

TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION



Partners for Life



RESHAPING
THE
FUTURE
TOGETHER

INTEGRATED ANNUAL REPORT **2017**

intelligence
without
ambition





is like a
butterfly
without
wings

OUR WORLD IS CHANGING

Even as we adapt, we must help you keep your dreams in focus.

Even as the future unfolds, we must help you realise your goals, short term and long term.

Every success story contains chapters of adaptation, revision and change.

Transformation is a natural phase of life, necessary to unlock our truest potential.

AS YOUR PARTNERS FOR LIFE

We are responding to the challenge by seeking more innovative financial and social intervention strategies, and taking conscious actions to improve our environment.

At the UTC, we are listening to the people we serve. We are utilising education and innovation to spread the word about the power of investment. We are working with you to achieve your vision.

Creating value for you is what we are about. Our goal is to be there for you through all of life's changes, knowing that we are all in this together.



Let's **reshape** the **future together.**

Contents

IN THIS YEAR'S INTEGRATED ANNUAL REPORT

6-7

About this Report

Performance Highlights

8-19

Our Business

UTC at a Glance
Portfolio of Investments
Where We Operate

20-30

Leadership Reports

Our Chairman's Message
Our Executive Director's Message

31-64

Strategic Report

Operating Environment
Our Strategy
Material Matters
Our Key Relationships
Delivering Value to Our Stakeholders

65-85

Good Governance

Commitment to Good Governance
Managing Risks
Reporting and Certifications

86-96

Financial Reporting

Report of the Auditor General¹
Consolidated Statement of Financial Position
Consolidated Statement of Profit or Loss
Consolidated Statement of Comprehensive Income
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows
Notes to the Consolidated
Financial Statements

97

Unitholder Communication

Notice of Annual General Meeting

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

ABOUT THIS REPORT



1.1 Reporting Approach

Strengthening our ties with you

At the UTC, we recognise we are only as strong as our relationships. As we journey together, we are committed to taking a holistic view in reporting on our work. With this in mind, we are pleased to present our Integrated Annual Report 2017.

Our goal is to continue to report on matters that are important to you. We've received feedback from many stakeholders on last year's Report and took them into consideration in preparing the content, design and layout of the 2017 Report.

In this, our second Report of this kind, we continue to embrace an integrated reporting approach by demonstrating how we govern the Corporation, and we are determined to execute our strategy to create value for our stakeholder groups.

We have addressed each area of interest pertinent to our business within both the financial and non-financial dimensions. Our Report provides insight into the work the Corporation completed this past year; the social, regulatory and economic environment in which we operated and our performance within this context. We provide a transparent and comprehensive story of our operations and how we are working to improve the way we serve you throughout the various stages of your life.

We have again provided a summary of our key financial statements and placed the full financial report on our website. You can access a copy of this report at www.ttutc.com



1.2 Scope and Boundaries

Our Integrated Annual Report 2017 provides an account of our work and our focused commitment to you. It covers the period January 1, 2017 to December 31, 2017.

Our Report is prepared in accordance with international and local best practice guides and standards. Specifically, it has been prepared in keeping with the International Integrated Reporting Framework and the Group of 20 (G20)/Organisation of Economic Co-Operation and Development (OECD) Principles of Corporate Governance (2015) and the United Nations Principles of Responsible Investment. At the local level, our Report is compliant with the Trinidad and Tobago Corporate Governance Code (2013) and the Central Bank's Corporate Governance Guidelines for Financial Institutions.

Adoption of these best practice guides and standards are voluntary and go beyond regulatory and legislative reporting compliance. Our application of these best practice guides and standards are a testament of our commitment to good governance, engagement with our stakeholders and good corporate citizenship.

The Report is designed with you, the stakeholder, in mind and provides details of our successes, the challenges experienced during the year under review and our plans for going forward. We provide these details within the context of our 2020 Strategic Plan and report against both our financial and non-financial performance indicators, as well as actual and perceived risks and opportunities.



1.3 Financial Statements

In 2017, we changed the way we presented our financial statements in our Integrated Annual Report. Our intention was to provide targeted and concise information to each stakeholder group, and as such, summarised consolidated financial statements were presented in our printed reports. Although different from our previous reporting styles, the statements provide factual and pertinent information relating to the Corporation's financial performance. A copy of the full financial statements was also made available on our website for access by our stakeholders.

In keeping with accounting and financial reporting best practice, our financials were prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations issued, respectively by the International Accounting Standards Board (IASB) and the requirements of the UTC ACT, as applicable to the summary financial statements. The Auditor General's Department conducted an independent audit assessment for transparency and accuracy of the Report. A copy of the Auditor's opinion is provided from pages 88 to 90 of this Report.

It should be noted however, that this Integrated Annual Report includes statistics, metrics and references to Funds Under Management (FUM) which are not consolidated in the financial statements.

Our full financial statements can be accessed on our website www.ttutc.com



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 integrated performance. This Report, produced by a cross-functional team of the UTC with assistance from outside experts, has been prepared in line with the best practice as detailed in section 1.2 above. This 2017 UTC Integrated Annual Report was approved by the UTC Board of Directors on April 27, 2018.

Justice Rolston Nelson
Chairman, Board of Directors
Port of Spain, Trinidad and Tobago
April 27, 2018



This Integrated Annual Report is available online with additional information at www.ttutc.com. It 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 the UTC and our operations.

PERFORMANCE HIGHLIGHTS*



TT\$21.9 Bn

FUNDS UNDER MANAGEMENT (FUM)
a **1.5%** increase over 2016



46.8%

UTC'S SHARE OF THE LOCAL
MUTUAL FUND MARKET
a **1.7%** increase over 2016



TT\$199.2 Mn

DISTRIBUTIONS TO UNITHOLDERS
18% decrease from 2016



TT\$1.4 Bn

RETAINED EARNINGS
a **4.7%** increase over 2016



TT\$9.2 Bn

AGGREGATE DISTRIBUTIONS
PAYOUTS SINCE 1982
a **2.3%** increase over 2016



TT\$1.1 Bn

ANNUAL REVENUE FOR 2017
a **0.95%** increase over 2016



TT\$62.4 Mn

NET INCOME
(after taxes and distributions)
a **40.3%** decrease from 2016



609,574

TOTAL UTC UNITHOLDERS
1.1% growth in customer
base over 2016



522

TOTAL UTC TEAM MEMBERS
a **5.0%** increase over 2016



873,376

NUMBER OF UNITHOLDER ACCOUNTS
a **0.95%** increase over 2016



64%

EMPLOYEE SATISFACTION SURVEY
a **3.2%** increase over 2016



77.07%

CUSTOMER SATISFACTION
2016 SURVEY
a **3.7%** decrease from 2016



30

COMMUNITY OUTREACH PROJECTS
THROUGHOUT T&T IN 2016
a **16.7%** decrease from 2016



TT\$191.6 Mn

IMPAIRMENTS
a **92.7%** increase over 2016



TT\$153.9 Mn

RESERVES
a **29.6%** increase over 2016

* Note that figures have been rounded off to one decimal point.

OUR BUSINESS UTC AT A GLANCE

Proudly serving our community of more than 600,000 unitholders, the Trinidad and Tobago Unit Trust Corporation (UTC) is more than just a financial services company. We make investments geared towards ensuring a brighter future for our investors and the country we live and work in. We manage mutual fund investments for individual and institutional investors along with specialised savings plans to meet the needs of children. We also provide asset management services to a diversified list of corporate clients and government institutions. The Corporation also offers investment education and financial advisory services, and in addition, foreign currency trading via a Bureau de Change.



Established **1982**



Designated SIFI* **2013**



6 Primary Regulatory Relationships

*CBTT, TTSEC, CIMA, US SEC, FINRA, TTSE***



Retained Earnings **\$1.4 Bn**



FUM **\$21.9 Bn**



Market Share **46.8%**



7 Mutual Funds

TT\$ Income Fund
US\$ Income Fund

Growth & Income Fund
Universal Retirement Fund

North American Fund
Calypso Macro Index Fund

UTC Corporate Fund



Team Members **522**



Proudly serving **609,574** Unitholders



Operating in T&T with US presence
(North American Fund)



Distribution Channels **9** Investment Centres
16 ATMs

U-Online
1 Contact Centre

10 Online Agencies



Annual Revenue **\$1.1 Bn**



Distribution Payments **\$9.2 Bn** (Since 1982)

* Systemically Important Financial Institution

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

OUR COMMITMENT

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 team members, unitholders and other stakeholders in a courteous, caring and dignified manner.

PERFORMANCE EXCELLENCE

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

ROBUST CORPORATE GOVERNANCE

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

LEADERSHIP

We are industry trailblazers who shape future corporate behaviour and performance by creating shared value, product innovation and diversification. Our leaders inspire, motivate, influence, empower and engage team members at all levels to achieve our performance targets.

PORTFOLIO OF INVESTMENTS

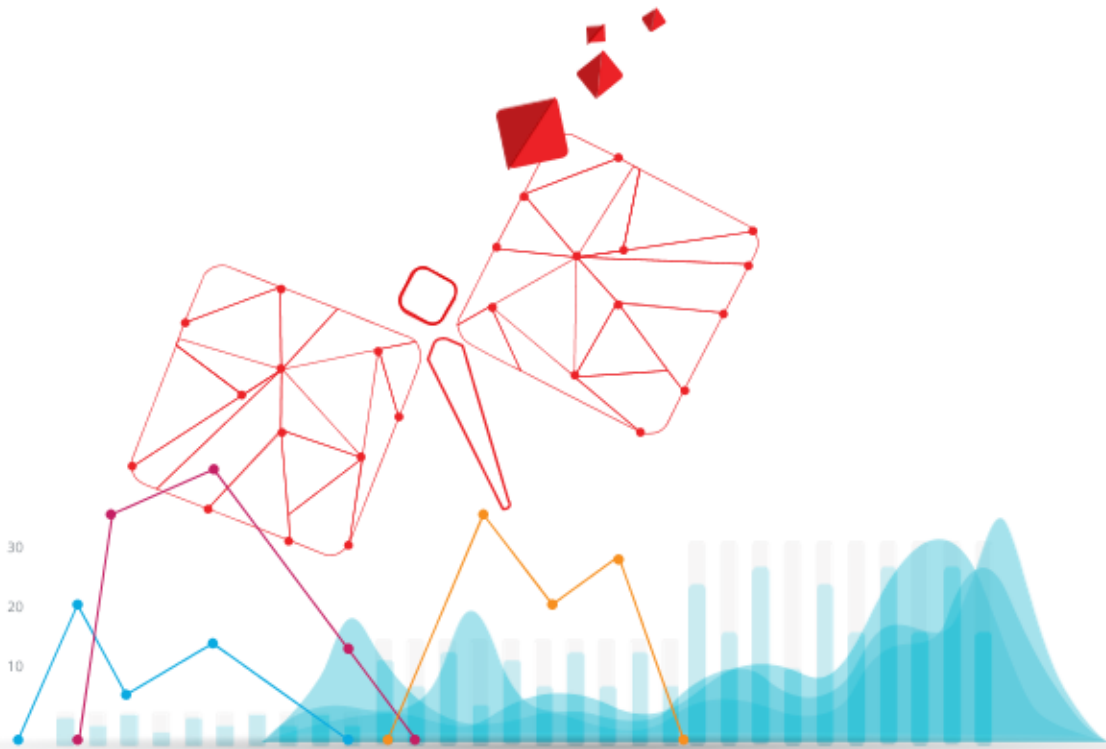
Overall Investment Strategy

The overall Investment Strategy of the Trinidad and Tobago Unit Trust Corporation adheres closely to the corporate mission:

“To create and enhance wealth for all.”

This is reflected in the wide diversity of options available to the investor through our seven¹ mutual fund offerings, each of which caters to investors with specific investment needs.

The golden thread which connects all seven mutual funds is the adherence to the UTC's investment watchwords of “Safety, Strength and Stability”.



In all that we do, with all investment decisions that are taken, due care is given to the following basic considerations:

1. — Do we consider this a safe investment?
2. — Do we consider this a stable investment?
3. — Do we consider the company/entity issuing the investment to be strong?

¹ In 2017, trading in the UTC Corporate Fund was suspended, thus we focus on the other six Funds.

PORTFOLIO OF INVESTMENTS - CONTINUED

TT Dollar Income Fund (TTDIF)

The Investment Strategy of the TTDIF is to target local currency central government debt, inclusive of medium-term Bonds, Treasury Bills and Notes and quasi-Government Securities. The TTDIF also aims

to selectively participate in high-quality, USD-denominated investments subject to the availability of USD. The top ten investments in the Fund attest to the fact that the strategy for 2017 is being executed diligently. Refer to tables 1 and 2 below.

**ASSET
ALLOCATION
FOR TT DOLLAR
INCOME FUND**

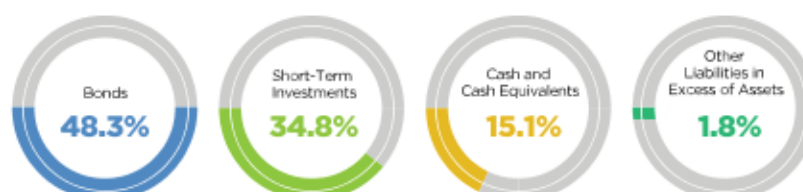


TABLE 1

TT DOLLAR INCOME FUND	
Top Ten Holdings (as at December 31, 2017)	
	% of Portfolio 2017
TOP 10 HOLDINGS	
Government of Trinidad & Tobago \$1.2Bn 190dy 1.90% FXRB Jan 2018	5.00%
UDECOTT TT\$3.40Bn 15YR Variable Rate Bond due 2028	4.28%
OMO Treasury Bill 16-20	3.63%
Government of Trinidad & Tobago 15yrs 2.5Bn 5.20% FXRB due 2027	3.55%
NIPDEC TT 1Bn 4% 16yrs due 2029	2.52%
Trinidad Generation Unlimited US\$600Mn 11yr 5.25% FXRB NOV 2027	2.46%
OMO Treasury Bill 16-22	2.27%
OMO Treasury Bill 16-35	2.26%
Government of Trinidad & Tobago US\$550Mn 4.375% FXRB due 2024	2.10%
Republic Bank Limited \$1Bn 10yrs 8.55% FXRB 2018	2.07%
TOTAL	30.14%

TABLE 2

TT DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS	
(as at December 31, 2017 - expressed in Trinidad and Tobago Dollars)	
	Market Value 2017 TT\$
Corporate Securities	2,144,839,659
Government and Government Guaranteed Securities	3,148,262,796
Short-Term Investments	3,809,504,706
Cash and Cash Equivalents	1,650,293,571
Other Assets in Excess of Liabilities	196,907,682
Total Net Assets	10,949,808,414

PORTFOLIO OF INVESTMENTS - CONTINUED

US Dollar Income Fund (USDIF)

The top ten investments of the USDIF are directly aligned with the Fund's strategy. The Investment Strategy of the USDIF is to target US Dollar denominated long and short-term fixed income securities, in particular, US Corporate Bonds with medium- to long-term maturities, and short-term securities such as Commercial Paper,

Repurchase Agreements, Money 'Market Securities' and Certificates of Deposit. The strategy speaks to exploring additional avenues to find other suitable short-term investments to provide liquidity, while positioning the Fund to benefit from a rising interest rate environment. Refer to tables 3 and 4 below.

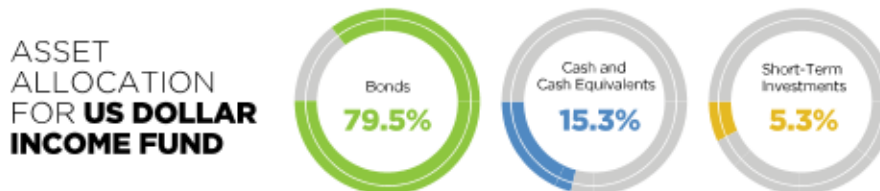


TABLE 3

US DOLLAR INCOME FUND	
Top Ten Holdings (as at December 31, 2017)	
	% of Portfolio 2017
TOP 10 HOLDINGS	
Government of Trinidad and Tobago US\$1.0Bn 4.5% FXRB due 2026	5.10%
Trinidad Generation Unlimited US\$600Mn 11yrs 5.25% FXRB NOV 2027	5.09%
Government of Trinidad and Tobago US\$550Mn 4.375% FXRB due 2024	3.40%
Barclays Bank fixed to float bond non callable 3mths libor	2.53%
Portfolio Credit Management Co. Ltd. (PCML) Series 4 FLB due 2021	2.45%
Lloyds TSB Bank fixed to float bond 10yrs CMS 2020	2.38%
Sagicor Financial Corp US\$75.0Mn 3yrs 4.85% FXRB due Aug 19	2.22%
Altria Group Inc 1.5Mn 4.75% FXRB due 2021	1.78%
AT&T 1.25Mn 4.45% FXRB due 2021	1.75%
Pharmacia Corp US\$500Mn 6.50% FXRB due 2018	1.72%
TOTAL	28.42%

TABLE 4

US DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS	
(as at December 31, 2017 - expressed in United States Dollars)	
	Market Value 2017 US\$
Corporate Securities	406,994,030
Government and Government Guaranteed Securities	82,444,819
Short-Term Investments	32,331,532
Cash and Cash Equivalents	80,302,332
Other Assets in Excess of Liabilities	13,678,411
Total Net Assets	615,751,124

PORTFOLIO OF INVESTMENTS - CONTINUED

Universal Retirement Fund (URF)

The URF seeks to increase its exposure to select domestic and cross-listed stocks, while slightly reducing its international equity exposure. Given the increased

probability of higher interest rates both in the US and domestic markets, Management aims to increase the Fund's fixed-income component in 2018. Refer to tables 5 and 6 below.

**ASSET
ALLOCATION
FOR UNIVERSAL
RETIREMENT FUND**



TABLE 5

UNIVERSAL RETIREMENT FUND	
Top Ten Holdings (as at December 31, 2017)	
	% of Portfolio 2017
TOP 10 HOLDINGS	
iShares S&P Global 100 Index Fund ETF	8.74%
Trinidad & Tobago National Gas Limited Common Shares	7.29%
Government of Trinidad & Tobago US\$1Bn FXRB 4.5% due 2026	6.94%
Clico Investment Fund	5.86%
Citicorp Merchant Bank Limited ZCB 4.15% due 2027	4.77%
ANSA McAL Limited Common Shares	3.58%
Massy Holdings Limited Common Shares	3.33%
Scotiabank (T&T) Limited Common Shares	2.99%
Vanguard Info Tech ETF	2.86%
Republic Financial Holdings Limited Common Shares	2.80%
TOTAL	49.16%

TABLE 6

UNIVERSAL RETIREMENT FUND PORTFOLIO OF INVESTMENTS	
(as at December 31, 2017 - expressed in Trinidad and Tobago Dollars)	
	Market Value 2017 TT\$
Corporate Securities	18,672,756
Government and Government Guaranteed Securities	40,143,191
Equities	208,305,719
Cash and Cash Equivalents	33,524,087
Other Liabilities in Excess of Assets	(1,125,142)
Total Net Assets	299,520,610

PORTFOLIO OF INVESTMENTS - CONTINUED

Growth and Income Fund (GIF)

The strategic asset allocation for the GIF for 2018 will allow the Fund to benefit from the prevailing "risk-on" sentiment in the global equity markets (as at the time of writing) by increasing the international equity component to the maximum limit prescribed under the Fund's Investment Policy Statement (IPS). The Fund's fixed-income component will be reduced to create room for the incremental equity holdings while maintaining

adequate liquidity in the Fund. Should the fundamentals of the US market change in a negative manner leading to greater potential for a market "correction" in equity prices, the liquidity of the international equity component of the portfolio will provide the required flexibility to rapidly adjust the Fund strategy to a more defensive position. Investment in domestic and cross-listed equities of choice will continue into 2018. Refer to tables 7 and 8 below.

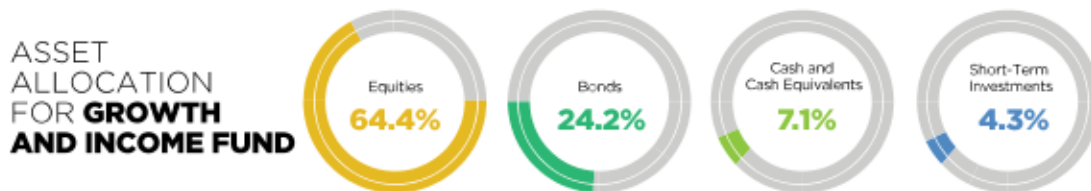


TABLE 7

GROWTH AND INCOME FUND	
Top Ten Holdings (as at December 31, 2017)	
	% of Portfolio 2017
TOP 10 HOLDINGS	
Phoenix Park Gas Processors Limited	6.53%
iShares S&P 500 INDEX FUND	6.43%
First Citizens Bank Ltd Common Shares	5.74%
Scotiabank (T&T) Limited Common Shares	5.06%
ANSA McAL Limited Common Shares	4.57%
Massy Holdings Limited Common Shares	4.20%
Republic Financial Holdings Limited Common Shares	4.18%
UDECOTT TT\$3.40Bn 15yr Variable Rate Bond due 2028	4.07%
Trinidad & Tobago NGL Limited Common Shares	3.70%
Government of Trinidad & Tobago US\$1Bn FXRB 4.5% due 2026	2.85%
TOTAL	47.33%

TABLE 8

GROWTH AND INCOME FUND PORTFOLIO OF INVESTMENTS	
(as at December 31, 2017 - expressed in Trinidad and Tobago Dollars)	
	Market Value 2017 TT\$
Corporate Securities	299,825,550
Government and Government Guaranteed Securities	876,705,091
Short-Term Investments	210,220,396
Equities	3,134,299,938
Cash and Cash Equivalents	387,523,076
Other Liabilities in Excess of Assets	(43,542,391)
Total Net Assets	4,865,031,660

PORTFOLIO OF INVESTMENTS - CONTINUED

Calypso Macro Index Fund (CLYP)

The Fund uses an Indexing strategy that involves investing in a cross-section of securities that collectively has an investment profile similar to that of the All T&T Index and the Global Energy Index. Refer to tables 9 and 10 below.

