

TRINIDAD
& TOBAGO
UNIT TRUST
CORPORATION



A N N U A L R E P O R T 1 9 9 2



MISSION STATEMENT

" to encourage and mobilise savings in the community, thereby fostering a savings and investment consciousness among our people and to channel those resources toward productive investment creating in the process, a wider shareholding democracy."



TRINIDAD & TOBAGO
UNIT
TRUST
CORPORATION



TRINIDAD & TOBAGO
UNIT TRUST CORPORATION
Anniversary Supplement

**10 YEARS
OF SUCCESS**



Trinidad & Tobago STOCK EXCHANGE

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Corporate Information

Chairman

Rolston Nelson

Executive Director

E. Henry Sealy

Directors

Hubert Alleyne

Douglas Camacho

Amoy Chang Fong

Winston Connell

Oscar Edghill

Patrick Rabathaly

John Smith

Sookh Mungal Supersad

Secretary

Clarry Benn

Changes in Board during the year:

Mr. Patrick Rabathaly was appointed for 2 years 21 days from 18th March 1992 to 8th April 1994 in accordance with Sections 7(1) (c) and 7(4) of the Act.

Mr. Sookh Mungal Supersad was reappointed to the Board for a period of one year with effect from September 18, 1992 in accordance with Sections 7(2) and 7(5) (A) of the Act.

BANKERS

Central Bank of Trinidad and Tobago
Central Bank Building
Eric Williams Plaza
Port of Spain

The National Commercial Bank of
Trinidad and Tobago
60 Independence Square
Port of Spain

The Royal Bank of Trinidad
and Tobago Ltd.
35 Independence Square
Port of Spain

The Royal Bank of Canada
Royal Bank Plaza
Corporate Banking Centre
200 Bay Street
Toronto M53255, Ontario

Citibank N.A.
111 Wall Street
New York, N.Y. 10043
U.S.A.

Corporate Information (cont'd)

AUDITORS

The Auditor General of
the Republic of Trinidad and Tobago
Eric Williams Finance Building
Eric Williams Plaza
Port of Spain

INTERNAL AUDITORS

Coopers & Lybrand John Hunt & Co
Chartered Accountants
16 Charles Street
Port of Spain

ATTORNEYS

Fitzwilliam, Stone,
Furness-Smith & Morgan
36 Pembroke Street
Port of Spain

Reinhart, Boerner, Van Deuren
Norris & Rieselbach, S.C.
1000 North Water Street
Suite 2100
Milwaukee, Wisconsin 53202-3186

HEAD OFFICE

12th Floor Central Bank Building
Eric Williams Plaza
Port of Spain
Trinidad and Tobago
Phone: (809) 625-UNIT (8648)
Fax: (809) 627-1522

Branch Offices

Port of Spain

67 Independence Square
Port of Spain
Phone: (809) 624-6771/6755
Fax: (809) 624-8508

San Fernando

25-31 High Street
San Fernando
Phone: (809) 657-UNIT (8648)
Fax: (809) 652-0620

Chaguanas

17 Yard Street
Chaguanas
Phone: (809) 671-UNIT (8648)
Fax: (809) 671-6581

"The Board of Directors and Executive Management"



Amoy Chang Fong



Hubert Alleyne



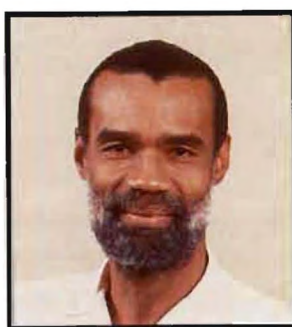
John Smith



The Board and Executive Management of the Unit Trust Corporation;
*L to R, **Clarry Benn**, Secretary,*
***Patrick Rabathaly**,*
***Sookb Mungal Supersad**,*
***Rolston Nelson**, Chairman,*
***E. Henry Sealy**, Executive Director,*
***Douglas Comacho**,*
*(**Renrick Nickie**, Executive Manager Marketing and Operations)*



Oscar Edghill



Winston Connell

Chairman's Report

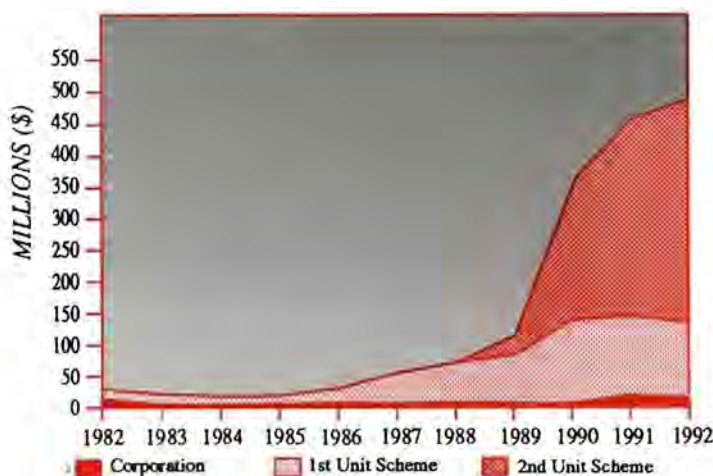
In 1992, the economy did not live up to projected expectation as real gross domestic product declined by 0.6 per cent returning the Trinidad and Tobago economy to a negative growth path. Indeed the 2.7 per cent growth rate recorded in 1991, after nine (9) years of economic contraction, proved unsustainable. As the economy weakened the monetary authority pursued a tight money policy throughout the year to contain the credit expansion that was taking place in the banking sector, and to minimize the impact of falling national income and significantly reduced export earnings on the country's external balance. Consequently, the resulting financial market condition which emerged was one in which the supply of credit contracted, demand for foreign currency to finance imports waned, the rate of interest trended upwards and settled at a new high and the stock market struggled.

