

TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION



LEADING INNOVATION
DRIVING VALUE

INTEGRATED ANNUAL REPORT 2016



Partners for *Life*



“

Imagine
achieving
your dreams
through the
power of
investing.

”

Imagine achieving your dreams through the power of investing. Imagine transforming your life by harnessing the power of savings; savings that are tailored to meet your needs. Our mission since 1982, has been to help people achieve financial peace of mind. It is the reason we exist today. In this industry, it's easy to forget that helping our citizens achieve financial independence is what matters. **But not us.**

This is UTC's purpose

We grow wealth

Everything we do is about creating value for you. We invest in the communities we serve.

We help unitholders grow wealth to make a difference to the quality of life you'll have in the future.

We are driven to empower you to make the right decisions.

Are we up to it? Yes. It is not an impossible vision. To make it happen, we have some of the most knowledgeable Wealth Managers working for you. To accomplish our goals, we embraced a new mantra in 2016:

Value through innovation



Partners for Life

In this year's Integrated Annual Report

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¹ Pages quoted in the Auditor General's Opinion refer to the full version of the consolidated financial statements available on our website at www.ttuc.com/integratedreport

About this Report

We're excited to present our first-ever Integrated Annual Report in line with International Integrated Reporting Standards

1.1 Reporting Approach



Value through innovative reporting
On behalf of the Board of Directors, I am pleased to present our first Integrated Annual Report reflecting local, regional and international Best Practice in Corporate Governance and Stakeholder Communications. It's different from past annual reports because we've expanded our focus beyond financial performance. Even though we know the numbers matter a great deal, people matter more. So, in this Report, we present to you decisions made over the past year that impacted the lives of unitholders, our employees and other stakeholders.

We address how the UTC brought change to communities across the country, how we're embedding a culture of innovation throughout the organisation and building with the future in mind. In essence, this is innovation in corporate reporting. This is us painting you a better picture of the marketplace, our business, and our strategy to create and sustain value. The more you know about us, the more you understand the way we think and what we care about, the stronger our partnership becomes. That's how all good relationships last.

We're excited to present our first-ever Integrated Annual Report in line with International Integrated Reporting Standards. We hope it gives you a better understanding of the Corporation and we invite you to tell us what you think about it: www.ttutc.com/integratedreport.

1.2 Scope and Boundaries



Our Integrated Annual Report covers the period January to December 2016 and provides an account of operational, financial, economic, social and environmental performance. For primary stakeholders — our staff, unitholders, Regulators and communities — it shows how sustainability is integrated into the Corporation's strategy, governance and business operations.

The content of the Report aligns with the requirements of the Trinidad and Tobago National Corporate Governance Code (2013), the International Integrated Reporting Framework, the Central Bank of Trinidad and Tobago's (CBTT's) Corporate Governance Guidelines for Financial Institutions, the Organisation for Economic Co-operation and Development Principles of Corporate Governance (2015) and the United Nations' Principles of Responsible Investment. These are all voluntary codes so we have gone beyond standard statutory obligations.

Accordingly, the scope of this Report extends beyond financial reporting to non-financial performance, integrated sustainability development opportunities, and risks and outcomes that have a significant influence on the UTC's ability to create value.

1.3 Financial Statements



As required by the UTC Act¹, 1981, we have provided consolidated financial statements in our print Report in accordance with International Financial Reporting Standards (IFRS). The Auditor General's Department completed an independent audit and you can find the Auditor General's Report on pages 78 to 80. Complete financial statements are available on our website at www.ttutc.com/integratedreport.

1.4 Board Responsibility and Approval



The Board of Directors of the Trinidad and Tobago Unit Trust Corporation acknowledges its responsibility to ensure the integrity of this Integrated Annual Report, which, in the Board's opinion, addresses all material issues and presents fairly and accurately the Corporation's performance. This Integrated Annual Report has been prepared in line with international Best Practice as outlined in Section 1.2.

This 2016 UTC Integrated Annual Report was approved by the Board of Directors on April 28, 2017.

R. Krishna Boodhai
Chairman
April 28, 2017



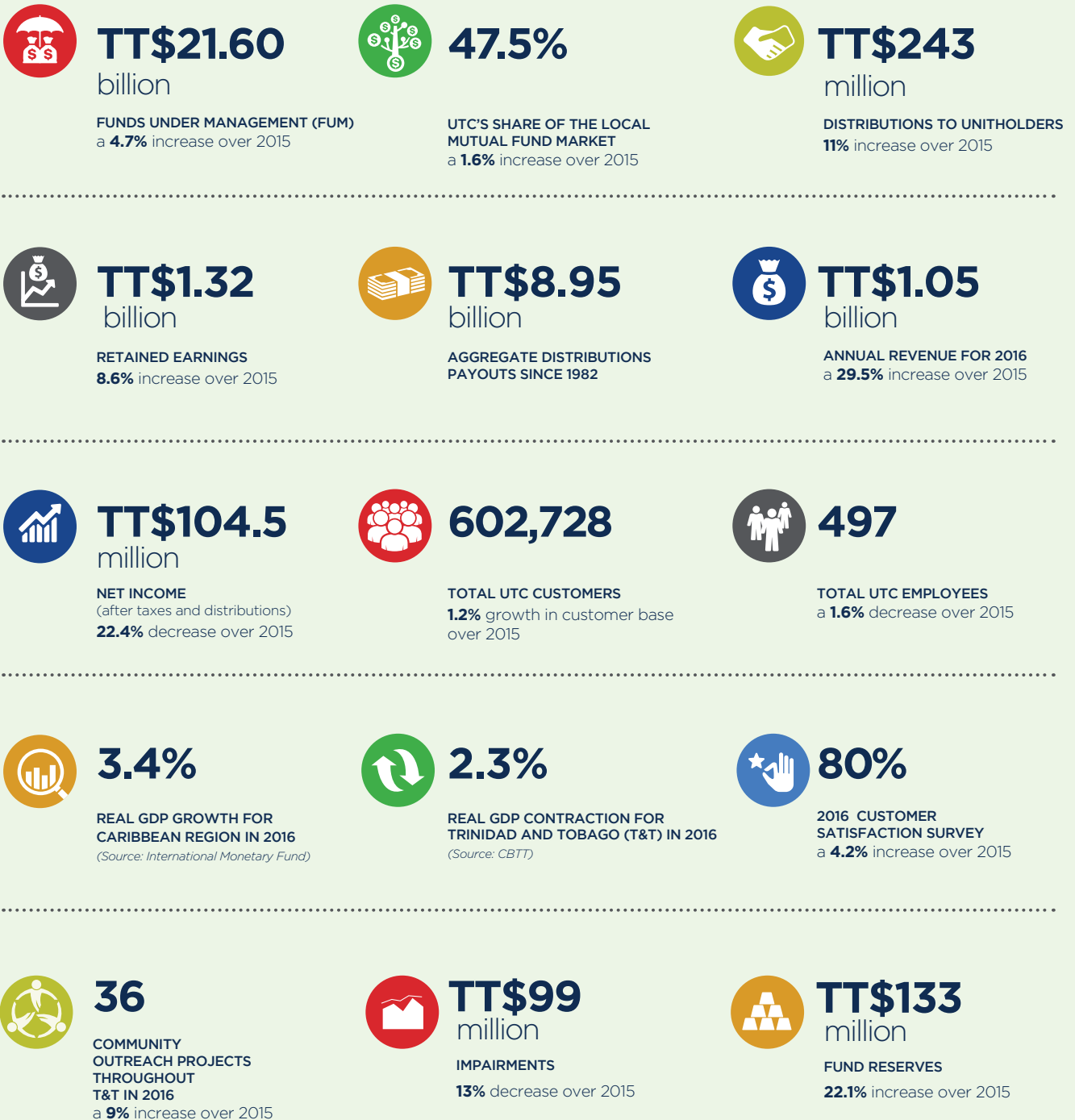
This printed Integrated Annual Report is available online with additional information at www.ttutc.com/integratedreport, is intended to provide readers with an overview of our operations during the year, our ability to create value and our performance. It includes messages from our Leadership Team and our operational reviews.

All references in this report to 'Unit Trust Corporation', 'the Group', 'the Corporation', 'our' and 'we' refer to UTC and our operations.

¹ Visit our website www.ttutc.com to view or download a copy of the UTC Act.

Performance Highlights

The global economy was challenging at best, but 2016 was still a good year for unitholders.*

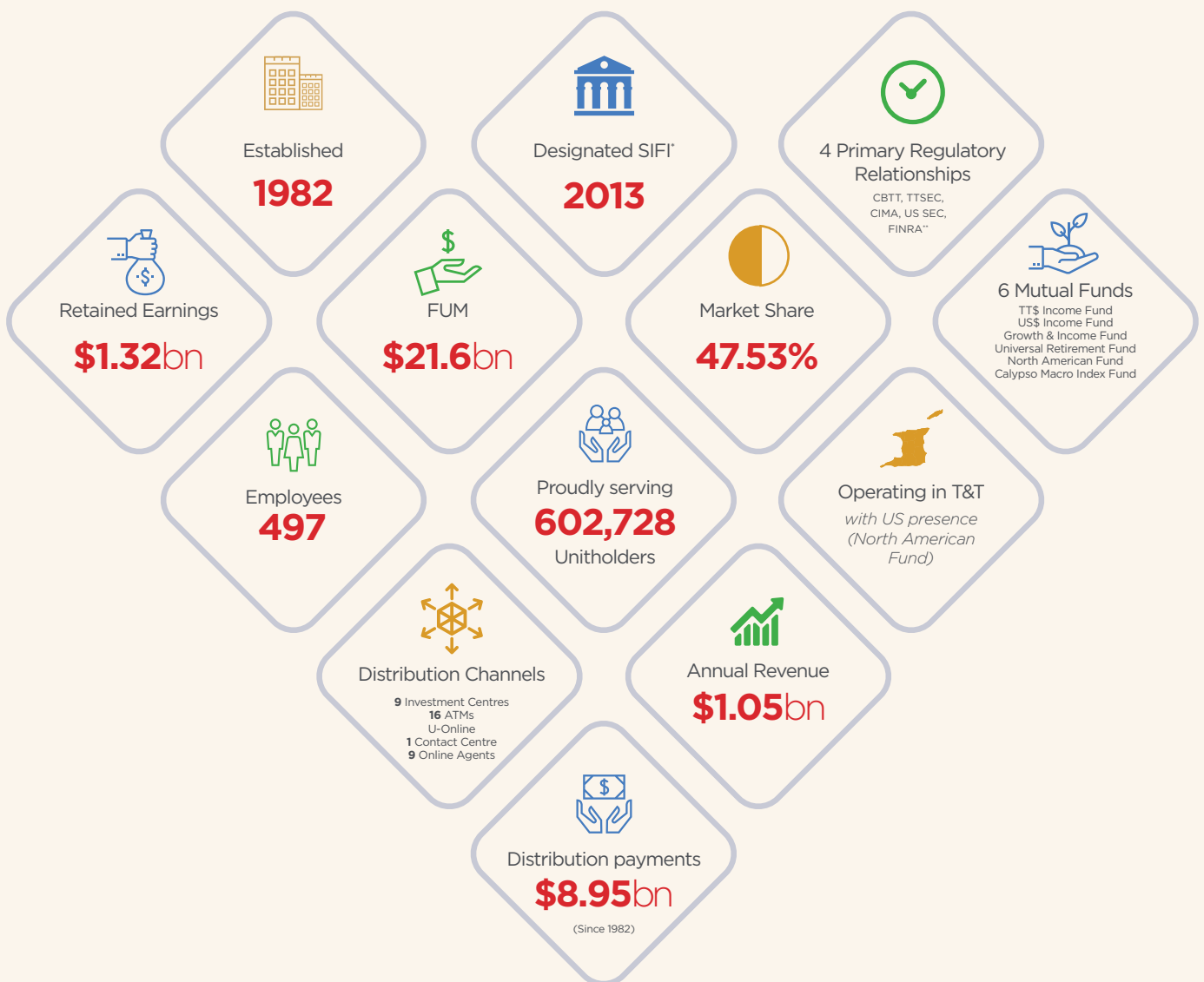


*Statistics include all FUM including those that are not consolidated into the Corporation's Statement of Financial Position and Profit or Loss

Our Business

UTC at a glance

The Trinidad and Tobago Unit Trust Corporation (UTC) is a financial services company established in 1982 through an Act of Parliament (UTC Act, 1981). We manage Mutual Fund investments for individual and institutional investors along with specialised savings plans geared toward meeting the needs of children. We also provide asset management services to a diversified list of corporate clients and governments. The Corporation also offers financial advisory and foreign currency trading via a Bureau de Change.



* Systemically Important Financial Institution

** Central Bank of Trinidad and Tobago (CBTT), Trinidad and Tobago Securities Exchange Commission (TTSEC), Chartered Institute of Management Accountants (CIMA) U.S. Securities and Exchange Commission (US SEC), Financial Industry Regulatory Authority (FINRA)

What we do

ASSET MANAGEMENT

Altogether, we manage a total of six Mutual Funds, carefully choosing investment instruments to deliver returns to unitholders. In 2015, in keeping with our history of investment product innovation, we launched the Calypso Macro Index Fund, the first of its kind in the English-speaking Caribbean

Our investment products can be categorised as:



INCOME FUNDS



EQUITY FUNDS



INVESTMENT MANAGEMENT SERVICES



PRODUCTS FOR CHILDREN



RETIREMENT PRODUCTS



SPECIALISED PRODUCTS

FINANCIAL ADVISORY

We believe advice about money is as important as money itself. We offer investment education and advisory services. Our focus is to educate and develop our stakeholders in order to assist them to achieve their goals.

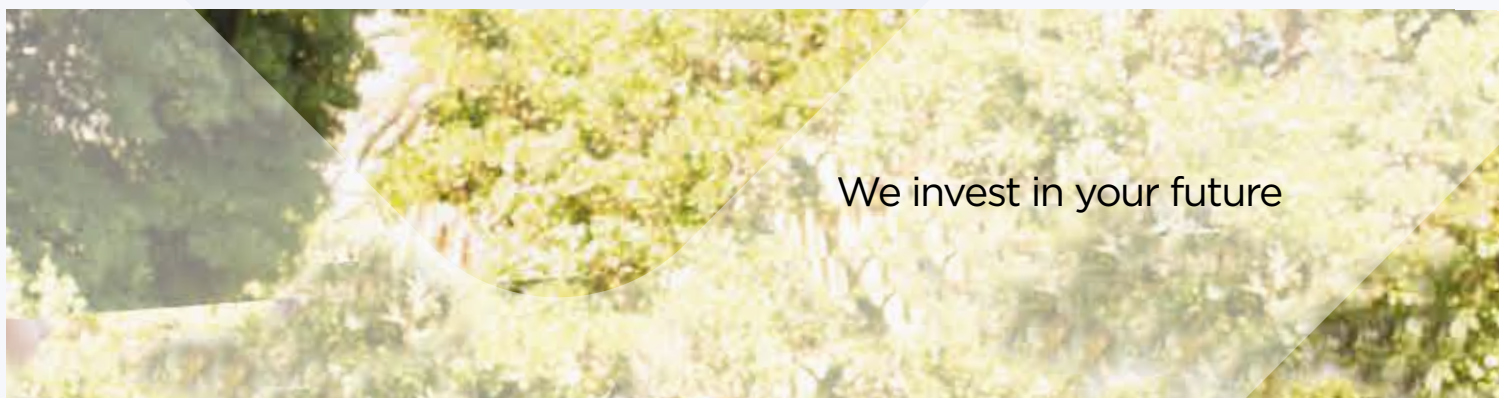
The people who keep us in business



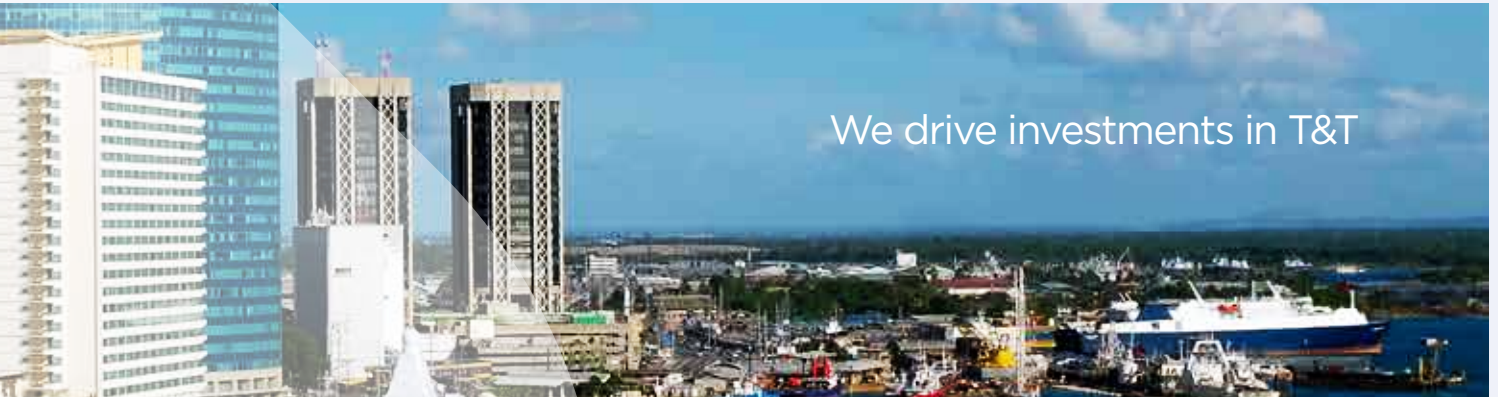
We finance university education



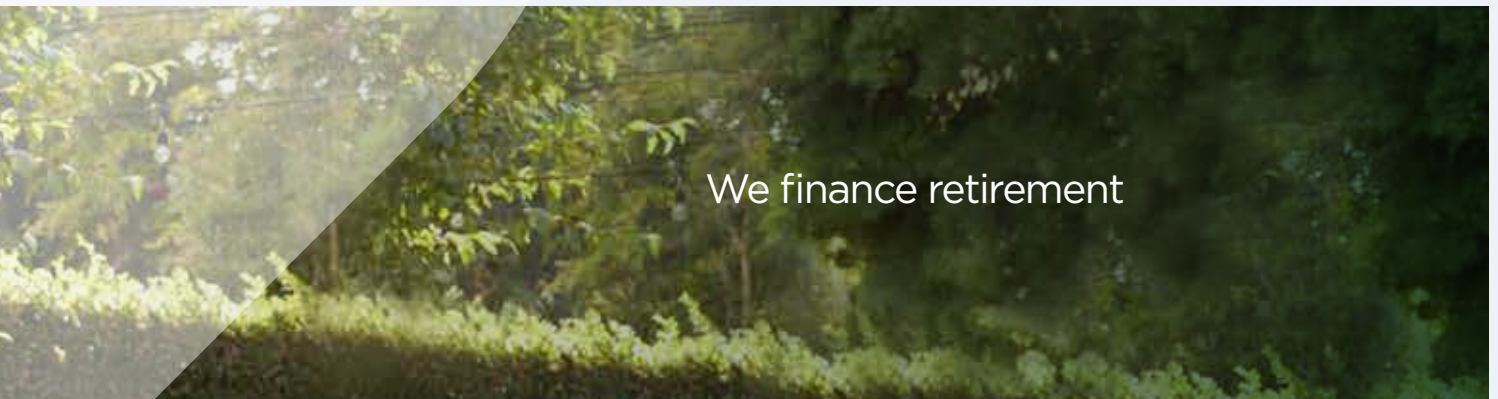
We invest in your future



Building our relationship with you is important to us. We are driven by a unique mandate and compelling vision of the future, marked by bringing people financial freedom and peace of mind.



We drive investments in T&T



We finance retirement



What makes us different

Unitholders creating value for you

We were born out of a mandate to create wealth for average citizens. That means the UTC is compelled to create value for our unitholders and stakeholders first.

Who we are



A creator of wealth

We consider our responsibility to safeguard your money our number one priority. Some will call our approach “conservative,” but we’ve grown our business over the years without once wavering in our commitment to doing things right. Today, the UTC has TT\$20 billion under management because we exercise prudence and manage our risk. This approach has made us the leader in Mutual Fund investments with almost 48 percent of local market share. We do what we do because we’ve seen investments in our Funds transform people’s lives. They are the beneficiaries of a vision brought to life. And here’s what we’ve learnt: it doesn’t matter how old you are or how much you earn, anyone can grow wealth. We’ve seen it happen, time and again, over the past 35 years.

A trusted Fund manager

We are a leading Mutual Fund company with 602,728 customers, creating investment opportunities for you to grow your wealth without adopting unnecessary risks to your capital. Whether it’s retirement savings or money set aside to pay for your children’s education, as **‘Partners for Life’** we will be there for you.

A voice of reason

When we started in 1982, Unit Netto was the first person to trust us with her finances. We faced our first major test shortly after when oil prices fell and plunged the country into a recession that lasted until 1987. But we overcame by relying on our people and trusting our investment strategy. We managed our way out of it. At the end of the recession, Ms. Netto’s money wasn’t just safe — it had grown.

But habitual savers like Unit Netto are few and far between, especially among millennials. So we find ourselves tested, once again, to educate a whole new generation about the power of investing, in a culture that encourages them to spend more than they earn. To reach them, to help them get on the path to wealth, we’re adopting innovative ideas, we are disrupting our business model and changing our culture so by the time they are ready to retire they are financially independent.

Being guided by these values in our day-to-day business is key to building trust and gaining your respect.



Mandate

To foster a culture of saving and investment through education and innovative solutions that allow everyone access to the capital markets.



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.

Core Values



INTEGRITY

We guide our actions by the principles of trust, honesty, fairness and ethical standards.



RESPECT

We treat our employees, unitholders and other stakeholders in a courteous, caring and dignified manner.



**PERFORMANCE
EXCELLENCE**

We ignite the passion of our employees to deliver value to our unitholders, achieve organisational sustainability and enhance personal growth and development.



LEADERSHIP

We are industry trailblazers who shape future corporate behaviour and performance through advanced technological practices, corporate and social responsibility and product innovation and diversification. Our leaders inspire, motivate, influence, empower and engage employees at all levels to achieve our performance targets.