ASSET
ALLOCATION
FOR **CALYPSO
MACRO INDEX
FUND**



TABLE 9

CALYPSO MACRO INDEX FUND	
Top Ten Holdings (as at December 31, 2017)	
	% of Portfolio 2017
TOP 10 HOLDINGS	
Energy Select Sector SPDR	11.93%
Vanguard Energy ETF	11.88%
iShares US Energy	11.68%
British American Tobacco PLC ADR	8.91%
Republic Financial Holdings Limited Common Shares	8.27%
ANSA McAL Limited Common Shares	7.04%
Scotiabank (T&T) Limited Common Shares	6.73%
iShares Global Energy Sector Index Fund	6.38%
First Citizens Bank Ltd Common Shares	5.11%
National Enterprises Limited Common Shares	3.73%
TOTAL	81.66%

TABLE 10

CALYPSO MACRO INDEX FUND PORTFOLIO OF INVESTMENTS	
(as at December 31, 2017 - expressed in Trinidad and Tobago Dollars)	
	Market Value 2017 TT\$
Equities	308,251,838
Exchange Traded Funds	229,445,919
Cash and Cash Equivalents	12,181,441
Other Liabilities in Excess of Assets	(1,964,321)
Total Net Assets	547,914,877

PORTFOLIO OF INVESTMENTS - CONTINUED

North American Fund (NAF)

The Investment Objective of the Fund is high current income and capital appreciation. Under normal market conditions, the Fund will maintain approximately 80% of its total assets invested in the types of debt and equity securities issued by companies identified below. The Fund selects equity securities of companies that the Fund's Portfolio Managers believe are undervalued based on the current price relative to the long-term prospects of the company.

The Fund's Portfolio Managers also consider a company's actual and prospective earnings, return on equity and assets to liabilities ratio when selecting stocks. To further improve the Fund's level of competitiveness, consideration will also be given to adopting a more quantitative (algorithmic) approach to stock selection. Regarding the debt securities portion of the portfolio, the Fund invests primarily in fixed income securities of North American corporate issuers that are rated investment grade or better. Refer to tables 11 and 12 below.

ASSET ALLOCATION FOR NORTH AMERICAN FUND

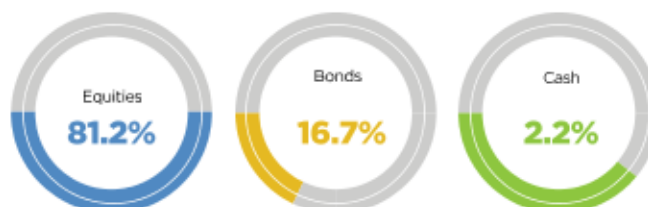


TABLE 11

NORTH AMERICAN FUND

Top Ten Holdings (as at December 31, 2017)

TOP 10 HOLDINGS	% of Portfolio 2017
Bank of America Corp	4.06%
Wells Fargo Co (New)	3.98%
iShares TR Government/Credit Bond ETF	3.69%
AT&T Inc.	3.54%
Pfizer Inc.	2.49%
Exxon Mobil Corp	2.30%
Lowe's Cos Inc.	2.30%
Procter & Gamble Co	2.26%
Dowdupont Inc.	2.25%
Metlife Inc.	2.03%
TOTAL	28.90%

TABLE 12

NORTH AMERICAN FUND PORTFOLIO OF INVESTMENTS

(as at December 31, 2017 - expressed in United States Dollars)

	Market Value 2017 US\$
North American Equities	35,865,583.59
Int'l Fixed-Income: US Gov't Treasury Notes and Bonds	2,361,306.66
Int'l Fixed-Income: Bonds	1,700,767.95
Int'l Fixed-Income: Bond ETFs	3,300,940.00
US Bancorp - Short-Term US Treasury Bills	99,424.52
Cash	857,963.36
Total Fund Size	44,185,986.08

for
**brighter
tomorrows**



WHERE WE OPERATE

With 19 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 Dillon
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 Bleasdell
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,
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
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

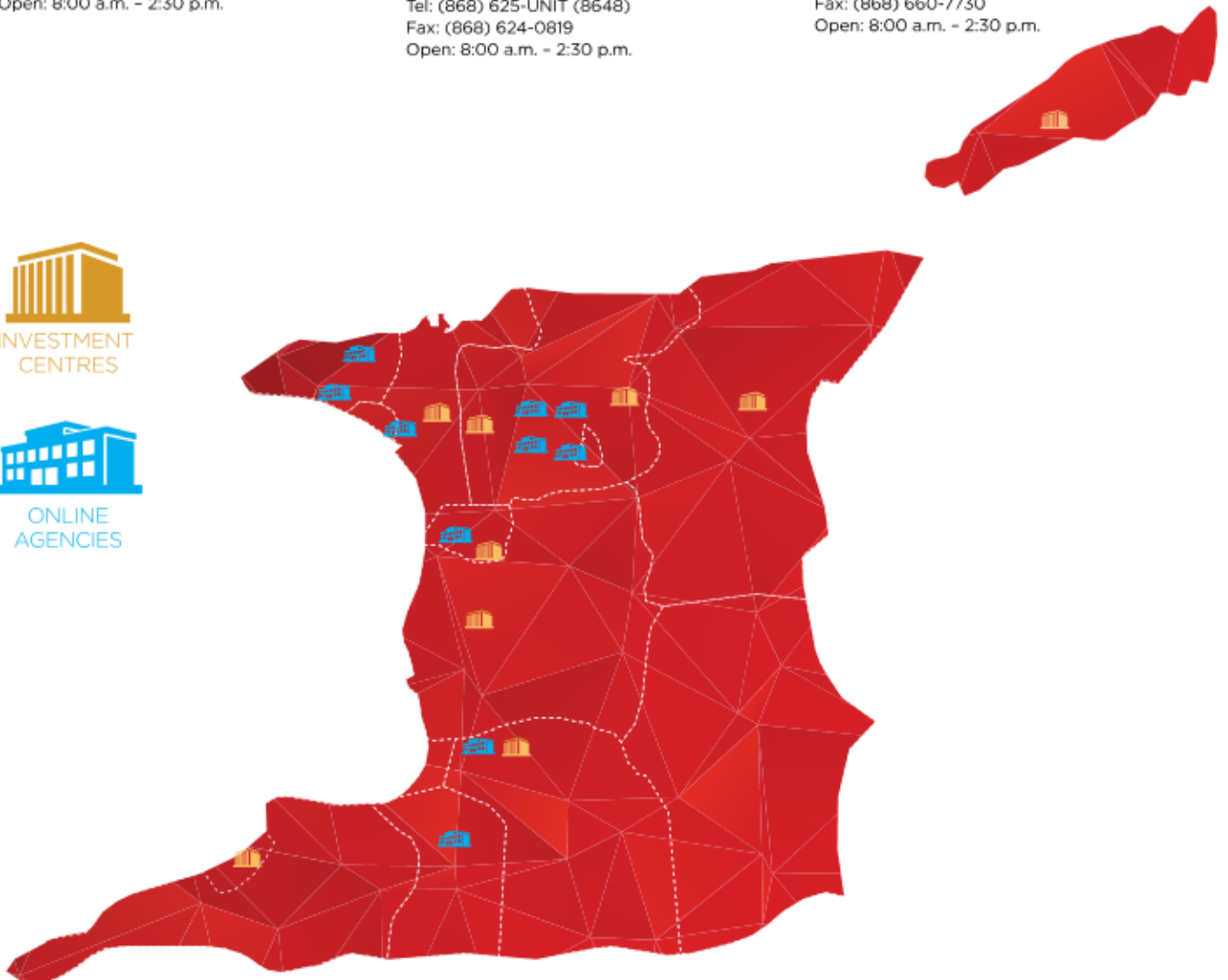
Manager: Andre Clarke
19-21 High Street, San Fernando
Tel: (868) 657-UNIT (8648)
Fax: (868) 652-0620
Open: 8:00 a.m. - 2:30 p.m.

Sangre Grande

Manager: Lisa Ganpat
Sinanan Building,
2 Eastern Main Road, Sangre Grande
Tel: (868) 691-UNIT (8648) or 668-6475
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) 639-5096/3921
Fax: (868) 660-7730
Open: 8:00 a.m. - 2:30 p.m.



Online Agents

Eve Financial Services Limited

(Ruben McSween)
UTC Agency – Westmall
Shop 174, The Falls, Westmall
Western Main Road,
Westmoorings
Tel: (868) 223-9151/9157
Open: Mon - Fri 10:00 a.m. - 5:00 p.m.
Sat 11:00 a.m. - 3:00 p.m.

Eve Financial Services Limited

(Ruben McSween)
UTC Agency – MovieTowne
61 Level 2
MovieTowne Boulevard
Invader's Bay
Audrey Jeffers Highway
Port of Spain
Tel: (868) 223-6697/6805/6505/6517
Fax: (868) 223-6728
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

(Glen Miguel Figuera)
UTC Agency – Maraval
21 Shoppes of Maraval
Saddle Road, Maraval
Tel/Fax: (868) 628-0809
Open: Mon - Fri 9:30 a.m. - 5:30 p.m.

Keith M. King

UTC Agency – Chaguanas
Unit 11, Heartland Plaza
12 Narsaloo Ramaya Road, Endeavour,
Chaguanas
Tel: (868) 227-9508
(868) 223-1029
Open: Mon - Fri 8:00 a.m. - 6:00 p.m.
Sat 10:00 a.m. - 5:00 p.m.

Michael Redhead

UTC Agency – Pointe-a-Pierre
Suite 11&12
Tropical Plaza, Pointe-a-Pierre
Tel/Fax: (868) 658-SAVE (7283)
(868) 658-7340
Open: Mon - Thurs 8:30 a.m. - 4:00 p.m.
Fri 8:30 a.m. - 4:30 p.m.

Opufin Limited

(Sheldon Trim)
UTC Agency – Champ Fleurs
100A Eastern Main Road,
Champ Fleurs
Tel: (868) 645-UNIT (8648)
Fax: (868) 645-8185
Open: Mon - Fri 8:00 a.m. - 3:00 p.m.

Opufin Limited

(Jamela Akinlana)
UTC Agency – Grand Bazaar
Shop No. 3 Building A
Grand Bazaar, Valsayn
Tel/Fax: (868) 663-8648
Open: Mon - Fri 11:00 a.m. - 6:00 p.m.
Sat 10:00 a.m. - 3:00 p.m.

Unique Investments Limited

(Samuel Saunders)
UTC Agency – Trincity
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.

Superior Wealth & Advisory Services Limited

(Ian Narine)
UTC Agency – Penal/Debe
2nd Floor, 216 S.S. Erin Road, Debe
Tel: (868) 647-2721/2201
Open: Mon - Fri 8:00 a.m. - 3:00 p.m.

Superior Wealth & Advisory Services Limited

(Ian Narine)
UTC Agency – C3 Centre
Level 1, C3 Centre
Corinth, San Fernando
Tel: (868) 687-UNIT (8648)
(868) 657-9999
Open: Mon - Fri 10:00 a.m. - 5:00 p.m.
Sat 9:00 a.m. - 2:00 p.m.

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

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

Bankers

LOCAL

Central Bank of Trinidad & Tobago

Central Bank Building
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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

US Bank

777 East Wisconsin Avenue T10S
Milwaukee, WI 53202
United States of America

Attorneys

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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
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Campbell Corporate Services Ltd.

P.O. Box 268
Grand Cayman KY1 1104
Cayman Islands

3. LEADERSHIP REPORTS

Strengthening partnerships through shared value

OUR CHAIRMAN'S MESSAGE



JUSTICE ROLSTON NELSON
Chairman

DEAR UNITHOLDERS,

This is my second stint as Chairman of the Trinidad and Tobago Unit Trust Corporation, and I am happy to be part of the UTC family again. When the opportunity presented itself, I wholeheartedly accepted the invitation because I believe in this institution and the values upon which it was founded.

CHAIRMAN'S MESSAGE - CONTINUED

In my first term as Chairman, our goal was to create a viable shareholding democracy where every individual could benefit from knowing the value of investing and saving.

We achieved what we set out to do, as we currently have over

600,000
unitholders.

In 2017, we continued to deliver that message forcefully and performed well overall, with solid returns in all our mutual funds. The Corporation's performance in the last fiscal year illustrates the opportunities and challenges facing our industry.

A primary objective of our 2020 Strategic Plan is delivering on our Customer Value Proposition (CVP) of being your Partners for Life, which includes competitive returns, innovative investment solutions and distinctive customer service delivery, at the same time reducing our cost to serve. While our Strategic Plan is aggressive and ambitious, the Board strongly believes that these objectives are achievable and remains committed to our watchwords of "Safety, Strength and Stability".

Having the benefit of a historical perspective, the legal framework governing the UTC under the Unit Trust Corporation of Trinidad and Tobago Act, 1981, needs to be aligned to meet the current realities.

While the Unit Trust has made major strides forward, for sustained growth and to stay competitive, we need to revisit the Act because the investing landscape has changed and the UTC needs to capitalise on even greater opportunities. The original concept underlying UTC's formation as a monopoly with investing limits and as a satellite organisation under Central Bank needs to be updated, because market realities are very different now.

These changes are necessary if the UTC is to optimise its investments in a competitive environment. It is our intention to work towards reforming the Act and refining our robust statutory framework, allowing us to continue to evolve as an independent financial institution that plays a critical role in the financial sector. I want to assure you that this is of utmost priority.

Our goal will always be to provide you, our unitholders, with the best possible returns on your investments.

The Board of Directors is completely aligned with the Management Team on these long-term goals articulated under our strategic themes: Regulatory Management, Cost Efficiency, Product and Service Innovation, and Focus on Customer and Brand. I would like to take this opportunity to pledge to you that we will pursue them on a foundation of the highest standards of governance and ethics.

We are also looking forward to strengthening the partnerships we have and to building new ones through the UTC Foundation, which was launched last year with a vision to develop our country and empower our citizens. **Through the pillars of Education, Financial Well-Being and Environmental Citizenship**, we will continue to contribute towards initiatives that drive positive societal change.

Over the years, the Unit Trust Corporation has evolved from strength to strength. We were the first Mutual Fund Corporation established in Trinidad and Tobago and over the past 35 years, we revolutionised the local investing market with first-to-market financial products. It is my intention to keep moving forward along this innovative path.

CHAIRMAN'S MESSAGE - CONTINUED

I wish to thank my immediate predecessor, R. Krishna Boodhai, for his astute leadership over the last two years and give recognition to his commitment to driving value for our unitholders. The introduction of our Integrated Annual Report last year was a game-changing initiative and testimony to the emphasis we continue to place on strategy, governance and bringing value to all our stakeholders. I am proud to present to you our Integrated Annual Report 2017 that presents our performance in quantitative and qualitative terms.

I would like to express my sincerest gratitude to my fellow members of the Board for their continued support and commitment. On behalf of the Board of Directors, we would like to express our gratitude to Mr. Ian P. Chinapoo, Executive Director, the Enterprise Leadership Team and every member of the UTC team for the contribution they have made towards the Corporation's 2017 performance.

I look forward to your continued support.



Justice Rolston Nelson
Chairman
April 27, 2018





OUR EXECUTIVE DIRECTOR'S MESSAGE

IAN P. CHINAPOO
Executive Director

DEAR FELLOW UNITHOLDERS,

It gives me great pleasure to present to you the Executive Director's Report for the financial year ended December 31, 2017.

2017 was a year of progress, change and new beginnings: we welcomed back Justice Rolston Nelson as Chairman, we revised our organisational structure to strengthen our management capabilities, increased access with the launch of two new online agencies in Chaguanas and C3 Centre and launched the UTC Foundation to bring focus to Creating Shared Value as we evolved our Corporate Social Responsibility (CSR) activities.

EXECUTIVE DIRECTOR'S MESSAGE - CONTINUED

However, 2017 was also a year of challenges. The Corporation was not immune to the contractions in the local, regional and international financial markets. This, along with various global geopolitical issues, impacted our work. Even so, we remain committed to creating value, optimising our operations to improve our service to you and building our relationship with our stakeholder groups.

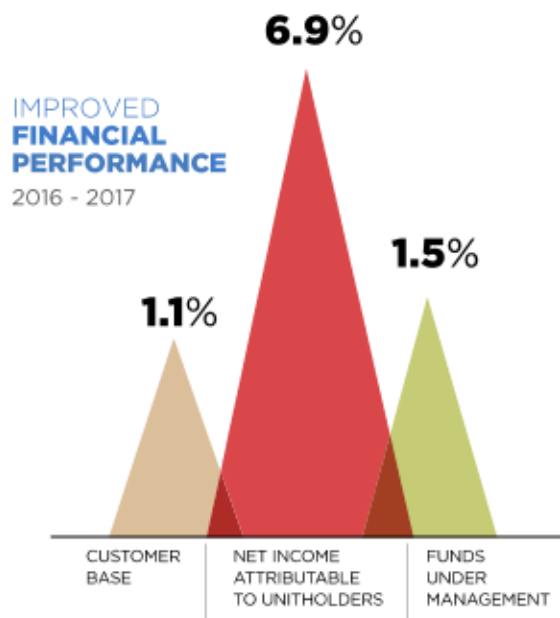
In managing our investment strategy, we factored in the economic and geopolitical climate, ensuring a positive overall growth in the aggregate FUM. We made significant strides in implementing our 2020 Strategy and we are proud to announce that despite the ongoing challenges in the domestic economy, 2017 was a very successful year.

Our Strategy in Action

2017 marked the completion of Year Two of our Five-Year development strategy. I am pleased to report that in 2017 the Corporation saw positive returns which were reflected in improved financial performance, as measured by the Net Income Attributable to Unitholders, which increased by 6.9%, overall growth of our aggregate FUM by 1.5%, continued expansion of our customer base by 1.1% and enhanced returns on the mutual fund portfolios.

We executed a total of 28 projects within the framework under our strategic theme, "Leading Innovation, Driving Value", which saw several of our larger projects focusing on major impact areas:

- Our Customers and Brand
- Improving our Cost Efficiency
- Redefining our Operational Context
- Expanded Regulatory Compliance



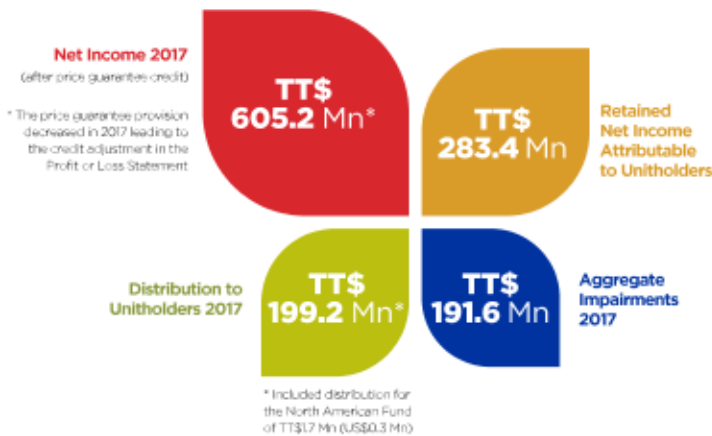
Customers and Brand

We deepened our knowledge and analysis of the mutual fund market and increased our stakeholder engagement. We understand that having greater insight into these two areas help us to better align with global best practice and value creation. Further, we appreciate that a higher customer value means a higher brand value.

One of the major initiatives undertaken to improve our service delivery in 2017 was the implementation of our new customer relationship technology platform designed to reduce the customer's transaction time. By using this platform, we will now be able to better deliver on what you want most - dependability, flexibility and efficiency when conducting your transactions.

We continued the implementation of our 2016-2020 Strategic Plan with the roll-out of new projects and the development of those already on stream.

EXECUTIVE DIRECTOR'S MESSAGE - CONTINUED



Part of our SP2020 strategic planning process involved a close examination of our overall organisational structure. Through our review, we determined that several functions could be realigned, and in some cases, redefined, with a view to better serving the needs of our unitholders. Some of the key organisational changes include the formalisation of the Reputation Management Division, the creation of the Customer Relationship Management Division and the establishment of a Change Management and Integration Office.

This structure allows us to streamline our processes and enhance our resource allocation, allowing us to build our competitive edge at a time of rapid change. To complement this, we formally launched the Leadership Culture Change Initiative aimed at building a best-in-class organisation that will drive business excellence and ensure optimal project execution. Our leadership team is the driver of competitive change and must be equipped with the necessary competencies if we are to navigate the change together.

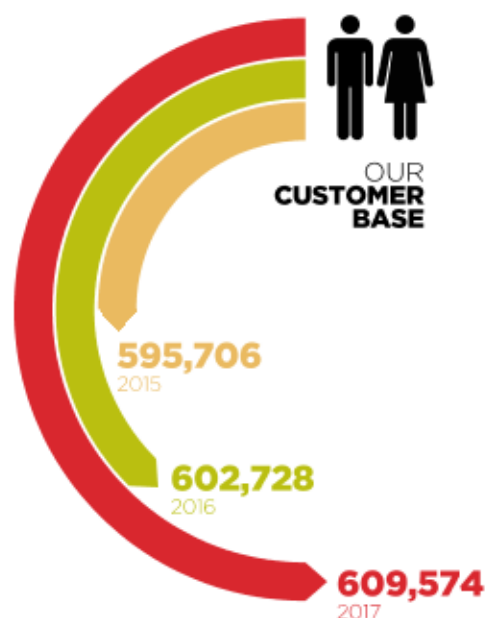
Improving Cost Efficiency

The Corporation initiated and completed several cost reduction initiatives aimed at decreasing operational costs and improving organisational efficiency. We spent the greater part of 2017 defining, sourcing and implementing the specific resource requirements for these initiatives, most of which involved investing in new technology, streamlining processes and empowering our team members. On completion, these projects will lead to significant operational

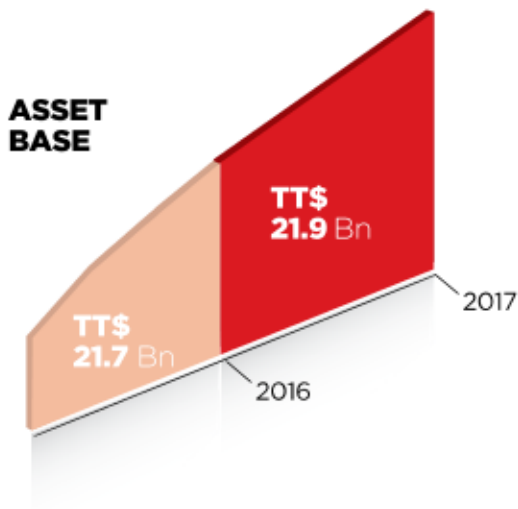
efficiency thus increasing our ability to provide that best-in-class service to you our unitholders and stakeholders.