Despite the difficult economic

conditions, 1992 proved to be another rewarding year for the Trinidad and Tobago Unit Trust Corporation. It continued to make significant gains by maintaining its upward trend. At 31st December, 1992 the consolidated total assets of the two Unit Schemes and the Corporation amounted to \$450.02 million, an increase of \$38.90 million or 9.46 per cent over 1991 out-turn. While gross revenues increased to \$48.8 million, up from \$39.6 million or 23.36 per cent expenses including administrative charges advanced by \$14.12 million or 43.93 per cent with the Corporation's assumption of full responsibility for its administrative costs. Retained earnings was \$20.06 million, up \$1.19 million or 6.31 per cent year-over-year.

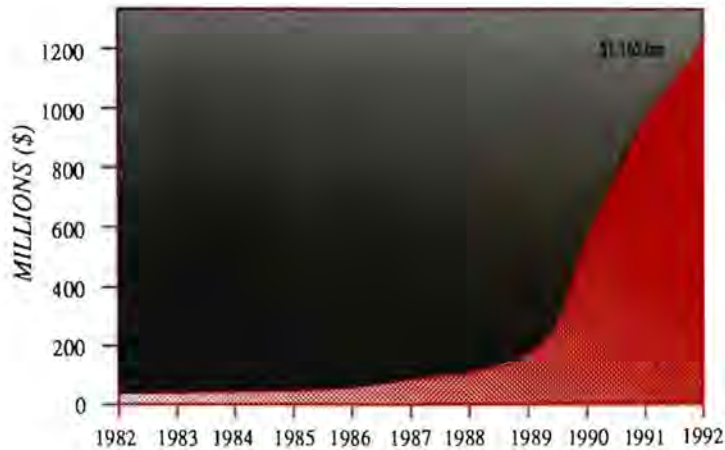
In spite of the continued contraction of the national economy and its implications for investment, the Corporation has demonstrated that, with hard work creative products and commitment to professionalism and excellence, growth is possible. At December 31st 1992 the total amount of funds mobilized by the Corporation since its establishment grossed \$1.2bn, an increase of \$209.4 million over the previous year's position of \$960.4 million. For the same period funds under management totalled \$425.07 million, comprising: \$127.4 million in the First Unit Scheme and \$297.6 million in the Second Unit Scheme. Together the investment portfolios of these schemes aided by a buoyant bond and money market, generated approximately

TOTAL ASSETS



\$46.18 million in investment income of which \$36.75 million was distributed to unitholders.

FUNDS MOBILISED



The Corporation's achievements in 1992 were accomplished under very aggressive and competitive market conditions. Moreover, the financial liberalization taking place in the system became more and more evident as competition in the market further intensified. This was manifested through the launch of various products by several institutions which threatened market share once regarded as "sacred territory" by certain sub-sectors in the financial services industry.

This is the environment in which the Corporation launched its Individual Retirement Unit Account (IRUA) on November 16th, 1992. The (IRUA) is a retirement plan which offers access to 100% of the funds generated by the investment facility. This product completely

excited the imagination of the population at large and investors in particular. Of even greater significance is that its overwhelming reception in the market-place demonstrated that the Unit Trust Corporation is among the most dynamic financial intermediaries operating in Trinidad and Tobago.

Over the years the Unit Trust Corporation has transformed the way savers and investors hold financial assets. The funds of thousands of unit holders are channelled into equity, bonds and money market securities, at the top end of the market, and small savers/investors are offered a menu of investment options, never before made available to them. By its activities, the Unit Trust Corporation is altering the way individuals and enterprises in Trinidad and Tobago view financial assets. In so doing the Corporation has been able to inspire savers/investors to increase their savings capacity thereby enabling them to contribute to the much higher level of national savings and economic development desired by the economy of Trinidad and Tobago.

On November 29th 1992, the Corporation celebrated its tenth Anniversary. The Unit Trust takes considerable pride in achieving this important milestone. From very modest beginnings in 1982, the Trinidad and Tobago Unit Trust Corporation has moved from strength to strength and its success

Chairman's Report (cont'd)

can only be ascribed to the confluence of talent, effective management of the resources entrusted to it and a strict adherence to the Corporation's mission to create a wider share holding democracy through the provision of a safe and profitable investment instrument.

*To commemorate its tenth anniversary Mr. Lloyd Best was commissioned to author a book documenting the Unit Trust experience over the period 1982 to 1992. Accordingly, the book entitled "**Trinidad and Tobago Unit Trust Corporation - 10 years of success**" written by Lloyd Best and Deryck Brown was published. The book which went on sale at various bookshops in Trinidad and Tobago was recently reviewed by Dr. Ralph Henry, senior economist, at the University of the West Indies, St. Augustine Campus.*

*During 1992 the Corporation made critical progress as it sought to obtain fund effectiveness from the Securities and Exchange Commission of the USA in respect of the **Cbaconia Income and Growth Fund, Inc.** This facility, which is to be officially launched soon in Washington DC, is the only Mutual Fund of its kind to be established by a Trinidad and Tobago entity. This US dollar denominated Fund is sponsored by the Trinidad and Tobago Unit Trust Corporation. It provides investors, both at home and in the USA, access to a mutual fund that blends traditionally conservative income and growth*

opportunities with an aggressive, potentially higher rate of return through US and international investments.

*While the economic outlook for 1993 is not very bright the Unit Trust Corporation which has grown accustomed to "**swimming against the tide**" is well positioned to produce another year of striking returns. With the removal of exchange controls and the adoption of a new policy measure for determining the external value of the TT dollar on April 7th, 1993, the launch of the Chaconia Fund could not have been more propitious and opportune.*

The floating exchange rate regime has created market conditions which will offer new challenges to the Corporation. Already the Corporation is well poised to take advantage of the business opportunities presented by the shift in the exchange rate policy. This came about mainly because the Corporation has had the wisdom and foresight to make investment decisions in the prior years that led to the acquisition of securities denominated in US dollars. These investments are now providing unit holders with the opportunity to realise capital gains from currency movements.

In addition with the implementation of the floating rate regime, expectations about corporate profits soared and this has caused stock prices to appreciate dramatically.

Chairman's Report (cont'd)

All indications are that it may have initiated a bull run. This means that the equity holdings which the Corporation built-up over the years and continues to expand have put unit holders in a position where they are well placed to enjoy the ensuing gains.