**ROBUST
CORPORATE
GOVERNANCE**

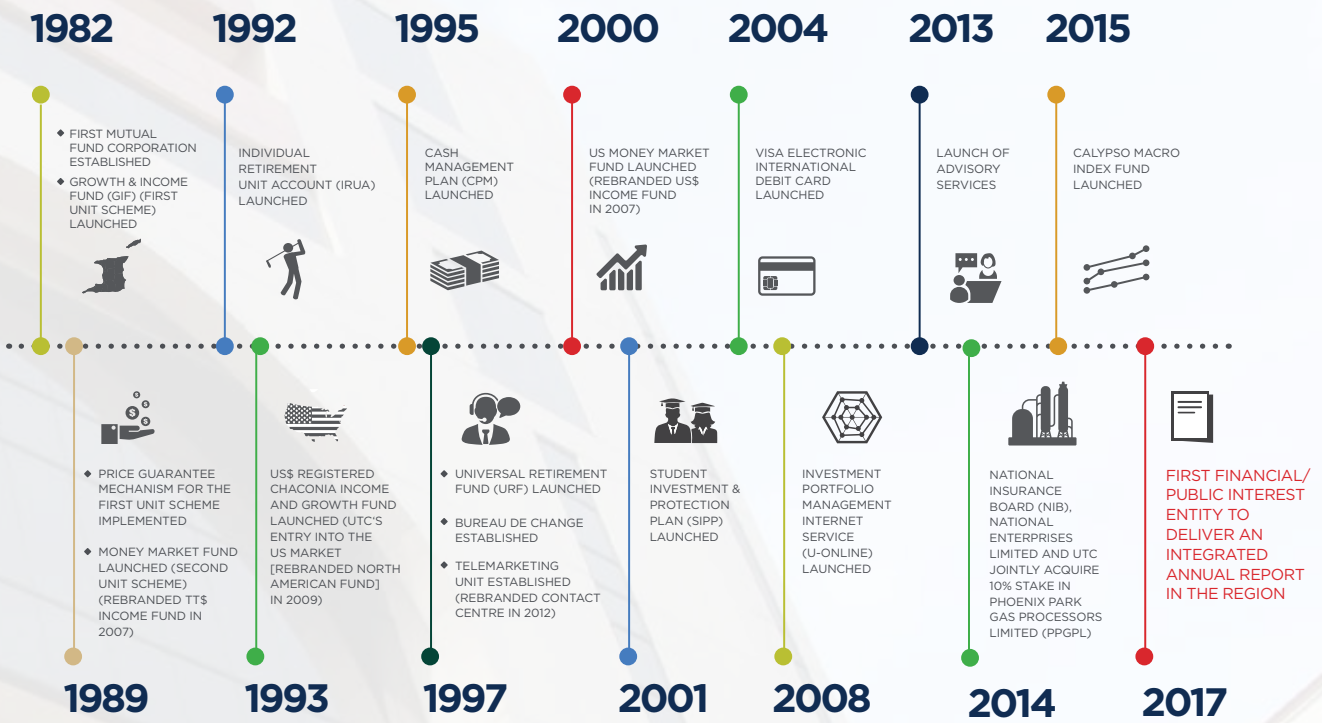
We continuously enhance our corporate governance framework and processes through effective Board oversight, a strong risk management culture and transparent systems.

Historical milestones & achievements

In 1982, we launched the first Mutual Fund in Trinidad and Tobago. Back then, we called it the 'First Unit Scheme'. Today, people know it as the Growth and Income Fund. With TT\$4.73 billion under management at the end of 2016, it ranks as one of our enduring achievements. It was no accident. In fact, the investment Funds and specialised products we brought to market in the ensuing years were the result of careful planning. They were the outcome of a deliberate investment in research and development. So each Fund gave unitholders a fresh opportunity to diversify their portfolio and further their financial legacy.

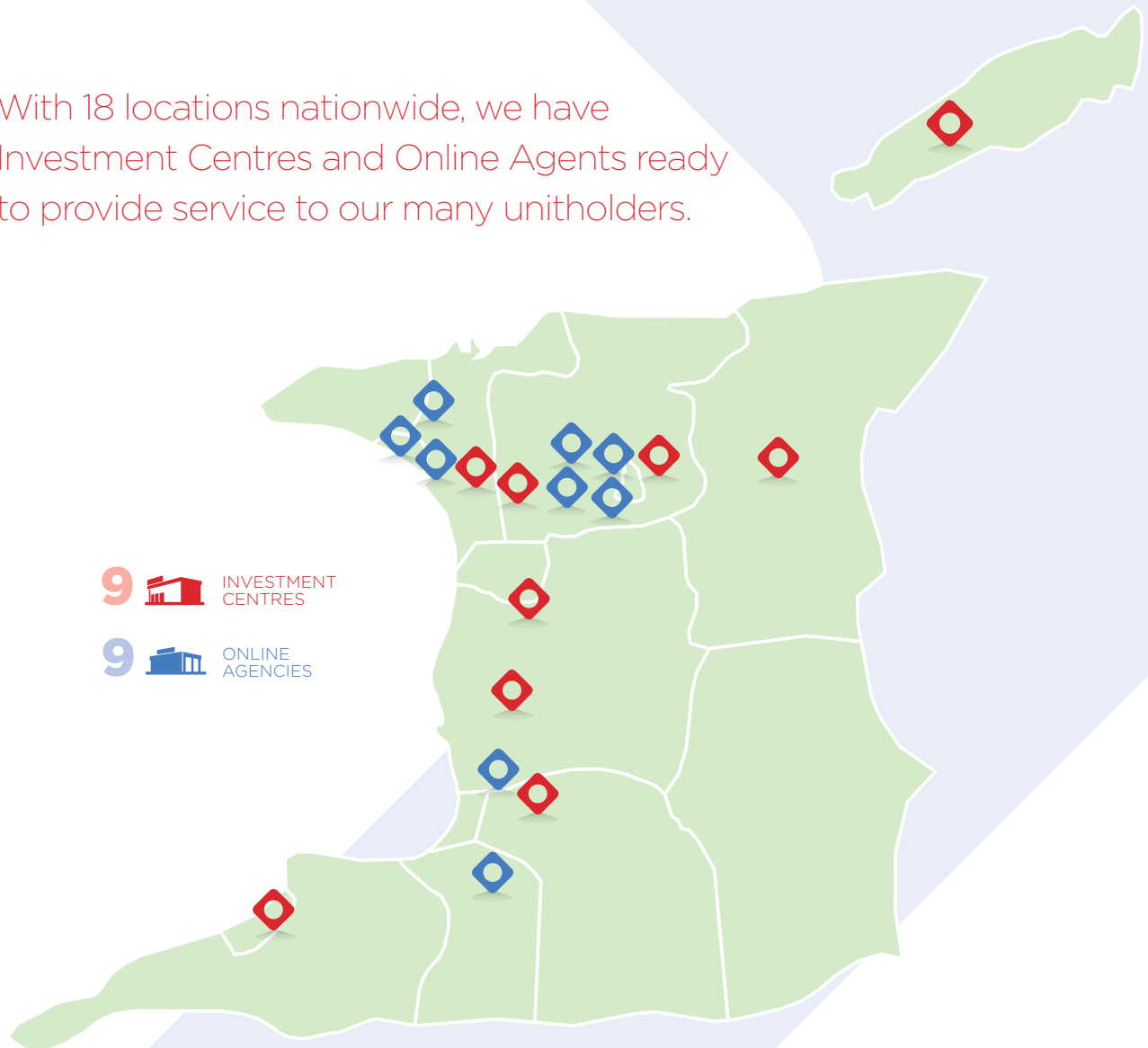
We're proud that in the last three decades we revolutionised local investing with first-to-market financial products. Today, we are reshaping the future and look forward to our continued partnership with you.

This is our journey of innovation to better serve our customers



Where we operate

With 18 locations nationwide, we have Investment Centres and Online Agents ready to provide service to our many unitholders.



Investment Centres

Arima

Manager: Jessica Howard-Seymour
 44 Green Street, Arima
 Tel: (868) 667-UNIT (8648)
 Fax: (868) 667-2586
 Open: 8:00 a.m. - 2:30 p.m.

Chaguanas

Manager: Genevieve Dillion
 Unit Trust Corporation
 26-28 Endeavour Road
 Chaguanas
 Tel: (868) 671-UNIT (8648)
 Fax: (868) 671-6581
 Open: 8:00 a.m. - 2:30 p.m.

Couva

Manager: Erica Bleasdel
 26 Southern Main Road, Couva
 Tel: (868) 636-9871
 Fax: (868) 636-4750
 Open: 8:00 a.m. - 2:30 p.m.

One Woodbrook Place

Manager: Janice Jackman
 Unit 27, One Woodbrook Place
 189 Tragarete Road, Port of Spain
 Tel: (868) 625-UNIT (8648)
 Fax: (868) 628-4879
 Open: 10:00 a.m. - 5:00 p.m.

Point Fortin

Manager: Simone Lampkin
 13 Handel Road, Point Fortin
 Tel: (868) 648-6836
 Tel/Fax: (868) 648-2997
 Open: 8:00 a.m. - 2:30 p.m.

Port of Spain

Manager: Simone Downer
 UTC Financial Centre
 82 Independence Square
 Port of Spain
 Tel: (868) 625-UNIT (8648)
 Fax: (868) 624-0819
 Open: 8:00 a.m. - 2:30 p.m.

San Fernando

Manager: Andre Clarke
 19-21 High Street, San Fernando
 Tel: (868) 657-UNIT (8648)
 Tel/Fax: (868) 652-0620
 Open: 8:00 a.m. - 2:30 p.m.

Sangre Grande

Manager: Lisa Ganpat
 2 Eastern Main Road
 Sinanan Building, Sangre Grande
 Tel: (868) 639-5096/3921
 Fax: (868) 668-3872
 Open: 8:00 a.m. - 2:30 p.m.

Tobago

Manager: Ijeoma De Gale-Harry
 Cor. Main & Castries Streets
 Scarborough, Tobago
 Tel: (868) 660-7730
 Fax: (868) 660-7730
 Open: 8:00 a.m. - 2:30 p.m.

Online Agents

Eve Financial Services Limited

(Ruben McSween)
61 Level 2, MovieTowne Boulevard
Invaders Bay, Audrey Jeffers Highway
Port of Spain
Tel: (868) 223-6517/6805
Fax: (868) 223-6697
Open: Mon - Fri 10:00 a.m. - 5:00 p.m.
Sat 10:00 a.m. - 3:00 p.m.

Eve Financial Services Limited

Shop #174
The Falls, West Mall
2nd Floor, West Mall
Tel/Fax: (868) 223-9151/9152
Open: Mon - Fri 10:00 a.m. - 5:00 p.m.
Sat 10:00 a.m. - 3:00 p.m.

GMF Investments & Financial Planning Services Limited

(Glenn Miguel Figuera)
21 Shoppes of Maraval
Maraval
Tel/Fax: (868) 628-0809
Open: Mon - Fri 9:30 a.m. - 5:30 p.m.

Michael Redhead

Suite 11, Tropical Plaza
Pointe-a-Pierre
Tel/Fax: (868) 658-7283/7340
Open: Mon - Thurs 8:30 a.m. - 4:00 p.m.
Fri 8:30 a.m. - 4:30 p.m.

Opufin Limited

(Sheldon Trim)
Anva Plaza
16-20 Eastern Main Road
Tunapuna
Tel: (868) 645-UNIT (8648)
Fax: (868) 645-8185
Open: Mon - Fri 8:00 a.m. - 2:30 p.m.

Opufin Limited

(Jamela Akinlana)
Shop 3, Building A
Grand Bazaar
Valsayn
Tel/Fax: (868) 663-UNIT (8648)
Open: Mon - Fri 11:00 a.m. - 6:00 p.m.
Sat 10:00 a.m. - 3:00 p.m.

Superior Wealth & Advisory Services Limited

(Ian Narine)*
2nd Floor
216 SS Erin Road, Debe
Tel: (868) 647-2721
Fax: (868) 647-2201
Open: Mon - Fri 9:00 a.m. - 3:00 p.m.

TOMCO Financial Services Limited

(Garth Thomas)
Socorro Shopping
Village Compound
Cor. 5th Street &
El Socorro Road (North)
San Juan
Tel/Fax: (868) 221-2211
Open: Mon - Fri 9:00 a.m. - 5:00 p.m.

Unique Investments

(Samuel Saunders)
Unit B2:15 Level 2
Trincity Mall, Trincity
Tel/Fax: (868) 640-8589
Open: Mon - Fri 9:00 a.m. - 7:00 p.m.
Sat 10:00 a.m. - 7:00 p.m.

* New Agency owner as at January 30, 2017

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 Neesa Bally**

Chief Internal Auditor

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.

111 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

5th Floor, Newtown Centre
30-36 Maraval Road, Port of Spain

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

** New Chief Internal Auditor effective November 16, 2016

3. Leadership Reports

Creating **value**
through good
governance

Our Chairman's Message

Future Outlook & Performance Review

Dear stakeholders, it has truly been an interesting year. We continue to leave our mark on the financial services sector, bringing value as we continue to chart our way forward. Our relationship with our stakeholders is what propels us.

In 2016, we began the journey of our Strategic Plan 2020, aptly themed “Leading Innovation, Driving Value,” which builds on understanding exactly what our stakeholders value while aligning to meet their needs and to better serve them.

R. Krishna Boodhai Chairman

At the end of the five-year period, we expect to build on our competitive advantage, reduce costs, and innovate to delight our stakeholders, all this while keeping focus on enhancing your customer experience.

We continue to place significant emphasis on working for and with our key stakeholders. As such, we will integrate our systems and processes to deliver better value to them.



Our Chairman's Message (CONTINUED)

Partners for Life

Our unitholders remain our core stakeholder group and our primary objective is to be your **'Partners for Life'**. We remain committed to providing you with unrivalled customer service and tailored investment solutions to strengthen your financial well-being.

We are pleased to report that the overall rating for our 2016 Customer Satisfaction Survey was 80 percent, which represented a 4.2 percent increase from 2015. Our focus is to continue to find ways to satisfy the needs of our unitholders.

Employee Value

Our employees continue to be our most important resource. With our 'People Strategy' we continue to focus on enhancing their experience by delivering on an Employee Value Proposition that facilitates employee growth, satisfaction and well-being while creating an environment that fosters innovation, performance excellence and value creation.

We recorded improvements in our annual Employee Satisfaction Survey in 2016, in areas such as Job Satisfaction and Human Resource Management with the largest increase of 6 percent recorded for both Communication and Strategic Leadership.

Governance

Your Board of Directors also placed focus on enhancing the governance structures, a critical component of adding value in order to be best in class.

We are elated to report that we have completed our benchmarking exercise to assess our governance practices and have met the compliance requirements of the CBTT's Corporate Governance Guidelines for Financial Institutions. Additionally, we have adopted and are fully compliant with the Principles of the Trinidad and Tobago Corporate Governance Code (TTCGC). Our application report of the TTCGC is available on our website www.ttutc.com/integratedreport.

Further, we conducted the first of three annual Board Evaluation Exercises to assess how effectively we are performing our roles against the objectives and the goals we have set; the results of which

were subsequently submitted to the CBTT. We also trained our Board and Executive Management Team through a Corporate Governance Workshop, with contributions from representatives of the CBTT, the Financial Intelligence Unit and the Securities and Exchange Commission.

Adoption of and Compliance with Integrated Reporting Standards

One of the most significant changes you will notice as you peruse our 2016 Integrated Annual Report, is our adoption of the Integrated Reporting Framework. Integrated Reporting, developed and promoted by the International Integrated Reporting Council (IIRC), is the next step in corporate reporting and places emphasis on how our strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

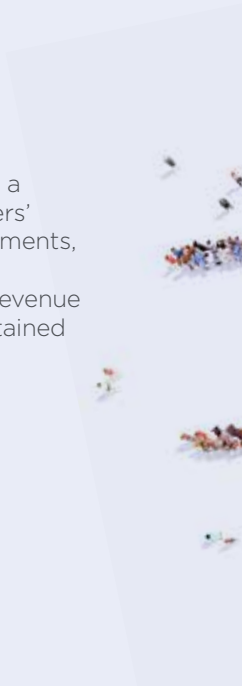
We are proud to report that the UTC is now the first financial/public interest institution in Trinidad and Tobago and the Caribbean region to deliver a comprehensive Integrated Annual Report. Our aim is to remain on the cutting edge of good governance and provide relevant and pertinent information to all our stakeholders, where our financial and non-financial information become unified.

Societal Value

As a Corporation, we are conscious of our impact on the rest of the society and the environment. As such, we continue to actively engage our communities, while strengthening our corporate social responsibility (CSR) capabilities. In order to streamline our strategic and philanthropic goals, as well as provide maximum reach, we would like to highlight the upcoming establishment of the UTC Foundation. Section 4.6 goes into depth on this initiative.

Performance Review

Looking back on 2016, despite a challenging economic landscape we are pleased to report a very robust year. Amidst increased stakeholders' expectations and amplified regulatory requirements, we achieved an increase of Net Income after guarantee charges of 50 percent over 2015, Revenue Growth of 29.6 percent and an increase in Retained Earnings of 8.6 percent over 2015.



Financial Performance

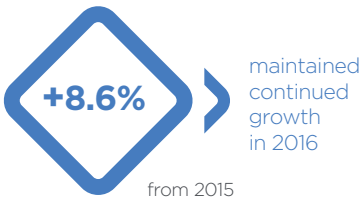
Revenue Growth



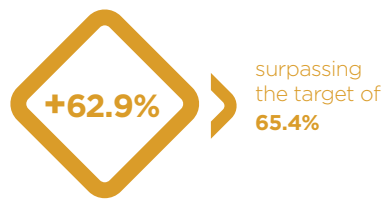
Revenue Contribution Ratios



measuring our Management Charge over Other Income, excluding Extraordinary Items



Retained Earnings Growth



Operational Cost Ratio/
Efficiency Ratio
excluding Extraordinary Items

Non-Financial Performance

We also placed strong emphasis on other key areas: Customer Engagement, Internal Processes and Talent, Technology and Culture. These initiatives continue to enhance returns, improve processes and help to maintain our leadership position in innovative investment solutions and distinctive customer service delivery. More specifics about these initiatives can be found in Section 4.3.

Growth Development

Our scorecard performance was 93 percent. These initiatives are detailed in the sections to follow. Our growth development hones into the efficient use of technology and adapting to change. For example, we are operating with an Act which was developed 35 years ago and therefore, there is great value to be gained by all our stakeholders in having it modernised to meet current realities. This remains high on our strategic agenda.

Looking Forward

Armed with our defined strategy and a detailed operational plan, the UTC will not waver from its commitment to improve your life.

We are cognisant of the challenges facing the Corporation, especially in the tough economic environment in which we operate, but we remain confident that our initiatives will help keep us focused on being “the leader in investment management and wealth creation in the region”.

On behalf of the Board of Directors, we would like to commend Mr. Ian Chinapoo, Executive Director, the Strategic Leadership Team and the entire UTC Team for their significant contribution to our performance over 2016. I would also like to express my gratitude to my fellow members of the Board for their tenacity and support.

Appreciation

Sincerely,

R. Krishna Boodhai
Chairman
April 28, 2017

Our Executive Director's Message

Ian P. Chinapoo
Executive Director



Fellow unitholders, with great pleasure I present the Executive Director's Report for the financial year ended December 31, 2016.

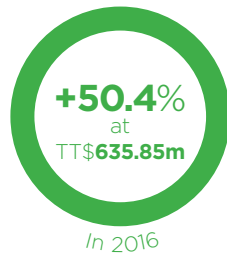
The Corporation had another very successful year of operations in 2016, marked by improved financial performance, growth of aggregate FUM, continued expansion of our customer base, and enhanced returns on the Mutual Fund portfolios.

This outturn was achieved against the backdrop of increased domestic macroeconomic challenges which were bolstered by improved regional performances, particularly in the tourism-based economies of the Caribbean, and stronger than expected results in the United States.

Net Income

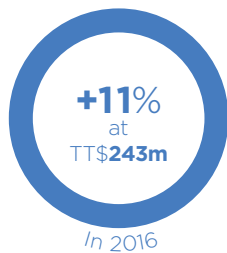
after guarantee charges

Consistent with the improved earnings performance, compared to TT\$422.71 million in 2015.



Distribution to Unitholders*

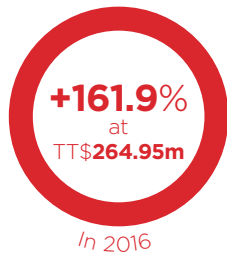
Compared to TT\$218.85 million in 2015.



Retained Net Income

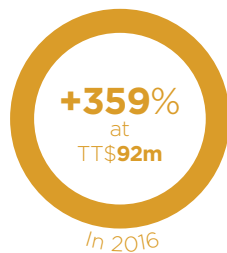
attributable to unitholders

From TT\$101.17 million in 2015.



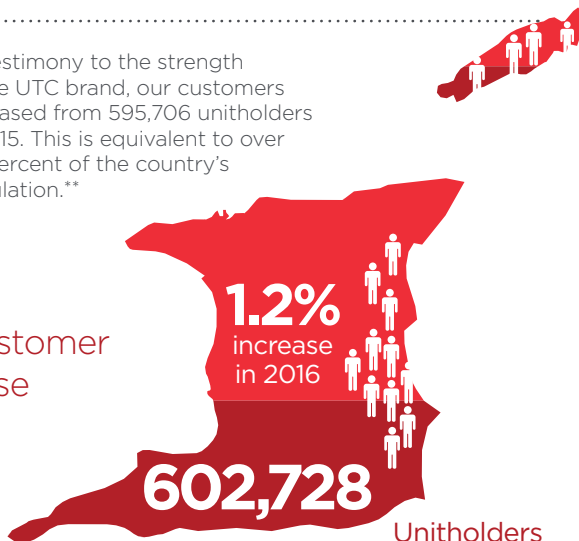
Comprehensive Income

Compared to TT\$20 million in 2015.



As testimony to the strength of the UTC brand, our customers increased from 595,706 unitholders in 2015. This is equivalent to over 40 percent of the country's population.**

Customer Base



With the adoption of enhanced corporate governance and risk management systems along with prudent asset selection, we succeeded in reducing aggregate impairment losses to TT\$99.44 million from TT\$113.75 million, reflecting a 12.6 percent decrease.

The Corporation's asset base grew by 2.2 percent to TT\$21.70 billion by the end of 2016 from TT\$21.23 billion a year earlier. FUM increased by 4.7 percent to TT\$21.60 billion in the year under review. Five out of our six Funds posted identical or higher net returns to unitholders in 2016 compared to 2015, reflecting the successful implementation of rebalancing strategies for the various Funds during the year.

