, 2014	3,858,329	180	(41,216)	(24,881)	66,451	41,216	3,900,079
Net Income Available for Distribution	-	-	11,301	-	-	-	11,301
Exchange translation differences	121	-	(150)	(1)	-	150	120
Subscriptions from unit holders	998,444	-	-	-	-	-	998,444
Redemptions to unit holders	(847,127)	-	-	-	-	-	(847,127)
Distribution to unit holders	-	-	(31,142)	-	-	-	(31,142)
Capital Reinstatement	-	-	-	-	-	31,893	31,893
Net Allocation to Reserves	-	-	(12,052)	-	(19,021)	-	(31,073)
Other Comprehensive Income for the year	-	-	-	21,923	-	-	21,923
Balance as at 31 December, 2014	4,009,767	180	(73,259)	(2,959)	47,430	73,259	4,054,418

Trinidad and Tobago Unit Trust Corporation

US DOLLAR INCOME FUND
STATEMENT OF CASH FLOWS

For the year ended 31 December, 2015 | Expressed in Trinidad and Tobago dollars

	31-Dec-15 \$'000	31-Dec-14 \$'000
OPERATING ACTIVITIES		
Net Income	25,610	11,301
<i>Adjustments to reconcile Net Investment Income to Net Cash Flow From Operating Activities:</i>		
Impairment	22,126	46,158
<i>Movements in Working Capital</i>		
(Increase)/Decrease in Receivables	(59,908)	14,229
Increase/(Decrease) in Payables	52,941	(7,259)
Net Cash From Operating Activities	40,769	64,429
INVESTING ACTIVITIES		
Purchase of Investment Securities	(652,003)	(1,349,615)
Disposal of Investment Securities	763,151	1,031,282
Net Cash Flow From/(Used In) Investing Activities	111,148	(318,333)
FINANCING ACTIVITIES		
Subscriptions from Unitholders	954,205	998,444
Redemptions to Unitholders	(874,674)	(847,127)
Distribution to Unitholders	(36,399)	(31,142)
Interest Earned on Fund Reserves	224	192
Net Cash From Financing Activities	43,356	120,367
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	195,273	(133,537)
Cash and Cash Equivalents at beginning of year	368,447	501,343
Translation Differences on Fund Reserves	1	625
Translation Adjustments	2,925	16
Cash and Cash Equivalents at end of year	566,646	368,447

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 Limited
Republic Bank Limited
Scotiabank Trinidad & Tobago Limited

NON-BANK FINANCIAL INSTITUTIONS

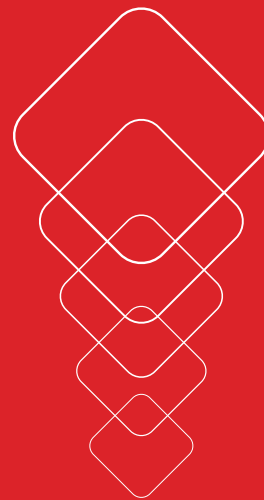
ANSA Finance & Merchant Bank Limited
Caribbean Finance Company Limited
Clico Investment Bank Limited
First Citizens Asset Management Limited
Massy Finance GFC Limited (formerly General Finance Corporation Limited)
RBC Trust Limited
RBC Merchant Bank (Caribbean) Limited
Republic Finance & Merchant Bank Limited
Scotiastrust & 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 Limited)
Assuria Life T&T Limited (formerly MEGA Insurance Company Limited)
Nationwide Insurance Company Limited
Pan American Life Insurance Company of T&T Limited (formerly American Life Insurance Company Limited)
Sagicor Life Inc.
Tatil Life Assurance Company Limited

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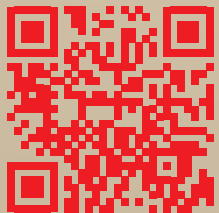
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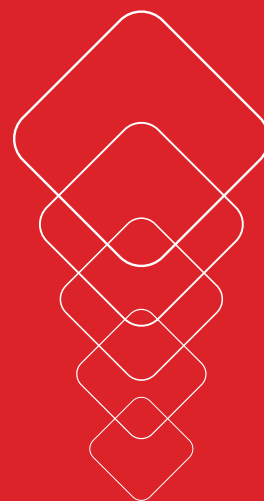
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2015**





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