Redefining our Operational Context

As noted in last year's Report and further echoed by our Chairman in this year's address, the UTC recognises that we are constrained by the current legislation governing the Corporation. Our mandate and core purpose remains the same: To foster a culture of saving and investment through education and innovative solutions that allow everyone access to the capital markets. It is the very pursuit of this goal that leads us to believe that we can do so much more to create added value for our stakeholders if there are changes to the governing legislation. Thus, we have held and will continue to have proactive consultation sessions with the relevant parties to redefine and expand the external context in which we operate. In the interim, however, we continue our work with respect to meeting our current regulatory, compliance and risk management commitments.



EXECUTIVE DIRECTOR'S MESSAGE - CONTINUED



Regulatory and Compliance Environment

In 2017, we maintained our commitment to reporting to our supervisory bodies, the Central Bank of Trinidad and Tobago (CBTT), Trinidad and Tobago Stock Exchange (TTSE) and the Trinidad and Tobago Securities and Exchange Commission (TTSEC). Further, we continue to partner with our regulators and engage in meaningful discussions regarding possible amendments to our governing regulations to allow us to respond to our changing environment.

As a Systemically Important Financial Institution (SIFI) we are acutely aware of the critical role of the Corporation, not only to our immediate stakeholders but to the stability of our economy. With this in mind, we continue to evaluate our risk management framework and strategies to ensure we remain proactive in identifying and managing our responses to internal and external risks that can negatively impact the Corporation. In 2016, we strengthened our Risk Management Framework and accompanying systems. This year, we continued our review in an ongoing effort to be aggressive in identifying and responding to actual or emerging risks. Our evaluation is an iterative one and is conducted against national and international best practice standards annually.

The assent to the Foreign Account Tax Compliance Act (FATCA) legislation on March 20, 2017 added another layer of compliance and reporting. We appreciate

however, that the Tax Information Exchange Agreements (United States of America) Act 2016, is an important and enabling piece of legislation and we remain committed to ensuring full compliance. We spent the latter part of 2016 and early 2017 building our internal operational capacity to fully meet our obligations under this Act. I am pleased to report that we have fully operationalised and integrated the required compliance mechanisms into our service delivery process.

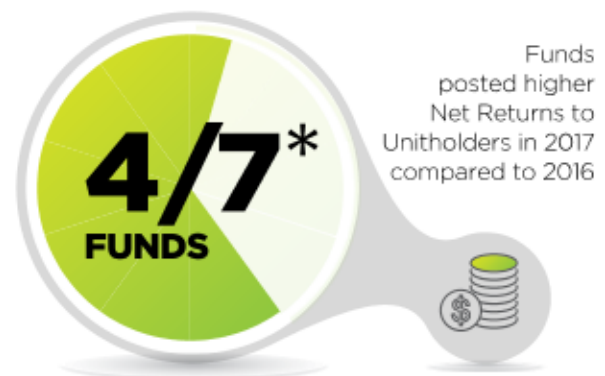
2018 Strategic Initiatives

We continue our transformation with empowered teams delivering exceptional service and robust financial results.

• **Improved Risk-Adjusted Fund Performance**

The UTC works aggressively towards improving the general performance of its mutual funds. As such, providing competitive returns, in keeping with the assumed level of risk for each Fund, remains a priority for us.

2018 could see increased international financial market volatility due largely to expectations of geopolitical factors and rising interest rates in the United States. Inherent in our management of our mutual funds is portfolio diversification, which mitigates against the risks of holding individual financial securities and “putting all your eggs in one basket.” In this regard, through sound asset selection and asset diversification, the UTC aims to navigate any market volatility underpinned by our investment mantra of “Safety, Strength and Stability.”



*In 2017, trading in the UTC Corporate Fund was suspended, thus we focus on the other six Funds.

EXECUTIVE DIRECTOR'S MESSAGE - CONTINUED

Our arsenal of navigation tools includes employing strategies to preserve gains; the adoption of more rules-based approaches to market interaction and the application of rigorously tested tactical methodologies aimed at reducing human bias, as well as problem-solving in asset selection and disposal.

• **Embed an Agile Leadership Model with Connected, Servant-Leaders**

Through training and personal development sessions, we aim to create servant-leaders who are sensitive to the needs of our team members and can build a positive work ethic. In addition, we foster behaviour that is empowering and contributes to our culture of innovation.

We are an organisation that understands that getting the best of our team requires a culture where skills are cultivated and honed to develop team members whose combined efforts maximise results. As such, team members are not just cogs in a wheel but in a place where everyone can contribute to our ecosystem.

With greater empathy, our leaders are being trained to inspire, motivate, influence, empower and engage at all levels in the achievement of our goals. They continue to work with self-directed teams that are empowered to make decisions and who are coached to be problem solvers. We ensure that our teams possess the resources they need to get the job done while encouraging work-life balance. In 2018, we continue to make this leadership transformation where team members can tap into their creativity for the betterment of the Corporation.

• **Deliver Strategic Technologies to Better Serve our Customers**

We know our unitholders seek convenience and flexibility when managing their investments, and with rapid changes in the environment, the UTC needs to respond to make a difference. For this reason, we are designing and implementing our New Core

System to offer customised investment services with multipoint customer access. This initiative will be the backbone of building future relationships with our customers.

We are well advanced in the pursuit of our strategic technology programme agenda. The Data Cleanse exercise that allows us to update our customer data, is in its final stages of completion with implementation scheduled to begin this year. The implementation of our Portfolio Management System and the Enterprise Resource Planning solution for Finance and Supply Chain Management will be implemented before the end of the year 2018 and the core banking system that finesses our overall IT infrastructure has been selected. The integration of these systems will significantly enhance our service delivery and place us in a state of readiness for greater product and service development and a more flexible and future-driven approach to serving you.

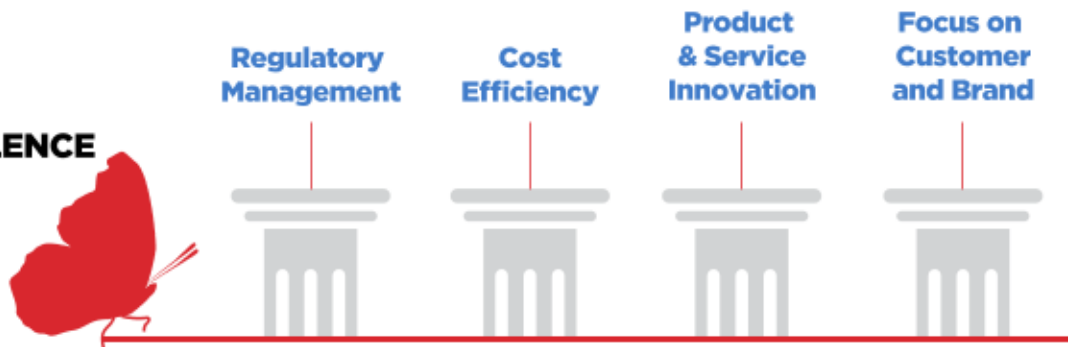
• **Becoming Change Masters**

Managing change in any organisation is never easy. As such, to ease the transition we have embarked on a Change Management Programme that focuses on supporting and equipping our team members with the tools needed to lend support to our changes, internal and external. In so doing, we can build our competencies that allow us to navigate the change together. It's an opportunity for us to understand the changes and how they impact us.

Driving efficiency in the face of multiple changes allows us to not only achieve our strategic vision but enables us to deliver results on each change more effectively. It allows us to build competencies that sustain the UTC's capacity to grow and adapt. We have invested in Change Management training for all team members to help realise business excellence and increase the benefits of structured, organisational change to ensure optimal project execution.

EXECUTIVE DIRECTOR'S MESSAGE - CONTINUED

PILLARS
OF EXCELLENCE



• The UTC Foundation - Year 1

At the UTC, we have seen how our social investments transform lives. Our SEA Scholarship Programme provides support to students who are academically brilliant but come from financially disadvantaged families. Over the years, we have seen scholars emerging from the programme and excelling in their chosen fields.

Likewise, our Schools' Investment Game (SIG), an online virtual investment game, is designed to give students across Trinidad and Tobago early exposure to the dynamic world of finance and investing. The goal of the game is to teach the importance of investing at an early age. The simulation provides students with insight into the financial arena and creates an environment for understanding risk and return. From inception, these educational initiatives were tied closely to our mandate to "foster a culture of saving and investment through education". However, that is just skimming the surface of our educational thrust.

After careful analysis of our bigger CSR picture, we realised that our efforts could be more impactful. To close the gap and increase impact, last year we launched our UTC Foundation, bringing laser focus to what we do. Our goal is to strengthen the partnerships we already have and to build new ones in our communities, leveraging our Foundation's pillars to create Shared Value. Our pillars are Education, Financial Well-Being and Environmental Citizenship.

Changes to the Strategic Leadership Team

In 2017, we formalised the establishment of two new divisions and one department within the Corporation to help align our business to meet the needs of the customer. The new divisions and department are: The Customer Relationship Management Division (CRMD), the Reputation Management Division and the Change Management and Integration Department (CMI).

The CRMD was established to better connect and serve our entire customer base and is accountable for all customer relationship touchpoints, including Advisory Services, Electronic Distribution Channels, Agency Management and the Investment Centres. The Division is led by Karrian Hepburn, Chief Customer Relationship Officer, whose career experience spans over 14 years.

To bring into sharper focus our relationship with our stakeholders, the Marketing and Communications Department has received a broader mandate and has evolved into our Reputation Management Division (RMD). It is headed by Natasha Davis, Vice President, Reputation Management. The RMD has the responsibility for managing our reputation and image across all media and platforms, optimising marketing and communication investments, leveraging our market leading brand, transitioning the UTC Foundation into a stand-alone entity and strengthening our digital footprint.

EXECUTIVE DIRECTOR'S MESSAGE - CONTINUED

The CMI Department has responsibility for deploying a change management methodology throughout the Corporation, as well as for ensuring that all stakeholders understand the change management skills, competencies and approach that would allow us to derive the best outcomes for our strategic projects and initiatives. They will coach and guide team members through the entire process, thus allowing for the achievement of Return on Investment (RoI), faster adoption and benefits realisation on our investments in technology and process improvements. The CMI Department is led by Amoy Van Lowe, Vice President, Change Management and Integration, who previously served as the Vice President, Advisory Services.

Future Outlook

The global economic recovery has strengthened as evidenced by stronger economic activity in various regions, a rebound in world trade, improved investment conditions and an overall increase in market confidence. However, rising geopolitical tensions, escalated debt levels, financial imbalances and heightening nationalism pose a major threat to world trade and multilateral cooperation and have the potential to derail the economic recovery and restrain growth going forward.

In the Caribbean, economic growth is expected to be broadly consistent with International Monetary Fund (IMF) projections, with higher growth levels projected for the service-based economies relative to commodity exporters. Trinidad and Tobago's macroeconomic challenges are expected to continue in 2018, notwithstanding a slight increase in energy sector activity. Although economic activity was sluggish for most of 2017, economic performance is expected to improve in 2018.

At the UTC, we will continue to rebalance our portfolios to seize potential opportunities in the financial markets, while ensuring mitigation against potential risks. To do so, we will continue to monitor the global, regional and local environments to enhance our fund performance, investment returns, fund size growth and superior asset quality.

Appreciation

The accomplishments we have made would not have been possible without the dedication of a committed group of individuals. For their continued dedication and unwavering support, during 2017, I wish to extend my sincerest thanks to our former Chairman - R. Krishna Boodhai, our present Chairman - Justice Rolston Nelson, all the other members of the UTC Board, our Enterprise Leadership Team and our loyal team members.

On April 20, we were pleased to announce the appointment of Nigel Edwards as the new Executive Director of the Unit Trust Corporation, effective June 1, 2018. He has been a critical member of the Strategic Leadership Team, instrumental in the Corporation maintaining its robust financial position with more than 25 years' experience in the fields of Accounting and Finance.

In closing, I wish to pay tribute to you, our unitholders. We thank you for your support and the confidence that you continue to place in us. As your Partners for Life, we pledge to be there every step of the way, giving you a guiding hand as you navigate your own financial journey. Together, we will reshape the future.



Sincerely,
Ian P. Chinapoo
Executive Director
April 27, 2018

4. STRATEGIC REPORT

**Together
we will
reshape
the future**

4.1 OPERATING ENVIRONMENT

In 2017, we saw three forces impacting our operating environment:

- **regulatory compliance developments**
- **technological advancements** and
- **enhancement of customer experiences**

Regulatory Compliance Developments

The most significant development was the passage of the Tax Information Exchange Agreements (United States of America) Act, on February 23, 2017. Following proclamation of the Act in July 2017, the FATCA Intergovernment Agreement (IGA) took effect and the Corporation was mandated to submit to the Board of Inland Revenue (BIR) account information on certain applicable customers for the years 2014, 2015 and 2016. The exercise was successfully completed by the mandatory BIR deadline date of September 15, 2017 for reporting to the Internal Revenue Service (IRS) due September 30, 2017.

Another substantial event was the designation of Trinidad and Tobago as a jurisdiction with strategic weaknesses in its Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) measures by the Financial Action Task Force (FATF). As a result, Trinidad and Tobago now appears on the FATF's listing of High-Risk and Non-Cooperative Countries. The designation has the potential to impair the conduct of business abroad as local financial institutions will be subject to greater scrutiny and enhanced due diligence (EDD) measures from their foreign counterparts. Corresponding banking relationships may face the threats of de-risking as a result of this designation.



The year 2018 will herald the introduction of the Common Reporting Standard (CRS). The Standard requires countries to obtain customer information from financial institutions within their jurisdictions and automatically exchange that information with other participating jurisdictions on an annual basis, in an attempt to achieve global tax transparency and reduce tax evasion. CRS will require the Corporation to implement due diligence procedures similar to FATCA. The Mutual Administrative Assistance in Tax Matters Bill 2017, when enacted into law, will facilitate the implementation of CRS.

Technological Advancements

The financial industry witnessed synergies between digital customer service models and the growth strategies of firms. A successful digital destiny requires a firm to have a clearly defined digital strategy as part of their operating strategy. Time, energy and resources are now being devoted to developing and

implementing digital business initiatives that give investors the convenience and flexibility when managing their investments.

Enhancing Customer Experiences

Many firms have committed to making client engagement a core priority. Millennials have become an increasingly significant part of the market and have faced different challenges from earlier generations which influence their use of financial services. They approach investing differently due to their prolific use of social media and interactions with people and institutions. There is need for investment managers to consider several steps when targeting millennials as the difference in preferences may be drastic.

(Source: Deloitte)

OUR COMPETITIVE LANDSCAPE

The major players within the local financial services industry can be categorised into commercial banks, non-financial institutions, insurance companies and credit unions.

The mutual fund sector experienced growth from \$43.29 billion in 2016 to \$43.77 billion in 2017, comprising 84% of income funds and 16% of equity funds as at December 2017.

The entry of new providers in the last reporting period, increased in both the number of players (15+) in the mutual fund sector and the number of collective investment schemes (65+). Despite the increase in competition however, the UTC continues to hold the lead market share at 46.8%.

(Source: TTSEC)



4.2 OUR STRATEGY

UTC's focus toward our 2020 goals continues apace. Our primary objective is to continue to deliver on our Customer Value Proposition (CVP) with competitive returns, innovative investment solutions, and distinctive customer service delivery, while reducing our cost to serve.

As such, to ensure our initiatives are aligned with our Vision 2020 we remain anchored to our four Pillars of Excellence:

1. Regulatory Management - Continue our collaboration with our various regulators to ensure proper governance and transparency in all our business operations.
2. Cost Efficiency - Proactively manage our operational costs through the implementation of innovative, and effective cost reduction and cost control measures.
3. Product and Service Innovation - Enhance our existing product and service portfolio and introduce innovative solutions to diversify risk and develop new sources of income.
4. Focus on Customer and Brand - Expand and deepen our knowledge and analysis of the Mutual Fund market and our customers, to enhance customer service delivery and leverage our brand equity.

With our Pillars of Excellence, all activities within the Corporation remain fully aligned to our core Customer Value Proposition.

Coming off a very successful 2016, we continued to lay the infrastructure for our Vision 2020 with the completion of several planned strategic projects in 2017 and monitor the achievement of strategic benefits. Key amongst these projects were:

- UTC Tertiary Certification Programme
- Innovation and Design Engineering by All (Idea\$) in Action
- Advisory Services Management Information Systems (MIS) Upgrade
- Supply Chain Enhancement
- Launch of Automated Transfer Facility
- Online Statements

In addition, several projects saw crucial deliverables being completed in 2017. These included compliance with International Financial Reporting Standards (IFRS) 9, Enterprise Project Management Framework Implementation, FATCA, Change Management Programme, enhanced Business Continuity Planning (BCP) preparedness, and strengthened internal controls self-assessments.

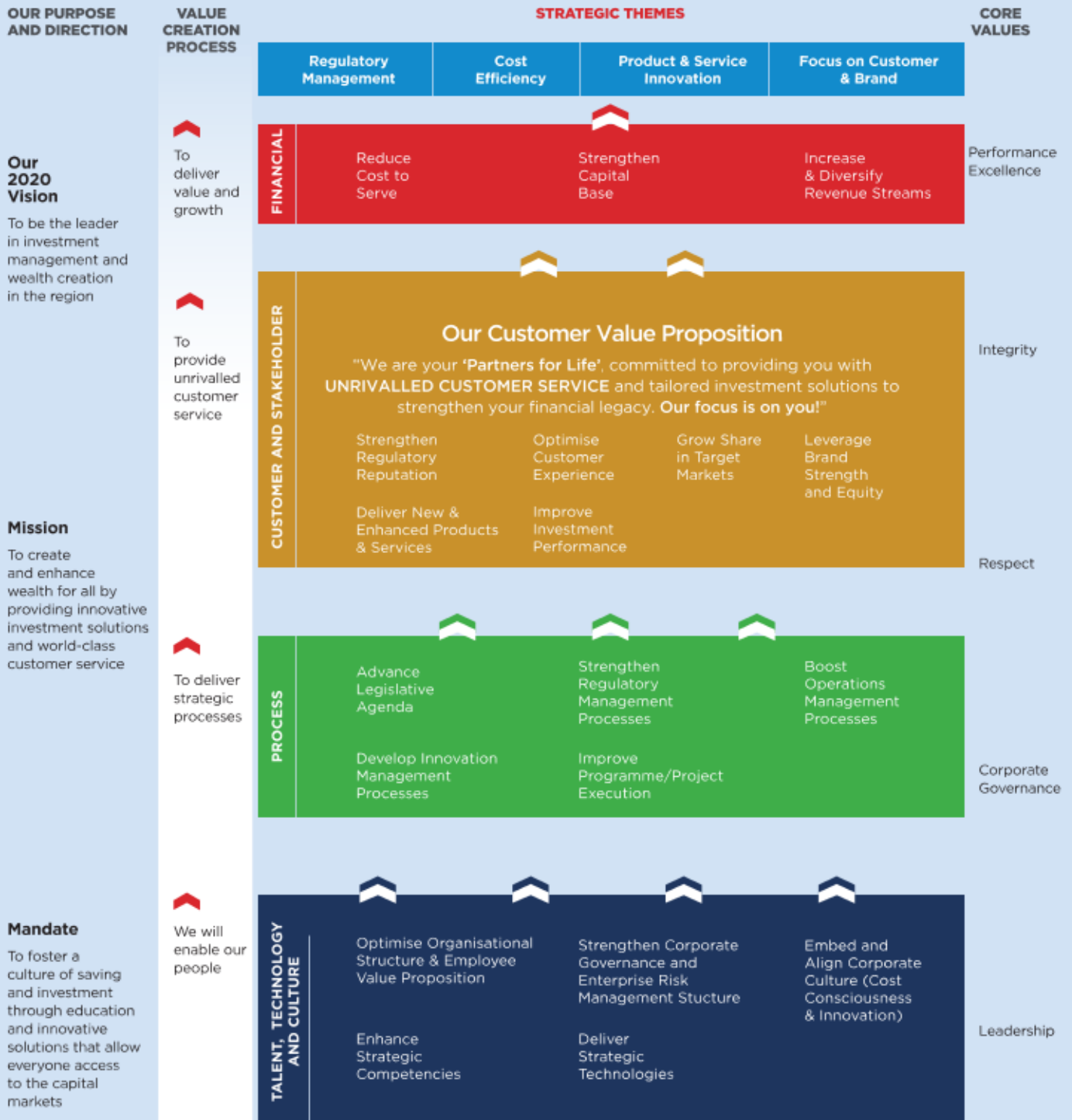
Notwithstanding, our eyes remained firmly on revamping our core operating systems and processes. To this end, we've made great strides with our technology refresh projects, as we position the Corporation to better meet and respond to the needs of our unitholders. This consists of four major components spanning both internal and external interfaces which are designed to enhance unitholders' experience at every touchpoint, and at the same time ensuring our internal processing is reflected in our reduced cost to serve, as well as faster transaction completion times.

One of the major undertakings during the last year was streamlining our approach to our projects and initiatives, to ensure effective allocation of resources. The result was projects undertaken during the year were completed on time, increasing our project execution rate which ended the year at 94% up 5% from the previous year.

Moreover, we complemented our Project Management processes, with the establishment of a Change Management and Integration Office to help every team member and stakeholder better understand, embrace and participate in the changes being undertaken.

As we move closer toward our Vision 2020, we are conscious of the need to keep track of our performance and where necessary, make timely and necessary corrections. In this, we are aided and guided by key performance indicators (KPIs). Although not exhaustive some of the key ones are: Retained Earnings Growth, Efficiency Ratio, Market Share, Statutory/Regulatory Compliance, in addition to our Information, Communications and Technology systems up time, and Operational Losses.

LEADING INNOVATION, DRIVING VALUE



Value Creation Business Model

Value through innovative business

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 economic value.