Strategy in Action

The 2016 Financial Year was also quite important, as the Corporation drafted its **2016 - 2020 Strategic Plan**, whose strategic objectives or **"Pillars of Excellence"** include:

- Regulatory Management
- Cost Efficiency
- Product & Service Innovation
- Focus on Customer and Brand.

With Regulatory Management, we intend to continue our collaboration with our various regulators to ensure proper governance and transparency in all of our business operations.

As regards Cost Efficiency, we plan to proactively manage our operational costs through the implementation of innovative and effective cost reduction and cost control measures. The incorporation of suitable budgetary tools in our integrated accounting system also assists us in monitoring actual versus planned expenditures at the divisional, as well as, the overall organisational levels.

In terms of Product & Service Innovation, we intend to review our suite of existing products and services on a periodic basis, with a view to ensuring that they surpass customer requirements. We will also place renewed focus on the development of new, innovative product offerings for our existing as well as new target markets. This should aid in diversifying our income streams, thereby reducing our overall level of business risk.

In relation to Focus on Customer and Brand, we plan to further expand and deepen our knowledge and analysis of the Mutual Fund market and our customers, in order to enhance customer service delivery and leverage our brand equity. In so doing, not only would we be able to protect our existing market share, but we would also be well poised to identify and successfully penetrate new market segments.

*Statistics include all FUM including those that are not consolidated into the Corporation's Statement of Financial Position and Profit or Loss
 ** Based on the most recent data from the Central Statistical Office

Our Executive Director's Message (CONTINUED)

As at the 2016 financial year-end, the Corporation achieved the following in relation to the preceding strategic objectives:

Regulatory Management

Legal, Regulatory and Compliance Environment

While there were no amendments to legislation or regulations that directly affected our operations within the 2016 financial year, the Corporation has continued to strengthen its compliance framework. Two key initiatives in this area were completed: the first initiative involved strengthening the Corporation's risk management systems, while the second pertained to maintaining regulatory compliance with regard to our Bureau de Change operations.

In 2017, we are well poised to deliver on our Foreign Account Tax Compliance Act (FATCA) reporting requirements. As a key member of the local financial services sector, we at the UTC will do our part to ensure we fulfil our obligations.

Under the Anti-Terrorism Act, Ch. 12:07 of The Republic of Trinidad & Tobago, the UTC is required to identify and report on all suspected incidents of money laundering and terrorist financing. To meet the various requirements under this legislation, the Corporation has modified its existing operational systems, processes and procedures as it pertains to the recurrent information that we maintain in relation to our customers, accepting business from new clients, monitoring customer accounts for suspicious transactions and other activity, training and sensitising our staff with regard to the identification of such transactions and activity, etc. We thus underwent a process of reviewing all of our existing customer accounts to ensure that the various 'Know Your Customer (KYC)' requirements have been met.

Going forward, similar reviews will be conducted periodically, which would not only enhance the accuracy and integrity of the information maintained in our databases, but also should significantly aid the detection and prevention of money laundering and terrorist financing.

The Board, Executive Management and staff of the UTC are committed to ensuring that the Corporation maintains a robust internal control environment through the adoption of robust risk-based approaches and international best practices, as well as investment in appropriate technologies that would assist in the mitigation of money laundering and terrorist financing risks.

Cost Efficiency – The Corporation completed the early phases of several cost reduction initiatives. This has afforded us even greater insight on how we can become more efficient. We are continuously improving various processes geared at enhancing our operations. Many of the identified initiatives require

incremental investments in new technology. We are currently in the process of defining the specific resource requirements for each of these projects and engaging suitable vendors to supply the optimum solutions. Once this process has been completed, we stand confident that you will be pleased with the expanded range and quality of our service delivery.

Product & Service Innovation – The Corporation launched its newest Mutual Fund, The Calypso Macro Index Fund in 2015, established by the Unit Trust Corporation Fourth Unit Scheme Regulations 2015, in accordance with Section 13(1) of the UTC Act. It was subsequently listed on the Trinidad & Tobago Stock Exchange (TTSE) on January 11, 2016 at an Initial Public Offering (IPO) price of TT\$25.00 per unit.

Going forward, we intend to continue this trend by researching and developing other innovative investment products to cater to your diverse financial needs.

The Corporation has also rolled out a formal innovation programme and accompanying Innovation Unit. This cutting edge organisational feature affords our team members, who have creative ideas and solutions, to enhance the level of value added to the Corporation and offers a platform to drive the execution of the idea from concept to reality.

Focus on Customer and Brand – The Corporation is pleased to report that we have refined our Business Model (see pages 28+29). This new model lays the foundation for many other planned initiatives under this pillar. Over the next two years, specific initiatives will result in new products and improved delivery of services that are better tailored to meeting your diverse and evolving needs.

Delivering Value to our Stakeholders

Our stakeholders represent internal and external groups of individuals or entities which either exert influence on or are affected by the UTC's operations.

As part of our responsibility to our unitholders, persons have accessed their savings under our Corporate Savings Plan (CSP) to mitigate the impact of the economic downturn, including job loss. We will continue to play a crucial role in easing the financial stress of our citizens, reinforcing that having investments can make a big difference in meeting life's challenges.

We are cognisant of the integral role played by our various stakeholders in mapping our road to success, and employ a diverse range of initiatives to engage our various internal and external stakeholders, including Research, Corporate Events and CSR activities.

New Organisational Structure

One of the critical components of adopting the new Integrated Reporting Framework involved realigning the organisation to deliver superior service levels to our main stakeholder groups, particularly our unitholders, regulators, investors and suppliers. Accordingly, in December 2016, the Board approved a new Organisational Structure for the Corporation. This new organisation structure will be rolled out in 2017.

Under the new structure, it was determined that the Marketing, Communication and Distribution Channels Division and the Advisory Services Division both needed to be realigned in order to bring sharper focus on our relationships with our customers. To achieve this, the Marketing and Communications Department is now a separate division and has adopted the name Reputation Management Division, with responsibility for all matters pertaining to Reputation Management, Marketing and Communications, Brand Management, CSR and Digital Media.

Further, a new Customer Relationship Management Division was established, which will be accountable for all of our customer relationship touch points, including Advisory Services, Agency Management, the Investment Centres and Electronic Distribution Channels.

Systemically Important Financial Institution (SIFI) Reporting Requirements

In late 2013, the UTC, along with 10 other domestic financial institutions, was declared a SIFI by the CBTT. This decision was influenced by a variety of factors, the most crucial of which included the institution's size, lack of substitutability of the products offered, as well as local and regional financial system interconnectedness. By the end of 2016, the UTC continued to be the dominant player in the local Mutual Fund industry with an estimated market share of 47.5 percent of aggregate FUM of TT\$43.29 billion. This accounted for roughly 6.3 percent of total financial system assets of TT\$331.70 billion.¹

Outlook and Future Plans

Notwithstanding the moderate outlook for world economic growth, the reality remains that significant downside risks persist as new risks emerge. Chief among these risks are the future policy direction of the new US government, the possible repercussions of Britain's "Brexit" vote, concerns over Greece and its impact on the Euro Area, the fiscal impact of low commodity prices on commodity exporters, and growing nationalistic sentiments undermining international trade integration efforts. In the Caribbean, economic growth for 2017 should be broadly consistent with the IMF's projections, with higher growth levels being realised in the service-based economies as opposed to the commodity exporters, barring the occurrence of any material adverse external shocks. On the domestic front, it is anticipated that Trinidad and

Tobago's macroeconomic challenges will persist in the short term and constrain growth in 2017, notwithstanding a slight uptick in energy revenues. We do envisage, however, a much more broad-based recovery in economic performance from 2018 onwards.

Management will continue to rebalance the portfolios in order to allow them the flexibility to take advantage of potential opportunities and simultaneously mitigate against potential threats. In this vein, we will be closely monitoring world events, as well as developments in both the regional and local markets, in order to quickly identify opportunities and threats. With this approach, we hope to further enhance our Fund Performances in 2017 via improved investment returns, Fund size growth, and superior asset quality.

Changes to the Strategic Leadership Team

Our Vice President – Marketing, Communications and Distribution Channels, Mrs. Gayle Daniel-Worrell, retired from the Corporation effective January 31, 2017, having served the Corporation with diligence and tenacity for the greater part of the last three decades. On behalf of the Board of Directors, Strategic Leadership Team and the entire UTC Team, I wish to convey my heartfelt gratitude to Gayle for her yeoman's service and wish her a happy retirement and all the very best in her future endeavours.

As mentioned earlier, the Board approved the establishment of a new Reputation Management Division in December 2016. Effective February 1, 2017, we filled the position of Vice President – Reputation Management. I welcome Ms. Natasha Davis into this new role, as she brings over 16 years' experience in the areas of Strategic Marketing, Branding and Reputation Management.

Appreciation



I wish to extend my sincerest of thanks to the Chairman and all the other members of the UTC Board, the UTC Team and Strategic Leadership Team for their continued support.

In closing, I wish to pay tribute to you, our dear unitholders. We thank you for your support and the great confidence that you place in us.

Sincerely,

Ian P. Chinapoo
Executive Director
April 28, 2017

¹ Based on the latest available data as of June 2016 per the CBTT's *Summary Economic Indicators Bulletin* for September 2016 and the CBTT's *Economic Bulletin* for March 2017 Appendix Tables.





Giving you
stability
so you can
launch
yourself to
greater heights

4. Strategic Report

Value through innovative business

Our business is focused on creating wealth for all our unitholders. At the core of that mission is a social purpose — a duty, if you will — to help as many people as we can to discover the benefits of investing in the capital markets.

Our goal is to ensure that we provide the appropriate balance of information, products and services to help the investing public achieve their goals.

We believe value creation to be our central purpose, it is an ongoing endeavour to which we are fiercely committed. This is demonstrated in our Mandate, Mission, Vision and Strategy. Throughout our history, value creation has been driving what we do and is finding its rightful place in every aspect of our operations.

Our value creation process is driven by a clear understanding of what our stakeholders want and value, particularly you, our unitholders. As such, we continuously assess our business opportunities, risks and operating environment and engage strategies to deliver the appropriate mix of products and services that yield the greatest material value

to all our stakeholders.

Value Creation Business Model



LEADING INNOVATION

DRIVING VALUE

Mandate, Mission, Vision



Strategy and Resource Allocation

VALUE CREATION FOR UTC'S STAKEHOLDERS

- | | |
|---|----------------------------|
| <ul style="list-style-type: none"> Good Regulatory Standing Top 5 Brand Ranking (<i>Financial Services Industry</i>) High Investor Confidence and Brand Loyalty Wealth Creation for Investors | <p>Intellectual</p> |
| <ul style="list-style-type: none"> Sustainable Profitability Capital Adequacy Sufficient Cash Flow for Operations Cost Efficient Operations | <p>Financial</p> |
| <ul style="list-style-type: none"> Bench Strength - Top Leadership Satisfied and Engaged Employees High Strategic Execution/Productivity Low Employee Turnover | <p>Human</p> |

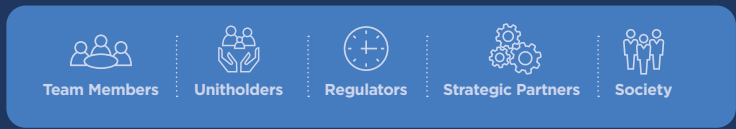
OUTCOMES

- | | |
|---|------------------------------------|
| <ul style="list-style-type: none"> Enhanced Capabilities <ul style="list-style-type: none"> Innovation Operations Management Channel Delivery Operational Efficiencies | <p>Manufactured</p> |
| <ul style="list-style-type: none"> Solid Contributor to Community/ National Development (<i>Good Corporate Citizen</i>) Symbiotic Stakeholder/Partner Relations Embraced as a trusted <i>'Partner for Life'</i> Consistently High Customer Satisfaction | <p>Social, Relationship</p> |
| <ul style="list-style-type: none"> Safe and Healthy Work Places Green Operations (<i>Environment Friendly</i>) | <p>Natural</p> |

Outlook

External Environment

KEY STAKEHOLDERS
(see page 39)



Business model innovation

In today's evolving economic landscape, maintaining our competitive advantage demands business model innovation. Strengthening the existing business model will ensure the Corporation maintains its leadership in investment management.

We have long recognised that technological advances, increased competition, and changing legislative requirements are inevitable realities that must be both managed and harnessed to ensure the Corporation remains true to its Mandate, Mission and Vision.

An essential element to the Corporation's strategic innovation is amendment of the UTC Act, which would result in complementary business activities being purposefully pursued. We are working with the Ministry of Finance on this agenda.

4.2 Operating Environment

Market Overview

Trinidad and Tobago is the hub of our brand presence and influence. As such, the objective is to serve our customers in the communities where they live and this drives our customer service touchpoint strategy. We have sought to establish the most optimal and strategic locations through our Investment Centres, Online Agencies, ATM's, U-Online and Call Centre. Markets are evolving and technology is changing the environment. As a direct result, UTC's digital platforms are being aligned to your needs.

The industry has also had to adapt to the increasing environmental legislation, based on ensuring that your business is aligned to sustainable development. Some positive results of this adaptation are eco-friendly trends and initiatives geared towards health and safety in the workplace and, by extension, the environment.

Significant Industry Trends

Trinidad and Tobago is the leader in the Caribbean in Mutual Fund assets per capita and is ranked 3rd in the Americas, behind the United States and Canada. In order to maintain our position as market leaders it is essential to understand the ever-changing environment in which we operate.

Environmental forces shaping our context

In 2016, the excess liquidity and changes in fiscal policy, as they relate to debt, significantly impacted capital market activity in Trinidad and Tobago. In the international market space however, sub-par inflation trends and monetary policies that aid in growth are expected to keep interest rates low over the next four years. UTC has 82.3 percent of its Funds invested in fixed income instruments and the remaining 17.7 percent in equity instruments, this encourages risk-conscious investors and allows enhancement of the current offerings and introduction of complementary new products and services.

Some "mega trends" that impact the Corporation are changing lifestyles, increasing usage of the digital space and lack of understanding in investment and saving. We will continue to direct our resources to capitalise on these trends.



Increase in Passive Investing

One of the most significant trends in the international Mutual Fund industry is increased investor preference for passive investing, over active investing. Passive investing typically describes money that seeks to earn the same return on a given index while limiting the amount of buying and selling. This shift has caused actively managed Funds to lower their expense ratios in order to remain competitive as passive investing generally attracts lower expenses.

Digital Platforms

Digital advice platforms are the newest trend to emerge in asset and wealth management, especially from firms that leverage low-cost, high-diversified Exchange Trading Fund (ETF)-based portfolios. This has enabled more people to invest in the capital markets and align their investments to their risk tolerance, time-horizon and goals.

The industry is therefore evaluating how to compete in this new environment to bring value to their investors. To enhance our internal communication channels, we launched a team mobile app, U-NITE, to keep the team in the loop.

Expanded Services

Firms have moved away from only offering products aligned to their core business activities, in an effort to expand their customer base and meet their evolving needs. The industry is seeing brokerage firms developing exclusive Mutual Funds and ETFs and investment companies also offering brokerage services.

Our competitive landscape

The local financial services industry comprises several hundred products offered by four major groups of financial companies – commercial banks, non-banking financial institutions, insurance companies and credit unions. Commercial Banks dominate the financial system with 51 percent of assets. UTC in comparison, holds 6.3 percent of assets.

The local Mutual Fund sector continues to be extremely competitive with over 14 Mutual Fund providers and over 61 Collective Investment Schemes.

The Unit Trust Corporation continues to be the leader with 47.5 percent of market share. The Mutual Fund sector in 2016 grew, FUM from \$42.94 billion to \$43.29 billion in the industry with approximately 84 percent income Funds and 16 percent equity Funds as at December 2016.

(Source: CBTT)



Helping
you build
your **strength**
so you can
weather life's
challenges



4.3 Our 2020 Strategy: ‘Leading Innovation, Driving Value’

The UTC develops and executes strategy initiatives on a five-year planning cycle. Our Strategic Plan is built on understanding exactly what our stakeholders value and aligning or innovating to better serve them. In our current 2016 to 2020 strategic plan period, a key ingredient is driving greater innovation in our business. Our focus to 2020 remains our unitholders and our primary objective is to deliver a unique Customer Value Proposition (CVP) that includes competitive returns, innovative investment solutions and distinctive, exceptional customer service, while reducing our cost to serve.

Our 2020 Strategic Plan puts forward key strategies that will drive continued business growth, enhance our competitive advantage and position the Corporation for long-term sustainability. UTC is pursuing opportunities with the highest value potential that can create both short and long-term value for our unitholders and the Corporation.

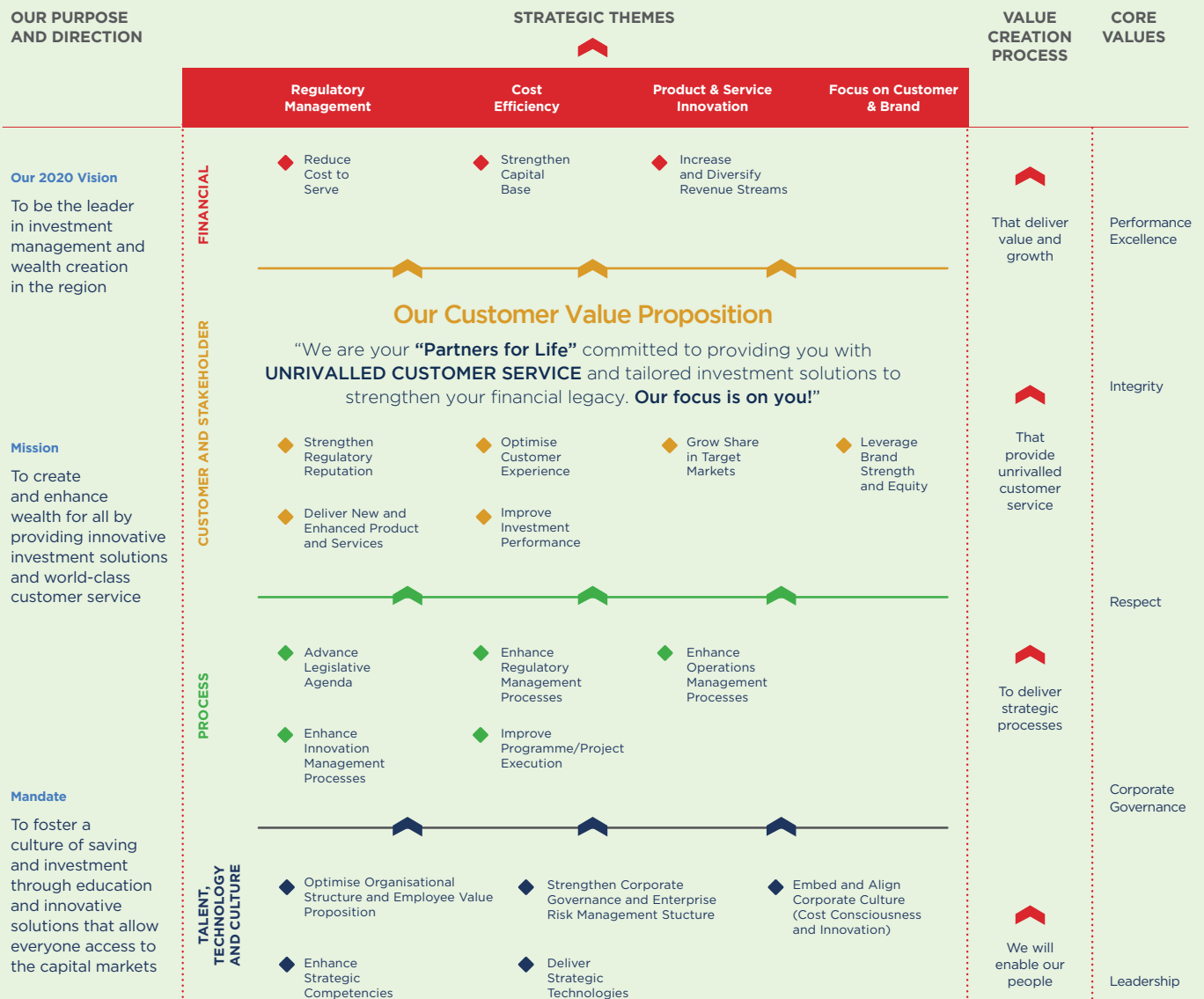
Our focus on diversification will allow us to explore new income streams, thereby reducing our overall business risk and as such, we continue our efforts at strengthening our research and development capabilities to enhance our existing products and introduce new products and services.

Value Creation for all our Stakeholders is our Driving Force.

In 2016, we made great strides. By 2020, we expect to firmly embed our business model, driving innovation and reducing costs without diminishing our service excellence.



“Leading Innovation, Driving Value”



Strategy Drivers

Key enablers to deliver on UTC’s 2020 strategy are our people and technology. Along with a re-envisioned technology platform and system infrastructure, these are our primary strategic assets. Enhancing the Employee Value Proposition (EVP), strengthening our strategic competencies and creating greater alignment of our Organisation Structure to strategy are key to delivering greater business efficiencies and enhanced strategic performance.



Underpinning UTC’s 2020 strategy is a strengthened Corporate Governance and structured Enterprise Risk, Change and Project Management Frameworks, which includes embedding a strong Governance, Risk and Compliance culture in the organisation aimed at minimising strategic and execution risks and improving strategic execution.

Reporting on performance against our strategy

Key 2016 Execution Highlights within our Strategic Themes:

On our theme of Focus on Customer and Brand, we are analysing market trends and dissecting customer behaviour, enhancing our responsiveness to evolving customer service expectations. This will also allow us to leverage our brand equity in under-served market segments, while innovating to delight our existing customers and reduce our business risks.

Our 2016 progress highlights include the completion of our corporate business model and an organisational redesign to create a truly customer-focused organisational structure (launched on January 1, 2017) in order to deliver personal and professional customer service.

With respect to Regulatory Management, we intend to continue to be accountable for our actions and performance while building collaborative relationships with our various regulators to ensure proper governance and transparency.

In 2016, we continued to progress our enterprise risk framework, with the completion of risk measurement and intelligence tools to better assess, monitor, report and mitigate risks across UTC's business. Further, we progressed our enterprise compliance programme and capabilities (through the leveraging of the CaseWare system), advanced our business continuity and disaster recovery preparedness, updated over 140,000 legacy customer accounts and substantially completed our FATCA readiness exercise, among many other achievements.