Therefore, in the period ahead, the Corporation will continue to position itself to take advantage of the challenges as they arise. Our primary objectives for the future is to continue to effectively manage the resources entrusted to the Corporation and to provide investors with the best possible return on their investment.

I take this opportunity to thank sincerely my colleagues on the Board who during the year by their

offerings and abundant support contributed to the steady and progressive growth of the Corporation. To the management and staff of the Corporation I extend the warmest appreciation and sincere thanks on behalf of myself and fellow directors. Our achievement could only have been realised through the loyalty which all of you have demonstrated over the years to the Unit Trust mission, and the dedication and commitment to hard work, high ideals and excellence.

Finally to the unit holders who have placed confidence in the Corporation's ability to invest wisely the resources entrusted to it and to provide them with the best possible returns, we thank you. The Unit Trust Corporation will continue to serve with energy and dedication.



RFNelson

Rolston Nelson
CHAIRMAN
May 17th, 1993

Executive Director's Report

The Environment

Despite uncertainties brought about by domestic structural adjustment and tight monetary conditions experienced in the domestic economy, the Corporation managed to record creditable progress in terms of increases in the total resources under management and returns on its investments.

BUSINESS PERFORMANCE

Performance of First and Second Unit Schemes

(i) Sales and Repurchases

For 1992, combined sales of units in both schemes totalled \$209.7 million compared with \$446.7 million for 1991. Sales of the First Unit Scheme amounted to \$24.5 million while sales of the Second Unit Scheme grossed \$185.2 million. During the review period, total repurchases of the schemes were \$155.6 million compared with \$375.2 million in 1991. The Corporation therefore realised a net

inflow of \$54.1 million in 1992.

In this regard, the Unit Trust's remarkable performance is further highlighted by the fact that the Corporation was able to significantly increase its funds retention percentages for both the FUS and SUS during the course of 1992.

(ii) Resources Under Management

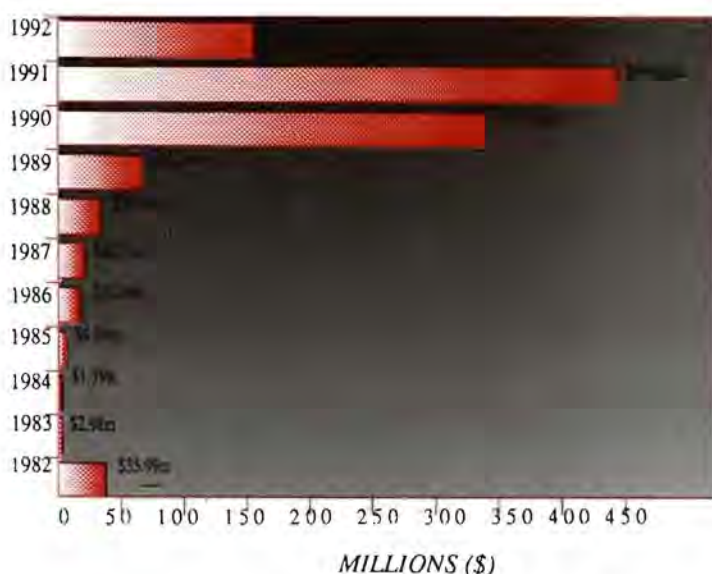
As at December 31st, 1992 the resources under management had crossed the \$400 million mark reaching the level of \$425.1 million, an increase of \$42.2 million or 11 per cent above the level of the previous year.

This growth was realised as a result of the significant increase in the Second Unit Scheme's portfolio. During 1992, this fund had grown to \$297.6 million, representing 70 per cent of the total schemes' funds under management. This scheme therefore continues to be the major growth centre of the Unit Trust Corporation

(iii) Unit Prices

Unit prices of the FUS which began the year at \$9.30 (offer) and \$8.85 (bid) ended the year at \$8.30 (offer) and \$7.90 (bid), a depreciation of 10.75 per cent. This adverse movement in unit prices reflected the weakening of stock prices on the stock exchange and the failure of many companies to maintain the profit and dividend levels of previous years.

SALES



Executive Director's Report (cont'd)

The Composite stock market index (Jan 1993 = 100) which began the year at 81.2 points, fell by 21.02 percentage points to 60.18 points, while the unit price index (Jan 1983 = 100) declined from 92.2 percentage points to 82.3 percentage points, therefore significantly outperforming the stock market as a whole.

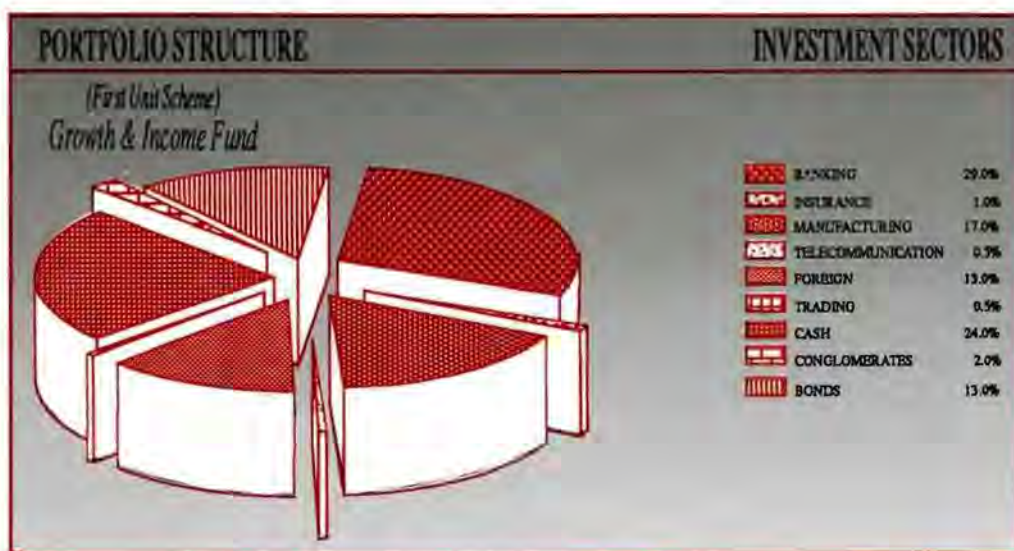
(iv) Investment of Funds

The Corporation, through its investment strategy and policy, sought throughout the year to structure as efficient an investment portfolio as possible, given prevailing circumstances.

