UNIT TRUST
CORPORATION

2007 Annual Report

The Power of Diversification Working for You

Our Mission

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

Vision

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

Celebrating 25 Years of Excellence

It started with one customer. Twenty-five years and over 400,000 customers later, we have an international customer base spanning over 80 countries. Thus, there is much to celebrate with you, our unitholders, who continue to trust us to turn your dreams of financial independence into reality.

Therefore, we proudly shared our largest 25th Anniversary celebration with the nation on the eve of Trinidad and Tobago's 45th anniversary of Independence – August 30, 2007 – thereby combining the celebration of two historic milestones in our nation's history.

Thank you for trusting in us!
Here's to YOU and to another 25 years of success!

Your Investment Options

Invest now, relax sooner

- Individual Retirement Universal Account
- Universal Retirement Fund
- Pensions Plus
- TT$ Income Fund

Diversification working for you

- Global Bond Fund
- Latin America Fund
- European Fund
- Asia Pacific Fund
- Energy Fund
- US$ Income Fund
- TT$ Income Fund
- U-Online

Building their foundation

- Children's Investment Starter Plan (CISP)
- Student Investment & Protection Plan (SIPP)

Enjoy your investment

- TT$ Income Fund
- US$ Income Fund
- Visa Electron
- U-Online

Securing your future

- Children's Investment Starter Plan (CISP)
- Student Investment & Protection Plan (SIPP)
- Growth & Income
- Pensions Plus
- US$ Income Fund
- TT$ Income Fund
- U-Online

Growing that nest egg

- Growth & Income
- TT$ Income Fund
- Energy Fund
- U-Online

Your investment road map starts here

UNIT TRUST
CORPORATION

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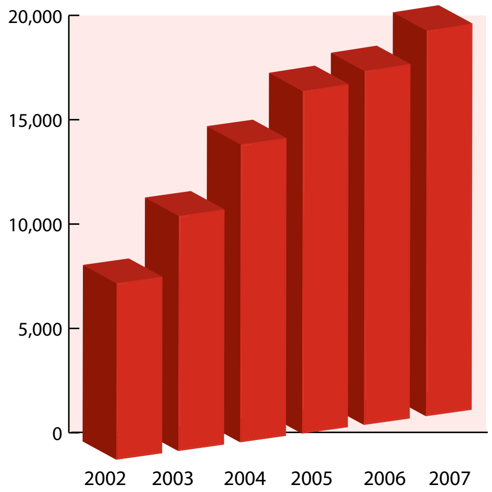
Financial Statements

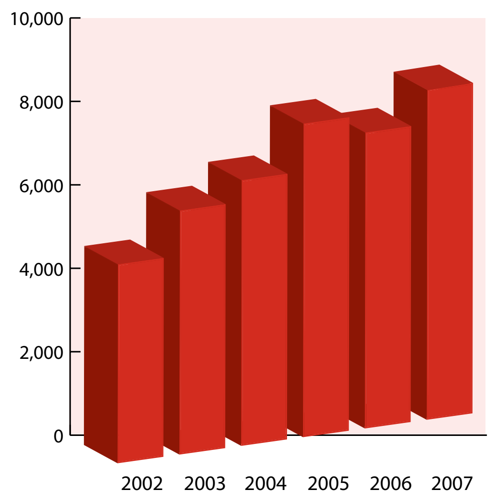
Performance Highlights

	2002	2003	2004	2005	2006	2007
Investment Fund Size ($M)						
Growth & Income Fund	1,623.94	2,882.79	4,193.78	4,789.03	4,629.12	**4,711.25**
TT$ Income Fund	4,359.24	5,353.69	5,988.57	6,803.97	6,934.15	**7,192.86**
Universal Retirement Fund	52.26	75.64	111.23	145.35	146.63	**153.37**
US$ Income Fund	1,754.58	2,319.17	2,959.09	3,723.66	3,948.44	**4,343.63**
Total Investment Funds ($M)	**7,790.02**	**10,631.29**	**13,252.67**	**15,462.01**	**15,658.34**	**16,401.11**
Other Funds ($M)						
Corporation Funds	217.33	231.86	347.38	456.88	533.67	**740.59**
Long-Term Investments	350.02	348.04	547.76	672.34	940.00	**1,516.42**
Pension & Other Funds	376	451	639	457	480	**539**
Total Other Funds ($M)	**943.35**	**1,030.90**	**1,534.14**	**1,586.22**	**1,953.67**	**2,796.01**
Total Resources Under Management ($M)	**8,733.37**	**11,662.19**	**14,786.81**	**17,048.23**	**17,612.01**	**19,197.12**
Mutual Fund Sales (TT$M)						
Growth & Income Fund	343.04	1,150.93	1,312.03	1,414.16	707.08	**486.65**
TT$ Income Fund	3,064.90	3,535.69	3,635.42	4,306.91	4,413.57	**4,340.19**
Universal Retirement Fund	22.22	12.82	16.2	42.56	17.56	**16.60**
US$ Income Fund	1,498.97	1,354.52	1,628.86	2,023.32	2,209.64	**3,364.34**
Total Sales ($M)	**4,929.13**	**6,053.96**	**6,592.51**	**7,786.95**	**7,347.85**	**8,207.78**
Funds Mobilised ($M)	**20,945.28**	**26,999.24**	**33,591.75**	**41,378.70**	**48,726.55**	**56,934.33**
Unitholder Accounts	**391,700**	**443,176**	**511,461**	**578,406**	**631,281**	**668,755**
Total Income ($M)	**658.32**	**705.42**	**898.38**	**1,038.90**	**1,051.24**	**1,113.17**
Distributions to Unitholders ($M)	**473.09**	**518.46**	**644.06**	**751.82**	**815.48**	**777.16**

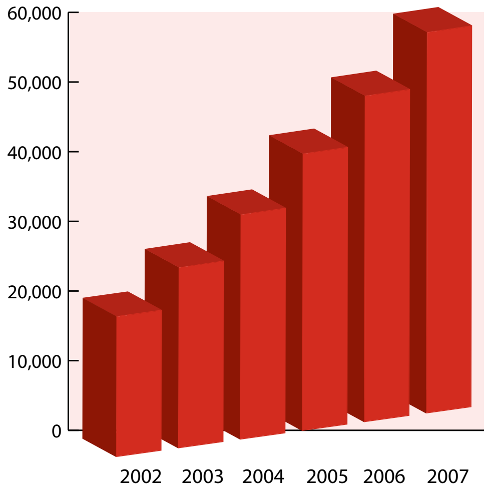
Performance Highlights



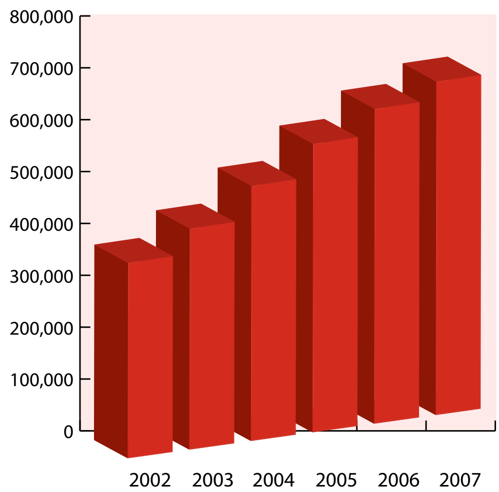
Total Resources Under Management ($M)



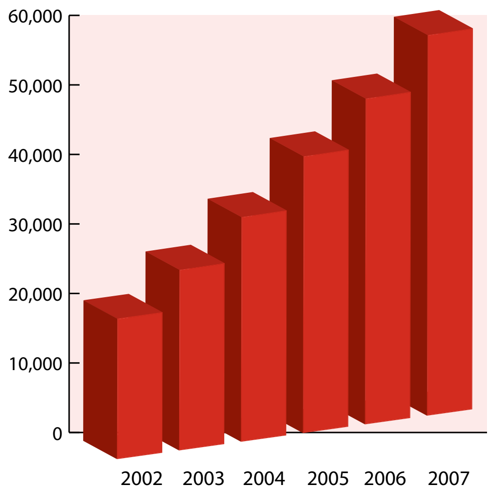
Total Sales ($M)



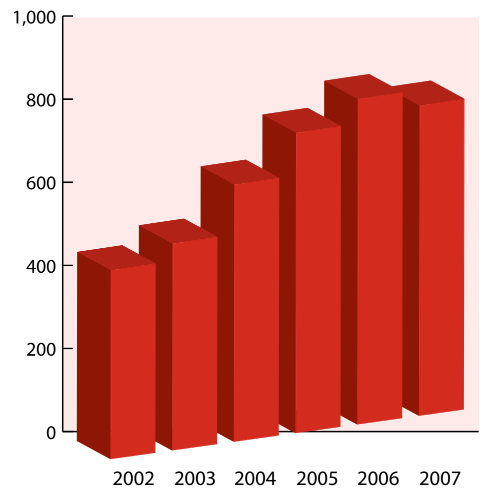
Funds Mobilised ($M)



Unitholder Accounts



Total Income ($M)



Distributions to Unitholders ($M)

Corporate Information

BOARD OF DIRECTORS

Chairman
Amoy Chang Fong

Executive Director
Marlon Holder

Directors
Michal Y. Andrews
Terrence Bharath
Peter Clarke
Alan Fitzwilliam
Gerald Hadeed
Herbert Goon Lun
Dennis Gurley
Walton Hilton-Clarke
Joan John
Alison Lewis

Corporate Secretary
Patricia Ilkhtchoui

Corporate Information

CHANGES IN THE BOARD

Mr. Marlon Holder was appointed as Executive Director of the Trinidad and Tobago Unit Trust Corporation (Corporation) effective January 1, 2007 for a period of five (5) years in accordance with sections 7(1)(a) & 10(1) of the Unit Trust Corporation of Trinidad and Tobago Act, 1981 (Act). Mr. Holder succeeded Mr. Michael Alexander, who served as Executive Director for the period of two and a half years (2½) from June 01, 2004 to November 30, 2006.

Mr. Dennis Gurley and Mr. Alan Fitzwilliam (Representatives of banks and non-bank financial institutions) were re-appointed to the Board of Directors of the Corporation effective April 15, 2007 for another term (4 years), in accordance with Section 7(1)(f) of the Act.

Mr. Gerald Hadeed and Mr. Peter Clarke (Representatives of insurance companies) were re-appointed to the Board of Directors of the Corporation effective April 15, 2007 for another term (4 years) in accordance with Section 7(1)(f) of the Act.

Mr. Maurice Suite (Representative of the Ministry of Finance) resigned from the Board of Directors of the Corporation effective January 31, 2007 in accordance with Section 9(4) of the Act.

Ms. Alison Lewis (Representative of the Ministry of Finance) was appointed to the Board of Directors of the Corporation effective February 01, 2007 for the unexpired portion of Mr. Maurice Suite's term, i.e. from February 01, 2007 to March 16, 2009, in accordance with Section 7(1)(d), (4) and (5) of the Act.

Mr. Herbert Goon Lun, Independent Director, was re-appointed to the Board of Directors under Sections 7(2), 5(A) and (6) of the Act for a period of one (1) year with effect from April 21, 2007. Additionally, Mr. Terrence Bharath and Mrs. Michal Y. Andrews, both Independent Directors, were re-appointed by the Board of Directors of the Corporation for a period of one year (1) with effect from April 23, 2007.

Corporate Information

CORPORATE OFFICES

Head Office & Main Customer Service Centre
UTC Financial Centre
82 Independence Square
Port of Spain
Tel: (868) 624-UNIT (8648)
Fax: (868) 623-0092
Email: utc@ttutc.com
Website: http://www.ttutc.com

CUSTOMER SERVICE CENTRES

SAN FERNANDO
23 High Street
San Fernando
Tel: (868) 657-UNIT (8648)/0041
Fax: (868) 652-0620

WESTMOORINGS
1 Guardian Drive
Guardian Building
Westmoorings
Tel: (848) 632-UNIT (8648)/632-9222
Fax: (868) 632-7721

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

CHAGUANAS
Endeavour Road
Chaguanas
Tel: (868) 671-UNIT (8648)
Fax: (868) 671-6581

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

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

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

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

Corporate Information

BANKERS

Local

Central Bank of Trinidad & Tobago
Central Bank Building
Eric Williams Plaza
Independence Square
Port of Spain

Republic Bank Limited
Independence Square
Port of Spain

RBTT Limited
Royal Court
19-21 Park Street
Port of Spain

Scotiabank Trinidad & Tobago Limited
Corporate Offices
56-58 Richmond Street
Port of Spain

Citibank (Trinidad & Tobago) Limited
12 Queen's Park East
Port of Spain

Republic Bank Limited
9-17 Park Street
Port of Spain

First Citizens Bank Limited
62 Independence Square
Port of Spain

Overseas

Citibank N.A.
11 Wall Street
New York, N.Y. 10043
USA

AUDITORS

External

The Auditor General of the
Republic of Trinidad & Tobago
Eric Williams Finance Building
Eric Williams Plaza
Independence Square
Port of Spain

Internal

PricewaterhouseCoopers
Chartered Accountants
11-13 Victoria Avenue
Port of Spain

Corporate Information

ATTORNEYS

Local

Fitzwilliam, Stone, Furness-Smith & Morgan
40-45 Sackville Street
Port of Spain

Mair & Company
50 Richmond Street
Port of Spain

Pollonais, Blanc, de la Bastide & Jacelon
Pembroke Court
17-19 Pembroke Street
Port of Spain

Chancellors
6 Maraval Road
Newtown

Lex Caribbean
5-7 Sweet Briar Road
St. Clair

Overseas

Foley & Lardner
Firstar Center
777 East Wisconsin Avenue
Milwaukee
Wisconsin 53202-5367
USA

Turner & Roulstone
Strathvale House
90 North Church Street
Grand Cayman KY-1102
CAYMAN ISLANDS

Notice of 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 Twenty-Sixth (26th) Annual General Meeting of the Trinidad and Tobago Unit Trust Corporation will be held at 5:00 p.m. on Tuesday May 27, 2008 at the Queen's Hall, 1-3 St. Ann's Road, St. Ann's to conduct the following business:

1. Receive the Corporation's Audited Balance Sheet and Accounts for the year ended December 31, 2007

2. Receive the Report of the Auditor General thereon.

By Order of the Board

Patricia Ilkhtchoui
CORPORATE SECRETARY

March, 2008

Board of Directors

Marlon Holder
Executive Director

Dennis Gurley

Walton Hilton-Clarke

Alan Fitzwilliam

Michal Y. Andrews

Alison Lewis

Joan John

Amoy Chang Fong
Chairman

Terrence Bharath

Herbert Goon Lun

Peter Clarke

Gerald Hadeed

Chairman's Review

We believe that diversification is the right strategy, as we focus on providing consistent returns to unitholders over the long term, through improvements in our asset management and operational systems.