LEADING INNOVATION

DRIVING VALUE

Mandate, Mission, Vision

GOVERNANCE

BUSINESS MODEL

Business Activities

- Brand & Reputation Management
- Portfolio Management
- Trustee Management
- Enterprise Risk Management
- Financial Management
- Cost Management
- Wealth Management
- Investments in Strategic Technologies
- Customer Relationship Management
- Product & Service Innovation/ Research & Development
- Human Capital Model
- Stakeholder Engagement
- Health & Safety Management
- Facilities Management

Outputs

- Tailored Investment Solutions
- Low-cost Services
- Competitive Total Risk Adjusted Returns
- Investor Capital Preservation
- Investor Education Programmes
- Shared Value Programmes

GOVERNANCE

External Environment

STRATEGY AND RESOURCE ALLOCATION

OUTLOOK

VALUE CREATION FOR UTC'S STAKEHOLDERS



Intellectual

- Good Regulatory Standing
- Top 5 Brand Ranking (Financial Services Industry)
- High Investor Confidence and Brand Loyalty
- Wealth Creation for Investors



Financial

- Sustainable Profitability
- Capital Adequacy
- Sufficient Cash Flow for Operations
- Cost Efficient Operations



Human

- Bench Strength - Top Leadership
- Satisfied and Engaged Team Members
- High Strategic Execution/Productivity
- Low Employee Turnover

OUTCOMES



Manufactured

- Enhanced Capabilities
 - Innovation
 - Operations Management
 - Channel Delivery
- Operational Efficiencies



Social Relationship

- Solid Contributor to Community/National Development (Good Corporate Citizen)
- Symbiotic Stakeholder/Partner Relations
- Embraced as a trusted 'Partner for Life'
- Consistently High Customer Satisfaction



Natural

- Safe and Healthy Work Places
- Green Operations (Environment Friendly)

OUR KEY RELATIONSHIPS (see page 40)



Team Members



Unitholders



Regulators



Strategic Partners



Society

Value Creation Business Model (VCBM)

Providing the appropriate balance of information, products and services to help the investing public achieve their goals continues to be the driving force unpinning our VCBM. Because of the very competitive operating environment, we were careful to include a built-in mechanism that allowed us to monitor and review our approach throughout the financial year so that timely and necessary adjustments could be made.

During 2017, this review resulted in the realignment of some of our strategic initiatives to take advantage of the current business climate. In so doing, we ensured that all our activities, while aligned to our key strategies and objectives, were consistent with the VCBM principles. Moreover, in 2017 we continued to be a significant market participant by maintaining some key differentiators:

- Strong regulatory standing with all regulators
- UTC continues to be perceived as one of the Top 5 brands
- We continue to enjoy high investor confidence and the trust of our unitholders
- A strong capital base from which strategic investments could be made
- More robust governance practices embedded into our operations and increased self-assessments.

In 2018, we will continue reviewing our model to maintain our flexibility and remain competitive in delivering the value our unitholders have come to expect. Refer to the table that follows.

We continue to maintain our market position ranking in both brand awareness and corporate image (among the top 4, and 1st respectively), in addition to our percentage share of the mutual fund market. There was also an improvement in our internal employee satisfaction index.

Other key areas supporting our overall performance are a robust operating platform under industry standards and our increasing ability to deliver on projects with a 94% completion rate. As we reshape the future, we have had to refocus our lens so that we are able to truly concentrate on what matters.

KEY PERFORMANCE INDICATORS

Key Performance Indicators at the foundation of our strategy decisions.

KPI	2017 Target	2017 Results
Retained Earnings Growth	7.1%	8.4%
Operational Cost Ratio/Efficiency	79.4%	69.8%
Customer Satisfaction Rating	80%	77.3%
Market Share	47%	46.8%
Satisfaction Investment Performance	79%	75.5%
Statutory/Regulatory Compliance	No material error or fines	No material error or fines
Reduction in Operational Losses	\$0.440 Mn	\$0.281 Mn
Employee Satisfaction Index	63%	64.0%
ICT Uptime	99.5%	99.8%
Revenue Growth	-11.6%	-13.4%
Unitholder Base Growth	1% YOY	1.1%

Through this Integrated Annual Report we are seeking to provide the appropriate information in the most effective format that is relevant to stakeholders and investors.

Our major undertakings for 2018 will revolve around a revamp of our ICT infrastructure, with the aim of tailoring products to the needs of our unitholders.

UTC is ever mindful of its mandate to “foster a culture of savings and investment through education and innovative solutions that allow everyone access to the capital markets.” To this end, we will continue with our investor education programme aimed at providing a better understanding of investment options that cater for all life’s stages.

4.3 MATERIAL MATTERS

At the UTC, we are mindful of the correlation between our strategy, performance and the business environment in which we operate. We continuously monitor the internal and external trends that can have a material impact on our ability to create value in the short, medium and long-term or affect our ability to remain sustainable and socially relevant.

Our approach to materiality provides us with a framework to identify and assess the potential impact of these trends on the Corporation's work.

In 2017, through stakeholder engagement, research and other consultative activities, we identified key trends that posed a risk to the implementation of our 2017/2018 strategic initiatives and our longer term viability.

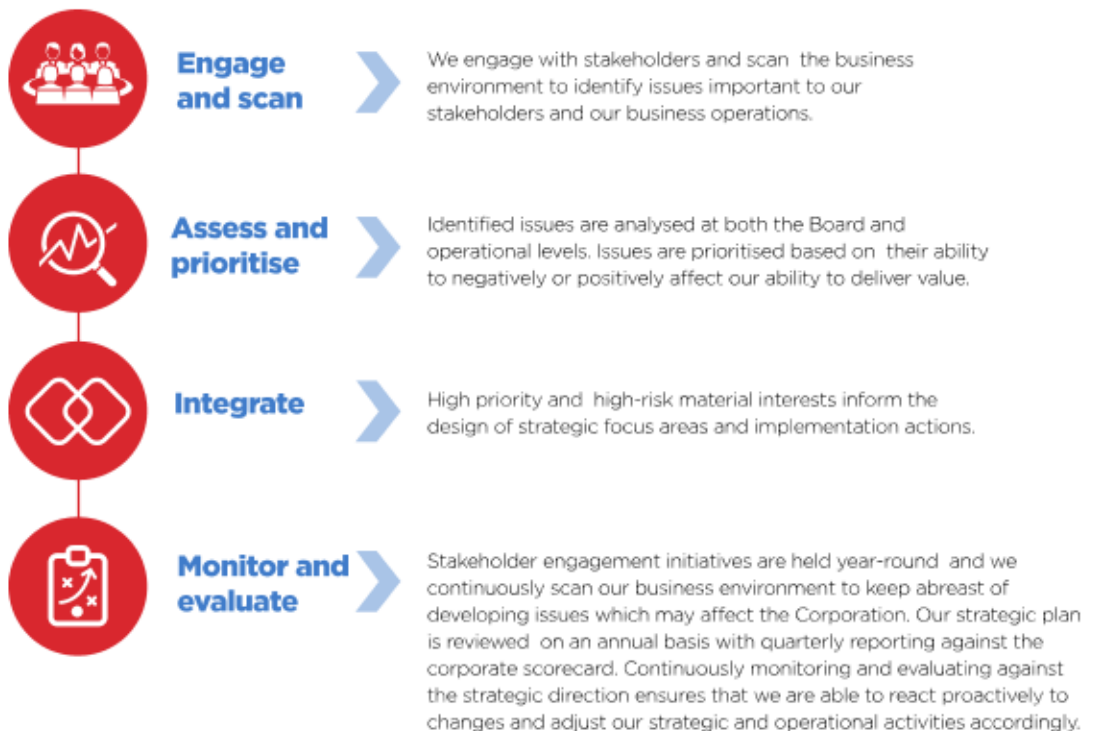
Similar to the last reporting period, over 25 trends were identified as material to the UTC with the top trends being:

- Macroeconomic environment
- Regulatory environment
- Crime and security
- Unitholder earnings
- Increased access by customers

Our integrated approach to identifying, evaluating and prioritising these material issues ensures that we develop and implement strategies to minimise or alleviate the disruptions they have on our ability to create value for you.

In light of the risks identified, we have taken steps to lessen the negative impact on our work. This is discussed in further detail in our Strategy Approach on page 34 and the Risk Management section on page 80.

Our Approach



4.4 OUR KEY RELATIONSHIPS

Our stakeholders are our key partners. They help us create and maintain business value. While we focus on building constructive relationships through dialogue to create targeted, tangible and sustained value for each group, we are determined to keep strengthening all our stakeholder relations.

We appreciate that these stakeholder groups are distinct with each impacting us differently. To ensure that we stay engaged, we continuously monitor our relationships that helps us build a base of knowledge for our strategies.

Throughout the year, we utilise both qualitative measures such as focus groups and meetings, as well as quantitative tactics – surveys and interviews, to identify and assess material issues which inform our decision-making and strategic direction. In this way, we initiate and sustain constructive stakeholder relationships.

THE UTC HAS
10
KEY
STAKEHOLDER
GROUPS:

- Unitholders (Individual and Corporate)
- Team Members
- Society
- Regulators
- Board of Directors
- Government
- Media
- Leadership Team
- Auditors
- Suppliers/Service Providers

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
Unitholders (Individual and Corporate)	Our Unitholders are our primary focus. All of our business activity is centred around our customers and ensuring that we consistently create and deliver value to them.	<ul style="list-style-type: none"> • Safety and Security • Financial and Investment Performance • Competitive Rates of Return • Capital Preservation • Service Availability and Reliability • Strong Brand/ Image and Reputation • Sound Financial Advice • Unitholder Recognition • Operational Efficiency • Competitive Products (Customised Products and Services) 	<ul style="list-style-type: none"> • Customer Satisfaction Survey • Annual General Meeting • Customer Appreciation Day • Financial Planning Seminars • Brand Survey • Advertising Effectiveness Survey • Social Media • Shared Value Initiatives • Public Education Initiatives 	<ul style="list-style-type: none"> • Ranked 1st as a Mutual Fund Company • Ranked 1st as an Investment Company • Ranked 1st for Security • Ranked 1st for Stability • Ranked 1st for Best Corporate Image • 77% of our customers are satisfied • 84% rated our staff as amiable, courteous and professional • 75% expressed that UTC's people, processes and facilities support the needs of the customer • 75% of customers perceived the Corporation positively in terms of trust, products and services offered • 75% are pleased with their investment performance • 77% shared that they would refer and recommend UTC

OUR KEY RELATIONSHIPS - CONTINUED

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
<p>Team Members</p>	<p>Our team members are the heart and soul of the UTC. Not only are they our most valuable asset, but they are our strategic partners, ambassadors and represent the values the UTC holds dear. Our people strategy is designed to attract, develop and retain the best talent.</p>	<ul style="list-style-type: none"> • Job Security • Healthy and safe work environment • Fair and equitable treatment • Empathy, respect, autonomy, empowerment • Good Industrial Relations practices • Reward, Recognition and Benefits • Professional Development • Work-life balance • Pension Plan Administration • Financial Stability • Equal Opportunity 	<ul style="list-style-type: none"> • All Team Meetings • Introduction of an Express With Dignity Suite (for breastfeeding mothers) • Learning Hub • Employee Satisfaction Survey • Team Engagement – Fun Activities • UTC Children's Christmas Party • Intranet and Unite App. 	<ul style="list-style-type: none"> • 64% of our team is satisfied • 76% agreed that the UTC provides a safe and healthy work environment • 80% like their job • 90% understand how the work they do contributes to the overall success of the UTC • Low attrition rate • Highly engaged team members who feel appreciated
<p>Society</p>	<p>A strong, safe and responsible community positively contributes to the development of its citizenry and our nation.</p>	<ul style="list-style-type: none"> • Safety of investment • Development and growth • Comfort and peace of mind 	<p>UTC Foundation</p> <ul style="list-style-type: none"> • Various outreach and CSR initiatives including: <ul style="list-style-type: none"> - SEA Enrichment Workshop - Schools' Investment Game - Financial Well-being Workshops - Recycle Projects - Big Brother, Big Sister Programme with the Heroes Foundation 	<ul style="list-style-type: none"> • 46.3% of respondents indicated that the UTC acts as a good Corporate Citizen. This is attributed to the organisation's charity and community work (16.8%), the products offered (15.8%), and a Good Reputation/ Trustworthy/ Brand (13.7%)
<p>Regulators</p>	<p>UTC is classed as a Systemically Important Financial Institution (SIFI). The regulators monitor and ensure transparency and fair play in the competitive market. They serve as watchdogs and partners supporting the Corporation with its strategic activities, specifically our legislative and regulatory agenda and our continued contribution to the national economy. UTC works with the Central Bank, TTSEC and TTSE to ensure the Corporation complies with its obligations under the UTC Act and relevant legislation governing the mutual fund industry.</p>	<ul style="list-style-type: none"> • Full compliance with all regulatory directives/ requirements • Quick response time to queries/ concerns 	<ul style="list-style-type: none"> • Meetings • Reports • Regulator related events • Notices 	<ul style="list-style-type: none"> • A strong and effective Risk Management Framework • Sound Corporate Governance Framework • Regulatory and Legislative Advice and Guidance • Transparency and Accessible Relationships

OUR KEY RELATIONSHIPS - CONTINUED

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
Board of Directors	<p>The Board has overall accountability for the effective management of the Corporation and ensuring, through sound governance and strategic oversight policy and practices, the Corporation continues to fulfil its mandate and create value for its various stakeholder groups.</p>	<ul style="list-style-type: none"> • UTC's Governance, Risk Management & Internal Controls are designed, implemented and are in compliance with all legal and regulatory requirements. • The strategic direction of the UTC and the effective implementation of the designed strategy • Strong Financial Performance • Investment Performance and overall stability and sustainability • UTC engenders confidence in Corporate and Financial Sector 	<ul style="list-style-type: none"> • Board and Committee meetings • Board training sessions • Board evaluations • Board reports • Strategic planning events 	<ul style="list-style-type: none"> • Fulfilment of UTC mandate • Stable, Profitable, Sustainable and Robust Corporate Governance • Value creation for each stakeholder group
Government	<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
Media	<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

OUR KEY RELATIONSHIPS - CONTINUED

OUR STAKEHOLDERS	WHY THEY ARE IMPORTANT	WHAT MATTERS MOST TO THEM	HOW WE ENGAGE THEM	IMPACT
Leadership Team	<p>Our Leadership team comprises some of the best and brightest minds in Trinidad and Tobago. They are responsible for mapping our strategic direction and ensuring that we continue to create shared value for our stakeholders.</p>	<ul style="list-style-type: none"> • Strategic Direction • Financial and Investment Performance • Operational Efficiency • Effective Organisational Structure and Resourcing • Organisational Culture • Financial Stability, Governance, Risk Management, Compliance & Internal Controls 	<ul style="list-style-type: none"> • Strategic leadership meetings • Management reports • Intranet • Social Media • Satisfaction Survey 	<ul style="list-style-type: none"> • Loyal team members that advocate the UTC Brand • 64% of the UTC team is satisfied • 77% customer satisfaction • Best practice in Corporate Governance • Profitable and well-managed Corporation • Strong Brand • Low management attrition rate
Auditors	<p>Our Auditors are responsible for ensuring fair and accurate reporting, strong internal controls and the overall integrity, independence and effectiveness of the organisation in the fulfilment of its mandate.</p>	<ul style="list-style-type: none"> • 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"> • Free and Open Access to records • Audits • Financial and other reports • Meetings 	<ul style="list-style-type: none"> • Full compliance with IFRS reporting • Strong risk management and internal control systems • Full compliance with local and international codes and standards • Strong advisory and consulting role when required
Suppliers/ Service Providers	<p>Our network of local and international suppliers and business/ strategic partners are vital to our work and help us implement our strategic priorities.</p>	<ul style="list-style-type: none"> • Equitable access to business opportunities • Engagement • Operational efficiency and responsiveness (timely payments and information) • Integrity (honesty and fairness) • Financial strength and business continuity 	<ul style="list-style-type: none"> • Training • Meetings/Focus groups • Service Level Agreements 	<ul style="list-style-type: none"> • Developed relationships with suppliers allowing for increased efficiency and flexibility

4.5 DELIVERING VALUE TO OUR STAKEHOLDERS

CHIEF FINANCIAL OFFICER'S REPORT*

Dear Fellow Unitholders,

Fiscal year 2017 was fraught with historic natural disasters, geopolitical pressures and deep political divides. This notwithstanding, Gross domestic product (GDP) growth continued to accelerate across the globe representing the largest upswing in ten years.

Domestically, after the lowering of our sovereign credit rating and issuer and senior unsecured debt ratings by Moody's Investor Service in April 2017, the stabilisation of the economy dominated the national discourse. Additionally, the new normal of low oil and gas prices continued to present challenges to the international and domestic economies and our production declines further exacerbated our situation.

Despite the challenges within the environment, the Group remained robust in bolstering its financial position and providing a secure investment environment for our unitholders.

Changes to Group Structure

The Group controlled 10 entities for the first nine months of 2017. The dissolution of UTC Energy Investment Limited, a wholly owned subsidiary of the Group, was concluded in October 2017. The company, which is now inactive, filed a Certificate of Dissolution in October 2014 and sold its only asset in March 2015. At the close of 2017, nine entities were controlled by the Group.

Financial Position and Performance Review

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions. Management has reviewed these judgements, estimates and assumptions in preparing its 2017 financial statements.

Consolidated Statement of Financial Position Review

The Group recorded an increase of \$197.6 million in total assets in 2017, ending the year at \$21.9 billion.

Our cash position grew by \$969.3 million or 39% as the Group repositioned some of its portfolios and shortened the duration on investments in line with market conditions. The Group also benefited from a significant reduction in its Guarantee Pricing liability as the Net Asset Value (NAV) for the Growth and Income Fund increased by 55 cents or 3%. The NAV has an inverse relationship with the guarantee liability. 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.

Consolidated Statement of Profit or Loss

For fiscal year 2017, the Group experienced a 5% decline in Net Income before distribution and taxation from \$635.8 million to \$605.2 million. The increase in Net Investment Income of \$26.5 million was impacted by the reduction in realised gains reclassified from equity of \$22.2 million and the increase in impairments of \$92.2 million. The Group recognised significant impairments due to the decline in equity prices for some investments and the deterioration in credit quality of other assets.

Distributions to unitholders was \$197.5 million, a decrease of 18% from \$239.3 million in the previous year. The Group continues to offer its investors competitive rates based on market conditions.

Unitholders in the Universal Retirement Fund benefited from a significant increase in income capitalised, moving from \$8.6 million to \$27.1 million. The increase is reflected in the NAV of the Fund which ended at \$44.59 compared to \$42.19 the previous year.

* Note that figures have been rounded off to one decimal point.

CHIEF FINANCIAL OFFICER'S REPORT - CONTINUED

Retained Income attributable to unitholders moved from \$265.0 million to \$283.4 million, a 7% increase year on year. The positive return was principally due to a higher net income from the Investment Funds.

Total Group expenses (excluding impairment charges, price guarantee provision and taxation) fell by \$13.1 million or 5% when compared to 2016.

The Group also benefited from the dissolution of its subsidiary UTC Energy Investment Limited, recognising a net gain of \$6.9 million.

Looking Ahead

At the close of 2017, the Group's financial position continues to strengthen and we are positioned for growth despite a turbulent economic climate. The Group remains steadfast in its financial mandates and continues to pursue maximised unitholder value and operational efficiency.



Nigel Edwards
Chief Financial Officer
April 27, 2018

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 Trust Services Limited.....	Local Subsidiary
UTC Financial Services Limited.....	Local Subsidiary
UTC Energy Investment Limited.....	Foreign Subsidiary <i>(liquidated in October 2017)</i>



INVESTMENT REPORT

Dear Fellow Unitholders,

In 2017, the investment climate continued to be impacted by local, regional, international, economic, social and geopolitical forces. International markets were volatile and domestic economic activity remained subdued. What we saw was a low interest rate environment and sluggish domestic economic activity. Despite these challenges, however, the Corporation performed well overall and achieved solid returns in all of its mutual funds.

Fund Performance Review¹

For the year ended December 31, 2017 we experienced a decline of 0.5% or TT\$20.4 billion compared to TT\$20.7 billion a year ago of the Fund size of our locally domiciled funds.

The five Funds under review are:

1. TT Dollar Income Fund
2. US Dollar Income Fund
3. Growth & Income Fund
4. The Universal Retirement Fund
5. North American Fund

Fund Performance Highlights

Aggregate funds under management increased from TT\$21.6 billion in 2016 to TT\$21.9 billion, representing a 1.5% growth. Further, the aggregate fund size of the mutual funds increased by 0.9% to TT\$21.1 billion from TT\$21.0 billion in 2016.

A stronger than expected US stock market performance, stable dividend yields on both local and international equities, as well as favourable global fixed-income returns resulted in a 4.6% improvement in the total income generated by domiciled mutual funds. To this end, our income increased from TT\$940.7 million in 2016 to TT\$984.3 million in 2017.

Total impairments recognised on the mutual funds increased to TT\$98.5 million, compared to TT\$26.5 million a year ago, as a result of negative growth of many key domestic

equities on the local stock exchange. Aggregate distributions to unitholders declined by 18%² in 2017 to TT\$199.2 million³ from TT\$243 million previously. Management charge also fell by 5.9% to TT\$331.4 million in 2017 from TT\$352.1 million in the preceding year.

Local

Economic conditions in Trinidad and Tobago remain subdued with real GDP estimated to have contracted by 2.3% in 2017, on the heels of a 6.0% decline in the previous year. Depressed global energy prices continued to weigh on energy sector performance and overall economic growth. The lacklustre performance of the energy sector had negative spill-over effects on non-energy sector performance, evidenced by increased weakness observed in the construction and distribution sectors. Notwithstanding this, West Texas Intermediate (WTI) Crude Oil prices rose 18.6% to an average of just over US\$50.79 per barrel compared to the average 2016 price of US\$42.80 per barrel. Stable-to-improving energy prices along with forecast increases in domestic energy sector output should provide impetus for stronger growth in the domestic economy going forward.

In the face of a 15.9% contraction in Government revenues in the 2016/17 fiscal year, expenditure declined by a modest 4.7%, causing the overall fiscal deficit to widen to 8.5% of GDP, up from 5.3% for the previous fiscal year. The shortfall in Government revenue led to increased public sector borrowing and resulted in a higher net public sector debt-to-GDP ratio of 62.8% by the end of September 2017 compared to 60.1% a year earlier.

Inflationary conditions continued to ease in 2017 as headline inflation slowed to 1.3%, down from 3.1% in 2016. Further, despite a marginal uptick in the unemployment rate to 4.5% by the end of the first quarter of 2017 from 3.8% a year earlier, recent Central Bank of Trinidad and Tobago (CBTT) data suggests that domestic labour market conditions continue to remain stable in 2017.