The structure of the portfolio of the First Unit Scheme underwent considerable modification during the course of 1992. At the beginning of the year the portfolio showed a concentration in equities which accounted for 58.1 per cent while bonds accounted for 23.7 per cent and cash and short term instru-

ments 18.2 per cent. By year end the composition had been restructured to reflect a sharp decrease in the equity component to 49.3 per cent, while both the bonds and cash and short term instruments components had increased to 26.9 per cent and 23.8 per cent respectively.

The Second Unit Scheme also recorded changes in its portfolio composition during the review period. The government securities and cash and short term investments increased from 22.57 per cent and 58.94 per cent to 25.45 per cent and 62.64 per cent respectively. Government guaranteed securities and corporate securities decreased from 5.79 per cent and 12.70 per cent to 4.73 per cent and 7.19 per cent respectively.



Executive Director's Report (cont'd)

(v) Income Generation and Distribution

During the year, the two schemes managed by the corporation generated a record total income of \$46.2 million, an increase of 24.3 per cent of the previous year. Of this record total income, \$36.7 million was paid out to unitholders compared with \$29.1 million in 1991.

On a per unit basis, unitholders in the First Unit Scheme were paid \$0.67 compared with \$0.54 in 1991, while unitholders in the Second Unit Scheme (Money Market Fund) were paid an effective annualised rate of return of 10.3 per cent, compared with the average advertised rate of 8.75 per cent for the year's four (4) distribution periods.

CORPORATE ACTIVITY

(i) Branch Network

In taking the medium of co-operative investment to within easy access of the work force and population in general, the Corporation

accomplished three major steps in 1992. Firstly, our presence in the City of San Fernando was upgraded to the status of a full time branch office. Secondly, the Operations and Marketing Departments in Port of Spain were relocated from the 12th floor of the Central Bank building to No. 67 Independence Square South; and thirdly, the opening of a full service branch office in the Borough of Chaguanas.

(ii) Unit Trust Headquarters

During the year, plans for the commencement of construction of our headquarters building were advanced when the Government agreed to the lease of a site at the corner of Richmond Street and Independence Square. Building consultants have been appointed.

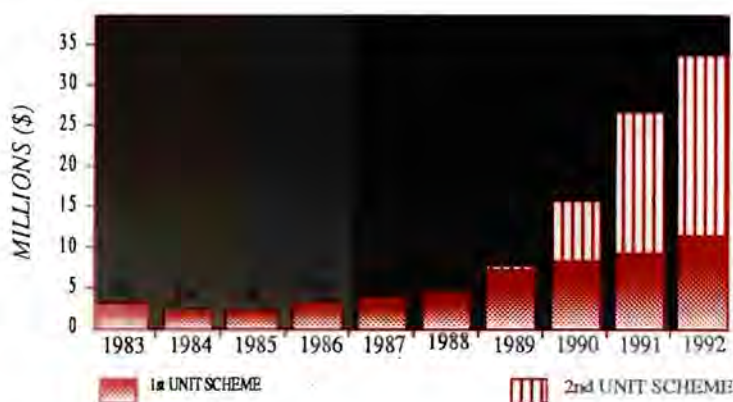
(iii) New Product

During 1992 the Unit Trust Corporation posted another milestone with the launch of the Individual Retirement Unit Account (IRUA), and in so doing, further entrenched itself as a financial institution which pioneers the introduction of new instruments in the money and capital market.

(iv) Staffing

The expansion in branch networks and the significant increase in the complexity of activity generated during 1992 have necessitated both organisational expansion and restructuring. Primary focus was maintained on the introduction of

DIVIDENDS PAID



the Human Resources Department and the recruitment of twenty (20) new members of staff.

(v) Training

The Corporation continues to recognise the importance of personnel development at all levels. To this end, one of our Fund Managers completed on the job training at Invesco MIM of Atlanta (Investment Adviser to the Chaconia Income and Growth Fund Inc.), and professional training at Intradors, Washington D.C. In addition several staff members attended local training courses during the year.

Policy Issues

(i) Strategic Plan

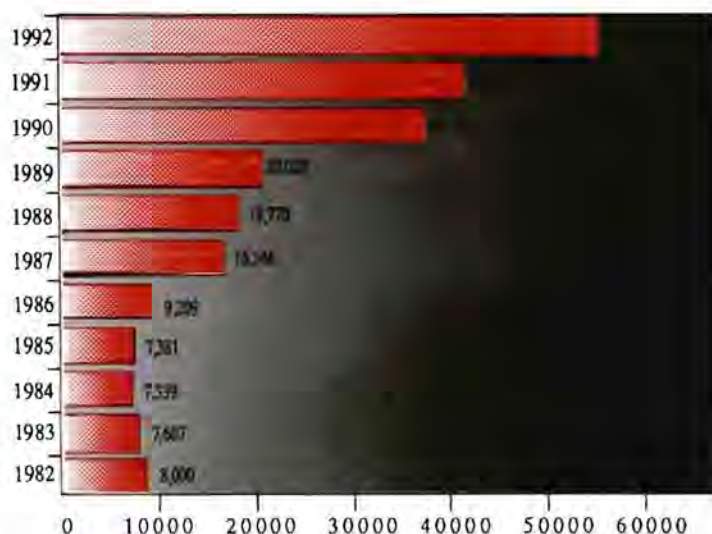
The Unit Trust's outstanding performances over the last two (2) years were due in no small measure to the successful implementa-

tion of the Corporation's Strategic Plan for 1991 - 1993. This year however, marks the final year for the plan and already we have initiated proceedings geared towards developing another Strategic Plan for the period 1994 - 1996. This new plan will seek to maintain the Corporation's esteemed position as a premier financial institution and market maker in the local and international money capital market

(ii) Chaconia Income and Growth Fund Inc.