Amoy Chang Fong – Chairman

Introduction

The adage that there is nothing more certain than uncertainty could well describe the financial markets in 2007. There were some feelings of relief mid-year when the domestic stock market appeared to have stabilised after an initial recovery in the fourth quarter of 2006 was reversed in the first quarter of 2007. While the composite index moved upward, if hesitantly, to end the year just above the level of 2006 year-end, emerging problems in the US housing market began to significantly impact the US credit markets. The credit problems, caused initially by a crisis in the mortgage market, now appear to have been seriously underestimated, and have spilled over to the equity markets as well-known financial firms began to report losses from their mortgage exposures. These problems have affected the entire financial services sector and the rest of the economy. US growth prospects have been revised downwards and the effect on global financial markets has continued well into 2008.

The lowering of interest rates in the US since September as a response to the credit crisis and the declines in the equity markets presented serious hurdles to providing returns to investors in external markets.

Although these market developments engaged much of the energies of our asset management staff, we kept our focus on improving our asset management processes to provide more consistent returns to unitholders. A comprehensive risk management system has been put in place as part of an improved corporate governance structure. While a major part of the risk management system is our asset management function, the system also covers other areas of the Corporation's activities including obligations under the Occupational Safety and Health Act (OSHA). The Corporation also broadened the range of products offered and continued to strengthen its governance and operational processes to position the organisation to deliver a more efficient service to our customers. Our Internet service is up and running and is geared to serve a global market.

We had indicated last year that, as a consequence of the new Mutual Fund Guidelines distributed by the Trinidad and Tobago Securities and Exchange Commission (TTSEC), there were likely to be changes in the operation of the Money Market Funds. In 2007, we renamed the Money Market Funds to "Income Funds" to reflect the de facto nature of their operations.

Fund Management

Our fund management strategy to increase diversification of our asset allocation into external markets was given an early test. We believe, however, that diversification is the right strategy, as we focus on providing consistent returns to unitholders over the long term, through improvements in our asset management and operational systems. We also strengthened our risk management systems to monitor and manage asset allocation and portfolio performance. We therefore implemented our plan to launch a number of sector-specific funds. The Energy Fund was opened for subscriptions in July and four other funds were launched in December. These new funds are intended to meet the needs of investors, who would like more flexibility in choosing their portfolio profile. As we expand our Fund offerings, we will provide more market information on external economies where these Funds will be invested.

The UTC continues to maintain the lion's share of the domestic mutual fund industry, which is estimated to have grown by about 8 per cent, even as savings in the overall economy continue to rise on the strength of growth in the overall economy. Although this rate of growth for the industry is an improvement on the 4 per cent in 2006, it is still relatively modest compared to earlier periods and may be attributable to the vagaries in the broader financial markets. The Corporation experienced a 4.74% expansion in its funds under management, which rose from $15.66 billion at the end of 2006 to $16.4 billion at the close of 2007. Most of that growth occurred in the Income Funds, as investors remained wary of the equity-based funds.

Owing to the subdued performance of the domestic and regional stock markets and the difficult conditions in external markets, the income distribution by our flagship fund, the Growth and Income Fund, fell from 75 cents the previous year to 45 cents in 2007, although total return on these units (when capital appreciation is added) was markedly better than in 2006. Distributions paid by the income funds were higher, however. The TT Dollar Income Fund benefited from strong domestic interest rates, while the US Dollar Income Fund increased its return for the full year in spite of declining interest rate trend in the latter half of the year.

Group Performance

At the corporate level, our consolidated results indicate higher income for the Group, due in part to the activities of the Merchant Banking unit, which continues to make an increasing contribution to overall revenue. Our Merchant Banking business continued to enhance its position in the domestic and regional financial services sectors, winning mandates throughout the region by providing superior financial advisory and project financing services. The unit successfully mobilised approximately $676 million in funds in the year just ended. Diversification of the Corporation's business lines has therefore also strengthened its finances.

The Domestic Economy and Financial Markets

Trinidad and Tobago will enter its 15th consecutive year of economic growth in 2008 with projected growth of around 5.7%, compared to an estimated 5.5% the previous year. The domestic economy continues to be buoyed by high energy prices and increased activity from the energy sector, which contributed approximately 41.2% to GDP in 2007.

The areas of concern for the economy are the fact that Trinidad and Tobago is operating at full capacity with unemployment at an historic low of 5 per cent and the prospects for inflation.

According to the Central Bank, headline inflation continued on a downward trend, ending the year at 8.1%. Increasingly, inflation is becoming a world–wide phenomenon, as demand for primary products from populous and fast-growing economies rises. Imported food prices and prices for other goods including those used in the construction sector are contributing to a large portion of the rise in domestic prices. The Central Bank has targeted an inflation rate of 7% for 2008. It maintained the "Repo" rate at 8 per cent throughout the year, but also increased the volume of its open market operations to absorb liquidity generated by the Government's fiscal operations.

While the equity markets appeared to be emerging from the long decline of the past 2½ years, the bond markets were very subdued. Besides the two issues offered by the Central Bank as part of its liquidity management measures, there were 13 other issues in 2007. This compares with 38 and 17 issues in 2005 and 2006, respectively.

Outlook

The developments in the United States are expected to affect the rest of the world for some time, as the threat of a recession in the US continues to loom large. If there is a positive view to be taken on this, it is that the changing structure of emerging economies, in particular in Asia, could prove more resilient to this US downturn than in previous episodes. Growth in developing countries is therefore expected to remain strong, reflecting improved economic and financial fundamentals and large revenues from commodity exports. Despite the resilience of the global economy, developing countries will still be vulnerable to financial disturbance, particularly those countries with huge current account deficits, pegged exchange rates, or banking sectors that are heavily indebted to international markets.

Since the US remains the Caribbean region's largest trading partner, the US GDP slowdown is likely to have a strong impact, but the region is still expected to grow by about 1.5%. The region will also be affected by the high commodity prices, increasing food prices, and higher international financing costs. As a result, inflationary pressures in the region will mount and Central Banks will try to control this by tougher monetary policy stances.

In Trinidad and Tobago, the downside risks to the economy include a downturn in energy prices and increased government capital expenditure which could affect capacity constraints further. It appears, however, that oil prices are likely to be maintained at current levels (at or close to US$100 a barrel), given the world demand for oil and energy, OPEC's stance on maintaining the oil supply at existing levels, and the weakness of the US Dollar, the numeraire for oil prices. Interest rates in the domestic market are expected to be maintained at current levels, against the background of the monetary policy objectives of the Central Bank.

The regional stock markets are expected to remain bearish because of the lack of institutional investor interest. The Trinidad and Tobago market is expected to be more active, however. The amalgamation of RBTT Limited with the Royal Bank of Canada (RBC) will lead to the delisting of RBTT. However, the exchange of shares and the cash component of the amalgamation plan could have a mitigating impact on the market as institutional investors will have cash in hand, which could be reinvested in the remaining listed securities on the Exchange. There have also been suggestions that the RBC stock due to Trinidad and Tobago shareholders in the share exchange could be packaged as a depository receipt to be traded locally.

Furthermore, additional activity could arise from the amendment passed in July 2007 to the Insurance Act, which increased the ceiling on local equity as a proportion of the accepted value of assets of pension plans from 50 per cent to 70 per cent. While there appeared to be little effect on the market in 2007, the benefits of this change may be realised in 2008, although, as we mentioned last year, we do not expect significant run-ups in prices given revised expectations of price/earnings ratios.

From the perspective of asset management, we see lower interest rates in the US markets, continuing high levels in the local markets, a bearish trend in the US stock markets, continuing strong growth in Asia and Latin America, and subdued markets in the Caribbean.

Conclusion

Within the last year, the Corporation performed commendably given the volatile financial markets and the current economic conditions in external markets. We have been upgrading our operational systems to provide a more efficient service to our customers. Our broader suite of fund products now offers investors an opportunity, if they so choose, to design a total investment portfolio, based on their own risk profile.

I am of the view that the diversification strategy adopted for fund management, coupled with our risk management systems will redound to the benefit of unitholders. Notwithstanding the portents of a US recession, we are optimistic that that there will be opportunities for Fund managers in 2008.

As I come to the end of this review, I want to express my appreciation to my fellow Board members for their continued support and guidance over the last year, which have contributed in large measure to the achievement of the Corporation's goals and vision.

I also wish to pay tribute to the work of our Executive Director, Mr. Marlon Holder, who joined the Corporation in January 2007, and who has guided the Corporation through the establishment of our expanded Fund offerings and operational improvements. He was ably assisted by a Senior Management Team, Management and Staff who continue to demonstrate dedicated service and unswerving loyalty to the Corporation.

As our 25th birthday fades behind us, I must, on behalf of the Board of Directors, Management and Staff, thank you, our unitholders, for your continued support and the confidence reposed in us. I can assure you that in spite of the challenges on the financial horizon, we remain confident that our investment strategies will reap rewards and that we will be able to provide competitive and consistent returns on your investments. We look forward to your continued support for many years to come.

Amoy Chang Fong
Chairman

Executive Director's Report

All funds under management improved their performance year on year. Our non-fund businesses, in particular our Merchant Banking, Treasury and Card Delivery units also performed better than expected.

Marlon Holder – Executive Director

Introduction

I am honoured to present this Report on my first full year as the Executive Director, more so as I took up the position in January 2007, with the challenge to maintain and improve the high standards of the Corporation set over the past 25 years.

Both fund and non-fund businesses performed above expectations in 2007. All funds under management improved their performance year on year despite lacklustre local equity markets and volatile international markets. Our non-fund businesses, in particular our Merchant Banking, Treasury and Card Delivery units also performed better than expected.

Our Consolidated Balance Sheet shows that the Corporation's assets expanded by over TT$1.51 billion or 8.64% to TT$18.97 billion from TT$17.46 billion. The rate of growth in 2007 was more than double that of 2006 when the Corporation grew by TT$0.68 billion.

We continue to dominate the Mutual Fund industry with almost half of the market share. We continue to provide investors with superior consistent returns, a wide selection of products and services, convenience and speed, all delivered on the lowest cost distribution network in the market. We also remain steadfast in our commitment to offering our funds to small investors. For example, a minimum of $100 is required for investment in our Income Funds and as low as $20 for our equity funds.

In addition, in 2007, the Corporation put in place an enhanced risk management system, which will allow us to be proactive in managing the volatile financial markets so that we can continue to deliver the consistent returns our customers expect. Performance management systems based on the Balanced Scorecard have also been adopted to focus the attention of the entire organisation on the critical processes and results that contribute to a successful company.

Financial Market Overview

Our limited entry into the US market created positive returns over the course of 2007. Although global financial markets experienced higher levels of volatility than in recent history, we were able to make prudent investments resulting in a net positive return on our US positions. We are also conscious of the downturn in the US economy which began about October 2007 and have taken proactive steps to reduce our exposure while at the same time purchasing selected assets at prices that represent value, even under current conditions.

The local equity market had a mixed performance over 2007, ending the year in positive territory but experiencing notable volatility from time to time. While the US subprime mortgage crisis did not have a measurable impact on domestic stock prices, two acquisition events dominated the market, viz. the protracted Neal & Massy/ANSA McAl battle for Barbados Shipping & Trading and the proposed purchase of RBTT by the Royal Bank of Canada. The major fluctuations in the TTSE Composite Index over 2007 were, for the most part, linked to shifting investor expectations as to the outcome of both corporate transactions.

Apart from these merger and acquisition events, local firms generally reported improved financial performances relative to the previous year. These included companies such as Trinidad Cement Limited, Neal & Massy and Guardian Holdings. As at

2007 year-end, the domestic stock market was up 1.04%, a slight improvement on the previous year's increase of 0.68%.

In the domestic fixed income market, local institutional investors found better returns. In particular, inflationary pressures in Trinidad and Tobago led to increased yields on the shorter end of the yield curve. Closing 2007, the TT dollar yield curve remained slightly upward sloping, offering little pick up for tenor extension.

By comparison, fixed income returns in US dollars peaked in 2007 as the Fed funds rate was reduced by 100 basis points over the year in the aftermath of the credit crunch triggered by the subprime mortgage crisis. This also had the effect of lowering short term US dollar yields in the local US dollar fixed income market.

US equity investors saw strong growth for most of the year until the subprime mortgage crisis and the resulting credit crunch weighed on the stock market in the last quarter. There was still positive growth of 3.65% in the Standard and Poor's index for the year as a whole, but this was well below the 13.62% recorded for the previous year. Financial stocks in particular felt the brunt of poor market sentiment as a series of substantial asset write-downs (much of them linked to subprime mortgages) wiped out earnings and triggered capital adequacy concerns. Nonetheless, investors whose portfolios were relatively well-diversified avoided much of the pain caused by this sector.

Despite this volatile financial market environment, the Corporation's overall performance represented a substantial improvement relative to the 2006 out-turn.

This is evidenced by:

- Growth in Funds under Management to TT$16.40 billion in 2007 from TT$15.66 billion in 2006, equivalent to a TT$0.74 billion or 4.74% improvement.
- Growth in Total Income to TT$1,113.17 million in 2007 from TT$1,051.24 million in 2006, an improvement of TT$61.93 million or 5.89%.
- Augmentation of Retained Earnings by a further TT$101.07 million to stand at TT$634.74 million at the end of 2007 as compared to TT$533.67 million at the end of 2006.

Financial Performance

Consolidated Financial Performance

The improved consolidated financial performance over the review period resulted from the successful execution of our four-pronged strategy of market penetration, market development, product development and diversification with an intense focus on generating consistent positive returns for our customers. Total assets thus grew by over TT$1.5 billion from TT$17.46 billion in 2006 to TT$18.97 billion in 2007, thereby returning the Corporation to its previous trend of annual billion-dollar growth. Moreover, the increase in the overall asset base, for the first time in the Corporation's history, was evenly split between funds under management and our other business lines reflecting the underlying strength of our diversified business model.

Overall revenue again exceeded the billion-dollar threshold, reaching TT$1.11 billion in 2007 as compared to the TT$1.05 billion recorded in 2006. Investment income from Funds under Management continued to provide the main share of revenue, increasing by just under TT$60 million or 6.14% to end 2007 at TT$1,033.74 million. This growth was markedly higher than that of the previous year and reflected judicious portfolio asset allocation with regard to the Corporation's two largest funds, the TT Dollar Income Fund and the Growth & Income Fund.

Initial Charge, which is earned from sale of units, fell for the second year running as continued investor ambivalence towards the local equity market negatively impacted on unit subscriptions for the Growth & Income Fund. Specifically, it declined by TT$5.2 million to TT$16.15 million in 2007 from TT$21.36 million in 2006.

The contribution of Merchant Banking activity to overall revenue in 2007 of TT$48 million represented a TT$5.5 million improvement on the 2006 out-turn for this business line. Taking into account the increases in rental and other income, income from sources other than investment of Funds under Management totalled TT$79.43 million in 2007, a 2.79% improvement on the TT$77.27 million result for 2006.

On the expenditure side, aggregate distribution payments to unitholders fell from TT$815.48 million in 2006 to TT$777.16 million in 2007, due mainly to lower dividends to unitholders in the Growth & Income Fund. The overall consolidated expenditure position of TT$979.91 million in 2007 was marginally lower than the 2006 out-turn of TT$982.34 million.