With regard to Cost Efficiency, we are engaged and committed to proactively managing our operational costs through the implementation of innovative and effective cost reduction and cost control measures without compromising the provision of an exceptional customer experience. The incorporation of budgetary tools in our integrated accounting system also assists us in monitoring actual versus planned expenditures at the divisional, as well as the overall enterprise level.

Critical progress was made in 2016 on our Strategic Technology Plan. We completed the definition of our project scope and selected and mobilised our IT Programme Managers for the major core data management projects. Significant work was also completed on an open architecture management information system for better customer service and we launched all but one module of our "cloud-based" performance management and recognition interactive system (SAP SuccessFactors).

In terms of Product and Service Innovation, we intend to show our appreciation to our loyal customers by enhancing our suite of existing products and services tailoring them to customer realities and ensuring best fit within the marketplace. We will also accelerate the development of new, innovative product offerings for our discerning, industry-leading and engaged customer base. The aim is to diversify our income streams, thereby reducing our overall level of business risk while allowing us to remain competitive.

To achieve our 2020 strategic endeavours, UTC will focus on creating a climate for change by embedding an organisational culture that supports and drives strategic innovation and cost management.

Corporate
Scorecard
Performance

93%

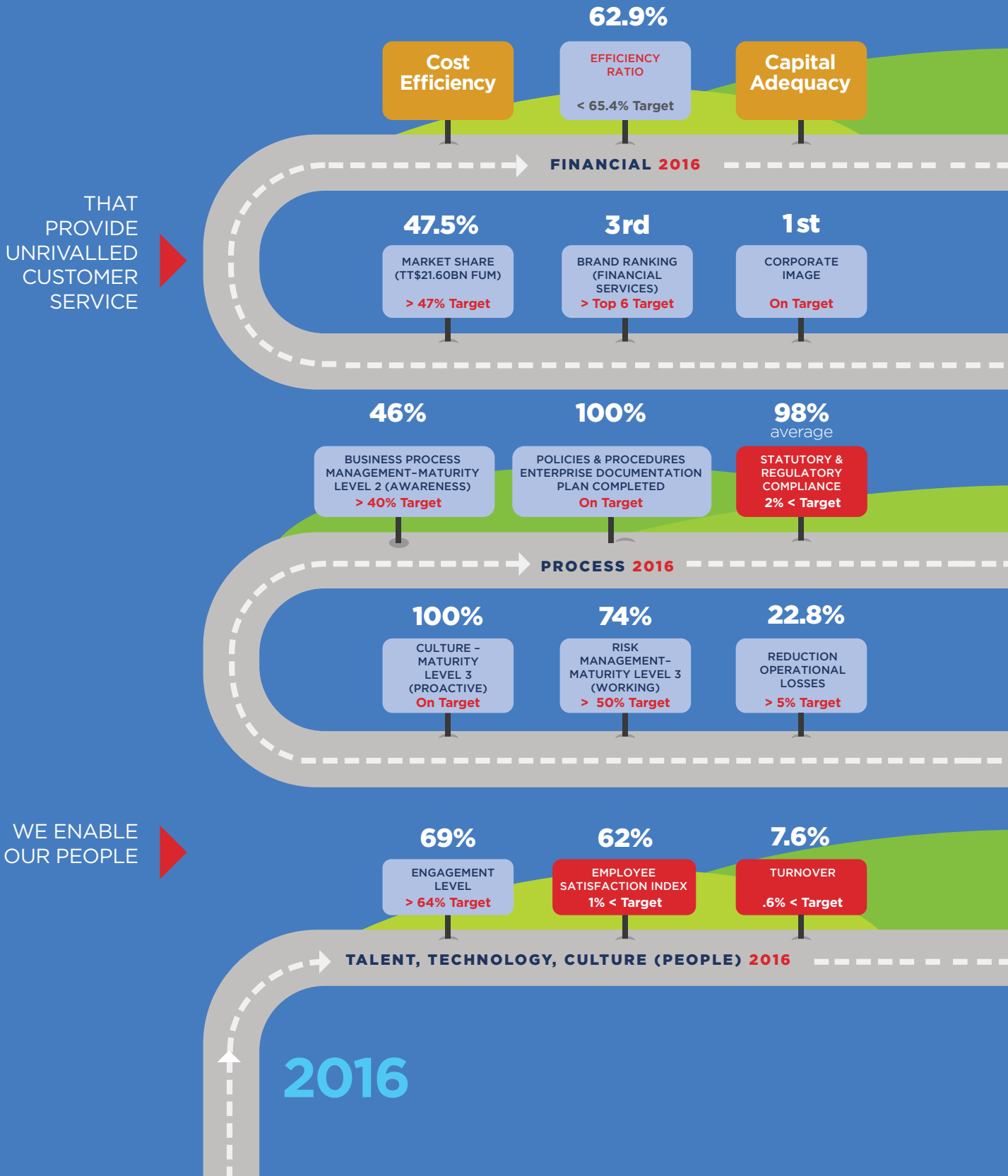


Project
Deliverables
Executed

89%

Key Performance Indicators

Monitoring the progress of our strategy against our key performance indicators is essential to ensuring we stay on track to achieve our targets and course correct as required. As at the 2016 financial year-end, the Corporation achieved the following in relation to our Key Performance Indicators within our Corporate Scorecard:



2020

14.2%

FINANCIAL GROWTH
(\$1.27b)
> 9.9% Target

7.1%

REVENUE GROWTH
(429.57m)
> 2.3% Target

Increased and Diversified Revenue

THAT DELIVER VALUE AND GROWTH

80%

CUSTOMER SATISFACTION
.02% > Target

1.2%

UNITHOLDER BASE GROWTH (603K)
> 1% Target

5 of 6

FUNDS ABOVE BENCHMARKS
1 Fund < Target

77.3%

SATISFACTION INVESTMENT PERFORMANCE
< 80% Target

CUSTOMER 2016

over by **3 weeks**

TIME TO MARKET
< 12 Months Target

89%

PROJECT DELIVERABLE - EXECUTION RATE
> 75% Target

91.7%

PROJECT MANAGEMENT - MATURITY LEVEL 1
> 75% Target

TO DELIVER STRATEGIC PROCESSES

99.9%

ICT - UPTIME
> 99.1% Target

23%

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) - MATURITY LEVEL 4 (MANAGED)
2% < Target

20.1%

STRATEGIC TECHNOLOGY PLAN EXECUTED
5% < Target

TALENT, TECHNOLOGY, CULTURE 2016

86%

BENCH STRENGTH
> 1:1 [50%] Target

93.3%

STRATEGIC EXECUTION
> 85% Target

18.7%

STRATEGY MANAGEMENT - MATURITY STAGE 3 [ADVANCED]
> Stage 2 Target

4.4 Material Matters

During the year, we continually engaged our stakeholders through various platforms (see page 39 to 43 for additional details) to understand what mattered to them. This feedback helps us to better align our staff, processes and systems to better serve each stakeholder group.

Throughout the year, the Corporation analysed the local and global business environment, to keep abreast of political, socioeconomic and regulatory trends and how they impact us.

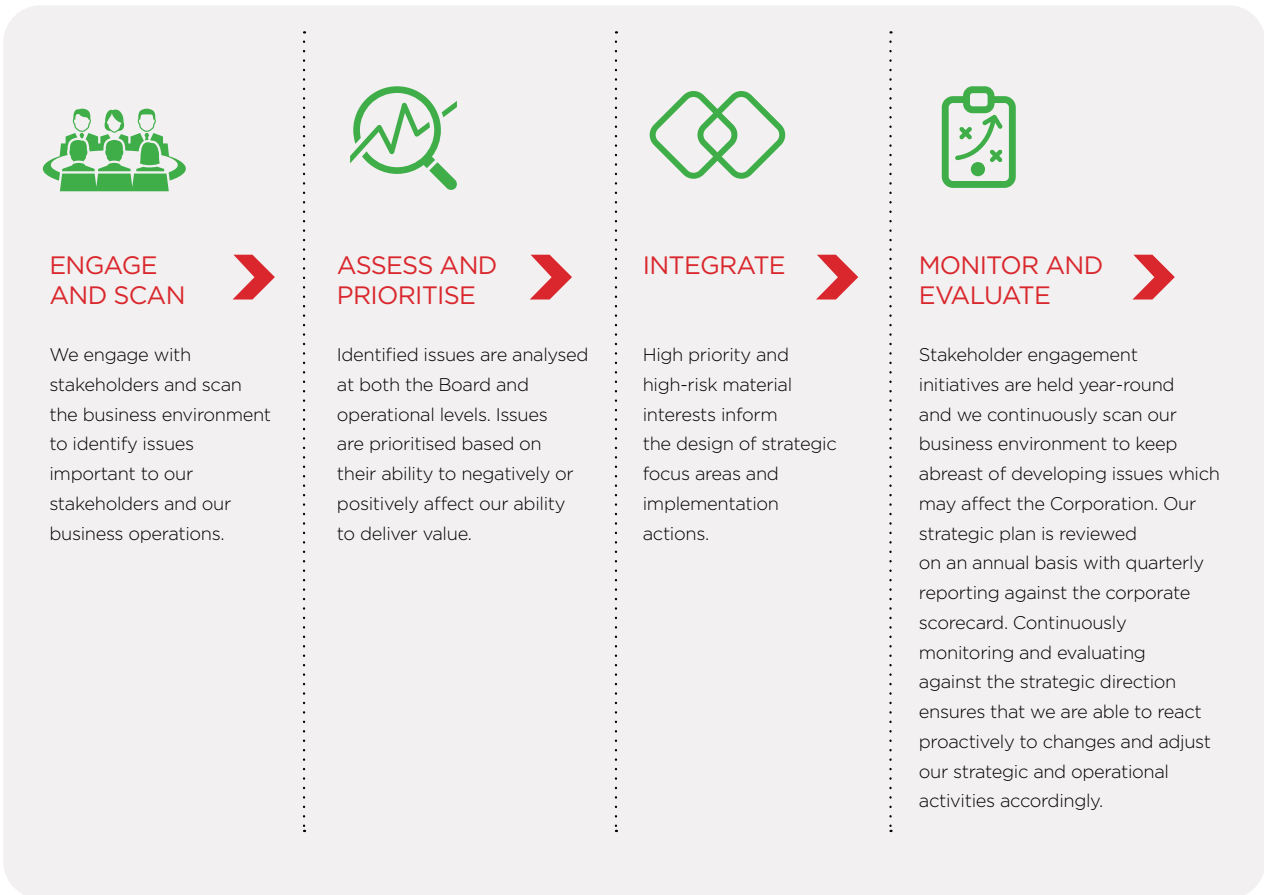
The result of our stakeholder engagement and planning initiatives helps us identify the key issues facing the Corporation. We then assess and prioritise them relative to the level of importance to both our stakeholders and the Corporation, and in relation to our mandate and its material impact on our ability to create value. For the 2016 reporting period, over 25 issues were identified as relevant and important to the Corporation's business. Some of the issues

deemed higher risk and material to our operations included developments within the following areas:

- **Macroeconomic environment**
- **Political**
- **Regulatory changes**
- **Human resources**
- **Innovation and creativity**
- **Crime and security**
- **Product relevance and service delivery**
- **Increased access by customers**
- **Brand reputation**
- **Unitholder earnings**

These issues of material interest helped guide and shape our strategy and direction. Our strategic themes have been developed to mitigate the effects of the material issues which enhances the positive returns for the Corporation. These strategic themes were discussed in more detail on page 35.

APPROACH METHOD





4.5 Our Key Relationships



Altogether, we are accountable to 10 key stakeholder groups, to whom we're committed to building trust and delivering long-term, sustainable value. They are important to us because we could not succeed without them:



- **Customers (Individual & Corporate Unitholders)**
- **Team Members (Employees)**
- **Regulators**
- **Board of Directors**
- **Suppliers/Service Providers**
- **Team Leaders (Management)**
- **Society**
- **Government**
- **Media**
- **Auditors**





In our 2016 strategic planning sessions, we created cross-functional teams to identify and assess stakeholder needs and expectations. We then developed action plans to meet those needs, listing among our engagement tools: research, corporate events and CSR activities. More specifically, we staged our Annual General Meeting, Divali Art Competition, Schools' Investment Game and Business Media Training as part of our commitment to impart knowledge, and value to our stakeholders.

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
<p>CUSTOMERS</p> 	<p>Customers are certainly the primary purpose for the Corporation's existence. All of our business activity is centred around our customers, ensuring that we deliver a strong competitive Customer Value Proposition to all our unitholders.</p>	<ul style="list-style-type: none"> • Capital preservation • Competitive returns • Service availability and reliability • Financial and Investment Performance • Competitive Products • Integrity • Investor confidence • Sound financial advice • Operational efficiency • Investor recognition • Strong brand/image and reputation • Tailored product and services 	<ul style="list-style-type: none"> • Customer Satisfaction Survey • Financial Planning Seminars • Brand Survey • Advertising Effectiveness Survey • Annual General Meeting • Divali Art Competition • Customer Appreciation Day • Schools' Investment Game • Conference & Public Education Initiatives 	<ul style="list-style-type: none"> • High customer satisfaction in relation to the UTC's people, processes and facilities to support the needs of the customer • Positive perception in terms of trust, products and services offered • High recall and referral/recommendation rate • Ranked 1st as a Mutual Fund Company • Ranked 1st as an Investment Company • Ranked 1st for Safety • Ranked 1st for Security • Ranked 1st for Stability • Ranked 1st for Best Corporate Image

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
<p>TEAM MEMBERS (EMPLOYEES)</p> 	<p>Employees are the UTC's primary strategic assets and are instrumental in the effective and efficient execution of the Corporation's business strategy. A 'people' strategy was purposefully developed so that we can execute Employee Value Proposition.</p> <p>Further, employees offer valuable knowledge that assist the company in maintaining its competitive advantage in the investment sphere.</p> <p>Also, they are Brand Ambassadors who effectively advocate and ensure adherence to the brand.</p>	<ul style="list-style-type: none"> • Job security • Reward, recognition and benefits • Professional development • Work-life balance • Healthy and safe work environment • Fair and equitable treatment • Empathy, respect, autonomy, empowerment and trust • Good employee relations • Equal opportunity • Flexibility • Pension plan administration • Financial stability 	<ul style="list-style-type: none"> • Orientation and Onboarding Programme • Training and Development Programmes • STAR Recognition and Reward Programme • Employee Satisfaction Survey • Social events • Launch of UTC U-NITE staff app • Career BreakthrU Cross-Posting Programme • Regular communication from the Leadership Team • All Team Meeting • Strategy Champions Initiative • Engagement Champions Initiative • Performance Management • Human Resource Technology • Employee Wellness Programme • Pain Points Initiative • Employee Kids' Vacation Camp 	<ul style="list-style-type: none"> • High (and continued) increase in team satisfaction • Employer of choice due to a safe and healthy work environment • Highly engaged staff who understands how the work they do contributes to the overall success of the UTC

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
<p>REGULATORS</p> 	<p>Regulators are critical in advancing UTC's legislative and regulatory agenda which underpins the successful outcome of its 2016-2020 strategic initiatives.</p> <p>Changing the Act of 1981 is imperative if the UTC is to acquire a further competitive stance in the marketplace and this has been the focus of management in 2016.</p> <p>UTC is a sound and viable organisation, having been designated a SIFI in 2013.</p>	<ul style="list-style-type: none"> • Full compliance with all regulatory directives/ requirements • Responsiveness to legislation 	<ul style="list-style-type: none"> • Reports • Meetings • Proactive Calls 	<ul style="list-style-type: none"> • Effective risk management • Sound Corporate Governance • Transparent and accessible relationships
<p>BOARD OF DIRECTORS</p> 	<p>To provide the necessary proper and sound governance and oversight of the execution of the UTC's strategic and business objectives while ensuring that the Corporation remains profitable and in line with business requirements and objectives</p>	<ul style="list-style-type: none"> • Governance, Risk Management and Internal Controls • Compliance • Strategic Direction, Financial Performance, Investment Performance • Operational Efficiency • Engender Confidence in Corporate and Financial Sector • Succession Planning • Business Continuity 	<ul style="list-style-type: none"> • Board and Sub-committee Meetings • Board training sessions 	<ul style="list-style-type: none"> • Best practice governance • Profitable and well-managed Corporation • 602,728 unitholders • 6 Funds Under Management • 47.5 percent Market share • TT\$21.60bn in FUM

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
<p>SUPPLIERS/ SERVICE PROVIDERS</p> 	<p>To ensure that the business of the Corporation is executed effectively and efficiently</p>	<ul style="list-style-type: none"> • Responsiveness (payments and information) • Engagement • Integrity (honesty and fairness) • Financially strong • Operational Efficiency and Support • Investment Performance • Strong technology • Equitable access to business opportunities • Continuity of Business 	<ul style="list-style-type: none"> • Training • Meetings 	<ul style="list-style-type: none"> • Loyal and well-informed agents • Developed relationships with suppliers
<p>TEAM LEADERSHIP (MANAGEMENT)</p> 	<p>Executes the strategic plan initiatives</p>	<ul style="list-style-type: none"> • Sound governance, Risk Management and internal controls • Compliance • Strategic direction, financial performance, investment performance • Operational efficiency • Talent optimisation • Strong technology • Skilled workforce • Autonomy • Effective organisational structure • Flexible and adaptive organisational culture • Appropriate and enabling legislation • Financial stability 	<ul style="list-style-type: none"> • Promotion of Transformational Leadership • Succession Planning Programme • Mentoring and Coaching Training • Effective Recruitment and Selection Practices • Human Resource Technology • Performance Management • Aligned Organisational Development • Enabling Change Programme • 360° Leadership Assessments 	<ul style="list-style-type: none"> • Strong technical and leadership complement • Low management turnover • Employer of choice

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
<p>SOCIETY</p> 	<p>To build communities and develop the nation at large</p>	<ul style="list-style-type: none"> • Good corporate social responsibility • Increased standard of living • Increased access to education and public information • Positive impact on social and natural environments 	<ul style="list-style-type: none"> • SEA Scholarship Programme • Schools' Investment Game • United Way National Day of Caring • Living Waters Community Christmas Hamper Drive • Loveuntil Foundation - Football • Brasso RC School - Back to School Kits • Red Cross Kiddies Carnival • Kids In Need of Direction (KIND) - "Be a Buddy not a Bully" • Beach Cleanup 	<ul style="list-style-type: none"> • UTC seen as a responsible Corporate Citizen. • Ranked 1st as a Mutual Fund Company • Ranked 1st as an Investment Company • Ranked 1st for Safety • Ranked 1st for Security • Ranked 1st for Stability • Ranked 1st for Best Corporate Image
<p>GOVERNMENT</p> 	<p>Like Regulators, the Corporation relies on the support of the Government particularly the Ministry of Finance in advancing the legislative agenda</p>	<ul style="list-style-type: none"> • Financially stable • Sound governance, Risk Management and internal controls • Compliance 	<ul style="list-style-type: none"> • Reports • Meetings • Annual General Meeting 	<ul style="list-style-type: none"> • Sound governance
<p>MEDIA</p> 	<p>Disseminate information that empowers people to make informed decisions</p>	<ul style="list-style-type: none"> • Accurate and timely access to publicly available information • Access to subject-matter experts on public issues 	<ul style="list-style-type: none"> • Email/direct communication • Monthly media appearances by spokespersons on the morning shows • Meetings • Media workshops 	<ul style="list-style-type: none"> • Positive relationship and brand representation in media
<p>AUDITORS</p> 	<p>Auditors provide independent and objective assurance and consulting services with respect to the Corporation's governance, risk management and control processes in order to add value to its operations and to assist Management and the Board in the achievement of the Corporation's strategic, operational, financial and compliance objectives</p>	<ul style="list-style-type: none"> • Free and open access to records • Proper record keeping • Audit readiness • Controls and systems environment reliance • Integrity and honesty • Timely responses and action to audit issues • IFRS compliance • Timely preparation of financial accounts • Financial stability 	<ul style="list-style-type: none"> • Reports • Meetings 	<ul style="list-style-type: none"> • Strong relationship • Strong financial controls

4.6 Delivering Value to Our Stakeholders

Chief Financial Officer's Report

Dear unitholders,

Fiscal Year 2016 was a year characterised by the macroeconomic and geopolitical challenges which became the 'new normal'. Locally, the Group continued to operate in a low interest rate environment although there was less excess liquidity than in 2015. Local and global economies were challenged by the precipitous decline of oil prices in the first quarter of 2016, the general weakness in commodity prices throughout 2016 and the uncertainties generated by "Brexit" and the outcome of the presidential elections in the US. The weakness in oil prices contributed to the progressive depreciation and relative scarcity of the US dollar during 2016.

Despite these challenges, the Group remained committed to maintaining a safe, stable and secure investment environment for our unitholders.

Changes to Group Structure

The Group controlled 11 entities during the first half of 2016 (see page 45). In June 2016, the TTUTC Group completed the liquidation of UTC Property Holdings Limited, a wholly owned subsidiary, which was transferred to the Corporation. The liquidation reduced the entities controlled by the Corporation to 10.

One of the 10 remaining entities, UTC Energy Investment Limited, a wholly owned subsidiary of the Group, is in the process of liquidation which is expected to be completed by the fourth quarter of 2017.

Review Financial Position and Performance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Review Consolidated Statement of Financial Position

The Group's statement of financial position (balance sheet) remains stable.

2.2% or TT\$468 million increase in total assets.

During 2016, the Group retired its short-term liability thereby strengthening its financial position.

The Corporation provides a Guarantee Pricing Plan with respect to units purchased in the Growth and Income Fund. During 2016, development of an

actuarial model to better inform the Group's estimate of the liability under the Guarantee Pricing Plan was completed. Based on the model's results, 100 percent of the liability at December 31, 2016 was recognised by the Group. (The Guarantee Pricing Plan guarantees that any units purchased under the Growth and Income Fund and held for a minimum of three years may be redeemed for no less than the purchase price of those units).

Recognition of 100 percent of the liability impacted both the *Consolidated Statement of Financial Position* and the *Consolidated Statement of Profit or Loss*. The Liability on the *Consolidated Statement of Financial Position* increased by \$24 million while the Consolidated Profit or Loss Account recognised \$26 million representing both the increased provision and the guarantee payments made during the year.