¹ In 2017, trading in the UTC Corporate Fund was suspended, thus we focus on the other six Funds.

² Distributions declined because impairments increased due to a challenging year in the local economy which manifested itself in a declining All T&T Index on the domestic stock exchange

³ Includes distribution for the North American Fund of TT\$1.7 million (US\$0.3 million)

INVESTMENT REPORT - CONTINUED

Following a modest 4.1% gain in 2016, the domestic stock market performance continued to improve in 2017 with the T&T Composite Index advancing by 4.7%. This was attributable to sustained strong performances exhibited by several cross-listed stocks, particularly NCB Financial Group Limited, JMMB Group Limited, Grace Kennedy Corporation and Sagicor Financial Corporation. The Cross Listed Index rose by 38.7% in 2017 on the back of a 57.9% gain in 2016 and continued subdued domestic macroeconomic conditions affected local stock performance in 2017, evidenced by a 5.8% decline in All T&T Index. Regional stock markets continued to improve with the Jamaican Main Stock Market Index advancing by 50.0% while the Barbados Composite Index gained 17.2% in 2017.

Regional

Subdued global commodity prices adversely affected the real GDP growth of commodity-exporting economies such as Trinidad and Tobago and Suriname. In contrast, improved economic conditions in key trading partners supported increased output in the region's tourism sector. Growth in the Caribbean economies continues to be a challenge: in the Eastern Caribbean Currency Union (ECCU), real GDP growth slowed to 2.0% in 2017 from 3.2% in 2016 as the islands of Anguilla, Antigua and Barbuda and Dominica suffered damage to infrastructure and agricultural assets with devastating hurricanes. Growth in Jamaica improved slightly in the third quarter of 2017, expanding at an estimated 0.8% versus a 0.1% contraction in the previous quarter. Meanwhile, growth in Barbados slowed to 1.0% in 2017 compared to 1.6% in the previous year despite a 4.4% increase in long-stay tourist arrivals.

Economic and Capital Market Review⁴**Global**

As part of our investment strategy, the UTC invests in markets across the globe and paying close attention to the performance of major global economies is critical to our work.

As such, our capital allocation was influenced by several key global trends.

Among them was global economic growth which was stronger than expected at 3.7% compared to 3.2% in 2016. This was attributable to roughly 2.3% growth experienced in the advanced economies along with a notable uptick in the emerging market and developing economies which recorded 4.7% growth.

The US economy grew by 2.3% in 2017, up from 1.5% a year earlier. The Federal Reserve Open Market Committee (FOMC) met on January 30 and 31, 2018 and left the federal funds target range unchanged at 1.25-1.50%. The Committee decided to maintain an accommodative monetary policy stance to support strong labour market conditions, and inflation closer to 2.0%.

With regard to global stock market performance, the US S&P 500 Index generated a price return of 19.4% in 2017, while the Dow Jones Industrial Average Index gained 25.1%. In contrast, the US bond markets were less exuberant as investors faced an array of challenges including a weaker US Dollar, lower US Treasury yields and narrowing credit spreads. The Barclay's Global Aggregate Total Return Index nonetheless increased by 7.4% in 2017 while the US 10-Year Treasury Yield declined modestly to 2.4% from 2.5% in the preceding year.

Outlook for 2018

The global economy is expected to grow by 3.9% in both 2018 and 2019, according to the IMF January 2018 World Economic Outlook Update. Real GDP in advanced economies is expected to expand by 2.3% and 2.2% in 2018 and 2019 respectively. In emerging markets and developing countries, real GDP growth is projected to be 4.9% and 5.0% for 2018 and 2019 respectively.

⁴2016 market review figures updated based on most recent reports as published by the Central Bank of Trinidad and Tobago, Bloomberg and International Monetary Fund.

INVESTMENT REPORT - CONTINUED

The US economy is projected to grow by 2.7% this year. The unemployment rate is currently 4.1%, while inflation remains relatively low at 1.5%. Growth is expected to continue in 2018 based on solid consumer and business confidence, relatively stronger conditions overseas, accommodative economic policies and an improved labour market. These conditions support market expectations of further increases in US interest rates in 2018.

The average price for West Texas Intermediate (WTI) crude oil was approximately US\$50.79 in 2017. For the Caribbean, economic prospects are generally improving. Growth in tourism-dependent economies in 2017/18 is projected to be 2.4%, and for commodity exporters growth is projected to rise to 1.3% for the same period.

While the outlook for global economic activity has improved, the global environment remains uncertain with increased inward-looking policies, reduced fiscal space and economic policy uncertainty. Additionally, persistent geopolitical developments are also proving to be a key to the non-economic issues that has the potential to undermine growth and confidence going forward.

On the domestic front, Trinidad and Tobago's macroeconomic challenges continue to take precedence. With WTI oil prices between US\$50.00 and US\$65.00 per barrel and natural gas prices between US\$2.60 and US\$3.00 per MMBtu, the revenue generated from the energy sector should see improvements going forward.

New investment in the non-energy sector is likely to improve on a sector by sector basis with expected spillovers from the uptick in energy sector activity.

Domestic monetary policy is expected to continue to reflect US FED activity. Improvements in the US economy and favourable trends in unemployment and inflation have triggered interest rate increases. This is expected to continue throughout the year.

The Central Bank of Trinidad and Tobago is likely to raise its benchmark interest rate in 2018 in response to a widening interest rate differential with the US, given recent monetary tightening by the US Federal Reserve. However, this is expected to be done cautiously as the CBTT aims to support the domestic economic recovery, while at the same time address the differential between domestic and US short-term Treasury yields and in an effort to avert potential capital flight for investment purposes.

The Trinidad and Tobago Unit Trust Corporation continues to provide safe, secure investments and competitive returns, even under the harshest economic conditions. The year 2018 may prove another challenging one. Notwithstanding this, no effort will be spared to provide a positive investment experience for you, our most valuable asset.

Sincerely,



Sekou A. Mark
Vice President - Investments
April 27, 2018

UTC INTEGRATED ANNUAL REPORT PERFORMANCE HIGHLIGHTS

	2011 \$ million	2012 \$ million	2013 \$ million	2014 \$ million	2015 \$ million	2016 \$ million	2017 \$ million
Funds under management							
Growth & Income Fund	3,320.19	3,748.45	4,392.58	4,647.41	4,645.30	4,733.11	4,865.03
TT\$ Income Fund	10,602.66	11,203.77	10,662.59	10,474.48	10,657.14	10,837.89	10,949.81
Universal Retirement Fund	186.92	212.71	254.44	271.39	288.27	304.90	299.52
US\$ Income Fund	4,166.06	4,578.22	3,900.08	4,054.42	4,111.07	4,228.25	4,164.64
UTC Corporate Fund	-	-	-	19.28	26.80	12.60	5.12
Calypso Macro Index Fund	-	-	-	-	-	556.55	547.92
UTC Energy Fund	39.62	31.52	-	-	-	-	-
UTC Latin American Fund	7.12	7.57	-	-	-	-	-
UTC European Fund	5.97	6.76	-	-	-	-	-
UTC Asia Pacific Fund	11.96	11.75	-	-	-	-	-
UTC Global Bond Fund	10.64	10.69	-	-	-	-	-
UTC North American Fund	189.41	196.44	225.48	262.48	245.62	281.20	298.85
Pension & Other Funds	560.54	650.28	535.00	564.54	582.13	645.87	783.95
Treasury Portfolio	2,462.40	1,580.38	1,175.54	573.19	60.28	-	-

Total Funds Under Management (\$M)	21,563.49	22,238.53	21,145.72	20,867.19	20,616.61	21,600.37	21,914.84
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Mutual Fund Sales (\$M) for the year

Growth & Income Fund	408.64	552.37	623.08	630.87	575.43	510.09	508.60
TT\$ Income Fund	4,975.55	5,317.91	4,361.36	3,376.34	3,421.82	3,790.25	3,765.99
Universal Retirement Fund	22.50	26.24	44.42	36.02	37.34	37.22	32.56
US\$ Income Fund	1,566.10	1,428.31	1,272.81	1,265.17	1,036.16	809.85	623.59
UTC Corporate Fund	-	-	-	19.28	31.10	0.17	(0.08)
UTC Energy Fund	201.21	26.51	8.21	-	-	-	-
UTC Latin American Fund	0.65	0.19	0.12	-	-	-	-
UTC European Fund	0.08	0.04	0.04	-	-	-	-
UTC Asia Pacific Fund	0.53	0.28	0.21	-	-	-	-
UTC Global Bond Fund	0.28	0.09	0.83	-	-	-	-
UTC North American Fund	1.12	0.67	2.56	17.90	2.19	4.78	1.82
Belize Money Market Fund	1.37	0.00	-	-	-	-	-

Total Sales (\$M)	7,178.03	7,352.62	6,313.62	5,345.59	5,104.04	5,152.36	4,932.48
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Funds Mobilised (\$M) to date	90,115.56	97,468.18	103,781.80	109,127.40	114,231.44	119,383.80	119,163.92
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Unitholder Accounts to date	784,107	804,162	824,207	841,375	855,463	865,196	873,376
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FUND HIGHLIGHTS

TT DOLLAR
INCOME FUND (2017)
TT\$10.9 Bn



US DOLLAR
INCOME FUND (2017)
US\$615.8 Mn



GROWTH &
INCOME FUND (2017)
TT\$4.9 Bn



- Grew by 1.0% from TT\$10.8 billion to TT\$10.9 billion
- Net sales of TT\$45.7 million
- Total income declined from TT\$383.7 million in 2016 to TT\$365.2 million. Fund Managers continued the set strategy to invest 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
- Aggregate impairments recognised on the portfolio rose from TT\$0.9 million in 2016 to TT\$1.8 million in 2017
- Strengthened overall reserves position with a further TT\$19.9 million allocation to fund reserves during the year, bringing the aggregate fund reserves to TT\$71.6 million by the end of 2017
- Distributed a total of TT\$127.9 million to unitholders, up 12.6% from the 2016 distribution of TT\$113.6 million resulting in an improved net return to unitholders of 1.2% for 2017 compared to 1.1% in the previous year
- Fund size declined by 1.6% from US\$626.0 million to US\$615.8 million on account of aggregate net repurchases totalling US\$17.6 million
- Grew total income to US\$20.7 million from US\$16.5 million, representing a 25.3% increase
- Reduced aggregate impairments recognised on the portfolio from US\$3.1 million in 2016 to US\$1.1 million in 2017, reflecting a 64.2% decline
- Increased overall fund reserves by 21.5% to US\$12.0 million from US\$9.9 million in the previous year
- Distributed a total of US\$4.9 million to unitholders, down 3.8% from the 2016 distribution of US\$5.1 million
- The net return to unitholders for 2017 remained unchanged from the 2016 return of 0.8%
- The Fund generated a net return to unitholders of 5.4% in 2017, more than double the 2.1% return produced in the prior year
- Grew fund by 2.8% from TT\$4.7 billion to TT\$4.9 billion
- Net repurchase of TT\$13.3 million
- Bid price appreciated to TT\$17.59 per unit from TT\$17.03 per unit previously
- Grew total income by 3.7% to TT\$446.3 million from TT\$430.2 million, mainly through the crystallisation of gains on the US international equity component amid reduced interest income earned on fixed-income investments
- Aggregate impairments recognised on the portfolio increased from TT\$4.2 million in 2016 to TT\$89.1 million in 2017, reflecting the adverse price movements of many local equities during the year
- Distributed a total of TT\$36.2 million to unitholders, compared to the 2016 distribution of TT\$91.2 million, reflecting a 60.3% decline

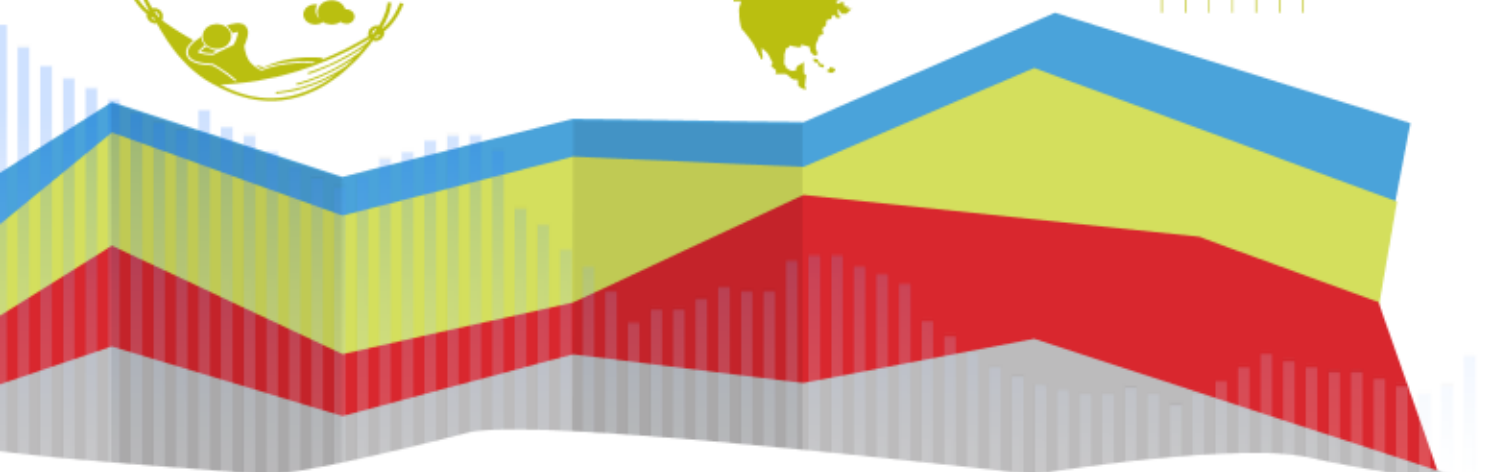
UNIVERSAL
RETIREMENT FUND (2017)
TT\$299.5 Mn



UTC NORTH
AMERICAN FUND (2017)
US\$44.2 Mn



CALYPSO MACRO
INDEX FUND (2017)
TT\$547.9 Mn



- Generated a net return of 6.2% compared with the 2016 return of 2.2%
- Net repurchases of TT\$23.6 million
- Net asset value (NAV) appreciated to TT\$44.59 per unit from TT\$42.19 per unit previously
- Increased total income by 120.6% to TT\$33.9 million in 2017 from TT\$15.3 million, mainly through the crystallisation of gains on the US international equity component amid reduced interest income earned on fixed-income investments
- Fund size declined by 1.8% from TT\$304.9 million to TT\$299.5 million

- Grew Fund by 6.1% from US\$41.6 million to US\$44.2 million
- Recorded net repurchases of US\$0.2 million
- NAV appreciated to US\$10.09 per share in 2017 from US\$9.47 per share in the previous year
- Generated a net return of 7.2% compared with the 2016 return of 7.8%
- Distributed a total of US\$0.3 million to unitholders in 2017, down from the 2016 distribution of US\$0.5 million

- Fund size declined by 1.6% from TT\$556.5 million to TT\$547.9 million
- NAV depreciated to TT\$27.12 per share in 2017 from TT\$27.55 per share previously, against the backdrop of the negative performances exhibited by the All T&T Index and Global Energy sector ETFs during the year
- The overall Fund performance, however, benefited from the Fund's exposure to USD denominated assets as the TT\$:US\$ foreign exchange rate depreciated further from \$6.75 to \$6.76 over the period under review
- Market price depreciated to TT\$21.40 as at December 31, 2017, from TT\$21.89 representing a 2.2% reduction



INVESTING IN **OUR PEOPLE**

Our people are key enablers in delivering our 2020 strategy. In 2016, as part of our Strategic Planning, we developed our People Plan Strategy and at its heart are five core goals designed to enhance our team members' experience as well as motivate and empower them.

As a key part of our People Plan Strategy, the following key risks were tracked for the 2017 period:

- General staff turnover rate
- Management staff turnover rate
- Team member absenteeism
- Percentage of successors identified for key positions
- Team engagement
- Performance management training opportunities
- Average time to fill vacant positions
- Number of industrial relations cases
- Number of overtime hours

These risks were seen to have the potential to significantly impact organisational performance including the loss of high-performing team members, low team member satisfaction, low levels of competence and productivity, insufficient ability to lead successful implementation of strategic initiatives and competence to execute strategic objectives.

To mitigate against these risks, several programmes have been successfully launched and the overall reception and impact have been positive. These include:

- I AM TTUTC Standards
- Engagement Champions Initiative
- Strategy Champions Initiative
- Corporate Social Responsibility (CSR) Programmes
- UTC Star Reward and Recognition Programme
- UTC Career BreakthrU Cross-posting Programme
- Change Management Programme
- Internal Communications
- IDEA Programme
- Leadership 360°

OUR PEOPLE GOALS



These programmes, aligned to our Strategic People Goals, were implemented in late 2016/early 2017.

Embedded in our plan is our monitoring and evaluation process which helps us to continuously assess the relevance and impact of our "people" initiatives.

People Goals

Culture of Engagement

Transformational Leadership



Strategic Human Capital Initiatives

- Change Management Training Programme implemented
- U-NITE Mobile app launched to enhance communication among team members
- Career BreakThrU Cross-posting Programme was implemented to broaden our staff work experience
- Leadership Coaching programme implemented to improve team members' coaching skills
- PROSCI certification conducted to enhance Enterprise Change Management competency
- Leadership 360° to strengthen and assess Leadership competencies across the Corporation



Performance Measurement

Annual Employee Engagement Survey to gauge what impacts our team members



Attract and Retain Best Talent

- Revised Onboarding and Integration programme implemented to enhance the new team initial experience and integration into their new department and the wider Corporation
- New salary ranges approved for implementation with effect from January 2018 based on Market Compensation Survey conducted
- Job evaluation project completed to ensure internal and external equity and job alignment
- Succession Planning programme continued in 2017 with individual Development Plans also completed

Corporation's rate of turnover

Enabling Performance

- Probationary Performance Form implemented to assess the performance of new hires within our Performance Management System
- UTC Tertiary Certification Programme implemented to bridge qualification gaps for team leaders
- Career BreakThrU Programme implemented to broaden our team members' work experience

This is measured through performance improvement plans and performance assessment rating. The Calibration process - validation exercise to ensure Enterprise goals are met in relation to people performance

Wellness and Work-Life Balance

- Gym facilities enhanced and new equipment installed at the Port of Spain, Couva, San Fernando and Tobago Investment Centres
- Learning Hub implemented at the Port of Spain location to provide team members without assigned computers an avenue to access online information, learning and development materials
- "Express with Dignity" Suite to provide a private and comfortable facility for nursing mothers
- Children's Vacation Camp conducted in August 2017
- Three corporate-wide wellness initiatives conducted to support employee health and work-life balance
- Fun-Day event for all team members was held in August 2017

Annual Employee Engagement Survey

HIGHLIGHTS

PEOPLE PLAN ACHIEVEMENTS 2017

HR Policies

In 2017, under the guidance of the Risk Management division, HR reviewed its policies with a view to having them documented in a comprehensive, consistent and integrated format. This project is scheduled to be completed in 2018.

Employee Satisfaction Survey

The main objective is to provide the Leadership Team with feedback from team members on issues that impact them and identify ways we can improve. Results from the survey show a positive direction up 3.2% in 2016 to 64% in 2017.

Organisational Realignment

The **Customer Relationship Management Division** is accountable for all our customer relationship touchpoints. This Division is headed by the Chief Customer Relationship Officer who is responsible for:

- Investment Centres
- Agents and Agencies
- Bureau de Change
- EDC-Call Centre/Card Services
- Advisory Services
- Brokerage Services

Marketing and Communications now forms a separate Division renamed the **Reputation Management Division**. This Division is headed by a Vice President who maintains oversight for the responsibilities of the Marketing and Communications Department but with greater accountability:

- Reputation Management
- Marketing and Communication
- Brand Management
- CSR/UTC Foundation
- Digital Media
- Research
- Events

Key functions of the Office of Strategy Management (OSM) was realigned within the Executive Director's Office (OED). As a result, the current VP, Office of Strategy Management role will be renamed VP Strategy, which will include:

- Strategic Planning
- Project Management Oversight and Governance

Some functions currently under the OSM have now become operational where the focus is on performance measurement and reporting for strategic projects.

To bring sustainable focus, the following OSM operational accountabilities have been realigned under existing functional areas:

Finance and Accounting

- Corporate Performance Measurement (CPM)
- This area is now aligned under Finance (Management Accounting) given similarity of the role for Management/Performance Reporting.

Risk Management

- Corporate Business Systems (CBS)
- Policies and Procedures Administration is now aligned under Risk Management given their functional accountability to the Strategic Risk Committee (SRC) who have Board-aligned responsibility for Policies and Procedures Oversight and Governance.

Information and Communications Technology (ICT)

- Other CBS functions (Business Analysis, Business Process Management (BPM), Business Process Improvement (BPI) and Quality Assurance) are now aligned under ICT Division.

In an effort to support and maintain the accuracy of the unitholder's register, Verification and Records Services (VRS) will now report to **Trust Services**.

In accordance with the three Lines of Defence approach to our control environment, we have formalised an independent reporting line for the Compliance Department directly to the Audit and Compliance Committee, with administrative reporting to the General Counsel & Corporate Secretary.

All other positions remain substantially unchanged as they are already aligned to our approved strategies.

Changes in HR Operating Environment

The organisational structure of the HR department was reviewed and amended to better align to our strategic goals. The unit which oversaw the Compensation and Employee Relations functions was separated into two to provide greater focus within each area. Additionally, position titles were amended to reflect the department's strategic focus.

Tertiary Certification Programme

This Leadership Developmental programme is an 18-month programme with the first cycle scheduled for completion in May 2019. It is therefore structured towards developing and embedding an enterprise-wide continuous learning culture. In this regard, the Corporation provides opportunities to enhance the formal education skills and capabilities of team members who can grow into leadership positions at the Corporation. Measure of success for the programme is based on:

- 85% of project deliverables will be executed by December 31, 2019
- Number of team members in Grades 6 and above who meet the academic requirements for their current positions will increase
- Increased learning opportunities as a driver of employee engagement in engagement survey
- Improved employee engagement and employee satisfaction ratings

Job Evaluation

We are continually striving to maintain a supportive environment that facilitates the attraction and retention of qualified, high-performing team members. The last job evaluation was conducted in 2014, and since that time the environment would have changed with the implementation of a new strategic plan. To address these gaps the Hay Group job evaluation methodology was utilised to provide a systematic approach to defining jobs within the workplace. Our policy is to conduct a job evaluation every three years.