Given the above, the Corporation recorded an improvement in annual net income as it returned to the TT$100 million range previously experienced in 2005. As a result, accumulated retained earnings closed at TT$635 million as at December 31, 2007.

Performance of Funds under Management

The 4.74% growth in Funds under management over 2007 from TT$15.66 billion to TT$16.40 billion was attributable mainly to increased subscriptions into the TT and US Dollar Income Funds as investors reacted positively to the Corporation's competitive quoted rates of return. This was further supplemented by moderate price appreciation within the Growth & Income Fund and the Universal Retirement Fund.

Higher distributions were paid to units in the Income Funds, while lower dividends accrued to units in the Growth and Income Fund.

Growth & Income Fund

The Fund experienced net unit repurchases of roughly TT$2.85 million in 2007. Nonetheless, its investment performance was commendable given the generation of TT$85 million odd in capital appreciation in 2007 as improved market prices for its foreign equity holdings saw the ex-dividend bid price increase from TT$15.63 to TT$16.13.

This reflected the Fund's successful negotiation of the volatility of both local and foreign equity markets over the course of 2007 combined with astute positioning in the TT dollar fixed income market.

Growth in the Fund's net asset value was supported by broadly favourable price movements in its diversified foreign equity positions. This helped to offset worsening market valuations for Guardian Holdings, Republic Bank and RBTT. Moreover, the

Fund also benefited from price run-ups in its holdings of key regional conglomerates such as Barbados Shipping & Trading, Neal & Massy and Ansa McAl. Rising local short-term interest rates continued to support the current income investment objective as the Fund took a strategic decision to shorten portfolio duration.

However, a reduction in realised gains led to a lower distribution payout to the Fund's unitholders from TT$220 million in 2006 to TT$132.47 million in 2007. As a result, the total dividend per unit fell from 75 cents in 2006 to 45 cents in 2007. The 45-cent distribution was supported primarily by increased dividend income and stable interest income, as the TT$82 million realised gain result for 2006 was not mirrored in 2007.

Taking both bid price appreciation and distribution payout into consideration though, total return for 2007 represented a marked improvement over 2006. Specifically, the 12-month return for 2007 was 6.08% compared with a loss of 3.02% in 2006. Given that rising securities market values were only marginally offset by unit redemptions, the net assets of the Fund increased by over TT$82.13 million. As a result, the management charge was higher by about 4% at TT$93.86 million.

TT Dollar Income Fund
(formerly TT Dollar Money Market Fund)

The TT Dollar Income Fund experienced net sales of TT$272.9 million in 2007 as unitholders responded positively to gradually increasing quoted rates of returns.

Net investment income grew by just over 20% from TT$435.23 million in 2006 to TT$522.45 million in 2007 as the Fund continued to extract full value from rising local interest rates on the shorter end of the TT dollar yield curve. This favourable domestic fixed income environment was facilitated by the Central Bank's continued counter-inflationary policy measures which gradually drew short-term interest rates up over the course of 2007. Where appropriate, the Fund also took up select positions in intermediate tenor sovereign and corporate bonds in order to protect against reinvestment risk in the medium term, particularly where higher yields were available as compared to previous years.

The above actions supported a distribution payout of TT$423.77 million, 8.1% larger than the previous year's payout of TT$392 million. Quoted rates of return for the Fund remained competitive relative to its peers, starting the year at 5.80% (effective 6.06% per annum) and ending it at 6% (effective 6.27% per annum).

This allowed for an increase in management charge, which rose from 0.46% of 2006 year-end net assets to 1.12% of 2007 year-end net assets. Notwithstanding the increase in the Fund's expense ratio, the management charge still remained well below its 2.0% of average net assets ceiling.

US Dollar Income Fund
(formerly US Dollar Money Market Fund)

Despite volatile capital inflows and outflows throughout 2007, the US Dollar Income Fund ended the year in positive territory with US$59.9 million in net unit subscriptions. This out-turn was no doubt supported by the Fund's ability to maintain its quoted rate of return throughout the year at a time when US interest rates had begun its downward trend.

Net investment income grew by 11.3% over the last financial year from TT$234.43 million in 2006 to TT$261.01 million in 2007 through selective positioning along the US Dollar yield curve. Distributions to the unitholder correspondingly increased from TT$209 million to TT$222.56 million and were all based on a quoted rate of return of 5.05% (effective 5.25% per annum).

Management charge also increased in absolute terms from TT$32.27 million in 2006 to TT$34.51 million in 2007 but fell somewhat in proportionate terms from 0.82% to 0.79% of year-end net assets.

Universal Retirement Fund

As in 2006, low unit sales continued to be the experience of the Universal Retirement Fund. In fact, just over TT$2.1 million worth of units were redeemed in 2007 on a net basis, much of it owing to unitholder retirements.

Notwithstanding the above, annualised returns for the Universal Retirement Fund rose from –2.41% in 2006 to 5.83% in 2007. Growth in net asset value was driven by a shift in asset allocation towards TT dollar short-term fixed income as well as by positive market valuation upswings for stocks such as Neal & Massy, Ansa McAl and WITCO. Moreover, the Fund's minimal foreign equity positions had little impact on net asset value. Given these factors, net asset value per unit ended 2007 at TT$28.31, up TT$1.56 from TT$26.75 in 2006.

As was the case in the past two years, the management charge was unchanged as a proportion of net assets at 2% in 2007, reaching TT$3,012,000 ($100,000 more than in 2006). This left total income for capitalisation (re-investment) of TT$5,501,000, roughly $1 million more than last year's result of TT$4,485,000.

Other Business Segments

Other Assets Under Management

The privately managed investment pools increased by 8.86% over the review period from TT$450.67 million in 2006 to TT$490.59 million in 2007. This trend is expected to continue in 2008.

Merchant Banking Operations

In 2007, the Corporation's Merchant Bank intensified its innovation and customer relationship building strategies. As a result, net profit before tax in 2007 was TT$31.9 million compared to TT$28.54 million in 2006, an 11.77% increase year on year. The Merchant Bank continues to expand regionally and into Latin America with a number of deals in the construction and tourism sector.

Internally, the Merchant Bank's risk and corporate governance systems were significantly improved to support more sustainable growth in the future.

Electronic Services

The electronic services unit was formed in June 2007, bringing together four main businesses under one roof, namely Card Services, ATM Services, Internet Services and Call Centres. The synergies from this combination allowed for gross revenue of TT$5.8 million from cards in 2007 which is more than double the TT$2.8 million in 2006. The number of cardholders increased from 53,543 to 58,977 as unitholders enjoyed the benefits of convenience.

Customer service delivery was also enhanced in 2007 with the new structure facilitating improved management of the 14 ATMs located throughout Trinidad and Tobago. The call centre was also enhanced to handle the thousands of calls received every month. This has resulted in improved customer service and has provided opportunities for more cross-selling of the UTC's products.

Last but not least, the Internet Services unit engaged in high gear developmental work to ensure delivery of "U-Online" by early 2008 to provide the finishing touch to the customer service delivery theme of 2007.

Branch Network

Our branch network was re-engineered in 2007 to focus on improving customer service. More tellers were added and metrics were put in place to measure the customer experience. In addition, greater contact with customers was mandated resulting in increased sales across all branches. We also terminated Saturday openings in December as there was weak demand for this service. However, this service has been effectively replaced by the Internet service in February 2008 which has been enthusiastically received by customers with registrations vastly exceeding expectations.

Business Outlook

We are cautiously optimistic about 2008. There is the clear possibility that global economic growth will moderate sharply as the US economy is in recession. What is less certain is the extent to which the emergent world economic powerhouses of China and India can sustain the US slowdown. Much depends on the extent to which the so-called trend of decoupling of global economic growth is entrenched.

While there is much evidence to suggest that these two Asian giants along with the European Union are genuine growth poles in their own right, economic figures suggest that they will be significantly affected as the USA is the major purchaser of their exports.

Economies in Latin America will be very much hopeful that China can pick up the US slack as they have benefited handsomely from that country's insatiable demand for commodities, both soft and hard. Brazil, Mexico and, to a lesser extent Chile, will be key national economies to observe going forward, especially if the demand begins to wane from the Orient. Caribbean states are likely to be most vulnerable going forward as the twin threats of lower global tourism activity and higher energy costs begin to intensify already heavy fiscal burdens. Economic risks for the region therefore are clearly tilted to the downside with potential ramifications for debt sustainability.

Notwithstanding natural resource supply issues, there is every reason to expect further economic expansion for Trinidad and Tobago in 2008. However, there is a sense that this year will be something of a watershed for an economy that is clearly operating at the limits of its productive capacity. Inflationary pressures are likely to persist but should be brought under relative control towards the end of the year by a combination of tighter fiscal and monetary policies. Credit expansion should continue but there is some expectation that retail lending will be less pervasive as the year unfolds.

All in all, the search for value should prove a challenging one for the Funds in 2008 with maintenance of the status quo in respect of the local equity market the most likely scenario. The Funds remain committed therefore to international expansion but will attempt to mitigate their exposure to volatility of both international stock prices and global interest rates. Consequently, the domestic fixed income market is likely to provide the greatest attraction going forward for the TT dollar denominated funds.

In terms of the new mutual fund products launched towards the end of 2007, the investment strategy would focus on the acquisition of fundamentally sound assets with medium to long term growth potential. In the Corporation's view, this represents a rare opportunity for unitholders to position themselves for above average returns over a medium term horizon.

Appreciation

The Corporation's ability to successfully navigate the testing markets of 2007 is a reflection of the commitment of our management and staff to continuously improving customer service. In 2007, we raised the customer service bar throughout all our business units. Our customers have reacted positively to the many initiatives piloted in 2007 and our financial success is a reflection of this satisfaction.

Sincere thanks to our Board of Directors, senior management and staff for maintaining the commitment to the new strategic direction in midst of great uncertainty in 2007. We therefore look to the new year and its many challenges with renewed confidence.

Marlon Holder
Executive Director

International Economic Environment

Global economic growth is slowing as the pendulum of economic performance shifts from the developed world to emerging economies. With the United States facing a recession, liquidity pressures in the financial market and record commodity prices, the global economy is facing some challenging times. In 2007, the connected nature of the world's economies was underscored through the subprime mortgage crisis which affected all major economies in the form of liquidity crunches and increased borrowing rates. These signs, however, do not portend doom as emerging economies, in particular China and India, are expected to continue to buttress the global economic situation with global growth estimated at 3.7% for 2008.

Trinidad and Tobago

Here at home, the domestic economy continues to be buoyed by high energy prices and increased output from the energy sector. In 2008, the Trinidad and Tobago economy will enter its 15th consecutive year of economic expansion, posting 5.5% GDP growth with the energy sector expected to contribute 41.2% of GDP.

The Central Bank continues its gallant fight against headline inflation which ended 2007 at 7.6% through the use of monetary tools such as Open Market Operations, the sale of foreign currency, the issuance of two bonds and the Repo rate. The main driver of headline inflation has been food price inflation which accounts for 18% of the Retail Price Index weighting and increased by 16.8% in 2007. Global commodity prices for grain, wheat and soy will continue to push domestic food prices upwards, consequently, food price inflation is expected to continue its upward trend in 2008. It is expected that the Central Bank will intensify its efforts as needed to curb the inflation rate and this may include further adjustments to the Repo rate, intensification of Open Market Operations and more intervention in the foreign exchange market.

Overall, the economy is in a strong fiscal position with a surplus of about 1% of GDP and transfers to the Heritage and Stabilisation Fund expected to reach about 1.5% of GDP. Strong energy prices are expected to maintain their elevated levels in 2008 since the demand for oil and natural gas remains high and OPEC is demonstrating little inclination to significantly increase supply. This favours the healthy performance of the domestic economy but the main threat to the economy of inflation still remains.

Jamaica

Jamaica's economic recovery was seriously hindered by the destruction caused by Hurricane Dean and a decline in bauxite production which left the country's 2007 real GDP growth at 1.2% of GDP. In 2008, the picture remains grim as the US, on whom Jamaica relies for tourism receipts, exports and investments, faces a recession. Like its other Caribbean counterparts, inflation is a major concern as consumer prices rose by 16.8% in 2007. In 2008, the government will have to reduce Jamaica's debt burden, curtail the inflation rate and protect the Jamaica dollar. Balancing these objectives will be difficult, especially as Jamaica needs to increase economic activity to avoid a recession or stagflation.

Barbados

Barbados' tourism and construction sectors should continue to lead economic growth, which should measure 3.3% in 2008. While it is expected the US arrivals will decline due to deteriorating economic conditions in the US, the weak currency against the UK pound should compensate for this decline as UK tourist arrivals should increase. Construction in Barbados has been driven by both the private and public infrastructure programmes and is anticipated to continue in 2008.

Domestic deposits in Barbados have grown by almost 17.8% year-over-year, with the majority being held in traditional savings accounts. These deposits have actually outpaced the rate of lending, thereby leading to excess liquidity which prompted the Central Bank to cut the minimum rate paid on deposits by 50 basis points to 4.75%.

The main risk to the Barbados economy is the sizeable current account deficit which is being financed at present by short-term capital inflows. This has the potential for sudden capital account reversals which can either challenge the credibility of the peg or bring about sharp and potentially disruptive policy adjustments.

Latin America

Latin American economies are currently characterised by high external reserves, current account surpluses, as well as surplus Balance of Payments. Consequently, the countries have taken advantage of opportunities to re-profile their outstanding debt liabilities and to strengthen their fiscal stances. On the downside, elevated food and commodity prices have affected the Latin American consumer goods basket, causing an uptick in headline inflation.

Since Latin American economies are major commodity exporters, it comes as no surprise that the region will continue its above-trend growth in 2008, which will reach an estimated 4.5%. In addition, given the outlook for the global metals, energy and agricultural markets, the potential fall-out from a slowdown in global economic growth should be limited for the Latin American region.

Asia-Pacific

China and India which grew at 11.4% and 9.2% in 2007 respectively are projected to grow by 9.3% and 7.9% respectively in 2008. For East Asia and the Pacific, GDP is expected to grow by 9.7% in 2008 while GDP growth for South Asia is anticipated to reach 7.9%.

Unlike the 1990s, Asian economies are more resilient to financial crises thanks in large part to regulations arising from the Asian market collapse. Consequently, the region has been less impacted by the US recession and the fallout from the subprime mortgage crises. The major threats in the Asia-Pacific area remain political instability and inflation.

Eurozone

The record highs of the Euro against the US dollar characterised much of the latter half of 2007 as Europe's young currency continued to assert itself on the global stage. GDP growth for the Eurozone is anticipated to reach 1.4% in 2008, down slightly from 2.4% in the previous year. The major contributors for GDP growth in the Eurozone will continue to be private consumption, fixed investment, government consumption and exports.