Consolidated Statement of Profit or Loss

In 2016, the Group's Net Income before distribution and taxation increased by 50 percent from TT\$423 million to TT\$635 million primarily due to significant increases in the earnings of the Growth and Income Fund and the TT\$ Income Fund driven by stronger than expected US and regional stock market performances, favourable global fixed-income returns and stable dividend yields on both local and international equities.

Accordingly, distributions to unitholders increased by 45 percent from \$165 million to \$239 million. The Income Capitalised by the Universal Retirement Fund increased seven-fold from \$1.2 million to \$8.6 million. Retained Income Attributable to unitholders increased by 162 percent from \$101 million to \$265 million.

During 2015, the North American Fund, in rebalancing its portfolio, sold the majority of its equity holdings generating significant one-time gains. There were significantly less realised gains in the Fund during 2016. At the close of 2016, the Group controlled 70 percent of the Fund. The Group's earnings from the North American Fund are included in the line item Net Investment Income - Group Operations which declined by 32 percent from \$86 million in 2015 to \$58 million in 2016.

Group impairment charges declined by 13 percent to end the year at TT\$99 million compared to TT\$114 million for the prior year due to a combination of targeted asset selection, enhanced risk management and the implementation of monitoring systems. Total Group Expenses (excluding impairment charges, price guarantee charge and taxation) increased marginally by TT\$21 million or 8 percent primarily due to the commencement of specific projects relating to strategic initiatives.

Looking ahead

At the close of 2016, the Group's financial position continues to be sound and positioned for solid growth. Financial sustainability remains a key strategic imperative. The Group will continue to focus on risk-adjusted net income margin maximisation and further strengthening of our statement of financial position.

Total Assets as at December 31, 2016

December 2016 TT\$ Million	December 2015 TT\$ Million	Change in TT\$ Million	Percent Change
21,701	21,233	468	2.2%

Entities controlled by the Group

Growth & Income Fund	Investment Fund
TT\$ Income Fund	Investment Fund
US\$ Income Fund	Investment Fund
Universal Retirement Fund	Investment Fund
UTC North American Fund	Foreign Subsidiary
UTC Fund Services	Foreign Subsidiary
UTC Financial Services USA	Foreign Subsidiary
UTC Energy Investment Limited	Foreign Subsidiary
UTC Trust Services	Local Subsidiary
UTC Financial Services	Local Subsidiary
UTC Property Holdings Limited (liquidated in May 2016)	Local Subsidiary

Sincerely,



Nigel Edwards
Chief Financial Officer
April 28, 2017

Investment Report

Fellow unitholders,

2016 was a challenging year in terms of the local, regional and international investment climate. The markets were volatile. We saw sluggish domestic economic growth. We experienced high systemic liquidity and a low interest rate environment, and mixed results among Caribbean neighbours. Global geopolitical shocks like "Brexit", the British vote to leave the European Union, added their own sombre note. Market challenges, notwithstanding, your Unit Trust Corporation performed well overall, with solid returns in all of its Mutual Funds.

Economic and Capital Market Review

Global economic activity grew at a slow pace, estimated at 3.1 percent compared with 3.2 percent in 2015. Performance was driven, once more, by stronger than expected results in advanced economies. In contrast, emerging markets saw tepid growth, particularly Latin America, where recession deepened in Argentina and Brazil.

The US economy expanded by 1.6 percent, a slower pace than the recorded growth rate of 2.6 percent just a year earlier. At its December 2016 meeting, the Federal Open Market Committee (FOMC) of the US Federal Reserve increased the target range for the federal funds rate by 25 basis points from 0.50 percent to 0.75 percent. That signalled a change in the Fed's typically accommodative monetary policy stance.

The decision will have an impact on the global interest rate environment though it was broadly consistent with market expectations given inflationary conditions and favourable trends in the US labour market.

In terms of global stock market performance, the S&P 500 Index rose 9.5 percent in 2016, while the Dow Jones Industrial Average Index gained 13.4 percent. In global bond markets, the Barclay's Global Aggregate Total Return Index gained 2.1 percent. Barclay's is a key international fixed-income benchmark. The US 10-year treasury yield, meanwhile, rose 2.4 percent from 2.3 percent in 2015.

Economic performance in the Caribbean was mixed in 2016. Weak global commodity prices constrained real GDP growth in the region's commodity-exporting economies such as Trinidad and Tobago and Suriname, while increased tourism activity stimulated growth in the service-based economies. The International Monetary Fund (IMF) estimated that real GDP for the Caribbean region grew by 3.4 percent in 2016. The Jamaican economy expanded by an estimated 1.4 percent in the last quarter, up from 1.1 percent in Q3, the seventh consecutive quarter of real GDP growth for the island. Barbados, meanwhile, bolstered by a 6.3 percent improvement in long-stay tourist arrivals, saw economic growth accelerate to an estimated 1.6 percent in 2016 compared with 0.9 percent growth the previous year.

Trinidad and Tobago's real GDP is estimated to have contracted by a further 2.3 percent in 2016, following a 0.6 percent contraction the previous year. Subdued global energy prices continued to weigh on the performance of the energy sector, and by extension, the overall economy, as WTI Crude Oil prices averaged US\$42.81 per barrel down 16 percent from the average 2015 price of \$50.75 per barrel. The effects of falling oil prices spread more widely to non-energy sector performance, evidenced by increased weakness within the construction and distribution sectors.

By the end of the fiscal year, government revenues had declined 21.5 percent while expenditure fell 12.9 percent, causing the overall fiscal deficit to widen to 5 percent of GDP. The revenue shortfall led to increased public sector borrowing and a higher public sector debt-to-GDP ratio of 56.6 percent at the end of December 2016 compared to 52.1 percent a year earlier. This excluded all short-term monetary policy instruments like open-market operations.

Inflationary conditions eased in 2016 with headline inflation falling to an average of 3.1 percent over the first 11 months of the year, down from an average of 5.1 percent over the corresponding period in 2015. Additionally, the most recent data shows domestic labour market conditions remained stable in 2016,

notwithstanding an uptick in the unemployment rate to 4.4 percent in the second quarter from 3.8 percent at the beginning of the year.

Year-on-year, the performance of the domestic stock market improved in 2016 with the T&T Composite Index advancing 4.1 percent following a modest 1 percent gain in 2015. This was driven by continued strong performances by cross-listed stocks including Grace Kennedy Corporation and Sagicor Financial Corporation, evidenced by extended rallies of the Cross Listed Index which rose 57.9 percent in 2016 on the back of an 18.7 percent gain in 2015. The deteriorating domestic macroeconomic environment weighed heavily on the performance of local stocks, reflected by the 5.9 percent decline in the All T&T Index. With respect to the regional stock markets, the Jamaican Main Stock Market Index advanced 27.6 percent while the Barbados Composite Index declined marginally by 0.7 percent.

Launch of New Fund

The Calypso Macro Index Fund was listed on the Trinidad & Tobago Stock Exchange (TTSE) at an IPO price of TT\$25.00 per unit on January 11, 2016.

Fund Performance Review

The aggregate Fund size of locally domiciled Funds for the year ended December 31, 2016 grew **4.8 percent to TT\$20.67 billion** compared to **TT\$19.73 billion** a year ago. The North American Fund (NAF) increased from **US\$38.25 million in 2015 to US\$41.63 million** at the end of 2016, an **8.8 percent** improvement.

Fund Performance Highlights

FUM grew 4.7 percent in 2016 to TT\$21.60 billion from TT\$20.62 billion a year ago. The combined Fund size of Mutual Funds increased 2.2 percent to TT\$20.95 billion from TT\$19.97 billion a year ago.

Total income generated by domiciled Mutual Funds improved to TT\$940.71 million in 2016, representing a 38.5 percent increase over the prior year's figure of TT\$679.14 million. This was due to stronger than expected US and regional stock market performances, favourable global fixed-income returns and stable dividend yields on both local and international equities.

Total impairments recognised on the investment Funds were significantly lower than in the prior year at TT\$26.48 million, compared to TT\$73.43 million, a commendable 63.9 percent reduction. This significant reduction was attributable to a combination of targeted asset selection and enhanced risk management and monitoring systems.

Aggregate distributions to unitholders increased 11 percent to TT\$243 million from TT\$218.85 million.

Highlights of Funds



TT Dollar Income Fund **TT\$10.84bn**

Grew by 1.7 percent from TT\$10.66 billion to TT\$10.84 billion

Grew net sales to TT\$120.80 million

Grew total income to TT\$383.7 million from TT\$283.10 million based on our participation in new Government of the Republic of Trinidad & Tobago (GoRTT) bond issues as well as high credit quality US Dollar Corporate issues with yields, tenors and repayment terms consistent with Fund strategy

Reduced aggregate impairments recognised on the portfolio from TT\$40.4 million in 2015 to TT\$0.85 million in 2016, reflecting a 97.9 percent decline

Strengthened overall reserves position with an additional allocation to fund reserves of TT\$3.29 million, bringing the aggregate fund reserves to TT\$51.74 million by the end of 2016

Distributed a total of TT\$113.61 million to unitholders, up 30.1 percent from the 2015 distribution of TT\$87.36 million in an improved net return to unitholders of 1.1 percent for 2016 compared to 0.9 percent the previous year



US Dollar Income Fund **US\$625.99m**

Fund declined by 2.2 percent from US\$640.28 million to US\$625.99 million as a result of net repurchases totalling US\$21.8 million

Grew total income to US\$16.50 million from US\$16.20 million, a 1.9 percent increase

Reduced aggregate impairments recognised on the portfolio from US\$3.4 million in 2015 to US\$3.10 million in 2016, reflecting a 8.9 percent decline

Strengthened overall Fund reserves to US\$9.90 million up from US\$8.70 the previous year, a 14.4 percent increase

Distributed a total of US\$5.11 million to unitholders, down 9.8 percent from the 2015 distribution of US\$5.67 million

The net return to unitholders in 2016 was 0.8 percent, unchanged from the prior year.

Growth & Income Fund

TT\$4.73bn



Grew fund by 1.9 percent from TT\$4.65 billion to TT\$4.73 billion

Grew net sales to TT\$71.27 million

Bid price depreciated to TT\$17.03 per unit from TT\$17.17 per unit the previous year

Grew total income to TT\$430.20 million from TT\$283.16 million, a 51.9 percent increase largely attributable to tactical management decisions aimed at increasing unitholder value within approved risk parameters and reducing the level of impairments

Reduced aggregate impairments recognised on the portfolio from TT\$9.59 million in 2015 to TT\$4.23 million in 2016, reflecting a 55.9 percent decline

Distributed a total of TT\$91.20 million to unitholders, up 121.7 percent from the 2015 distribution of TT\$41.14 million

The Fund generated a net return to unitholders of 2.1 percent in 2016, up by 0.3 percent from the prior year.

Universal Retirement Fund

TT\$304.90m



Grew Fund by 5.8 percent from TT\$288.27 million to TT\$304.90 million

Grew net sales to TT\$5.73 million

NAV appreciated to TT\$42.19 per share from TT\$41.07 per share the previous year

Grew total income to TT\$15.35 million from TT\$8.62 million, a 78 percent increase largely attributable to tactical management decisions aimed at increasing unitholder value within approved risk parameters and reducing the level of impairments

Generated net return of 2.2 percent compared with a 1.3 percent return the previous year



UTC North American Fund **US\$41.63m**

Grew Fund by 8.8 percent from US\$38.25 million to US\$41.63 million

Grew net sales to US\$0.41 million

Net asset value (NAV) appreciated to US\$9.47 per share from US\$8.90 per share. Generated net return of 7.8 percent, a significant improvement over the previous year

Distributed a total of US\$0.54 million to unitholders, down from the 2015 distribution of US\$8.40 million and due largely to the rebalancing of the NAF portfolio in late-2015, which led to significant gains being realised



Calypso Macro Index Fund **TT\$556.55m**

NAV increased by 10 percent from TT\$505 million to TT\$556.55 million

Grew net sales to TT\$79.65 million

NAV appreciated to TT\$27.52 per share from TT\$25.00 per share the previous year, despite the negative return produced by the All T&T Index

"Calypso Fund" benefited from exposure to the international energy sector, which returned 37.8 percent for 2016

Overall performance also benefited from the Fund's exposure to USD assets as the TT\$:US\$ foreign exchange rate depreciated from approximately TT\$6.40 to TT\$6.76 over the period under review

Bid price of TT\$21.89 per share as at December 31, 2016, a 20.5 percent discount to its NAV

UTC Integrated Annual Report

Performance Highlights

	2009 \$ million	2010 \$ million	2011 \$ million	2012 \$ million	2013 \$ million	2014 \$ million	2015 \$ million	2016 \$ million
Funds Under Management								
Growth & Income Fund	3,123.82	3,031.23	3,320.19	3,748.45	4,392.58	4,647.41	4,645.30	4,733.11
TT\$ Income Fund	10,345.82	10,138.22	10,602.66	11,203.77	10,662.59	10,474.48	10,657.14	10,837.89
Universal Retirement Fund	149.26	162.90	186.92	212.71	254.44	271.39	288.27	304.90
US\$ Income Fund	4,830.43	4,140.49	4,166.06	4,578.22	3,900.08	4,054.42	4,111.07	4,228.25
UTC Corporate Fund	-	-	-	-	-	19.28	26.80	12.60
UTC Calypso Macro Index Fund	-	-	-	-	-	-	-	556.55
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	281.20
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	645.87
Treasury portfolio	3,160.08	2,587.63	2,462.40	1,580.38	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	21,600.37

Mutual Fund Sales (\$m)

Growth & Income Fund	684.96	327.61	408.64	552.37	623.08	630.87	575.43	510.09
TT\$ Income Fund	6,932.21	4,912.84	4,975.55	5,317.91	4,361.36	3,376.34	3,421.82	3,790.25
Universal Retirement Fund	23.79	23.21	22.50	26.24	44.42	36.02	37.34	37.22
US\$ Income Fund	2,548.93	1,808.49	1,566.10	1,428.31	1,272.81	1,265.17	1,036.16	809.85
UTC Corporate Fund	-	-	-	-	-	19.28	31.10	0.17
UTC Calypso Macro Index Fund	-	-	-	-	-	-	-	505.00
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	4.78
Belize Money Market Fund	7.89	9.27	1.37	-	-	-	-	-
Total Sales (\$m)	10,204.59	7,140.66	7,178.03	7,352.62	6,313.62	5,345.59	5,104.04	5,657.36
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	119,383.80
Unitholder Accounts to date	742,996	764,685	784,107	804,162	824,207	841,375	855,463	865,196

Outlook for 2017

In its January 2017 *World Economic Outlook Update*, the IMF projected that the global economy would expand by 3.4 percent and 3.6 percent in 2017 and 2018 respectively. Advanced economies are expected to grow 1.9 percent and 2 percent in 2017 and 2018 respectively. In contrast, growth in emerging markets and developing countries is forecast at 4.5 percent and 4.8 percent for 2017 and 2018 respectively.

The US economy is projected to grow 2.3 percent in 2017. The unemployment rate currently stands at 4.8 percent, while inflation remains relatively low at 2.1 percent. With a stable housing market, strong consumer spending and robust corporate earnings results there are market expectations of further increases in US interest rates in 2017.

Global oil prices recovered from their January 2016 low, and have stabilised above US\$50 per barrel following the agreement by the major producers to cut production.

Notwithstanding the seemingly positive outlook, the international environment remains uncertain. Political developments in 2016 and sustained geopolitical tensions and the threat of increased terrorist activity continue to weigh negatively on market confidence.

Collectively, these factors exacerbate the twin risks of lower fiscal revenues and higher public sector debt levels, making economies vulnerable to external economic shocks.

The Caribbean is expected to see economic growth in 2017 that's broadly consistent with IMF projections of 3.6 percent, with higher growth levels in the service-based economies barring the occurrence of any material adverse external shocks during the course of the year.

On the domestic front, we anticipate that Trinidad and Tobago's macroeconomic challenges will persist in the short term and constrain growth in 2017, notwithstanding a slight uptick in energy revenues due to improved global energy prices to between US\$50.00 - US\$60.00 per barrel. Further, there is the possibility of increased energy sector output as new oil and gas assets such as bpTT's Juniper Field come onstream between 2017 and 2018.

New investment in the non-energy sector is likely to remain relatively subdued. As energy prices rebound and new production capacity begins, economic growth is projected to be approximately 2.0 percent in 2017. From 2018 onwards, we anticipate a much more broad-based recovery in economic performance.

Domestic monetary policy is expected to continue to reflect international developments, particularly in the US. Recent improvements in the US economy and favourable trends in unemployment and inflation heighten speculation of further interest rate increases this year. The CBTT is expected to continue to monitor the differential between domestic and US short-term treasury yields in order to guide its future monetary policy decisions and avert capital flight.

Sincerely,



Sekou A. Mark
Vice President - Investments
April 28, 2017

Investing in our people

Our team members are critical drivers of business performance and sustainability and the high calibre of our team means we're able to create value and long-term sustainability for the UTC.

We've undertaken several initiatives to attract, motivate and retain the best talent, as well as to make the UTC the "Employer of Choice" for persons who want to grow and develop professionally.

Year	No. of Employees	Retention Rate
2014	490	92.2%
2015	505	90.3%
2016	497	92.1%

Here are some of the retention activities we have executed:

UTC's Staff Appreciation and Recognition (STAR) Programme

This serves to promote, recognise and reward behaviour that demonstrates our core values and supports our strategic objectives.

UTC's Career BreakthrU Programme

This is the Corporation's Cross-Posting programme that provides opportunities to employees for the purpose of building in-house capabilities and facilitating career progression.

Employment Policy

Diversity and Equal Opportunity

The UTC remains committed to creating and maintaining an environment which provides equal opportunities for current and potential team members. Our recruitment policy was recently revised to ensure we maintain high standards of fairness and transparency in accordance with current best practices.

We offer remuneration and benefits that are attractive, well-structured, competitive and aligned to the relevant legislation and market rates. We regularly review our remuneration policies to ensure equity.

Remuneration Philosophy and Policy

Our remuneration philosophy is one where the Corporation acts equitably and responsibly to further our goal of being an employer of choice. Building a team of experts is in alignment with the strategic and operational requirements of the business.

The objective is to not just attract such high-calibre people but to retain and motivate them to achieve performance excellence. We make sure we reward such high-performing team members through financial and non-financial benefits such as bonuses, merit increases, performance recognition, training, development and career opportunities.

Altogether, UTC benefits across employee grades are competitive compared with other financial services companies and market surveys help ensure we remain competitive.

Training and Development

We are committed to developing our employees so that the Corporation grows in effectiveness and profitability. We will continue to provide learning experiences and challenges that enable our people to attain and maintain peak performance. It's about mobilising their competencies to create a competitive advantage for our business. We are in pursuit of enhanced performance and creating value through employee training and development.

In 2016, we invested approximately TT\$1.9 million in internal and external training and development sessions to build leadership, business management and technical skills of employees throughout the organisation.

Our people strategy, going forward, means we will continue to invest significantly in the training and development of our staff in order to support our corporate objectives.

Employee Engagement

Business success depends on having an engaged workforce. Research has shown that organisations rated highest for engagement achieve 4.5 times the revenue growth of those that score the lowest. Research also shows that highly engaged employees are 50 percent more likely to outperform individual performance targets. Further, high levels of engagement can improve staff retention by up to 45 percent.

So, for the second year running, we took it upon ourselves to ascertain the levels of engagement within the UTC to determine where we could optimise efficiency and productivity. Last December, we conducted the second employee engagement survey to measure employee engagement against four standards: commitment, advocacy, retention, and involvement.

There was a six percent increase in our employees' engagement levels as compared to the 2015 results.

The UTC will continue to strengthen its employee engagement in order to facilitate a more innovative, agile and efficient workforce.

Potential Human Resource (HR) Risks

HR Risks	Potential Impact	Risk Responses	Strategic Priorities
<p>Low employee engagement</p>	<ul style="list-style-type: none"> Negative impact on organisational performance through lower levels of competence and productivity Loss of high-performing employees Low employee satisfaction 	<ul style="list-style-type: none"> Promote I AM TTUTC Standards Implement Engagement Champions Initiative Implement Strategy Champions Initiative Promote Corporate Social Responsibility Programmes Implement UTC Star Reward and Recognition Programme Implement UTC Career BreakthrU Cross-Posting Programme Implement Change Management Programme Enhance Internal Communications 	<ul style="list-style-type: none"> Enhance Employee Engagement 69 percent in 2016, a 6 percent increase from 2015 Foster innovation and performance excellence
<p>Lack of transformational leadership</p>	<ul style="list-style-type: none"> Negative impact on organisational performance through insufficient ability to lead successful implementation of strategic initiatives 	<ul style="list-style-type: none"> Enhance Succession Planning Implement Change Management Programme Embed support and reinforce Team 1 & 2 Distinct Standards Develop mentoring and coaching programmes Conduct 360° Leadership Assessments Conduct quarterly leadership strategy review meetings 	<ul style="list-style-type: none"> Promote transformational leadership
<p>Inability to attract and retain quality talent</p>	<ul style="list-style-type: none"> Negative impact on organisational performance through insufficient internal capacity and competence to execute strategic objectives. 	<ul style="list-style-type: none"> Enhance Succession Planning Implement UTC Star Reward and Recognition Programme Implement UTC Career BreakthrU Cross-Posting Programme Review and revise Recruitment Policy Develop Employee Retention Strategy Increase compensation competitiveness Promote UTC as Employer of Choice 	<ul style="list-style-type: none"> Attract and retain best talent
<p>Performance culture</p>	<ul style="list-style-type: none"> Negative impact on organisational performance through lower levels of competence and productivity 	<ul style="list-style-type: none"> Implement UTC Career BreakthrU Cross-Posting Programme Conduct Training and Development initiatives Implement UTC Tertiary Certification Programme Enhance the Performance Management System Update Employee Skills Bank 	<ul style="list-style-type: none"> Facilitate performance excellence
<p>High employee absenteeism, sick leave, punctuality</p>	<ul style="list-style-type: none"> Negative impact on organisational performance through a workforce that is not healthy and productive. 	<ul style="list-style-type: none"> Conduct wellness programmes and health fairs Implement flexible working arrangements Train and recertify safety wardens Promote work-life support through the Corporation Employee Assistance Programme Management System Enhance gym facilities 	<ul style="list-style-type: none"> Promote wellness and work-life balance



Leading in the communities we serve



Partners for Life

Corporate Social Responsibility

Our CSR commitment is inspired and governed by our desire to create an environment in which we contribute to building a sustainable company and fostering relationships we can be proud of. We seek to act responsibly in everything we do.