The Securities and Exchange Commission of Washington D.C. of the U.S.A. granted Fund effectiveness to the Chaconia Income and Growth Fund Inc. on April 8th 1993, some two and a half (2 1/2) years after the first filing of its registration statement. The Chaconia Income and Growth Fund Inc. is an open-ended, US dollar, non-diversified management investment company which seeks high current income and capital appreciation. The Fund seeks to meet its objective by investing its assets in US Government Securities, Investment Grade Corporate Bonds, Investment Grade Foreign Government Bonds, Equity Securities of Canadian, British and Trinidad and Tobago companies, The First Unit Scheme and the Second Unit Scheme, of Trinidad and Tobago Unit Trust Corporation, Certificates of Deposits and Money Market Funds. The minimum investment is US\$1,000.00 subsequent investments must be a minimum of US\$250.00

NUMBER OF UNITHOLDERS



Executive Director's Report

The Unit Trust Corporation is satisfied that the Chaconia Fund would provide the country with the fillip to vigorously continue the opening up of our capital market to foreign investors. We view Chaconia therefore as evidence of the Corporation's achievements over the last ten (10) years.

Community Relation

In pursuit of its corporate mandate, the Unit Trust continues to establish itself as a good Corporate citizen through its assistance to charitable, cultural and sporting organizations throughout the country.

Financial support for groups dedicated towards nation building has always formed a significant part of the Corporation's operations and will continue to be so in the future. The Unit Trust will also maintain its commitment to developing and promoting a higher level of investment consciousness to individuals and corporate groups throughout Trinidad and Tobago.

Appreciation

On behalf of the Board of Directors and Executive Management, I would like to commend all our employees for their vision, dedication and hard work particularly over the last year. It is this commitment which has enabled the Unit Trust Corporation to maintain and, in some instances, surpass the heights of excellence of which we are justifiably proud. I would also take this opportunity to acknowledge the quality guidance provided by our Board of Directors and to thank our unitholders for their continued support.



E. Henry Sealy
EXECUTIVE DIRECTOR
May 17th, 1993



Changes in the Organizational Structure

In order to accommodate its rapidly growing customer base and ensure continued quality customer service and optimal performance, the corporation enhanced its organisational structure and expanded its client based operational services.



L. to R. Clarry Benn, E. Henry Sealy and Renrick Nickie

Mr. Clarry Benn, assumed overall responsibility for the departments of Accounting and Investments as Executive Manager, Investments and Finance and Trust Accounting. Mr. Benn also holds the position of secretary to the Board of Directors.

The Operations, Marketing, and Information Systems functions

were brought under the control of Mr. Renrick Nickie who assumed overall responsibility for these departments as Executive Manager, Marketing and Operations.

The Human Resources function has been expanded to meet the growing needs of the Corporation and now operates as a full fledged department, headed by Mrs. Janice Samuels.

Client oriented services were vastly improved through the relocation of the San Fernando and Port of Spain offices to more spacious accommodations, which were specially designed for greater customer comfort and easier access. In addition a new office was opened in the borough of Chaguanas to ensure speedier, efficient service for central customers.

Clarry Benn addresses the audience at the opening of the Chaguanas branch and launch of the IRUA.



New Products and Services



During the year the highly publicised **Individual Retirement Unit Account (IRUA)**, was launched simultaneously with the opening of the Chaguanas office. The sales performance of the fund,

another winning product from the Unit Trust Corporation. The IRUA is unique among the Corporation's products in that it is the first that the Corporation has launched in conjunction with another institution, in this case the **Royal Bank of Trinidad and Tobago**. The Bank was named Principal Distributor and Custodian of IRUA funds.



which was designed to offer investors a competitive alternative to traditional retirement products, has surpassed all expectations and has shown itself to be

The **Chaconia Income and Growth Fund** had completed the final stages of registration and was awaiting fund effectiveness from the securities and exchange commission by November of 1992. The fund is denominated in US dollars and seeks to provide high current income and capital appreciation. The Chaconia Income and Growth Fund is designed for long-term investors seeking high current income consistent with preservation of capital. The fund will be one of the first to facilitate inflows of foreign currency through repatriation of gains and profits. This investment marks the first time in Caribbean history where the traditional roles have been reversed.

L. to R. E. Henry Sealy and Rolston Nelson listen attentively to Prime Minister Patrick Manning at the opening of the Unit Trust San Fernando office.



Anniversary Celebrations

The occasion of the Corporation's Tenth Anniversary was marked by a number of commemorative events throughout the year and was concluded with a gala Long Service Awards Celebration and Anniversary function.

*Commemorative events included the commissioning of a **tenth anniversary book - TEN YEARS OF SUCCESS** - written by Lloyd Best and Derrick Brown. The book relives the ten fruitful years of the Corporation's existence and as the title suggests it charts the growth and success of the Corporation's meteoric rise in the financial community.*

*A ten week **Radio Quiz** was conducted to coincide with the Corporation's anniversary date, November 29th 1982. The quiz revealed an extensive knowledge, on the part of the general population, of the corporation and its products. Prizes of ten units in the First Unit Scheme were received by successful participants.*

*As part of the tenth anniversary celebrations, an **Investment Game** was launched to encourage the youth to participate in the investment milieu. The principal targets of the Investment Game are the fifth and sixth formers of participating secondary schools. This group is seen as future income earners and therefore potential future investors. The Unit Trust Corporation seized this opportunity to attract youths, through exposure to this game, to the development of successful investment strategies for today's and future markets.*

*During the Tenth Anniversary celebrations, **Long Service Awards** were given to the employees and directors who had served the Corporation since its inception*

in 1982. Those who received awards were: Mr. Rolston Nelson, Chairman of the Board; Ms. Amoy Chang Fong, Board Member; Mr. Clarry Benn, Executive Manager Investments, Finance and Trust Accounting; Mr. Michael Alexander, Manager Accounting; Ms. Sharon Williams, Ms. Marva Patrick, Ms. Ann-Marie Duncan -Cato, Ms. Angela Harper-Pierre, Ms. Jo-Anne Noel and Ms. Joan Providence.