United Kingdom

After experiencing 15 consecutive years of marked expansion, the UK economy is expected to slow in real terms to 1.6% in 2008 compared with 3.1% in 2007. Signnificant declines in property values are expected to contribute to a slowdown in household consumption as appetite for credit wanes. Moreover, considerable adjustments will be required to narrow the current account deficit from 4.7% of GDP to 3.8% of GDP by 2008 year-end. Given the foregoing, the prognosis for near-term economic performance is decidely bleak.

United States

The US economy is facing deteriorating economic conditions from the fallout of the subprime mortgage crisis which has led to liquidity problems and tightening credit market conditions. While this crisis has lowered US growth prospects to a mere 0.9% in 2008, it has also paradoxically increased oil prices, metal prices and food prices.

It is expected that the US will slip into a mild recession as financial institutions and households alike, correct their financial problems. This slowdown will continue to be reflected in weakening employment figures, lower consumption and other indicators.




Our Leadership Team

Investment – in a keystroke.

Richard Shepherd
Asst. Vice President – Electronic Services

Marilyn Clarke-Andrews
Chief Financial Officer

Wendell Mitchell
Asst. Vice President – Information Technology

Jovan Sankar
Asst. Vice President – Corporate Planning

Focus on the world.

Amber Rondon
Manager – Human Resources

Ruben Mc Sween
Asst. Vice President – Operations

Amoy Van Lowe
Chief Marketing Officer

Gayle Daniel-Worrell
Vice President – Marketing & International Business

Malcolm Reid
Manager – Security Services

Danielle A. Jones
Asst. Vice President – Communications

Mutual funds aren't all we invest in.

David Thompson
Managing Director – Merchant Banking

Winton Gordon
Asst. Vice President – Merchant Banking

Kelly Belmontes
Deputy Managing Director – Merchant Banking

Dale Khan
Asst. Vice President – Distribution –
Merchant Banking

Michelle Persad
Group Treasurer

Patricia Ilkhtchoui
Corporate Secretary

They spoke. We listened.

Gary Pierre
Vice President – Corporate Support Services

Trixie Guy
Asst. Vice President – Operational Risk

Relna Vire
Corporate Finance Manager

Desmond Edwards
Asst. Vice President – Investment Management and Research

Beverly-Ann Holford-Jack
Asst. Vice President – Fund & Trust Services

Eutrice Carrington
Vice President – Asset Management

Promoting Culture, Enriching Lives

At UTC we firmly believe that corporate organisations should have a positive role in the development of the communities in which they operate. This conviction has guided us in the implementation of our comprehensive corporate social responsibility (CSR) programme.

Over the past 25 years our commitment to community development has been unwavering and has only grown stronger. In 2008 we intend on doing even more towards the advancement of the people in our society, widening the scope of our outreach activities to include all staff.

Investing in Culture

A nation's cultural heritage is one of its most important resources. We continue our ongoing support of unsponsored steelbands; the Trinidad and Tobago Unified Calypsonian Organisation and the Tobago Cultural Committee.

We continue to provide for initiatives and organisations dedicated to promoting health and wellness. In addition to our 6th Annual Ribbons of Hope 5K race, we also supported a variety of health – related, non governmental organisations.

In 2007, we supported fun sporting activities ranging from amateur swimming to semi-professional basketball. Additionally, we continue to support the development of cricket via our commitment to the Trinidad and Tobago Women's Cricket Board and the Tobago Cricket Association.

Investing in Our Youth

In 2007 we assisted schools from across Trinidad and Tobago through several initiatives designed to benefit our nation's youth. These programmes included:

- **Support of the National Financial Literacy Programme**
- **UTC Secondary Assessment (SEA) Scholarship Programme**

ARROW - Literacy for Life

ARROW is an acronym for (Aural-Read-Respond-Oral-Write) in which a student improves learning skills by listening and taking dictation from their own recorded voice. The UTC participated in the ARROW programme in the initial phase at two primary schools, one in Tobago and one in central Trinidad. The identified schools were Castara Government Primary and Chanderagnore Primary School.

JANUARY - MARCH

CUSTOMER APPRECIATION
We truly recognise our customers' contribution to the success of the Corporation and kicked off a variety of customer appreciation activities which began with Customer Appreciation celebrations at both the Sangre Grande and Westmoorings Customer Service Centres in January 2007.

THANKSGIVING SERVICE FOR 25TH ANNIVERSARY
We started off our 25th Anniversary commemorative activities with a thanksgiving service held at Queen's Hall on January 14, 2007.

DONATION OF KIDNEY DIALYSIS MACHINE
The UTC donated a dialysis machine to the John Hayes Kidney Foundation. The Corporation offered its assistance as one of its social investment interventions in the area of health as it continued to pursue initiatives that will enhance the quality of life of the people of Trinidad and Tobago.

SCHOOLS INVESTMENT GAME
The Schools' Investment Game now in its 16th year has been our trademark event for many schools throughout Trinidad and Tobago. The annual game was designed to educate students on investing, money management and to gain a general understanding about the stock market. The winning team members are given a two-month internship at the UTC. Over 17 schools and 35 teams participated in 2007.

HABITAT FOR HUMANITY
One of our most satisfying contributions in 2007 was our partnership with the international non-profit organisation Habitat for Humanity to provide both the financial assistance and physical labour required to build homes for the less fortunate.

JULY - SEPTEMBER

SEA SCHOLARSHIP PROGRAMME
This year 2007 marked the 12th year of our SEA Scholarship programme. UTC awarded six scholarships to SEA students based on their excellent performance in the SEA examination and their need for financial assistance. Winners for the year 2007 brought the number of children under the charge of the Corporation to 43.

TOBAGO HERITAGE FESTIVAL
The Tobago Heritage Festival unifies people from 20 different villages over 20 nights. The UTC sponsored Bethel Village, which was host to the festival on the second night. The night's theme was The Master Drummer.

DIVALI
Our annual Divali Celebration and Art Competition has become one of our signature activities. The 370 entrants in this year's Divali Art competition once again wowed the judges with the artwork from the youngest entrants showing the immense talent that exists among our youth. Students from Guaico Presbyterian Primary School and Iere High School copped first place prizes in the Divali Art competition in each of their categories.

EID-UL-FITR
During the month leading up to Eid-ul-Fitr celebrations (the month of Ramadan), we partnered with the Islamic community to assist in giving and sharing hampers to the needy. We also mounted an Islamic exhibition at our Customer Service Centres.

HAPPY BIRTHDAY UTC
On November 29, 2007, we celebrated our 25th anniversary with our customers. Unitholders were serenaded, served light refreshments and received tokens of appreciation for their continued commitment to the UTC.

ANNUAL MEDIA APPRECIATION
This year's Media Appreciation function was held on November 15, 2007 at the Zen nightclub. The theme of the function was Mission Possible. Media came out well disguised in their best spy outfits and won some fantastic prizes.

25TH ANNIVERSARY GALA & LONG SERVICE AWARDS
Staff celebrated UTC's 25th Anniversary on December 1, 2007 at a formal Gala. The theme, "A Legacy of Stars" celebrated the Corporation's greatest asset – our staff! The three employees who have been with the Corporation for over 20 years were specially recognised, along with all those who had achieved 5, 10 and 15 years service to the Corporation. (L-r, Lisa Ganpat, Linda Joseph, Jennifer Fabien-Browne.)

Financial Statements

Management Responsibility for Financial Statements

Management is responsible for the presentation of the Corporation's financial statements and related information appearing in this annual report. Management believes that the financial statements fairly reflect the position and results of operations in conformity with generally accepted accounting principles. Management has included in the Corporation's financial statements amounts that are based on estimates and judgements which it believes are reasonable under the circumstances.

The Corporation maintains a system of internal accounting policies, procedures and control intended to provide reasonable assurance, at appropriate cost, that transactions are executed in accordance with the Corporation's authorisation and are properly recorded and in the financial statements, and that assets are adequately safeguarded.

The independent accountants audit the Corporation's financial statements in accordance with generally accepted auditing standards and provide an objective, independent review of the Corporation's internal controls and the fairness of its reported financial position and operating results.

The Board of Directors of the Corporation has an Audit Committee comprised of non-management Directors. The Committee meets with financial management and the auditors to review internal accounting controls and accounting, auditing and financial matters.

Marlon Holder
EXECUTIVE DIRECTOR

Marilyn Clarke-Andrews
CHIEF FINANCIAL OFFICER

Auditor General's Report

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 2007 DECEMBER 31.

1. The accompanying Consolidated Financial Statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 2007 December 31, have been audited. The Statements as set out on pages 1 to 43 comprise:

   (i) a Consolidated Balance Sheet as at 2007 December 31, a Consolidated Income and Expenditure Statement, a Consolidated Statement of Changes in Equity and a Consolidated Cash Flow Statement for the year ended 2007 December 31, in respect of the Trinidad and Tobago Unit Trust Corporation;

   (ii) a Balance Sheet as at 2007 December 31 and a Statement of Operations for the year ended 2007 December 31, in respect of the Growth and Income Fund (First Unit Scheme), the TT$ Income Fund (formerly TT$ Money Market Fund) (Second Unit Scheme), the Universal Retirement Fund and the US$ Income Fund (formerly US$ Money Market Fund) respectively, and

   (iii) Notes to the Consolidated Financial Statements for the year ended 2007 December 31, numbered 1 to 33.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the Trinidad and Tobago Unit Trust Corporation is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion expressed at paragraph 6 of this Report.

AUDIT OF SUBSIDIARIES

5. The financial statements of the subsidiaries listed in Note 27 to the Consolidated Financial Statements which account for 0.65% of the consolidated total assets, 3.45% of the consolidated total liabilities and 1.10% of the consolidated total income, have been audited, where applicable, by auditors other than the Auditor General. My opinion insofar as it relates to the consolidation of balances in respect of the subsidiaries, is based solely on copies of the reports of the other auditors submitted by the Corporation.

OPINION

6. In my opinion the Consolidated Financial Statements as outlined at paragraph one above present fairly, in all material respects, the financial position of the Trinidad and Tobago Unit Trust Corporation as at 2007 December 31, and its financial performance and its cash flows for the year ended 2007 December 31, in accordance with International Financial Reporting Standards.

2008 April 02

REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL

SHARMAN OTTLEY
AUDITOR GENERAL

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED BALANCE SHEET

As at December 31, 2007

	Notes	2007 $ '000	2006 $ '000
ASSETS			
Investment Funds	3	16,401,111	15,658,341
Cash and Cash Equivalents		185,475	162,257
Receivables		107,965	108,524
Prepayments and Other Assets		13,060	4,669
Investment Securities	4	2,071,536	1,333,783
Property, plant and equipment	5	185,360	186,423
Intangible assets	6	10,477	11,961
TOTAL ASSETS		18,974,984	17,465,958
LIABILITIES			
CURRENT			
Accounts Payable and Short Term Liabilities		34,137	17,165
Other Liabilities		27,325	28,229
Short-term Financial Instruments	7a	1,489,417	845,912
Current Portion of Finance Lease	8	2,706	2,454
TOTAL CURRENT LIABILITIES		1,553,585	893,760
LONG TERM			
Long-term Financial Instruments	7b	257,396	259,646
Finance Lease	8	56,030	58,736
TOTAL LIABILITIES		1,867,011	1,212,142
CAPITAL AND RESERVES			
Initial Capital	9	4,766	4,811
Unit Capital	10	16,396,345	15,653,530
		16,401,111	15,658,341
Fund Reserves	11	69,981	60,368
Statutory Reserves	12	5,050	5,050
Revaluation Reserve	13	(2,849)	(3,904)
Retained Income		634,742	533,671
		706,924	595,185
Minority Interest		(62)	290
TOTAL LIABILITIES, CAPITAL AND RESERVES		18,974,984	17,465,958

Chairman

REPUBLIC OF TRINIDAD AND TOBAGO AUDITOR GENERAL

Executive Director

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT

For the year ended December 31, 2007

	Notes	2007 $'000	2006 $'000
INCOME			
Investment Income –			
Growth & Income Fund		241,767	296,903
TT$ Income Fund		522,452	435,235
Universal Retirement Fund		8,513	7,397
US$ Income Fund		261,010	234,434
Net Investment Income – Group Operations	15	48,079	42,547
Initial Charge		16,149	21,367
Other Income		12,479	11,751
Rental Income		2,723	1,608
Total Income		1,113,172	1,051,242
EXPENSES			
Commissions		12,479	11,967
Impairment	17	2,166	—
Administrative	18	161,963	127,827
Depreciation and amortisation	5&6	15,403	14,633
Total Expenses		192,011	154,427
Net Income before Finance Charges		921,161	896,815
Finance Charges	20	(11,373)	(12,435)
Net Income after Finance Charges		909,788	884,380
Undistributed Income at beginning of year		7,895	26,143
Distributions	21	(777,160)	(815,481)
Transfer from Investment Funds to Reserves	11	(12,202)	(5,261)
Income Capitalised		(5,501)	(4,485)
Undistributed Income at end of year		(21,736)	(7,895)
Net Income before Taxation		101,084	77,401
Taxation	29	(327)	(262)
Net Income after taxation		100,757	77,139
Minority Interest		354	71
Net Income after Minority Interest		101,111	77,210

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2007

	Fund Reserves $'000	Statutory Reserves $'000	Revaluation Reserve $'000	Retained Income $'000	Total $'000
Balance brought forward as at January 1, 2007	**60,368**	**5,050**	**(3,904)**	**533,671**	**595,185**
Unrealised capital appreciation on "Available for Sale" Financial Assets			1,006		1,006
Currency Translation Differences			49	(40)	9
Net Income after Minority Interest				101,111	101,111
Transfers from Investment Funds	12,202				12,202
Guarantee reserves payments	(5,846)				(5,846)
Interest on Reserve Assets	3,257				3,257
Balance carried forward as at December 31, 2007	**69,981**	**5,050**	**(2,849)**	**634,742**	**706,924**
Balance brought forward as at January 1, 2006	**51,894**	**5,050**	**9,871**	**456,875**	**523,690**
Unrealised capital depreciation on "Available for Sale" Financial Assets			(13,802)		(13,802)
Currency Translation Differences	(2)		27	(15)	10
Net Income after Minority Interest				77,211	77,211
Transfers from Investment Funds	5,261				5,261
Transfers from Corporation	400			(400)	—
Guarantee reserves payments	(28)				(28)
Interest on Reserve Assets	2,843				2,843
Balance carried forward as at December 31, 2006	**60,368**	**5,050**	**(3,904)**	**533,671**	**595,185**