We're committed to responsible business practices, both within the company and throughout our chain of partners and suppliers. We have embraced our responsibility to build the communities we serve, even as we respond to an ever-changing business and regulatory environment.

Because we occupy the same space as our investors, our projects are designed to ensure we stay close to our communities, because we know that lasting partnerships count in the long run.

Our CSR objectives

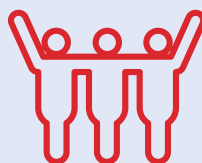
<p>Our committed charitable policy objectives</p>	<p>1</p> <p>We invest resources in organisations and programmes that help enhance the well-being of local communities.</p>	<p>2</p> <p>We encourage team member volunteerism in our respective communities.</p>	<p>3</p> <p>We invest our sweat-equity to help local communities.</p>
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Volunteerism

Volunteerism stands at the centre of our CSR with staff investing sweat-equity in multiple projects in their respective communities.

Our Investment Centres have a **90%** participation rate for outreach projects.

56% of staff volunteered in the National Day of Caring, the Corporation's largest volunteerism project where we collaborate with United Way.



To drive participation, we set performance standards to encourage staff to participate in at least three community outreach projects for the year.

Our CSR pillars include:



Sport

Our commitment to sport has been unwavering over the years; we support organisations or events that promote health and fitness through various sporting activities.



Art and Culture

We support organisations and individuals in art and culture because our cultural heritage is one of our nation's most important resources.



Education

We are investing in educational initiatives that benefit our citizens; education is central to our CSR goals.



Health and Well-Being

We promote health and well-being and seek out partnerships with organisations or events that advocate healthy living.



Physical Environment

We're committed to protecting and improving the physical environment and we will continue to partner with organisations to achieve this goal.



Future Outlook

We have transformed the financial landscape by giving average citizens access to the world of investing. With over 600,000 customers, we have a responsibility to impact the communities in which we live and work. To give focus to our CSR, we are in the process of setting up our UTC Foundation.

Our Foundation will complement our social investment thrust and philanthropic arm. It will also strengthen our employee volunteerism and CSR initiatives.

Sport

Sport has been an effective agent for bringing communities together, developing social capital that keeps youth focused on productive activities and self-development. This year, we engaged with several organisations, clubs and schools for sporting initiatives:

Football

We partnered with Football IQ Academy and Rainbow Rescue to host a tournament that was a learning experience for all. Approximately 100 children participated in this initiative which was geared towards building camaraderie and team spirit.



UTC team member, Sheldon Fields, gives advice to a young footballer during a football clinic



UTC team member presents a participant with a Gift of Units during the Presentation College 5K and Walk-a-Thon

Runs and Walk-a-Thons

As fundraisers, runs and walk-a-thons attract active participation from schools and community organisations. The UTC sees these events as opportunities to make meaningful connections in the community.

In 2016, staff volunteered at the following events:

- Presentation College (Chaguanas) 5K & Walk-a-Thon
- Point Fortin Borough Marathon
- Signal Hill Government Primary School Walk-a-Thon
- Massy Stores Run for Food
- Maritime Run for Fun
- Women Against Breast Cancer 5K

Swimming

Swim meets are a form of healthy competition, a developmental tool that teaches children the importance of discipline and focus. UTC staff volunteered at a meet hosted by Tidal Wave Aquatics of Trinidad & Tobago, as well as the Inter-Zone Schools' Swim Meet at the Point Fortin Community Swimming Pool.



Team UTC leads the way during the CARIFIN Torch Run

CariFin

CariFin brings financial institutions together to compete in various sporting events. It allows for productive networking and healthy competition among colleagues in the industry.

These events include:

- Torch Run
- Savannah and Chancellor Run
- Green Mile, Aerobics
- Table Tennis
- Football
- Cricket
- All Fours
- Cross Country
- Family Day

Community Sports and Family Day

We support sport and fun day events such as the Couva-Point Lisas Chamber of Commerce Family Day and the Salazar Trace Sports Day.

Art & Culture

We have a vested interest in nurturing the minds of our youth. Through art and culture, our goal has always been to create a fertile learning environment for our future leaders. The organisations we partner with are focused on preserving and promoting cultural heritage that shapes our values and expressions.

Tobago Heritage Festival

We joined the Canaan Bon Accord community in their presentation of “It Takes a Village to Raise a Child,” a theatrical presentation that showcased the significance of what it takes to raise a child. UTC was a major patron of the Tobago Heritage Committee in support of this celebration of Tobago culture and traditions.



Team members display their bread-making skills during the Tobago Heritage Festival



Natasha Davis, Vice President Reputation Management, presents a token to former Tobago House of Assembly Chief Secretary, Orville London during the Tobago Heritage Festival

Divali Art Competition

UTC’s Divali Art Competition, themed “Embers of Prosperity, Happiness & Joy” took place at the Nagar site, the mecca for Divali celebrations. There, we hosted a live art competition that showcased the artistic skills of our young people.



UTC Executive Director, Ian Chinapoo, shares in the exuberance with the Divali Art winners



Emancipation Booth

We supported a trade conference hosted by the Emancipation Support Committee and provided Financial Planning and Wealth Management advice at the Emancipation Village at the Queen’s Park Savannah.

Children Outreach

Kids In Need of Direction (KIND)

We supported kids from KIND, an NGO working with disadvantaged children, for a day of treats and kite-flying fun at the annual Easter Kite-Flying Competition.



Children from KIND are all smiles during the Easter Kite Flying Competition

Lady Hochoy Home

We co-ordinated the Easter Bonnet Parade for children of the Lady Hochoy home.



The children from Lady Hochoy Home proudly display their Easter Bonnet dresses

T&T Red Cross Society

Our volunteers spent their time with children from several homes and shelters at the Red Cross Kiddies Carnival.



Rory Rostant, Communications Manager, presents a cheque to an official to assist in running Red Cross Kiddies Carnival

Education

Our mandate is to inculcate a culture of saving and investing. As an agent of change, education has been at the core of what we do.

SEA Scholarship Programme

The Corporation's signature SEA Scholarship Awards celebrated its 20th anniversary in 2016. The programme provides financial support to students with academic potential who find themselves at a disadvantage due to limited household income.



The 2016 SEA Scholarship Winners proudly stand with UTC Chairman, R. Krishna Boodhai; UTC Executive Director, Ian Chinapoo and Schools' Supervisor III, Elma Yoyeau-Campbell



Past SEA scholar, Britney Rochard, is presented with a suite of Microsoft Office products for continuous excellence in her academic pursuits



The children of New Earth Production Summer Camp were treated to a book reading by UTC volunteers

SEA Success Stories

2010	Rynessa Cutting	National Open Scholarship Winner
	Jhonique De Gannes	National Open Scholarship Winner
2014	Taharka Carrington	Exchange Student Scholarship (Montreal, Canada)
2015	Britney Rochard	National Additional Scholarship Winner
2016	Jharique Stewart	Athletic Scholarship, Otero Junior College
2016	Bryan Jordan	1st Place Winner, Antigua Flight Training Centre Inc.

Schools' Investment Game

We continued to promote financial literacy through our Schools' Investment Game (SIG). For the 26th year running, the UTC exposed secondary school students to the dynamic and intriguing world of finance and investing. SIG is an online game that helps bring to life investment strategies and wealth management techniques. To play, teams create and manage investment portfolios. In 2016, Caribbean Union College won the competition by amassing the highest value portfolio.



UTC team members pose with participants of the Schools' Investment Game

Back-to-School Outreach

Our volunteers purchased general school supplies for children from various rural communities as well as institutions such as Rainbow Rescue, St. Mary's Children's Home, and New Earth Production Summer Camp.



UTC Executive Director, Ian Chinapoo, delivers feature address at Bishop Anstey/Trinity East College (BATEC) 6th Form graduation



Health and Well-Being

These are essential aspects of our social outreach initiative and as such, the UTC is driven to transforming our communities.

Caring for the Elderly

Staff spent quality time with the elderly at the All Saints Gordon Home and the Society of St. Vincent de Paul, Rigsby Pius Charles Home for the Aged.



Caring for Children

We organised a day of fun for the Ezekiel Home for Abandoned Children on the National Day of Caring (NDOC).



Health Outreach

Once again, UTC staff donated to the Blood Bank, something we do every year. On the NDOC, the Tobago team partnered with the Division of Health and the Bella Forma Foundation to promote medical testing for prostate cancer.



Sapphire Girod of Reputation Management strikes a pose with a resident of the Rigsby Pius Charles, Home for the Aged



Food Hampers

We partnered with the Living Water Community to donate Christmas hampers. We also provided hampers to Happy Workers and financial support to Is There Not A Cause (ITNAC) for its Haiti Hurricane Drive.



Team members bring Christmas cheer by distributing food hampers at the Living Water Community

Physical Environment

The Corporation recognises that we have a role to play in caring for our environment and undertook projects that enhanced our living spaces.



Beach Cleanup

A robust UTC team cleaned up the Chaguaramas coastline on the NDOC. Volunteers came together to upgrade the Scotland bay area. They gave a good account of themselves by collecting the largest amount of garbage - a total of 401 lbs - for International Coastal Cleanup Day.



Think Green, Plant a Tree

We commemorated World Environment Day with a pledge to raise national awareness by inspiring customers to think green and plant a tree. Staff distributed over 800 seedlings to encourage them to do their part for the environment.



Investment Centre Team "Think Green" for World Environment Day





School Renovation

We helped upgrade premises at the Vance River Village Roman Catholic School, the Montrose Government Primary School and the Tulsa Trace Hindu School.

Lisa Hitlal of the Investment Centre puts the finishing touches on Vance River Roman Catholic School on the NDOC



Impact on Local Communities

The Corporation executed 36 community outreach projects through engagement with special interest organisations, including NGOs, throughout Trinidad and Tobago.

5. Good Governance

5.1 Commitment to Good Governance

The Trinidad and Tobago Unit Trust Corporation is a statutory institution established by the UTC Act, 1981 and is therefore subject to provisions of this Act as well as other legislative requirements applicable to companies in Trinidad and Tobago.

The Corporation recognises our fiduciary duty to unitholders, our responsibility to stakeholders and our commitment to the values of probity, fairness, transparency, and accountability.

Our established corporate governance framework is designed to promote the highest standards of professional conduct, prudence and diligent discharge of duties, as well as compliance with applicable laws, regulations, guidelines, and national and international governance best practice including:

- Central Bank Corporate Governance Guidelines for Financial Institutions
- Trinidad and Tobago Corporate Governance Code (2013)
- Integrated Reporting Framework
- OECD’s Principles of Corporate Governance (2015)
- United Nations’ Principles of Responsible Investment.

These are all voluntary codes, and therefore, go above and beyond our current statutory obligations.

We have and will continue to annually review our corporate governance framework within the local and international context to ensure we remain best in class.

Our corporate governance framework is articulated in our formal Board Charter and is designed to be used in conjunction with other policies and procedures documents adopted by the Corporation. It is based on the following key elements:

- Role and responsibility of the Board
- Role and responsibility of Board sub-committees
- Term limits
- Commitment to ethics
- Board composition
- Relationship with major stakeholders
- Conflicts of interest and disclosure
- Annual independence assessment of the Board
- Unitholder relations and steps taken to understand unitholder views
- Board performance and effectiveness.

Board of Directors

The Board of Directors has overall oversight and accountability for the UTC and is responsible for directing the Corporation toward the achievement of its strategic objectives. The Board is governed by a formal charter which sets out its main responsibilities. The Board is responsible for, among other things:

- Performing the duties and responsibilities as outlined in the UTC Act and ensuring compliance with the UTC Act and any regulations made thereunder
- Ensuring compliance with the directions or guidelines issued by regulatory authorities;
- Ensuring that adequate investment and risk management strategies are implemented and that the risk management systems and internal controls are adequate for managing the Corporation’s risks;
- Ensuring that adequate internal control structures and procedures for financial reporting have been established and are maintained;
- Ensuring that adequate strategic plans are in place to guide the direction of the Corporation;
- Setting the tone at the top for the Corporation;
- Promoting a culture of integrity, ethical behaviours and corporate values in keeping with the Corporation’s code of conduct;
- Ensuring that succession plans are in place for the Chairman, for the Independent Directors and for Executive Management;
- Ensuring that written policies which are appropriate for the effective governance of the Corporation are in place and are reviewed as per approved Board schedule
- In a group structure, the Board of the parent company has the overall responsibility for adequate corporate governance across the group and ensuring that there are governance policies and mechanisms appropriate to the structure, business and risks of the group and its entities.

The Board is led by a non-executive Chairman, who is appointed by the President of Trinidad and Tobago upon the recommendation of the CBTT. The Chairman of the Board is responsible for:

- Ensuring that Board meetings and the Annual General Meeting are conducted in an efficient and effective manner;
- Representing the views of the Board at various public fora;
- Providing leadership to the Board and maintaining a professional environment that supports open communication;
- Ensuring that an effective system of induction, orientation and director development are in place;
- Championing of the strategic agenda at Board deliberations;
- Setting the agenda for Board meetings in conjunction with the Executive Director;
- Monitoring the execution of the decisions by the Board;
- Working with the Executive Director to develop targets and performance metrics against which his or her performance would be assessed;
- Ensuring that systems are in place to evaluate and monitor the performance of the Board and its members.

Board Structure and Composition

The Board currently consists of 12 directors, 11 of whom are either independent or non-executive directors. The Board structure and composition is governed by the UTC Act which ensures diversity within the Board. Members are appointed pursuant to Section 7(1) of the Act as follows:

- A Chairman appointed by instrument in writing by the President upon recommendation of the CBTT
- An Executive Director, appointed by the Board in consultation with the CBTT and holds office for such period as the Minister of Finance in consultation with the CBTT specifies
- A person appointed by the CBTT
- A person appointed by the Minister of Finance
- A person appointed by the National Insurance Board
- Subject to Section 7(1) and Section 7(3) of the UTC Act, four persons of whom two shall be appointed

by the group of institutions referred to in Section 17(2)(b) and two by the group of institutions referred to in Section 17(2)(d) provided that not less than three of such persons shall have special knowledge of or experience in commerce, industry, labour, banking, finance or investment.

- Pursuant to Section 7(1) and Section 7(2) of the UTC Act, the Board may appoint additional persons to be directors but so that the total does not exceed 12 in number.

The members of the Board for this reporting period are:

1. Mr. R. Krishna Boodhai	Chairman
2. Mr. Ian Chinapoo	Executive Director
3. Mr. Leonardo Ambrose	Insurance Representative
4. Mr. Douglas Camacho	Insurance Representative
5. Mrs. Helen Drayton	Bankers Association Representative
6. Ms. Anne-Marie James	Central Bank Representative
7. Ms. Lorraine Kam	Independent
8. Mr. Ruben McSween	National Insurance Board Representative
9. Ms. Sharon Mohammed	Ministry of Finance Representative
10. Mr. L. Dominic Rampersad	Independent
11. Mr. John Tang Nian	Bankers Association Representative
12. Mr. Jonathan Walker	Independent

Changes in the Membership

The following changes to the membership of the Board occurred during the reporting period:

Ms. Lorraine Kam and Mr. Jonathan Walker, Independent Directors, were reappointed to the Board of Directors under Sections 7(2), (5A) and (6) of the UTC Act, for a period of one year effective June 3, 2016.

Mr. L. Dominic Rampersad, Independent Director, was reappointed to the Board of Directors under Sections 7(2), (5A) and (6) of the UTC Act, effective June 12, 2016 for a period of one year.

Mr. Ruben McSween, Representative of the National Insurance Board, was reappointed to the Board of Directors under Sections 7(1)(f) and (6) of the UTC Act, effective March 1, 2016 for a period of four years.

Ms. Anne-Marie James, CBTT Representative was reappointed to the Board of Directors for a further term of four years with effect from May 10, 2016, in accordance with Sections 7(1)(c), 7(5) and 7(6) of the UTC Act.

The term of Ms. Sharon Mohammed, Ministry of Finance representative expired on December 31, 2016.

Mrs. Michelle Durham-Kissoon, representative of the Ministry of Finance, was appointed to the Board of Directors under Sections 7(1)(d) of the UTC Act effective March 22, 2017 for a period of two years.

Director Independence

The Corporation recognises the importance of having independent directors on the Board. For the reporting period, three directors were classified as "Independent". In determining directors' independence, the Corporation subscribes to the definition of directors' independence as articulated in the Trinidad and Tobago Corporate Governance Code (2013).

Division of Roles

In keeping with best practice, there is a clear division of roles and responsibilities between the Board and the Executive Director. The Executive Director is accountable to the Board and is charged with providing leadership and guidance to executive management and staff of the Corporation.

General and specific duties are outlined in the Charter for the Executive Director who, amongst other things, is responsible for:

- Communicating and directing the implementation of Board-approved policies
- Representing the views of Management to the Board
- Execution of the Corporation's strategy, goals and objectives in keeping with approved strategic plans and budgets
- The overall day-to-day administration of the Corporation.

Director Tenure

Notwithstanding the legislative provisions as articulated in the UTC Act, in order to ensure adherence to good governance practices and to international standards, a person appointed as Chairman or Non-Executive Director may not serve as a member of the Board in any capacity for a period of more than nine years, cumulatively.

Director Remuneration

The UTC is committed to a remuneration philosophy designed to attract and retain high calibre, professional directors. This ensures the Board has people with the skills to make meaningful contributions and help the UTC to execute its strategic objectives.

Directors' compensation appropriately reflects our remuneration philosophy. The process for determining the fees and allowances paid to directors is governed by Section 11 of the UTC Act. Under that section, the Board is required to determine directors' fees and allowances in consultation with the CBTT. In accordance with Section 8(4) of the UTC Act, all directors other than those which serve on the Investment Committee of the Board are entitled to be paid fees or allowances.

On a regular basis, the UTC commissions a Board compensation survey to determine the current industry rates for Board remuneration. Such information is relied upon in the consultation process with the CBTT to determine any adjustments to directors' fees and allowances.

Board of Directors

A broad and experienced team, ensuring unitholders' value is the driving force of how we operate



R. Krishna Boodhai, Chairman - August 5, 2015 to present

Mr. Boodhai holds an MBA from Henley Management College and is a member of the Association of Chartered Certified Accountants (ACCA) as well as the Chartered Insurance Institute (ACII) and Life Management Institute (FLMI). Having previously served on the Board of the Unit Trust Corporation from August 2 to December 2, 2011, he brings over 40 years financial experience and management

acumen as the UTC moves to meet the challenges of the changing regulatory and business environment. Mr. Boodhai served as Chief Financial Officer (CFO) of Citibank (Trinidad) with responsibility for Trinidad and Tobago, Barbados and The Bahamas. He also held the position of Financial Comptroller/Head of Finance at Scotiabank, Trinidad, and Managing Director and Chief Executive Officer

(CEO) at IBL Bank and CEO of the Institute of Chartered Accountants of T&T (ICATT). Mr. Boodhai is a Non-Executive Director on the boards of several local companies.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited
- Hanover Construction Company Limited (Managing Director)
- CLICO, Angostura (non-executive Director)



Ian P. Chinapoo, Executive Director - June 1, 2013 to present

Mr. Chinapoo's career spans more than 22 years in banking and finance throughout the Caribbean and Central American regions. He has held positions of Managing Director - Regional, Corporate and Investment Banking and Managing Director of a major international bank operating in the Caribbean. Mr. Chinapoo also worked as Vice-President, Business Head at a large international bank operating in the Bahamas where

he was responsible for the operations of its global corporate and investment Bank and was part of the bank's team based in Miami. Mr. Chinapoo is also adjunct faculty at the Arthur Lok Jack Graduate School of Business and has lectured in international finance, corporate finance, management accounting, securities and international loans finance. Mr. Chinapoo has executive responsibility for strategic leadership, growth and management of the UTC.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited
- UTC (Cayman) SPC Limited
- UTC North American Fund
- Eastern Caribbean Gas Pipeline Co. Ltd (ECGPC)
- National Commercial Bank of Anguilla (non-executive)
- The International School of Port of Spain
- The Heroes Foundation
- Lofty Holdings Limited



Leonardo Ambrose, Director - April 15, 2011 to present

Mr. Ambrose is a practising member of the Institute of Chartered Accountants of Trinidad and Tobago and past president of ICATT. His experience includes responsibility for audit and business advisory services for conglomerates, public and private companies, and providing accounting outsourcing services to several industries.

Mr. Ambrose has directed and participated in several consultancies, including forensic investigations, preparation of business plans and cash flow forecasting for companies, share valuations and development of information technology strategic plans.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited



Anne-Marie James, Director - May 1, 2014 to present

Ms. James is an experienced financial professional and certified accountant with a career span of over 34 years in the private sector in Trinidad and Tobago. She began her professional career in external audit with Ernst & Young before moving to the financial sector. With 29 years' experience in the financial services industry, including 25 years at senior

management/executive level, her extensive professional background includes broad experience in the planning, management and execution of diverse finance functions, compliance and corporate governance, and investment management. She is currently the senior finance manager and corporate secretary of a diversified endowment fund.

Ms. James is a fellow of the ACCA and a member of the ICATT. In addition to her role as a director of the UTC, Ms. James is also a member of the Quality Assurance Committee of ICATT.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited



Ruben McSween, Director - November 22, 2012 to present

Mr. McSween has over 33 years' experience in the local and international financial services sector and has held senior positions in areas such as investments, operations and business development and previously held the position of Vice President, Customer Service at the UTC. He is presently President of Eve Financial Services Limited.

Mr. Mc Sween was a past Chairman of the Employers' Consultative Association of Trinidad and Tobago (ECA), Deputy Chairman, National Insurance Board of T&T (NIBTT), President of the Rotary Club of Central Port of Spain and Chairman of Beetham Gardens Organising Committee.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited
- National Insurance Board
- Employers' Consultative Association
- Westshore Medical Private Hospital
- Trinidad Cement Limited



L. Dominic Rampersad, Director - June 12, 2014 to present

Mr. Rampersad is a chartered accountant and a member of the ACCA as well as the ICATT. He began his professional career as an accountant at the NIHERST and has been employed with PPGPL since 1994.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC North American Fund Inc.
- UTC Trust Services Limited
- American Chamber of Commerce



John Tang Nian, Director - April 23, 2012 to present

A career banker with over 42 years in the financial sector, Mr. Tang Nian has held senior management positions in the banking sector. Mr. Tang Nian formerly held the position of General Manager - Corporate Operations and Process Improvement with responsibility for operational risk management and

other key operational functions; and General Manager - Corporate Business Division, with overall responsibility for the management of Republic Bank Limited's corporate credit and business division. He is also a skilled practitioner in financial analysis and management accounting.