Salary Ranges

Our goal is to ensure that the salary structure provides room for the professional development and growth of all team members, to maintain our compensation competitiveness in the market, as well as to attract and retain, high-performing talent. As such, a market compensation survey was conducted for the UTC as part of a review of the current salary structure and results being implemented.

STAR Programme


The UTC's Staff Appreciation and Recognition (STAR) Programme was implemented in 2016 as an engagement enhancement initiative designed to recognise, reward and promote positive behaviours. The aim is to create a culture of team member recognition, motivation and retention at all levels. In 2017, 291 Stars were awarded.

Executive Compensation Policy and Process

The overarching objective of the Corporation's compensation philosophy is to work in tandem with our "People" strategy initiatives, thus attracting and retaining the best talent capable of driving business success through innovation, performance excellence and market competitiveness. Our compensation package is on par with local benchmarks and is administered on the basis of internal and external equity, transparency and fairness. We review our compensation package periodically by using externally administered compensation surveys to ensure we remain competitive.



CAREER **BREAKTHRU**



At the Trinidad and Tobago Unit Trust Corporation, we believe that learning is an ongoing process. With this mindset, we become acutely aware of our options for continuous growth and development.

One of the ways we empower our team and build new skills is through UTC's Career BreakThru, our official cross-posting programme that allows the transfer of team members from one department to another for one year. It's an avenue for team members to build competencies and skills outside their core area.

BREAKTHRU OBJECTIVES



Foster the growth of team members' knowledge bases, skill sets and experiences in areas related or even divergent from their fields of study.



Enable team members to better take advantage of future job opportunities.



To enable them to build competencies in operations of other departments in the organisation.



Improve the attraction and retention of top talent.

Candice Lively

UTC'S CAREER BREAKTHRU PARTICIPANT

TRUST SERVICES DIVISION TO REPUTATION
MANAGEMENT DIVISION

“ I have the experience of working in another department so I can give an alternative view **on a project or suggest a different route to communicate or promote staff engagement.** It's an opportunity to think outside the box. ”



Atto Romeo

UTC'S CAREER BREAKTHRU PARTICIPANT

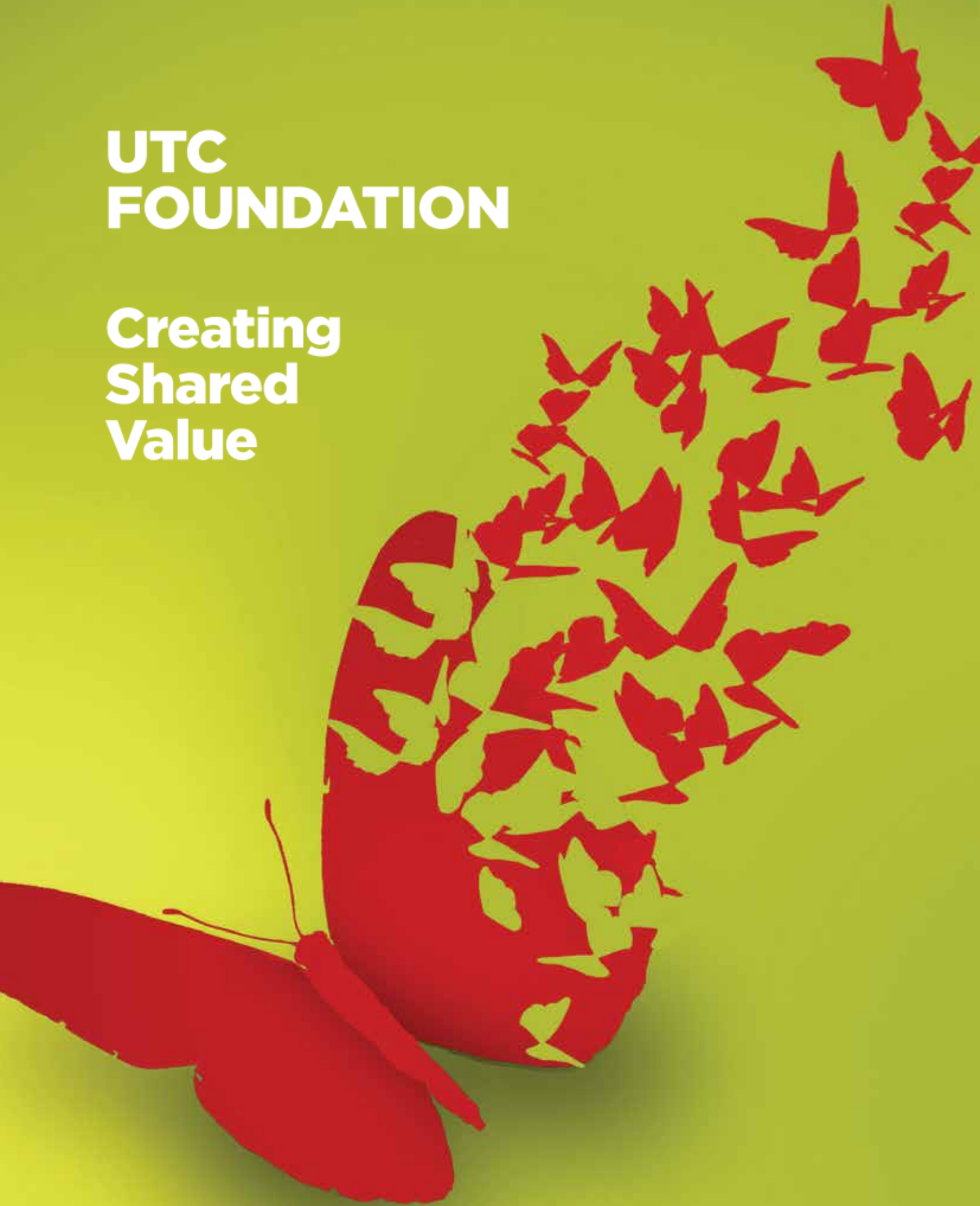
INVESTMENT CENTRE TO INVESTMENTS DIVISION

“ I have a deeper understanding of how things work: the economy, on a microeconomic and on a macroeconomic level, how the country operates. I can now even explain how some of these things work to my colleagues and family. **It is an area I would love to grow in.** ”



UTC FOUNDATION

Creating Shared Value



INNOVATION THE UTC FOUNDATION

You don't have to be an athlete to know that your heart's health is critical to achieving peak performance, your pulse says a lot.

On our journey with you, we have learned many valuable lessons and there is one that stands out: the pulse of our community matters. Today, we need to be more innovative in how we respond to the social problems facing us, with dedicated solutions and strategies where citizens become torchbearers in the development of their communities.

We are constantly reviewing the way we do business, taking the lessons that come our way in stride and incorporating these learnings into decisions we make. We want to create Shared Value that is sustainable and make a difference in how we empower our communities and be agents of social change.

That is the role of our UTC Foundation, which was set up in 2017. This is where it starts. The Foundation will operate under the Shared Value pillars of Education, Financial Well-Being and Environmental Citizenship.

Apart from strengthening our social investment thrust and philanthropic arm, the UTC Foundation will seek to deepen the linkages in our communities. The Foundation has as its mandate, enhancing our community and promoting the development of our country through education and community-based solutions that empower citizens. It means that we are fully invested in sustaining a long-lasting partnership with you.

Our mission is to strengthen the partnerships we already have and to build new ones and leverage education towards community transformation.





PILLAR

Education

Our children are our future and as we reshape the future together we need to make sure they have every opportunity and the right tools to ensure we help fulfil their dreams.

The SEA Scholarship Programme, established in 1996, has been providing students with financial support and "Strategies 4 Success" to achieve their dreams.

We believe that our Schools' Investment Game (SIG) is an opportunity for young people to access valuable skills through a fun, shared-learning environment empowering them to make wise financial decisions towards achieving their goals.

Financial Well-Being

Our goal is to empower our customers to make the right financial decisions and be able to make a difference in their lives.

It is providing our customers with the guidance on achieving financial security and financial freedom and helping them track and attain their financial goals.

We want to provide members of the community with the tools for making conscious adjustments in day-to-day money management, and instilling the value of saving and investing.

Our intention is to coordinate and sponsor financial literacy events within our communities, building relationships and creating value as we do so.

Environmental Citizenship

Each of us is an integral part of a larger ecosystem and as such it is our responsibility to protect and maintain the environment.

By promoting environmental citizenship, we can work to achieve sustainability by promoting initiatives that challenge us to act responsibly towards our environment.

It is the recognition of how working with our communities and building partnerships make a difference in preserving the space we occupy. We know that education will play a key role in making the changes needed and we are up to the task.



STRATEGY

As part of our strategy to achieve this goal it is our intention to increase the number of scholarships awarded.

Our intention is to transform it to increase participation.

The redesigned SIG will utilise an online platform for increased engagement.

Engage communities and facilitate structured interventions through workshops.

Encourage and nurture a sensitivity to the environment and why we need to have a change in attitude towards our natural environment.



ACTIVITY

SEA Scholarship Programme

A Programme to assist our youth who have the academic brilliance and potential but find themselves at a disadvantage due to financially challenging circumstances.

Schools' Investment Game

A game geared to 4th and 5th Form students to sharpen their knowledge about financial terms and concepts and gain exposure to the dynamic world of finance and investing.

Providing learning opportunities for the people we serve has always been part of our mandate. From inception, we have administered financial education programmes. Last year almost 200 workshops were conducted.

In this new format, members of the community will be exposed to more structured learning programmes, aimed at expanding their world along with their financial acumen.

Our first steps will be towards establishing financial awareness programmes focused on community needs, cognisant of what is required for achieving financial independence.

We have always encouraged greater appreciation of our natural environment through participation in the preservation of the environment through planting trees and encouraging unitholders to grow their own food by providing them with seedlings.

We are also curbing paper consumption, installed recycling bins and making strides in energy conservation at the office. We understand the importance of exercising increased sensitivity to our natural environment, where we live, where we work and where we play.



Ian P. Chinapoo, Executive Director, UTC, celebrates with team members of the UTC family the establishment of the UTC Foundation.

Education

Our flagship projects, the SEA Scholarship Programme and the Schools' Investment Game will be expanded and enhanced to give more of our youth the tools to achieve their dreams and become leaders in their communities.

Financial Well-Being

We intend to reach out more to the communities where we work, to spread the word on the value of smart financial planning. Those communities in proximity of our nine Investment Centres will benefit from our financial awareness programme, led by trained team members. We expect the programme will involve several initiatives and touchpoints, which align with our vision to reshape the future together.

Environmental Citizenship

Change begins with us. UTC team members will be provided with opportunities to engage in enterprise-wide projects/activities which seek to promote greater attention to environmental sustainability and eco-friendly actions.

Activities include:

- Reducing our carbon footprint
- Water and energy conservation measures
- Reduce, reuse, recycle
- Buy local
- Paperless day
- Energy conservation measures



Speaker Synergy: From left, Ian P. Chinapoo, Executive Director, UTC; Rahanna Juman, Wetlands Ecologist, and Omar Holder, UTC Sales Manager, at the launch of the UTC Foundation.

Volunteerism

We believe that what is to be achieved by the initiatives under the UTC Foundation will only come to fruition by working hand-in-hand with our communities. This is a partnership where we can learn from each other. As an added incentive, we drive participation by setting performance standards to encourage team members to participate in outreach projects. These efforts will now be steered towards the development of UTC Foundation initiatives.

In the year under review, team members responded enthusiastically to the projects that came our way. There were 30¹ projects that saw involvement through volunteerism across the Corporation.

¹ A 16.7% decrease from 2016 because of streamlining due to the launch of the UTC Foundation.

5. GOOD GOVERNANCE

5.1 COMMITMENT TO GOOD GOVERNANCE

The Trinidad and Tobago Unit Trust Corporation was incorporated in 1981 by an Act of Parliament, the Unit Trust Corporation of Trinidad and Tobago Act (“the UTC Act”). The provisions of the UTC Act, and its subsequent amendments, govern the operation of the Corporation by defining its powers and duties.

The Corporation created our corporate governance framework in recognition of our responsibility to our valued unitholders and stakeholders. The framework is part of our continuing commitment to the values of probity, fairness, transparency and accountability.

While the corporate governance framework is based upon existing laws, regulations and guidelines, it is also intended to promote the highest standards of professional conduct and the diligent discharge of duties. Accordingly, our corporate governance framework was drafted in keeping with national and international best practice principles of governance.

Our corporate governance framework is articulated in the Corporation’s Board and Committee Charters. These Charters are being reviewed and revised to incorporate developments in the corporate governance landscape, but continues to focus on the key elements of effectiveness, accountability, reporting, independence and strong relationships with stakeholders.

Engaging our Unitholders

The Corporation continues to engage with our individual and institutional unitholders, as it is recognised that our relationship with them is at the core of good governance. Unitholders have the opportunity to engage with the Board, senior management and the Auditor General at our Annual General Meeting (AGM). We introduced the broadcast of the AGM via a live feed to reach a greater number of unitholders, and we will continue using social media and online tools to engage with unitholders throughout the year.

Board of Directors

The Board of Directors has overall accountability for the Corporation and is responsible for setting the strategic direction of the UTC and managing its performance. The Board establishes policy for the Corporation and provides oversight for the development and delivery of strategies aligned to the achievement of the Corporation’s objectives.

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;
- Promoting a culture of integrity, ethical behaviours and corporate values in keeping with the Corporation’s Code of Conduct;
- Ensuring that written policies which are appropriate for the effective governance of the Corporation are in place and reviewed biannually;
- Ensuring that adequate strategic plans are in place to guide the direction of the Corporation;
- Ensuring that succession plans are in place for Executive Management;
- 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;
- Review biannually such policies and procedures to ensure compliance.

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 the executive management and team members of the Corporation.

COMMITMENT TO GOOD GOVERNANCE - CONTINUED

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

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

Board Structure and Composition

In accordance with the UTC Act, the Board 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 UTC Act as follows:

- A Chairman appointed by instrument in writing by the President upon recommendation of the Central Bank of Trinidad and Tobago ("Central Bank")
- An Executive Director, appointed by the Board in consultation with the Central Bank
- A person appointed by the Central Bank
- 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 insurance companies and commercial banks provided that not fewer 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

Director Induction

The Corporation has a formalised Director Induction Programme in place and all new or returning members receive induction training upon (re)joining the Board. The Programme is periodically reviewed and updated to ensure members receive the current and relevant information to support them in fulfilling their duties.

Director Tenure

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

Changes in the Membership

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

- R. Krishna Boodhai's term as Chairman ended on July 31, 2017
- Justice Rolston Nelson, S.C. was appointed as Chairman in accordance with section 7(1)(a) of the UTC Act on September 14, 2017 for a term of two years
- Lorraine Kam and 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, 2017
- 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, 2017 for a period of one year.

COMMITMENT TO GOOD GOVERNANCE - CONTINUED

The members of the Board as at December 31, 2017 are:

1. Justice Rolston Nelson, S.C.....	Chairman
2. Ian P. Chinapoo	Executive Director
3. Leonardo Ambrose	Insurance Companies' Representative
4. Douglas Camacho	Insurance Companies' Representative
5. Helen Drayton.....	Commercial Banks' Representative
6. John Tang Nian	Commercial Banks' Representative
7. Anne-Marie James.....	Central Bank Representative
8. Michelle Durham-Kissoon.....	Ministry of Finance Representative
9. Ruben McSween	NIB Representative
10. Lorraine Kam	Independent
11. Jonathan Walker.....	Independent
12. L. Dominic Rampersad.....	Independent

Director Independence

In recognition of the importance of independent directors being members of the Board of Directors, the Corporation has adopted the definition of director independence as articulated in the Trinidad and Tobago Corporate Governance Code (2013). For the reporting period, three directors were classified as independent in keeping with the guidance in Trinidad and Tobago Corporate Governance Code.

Director Remuneration

The compensation of Directors is consistent with the Corporation's policy to attract and retain a high calibre of team members to guide the Corporation's strategic objectives.

Section 11 of the UTC Act provides the framework for the determination of the fees and allowances to be paid to Directors. The Corporation retains the services of an

independent consultant to conduct a survey of the fees paid to Directors in the financial services industry. This information is used in consultations with the CBTT in accordance with section 11 of the UTC Act.

Board Effectiveness

The Board is committed to managing and measuring its performance. An independent evaluation is completed each year to assess the Board's effectiveness in discharging its duties. A review of the Board Committees and Individual Directors is also completed.

The Board is currently in the process of completing the evaluation for the 2017 period. However, the preliminary results are overall positive and the Board will be meeting with the Independent Governance Consultants to review the Assessment Report and develop strategies to continue to improve its performance.

COMMITMENT TO GOOD GOVERNANCE - CONTINUED

Strong Internal Controls

The Internal Audit Department operates as an independent assurance function, that reports to the Audit and Compliance Committee. The Internal Audit Charter was reviewed and approved by the Board's Audit and Compliance Committee; it outlines the authority and responsibilities of the Internal Audit Department.

The Corporation's enterprise-wide risk management framework comprises three lines of defence among Compliance, Risk Management and Internal Audit to mitigate both current and emerging risk. Whilst Compliance and Risk Management develop and implement the policies and procedures that govern the day-to-day operations of the Corporation, Internal Audit provides independent, objective assurance to the Board that the governance processes, management of risk and systems of internal control and compliance are adequate and effective.

The Audit and Compliance Committee is satisfied that the internal audit function has been and continues to be executed in a transparent and objective manner and that there is no undue influence from the management team.

External Auditors

The UTC Act provides that the Corporation and its mutual funds are audited annually by the Auditor General's Department, an independent body established by the Constitution of Trinidad and Tobago.

Commitment to Ethics

The Corporation remains committed to fair and ethical business practices, and these form the basis of the Corporation's core values. These principles are entrenched in our Code of Ethics¹ and all team members, including Directors, are required to read and attest to adhering to the obligations in the Code on an annual basis.

Conflicts of Interest

The Board, senior management, and all team members are subject to the Corporation's Conflict of Interest Policy. The Audit and Compliance Committee has oversight for the management and monitoring of this Policy to ensure compliance.

The Policy defines conflicts of interest and also provides the procedure for declaring and managing any disclosed conflicts of interest.

Disclosure and Transparency

All Directors are required to disclose any material interest(s) before participating in any Board or committee meeting, in accordance with section 9(3A) of the UTC Act.

Where a Director has a direct or indirect personal or business interest, unless the Board or Committee determines that the Director's interest is immaterial or irrelevant, the Directors is required to withdraw from the meeting while the Board or Committee consider the matter.

¹ A copy of which is available for viewing on our website www.ttutc.com

for
**those
with vision**



BOARD OF DIRECTORS



Justice Rolston Nelson, S.C. Chairman
September 14, 2017 to present

Justice Rolston Nelson holds a Master of Law from the Oxford and London Universities, respectively, and was the longest serving member of the Caribbean Court of Justice, until his retirement in May 2017. He was called to the Bar at Lincoln's Inn in 1970, admitted to practice at the Jamaican Bar in 1973, and to the Trinidad and Tobago Bar in 1975, and admitted to the Inner Bar as Senior Counsel in 1993. He was sworn in directly from the Bar as Justice of Appeal of the Supreme Court of Judicature of Trinidad and Tobago in 1999. He has been an Associate Tutor at the Hugh Wooding Law School since 1978 and is an Honorary Distinguished Fellow of The University of the West Indies.

Having served on the Board of the Unit Trust Corporation from 1987 to 1996, he brings with him 47 years of dedicated and distinguished service in the legal sphere as we move to meet the challenges of the changing regulatory and business environment.

R. Krishna Boodhai, Chairman
August 5, 2015 to July 31, 2017



R. Krishna Boodhai holds an MBA from Henley Management College and is a member of the Association of Chartered Certified Accountants (ACCA), as well as 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 his 39 years' financial experience and management acumen to the UTC.

Mr. Boodhai served as Chief Financial Officer of Citibank (Trinidad) with responsibility for Trinidad, 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 at IBL Bank. Mr. Boodhai is a Non-Executive Director on the boards of several local companies.

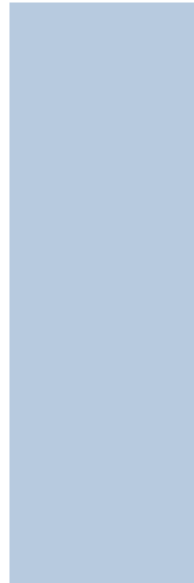
Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited
- Hanover Construction Company Limited (Managing Director)

Ian P. Chinapoo, Executive Director
June 1, 2013 to May 31, 2018



Ian P. Chinapoo's career spans more than 22 years in banking and finance throughout the Caribbean and Latin American region. He simultaneously held positions of Managing Director, Regional Corporate and Investment Banking, and Managing Director for the Trinidad and Tobago subsidiary of a major international bank operating in the Caribbean. Mr. Chinapoo also worked as Vice-President, Business Head at a global bank operating in The Bahamas, where he was responsible for the operations of its



Corporate and Investment Bank and was also part of the Bank's regional investment banking team based in Miami.

Mr. Chinapoo is adjunct faculty at the Arthur Lok Jack Graduate School of Business since 1995 and has lectured in international finance, corporate finance, management accounting, securities and international loans finance.

He currently has executive responsibility for strategic leadership, growth and management of the Trinidad and Tobago Unit Trust Corporation (UTC). He serves as Executive Director on UTC's Board of Directors.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited
- UTC North American Fund, Inc.
- UTC (Cayman) SPC Limited
- National Commercial Bank of Anguilla Limited
- Malliouhana Insurance Company Limited
- Lofty Holdings Limited

Leonardo Ambrose, Director
April 15, 2011 to present



Leonardo Ambrose is a practising member of the Institute of Chartered Accountants of Trinidad and Tobago and past president of the Institute of Chartered Accountants of Trinidad and Tobago. 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

Douglas Camacho, Director
January 1, 2016 to present



Douglas 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, Mr. Camacho 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 Limited
- UTC North American Fund, Inc.
- National Insurance Board of Trinidad and Tobago

BOARD OF DIRECTORS - CONTINUED

- National Insurance Property Development Company Limited
- Servus Limited
- Trinidad & Tobago Hockey Board
- Dynamic Equity Limited
- Mayaro Initiative for Private Enterprise Development (MIPEDE)
- SERVOL
- Tobago Plantations Limited
- Impodream Limited
- Family Planning Association of Trinidad and Tobago

Helen Drayton, Director

June 25, 2015 to present

Helen Drayton is a former Independent Senator with extensive experience in Strategic Marketing and Strategic Human Resource Management. She is an adjunct lecturer with The University of the West Indies, Arthur Lok Jack Graduate School of Business and lectures in Business Communications, Corporate Ethics and Compliance Management.