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2007

	2007 $ '000	2006 $ '000
OPERATING ACTIVITIES		
Net Income before taxation and Minority Interest	101,084	77,402
Adjustment to reconcile net income to net cash and cash equivalents from operating activity:		
Depreciation Expense	15,403	14,633
(Decrease/(Increase) in Receivables	558	(27,839)
(Increase) / Decrease in Prepayments and Other Assets	(8,390)	135
Increase/(Decrease) in Accounts Payable	16,972	(5,456)
(Decrease)/Increase in Other Liabilities	(904)	13,187
Taxation paid	(327)	(262)
Net Cash Inflow from Operating Activities	124,396	71,800
INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(10,944)	(12,479)
Proceeds from Disposal of Property, plant and equipment	235	271
Purchase of intangible assets	(2,148)	(2,131)
Purchase of Investment Securities	(998,461)	(809,972)
Proceeds from Disposal of Investments	261,726	329,254
Net Cash Outflow from Investing Activities	(749,592)	(495,057)
FINANCING ACTIVITIES		
Finance Lease Repayments	(2,454)	(2,880)
Increase in Short Term Financial Instruments	643,505	338,353
Decrease in Long Term Financial Instruments	(2,250)	64,386
Allocation to Reserves	9,613	8,074
Net Cash Inflow from Financing Activities	648,414	407,933
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	23,218	(15,324)
Cash and Cash Equivalents at beginning of year	162,257	177,581
Cash and Cash Equivalents at end of year	185,475	162,257

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

Trinidad and Tobago Unit Trust Corporation

GROWTH AND INCOME FUND (FIRST UNIT SCHEME) BALANCE SHEET

As at December 31, 2007

	Notes	2007 $' 000	2006 $' 000
ASSETS			
Investments	23	4,711,246	4,629,120
Cash and Cash Equivalents		126,658	181,328
Income Receivable		46,852	29,519
Total Assets		4,884,756	4,839,967
LIABILITIES			
Distribution Payable		58,671	102,740
Amount Due to Corporation		48,239	46,535
Other Liabilities		45,915	55,322
		152,825	204,597
RESERVES			
Undistributed Income		20,685	6,250
Total Liabilities and Reserves		173,510	210,847
NET ASSETS		4,711,246	4,629,120
CAPITAL ACCOUNT		3,412,439	3,415,288
UNREALISED CAPITAL APPRECIATION		1,298,807	1,213,832
		4,711,246	4,629,120

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

Trinidad and Tobago Unit Trust Corporation

GROWTH AND INCOME FUND (FIRST UNIT SCHEME)
STATEMENT OF OPERATIONS

For the year ended December 31, 2007

	Notes	2007 $ ' 000	2006 $ ' 000
INVESTMENT INCOME			
Dividends		78,483	54,436
Interest		162,085	159,968
Realised Capital Gains		1,199	82,499
Total Investment Income		241,767	296,903
EXPENSES			
Management Charge	14	93,863	90,265
Total Expenses		93,863	90,265
NET INVESTMENT INCOME		147,904	206,638
UNDISTRIBUTED INCOME AT BEGINNING OF YEAR		6,250	20,616
		154,154	227,254
DISTRIBUTION EXPENSE:			
Distribution Paid to Initial Contributors 45¢ per unit (2006 – 75¢ per unit)		433	722
Distribution Paid to Unitholders 45¢ per unit (2006 – 75¢ per unit)		132,036	219,282
Total Distribution	21	132,469	220,004
UNDISTRIBUTED INCOME BEFORE RESERVES		21,685	7,250
Allocation to Guarantee Reserve Fund	11a	1,000	1,000
UNDISTRIBUTED INCOME AT END OF YEAR		20,685	6,250

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

TT$ INCOME FUND (FORMERLY TT$ MONEY MARKET FUND) (SECOND UNIT SCHEME)
BALANCE SHEET
As at December 31, 2007

	Notes	2007 $ '000	2006 $ '000
ASSETS			
Investments	24	7,192,855	6,934,146
Cash & Cash Equivalents		200,610	302,185
Interest Receivable		72,637	76,724
Total Assets		7,466,102	7,313,055
LIABILITIES			
Accruals for Distribution	21b	41,858	32,291
Amount Due to Corporation		14,210	10,578
Other Liabilities		207,279	326,139
		263,347	369,008
Reserves		9,900	9,901
Total Liabilities and Reserves		273,247	378,909
NET ASSETS		7,192,855	6,934,146
CAPITAL ACCOUNT		7,216,234	6,943,326
UNREALISED CAPITAL DEPRECIATION		(23,379)	(9,180)
		7,192,855	6,934,146

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

TT$ INCOME FUND (FORMERLY TT$ MONEY MARKET FUND) (SECOND UNIT SCHEME)
STATEMENT OF OPERATIONS

For the year ended December 31, 2007

	Notes	2007 $ '000	2006 $ '000
INVESTMENT INCOME			
Interest Income		522,452	435,235
Total Investment Income		522,452	435,235
EXPENSES			
Management Charge	14	80,649	31,800
Commissions		9,326	9,035
Total Expenses		89,975	40,835
NET INVESTMENT INCOME		432,477	394,400
Distribution Expense	21	381,919	359,709
Accruals for Distribution	21b	41,858	32,291
Allocation to Reserve	11b	8,700	2,400
UNDISTRIBUTED INCOME AT END OF THE YEAR		—	—

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

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
BALANCE SHEET

As at December 31, 2007

	Notes	2007 $'000	2006 $' 000
ASSETS			
Investments		143,176	124,940
Interest Receivable		1,364	770
Cash & Cash Equivalents		10,392	22,434
Total Assets		154,932	148,144
LIABILITIES			
Amount Due to Corporation		1,565	1,513
NET ASSETS OF THE FUND	25	153,367	146,631
CAPITAL ACCOUNT		123,136	119,859
UNREALISED CAPITAL APPRECIATION		30,231	26,772
		153,367	146,631

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

Trinidad and Tobago Unit Trust Corporation

UNIVERSAL RETIREMENT FUND
STATEMENT OF OPERATIONS

For the year ended December 31, 2007

	Notes	2007 $'000	2006 $' 000
INVESTMENT INCOME			
Dividends		2,056	1,714
Interest		6,444	5,620
Realised Capital (Losses)/Gains		(25)	8
Miscellaneous Income		38	55
Total Investment Income		8,513	7,397
EXPENSES			
Management Charge	14	3,012	2,912
Total Expenses		3,012	2,912
NET INCOME FOR CAPITALISATION		5,501	4,485

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

Trinidad and Tobago Unit Trust Corporation

US$ INCOME FUND (FORMERLY US$ MONEY MARKET FUND) BALANCE SHEET

As at December 31, 2007

	Notes	2007 $' 000	2006 $' 000
ASSETS			
Investments	26	4,343,643	3,948,444
Cash & Cash Equivalents		10,991	4,406
Interest Receivable		98,089	61,702
Total Assets		4,452,723	4,014,552
LIABILITIES			
Amount Due to Corporation		7,250	12,117
Distribution Payable		60,653	52,347
Other Liabilities		40,127	–
		108,030	64,464
RESERVES			
Undistributed Income		1,050	1,644
Total Liabilities and Reserves		109,080	66,108
NET ASSETS		4,343,643	3,948,444
CAPITAL ACCOUNT		4,369,749	3,963,317
UNREALISED CAPITAL DEPRECIATION		(26,106)	(14,873)
		4,343,643	3,948,444

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

Trinidad and Tobago Unit Trust Corporation

US$ INCOME FUND (FORMERLY US$ MONEY MARKET FUND) STATEMENT OF OPERATIONS

For the year ended December 31, 2007

	Notes	2007 $' 000	2006 $' 000
INVESTMENT INCOME			
Interest Income		261,010	234,434
Total Investment Income		261,010	234,434
EXPENSES			
Management Charge	14	34,511	32,271
Commissions		1,512	708
Impairment	17	2,166	—
Total Expenses		38,189	32,979
NET INVESTMENT INCOME		222,821	201,455
Undistributed Income at start of year		1,644	5,527
Distribution Expense	21	220,913	203,477
Allocation to Reserve	11c	2,502	1,861
UNDISTRIBUTED INCOME AT END OF YEAR		1,050	1,644

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

1) INCORPORATION AND PRINCIPAL ACTIVITIES

The Trinidad and Tobago Unit Trust Corporation was established by the Unit Trust Corporation of Trinidad and Tobago Act ("the Act"), Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago, generally to provide facilities for participation by members of the public in investing in shares and securities approved by the Board. The Finance Act of 1997 permitted expansion of the Corporation's scope of activities to include other financial services, such as merchant banking, trustee services and card services.

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

In addition to the Trinidad and Tobago Unit Trust Corporation, there are eight (8) subsidiary companies which comprise the Group. One of these subsidiary companies is a property development company, as detailed in Note 27.

2) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are stated below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Unit Trust Corporation of Trinidad and Tobago Act, under the historical cost convention, except as modified in respect of security valuation (see (d) below). The accounting policies in all material respects conform to International Financial Reporting Standards (IFRS).

The following standards and interpretations have been issued but are not relevant to the Group:

IFRS 8	Operating Segments (effective January 1, 2008)
IFRIC 12	Service Concession Arrangements (effective January 1, 2009)

The Group has chosen to not adopt the revised version of IAS 1 Presentation of Financial Statements, which comes into effect for the annual periods beginning on or after January 1, 2009.

The Group has adopted IFRS 7 – Financial Instruments: Disclosures and the amendment to IAS 1– Capital Disclosures. The adoption of these standards did not have a quantitative impact on these financials statements, but impact disclosure requirements. These are reflected in Note 22, being expanded to provide more information on the nature and extent of the risks arising from financial instruments held by the Corporation and Investment Funds at the reporting date, and how these risks are managed.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical factors and management's best knowledge of current events and actions. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, or in any future periods, if applicable.

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries drawn up as at December 31, 2007 and include all the assets and liabilities and results of operations of the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All material inter-company transactions and accounts have been eliminated in preparing the consolidated financial statements. Accounting policies of the subsidiaries are consistent with the policies of the Group.

c) Investments

Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in exchange rates, are classified as available-for-sale. Investments available-for-sale are carried at fair value.

Investments with fixed maturities that management has the intent and ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are carried at amortised cost, less any adjustment necessary for impairment.

Purchases and sales of equity investments are recognised at the trade date. Purchases and sales of all other security investments are recognised on the settlement date. Gains and losses from changes in fair value on investments classified as available-for-sale are recognised in equity. When the financial assets are disposed of or are impaired, the related fair value adjustments are included in the income and expenditure statement.

d) Security Valuation

The fair value of publicly traded securities is determined by reference to the prevailing closing market prices on the balance sheet date.

The carrying amounts of financial assets and liabilities with a maturity of less than three months are assumed to approximate their nominal amounts.

The fair value of unquoted securities is determined using the last traded price, which is provided by the issuer.

e) Repurchase and Reverse Repurchase Agreements

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

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

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Property, Plant and Equipment

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

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

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amounts and are recognised within other income in the consolidated income and expenditure statement.

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

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

Property, plant and equipment category:	Estimated useful life:
Building	50 years
Office Improvements	5-15 years
Computer Equipment	3-10 years
Office Equipment	4-15 years
Furniture & Fixtures	7-15 years

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

Contract work in progress comprises costs incurred in the development of the land and construction of buildings thereon and is recorded at certified cost. On completion, the cost is transferred to buildings.

The property, plant and equipment of the subsidiary Belize Unit Trust Corporation Limited are depreciated on a reducing balance basis, at the rates estimated to write off the value of the assets over their useful lives. Rates used are:

Computer Equipment	20% per annum
Office Equipment	20% per annum
Furniture	10% per annum
Motor Vehicles	25% per annum

g) Intangible Assets

Acquired computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to ten years).

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment of Non-Financial Assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure statement. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

i) Foreign Currency Translation

The consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Corporation's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income and expenditure statement.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. All resulting exchange differences are recognised in equity.

j) Leases

Assets held under finance leases are capitalised as property, plant and equipment and duly depreciated. The liability net of finance charges is shown on the balance sheet and the interest element is charged to the income and expenditure statement over the term of the lease.

k) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term investments with original maturities of ninety days or less and bank overdrafts.

l) Provisions

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

m) Revenue Recognition

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

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Revenue Recognition (continued)

Interest income is recognised in the income and expenditure statement using the effective interest rate method. Dividend income is recognised when the right to receive payment is established. Realised investment gains and losses are recognised in the income and expenditure statement.

n) Borrowings

Borrowings are recognised initially at fair value, and are subsequently stated at amortised cost. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised.

o) Separate Funds Under Management

The assets and liabilities pertaining to pension and other funds, which are managed in accordance with specific Investment Management Agreements, are not included in the balance sheet of the Corporation. The market value of these portfolios as at December 31, 2007 is $539 million (2006: $480 million).

p) Taxation

The Corporation is exempt from Corporation Tax, however, it is subject to the Green Fund Levy.

Income tax is payable on profits by the subsidiaries and is recognised as an expense in the period in which profits arise. Taxes are based on the applicable tax laws in each jurisdiction. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

3) INVESTMENT FUNDS

	2007 $'000	2006 $'000
Growth & Income Fund	4,711,246	4,629,120
TT$ Income Fund (formerly TT$ Money Market Fund)	7,192,855	6,934,146
Universal Retirement Fund	153,367	146,631
US$ Income Fund (formerly US$ Money Market Fund)	4,343,643	3,948,444
Total	16,401,111	15,658,341

On June 1st, 2007, the name of the TT$ Money Market Fund was changed to the TT$ Income Fund and that of the US$ Money Market Fund was changed to the US$ Income Fund.

4) INVESTMENT SECURITIES

	2007 $'000	2006 $'000
Held to maturity	1,139,584	612,903
Available for sale	931,952	720,880
Total	2,071,536	1,333,783

4) INVESTMENT SECURITIES (continued)

Investments represent short-term investments and equity securities held by the Corporation and the holdings of the Merchant Bank Department in local and regional government and corporate securities that will mature up to twenty-three (23) years.

An investment in the Chaconia Income and Growth Fund is included in investments available-for-sale. The Chaconia Income and Growth Inc. is sponsored by the Trinidad and Tobago Unit Trust Corporation and incorporated in the State of Maryland, United States of America. It is registered as an open-ended, non-diversified, no-load management investment company under the Investment Act of 1940 of the United States of America.