Community Activities

*This year the Corporation was a major sponsor of the **Hampton International Games** held at the National Stadium during the month of May. Many top class international athletes participated in the games and the Corporation hopes to become an annual sponsor.*

*This year, as in previous years, numerous steel orchestras benefited through the Corporation's **Assistance to Steelbands Programme**. The programme, annually donates cash, musical equipment and supplies to non-sponsored bands. Throughout the years the Corporation has supported over thirty steel orchestras. The Corporation was also one of the sponsors of the Pan is Beautiful VI Steelband Musical Festival.*

*The Corporation has made numerous **donations** to a wide and varied selection of community groups and projects. The recipients include schools, clubs, religious groups, creative arts groups and others representing every sphere of our eclectic community. Financial support for groups dedicated to community development has always formed a major part of the Corporation's mandate and will continue to do so in the future.*

UNIT TRUST CORPORATION

10th Anniversary



The Tenth Anniversary Celebration, was held at Central Bank Auditorium and the Main Concourse on Saturday November 28th, 1992. Dr. Eric Bobb, former Governor of the Central Bank, presented a moving feature address which recapped the history of the organization. The Corporation's Executive Director, Mr. E. Henry Sealy took the opportunity, on behalf of the Board, to specially thank the past and present governors of the Central Bank for their exceptional tutelage throughout the years. The Corporation further expressed its gratitude to unitholders for their endurance and confidence during the difficult years, which later facilitated the rich rewards they would have received by investing wisely with the Unit Trust Corporation.



**Report of the Auditor General of the
Republic of Trinidad and Tobago on the
Accounts of the Trinidad and Tobago
Unit Trust Corporation**

For The Year Ended 31st December, 1992

The accompanying financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31st December, 1992 have been examined in accordance with the provisions of Section 30(1) of the Unit Trust Corporation of Trinidad and Tobago Act, 1981. The examination was conducted in accordance with accepted Auditing Standards. All the information and explanations requested were received and matters raised have been referred to the Trust for attention.

The Statements and Notes on pages twenty one (21) to thirty nine (39) are in agreement with the books of the Trust and are properly drawn up in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year and exhibit a true and correct view of the state of affairs of the Trust at 31st December, 1992 and the results of its activities for the year then ended.

29th APRIL, 1993
Date

Jocelyn Thompson

**Jocelyn Thompson
AUDITOR GENERAL**



**Consolidated Balance Sheet
First and Second Unit Schemes
and the Corporation**

As at December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
ASSETS			
Investment Funds			
First Unit Scheme	1, 22	127,423	135,894
Second Unit Scheme	1, 23	297,644	247,015
		<u>425,067</u>	<u>382,909</u>
Corporation Equities	24	525	100
Cash and Short-Term Funds		8,678	14,249
Receivables	11	13,903	13,506
Fixed Assets	26	1,845	358
TOTAL ASSETS		<u>450,018</u>	<u>411,122</u>
LIABILITIES			
Accounts Payable	12	1,491	1,127
NET ASSETS		<u>448,527</u>	<u>409,995</u>
Represented by:-			
Initial Capital	6	5,000	5,000
Unit Capital - First Unit Scheme	7	122,188	136,971
Unit Capital - Second Unit Scheme	7	297,644	247,015
Reserves -			
Guarantee Reserve	8	2,246	1,782
Children's Investment Starter Plan (CISP) Reserve	9	43	43
Second Unit Scheme Reserve	10	1,351	312
Retained Income		20,055	18,872
		<u>448,527</u>	<u>409,995</u>

The attached notes form an integral part of these financial Statements

R.F. Nelson

CHAIRMAN



[Signature]

EXECUTIVE DIRECTOR

**Consolidated Income and
Expenditure Account
First and Second Unit Schemes
and the Corporation**

For The Year Ended December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
INCOME			
Investment Income -			
First Unit Scheme		13,574	11,603
Second Unit Scheme		32,604	25,553
Corporation		1,613	1,441
Other Income	13	615	718
Undistributed Income at start of year		454	293
Total Income		48,860	39,608
EXPENSES			
Distribution		36,746	29,087
Commission	18	881	1,253
Administrative	19	8,415	1,777
Depreciation	26	231	32
Total Expenses		46,273	32,149
NET INCOME		2,587	7,459
Transfer to Reserves		1,202	512
Undistributed Income at end of year		202	454
RETAINED INCOME FOR THE YEAR		1,183	6,493
Retained Income at start of year		18,872	12,379
Retained Income at December 31st		20,055	18,872

The attached notes form an integral part of these Financial Statements.

Corporation Balance Sheet

As At December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
ASSETS			
Cash and Short Term Funds		8,678	14,249
Receivables	11	13,903	13,506
Fixed Assets	26	1,845	358
Investments	24	525	100
Other Assets	14	235	--
TOTAL ASSETS		25,186	28,213
LIABILITIES AND RESERVES			
Accounts Payable	12	1,491	1,127
Other Liabilities	14	--	6,077
First Unit Scheme Reserves -			
Children Investment Starter			
Plan Reserve	9	43	43
Guarantee Reserve	8	2,246	1,782
Second Unit Scheme Reserve	10	1,351	312
Retained Earnings		20,055	18,872
TOTAL LIABILITIES AND RESERVES		25,186	28,213

The attached notes form an integral part of these Financial Statements.

**Corporation Income and
Expenditure Account**

For The Year Ended December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
SALES \$209,355,921 - (1991 - \$446,884,368)			
INCOME			
Initial Charge	15	421	605
Management Charge	16	6,955	6,662
Investment		1,613	1,441
Loan Interest		1,138	734
Miscellaneous		194	111
Managers' Holdings	17	--	2
		<u>10,321</u>	<u>9,555</u>
EXPENSES			
Agents Commissions	18	492	1,253
Administrative	19	8,415	1,777
Depreciation	26	231	32
Total Expenses		<u>9,138</u>	<u>3,062</u>
Net Income of the Corporation		1,183	6,493
Retained Income at start of year		18,872	12,379
RETAINED INCOME		<u>20,055</u>	<u>18,872</u>

The attached notes form an integral part of these Financial Statements.