She has an Executive Master's degree in business administration from The University of the West Indies Institute of Business 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

John Tang Nian, Director

April 23, 2012 to present

A career banker with over 42 years in the financial sector, John 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.

He holds a Diploma in Business Management from The University of the West Indies, Arthur Lok Jack Graduate School of Business and has

participated in strategic management training, notably at the Manchester Business School, UK and the International Banking Summer School in Dublin, Ireland.

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 of Trinidad & Tobago
- JMMB Bank (T&T) Ltd
- Inter-Commercial Trust & Merchant Bank Ltd
- Eastern Commercial Financial Holdings Ltd
- Bank of St Lucia Limited

Anne-Marie James, Director

May 1, 2014 to present

Anne-Marie 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 one of the big four audit firms before moving to the financial sector. With 35 years' experience in the financial services industry, including 27 years at senior management and executive level, her extensive professional background includes broad experience in the planning, management and execution of diverse finance functions, 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 Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). In addition to her role as a Director of UTC, Ms. James is also a member of the Investigations Committee of the ICATT.

Directorship on boards of other companies:

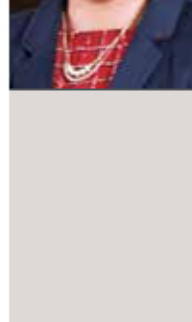
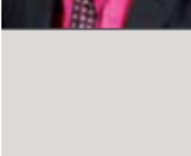
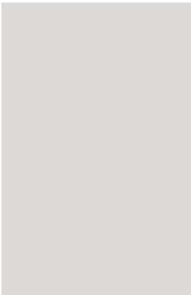
- UTC Financial Services Limited
- UTC Trust Services Limited

Michelle Durham-Kissoon, Director

March 22, 2017 to present

Michelle Durham-Kissoon was appointed Permanent Secretary in the Ministry of Finance (Ag.) with effect from November 2, 2016. Mrs. Durham-Kissoon has over 23 years in mobilising external project financing and managing Trinidad and Tobago's engagements with Multilateral Development Banks (MDBs). Her external financing experience began in the early 1990s in the Ministry of Planning and Development with the mobilisation of European Development Fund (EDF) grant resources for Social Infrastructure under the Lomé IV Convention. She also played a significant role in mobilising millions of dollars in Inter-American Development Bank loan and grant resources for the financing of various projects and programmes across sectors of the economy at both Ministry of Planning and Development and Ministry of Finance.

In addition, Mrs. Durham-Kissoon has spent the past seven years defining policy positions for articulation by the Minister of Finance in his capacity as Governor for Trinidad and Tobago



BOARD OF DIRECTORS - CONTINUED

for both the World Bank Group and the International Monetary Fund. Her responsibilities in this area culminated in her assignment for the past two years, when Mrs. Durham-Kissoon was nominated by the Government as Advisor for the Republic of Trinidad and Tobago at the Board of Executive Directors of the World Bank Group. There, she championed issues such as advocacy against the loss of correspondent banking relationships arising from the de-risking activities of international banks, as well as for the development of unique financial instruments to cater for the special needs of Small Island Developing States.

Ruben McSween, Director

November 22, 2012 to present

Ruben McSween holds a BSc in Finance (1st Class Honours), BSc in Accounting (2nd Class Honours) from Southeastern University and a Master of Business Administration (MBA) from Howard University in Washington, DC. With over 33 years' experience in the local and international financial services sector, Mr. McSween 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. McSween 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.

In 1984, Mr. McSween was one of 30 outstanding students in the USA who was granted a one-year scholarship to understudy the American system of Government and politics.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited
- National Insurance Board of Trinidad and Tobago
- Employers Consultative Association
- Westshore Medical Private Hospital
- Trinidad Cement Limited
- Caribbean Employers' Confederation (CEC)

Lorraine Kam, Director

June 3, 2015 to present

Lorraine 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, financial institutions and in trade, as well as senior positions in Corporate and Investment Banking and Risk Management. The majority of her career was in banking and finance at Citibank within their

Trinidad, Barbados and New York offices. Ms. Kam was also Chief Executive Officer of a subsidiary of a regional financial institution. Ms. Kam 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 Trinidad & Tobago.

Ms. Kam holds a Bachelor of Science Degree in Accounting from The University of the West Indies (Trinidad) and a Master of Science Degree in Finance from Cass Business School (London, UK). In addition to attaining an affiliation with the Association of Chartered Certified Accountants (ACCA) in 1999 and the Certified Management Accountant (CMA) designation in 2006, she 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 (T&T) Limited
- Intercommercial Trust and Merchant Bank Limited

Jonathan Walker, Director

June 3, 2015 to present

Jonathan Walker is a partner at the law firm of M. Hamel-Smith & Co. where he heads the Dispute and Risk Management group. Admitted to practice 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 former member of the Law Reform Commission of Trinidad & Tobago.

Mr. Walker is a graduate of The University of the West Indies and a former tutor at the Hugh Wooding Law School.

Directorship on boards of other trading companies:

- UTC Financial Services Limited
- UTC Trust Services Limited
- IRP Limited
- Yara Trinidad

L. Dominic Rampersad, Director

June 12, 2014 to present

Dominic Rampersad is the holder of a Master's degree in Business Administration from the Oxford Institute of International Finance. He is also a chartered accountant and a member of the Association of Chartered Certified Accountants, as well as the Institute of Chartered Accountants of Trinidad and Tobago. He began his professional career as an accountant at the National Institute of Higher Education (Research, Science and Technology) and has been employed with Phoenix Park Gas Processors Limited since 1994.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC North American Fund Inc.
- UTC Trust Services Limited



BOARD MEETINGS

The Board of Directors held nine meetings during the period January 1 – December 31, 2017 as follows:

Board of Directors	January 24	March 23	May 18	May 25	July 12	July 27	September 28	November 29	December 7
Justice Rolston Nelson	—	—	—	—	—	—	√	√	√
R. Krishna Boodhai	√	√	√	√	√	√	—	—	—
Ian P. Chinapoo	√	√	√	√	√	√	√	√	√
Leonardo Ambrose	√	√	√	√	√	√	√	√	√
Douglas Camacho	√	√	√	√	Abs.	√	Abs.	Abs.	√
Anne Marie James	√	√	√	√	Abs.	√	√	√	Abs.
Ruben McSween	√	Abs.	√	√	√	Abs.	√	√	√
John Tang Nian	√	√	Abs.	√	√	√	√	√	√
L. Dominic Rampersad	√	√	√	√	√	√	√	√	√
Lorraine Kam	√	√	√	√	√	√	√	Abs.	Abs.
Jonathan Walker	√	√	√	√	√	Abs.	√	√	√
Helen Drayton	√	√	√	√	√	√	√	Abs.	Abs.
Michelle Durham-Kissoon	—	—	√	√	√	Abs.	√	√	√

*— Indicates that the Director was not a member of the Board/Committee during the period under consideration.

Board Committees

The Board of Directors of the Unit Trust Corporation has established various Committees to support the discharge of its duties.

Each Committee is governed by a charter which outlines its respective purpose, composition and responsibilities. Each Committee charter and the membership of the Committees are reviewed on a biannual basis by the Board to determine whether the Committees are being effective in conducting its mandate, or whether changes need to be made to the Charter to strengthen it and in keeping with the Corporation's strategies.

The Board is currently engaged in the review process of all Committee Charters.

The following are the established Board Committees:

- **Audit and Compliance Committee**
- **Investment Committee**
- **Strategic Risk Committee**
- **Corporate Advisory Committee**
- **Human Resources Committee**

Reports are given by each Committee Chair at each Board meeting. A brief overview of the Committees and their functions is presented below:

Audit and Compliance Committee

Chair – Leonardo Ambrose

The Audit and Compliance Committee (ACC) is a Committee of the Board of Directors, established to discharge independent oversight of the Corporation's financial reports and of the Corporation's compliance with statutory and regulatory requirements.

BOARD MEETINGS - CONTINUED

The Audit & Compliance Committee held nine meetings during the period January 1 - December 31, 2017 as follows:

Committee Members	February 3	March 13	May 11	June 13	August 8	September 19	October 10	November 6	December 5
Leonardo Ambrose	√	√	√	√	√	√	√	√	√
Anne Marie James	√	Abs.	√	√	√	√	√	√	Abs.
Ruben McSween	Abs.	√	√	√	Abs.	√	√	√	√
Jonathan Walker	√	√	√	√	—	—	—	—	—
L. Dominic Rampersad	—	—	—	—	√	√	√	√	Abs.
Helen Drayton	—	—	—	—	—	—	√	√	√

*— Indicates that the Director was not a member of the Board/Committee during the period under consideration.

Investment Committee

Chair - Justice Rolston Nelson

The Investment Committee (IC) is a Committee of the Board of Directors established to discharge oversight over the investment activity of the funds under management and managing a portfolio of assets by balancing risk and return on investment for the Corporations Funds.

The Investment Committee held 10 meetings during the period January 1 - December 31, 2017 as follows:

Committee Members	January 18	February 22	March 15	April 19	May 17	June 29	July 25	September 26	October 15	November 23
Justice Rolston Nelson	—	—	—	—	—	—	—	√	√	Abs.
Ian P. Chinapoo	√	√	√	√	√	√	√	√	√	√
Douglas Camacho	√	√	√	Abs.	√	√	√	√	√	√
John Tang Nian	Abs.	√	√	√	Abs.	√	√	√	√	√
L. Dominic Rampersad	√	√	Abs.	√	√	Abs.	Abs.	√	√	Abs.
R. Krishna Boodhai	√	√	√	√	√	√	√	—	—	—

*— Indicates that the Director was not a member of the Board/Committee during the period under consideration.

Strategic Risk Committee

Chair - Lorraine Kam

The Strategic Risk Committee (SRC) of the Board of Directors was established to discharge oversight responsibilities for Risk Governance and the Corporation's Enterprise Risk Management Framework.

The Strategic Risk Committee held five meetings during the period January 1 - December 31, 2017 as follows:

Committee Members	March 21	May 19	July 25	September 15	November 17
Lorraine Kam	√	√	√	√	√
Ian P. Chinapoo	√	√	√	√	√
Douglas Camacho	√	√	√	√	√
Helen Drayton	√	√	√	√	√
Michelle Durham-Kissoon	—	—	—	√	√
Justice Rolston Nelson	—	—	—	—	√
R. Krishna Boodhai	√	√	√	—	—

*— Indicates that the Director was not a member of the Board/Committee during the period under consideration.

BOARD MEETINGS - CONTINUED

Corporate Advisory Committee

Chair - John Tang Nian

The Corporate Advisory Committee (CAC) is a Committee of the Board of Directors appointed to assist the Board in discharging its oversight responsibilities in the areas of capital expenditure and information technology.

The Corporate Advisory Committee held four meetings during the period January 1 - December 31, 2017 as follows:

Committee Members	February 6	April 19	July 13	November 9
John Tang Nian	√	√	√	√
Ian P. Chinapoo	√	√	√	√
Ruben McSween	√	√	√	√
Jonathan Walker	Abs.	√	√	Abs.
L. Dominic Rampersad	√	√	√	—
Michelle Durham-Kissoon	—	—	—	√
Justice Rolston Nelson	—	—	—	√
R. Krishna Boodhai	√	√	√	—

*— Indicates that the Director was not a member of the Board/Committee during the period under consideration.

Human Resources Committee

Chair - Helen Drayton

The Human Resources Committee (HRC) is a Committee of the Board of Directors appointed to assist the Board in discharging its oversight responsibilities in optimising human resource.

The Human Resources Committee held six meetings during the period January 1 - December 31, 2017 as follows:

Committee Members	February 16	March 13	April 24	July 3	October 2	October 9
Helen Drayton	√	√	√	√	√	√
Justice Rolston Nelson	—	—	—	—	√	√
R. Krishna Boodhai	√	√	√	√	—	—
Ian P. Chinapoo	√	√	√	√	√	√
Anne Marie James	√	√	√	√	√	Abs.
Lorraine Kam	√	√	√	√	√	√
Jonathan Walker	—	—	—	—	√	√

*— Indicates that the Director was not a member of the Board/Committee during the period under consideration.

STRATEGIC LEADERSHIP TEAM



Total
Head
Count
522

Compliance

Effective Jan 01, 2017, the position reports functionally to the ACC and administratively to the General Counsel and Corporate Secretary

Pamela Williams



Vice President, Strategy

- Formalisation/Governance of Strategies
- Strategic Management
- Project Management

Amoy Van Lowe



Vice President, Change Management & Integration

- Change Management Strategy
- Change Management Culture

Sekou Mark



Vice President Investments

- Investments
- Innovation Unit

Dawn Seepersad



General Counsel and Corporate Secretary

(effective December 5, 2016 Reports to the Board on Corp Secretary matters and administratively to the Executive Director)

- Legal Services
- Corporate Secretariat
- Compliance

Nigel Edwards



Chief Financial Officer

- Accounting
- Finance
- Treasury
- Corporate Performance Management

Karrian Hepburn



Chief Customer Relationship Officer

- Investment Centres
- Agents
- Bureau de Change
- EDC - Card Services/ Call Centre
- Advisory Services
- Brokerage Services

Judith Sobion



Vice President Corporate Services

- Human Resources
- Procurement/ Supply Chain Management
- Facilities
- Corporate Administration
- Corporate/ General Security



Ian P. Chinapoo

Office of the
Executive Director



Reports functionally
to the ACC and
administratively
to the Executive
Director

Natasha M. Davis



**Vice President
Reputation
Management**

- Reputation Management
- Marketing & Communication Management
- Brand Management
- CSR/UTC Foundation
- Digital Media
- Research
- Events

Crystal Rodriguez-Greaves



Chief Risk Officer
(Reports functionally to the
SRC and administratively
to Executive Director)

- Operational Risk
- Financial Risk
- Business Continuity
- Information Security
- Policies/Procedures Governance

Warren Sookdar



**Chief Information
Officer**

- ICT
- U-Online
- Corporate Business Systems
- Card/ATM Operations
- Centralised Processing

Ravi Ramoutar



**Vice President
Trust Services**

- Trustee Services
- Mutual Funds Administration
- Registrar/Paying Agent
- Pension Funds Administration
- Fund Accounting
- Verification & Records Unit

STRATEGIC LEADERSHIP TEAM - CONTINUED

Ian P. Chinapoo, Executive Director
June 1, 2013 to May 31, 2018

Refer to Board of Director's on page 70.

Nigel Edwards, Chief Financial Officer

Nigel Edwards is the holder of a Master of Science, Finance from the London Business School and a Bachelor of Science in Management Studies from The University of the West Indies, St. Augustine. He is also a member of the Chartered Association of Certified Accountants (ACCA) and was a former part-time finance lecturer at The University of the West Indies (UWI).

His employment career spans 25 years in the field of Accounting and Finance with executive roles in the financial services industry with regional companies.

Mr. Edwards has executive responsibility for the Finance, Accounting and Treasury functions of the Corporation.

Mr. Edwards was appointed Executive Director effective June 1, 2018, as at the time of developing this Report.

Amoy Van Lowe, Vice President, Change Management & Integration

Amoy Van Lowe has over 25 years of work experience of which, 10 have been at an Executive Leadership level with expertise in the areas of Investments, Marketing & Communications, Financial Advisory and Change Management.

Ms. Van Lowe is a proud graduate of The University of the West Indies and holds a Master of Business Administration from Andrews University in Michigan, USA. In her capacity as Supervising Principal of the US Broker/Dealer, she has attained FINRA Licenses Series 6, 26, and 63 and is the President of UTC Financial Services (USA), Inc. and UTC North American Fund, Inc.

In her role as Vice President - Change Management & Integration, she has executive responsibility for implementing Change Management strategies and plans aimed at building and strengthening a sustainable Change Management Culture.

Sekou Mark, Vice President, Investments

Sekou Mark is the holder of an MBA with a concentration in International Business Finance from The George Washington University (Washington, DC). 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.

His career journey spans over 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 the investment function of the Corporation, and also serves as executive sponsor for the Corporation's Innovation initiative.

Dawn Seepersad, General Counsel and Corporate Secretary

Dawn Seepersad is an attorney-at-law with 30 years' experience in banking, insurance and commercial law and legal and business management and administration.

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 areas of commercial and civil law, corporate secretarial services and administration of an investment brokerage firm. She also has 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.

Karrian Hepburn, Chief Customer Relationship Officer

Karrian Hepburn's leadership record over the last 14 years at an international financial institution includes General Manager/Investments in which she had oversight of the institution's Private Client Group and Branch Manager. Her leadership role spans between Jamaica and Trinidad and Tobago.

Her career experience includes Strategic and Financial Planning, Marketing and Sales, Designing and Implementing Policies and Procedures to maintain best practices in sales and service, customer Relationship Management, Business Compliance as it relates to anti-money laundering and Know Your Customer-related matters and people leadership.

She is a licensed Broker with the Securities and Exchange Commission (TTSEC), a licensed trader with the Trinidad and Tobago Stock Exchange (TTSE) and a holder of Mutual Funds Licence from the Institute of Canadian Bankers.

She holds an MBA in General Management and a B.Sc. in Management Studies and Public Administration from The University of the West Indies. In addition, she has completed international professional training in the areas of business support services, audit, credit risk management and operations shared services.

In her role as Chief Customer Relationship Officer, she has executive responsibility for managing all customer relationships and service touchpoints across the corporation which includes the Investments Centres, Bureau de Change, Advisory Services, Contact Centre and Card Services.

STRATEGIC LEADERSHIP TEAM - CONTINUED

Judith Sobion, Vice President, Corporate Services

Judith Sobion holds a Master of Business Administration (MBA) from the University of New Orleans, a First Degree in Social Sciences from The University of the West Indies, a Postgraduate Diploma in Human Resources Management from the Institute of Business/University of the West Indies, now known as the Arthur Lok Jack Graduate School of Business, and a Certificate in Communications and Mass Media from UWI, Extra Mural Department.

Ms. Sobion has more than 25 years' local and regional people leadership experience delivering on business objectives through human capital.

Her strengths include people leadership, coaching and mentoring, talent management and organisational effectiveness, industrial relations and team experience, change management, compensation and benefits, mergers and acquisitions and organisational transformation.

As Vice President, Corporate Services, Ms. Sobion has executive responsibility for Talent/Human Resources Management and Organisational Effectiveness, Procurement/Supply Chain Management, Facilities Management, Corporate Security and Corporate Administration.

Natasha M. Davis, Vice President, Reputation Management

Natasha M. Davis, has over 17 years' experience in Strategic Marketing, Reputation Management, Brand Development, Brand Management, Public Relations, Event Management, and Contract Negotiation.

She holds an MBA (International Marketing) from Arthur Lok Jack Graduate School of Business and has a B.Sc. (Management Studies-Marketing & Finance) from The University of the West Indies, St Augustine.

In her role as Vice President, Ms Davis has executive responsibility for Reputation Management, Marketing and Communications, Brand Management, the UTC Foundation, Digital Strategy, Research and Events.

Crystal Rodriguez-Greaves, Chief Risk Officer

Crystal Rodriguez-Greaves has over 10 years' leadership experience, having held progressively senior roles at the Corporation primarily in Investments and Risk Management. Her career portfolio includes the positions of President and Chief Compliance Officer of UTC Fund Services, Inc., an Investment Advisory firm registered in the USA.

Mrs. Rodriguez-Greaves holds the Chartered Financial Analyst (CFA) designation and received her Bachelor's Degree in Management Studies and Finance from The University of the West Indies, St. Augustine. She serves on the Board of CFA Society Trinidad & Tobago, a member of the CFA Institute Global Network of Societies.

In the role of Chief Risk Officer, she has executive responsibility for the implementation of an Enterprise Risk Management Framework at the UTC.

Warren Sookdar, Chief Information Officer

Warren 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 Post Graduate Diploma in Business Administration, Henley Management College, UK.

He has functioned at the senior leadership level for over 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; inclusive of debit and credit card operations, operations management, process re-engineering and ICT-based service delivery.

He has executive responsibility for directing and executing the Corporation's strategic ICT programme.

Ravi Ramoutar, Vice President, Trust Services

Ravi Ramoutar has over 27 years' leadership experience in varied industries and assumed diverse roles in Corporate Finance, Risk Management, Pension Fund Asset Management as well as Corporate Governance and Planning and Performance Management.

Mr. Ramoutar is a Chartered Professional Accountant, a Certified Management Accountant and a graduate of The University of West Indies with a BSc in Accounting.

More recently, 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. He also served as Chairman of the National Insurance Board of Trinidad and Tobago and a Director of the National Insurance Property Development Company Limited (NIPDEC).

He was an adjunct lecturer for the MBA, Finance and Energy modules at Arthur Lok Jack Graduate School of Business spanning more than 11 years and subsequently as second marker for those courses. He was also the lecturer of the Finance Module of the MBA from the University of Edinburgh.

He has executive responsibility for the administration and governance of the Corporation's funds and asset portfolios.

Pamela Williams, Vice President, Strategy

Pamela Williams' professional training includes Mastering the Strategy Management Systems, Business Analysis Certification and Business Process Reengineering programmes. She is currently pursuing a Masters of Business Administration through Heriott-Watt University.

Ms. Williams has over 32 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.

5.2 MANAGING RISK

Committed to Risk Management

At the UTC, we promote a strong risk culture throughout our organisation. The Corporation's risk culture refers to our attitudes, behaviours and norms as they relate to risk awareness, risk taking and risk management. Our aim is to help strengthen our resilience by encouraging the effective management of risks to enable us to provide competitive risk-adjusted returns to our unitholders, support the sustainable growth of the Corporation and the nation at large.

The Board and Board Committees ensure that risk management policies are developed, and sound risk management practices are in place. Employees at all levels are responsible for the management and escalation of risks. By managing risk, we help ensure that our strategy and risk profile complements our risk appetite.