5) PROPERTY, PLANT AND EQUIPMENT

	Land $'000	Building $'000	Contract Work in Progress $'000	Office Improvement $'000	Motor Vehicles $'000	Office & Computer Equipment $'000	Office Furniture $'000	Total $'000
Year ended Dec 31, 2007								
Opening Net Book Value	16,271	126,695	—	16,077	1,557	16,774	9,049	186,423
Additions	—	—	—	1,788	659	7,741	755	10,943
Disposals	—	—	—	—	(230)	(4)	(1)	(235)
Depreciation/ Amortisation	(22)	(2,809)	—	(1,997)	(487)	(4,774)	(1,682)	(11,771)
Closing Net Book Value	**16,249**	**123,886**	**—**	**15,868**	**1,499**	**19,737**	**8,121**	**185,360**
As at Dec 31, 2007								
Cost	16,569	139,427	—	26,377	3,134	42,502	17,186	245,195
Accumulated Depreciation/ Amortisation	(320)	(15,541)	—	(10,509)	(1,635)	(22,765)	(9,065)	(59,835)
Net Book Value	**16,249**	**123,886**	**—**	**15,868**	**1,499**	**19,737**	**8,121**	**185,360**
Year ended Dec 31, 2006								
Opening Net Book Value	14,293	117,310	8,505	16,479	2,175	17,279	9,446	185,487
Additions	—	2,219	3,353	1,498	262	3,737	1,411	12,480
Disposals	—	—	—	—	(271)	—	—	(271)
Transfers	2,000	9,858	(11,858)	—	—	—	—	—
Depreciation/ Amortisation	(22)	(2,692)	—	(1,900)	(609)	(4,242)	(1,808)	(11,273)
Closing Net Book Value	**16,271**	**126,695**	**—**	**16,077**	**1,557**	**16,774**	**9,049**	**186,423**
As at Dec 31, 2006								
Cost	16,569	139,427	—	24,587	3,057	34,736	16,430	234,806
Accumulated Depreciation/ Amortisation	(298)	(12,732)	—	(8,510)	(1,500)	(17,962)	(7,381)	(48,383)
Net Book Value	**16,271**	**126,695**	**—**	**16,077**	**1,557**	**16,774**	**9,049**	**186,423**

5) PROPERTY, PLANT AND EQUIPMENT (continued)

Land
Land includes leasehold land of $1.89 million and freehold land of $14.40 million.

a) Leasehold Land

This reflects the Corporation's interest in a ninety-nine (99)-year lease. On November 19, 1999 the Corporation entered into an arrangement with London Street Project Company Limited to transfer its interest for twenty (20) years to facilitate the construction of its Headquarters Building through a build, own, lease and transfer arrangement described in note 8 below.

b) Freehold Land

This reflects freehold land on which buildings have been constructed/renovated to facilitate the operations of the Parent company.

6) INTANGIBLE ASSETS

	2007 $'000	2006 $'000
Year ended December 31		
Opening Net Book Value	11,961	13,191
Additions	2,148	2,130
Depreciation Charge	(3,632)	(3,360)
Closing Net Book Value	10,477	11,961
As at December 31		
Cost	19,929	17,823
Accumulated Depreciation	(9,452)	(5,862)
Net Book Value	10,477	11,961

7) FINANCIAL INSTRUMENTS

a) Short-term Financial Instruments

	2007 $'000	2006 $'000
Fixed term borrowings	939,721	164,370
Borrowings at notice	85,391	360,074
Repo borrowings	464,305	321,468
Total	1,489,417	845,912

These instruments are Certificates of Interest falling due within one (1) year.

7) FINANCIAL INSTRUMENTS (continued)

b) Long-term Financial Instruments

	Interest Rate	Term	2007 $'000	2006 $'000
Guaranteed Investment Certificates	8%-12.6%	3-23 years	207,215	204,005
Long-term bond	8%	10 years	32,294	35,624
Long-term bond	8%	7.5 years	10,124	11,965
Long-term loan	8.15%	10 years	7,763	8,052
Total			257,396	259,646

The long-term interest bearing bonds represent debt raised by the subsidiary UTC Property Holdings Limited (formerly UTC Property Development Limited) for financing the construction of its properties. No borrowing costs were capitalised in this period (2006: $0.25 million). The cumulative borrowing costs as at December 31, 2007 amounted to $3.9 million (2006: $3.9 million).

8) FINANCE LEASE

	2007 $'000	2006 $'000
Lease payments due:		
within 1 year	2,706	2,454
within 1 to 5 years	18,302	12,603
greater than 5 years	37,728	46,133
Total	58,736	61,190

a) The Corporation entered into a finance lease agreement with London Street Project Company Limited effective November 19, 1999 through a build, own, lease and transfer arrangement. This agreement is for a term of 20 years, with purchase options at the end of the tenth and fifteenth years.

b) The Corporation committed to a lease agreement with Republic Finance and Merchant Bank Limited (FINCOR) for the furniture, fittings and equipment at the UTC Financial Centre, effective April 1, 2001. This agreement was for a term of five years and expired on March 31, 2006.

9) INITIAL CAPITAL

Initial Capital is capital subscribed by the Initial Capital Contributors to the Unit Trust Corporation in accordance with Section 17 of the Act and invested in the Growth and Income Fund. Initial Capital at the balance sheet date was $4.77 million (2006: $4.81 million) due to redemption by an initial contributor.

10) UNIT CAPITAL

Unit Capital represents the capital value of units issued by the four Investment Funds operated by the Corporation. In respect of the Growth and Income Fund (First Unit Scheme), this excludes the acquisition cost of the units issued in respect of Initial Capital.

10) UNIT CAPITAL (continued)

	2007 $'000	2006 $'000
Growth and Income Fund	4,706,480	4,624,309
TT$ Income Fund (formerly TT$ Money Market Fund)	7,192,855	6,934,146
Universal Retirement Fund	153,367	146,631
US$ Income Fund (formerly US$ Money Market Fund)	4,343,643	3,948,444
Total	**16,396,345**	15,653,530

11) FUND RESERVES

	2007 $'000	2006 $'000
Growth and Income Fund Guarantee Reserve	12,504	16,311
TT$ Income Fund (formerly TT$ Money Market Fund)	18,298	9,211
US$ Income Fund (formerly US$ Money Market Fund)	39,179	34,846
Total	**69,981**	60,368

a) Growth and Income Fund Guarantee Reserve

In accordance with the provisions of Section 26(1) and (2) of the Act, in 1984 the Corporation established a Guarantee Reserve Fund in respect of the Growth and Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan.

	2007 $'000	**2006 $'000**
Fund reserve as at January 1	**16,311**	14,456
Allocation to reserves	**1,000**	1,000
Interest earned on reserves	**1,039**	883
Call on reserves	**(5,846)**	(28)
Fund reserve as at December 31	**12,504**	16,311

b) TT$ Income Fund (formerly TT$ Money Market Fund) Reserve

In accordance with the provisions of Section 13 of the TT$ Income Fund (Second Unit Scheme) regulations issued under the Act, in 1991 the Corporation established a reserve to satisfy any shortfall that may arise from the liquidation of securities in the portfolio of the Scheme.

	2007 $'000	**2006 $'000**
Fund reserve as at January 1	**9,211**	6,069
Allocation to reserves from Investment Funds	**8,700**	2,400
Allocation to reserves from Corporation	—	400
Interest earned on reserves	**387**	342
Fund reserve as at December 31	**18,298**	9,211

11) FUND RESERVES (continued)

c) US$ Income Fund (formerly US$ Money Market Fund) Reserve

In accordance with the provisions of Section 26 (1) and (2) of the Act, in 2001 the Corporation established a special reserve fund in respect of the US$ Income Fundto provide for maintenance of the capital value of the Fund.

	2007 $'000	2006 $'000
Fund reserve as at January 1	34,846	31,369
Allocation to reserves	2,502	1,861
Interest earned on reserves	1,831	1,616
Fund reserve as at December 31	39,179	34,846

12) STATUTORY RESERVES

In accordance with Section 59(3)(d)(ii) of the Securities Industries Act By-Laws 1997, a reserve of $5 million was established to satisfy the capital requirements for registration as an Underwriter and $50,000 for registration as an Investment Adviser.

13) REVALUATION RESERVE

The revaluation reserve significantly reflects unrealised capital appreciation and depreciation from changes in the fair values of available-for-sale financial instruments held by the Corporation. Minor changes for foreign currency translations are also reflected therein. The revaluation of the investments held by the Investment Funds is reflected on the balance sheet of each of the Funds and is not included in this revaluation reserve.

14) MANAGEMENT CHARGE

	2007 $'000	2006 $'000
Growth and Income Fund	93,863	90,265
TT$ Income Fund (formerly TT$ Money Market Fund)	80,649	31,800
Universal Retirement Fund	3,012	2,912
US$ Income Fund (formerly US$ Money Market Fund)	34,511	32,271
Total	212,035	157,248

a) The Corporation, in accordance with the regulations governing the Growth and Income Fund, the TT$ Income Fund (formerly TT$ Money Market Fund), the Universal Retirement Fund and the US$ Income Fund (formerly US$ Money Market Fund), may charge a management fee of up to 2% on the value of the funds under management in the respective schemes and funds. The average management fee charged for the year was 1.3% (2006: 1.0%).

b) In accordance with the regulations governing the Belize Money Market Fund, the Belize UTC may charge a management fee not exceeding 2% of the funds under management. No management fee was charged for the year (2006: 2.0%).

15) NET INVESTMENT INCOME – GROUP OPERATONS

Net Investment Income – Group Operations primarily reflects the results of the Merchant Banking line of business and comprises the following:

	2007 $'000	2006 $'000
Interest and Other Fee Income	151,890	123,546
Interest Expense & Other Charges	(103,811)	(80,999)
Total	48,079	42,547

16) FOREIGN EXCHANGE GAINS/(LOSSES)

The exchange differences credited to the income and expenditure statement are included in other income and are as follows:

	2007 $'000	2006 $'000
Foreign exchange gains	6,739	5,902

17) IMPAIRMENT

The Statement of Operations of the US$ Income Fund (formerly US$ Money Market Fund) accounted for an impairment loss on a fixed rate bond, which was previously reflected at $5.3 million, including $2.2 million in capitalised interest. The issuer had defaulted on its obligation and all negotiations with bondholders to exchange their positions for new bonds with lower rates and longer terms have become protracted. Consequently, the capitalised interest portion of the bond was impaired (43%), leaving a recoverable value of $3.1 million.

18) ADMINISTRATIVE EXPENSES

Administrative expenses include:

	2007 $'000	2006 $'000
Staff costs (Note 19)	78,906	57,238
Audit Fees	289	345
Directors' Fees	982	1,071

19) STAFF COSTS

	2007 $'000	2006 $'000
Salaries and benefits	77,330	55,816
National Insurance	1,576	1,422
Total	78,906	57,238
Number of employees	468	446

20) FINANCE CHARGES

	2007 $'000	2006 $'000
Long-term bonds (Note 7 b)	4,189	4,260
Finance lease (Note 8)	7,184	8,175
Total	11,373	12,435

21) DISTRIBUTIONS

	2007 $'000	2006 $'000
Growth and Income Fund	132,469	220,004
TT$ Income Fund (formerly TT$ Money Market Fund)	423,778	392,000
US$ Income Fund (formerly US$ Money Market Fund)	220,913	203,477
Total	777,160	815,481

a) Growth and Income Fund

The Corporation declared its forty-ninth (49th) and fiftieth (50th) distributions in June 2007 and December 2007 respectively. Included in the above totals are distributions to Initial Capital Contributors of $0.43 million in 2007 (2006: $0.72 million).

b) TT$ Income Fund (formerly TT$ Money Market Fund)

Distributions in the TT$ Income Fund are made quarterly in February, May, August and November. Income accrued as at December 31, 2007 for distribution in the quarter ended February 2008 amounted to $41.86 million (2006: $32.29 million).

c) US$ Income Fund (formerly US$ Money Market Fund)

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

22) FINANCIAL RISK MANAGEMENT

The Group's activities, primarily in its Investment Funds and Merchant Banking lines of business expose it to a variety of financial risks, including security price risk, interest rate risk (fair value and cash flow), currency risk, credit risk, concentration risk, and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board of Directors of the Trinidad and Tobago Unit Trust Corporation has overall responsibility for the management of the financial risks faced by the Investment Funds. It has established a Risk Committee composed wholly of Directors whose role *inter alia* is to ensure that the overall risk profiles of the Investment Funds are consistent with their investment objectives. The Board Risk Committee meets on a monthly basis to consider the specific risk issues highlighted by the internal risk management committees it has established as well as to monitor the overall progress of the risk management framework.

22) FINANCIAL RISK MANAGEMENT (continued)

The Board Risk Committee has established two internal management committees, namely the Asset/Liability Committee and the Credit Risk Committee with respect to financial risk management. These committees are composed of multi-disciplinary senior management members whose collective experience and expertise are utilised in determining appropriate approaches for managing and mitigating the financial risks facing the Group, as well as the Investment Funds. The Committees meet on a monthly basis to consider various risk reports tabled by the relevant management personnel.

The identification, measurement and monitoring of financial risk exposures is the daily responsibility of the Risk Officer. The Risk Officer reports on these risks at the monthly meetings of the Asset/ Liability and Credit Risk Committees and may also make recommendations for their management and mitigation.

Strategy in using financial instruments

Financial risks arise from the acquisition of various classes of financial instruments including equities and debt instruments (listed and unlisted). The Corporation's practice is to acquire financial assets, which provide consistent risk-adjusted returns relative to specific investment objectives of the individual Investment Funds. In general, the Investment Funds take long positions in securities. and neither use leverage nor sell securities short. The Investment Funds have no financial liabilities arising out of their investment activity.

Market price risk

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

Key influences on the asset allocation decision include domestic as well as global economic and financial market trends. In the case of equity, the security selection decision is typically influenced by consideration of fundamental and technical valuation factors as well as by the instrument's historical price sensitivity to the market. In the case of debt instruments, the security selection is typically influenced by consideration of the general interest rate outlook as well as the default likelihood of the issuer.

In respect of equities, the market price risk of the Investment Funds is monitored and measured via categorisation of the stocks by their historical price sensitivity to the overall market. A historical price sensitivity below 95% is considered to be low whereas a historical sensitivity above 105% is considered to be high. A historical price sensitivity between 95% and 105% is regarded as comparable to the overall market.

22) FINANCIAL RISK MANAGEMENT (continued)

The price sensitivity of the Investment Funds' equity portfolios is provided below:

	PRICE SENSITIVITY		
	Lower than market $'000	Comparable to market $'000	Higher than market $'000
At December 31, 2007			
Growth & Income Fund	1,522,373	606,148	748,827
Universal Retirement Fund	40,684	8,822	21,747
Total	**1,563,057**	**614,970**	**770,574**
At December 31, 2006			
Growth & Income Fund	1,801,839	41,594	292,291
Universal Retirement Fund	47,446	2,207	11,714
Total	**1,849,285**	**43,801**	**304,005**

If the TTSE Composite Index had increased/decreased by 1% as at December 31, 2007 with all other variables held constant, net assets attributable to unitholders would have risen/fallen by an estimated TT$20 million for the Growth & Income Fund and by an estimated TT$0.6 million for the Universal Retirement Fund. Neither the TT$ Income Fund (formerly TT$ Money Market Fund) nor the US$ Income Fund (formerly US$ Money Market Fund) had equity exposures over the reporting period.

In respect of debt instruments, the interaction of interest and exchange rates as well as default likelihoods is monitored in order to determine the overall security price risk. This is described in subsequent sections dealing with interest rate risk, currency risk and credit risk.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the balance sheet. The Group's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Group's exposure to interest rate risks. It includes the Group's assets and liabilities at fair values, categorised by maturity dates.