**First Unit Scheme
Balance Sheet**

As At December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
ASSETS			
Investments	22	127,423	135,894
Cash		1,135	438
Short Term Investments		3,200	2,800
Income Receivable		1,498	1,638
DIA Receivable	4	6,462	4,948
Other Receivables		110	376
Total Assets		139,828	146,094
LIABILITIES			
Distribution Payable		5,933	4,759
Amounts Due Corporation		6,208	4,925
		12,141	9,684
RESERVES			
Undistributed Income		202	454
Guarantee Reserve		62	62
Total Liabilities and Reserves		12,405	10,200
NET ASSETS		127,423	135,894
CAPITAL ACCOUNT			
UNREALISED CAPITAL APPRECIATION	25	116,176	107,513
		11,247	28,381
		127,423	135,894

The attached notes form an integral part of these Financial Statements.

**First Unit Scheme
Statement of Changes
in Net Assets**

For The Year Ended December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
FROM INVESTMENT ACTIVITIES			
(Decrease) Increase in unrealised Appreciation of Securities		(16,911)	(3,988)
(Decrease) Increase in Loss on Disposal of Securities	20	(223)	1,083
		(17,134)	(2,905)
FROM CAPITAL TRANSACTIONS			
Increase in Capital Account		8,663	1,468
(Decrease) Increase in Net Assets		(8,471)	(1,437)

The attached notes form an integral part of these Financial Statements.

**First Unit Scheme
Statement of Operations**

For The Year Ended December 31, 1992

	NOTES	1992	1991
		\$'000	\$'000
INVESTMENT INCOME			
Dividends (including Dividend Income Allowance - \$3,559,083 1991 - \$2,723,685)	4	7,746	6,838
Interest		5,828	4,765
Total Investment Income		13,574	11,603
EXPENSES			
Management Charge	16	2,471	2,693
Interest		392	272
Total Expenses		2,863	2,965
NET INVESTMENT INCOME		10,711	8,638

The attached notes form an integral part of these Financial Statements.

**First Unit Scheme
Income Distribution Account**

For The Year Ended December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
NET INVESTMENT INCOME		10,711	8,638
LESS: Distribution to Initial Contributions 30c per unit (1991 - 30c per unit)	5	75	75
Distribution to Unitholders 67c per unit (1991 - 54c per unit)	5	<u>10,688</u>	<u>8,202</u>
		(52)	361
ADD: Undistributed Income brought forward		<u>454</u>	<u>293</u>
		402	654
LESS: Allocation to Guarantee Reserve Fund	8	<u>200</u>	<u>200</u>
Undistributed Income at December 31		202	454

The attached notes form an integral part of these Financial Statements.

**Second Unit Scheme
Balance Sheet**

As At December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
ASSETS			
Investments	23	297,644	247,015
Interest Receivable		6,797	4,881
Cash		2,788	3,670
Total Assets		307,229	255,566
LIABILITIES			
Amounts Due to the Corporation		6,874	6,787
Accruals for Distribution	5	2,622	1,734
Other Liabilities		89	30
Total Liabilities		9,585	8,551
NET ASSETS		297,644	247,015
Represented by:-			
CAPITAL ACCOUNT		297,644	247,015

The attached notes form an integral part of these Financial Statements.

**Second Unit Scheme
Statement of Changes
in Net Assets**

For The Year Ended December 31, 1992

	NOTES	1992	1991
		\$'000	\$'000
FROM CAPITAL TRANSACTIONS			
Increase in Capital Account		50,629	69,890
Net Assets brought forward		247,015	177,125
Net Assets at December 31		297,644	247,015

The attached notes form an integral part of these Financial Statements.

**Second Unit Scheme
Statement of Operations**

For The Year Ended December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
INCOME			
Investment Income		32,604	25,553
EXPENSES			
Management Charge	16	4,484	3,969
Interest Expense		746	462
Commissions		389	--
Total Expenses		5,619	4,431
Net Investment Income		26,985	21,122

The attached notes form an integral part of these Financial Statements.

**Second Unit Scheme
Income Distribution Account**

For The Year Ended December 31st, 1992

	NOTES	1992	1991
		\$'000	\$'000
Net Investment Income		26,985	21,122
Distributions Paid	5	23,361	19,076
Provision for Distribution		2,622	1,734
Total Distribution		25,983	20,810
Transfers to Reserve		1,002	312
		26,985	21,122

The attached notes form an integral part of these Financial Statements.

1 Incorporation and Principal Activities

The Trinidad and Tobago Unit Trust Corporation was established by the Unit Trust Corporation of Trinidad and Tobago Act 1981, generally to provide facilities for participation by members of the public in investing in shares and securities approved by the Board.

In accordance with section 13 of the Unit Trust Corporation of Trinidad and Tobago Act, the Corporation has established two unit schemes. The First Unit Scheme is a Growth and Income Fund and includes the Individual Retirement Unit Account which was launched in November 1992. The Second Unit Scheme is a Money Market Fund.

2 Accounting Policies

The accounting policies of the Corporation are based on generally accepted accounting principles. Significant accounting policies are stated below:-

(a) **Historical Cost:** These accounts are prepared on the basis of historical cost except as modified in respect of security valuation.

(b) **Security Valuation:** In keeping with the convention in the Unit Trust Industry securities traded on the Trinidad and Tobago Stock Exchange are valued by the Corporation on the offer price on the last trading day. Unlisted Bonds are valued at par. Listed bonds are valued at current prices.

(c) **Fixed Assets:** Fixed Assets are stated at historical cost. Depreciation is provided for on the reducing balance basis at rates estimated to write off the cost of the assets over their useful lives.