Risk Management Initiative in 2017

At the UTC, we understand that risk management is an ongoing process and we continuously review our risk management policies and practices in line with new developments and industry standards. In 2017, we undertook the following key initiatives:

- The risk governance structure was reviewed to enhance the robustness of the risk control framework
- An annual review of the risk appetite statement and key risk indicators was completed
- Ongoing review and documentation of high-risk policies in accordance with the Enterprise Risk Management (ERM) framework
- Review of our Business Continuity Management framework was completed to ensure that our system is benchmarked against best-in-class practices.



OUR APPROACH TO RISK MANAGEMENT

Our Risk Management process is designed to proactively identify and mitigate risk as we pursue our strategic objectives.

MANAGING RISK - CONTINUED

Risk Governance Structure

The risk governance structure at the Corporation has been designed to ensure that decisions consistent with the Corporation’s risk appetite, policies and procedures are taken at the most appropriate level. There are three Lines of Defence:

- (i) First Line - Responsibility and ownership of risk management is embedded in the business units.
- (ii) Second Line - Challenge and oversight of the effectiveness of risk management is provided by the Risk Management Division reporting to the Board’s Strategic Risk Committee.

- (iii) Third Line - Independent assurance on the effectiveness of both business risk management and the Risk Management Division’s oversight and challenge process is provided by Internal Audit.

The table below demonstrates how the responsibility for risk management is designated throughout the Corporation. A dedicated Board Committee, the Strategic Risk Committee ensures that there is enhanced oversight of the existing and emerging risks facing the business.

Risk Management’s Governance Structure	Oversight	<p>Board of Directors</p> <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 	<p>Strategic Risk Committee (SRC)</p> <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
	Systems	<p>Executive Management</p> <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 <p>Risk Management Division</p> <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 • Enhance operational resilience and recovery planning of TTUTC critical processes and systems • Escalate deviations from risk appetite to the SRC 	<p>Compliance</p> <ul style="list-style-type: none"> • Create and maintain a compliance framework • Provide oversight of and report on business units’ compliance with enterprise policies and procedures, as well as regulatory requirements <p>Internal Audit</p> <ul style="list-style-type: none"> • Provide independent assurance to the Board on how effective risk is managed throughout the Corporation • Enhance and assist in the protection of the assets and reputation of UTC by providing advice, insight and risk-based and objective assurance.
	Processes	<p>Risk Ownership</p> <p>Business Units</p> <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"> • Implement corrective action • Monitoring and Reporting through the Risk Management Department

As the economic, financial, technological, political and regulatory landscape in which we operate progressively changes, the application of the ERM framework allows us to continuously identify, assess and develop risk response strategies for emerging risks to the Corporation. The management of

these risks are critical to the Corporation’s achievement of its objectives. Thus, our Enterprise Risk Management framework is assessed periodically to ensure application and compliance with best practice standards in order to strengthen our risk management approach.

MANAGING RISK - CONTINUED

Overview of Key Risks and Associated Strategies

The following table outlines some of the key risks that the Corporation identified in 2017 along with key mitigating actions we have implemented to reduce the negative impact on the Corporation.

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"> • Management of portfolios in line with approved Investment Policy Statements and Risk Appetite Statement • Investment Strategies reviewed annually or more frequently as required to seize opportunities from changing market conditions • Periodic review of market risk exposure 	<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"> • Management of portfolios in line with credit limits • Ongoing monitoring of credit ratings of investment holdings 	<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 • Business Interruption 	<ul style="list-style-type: none"> • Review of Policies and Procedures to keep them current and effective • Review of control environment on a continuous basis through the use of Risk Control Self-Assessments • Business Continuity Management Framework reviewed and strengthened • Regular disaster recovery testing 	<ul style="list-style-type: none"> • Strengthen corporate governance and risk management • Enhance operations management processes

MANAGING RISK - CONTINUED

KEY RISKS	IMPACT	KEY MITIGATING ACTIONS	ASSOCIATED STRATEGIC PRIORITIES
<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 failing to comply 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"> Established risk appetite for Legal and Regulatory risk Processes developed to ensure adherence to all laws and regulations stipulated by the UTC Act, Central Bank of Trinidad and Tobago, the Securities Exchange Commission and the Trinidad and Tobago Stock Exchange Material risks are escalated to the Board of Directors 	<ul style="list-style-type: none"> Strengthen regulatory reputation Enhance regulatory management process
<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"> Cyber security breaches Loss of critical data and assets Increased system downtime Loss of customers' confidence 	<ul style="list-style-type: none"> Established Information Security Policy Asset Life Cycle Management for IT Assets Investment in new technology Vulnerability testing 	<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 Monitoring of Key Indicators including the liquidity ratio 	<ul style="list-style-type: none"> Reduce cost to serve Increase and diversify revenue streams

MANAGING RISK - CONTINUED

KEY RISKS	IMPACT	KEY MITIGATING ACTIONS	ASSOCIATED STRATEGIC PRIORITIES
<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 • Maximising the availability of reserves for capital preservation 	<ul style="list-style-type: none"> • Strengthen capital base • Improve investment performance
<p>People Risk The adverse impact upon the UTC caused by its human resources.</p>	<ul style="list-style-type: none"> • Lower staff engagement • Sub-standard performance • An intense industrial relations climate 	<ul style="list-style-type: none"> • Succession plans are in place • Maintenance of competitive remuneration packages • Staff engagement and satisfaction are assessed periodically • Continuous 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"> • Global and domestic economies monitored on a consistent basis • Re-assessment and ongoing monitoring of our strategic plans 	<ul style="list-style-type: none"> • Optimise customer experience • Leverage brand strength and equity

5.3 REPORTING AND CERTIFICATIONS

Certification from our Directors

Responsibility for the preparation, accuracy and fair presentation of the Annual Financial Statements lies with the UTC Board of Directors. In our new reporting format, a summary of the annual financial statements are presented on pages 88-96. The summary reflects the key statements presented in our full consolidated annual statements for the year ended December 31, 2017, prepared in accordance with International Financial Reporting Standards. The full consolidated annual statements can be viewed and/or downloaded from our website - www.ttutc.com.

The Directors are also responsible for such internal control as the directors determine 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 certifying and reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of Financial Statements

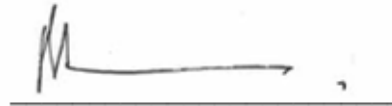
The consolidated financial statements of the Corporation were approved by the UTC's Board of Directors on February 21, 2018 and are signed on its behalf by Chairman Justice Rolston Nelson and Executive Director Ian P. Chinapoo.



Justice Rolston Nelson
Chairman, Board of Directors
Port of Spain, Trinidad and Tobago
April 27, 2018

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 27, 2018

Review and Approval from Audit and Compliance Committee (ACC)

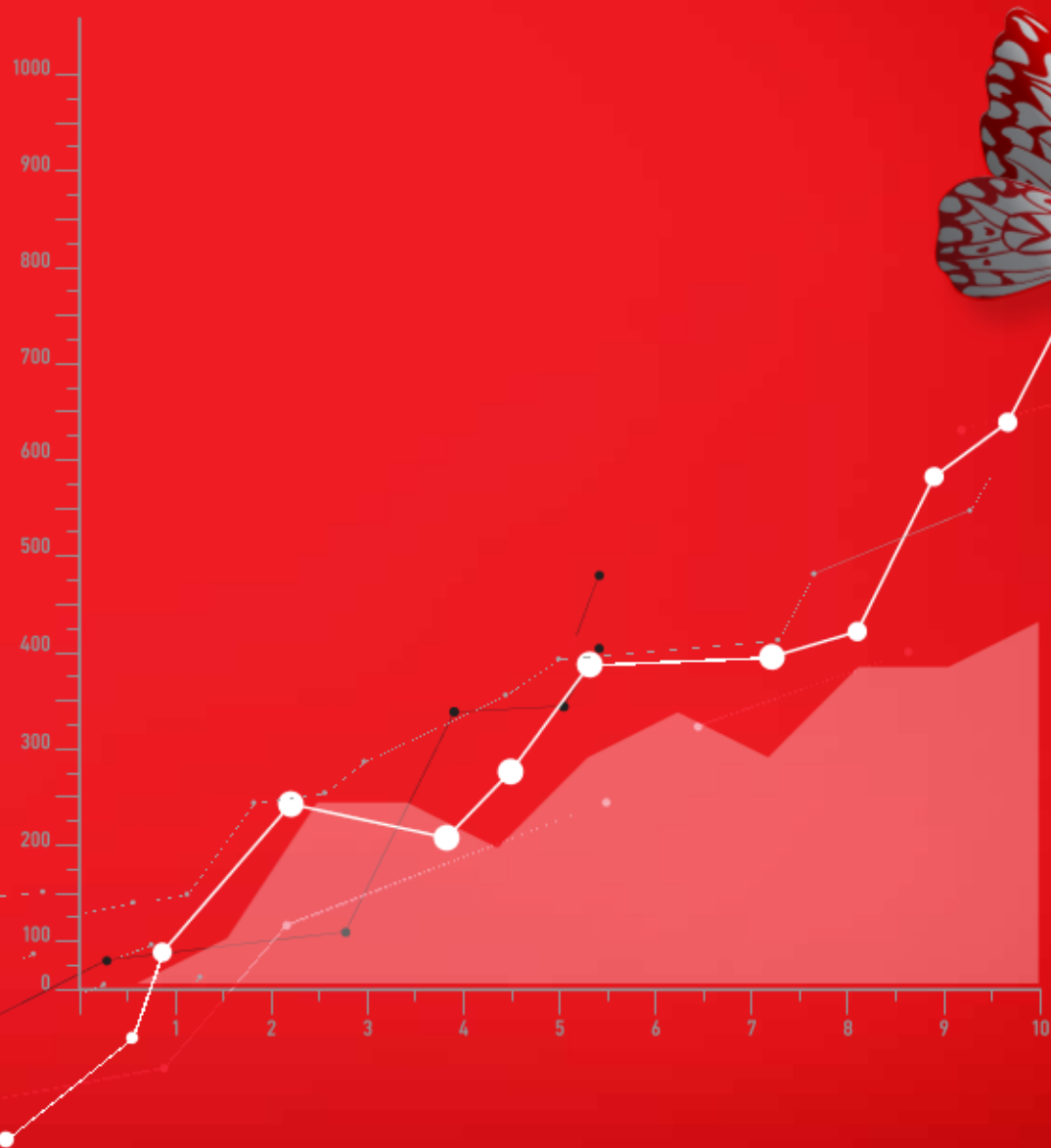
The Committee assessed and found to be effective and appropriate, the financial reporting process and controls that led to the compilation of the annual financial statements as well as the presentation and disclosure in the annual financial statements with regard to the approved accounting policies, 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 and published on the UTC's website www.ttutc.com 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 27, 2018

6. FINANCIAL REPORTING 2017





**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, 2017

OPINION

The consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation (the Corporation) for the year ended 31 December, 2017 have been audited. The statements as set out on pages 1 to 69 comprise a Consolidated Statement of Financial Position as at 31 December, 2017, 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, 2017 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 this 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 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 FINANCIAL STATEMENTS

7. The Auditor General's responsibility is to express an opinion on these financial statements based and on section 30 (4) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 internal control of the Corporation.
- 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 ability of the Corporation 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

20TH MARCH, 2018
PORT OF SPAIN



MAJEED ALI
AUDITOR GENERAL

SS
20180320

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December, 2017

Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-17 \$ '000	31-Dec-16 \$ '000
ASSETS			
Cash and Cash Equivalents	3	3,423,652	2,454,393
Receivables		160,129	155,205
Prepayments and Other Assets		37,355	36,615
Investment Securities	4	18,113,588	18,892,079
Property, Plant and Equipment	5	162,589	160,725
Intangible Assets	6	852	1,267
Deferred Tax Asset	7	73	383
TOTAL ASSETS		21,898,238	21,700,667
LIABILITIES			
Accounts Payable and Short-term Liabilities		73,996	88,479
Distribution Payable		47,905	58,073
Pension and Other Post-retirement Liabilities	9	15,173	13,982
Price Guarantee Provision	10	12,355	29,403
Net Assets Attributable to Unitholders	11	20,334,197	20,153,212
Other Liabilities		1,971	1,100
TOTAL LIABILITIES		20,485,597	20,344,249
EQUITY			
Statutory Reserves	12	5,700	5,700
Revaluation Reserve	13	22,436	28,566
Retained Earnings		1,384,505	1,322,152
		1,412,641	1,356,418
TOTAL LIABILITIES AND EQUITY		21,898,238	21,700,667

R.F. Nelson

Chairman



Sanjiv Ching
Executive Director

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

Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2017
Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-17 \$'000	31-Dec-16 \$'000
CONTINUING OPERATIONS			
INCOME			
Investment Income -	14,15		
Growth & Income Fund		446,279	430,203
TTS Income Fund		364,676	383,713
Universal Retirement Fund		33,855	15,346
US\$ Income Fund		139,493	111,451
Net Investment Income - Group Operations	15	41,357	58,464
Realized Gains Re-classified from Equity	16	12,472	34,629
Initial Charge		8,645	8,098
Other Income		11,693	10,618
Total Income		1,058,470	1,052,522
EXPENSES			
Commissions		(14,338)	(13,027)
Impairment	17	(191,638)	(99,441)
Administrative	18	(251,039)	(263,393)
Depreciation and Amortisation		(13,069)	(15,152)
Total Expenses		(470,084)	(391,013)
Net Income before Guarantee Credit/(Charges)		588,386	661,509
Price Guarantee Credit/(Charge)	10	16,813	(25,664)
Net Income after Guarantee Credit/(Charges)		605,199	635,845
Distributions to Unitholders	23	(197,450)	(239,348)
Allocation by Funds to Reserves	30,31,33	(35,105)	(11,905)
Income Capitalized	32	(27,136)	(8,572)
Net Income Attributable to Unitholders		(283,360)	(264,953)
Net Income before Taxation from continuing operations		62,148	111,067
Taxation	8	(6,660)	(6,572)
Net Income after taxation from continuing operations		55,488	104,495
DISCONTINUED OPERATIONS			
Net Gain on Discontinued Operations	35	6,865	-
Net Income for the year		62,353	104,495

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2017

Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-17 \$'000	31-Dec-16 \$ '000
Net Income for the year		62,353	104,495
Other Comprehensive Income:			
<i>Amounts that may be transferred to Profit or Loss in the future:</i>			
Revaluation of available-for-sale Financial Assets	13	20,437	28,954
Exchange Translation differences		(14,878)	(11,949)
<i>Amounts that will not be transferred to Profit or Loss in the future:</i>			
Re-measurements of Pension and Other Post Retirement Liabilities	9	783	5,435
		6,342	22,440
Fair Value gains transferred to Profit or Loss on disposal of available for sale financial instruments	16	(12,472)	(34,629)
Other Comprehensive Loss for the year		(6,130)	(12,189)
Total Comprehensive Income for the year		56,223	92,306

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

3

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2017

Expressed in Trinidad and Tobago dollars

	<i>Statutory Reserves \$'000</i>	<i>Revaluation Reserve \$'000</i>	<i>Retained Income \$'000</i>	<i>Total \$'000</i>
Balance as at 1 January, 2017	5,700	28,566	1,322,152	1,356,418
Total Comprehensive Income for the year	-	(6,130)	62,353	56,223
Balance as at 31 December, 2017	5,700	22,436	1,384,505	1,412,641
Balance as at 1 January, 2016	5,050	40,755	1,218,307	1,264,112
Total Comprehensive Income for the year	-	(12,189)	104,495	92,306
Statutory Reserve-Bureau de Change	650	-	(650)	-
Balance as at 31 December, 2016	5,700	28,566	1,322,152	1,356,418

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

Trinidad and Tobago Unit Trust Corporation
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December, 2017
Expressed in Trinidad and Tobago dollars

	31-Dec-17 \$ '000	31-Dec-16 \$ '000
OPERATING ACTIVITIES		
Net Income before Taxation	62,148	111,067
<i>Adjustment to reconcile net income to net cash and cash equivalents from operating activities:</i>		
Net Income Attributable to Unitholders	543,050	524,778
Depreciation and Amortisation	13,069	15,152
Impairment - Non-financial Assets	-	6,823
Impairment - Financial Assets	191,638	99,441
Loss on sale of Property, Plant and Equipment	16	636
Price Guarantee Provision	(16,813)	25,664
Revaluation of Fund Reserve Assets	113	2,990
Interest on Fund Reserve Assets	954	823
Other Gains	-	(2,231)
	<u>794,175</u>	<u>785,143</u>
<i>Movements in Net Current Assets</i>		
(Increase)/Decrease in Receivables	(4,923)	26,081
(Increase)/Decrease in Prepayments and Other Assets	(740)	210,187
(Decrease)/Increase in Accounts Payable and Liabilities	(13,303)	20,348
(Decrease)/Increase in Distribution Liability	(10,167)	3,137
Increase/(Decrease) in Pension and Other Post-retirement Liabilities	408	(4,938)
	<u>765,450</u>	<u>1,039,958</u>
Taxation paid	(6,660)	(6,572)
Net Cash Flow From Operating Activities	<u>758,790</u>	<u>1,033,386</u>
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(14,714)	(10,988)
Disposal of Property, Plant and Equipment	179	253
Purchase of Intangible Assets	-	(324)
Purchase of Investment Securities	(8,198,702)	(10,933,342)
Disposal of Investment Securities	8,733,344	10,880,751
Net Cash Flow From/(Used In) Investing Activities	<u>520,107</u>	<u>(63,650)</u>
FINANCING ACTIVITIES		
Subscriptions from Unitholders	2,520,447	2,628,318
Redemptions by Unitholders	(2,632,159)	(2,577,659)
Repayment of Financial Instruments	-	(60,276)
Distribution Payments to Unitholders	(197,450)	(239,348)
Guarantee Reserve Payment	(1,235)	(2,204)
Net Cash Used In Financing Activities	<u>(310,397)</u>	<u>(251,169)</u>
Net Gain on Foreign Exchange	759	33,401
Net Increase In Cash and Cash Equivalents	<u>969,259</u>	<u>751,968</u>
Cash and Cash Equivalents at beginning of year	2,454,393	1,702,425
Cash and Cash Equivalents at end of year	<u>3,423,652</u>	<u>2,454,393</u>

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

Notes to the Consolidated Financial Statements

An integrated annual reporting approach was adopted by the Corporation. The accompanying notes to the consolidated financial statements numbered 1 to 36 were therefore not published in this report. The full version of the consolidated financial statements can be viewed online at **www.ttutc.com**.

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-sixth (36th) Annual General Meeting of the Trinidad and Tobago Unit Trust Corporation will be held at

10:00 a.m. on Wednesday 23rd May, 2018 at the National Academy for the Performing Arts (NAPA) Frederick Street, Port of Spain

or

*View the AGM via live stream -
Log on to www.ttutc.com from 10:00 a.m. to 11:00 a.m.*

to conduct the following business:

1. Receive the Corporation's Audited Balance Sheet and Accounts for the year ended December 31st, 2017
2. Receive the Report of the Auditor General on the Consolidated Financial Statements of the Corporation

Registration:

All interested persons must pre-register to attend at any of UTC's Investment Centres, Agencies or via UTC's website, www.ttutc.com before Monday 20th May, 2018. Registration on the day of the AGM begins promptly at 8:00 a.m. All unitholders must provide a valid form of identification (National ID, Drivers' Permit or Passport).

By Order of the Board

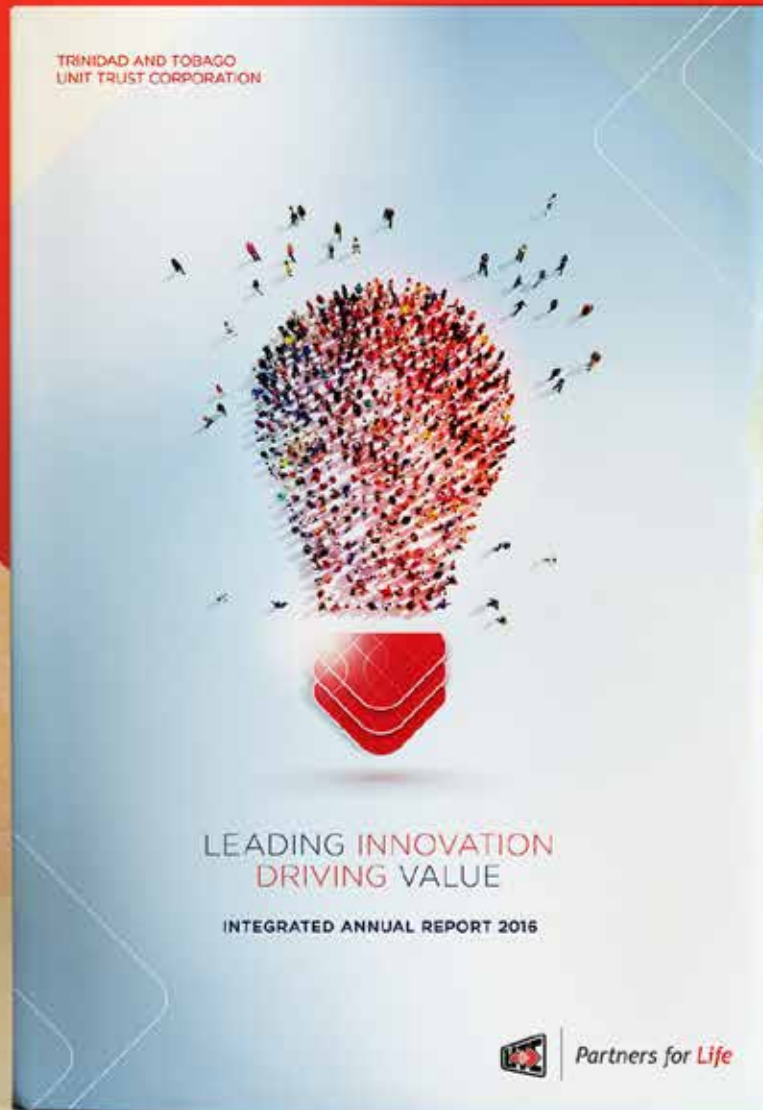
Dawn Seepersad
GENERAL COUNSEL &
CORPORATE SECRETARY
20th April, 2018
82 Independence Square
Port of Spain



Partners for Life

THE MARK OF AN AWARD-WINNING PARTNERSHIP

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