22) FINANCIAL RISK MANAGEMENT (continued)

	Less than 1 year $'000	Between 1 and 5 years $'000	Over five years $'000	Non-interest bearing $'000	Total $'000
At December 31, 2007					
Assets					
Cash and Cash Equivalents	185,475	—	—	—	185,475
Money Market Instruments	506,836	—	—	—	506,836
Floating Rate Instruments	—	21,619	256,498	—	278,117
Fixed Rate Instruments	258,715	133,433	817,856	—	1,210,004
Equities	—	—	—	213,367	213,367
Liabilities					
Short Term Certificates of Interest	(1,489,417)	—	—	—	(1,489,417)
Long Term Financial Instruments	(12,668)	(86,307)	(231,154)	—	(330,129)
Other Liabilities	(33,502)	—	—	—	(33,502)
Total	**(584,561)**	**68,745**	**843,200**	**213,367**	**540,751**
At December 31, 2006					
Assets					
Cash and Cash Equivalents	162,257	—	—	—	162,257
Money Market Instruments	469,002	—	—	—	469,002
Floating Rate Instruments	—	—	—	—	—
Fixed Rate Instruments	115,413	109,867	463,915	—	689,195
Equities	—	—	—	312,493	312,493
Liabilities					
Short Term Certificates of Interest	(845,912)	—	—	—	(845,912)
Long Term Financial Instruments	(12,275)	(79,981)	(249,321)	—	(341,577)
Other Liabilities	(17,099)	—	—	—	(17,099)
Total	**(128,614)**	**29,886**	**214,594**	**312,493**	**428,359**

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

Given the general offsetting effect of exposures to fair value interest rate risk and cash flow interest rate risk, the overall interest rate risk is managed by making judicious adjustments of the overall weighted average term to maturity (i.e. duration) based on the relevant economic and financial market outlook.

Management monitors the duration of the fixed income portfolio by segregating the securities by maturity terms of less than or equal to one year, greater than one year but less than five years, and greater than or equal to five years. The degree of interest rate sensitivity is then reflected by the relative proportions in the given maturity terms.

22) FINANCIAL RISK MANAGEMENT (continued)

The maturity profile of the Investment Funds' fixed income portfolio is provided below:

	Less than 1 year $'000	Between 1 and 5 years $'000	Over five years $'000	Total $'000
At December 31, 2007				
Growth & Income Fund				
Debt instruments — listed	—	—	12,344	12,344
Debt instruments — unlisted	903,336	160,603	681,725	1,745,664
Cash & other net assets	96,575	—	—	96,575
	999,911	**160,603**	**694,069**	**1,854,583**
TT$ Income Fund				
Debt instruments — listed	—	11,383	199,080	210,463
Debt instruments — unlisted	5,080,696	521,748	935,009	6,537,453
Cash & other net assets	444,939	—	—	444,939
	5,525,635	**533,131**	**1,134,089**	**7,192,855**
Universal Retirement Fund				
Debt instruments — listed	—	—	1,313	1,313
Debt instruments — unlisted	26,512	22,210	21,887	70,609
Cash & other net assets	10,191	—	—	10,191
	36,703	**22,210**	**23,200**	**82,113**
US$ Income Fund				
Debt instruments — listed	—	204,092	361,467	565,559
Debt instruments — unlisted	3,214,420	280,860	152,402	3,647,682
Cash & other net assets	130,400	—	—	130,400
	3,344,820	**484,952**	**513,869**	**4,343,641**
Total	**9,907,069**	**1,200,896**	**2,365,227**	**13,473,192**
At December 31, 2006				
Growth & Income Fund				
Debt instruments — listed	—	—	8,993	8,993
Debt instruments — unlisted	1,508,357	118,776	718,367	2,345,500
Cash & other net assets	110,154	—	—	110,154
	1,618,511	**118,776**	**727,360**	**2,464,647**
TT$ Income Fund				
Debt instruments — listed	—	46,156	102,071	148,227
Debt instruments — unlisted	4,680,063	621,695	920,097	6,221,855
Cash & other net assets	564,064	—	—	564,064
	5,244,127	**667,851**	**1,022,168**	**6,934,146**

22) FINANCIAL RISK MANAGEMENT (continued)

At December 31, 2006	Less than 1 year $'000	Between 1 and 5 years $'000	Over five years $'000	Total $'000
Universal Retirement Fund				
Debt instruments — listed	—	—	—	—
Debt instruments — unlisted	25,986	4,069	33,518	63,573
Cash & other net assets	21,691	—	—	21,691
	47,677	**4,069**	**33,518**	**85,264**
US$ Income Fund				
Debt instruments — listed	—	44,078	213,399	257,477
Debt instruments — unlisted	2,970,587	279,004	373,930	3,623,521
Cash & other net assets	67,448	—	—	67,448
	3,038,035	**323,082**	**587,329**	**3,948,446**
Total	**9,948,350**	**1,113,778**	**2,370,375**	**13,432,503**

As at December 31, 2007 the Investment Funds' TT dollar denominated fixed income positions were all categorised as held to maturity. As a result, there was no exposure of net assets to changes in interest rates, since this category of financial assets are not mark-to-market. However, a 25 basis point increase in US interest rates at the same date would have reduced the net assets of the individual Funds as follows:

	$'000
Growth & Income Fund	246
TT$ Income Fund (formerly TT$ Money Market Fund)	3,789
US$ Income Fund (formerly US$ Money Market Fund)	6,079

Conversely, a 25 basis point decline in US interest rates would have increased the net assets of the individual Funds as follows:

	$'000
Growth & Income Fund	254
TT$ Income Fund (formerly TT$ Money Market Fund)	3,880
US$ Income Fund (formerly US$ Money Market Fund)	6,197

The Universal Retirement Fund had no material exposure to US interest rate movements as at December 31, 2007.

Currency risk

The Investment Funds' net assets may fluctuate due to changes in foreign exchange rates. This risk is currently limited to the Growth & Income Fund, the TT$ Income Fund (formerly TT$ Money Market Fund) and the Universal Retirement Fund as these TT dollar-denominated Funds may hold financial assets denominated in other currencies. The US$ Income Fund's (formerly US$ Money Market Fund's) investments are exclusively in US dollars. As a consequence, the net assets and/or earnings of the Investment Fund could increase or decrease in value due to exchange rate fluctuations of individual currencies relative to the TT dollar. This risk is managed by restricting non-TT dollar holdings in the individual Funds to an appropriate proportion of net assets. The primary foreign exchange exposure in the Investment Funds is to the USD/TTD exchange rate with relatively minimal holdings of assets denominated in other Caribbean currencies.

Management monitors these holdings on at least a monthly basis to ensure that the foreign currency holdings remain consistent with the overall investment strategy.

22) FINANCIAL RISK MANAGEMENT (continued)

The Investment Funds' currency exposures were as follows:

	TTD $'000	USD (Presented in TT$) $'000	OTHER (Presented in TT$) $'000
At December 31, 2007			
Growth & Income Fund			
Equities	2,036,448	818,492	22,409
Debt instruments — listed	—	12,345	—
Debt instruments — unlisted	1,406,694	338,970	—
Cash & other net assets	13,696	81,400	1,478
	3,456,838	**1,251,207**	**23,887**
TT$ Income Fund			
Debt instruments — listed	—	210,463	—
Debt instruments — unlisted	6,087,289	450,165	—
Cash & other net assets	422,425	22,514	—
	6,509,714	**683,142**	**—**
Universal Retirement Fund			
Equities	63,592	7,660	—
Debt instruments — listed	—	1,313	—
Debt instruments — unlisted	57,098	13,511	—
Cash & other net assets	6,625	3,515	50
	127,315	**25,999**	**50**
US$ Income Fund			
Debt instruments — listed	—	565,559	—
Debt instruments — unlisted	—	3,647,683	—
Cash & other net assets	—	130,400	—
	—	4,343,642	—
Total	**10,093,867**	**6,303,990**	**23,937**

22) FINANCIAL RISK MANAGEMENT (continued)

	TTD $'000	USD (Presented in TT$) $'000	OTHER (Presented in TT$) $'000
At December 31, 2006			
Growth & Income Fund			
Equities	1,955,800	132,309	28,388
Debt instruments — listed	—	8,993	—
Debt instruments — unlisted	2,146,444	253,282	—
Cash & other net assets	(71,724)	181,879	—
	4,030,520	**576,463**	**28,388**
TT$ Income Fund			
Debt instruments — listed	—	46,156	—
Debt instruments — unlisted	5,748,234	575,692	—
Cash & other net assets	323,115	240,949	—
	6,071,349	**862,797**	**—**
Universal Retirement Fund			
Equities	59,989	1,377	—
Debt instruments — listed	—	—	—
Debt instruments — unlisted	46,481	17,092	—
Cash & other net assets	20,086	1,605	—
	126,556	**20,074**	**—**
US$ Income Fund			
Debt instruments — listed	—	257,476	—
Debt instruments — unlisted	—	3,623,521	—
Cash & other net assets	—	67,447	—
	—	3,948,444	—
Total	**10,228,425**	**5,407,778**	**28,388**

The Corporation's practice is to value the US dollar-denominated assets of the Funds at a "mid-rate" that is approximately equal to the average of ask and bid rates offered by local commercial banks. As at December 31, 2007, this rate stood at 6.25375 (2006: 6.20375).

A 1% depreciation of the TT dollar relative to the US dollar as at that date would have increased the net assets of the individual Funds as follows:

	$'000
Growth & Income Fund	12,512
TT$ Income Fund (formerly TT$ Money Market Fund)	6,831
Universal Retirement Fund	259

Conversely, a 1% appreciation of the TT dollar relative to the US dollar would have decreased the net assets of the above Funds by the identical amounts, as the foreign exchange exposure is not hedged.

22) FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit Risk is defined as the risk of loss due to default or the risk of diminution of value or loss due to poor asset quality. In particular, the Merchant Banking operation is exposed to credit risk arising out of its direct lending and underwriting operations. The credit risk exposure of the Merchant Banking Department is managed through credit administration policies and limits that are approved by the Merchant Banking Committee of the Board. The Merchant Banking Committee is also responsible for the approval of all credit advances and underwriting transactions. All existing facilities are relationship managed and reviewed annually. The credit portfolio is routinely monitored for compliance with approved policies, limits and acceptable risk parameters by a Risk Manager and reported to the internal Credit Risk Asset-Liability Committee.

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

Default risk is managed at the outset by subjecting potential issuers/ counterparties to a robust credit risk assessment process that results in the assignment of a credit score or rating. The level of exposure to the issuer/counterparty is then set based on its credit score or rating. For existing issuers/counterparties, a credit review is performed on at least an annual basis. Based on the outcome of the review, exposure limits to the issuer or counterparty may be increased, decreased or maintained going forward. These limits may take into account the value of collateral or other credit enhancements.

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

22) FINANCIAL RISK MANAGEMENT (continued)

The credit quality of the individual Funds' fixed income portfolio is given below:

	High $'000	Moderate $'000	Low $'000
At December 31, 2007			
Growth & Income Fund			
Debt instruments — listed	—	—	12,345
Debt instruments — unlisted	1,259,749	342,902	143,012
	1,259,749	**342,902**	**155,357**
TT$ Income Fund			
Debt instruments — listed	21,346	124,324	89,114
Debt instruments — unlisted	5,305,413	618,128	589,591
	5,326,759	**742,452**	**678,705**
Universal Retirement Fund			
Debt instruments — listed	—	1,313	—
Debt instruments — unlisted	49,796	18,184	2,630
	49,796	**19,497**	**2,630**
US$ Income Fund			
Debt instruments — listed	309,477	177,247	78,835
Debt instruments — unlisted	2,571,392	738,033	338,259
	2,880,869	**915,280**	**417,094**
Total	**9,517,173**	**2,020,131**	**1,253,786**
At December 31, 2006			
Growth & Income Fund			
Debt instruments — listed	—	—	8,993
Debt instruments — unlisted	1,885,629	190,225	144,927
	1,885,629	**190,225**	**153,920**
TT$ Income Fund			
Debt instruments — listed	20,832	94,365	33,029
Debt instruments — unlisted	4,444,027	683,879	1,093,949
	4,464,859	**778,244**	**1,126,978**
Universal Retirement Fund			
Debt instruments — listed	—	—	—
Debt instruments — unlisted	34,426	26,517	2,630
	34,426	**26,517**	**2,630**
US$ Income Fund			
Debt instruments — listed	118,782	103,662	35,032
Debt instruments — unlisted	2,122,708	748,715	752,098
	2,241,490	852,377	787,130
Total	**8,626,404**	**1,847,363**	**2,070,658**

22) FINANCIAL RISK MANAGEMENT (continued)

As at financial year-end, there were two instruments, with a cumulative carrying value of $63.5 million, held by the Investment Funds that were considered past due but not impaired. Of this total carrying value, $14.8 million is collaterised sufficiently to cover the debt to the Corporation. These instruments are between 25 and 180 days past due.

As at December 31, 2007, there was one impaired financial asset recognised by the Corporation. This instrument was valued at $5.3 million, including capitalised interest of $2.2 million. The issuer had defaulted on the obligation and has offered bondholders an exchange of their positions for new bonds with longer tenors and much lower coupon rates of interest. However, negotiations among bondholders to belatedly accept the exchange have become protracted.

In the Corporation's judgment, there is considerable doubt as to what portion (if any) of the capitalised interest would be recognised in an exchange for new bonds. Consequently, the carrying value of the instrument was directly written down to $3.1 million. In accordance with international financial reporting standards, the impairment amount of $2.2 million was expensed to profit and loss.

Concentration risk

During the normal course of investment activity, the Funds may build up concentrations in single entities, groups of related/affiliated entities, sectors/industries and countries. Domination of the Funds individually and collectively in any one security, entity/group of entities, industry/sector or country/geographic region has the potential inter alia to magnify the impact of idiosyncratic events on net assets or earnings. In some cases, such concentrations may restrict the ability of the Funds to exit security positions without sustaining substantial loss.

Statutory restrictions limit the exposure of the Funds to any one issuer to a maximum of 10% of net assets and a maximum of 10% in securities in issue. Combined with additional internal risk limits, this prevents the undue build up of issuer, sector and country concentrations in the Funds. As at December 31, 2007 there were no exposures to any single entity or group of related entities exceeding 10% of the Funds' combined net assets.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group's liquidity management process includes day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of short-term investments that can be easily liquidated as protection against any unforeseen interruptions to cash flow and managing the concentration and profile of debt maturities.

The table below presents cash flows payable by the Group for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

22) FINANCIAL RISK MANAGEMENT (continued)

	Less than 1 year $'000	Between 1 and 5 years $'000	Over five years $'000
At December 31, 2007			
Accounts Payable and Short Term Liabilities	33,502	—	—
Other Liabilities	27,325	—	—
Short—term Financial Instruments	1,489,417	—	—
Long—term Financial Instruments	9,962	68,005	195,709
Finance Lease	2,706	18,302	37,728
At December 31, 2006			
Accounts Payable and Short Term Liabilities	17,165	—	—
Other Liabilities	28,229	—	—
Short—term Financial Instruments	845,912	—	—
Long-term Financial Instruments	9,821	67,378	203,088
Finance Lease	2,454	12,603	46,133

Units in the Growth & Income Fund, the TT$ Income Fund (formerly TT$ Money Market Fund) and the US$ Income Fund (formerly US$ Money Market Fund) are available upon demand. Consequently, these Funds are exposed to daily unit redemptions. The Funds mitigate this risk by maintaining adequate portfolio liquidity through appropriate cash, near cash and other short-term investments. Given the tradable nature of a substantial proportion of the Fund portfolios, this risk is not deemed significant.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for all stakeholders and to maintain a strong capital base to support the development of its business.