- Directorship on boards of other companies:
- UTC Financial Services Limited
 - UTC Trust Services Limited
 - UTC (Cayman) SPC Limited
 - Massy Finance GFC Limited
 - Export Import Bank
 - JMMB Bank Limited
 - Intercommercial Trust and Merchant Bank Limited



Lorraine Kam, Director - June 3, 2015 to present

Ms. Kam is a financial services professional with over 20 years of progressive experience within the financial services industry. Her experience incorporates a number of executive and management positions, including Business Head in the areas of the corporate and commercial banking, global relationship banking, the public sector client group, and risk management. The majority of her career was at Citibank Trinidad, Barbados and

New York offices. Ms. Kam was also Chief Executive Officer of a subsidiary of a regional financial institution. She served as an Executive Director on the Board of Citibank (Trinidad & Tobago) Limited and as an Independent Director on the Board of the American Chamber of Commerce of Trinidad & Tobago.

A Chartered Professional Accountant/ Certified Management Accountant,

Ms. Kam is currently a member of the National Association of Corporate Directors.

- Directorship on boards of other companies:
- UTC Financial Services Limited
 - UTC Trust Services Limited
 - JMMB Bank Trinidad and Tobago Limited
 - Intercommercial Trust and Merchant Bank Limited



Helen Drayton, Director - June 25, 2015 to present

Mrs. Drayton is an adjunct lecturer with The University of the West Indies and Arthur Lok Jack Graduate School of Business. She has extensive experience in strategic marketing and strategic human resource management and has served as a member of the Board of Directors of several companies of the former RBTT Financial Group including the flagship company RBTT Bank Limited. Other board appointments included: Corbin Compton Advertising,

the Trinidad and Tobago Tourist Board, and the Caribbean Procurement Institute. Her senior management roles included Executive Director - Group Marketing and Corporate Communications and Executive Director - Group Human Resources, RBTT Financial Group, and President of ROYTEC. Mrs. Drayton also held the positions of Chief Executive Officer of United Way Trinidad and Tobago, Vice President of the World Federation of United Nations Association,

and was a board member of several humanitarian organisations including the Trinidad and Tobago Red Cross Society, Blind Welfare Association, *Express* Children's Fund and the UNDP National Steering Environment Small Grants Committee.

- Directorship on boards of other companies:
- UTC Financial Services Limited
 - UTC Trust Services Limited
 - SERVOL



Jonathan Walker, Director - June 3, 2015 to present

Mr. Walker is a partner at the law firm of M. Hamel-Smith & Co. where he heads the dispute and risk management group. Admitted to practise law in 1996, Mr. Walker works closely with clients to manage their legal risks. His core expertise is in the area of litigation and the management of significant commercial and financial disputes.

He is trained in mediation and negotiation, and has experience in employment and public law. He is also a member of the Law Reform Commission of Trinidad and Tobago. Mr. Walker is a former tutor at the Hugh Wooding Law School

- Directorship on boards of other companies:
- UTC Financial Service Limited
 - UTC Trust Services Limited
 - HS Services Limited
 - IRP Limited
 - 2 Mt. Anne Limited
 - Yara Trinidad



Douglas Camacho, Director - January 1, 2016 to present

Mr. Camacho has been active in the insurance industry for over 30 years during which time he served as a senior executive. Mr. Camacho is a past President of The Association of Trinidad and Tobago Insurance Companies (ATTIC) and the Insurance Association of the Caribbean (IAC). He has also served as the Chairman of the Board of Governors of the Trinidad and Tobago Insurance Institute (TTII), Chairman of the Pan Caribbean Business Coalition (PCBC) and a Board Member of LL Global.

Additionally, he is a past president of the Trinidad and Tobago Olympic Committee (TTOC), having completed two four-year terms as its president.

- Directorship on boards of other companies:
- UTC Financial Services Limited
 - UTC Trust Services
 - UTC North American Fund, Inc.
 - Crime Stoppers Trinidad and Tobago
 - Servus Limited
 - Trinidad and Tobago Hockey Board

- ECGPC
- Dynamic Equity Limited
- PAMBERI Limited
- FONCLAIRE Limited
- RGM Limited
- Mayaro Initiative for Private Enterprise Development
- SERVOL
- Tobago Plantations Limited
- Impodream Limited
- Family Planning Association of Trinidad and Tobago

Board Meetings

The Board of Directors held nine meetings during the period January 1 – December 31, 2016 as follows:

Meetings Held and Attendance 2016

Board of Directors

	Dec 8th	Nov 24th	Sep 22nd	July 21st	June 15th	May 25th	April 7th	Feb 3rd	Jan 21st
R. Krishna Boodhai	√	√	√	√	√	√	√	√	√
Ian P. Chinapoo	√	√	√	√	√	√	√	√	√
Leon Ambrose	√	√	√	√	√	√	√	√	√
Douglas Camacho	√	√	√	√	√	√	√	√	√
Anne-Marie James	Abs	√	√	√	√	√	√	√	√
Ruben McSween	√	Abs	√	√	√	√	√	√	√
Sharon Mohammed	√	√	√	√	√	√	√	√	√
John Tang Nian	√	√	√	√	Abs	√	√	√	√
L. Dominic Rampersad	√	Abs	Abs	Abs	√	√	√	√	√
Lorraine Kam	√	√	√	√	√	√	√	Abs	√
Jonathan Walker	√	√	√	Abs	√	Abs	√	√	√
Helen Drayton	√	√	√	√	√	√	√	Abs	√

BOARD COMMITTEES*

The Board of Directors of the Unit Trust Corporation has established various sub-committees to support the discharge of its duties. Each sub-committee is governed by a charter which outlines its respective purpose, composition and responsibilities.

The following are the established Board sub-committees:

- **Audit and Compliance Committee (ACC)**
- **Strategic Risk Committee (SRC)**
- **Human Resources Committee (HRC)**
- **Investment Committee (IC)**
- **Corporate Advisory Committee (CAC)**

The Board Charter, the ACC, SRC and CAC Charters are reviewed every two years or more frequently as deemed necessary. The HRC and the IC Charters are reviewed annually and appropriately strengthened in accordance with Corporate Governance and Best Practice.

Each sub-committee provides an annual report to the Board at the end of each reporting period. An overview of the respective sub-committee charters is presented as follows:

Audit and Compliance Committee

Chair - Leonardo Ambrose

The ACC was established to discharge independent oversight responsibilities with respect to the following:

- The integrity and standards of financial statements and related note disclosures
- To ensure the existence, adequacy and testing of the accounting controls employed to support the preparation of financial statements and the audit
- Compliance with laws, regulatory directives, and guidelines, financial reporting requirements of jurisdictions applicable to the Corporation, its subsidiaries and funds under management
- Systems to safeguard and protect the assets of the Corporation, its subsidiaries and funds under management

In discharging its duties, the ACC shall operate under the delegated authority of the Board and has the authority to:

- Approve the annual operating budget for the internal audit department
- Approve co-sourcing service providers, consultants or other service providers to be engaged by compliance and internal audit
- Approve the annual audit plan for the internal audit function
- Approve policies and updates relating to asset recovery, asset impairment, operational losses and asset valuation
- Conduct investigations into matters within its scope of responsibility
- Meet with any staff, management, executive management, director, regulator, auditor, advisor, legal counsel, consultant or service provider where the ACC determines to be necessary
- Retain outside audit, legal counsel, accounting, investment, information technology, management consultancy, human resources or other specialist advisors, where the ACC deems necessary and approve the respective fees and terms of retention
- Approve all fees and terms of engagement of the external auditor and also pre-approve or adopt appropriate procedures to pre-approve all external audit and non-audit services to be provided by the external auditor

* Note that there were special meetings of the ACC on May 13, July 9 and November 10, 2016 and the HRC on February 1 and April 11, 2016. (Special meetings refer to those convened outside of the regular schedule of meetings)

ACC Meetings Held and Attendance 2016

Date	Leon Ambrose	Sharon Mohammed	Ruben McSween	Johnathan Walker	Anne-Marie James
December 6 th	√	√	√	√	Abs
November 10 th	√	√	√	√	√
October 11 th	√	√	√	√	√
August 9 th	√	Abs	√	√	√
June 14 th	√	√	√	√	√
May 12 th	√	√	√	√	√
February 2 nd	√	√	√	√	√

Investment Committee

Chair – R. Krishna Boodhai

The IC was established to discharge oversight responsibilities with respect to the following:

- Subject to Section 6(1) of the UTC Act, advise the Board of any of the matters set out in Section 13
- Oversee the investment activity of the Funds' asset management department and to ensure that the functions stated above are executed in accordance with approved policies, procedures, legal requirements and international best practices
- Exercise the care, skill and diligence that a person acting in a like capacity and familiar with such matters would use under the same circumstances. In the context of managing a portfolio, prudence requires balancing risk and return

The IC may conduct or authorise investigations into any matter within its scope of responsibility or other matters delegated by the Board. The IC has the authority that is necessary and appropriate to enable it to discharge its duties and responsibilities, including but not limited to:

- Selection, retention and termination of external counsel or other experts as it deems appropriate;
- Approval of fees and other retention terms of such counsel or other experts; and
- Meeting with or seeking information and assistance it requires from the advisor's officers or employees.

IC Meetings Held and Attendance 2016

Date	R. Krishna Boodhai	Ian Chinapoo	Douglas Camacho	John Tang Nian	L. Dominic Rampersad
November 23 rd	√	√	√	√	√
October 17 th	√	√	√	√	√
September 15 th	√	√	√	√	Abs
July 20 th	√	√	√	√	√
June 21 st	√	√	√	Abs	Abs
May 18 th	√	√	Abs	√	√
April 19 th	√	√	Abs	√	√
March 16 th	√	√	√	√	√
February 22 nd	√	√	√	√	Abs

Strategic Risk Committee

Chair – Lorraine Kam

The SRC was established to discharge oversight responsibilities with respect to the following:

- Ensuring that the Board fulfils its risk governance responsibilities
- Oversight of the Corporation's management of key risks, including strategic and operational risks and associated policies, procedures and guidelines, for monitoring and mitigation of such risks
- Providing oversight in relation to current and potential future risk exposure of the Corporation and future risk strategy, including determination of risk appetite and tolerance
- Promoting a risk awareness culture within the Corporation

SRC Meetings Held and Attendance 2016

Date	Lorraine Kam	R. Krishna Boodhai	Douglas Camacho	Helen Drayton	Ian P. Chinapoo
November 18 th	√	√	Abs	√	√
September 12 th	√	√	√	√	√
August 24 th	√	√	Abs	√	√
June 27 th	√	√	√	√	√
May 9 th	√	√	√	√	√
March 17 th	√	√	√	√	√

Corporate Advisory Committee

Chair – John Tang Nian

The CAC was appointed to assist the Board in discharging its oversight responsibilities in the areas of capital expenditure and information technology. The primary purposes of the committee are, among other things:

- To engage in effective capital rationing to ensure that capital expenditure is geared towards profit maximisation or cost minimisation objectives
- To preside over the adoption of information technology governance frameworks, infrastructure and solutions to ensure alignment, better management of business risks and increased value from IT
- To preside over physical structure improvements, including acquisition of machinery and equipment for installation or use by the Corporation and for other improvements to the Corporation's physical assets

The CAC is charged with ensuring the corporate alignment of business initiatives with the mission, vision, values, long-term strategic plan, associated strategies, needs, structure and value propositions.

CAC Meetings Held and Attendance 2016

Date	John Tang Nian	R. Krishna Boodhai	Ian P. Chinapoo	Ruben McSween	Jonathan Walker	L. Dominic Rampersad
November 7 th	√	Abs	√	√	√	√
September 15 th	√	√	√	√	Abs	Abs
August 25 th	√	√	√	√	√	√
July 18 th	√	√	√	√	√	Abs
April 7 th	√	√	√	√	√	√
January 21 st	√	√	√	√	√	√

Human Resources Committee

Chair – Helen Drayton

The HRC was appointed to assist the Board in discharging its oversight responsibilities in the human resource related matters.

The HRC works closely with the Vice President, Human Resources to achieve its mandate with respect to the human resource and employee relations matters of the Corporation.

HRC Meetings Held and Attendance 2016

Date	Helen Drayton	R. Krishna Boodhai	Anne-Marie James	Ian P. Chinapoo	Lorraine Kam
October 17 th	√	√	√	√	√
June 27 th	√	√	√	√	√
April 11 th	√	√	√	Abs	√
March 14 th	√	√	√	√	√
February 1 st	√	√	√	√	Abs
January 11 th	√	√	√	√	√

Board Effectiveness

The Board of Directors is committed to effectively discharging their duties in the best interest of the Corporation. In this regard, an annual assessment of the Board's performance is conducted to evaluate performance both at the individual director level as well as the Board as a whole. The effectiveness of the corporate secretarial function is also evaluated.

During the financial year, the Board contracted an independent corporate governance service provider to conduct a comprehensive Board evaluation self-assessment exercise. The results of the assessment were extremely positive and indicated an overall performance score of 98 percent with the highest ratings for:

- Effectiveness and performance of the Chairman
- Effectiveness in running efficient Board meetings
- Effectiveness of the Board Committees in executing their responsibilities
- Effectiveness of the Corporate Secretary with providing sound governance advice and co-ordinating support
- Board dynamics and relationships
- Board composition and strength in diversity
- Accountability to various stakeholder groups

The results of the evaluation also highlighted some development areas and the Board has taken immediate steps to ensure that these are strengthened in 2017.

Strong Internal Controls

The internal audit department operates as an independent assurance function. Its purpose, authority and responsibilities are set out in a charter approved by the Board's ACC. The internal audit department forms part of the UTC's enterprise-wide risk management framework as a third line of defence. The purpose of internal audit is to provide independent, objective assurance to the Board that the governance processes, management of risk and systems of internal control are adequate and effective to mitigate the most significant risks, both current and emerging, that threaten the achievement of the UTC's objectives and, in so doing, to help improve the risk control culture of the UTC.

Since internal audit services are responsible for providing independent assurance to the audit committee and to senior management on the effectiveness of risk management processes, governance and systems of internal control at the UTC, the Chief Internal Auditor (CIA) reports directly to the ACC chair for functional purposes and to the Executive Director for both professional and administrative matters. The committee is satisfied that the internal audit function has and continues to be executed in a transparent and objective manner and that there is no undue influence from the management team.

In addition to reporting to the ACC on areas of concern, the Internal Audit is regularly invited to meetings of the Executive Management Committee to address any area's potential weakness in processes and controls.

External Auditors

As a statutory institution, the UTC is audited at least annually by the Auditor General's Department, an independent body established under the Constitution of Trinidad and Tobago. As such, its independence in discharging its duties is assured and it is free from undue influence.

Our Mutual Funds are audited by a locally based service provider, contracted through a tendering process. This provider has also engaged in non-audit work for the Corporation. The ACC is satisfied that they have performed their duties in a transparent and independent manner.

Engaging with our Unitholders

The Corporation recognises the importance of its relationships with its individual and institutional unitholders. We actively engage our unitholders throughout the year (see section on Stakeholder Relations on page 39 to 43) as we seek to understand matters of material interest to them.

In particular, unitholders are provided the opportunity to engage with the Board, senior management and our Auditor at our Annual General Meeting (AGM). To ensure active engagement at our AGM, the Corporation broadcasts a live feed using online tools, thus ensuring participation by those who are physically unable to be present at the meeting.

Commitment to Ethics

Fair and ethical business practices are at the heart of the UTC's core values. These principles are entrenched in our Code of Ethics¹ and reinforced by specific policies such as the Whistle Blowing Policy. At the level of the Board, directors are required to read and attest to adhering to the obligations in the Code. Further, all senior executives and staff are required, on an annual basis, to read and attest to adhering to the obligations within the Code of Ethics. The Board's HRC has oversight for the management and monitoring of compliance with the policy.

Conflicts of Interest

The Board, senior management and all employees are subject to the Corporation's Conflict of Interest Policy. The Board's HRC has oversight for the management and monitoring of compliance with the policy. The policy provides a definition for conflicts of interest that is easy to understand and also articulates the procedure for declaring and managing any disclosed conflicts of interest.

Disclosure and Transparency

In accordance with Section 9(3A) of the UTC Act, all directors are required to disclose any material interest(s) before they can participate in any Board or committee meeting. Where Board members have a direct or indirect personal or business interest, they must withdraw from the proceedings when the Board and its committees consider the matter, unless the Board determines that the member's interest is immaterial or irrelevant. Further, all directors, officers and employees are required to adhere to the Related Party Securities Transactions Policy and are required to disclose any matters relating to same. The policy defines what the Corporation considers as 'Related Party Securities Interests' and outlines the various methods for disclosing such interests. The Board of Directors has overall responsibility for the oversight of related party transactions and for ensuring that these transactions are conducted in accordance with the policy. The ACC is responsible for reviewing and advising changes to this policy and for arbitrating any issue of interpretation that may be raised in respect of this policy.

¹ Visit our website www.ttutc.com to view or download a copy of the UTC Code of Ethics

Our Leadership Team

Led by our Executive Director, Ian P. Chinapoo, our team comprises individuals who are industry leaders within their respective fields.

For the 2016 reporting period, our leadership team included:



Nigel Edwards, Chief Financial Officer

Mr. Edwards is the holder of a master of science in finance from the London Business School and a bachelor's in management studies from The University of the West Indies, St. Augustine. He is also a member of the ACCA and a former part-time finance lecturer at The University of the West Indies.

Mr. Edwards joined the Corporation in 2013 and his career spans 24 years in the field of accounting and finance with executive roles in the financial services industry at regional companies. Mr. Edwards has executive responsibility for the finance, accounting and treasury functions of the Corporation.



Sekou Mark, Vice President, Investments

Mr. Mark is the holder of an MBA with a concentration in international business finance from George Washington University. In addition, Mr. Mark holds a bachelor of science in business management, summa cum laude, from Wheeling Jesuit University. He is also a graduate of the International Environment and Development Programme of The American University, Washington, DC. Mr. Mark joined the Corporation in

2014 and has 20 years' experience in multilateral institutions and the banking and financial services industry, including senior leadership positions at regional and international financial institutions. Mr. Mark has executive responsibility for leading and directing the investment research, portfolio management and innovation teams in executing the investment function of the Corporation.



Ravi Ramoutar, Vice President, Trust Services

Mr. Ramoutar is a chartered accountant and a certified management accountant. A graduate of The University of West Indies with a BSc in accounting, he currently lends his professional expertise as a lecturer in the MBA finance programme at the Arthur Lok Jack Graduate School of Business. Mr. Ramoutar joined the Corporation in 2014 and has over 25 years' leadership experience through diverse roles in corporate finance, risk management, pension fund asset management,

as well as corporate governance and planning and performance management. Mr. Ramoutar held the role of non-executive director representing BP Trinidad and Tobago LLC's interest in Atlantic LNG, with oversight responsibility for additional boards and also served as chairman of the National Insurance Board of Trinidad and Tobago. He has executive responsibility for leading and directing the trust services team with the administration and governance of the Corporation's funds and their asset portfolios.



Crystal Rodriguez-Greaves, Chief Risk Officer

Mrs. Rodriguez-Greaves joined the Corporation in 2004 has over 10 years' leadership experience in the areas of finance, investments and risk management with expertise in the areas of macroeconomic analysis, financial statement analysis, investment strategy formulation, portfolio management, financial risk management and operational risk management. Her career portfolio includes the positions as President and Chief Compliance Officer of UTC Fund Services,

Inc., an investment advisory firm registered in the USA. She is also a member of the Board of the CFA Society of Trinidad and Tobago. Mrs. Rodriguez-Greaves holds the chartered financial analyst (CFA) designation and a bachelor's degree in management studies and finance from the University of The University of the West Indies, St. Augustine. In the role of Chief Risk Officer she has executive responsibility for the implementation of an enterprise risk management framework at the UTC.



Dawn Seepersad, General Counsel and Corporate Secretary

Ms. Seepersad is an attorney-at-law with 26 years' experience in banking, insurance and commercial law and legal and business management and administration. Ms. Seepersad joined the Corporation in 2016 and her career portfolio includes the position of general counsel and corporate secretary at an international bank and the assistant vice president, legal and assistant corporate secretary at a regional insurance and financial services company. She has provided legal services in the area of commercial and civil law and corporate secretarial services and administration at an investment brokerage firm.

She also had extensive litigation experience in the areas of banking, insurance and commercial law at the civil bar. Her education includes an LL.B. (Honours) from The University of the West Indies and a Certificate of Legal Education from the Hugh Wooding Law School. In the role of General Counsel and Corporate Secretary, she has executive responsibility for the legal and regulatory matters of the UTC.

**Prior to Ms. Seepersad's appointment, the Corporate Secretariat's Office was led by Mr. Derrick Redman until September 2016.*



Judith Sobion, Vice President, Corporate Services

Ms. Sobion holds a Master of Business Administration from the University of New Orleans, a first degree in social sciences from The University of the West Indies and a postgraduate diploma in Human Resources Management from The University of the West Indies, Arthur Lok Jack Graduate School of Business. Ms. Sobion joined the Corporation in 2012 and has more than 25 years' leadership experience in strategic human resources and employee relations

in a diverse range of local, regional and international companies. Her major strengths include organisational transformation, mergers and acquisitions, as well as manpower planning and resourcing, employee relations, talent development and organisational transformation. Her position as Vice President, Corporate Services includes executive responsibility for human resource management, procurement/supply chain management, facilities management, corporate administration and general security.



Warren Sookdar, Chief Information Officer

Mr. Sookdar is the holder of an MBA from the Anglia Ruskin University, Cambridge UK. He also has an advanced certificate in project management from the Arthur Lok Jack Graduate School of Business and a postgraduate diploma in business administration, Henley Management College, UK. Mr. Sookdar joined the Corporation in 2015 and he has functioned at the senior leadership level for approximately 25 years in the field of information and communications

technology (ICT) within the financial sector locally, regionally and internationally. His knowledge and expertise are in the areas of strategic leadership in ICT technology, inclusive of credit card operations, process management, process re-engineering and ICT-based service delivery. He has executive responsibility for leading and directing the information and communications technology team.



Amoy Van Lowe, Vice President, Advisory Services

Ms. Van Lowe is the holder of a Bachelor of Science degree in management studies from The University of the West Indies and a Masters of Business Administration from the University of Michigan. Ms. Van Lowe also holds FINRA licences series 6 and series 26 as Supervising Principal of the US Broker/Dealer. She has over 18 years' experience in the financial services sector, including experience in

strategic planning and marketing, brand creation, advertising and corporate image building. Ms. Van Lowe currently serves as President of UTC Financial Services USA Inc. and UTC North American Fund Inc. Ms. Van Lowe has executive responsibility for the development of the Corporation's advisory services and brokerage services functions.



Pamela Williams, Vice President, Strategy

Ms. Williams' professional training includes mastering the strategy management systems, business analysis certification and business process re-engineering programmes. She is currently pursuing a master's degree in business administration through Heriot-Watt University. Ms. Williams has been with the Corporation since 2002 and has over 31 years' experience working in a financial environment with a background in

business process management, process improvement, business analysis, policies and procedures development, records management and training and development. Her executive responsibilities include assisting the Executive Director and the strategic management team in the management of the strategic initiatives of the Corporation.



Gayle Daniel-Worrell, Vice President, Marketing, Communications and Distribution Channels

Ms. Daniel-Worrell holds a Bachelor of Science Degree in Finance from Howard University, Washington DC, trained in Strategic Marketing Management at Harvard University, Cambridge MA, and holds an Executive Masters of Business Administration from The University of the West Indies, St Augustine. She also holds FINRA licences Series 6 and Series 26 as Supervising Principal of a US Broker/Dealer.

Ms. Daniel-Worrell has over 20 years' experience in Finance, Marketing, Brand and Product Development, Image and Reputation Management and Customer Service Management. Ms. Daniel-Worrell served as

Chairman of the UTC North American Fund Inc. and is a Director of UTC Financial Services U.S.A. Inc. Ms. Daniel-Worrell has also served on the board of the Business Development Company and Caribbean Leasing and was the President of the Trinidad and Tobago Women's Cricket board for over ten years. She has executive responsibility for Marketing, Communications, Card Services, Online Services, Document Management and the Investment Centres.

** Mrs. Daniel-Worrell retired from the Corporation on January 31, 2017.*

5.2 Managing Risk

Commitment to Enterprise Risk Management

The Unit Trust Corporation recognises that effective risk management is critical to enabling us to provide competitive risk-adjusted returns to our unitholders and ensure the sustainability of the Corporation. We have developed an enterprise risk management framework using principles from the Committee of Sponsoring Organisations (COSO) and ISO 31000.

The framework articulates a comprehensive and consistent approach to the management of risk throughout the Corporation. We also have a business continuity management framework to ensure resilience in the event of a disruption.

Our risk management process is designed to proactively identify and manage risk as well as to maximise emerging opportunities as we pursue our strategic objectives.



Risk Governance Structure

The Corporation's risk governance structure is comprised of oversight by both the Board of Directors as well as the SRC to which the Risk Management division directly reports. Roles and responsibilities in this process have been clearly set for the Strategic Leadership Team as well as the Corporation's three lines of defence.

These are:

1. Responsibility and ownership of risk management are embedded with the business units
2. Challenge and oversight of the effectiveness

of risk management is provided by the Risk Management division reporting to the Board's SRC while the Compliance department monitors the conformity to the Enterprise's policies, procedures and regulatory requirements

3. Independent assurance on the effectiveness of both business risk management and the Risk Management division's oversight and challenge of the process is provided by Internal Audit.

The table below demonstrates how the responsibility for Risk Management is designated throughout the Corporation.

Risk Management's Government Structure	Systems	Risk Governance Board of Directors <ul style="list-style-type: none"> • Set the tone at the top with respect to Risk Management • Foster a risk intelligent culture • Approve the Enterprise Risk Management Framework • Approve the Risk Appetite • Approve Strategy ensuring alignment with Risk Appetite 	Strategic Risk Committee (SRC) <ul style="list-style-type: none"> • Proactive management of key risks • Oversight of key risk exposures • Oversight of risk strategy, including determination of risk appetite • Oversight of management, mitigation and monitoring of key risks • Promote a risk aware culture
	Oversight	Risk Infrastructure and Management Executive Management <ul style="list-style-type: none"> • Define and recommend risk appetite to the Board • Develop Strategic Plan in line with risk appetite • Monitor Key Risks and develop Risk Response Strategies Risk Management Division <ul style="list-style-type: none"> • Create and maintain a robust enterprise risk management framework • Provide guidance, training, tools and techniques for applying the risk management framework • Along with business units, identify and escalate emerging risks 	<ul style="list-style-type: none"> • Monitor key risks and corrective action plans • Escalate deviations from risk appetite to the SRC Compliance <ul style="list-style-type: none"> • Monitor compliance with enterprise policies and procedures as well as regulatory requirements Internal Audit <ul style="list-style-type: none"> • Provide independent assurance to the Board on how effective risk is managed throughout the Corporation • Act as a consultant by providing advice on the Corporation's Corrective Action Plans
	Processes	Risk Ownership Business Units <ul style="list-style-type: none"> • Risk Owners • Execute Strategy in line with approved Risk Appetite • Identify and assess risks 	<ul style="list-style-type: none"> • Take corrective action • Monitoring and Reporting through the Risk Management Department

Overview of Key Risks and Associated Strategies

Key Risks	Impact	Key Mitigating Actions	Associated Strategic Priorities
<p>Market risk: Volatility in assets resulting from changes in factors such as interest rates, equity prices, commodity prices and exchange rates</p>	<ul style="list-style-type: none"> • Volatility of investment returns 	<ul style="list-style-type: none"> • Active and anticipatory management of portfolios in line with approved investment policy statements and risk appetite statement • Investment strategies reviewed frequently to seize opportunities from changing market conditions 	<ul style="list-style-type: none"> • Improve investment performance
<p>Credit Risk: Exposure to counterparties that are unable to satisfy predetermined commitments</p>	<ul style="list-style-type: none"> • Increase in level of impairments • Lower investment returns 	<ul style="list-style-type: none"> • Active management of portfolios in line with credit limits • Adjustment of investment holdings based on changes in credit ratings 	<ul style="list-style-type: none"> • Improve investment performance
<p>Operational Risk: The risk of loss resulting from inadequate or failed processes, people and systems or from external events</p>	<ul style="list-style-type: none"> • Breaches of internal controls leading to increased operational losses • Fraudulent activities • Loss of unitholders' confidence 	<ul style="list-style-type: none"> • Documentation and training on policies and procedures • Review of control environment on a continual basis through the use of risk control self-assessments • Business continuity management framework has been developed 	<ul style="list-style-type: none"> • Strengthen corporate governance and risk management • Enhance operations management processes
<p>Reputational Risk: Loss of reputational capital as a result of the character or quality of the organisation being questioned</p>	<ul style="list-style-type: none"> • Decline in unitholders' confidence and investment holdings 	<ul style="list-style-type: none"> • Standardisation of customer experience across distribution network • Improved customer complaints management • Strict adherence to the Corporation's values, codes of conduct and UTC Act 	<ul style="list-style-type: none"> • Optimise customer experience • Deliver new and enhanced products and services
<p>Legal and Regulatory Risk: The risk of a reduction in enterprise value due to non-compliance with applicable laws, regulations and applicable legislative guidelines</p>	<ul style="list-style-type: none"> • Increase in regulatory fines • Upsurge in litigation matters 	<ul style="list-style-type: none"> • Compliance department operates as second line of defence • Processes developed to ensure adherence to all laws and regulations stipulated by the UTC Act, Central Bank of Trinidad and Tobago and the Securities Exchange Commission 	<ul style="list-style-type: none"> • Strengthen regulatory reputation • Enhance regulatory management process

Key Risks	Impact	Key Mitigating Actions	Associated Strategic Priorities
<p>Technology Risk: Risk that customers may suffer service disruptions, or that customers or the Corporation may incur losses arising from system defects such as failures, faults, or incompleteness in computer operations, or illegal or unauthorised use of computer systems</p>	<ul style="list-style-type: none"> • Hike in security and data breaches • Loss of confidential information • Disclosure of unauthorised data • Unplanned system downtime 	<ul style="list-style-type: none"> • Established cyber security policy • Asset lifecycle management for IT assets • Investment in new technology • IT Steering Committee established to ensure appropriate measures are implemented to identify and monitor technology risks 	<ul style="list-style-type: none"> • Strengthen corporate governance and risk management • Optimise customer experience
<p>Liquidity Risk: Ability to meet contractual and contingent financial obligations as they come due</p>	<ul style="list-style-type: none"> • Inability to fund repurchases • Unable to meet financial obligations • Inability to exploit feasible investment opportunities 	<ul style="list-style-type: none"> • Maintenance of liquidity buffers for each Fund • Strict adherence to the Corporation's liquidity policy • Liquidity ratio is constantly monitored 	<ul style="list-style-type: none"> • Reduce cost to serve • Increase and diversify revenue streams
<p>Financial Risk: Ensuring the continuation of the business for the long term and that its risk owners achieve goals and objectives</p>	<ul style="list-style-type: none"> • Depletion of the Corporation's capital resources 	<ul style="list-style-type: none"> • Minimising the Corporation's net income volatility • Reserves are provided for capital preservation 	<ul style="list-style-type: none"> • Strengthen capital base • Improve investment performance
<p>People Risk: The impact upon the enterprise caused by its human resources and the risk of an adverse impact upon human resources caused by the enterprise</p>	<ul style="list-style-type: none"> • High turnover of experienced staff • An intense employee relations climate 	<ul style="list-style-type: none"> • Succession plans are in place • Staff engagement and participation is assessed periodically • Promotion of Health and Wellness activities • Training and retraining of staff 	<ul style="list-style-type: none"> • Optimise organisation structure and employee value proposition • Enhance strategic competencies • Embed and align corporate culture
<p>Strategic Risk: The impact of a misalignment of strategies in the pursuit of enhancing enterprise value</p>	<ul style="list-style-type: none"> • Inability to keep up with unitholders' changing needs and competitors' pace of innovation • Inability to appeal to new stakeholders 	<ul style="list-style-type: none"> • Market conditions are monitored on a consistent basis • Development of five-year strategic plans which are reassessed and monitored annually 	<ul style="list-style-type: none"> • Optimise customer experience • Leverage brand strength and equity

The Corporation acknowledges the importance of continually reforming its enterprise risk management practices as the economic, financial, technological, political and regulatory landscape progressively changes.

The ERM framework is reviewed periodically to ensure that it incorporates best-in-class principles and that it allows for a proactive approach to risk management.

5.3 Reporting and Certifications

Certification from our Directors

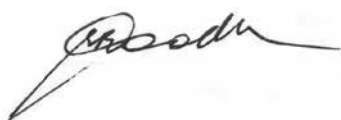
The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements. Pages 78 to 86 provide a summary of these statements and are derived from the TTUTC's consolidated annual financial statements for the year ended December 31, 2016, in accordance with International Financial Reporting Standards.

The directors are also responsible for such internal control as deemed necessary to enable the preparation of financial statements that are free from material misstatement (whether due to fraud or error) and for maintaining adequate accounting records, and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The auditors are responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of Financial Statements

The consolidated financial statements of the Corporation were approved by the UTC's Board of Directors on March 14, 2017 and are signed on its behalf by:



R. Krishna Boodhai
Chairman, Board of Directors
 Port of Spain, Trinidad and Tobago
 April 28, 2017

Certification from Corporate Secretary

In compliance with Section 194 of the Companies Act, I certify that, to the best of my knowledge and belief, the UTC has filed all such returns and notices as are required by the Companies Act, and that all such returns and notices are true, correct and up to date.



Dawn Seepersad
Corporate Secretary
 Port of Spain, Trinidad and Tobago
 April 28, 2017

Review and Approval from Audit and Compliance Committee (ACC)

The ACC assessed, and found to be effective and appropriate, the financial reporting process and controls that led to the compilation of the annual financial statements as well as the presentation and disclosure in the annual financial statements with regard to the approved accounting policies, International Financial Reporting Standards and the requirements for fair presentation of the Companies Act.

The ACC recommended to the Board that the annual financial statements and the financial information included in the Integrated Annual Report be approved. The Board subsequently approved the annual financial statements and the Integrated Annual Report which will be open for discussion at the forthcoming Annual General Meeting.



Leonardo Ambrose
Chairman, ACC
 Port of Spain, Trinidad and Tobago
 April 28, 2017



6. FINANCIAL REPORTING

2 0 1 6



**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, 2016

OPINION

The consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation (the Corporation) for the year ended 31 December, 2016 have been audited. The statements as set out on pages 1 to 69 comprise a Consolidated Statement of Financial Position as at 31 December, 2016, 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 then ended, and Notes to the Consolidated Financial Statements numbered 1 to 36 including a summary of significant accounting policies.

2. In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trinidad and Tobago Unit Trust Corporation as at 31 December, 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR OPINION

3. The audit was conducted in accordance with accepted auditing standards. The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. The Auditor General is independent of the Corporation in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

4. Management of the Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, 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.

5. In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. 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 based on the audit.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

9. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concludes on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify his opinion. The Auditor General’s conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
 - Evaluates the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtains sufficient appropriate audit evidence regarding, the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. The Auditor General is responsible for the direction, supervision and performance of the audit of the Corporation. The Auditor General remains solely responsible for his audit opinion.
10. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.

**15th MARCH, 2017
PORT OF SPAIN**



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**MAJEED ALI
AUDITOR GENERAL**

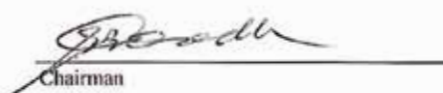
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Trinidad and Tobago Unit Trust Corporation

Consolidated Statement of Financial Position

As at 31 December, 2016 | Expressed in Trinidad and Tobago Dollars

	31-Dec-16 \$ '000	31-Dec-15 \$ '000
ASSETS		
Cash and Cash Equivalents	2,454,393	1,702,425
Receivables	155,205	181,286
Prepayments and Other Assets	36,615	253,625
Investment Securities	18,892,079	18,928,502
Property, Plant and Equipment	160,725	165,296
Intangible Assets	1,267	1,428
Deferred Tax Asset	383	85
TOTAL ASSETS	21,700,667	21,232,647
LIABILITIES		
Accounts Payable and Short-term Liabilities	88,479	67,286
Financial Instruments	-	60,276
Distribution Payable	58,073	54,935
Pension and Other Post-retirement Liabilities	13,982	13,485
Price Guarantee Provision	29,403	4,943
Net Assets Attributable to Unitholders	20,153,212	19,766,638
Other Liabilities	1,100	1,647
TOTAL LIABILITIES	20,344,249	19,969,210
EQUITY		
Statutory Reserves	5,700	5,050
Revaluation Reserve	28,566	40,755
Retained Income	1,322,152	1,217,632
	1,356,418	1,263,437
TOTAL LIABILITIES AND EQUITY	21,700,667	21,232,647



Chairman



Executive Director

Trinidad and Tobago Unit Trust Corporation

Consolidated Statement of Profit or Loss

For the year ended 31 December, 2016 | Expressed in Trinidad and Tobago Dollars

	31-Dec-16 \$'000	31-Dec-15 \$ '000
INCOME		
Investment Income -		
Growth & Income Fund	430,203	283,155
TT\$ Income Fund	383,713	283,123
Universal Retirement Fund	15,346	8,620
US\$ Income Fund	111,451	104,239
Net Investment Income - Group Operations	58,464	85,782
Realised Gains Reclassified from Equity	34,629	32,297
Initial Charge	8,098	9,434
Other Income	10,618	5,738
Total Income	1,052,522	812,388
EXPENSES		
Commissions	(13,027)	(14,781)
Impairment	(99,441)	(113,746)
Administrative	(263,393)	(242,104)
Depreciation and Amortisation	(15,152)	(13,698)
Total Expenses	(391,013)	(384,329)
Net Income before Guarantee Charges	661,509	428,059
Price Guarantee Charge	(25,664)	(5,354)
Net Income after Guarantee Charges	635,845	422,705
Distributions to Unitholders	(239,348)	(164,894)
Allocation by Funds to Reserves	(11,905)	(11,505)
Income Capitalised	(8,572)	(1,159)
Net Income Attributable to Unitholders	(264,953)	(101,175)
Net Income before Taxation	111,067	143,972
Taxation	(6,572)	(9,347)
Net Income for the year	104,495	134,625

Trinidad and Tobago Unit Trust Corporation

Consolidated Statement of Comprehensive Income

For the year ended 31 December, 2016 | Expressed in Trinidad and Tobago Dollars

	31-Dec-16 \$'000	31-Dec-15 \$ '000
Net Income for the year	104,495	134,625
Other Comprehensive Income:		
<i>Amounts that may be transferred to Profit or Loss in the future:</i>		
Revaluation of Available-for-Sale Financial Assets	28,954	(85,492)
Exchange Translation Differences	(11,949)	(3,428)
<i>Amounts that will not be transferred to Profit or Loss in the future:</i>		
Remeasurements of Pension and Other Post-retirement Liabilities	5,435	6,738
	22,440	(82,182)
Fair Value gains transferred to Profit or Loss	(34,629)	(32,297)
Other Comprehensive Loss for the year	(12,189)	(114,479)
Total Comprehensive Income for the year	92,306	20,146

Trinidad and Tobago Unit Trust Corporation

Consolidated Statement of Changes In Equity

For the year ended 31 December, 2016 | Expressed in Trinidad and Tobago Dollars

	Statutory Reserves \$'000	Revaluation Reserves \$'000	Retained Income \$'000	Total \$'000
Balance as at 1 January, 2016	5,050	40,755	1,217,632	1,263,437
Total Comprehensive Income for the year	-	(12,189)	104,495	92,306
Adjustment re: Subsidiaries	-	-	675	675
Statutory Reserve - Bureau de Change	650	-	(650)	-
Balance as at 31 December, 2016	5,700	28,566	1,322,152	1,356,418
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 re: Subsidiaries	-	-	7,051	7,051
Balance as at 31 December, 2015	5,050	40,755	1,217,632	1,263,437

Trinidad and Tobago Unit Trust Corporation

Consolidated Statement of Cash Flows

For the year ended 31 December, 2016 | Expressed in Trinidad and Tobago Dollars

	31-Dec-16 \$ '000	31-Dec-15 \$ '000
OPERATING ACTIVITIES		
Net Income before Taxation	111,067	143,972
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Net Income Attributable to Unitholders	524,778	278,734
Depreciation and Amortisation	15,152	13,698
Impairment - Non-financial Assets	6,823	-
Impairment - Financial Assets	99,441	113,746
Loss on sale of Property, Plant and Equipment	636	58
Price Guarantee Provision	25,664	5,354
Revaluation of Reserve Assets	2,990	375
Interest on Reserve Assets	823	583
Other Gains	(2,231)	-
	785,143	556,520
<i>Movements in Net Current Assets</i>		
Decrease/(Increase) in Receivables	26,081	(17,552)
Decrease/(Increase) in Prepayments and Other Assets	210,187	(234,595)
Increase/(Decrease) in Accounts Payable and Liabilities	20,348	(2,471)
Increase in Distribution Liability	3,137	19,554
Decrease in Pension and Other Post-retirement Liabilities	(4,938)	(4,987)
	1,039,958	316,469
Taxation Paid	(6,572)	(9,347)
Net Cash Flow From Operating Activities	1,033,386	307,122
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(10,988)	(14,276)
Disposal of Property, Plant and Equipment	253	98
Purchase of Intangible Assets	(324)	(288)
Purchase of Investment Securities	(10,933,342)	(9,427,524)
Disposal of Investment Securities	10,880,751	8,941,594
Net Cash Used In Investing Activities	(63,650)	(500,396)
FINANCING ACTIVITIES		
Subscriptions from Unitholders	2,628,318	2,520,841
Redemptions by Unitholders	(2,577,659)	(2,343,565)
Repayment of Financial Instruments	(60,276)	(512,914)
Distribution Payments to Unitholders	(239,348)	(164,894)
Guarantee Reserve Payment	(2,204)	(5,133)
Net Cash Used In Financing Activities	(251,169)	(505,665)
Net Gain on Foreign Exchange	33,401	2,925
Net Increase/(Decrease) In Cash and Cash Equivalents	751,968	(696,014)
Cash and Cash Equivalents at beginning of year	1,702,425	2,398,439
Cash and Cash Equivalents at end of year	2,454,393	1,702,425

Trinidad and Tobago Unit Trust Corporation

Notes to the Summarised Consolidated Financial Statements

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 the first six (6) months of 2016 and ten (10) entities for the latter half of 2016 (2015:11), one of which is in the process of liquidation.

2) Significant Accounting Policies

The principal accounting policies adopted in the preparation of these Consolidated Financial Statements (the Financial Statements) are set out below.

a) Basis of Preparation

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.

b) Accounting Policies

The accounting policies, presentation and methods of computation applied in these Consolidated Financial Statements have been consistently applied to all years presented, unless otherwise stated.

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) and the Financial Statements of its incorporated subsidiaries.

Management concluded that for purposes of IFRS 10, its relationship with the locally domiciled Funds was that of a principal rather than that of an agent hence their consolidation in these financial statements.

The summarised consolidated financial statements presented are extracted from the audited financial statements. The full version of the consolidated financial statements can be viewed online at www.ttutc.com.

7. Unitholder Communication

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTICE

Annual General Meeting

In accordance with Section 31, sub-sections (2) & (3) of the Unit Trust Corporation of Trinidad and Tobago Act, 1981, notice is hereby given that the Thirty-fifth (35th) Annual General Meeting of the Trinidad and Tobago Unit Trust Corporation will be held at

**5:00 p.m. on Tuesday 23rd May, 2017 at
the Queen's Hall, 1-3 St. Ann's Road, St. Ann's**

or

*View the AGM via live stream -
Log on to www.ttutc.com from 5:00 p.m. to 6:30 p.m.*

to conduct the following business:

- 1.** Receive the Corporation's Audited Balance Sheet and Accounts for the year ended December 31, 2016
- 2.** Receive the Report of the Auditor General on the Consolidated Financial Statements of the Corporation

By Order of the Board
Dawn Seepersad
GENERAL COUNSEL &
CORPORATE SECRETARY
20th April, 2017
82 Independence Square
Port of Spain



Partners for Life

Notes

Notes



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