To this end, the Group has the following reserves:

a) Fund Reserves — This represents funds appropriated for the safeguarding of unit holders' investments in the Investment Funds (see Note 11).

b) Statutory Reserves — This represents appropriations required by law (see Note 12).

23) INVESTMENTS — GROWTH AND INCOME FUND (FIRST UNIT SCHEME)

	Shareholding 2007 (Stock Units)	Market Value 2007 $	Market Value 2006 $
FINANCIAL INSTITUTIONS			
Scotiabank Trinidad & Tobago Limited	6,287,859	186,686,534	169,960,829
Republic Bank Limited	3,063,166	244,961,385	257,305,944
RBTT Financial Holdings Limited	8,067,000	278,311,500	301,510,650
ANSA Merchant Bank Limited	1,798,833	41,822,867	33,612,708
First Caribbean International Bank Limited	7,248,662	94,377,579	82,995,016
National Commercial Bank of Jamaica	18,250,000	36,500,000	38,325,000
Sagicor Financial Corporation	8,598,579	135,771,563	115,456,374
Bank of Nova Scotia - Jamaica	11,750,000	22,409,224	28,388,265
MANUFACTURING			
Unilever Caribbean Limited	1,128,770	19,742,187	22,180,330
The West Indian Tobacco Company Limited	1,163,738	32,014,432	27,929,712
Trinidad Cement Limited	9,905,572	72,805,954	69,438,060
National Flour Mills Limited	6,656,598	5,924,372	10,650,557
CONGLOMERATES			
ANSA Mc Al Limited	5,463,064	262,172,441	239,009,050
Neal & Massy Holdings Limited	6,804,225	326,602,800	290,268,238
Barbados Shipping & Trading	1,973,333	55,115,191	31,375,995
Grace Kennedy & Company Limited	2,358,000	14,619,600	14,454,540
NON-BANKING FINANCIAL INSTITUTIONS			
American Life and General Insurance Company (Trinidad and Tobago) Limited	462,416	2,427,684	2,312,080
Guardian Holdings Limited	5,736,731	137,681,544	159,997,488
National Enterprises Limited	9,115,500	65,175,825	68,457,405
Savinvest Mutual Fund	278,698	20,910,709	35,000,007
ENERGY AND ENERGY RELATED INDUSTRIES			
Eastern Caribbean Gas Pipeline	1,223,831	7,653,531	2,176,703
PROPERTY			
Point Lisas Industrial Port Development Corporation Limited	2,966,876	23,735,008	20,560,451
Market Value TT$ Equity	120,301,451	2,087,421,930	2,021,365,402
Market Value US$ Equity	32,218,860	789,927,347	149,358,613
MARKET VALUE OF EQUITIES	152,520,311	2,877,349,277	2,170,724,015
TOTAL DEBT SECURITIES		937,497,423	1,039,757,035
		3,814,846,700	3,210,481,050
CASH & SHORT TERM INVESTMENTS		896,399,813	1,418,638,461
TOTAL VALUE OF PORTFOLIO		**4,711,246,513**	**4,629,119,511**

23) INVESTMENTS — GROWTH AND INCOME FUND (FIRST UNIT SCHEME) (continued)

The Portfolio of the Growth and Income Fund is represented by:

	2007 $	2006 $
Held to Maturity Financial Assets	1,741,362,703	2,446,027,927
Available for Sale Financial Assets	2,969,883,810	2,183,091,584
Total	4,711,246,513	4,629,119,511

24) INVESTMENTS — TT$ INCOME FUND (FORMERLY TT$ MONEY MARKET FUND)

Securities at market value:

	2007 $	2006 $
Government Securities	1,232,979,226	1,674,301,648
Corporate Securities	571,218,295	623,477,937
Cash and Short Term Investments	5,388,657,689	4,636,366,206
Total	7,192,855,210	6,934,145,791

The Portfolio of the TT$ Income Fund is represented by:

	2007 $	2006 $
Held to Maturity Financial Assets	6,949,914,439	6,752,947,750
Available for Sale Financial Assets	242,940,771	181,198,041
Total	7,192,855,210	6,934,145,791

25) NET ASSETS – UNIVERSAL RETIREMENT FUND

	Shareholding 2007 (Stock Units)	Market Value 2007 $	Market Value 2006 $
FINANCIAL INSTITUTIONS			
ANSA Merchant Bank Limited	368,372	8,564,649	6,888,556
First Caribbean International Bank Limited	171,788	2,236,680	1,970,408
National Commercial Bank - Jamaica	1,200,000	2,400,000	2,520,000
RBTT Financial Holdings Limited	183,778	6,340,341	6,891,675
Republic Bank Limited	22,617	1,808,681	1,899,828
Scotiabank Trinidad & Tobago Limited	4,466	132,581	120,702
MANUFACTURING			
National Flour Mills Limited	95,306	84,822	152,490
Readymix (West Indies) Limited	36,780	257,828	155,212
The West Indian Tobacco Company Limited	147,226	4,050,187	3,533,424
Trinidad Cement Limited	350,960	2,579,556	2,460,230
Unilever Caribbean Limited	20,975	366,853	412,159
CONGLOMERATES			
ANSA Mc Al Limited	152,454	7,316,267	6,669,862
Grace Kennedy & Company Limited	360,020	2,232,124	2,206,923
Neal & Massy Holdings Limited	210,393	10,098,864	8,975,365
NON-BANKING FINANCIAL INSTITUTIONS			
Guardian Holdings Limited	210,075	5,041,800	5,882,100
National Enterprises Limited	441,000	3,153,150	3,311,910
Sagicor Financial Corporation	265,000	4,184,350	3,561,600
PROPERTY			
Point Lisas Industrial Port Development Corporation Limited	343,014	2,744,112	2,377,087
Market Value TT$ Equity	4,584,224	63,592,845	59,989,531
Chaconia Income and Growth Fund	1,007	76,180	74,259
Market Value US$ Equity	1,287,400	7,583,717	1,302,788
MARKET VALUE OF EQUITIES	5,872,631	71,252,742	61,366,578
TOTAL DEBT SECURITIES		45,462,726	46,203,892
		116,715,468	107,570,470
OTHER ASSETS NET OF LIABILITIES		36,651,331	39,060,506
TOTAL VALUE OF PORTFOLIO		**153,366,799**	**146,630,976**

The Portfolio of the Universal Retirement Fund is represented by:

	2007 $	2006 $
Held to Maturity Financial Assets	80,800,769	85,264,398
Available for Sale Financial Assets	72,566,030	61,366,578
Total	153,366,799	146,630,976

26) US$ INCOME FUND (FORMERLY US$ MONEY MARKET FUND)

Securities at market value:

	2007 $	2006 $
Government Securities	351,080,907	415,481,220
Corporate Securities	772,266,104	497,058,863
Cash and Short Term Investments	3,220,295,135	3,035,904,493
Total	4,343,642,146	3,948,444,576

The Portfolio of the US$ Income Fund is represented by:

	2007 $	2006 $
Held to Maturity Financial Assets	3,778,082,922	3,690,968,558
Available for Sale Financial Assets	565,559,224	257,476,018
Total	4,343,642,146	3,948,444,576

27) INVESTMENT IN SUBSIDIARIES

a) Local Subsidiaries

The Corporation established three (3) wholly-owned local subsidiary companies incorporated under the Companies Act 1995 of Trinidad & Tobago as follows:

Company	% Shareholding	Date of Incorporation
UTC Financial Services Limited	100%	March 23, 1999
UTC Trust Services Limited	100%	June 2, 1999
UTC Property Holdings Limited (formerly UTC Property Development Limited)	100%	June 18, 2002

The UTC Property Holdings Limited is a wholly-owned subsidiary of the Corporation and all the Directors of this company are Directors of the Corporation. It has constructed and currently owns buildings for rental to the Corporation for its San Fernando, Chaguanas, Tobago and Arima branches. The name UTC Property Development Limited was changed to UTC Property Holdings Limited effective October 25, 2007.

The assets, liabilities and results of operations of these subsidiaries have been fully incorporated in these Financial Statements. The auditor for these subsidiary companies is PricewaterhouseCoopers.

27) INVESTMENT IN SUBSIDIARIES (continued)

b) Foreign Subsidiaries

The Corporation established five (5) foreign subsidiaries as follows:

Company	% Shareholding	Date of Incorporation	Country of Incorporation
Belize Unit Trust Corporation Limited	84%	August 24, 2001	Belize
Chaconia Financial Services Inc.	100%	June 8, 1999	Rhode Island, USA
Chaconia Fund Services Inc.	100%	December 8, 1997	Delaware, USA
UTC Mutual Funds SPC Limited (voting shares)	100%	July 31, 2006	Cayman Islands
UTC Energy Investments Limited	90%	May 31, 2007	Delaware, USA

In 1997, Chaconia Fund Services Inc. was established and in 1999 it acquired Chaconia Financial Services Inc., a Rhode Island corporation and registered broker-dealer. There are no transactions in Chaconia Fund Services Inc.

The auditors of these foreign subsidiaries are as follows:

Company	Auditors
Belize Unit Trust Corporation Limited	Pannell Kerr Forster, Belize
Chaconia Financial Services Inc.	Kirkland, Russ, Murphy & Tapp, USA
Chaconia Fund Services Inc.	Kirkland, Russ, Murphy & Tapp, USA
UTC Mutual Funds SPC Limited	PricewaterhouseCoopers, Cayman Islands

The UTC Mutual Funds SPC Limited was incorporated in 2006 and is authorised to issue voting and segregated portfolio shares. The Trinidad and Tobago Unit Trust Corporation has the sole right to hold 100% of the voting shares of the Company, hence the requirement to be treated as a subsidiary. The segregated portfolio shares are widely issued.

UTC Energy Investments Limited was incorporated under the Laws of Delaware, USA. The Growth and Income Fund holds the additional 10% of this subsidiary. Since the assets of the Growth and Income Fund are included in the consolidated assets of the Group, 100% of this subsidiary's assets are incorporated in these Financial Statements, resulting in no minority interest from this investment.

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

28) RETIREMENT BENEFIT PLAN ASSETS

Prior to January 1, 2001 the Unit Trust Corporation Pension Fund Plan (the Plan) had been a defined benefit plan. The Plan received formal approval during 2002 for conversion to a defined contribution plan with effect from January 1, 2001. During the year the Corporation contributed $5.974 million (2006: $4.707 million) to the Plan, which has been charged against Income.

29) TAXATION

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

	2007 $'000	2006 $'000
Net income before taxation	101,084	77,401
Corporation tax rate 0%	—	—
Corporate tax at 25% for local subsidiaries	558	355
Corporate tax for foreign subsidiaries	3	3
Utilisation of previously unrecognised tax losses	(558)	(355)
Business Levy payments	23	23
Green Fund Levy payments	301	236
Tax charge	327	262

30) RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The parent of the Group is Trinidad and Tobago Unit Trust Corporation.

30) RELATED-PARTY TRANSACTIONS (continued)

The following transactions were carried out with related parties:

	2007 $'000	2006 $'000
a) Loans		
Key management personnel	1,209	626
Subsidiaries	85,181	90,640
Total	86,390	91,266
Loans: Key management of the Group		
Balance at beginning of year	626	422
Loans advanced during year	1,078	394
Loan repayments received	(495)	(190)
Interest income	36	18
Interest received	(36)	(18)
Balance at end of year	1,209	626
Loans: Subsidiaries		
Balance at beginning of year	90,640	88,693
Loans advanced during year	—	6,866
Loan repayments received	(5,459)	(4,919)
Balance at end of year	85,181	90,640
b) Rental of premises from:		
Subsidiary Company	12,556	12,161
c) Administrative services to:		
Subsidiary Company	3,343	3,212
d) Key management compensation:		
Salaries and other short-term benefits	10,409	8,900
Post-employment benefits	—	700
Total	10,409	9,600

The Investment Funds managed by the Trinidad and Tobago Unit Trust Corporation have invested in bonds issued by its subsidiary company, UTC Property Holdings Limited (formerly UTC Property Development Limited). As at December 31, 2007 the Investments Funds held $3.84 million (2006: $4.27 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

31) COMMITMENTS

At December 31, 2007, the Group had contractual obligations for capital contributions of $62.5 million over the next ten (10) years.

32) POST-BALANCE SHEET EVENTS

These financial statements were approved by the Board of Directors on March 25, 2008. The Trinidad and Tobago Unit Trust Corporation further represents that, as at March 28, 2008 there were no post-balance sheet events, which have a material bearing on these financial statements.

33) CONTINGENT LIABILITIES

As at December 31, 2007 there were three legal proceedings outstanding against the Corporation. No provision has been made, as professional advice indicates that it is unlikely that any significant loss will arise.

Contributors to the Initial Capital

Central Bank of Trinidad & Tobago

The National Insurance Board

COMMERCIAL BANKS

Citibank (Trinidad & Tobago) Limited

First Citizens Bank Limited

RBTT Bank Limited

Republic Bank Limited

Scotiabank Trinidad & Tobago Limited

NON-BANK FINANCIAL INSTITUTIONS

ANSA Finance & Merchant Bank Limited

Caribbean Finance Company Limited

Clico Investment Bank

First Citizens Trust & Merchant Bank Limited

General Finance Corporation Limited

RBTT Trust Limited

RBTT Merchant Bank & Finance Company

Republic Finance & Merchant Bank Limited
(FINCOR)

Scotiatrust & Merchant Bank
Trinidad & Tobago Limited

LIFE INSURANCE COMPANIES

American Life and General Insurance Co.
(Trinidad & Tobago) Ltd.

Banc Assurance Caribbean Limited
(formerly Crown Life (Caribbean) Limited –
wholly-owned subsidiary of Guardian Life of the
Caribbean Limited)

British-American Insurance Company
(Trinidad) Limited

Caribbean Atlantic Life Insurance Company
T&T Limited
(operations managed by Guardian Life of the
Caribbean Limited)

Colonial Life Insurance Company (Trinidad) Limited

Cuna Caribbean Insurance Society Limited

The Demerara Life Assurance Company
of Trinidad & Tobago

Guardian Life of the Caribbean Limited

Life of Barbados Limited
(wholly-owned subsidiary of Sagicor)

Maritime Life (Caribbean) Limited

MEGA Insurance Company Limited

Nationwide Insurance Co. Limited
(wholly-owned subsidiary of Sagicor)

Sagicor Financial Corporation
(formerly Barbados Mutual Life
Assurance Society – the Mutual)

Tatil Life Assurance Company Ltd.

Winsure Life Insurance Company Limited
(transferred and assigned to Maritime Life
(Caribbean) Limited)

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