The rates used are as follows:-

Motor Vehicles - 25%

Office Equipment - 20-25%

Office Furniture & Fixtures -15-20%

Leasehold Improvements are written off over the period of the lease.

(d) All material income and expenditure items are accounted for on an accrual basis.

3 Comparative Figures

Certain changes in presentation have been made during the year and the comparative figures have been restated accordingly. These changes have no effect on the net profit of the previous year.

4 Taxation

The Corporation is exempted from Corporation Tax and Unemployment Levy under Section 35 of the Unit Trust Corporation of Trinidad and Tobago Act, 1981. Acts Nos. 4 and 6 of 1984 provide for the Corporation to be eligible to receive the Dividend Income Allowance on dividends received from January 1984.

5 Distributions

The Corporation declared its nineteenth (19th) and twentieth (20th) distributions in respect of the First Unit Scheme for the year 1992 totalling \$10,687,545. The distribution to registered unitholders as at June 30th, 1992 amounted to \$4,867,590 and as at December 31st, 1992 amounted to \$5,819,955. The total distribution to initial capital contributors other than the Central Bank for the year amounted to \$75,000.

Distributions in the Second Unit Scheme are made quarterly. Four (4) payments were made in 1992 and total distribution paid for the period January - November 1992 totalled \$23,361,497. Accrued income as at December 31st, 1992 for distribution in the quarter ended 28th February, 1993 amounted to \$2,621,540.

6 Initial Capital

Initial Capital is capital subscribed by financial institutions to the Unit Trust Corporation at its inception in 1982 in accordance with Section 17 of the Unit Trust Corporation of Trinidad and Tobago Act, 1981.

7 Unit Capital

Unit Capital represents the capital value of units within the two schemes held by the Corporation. In respect of the First Unit Scheme, this excludes units in respect of the Initial Capital.

8 Guarantee Reserve

In accordance with the provision of Section 26 (1) and (2) of the Unit Trust Corporation of Trinidad and Tobago Act 1981, the Board of Directors established a Guarantee Reserve Fund in respect of the First Unit Scheme to ensure adequate funding of the Guarantee Pricing Plan which was introduced in January 1985. The Guarantee Reserve Fund is funded from two (2) sources, namely:-

(a) The allocation of ten per cent (10%) of the income available for distribution; and

(b) the proceeds from the distribution allocated to the initial capital contributed by the Central Bank in accordance with the provisions of Section 27.

As at December 31st, 1992 the Corporation's Guarantee Liability was fully funded.

9 Children's Investment Starter Plan (CISP) Reserve

Children's Investment Starter Plan (CISP) is a plan established to provide long term investment in trust for a child.

On the purchase of five (5) units the investor is granted a loan for the acquisition of an additional five (5) units, which is repaid by the distributions generated from the ten (10) units over a period of approximately five (5) years.

In accordance with the provisions of Section 26 (1) and (2) of the Unit Trust Corporation of Trinidad and Tobago Act, 1981 the Board of Directors established a Children's Investment Starter Plan Reserve Fund to provide for funding of the Children's Investment Starter Plan which was introduced on May 29th, 1985.

The fund has been utilised to write off all expenses incurred by the Corporation in the execution of the plan.

10 Second Unit Scheme

The Board, in accordance with the provisions of Section 13 of the Second Unit Scheme Regulations issued under the Unit Trust Corporation of Trinidad and Tobago Act 1981 has established a reserve to satisfy any shortfall likely to be created through the liquidation of securities in the portfolio of the scheme.

Notes to the Financial Statements (cont'd)

For The Year Ended December 31st, 1992

	1992 \$'000	1991 \$'000
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11 Receivables	13,903	13,506
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These include amounts due to the Corporation from the two (2) unit schemes. Outstanding receipts from agents in respect of sales transactions conducted during the financial year, previously classified under this heading are now shown as Cash and Short Term Funds.

	1992 \$'000	1991 \$'000
--	----------------	----------------

12 Accounts Payable	1,491	1,127
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This comprises mainly of liabilities for Administration Expenditure and Expenses on behalf of the Unit Schemes at the year end.

13 Other Income

	1992 \$'000	1991 \$'000
--	----------------	----------------

Initial Charge	421	605
Miscellaneous	194	111
Managers' Holdings	—	2
	<u>615</u>	<u>718</u>

	1992 \$'000	1991 \$'000
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14 Other Assets (Liabilities)	235	(6,077)
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This reflects the net movement of funds between the Corporation and the Unit Schemes at the year end.

15 Initial Charge

The Corporation earns an Initial Charge of five percent (5%) from the sale of newly created units in the First Unit Scheme.

16 Management Charge

The Corporation in accordance with the regulations governing the First and Second Unit Schemes can apply a management charge of up to two per cent (2%) on the value of the funds held in each scheme. For 1992 the Board applied a charge of 2% to the First Unit Scheme and an average of 1.8% to the Second Unit Scheme.

17 Manager's Holdings

Managers' Holdings represent the value of the stock of units held by the Corporation for disposal throughout the year. Income is derived from such holdings.

18 Commissions

	1992 \$'000	1991 \$'000
	<u>881</u>	<u>1,253</u>

The Corporation prior to 1992 had met all commission expenses to its agents. The Board of Directors took the decision in 1992 to charge against the income of the Money Market Fund, commission expenses in respect of Sales of units in that fund. This has resulted in a reduced expense to the Corporation of \$389,000.00. Commissions in respect of the First Unit Scheme are met by the initial charge.

Notes to the Financial Statements (cont'd)

For The Year Ended December 31st, 1992

19 Administrative Expenses

1992	1991
\$'000	\$'000
8,415	1,777

Commencing 1992, all administrative expenses were financed by the Corporation. In the previous year in addition to the \$1.7 million illustrated above, expenses of \$2.8 million were incurred by the Central Bank of Trinidad and Tobago on behalf of the Unit Trust Corporation in accordance with a Technical Services Agreement, between both institutions. This agreement expired on December 31st, 1991. The increase in Administrative Expenses incurred in 1992 was mainly related to the establishment of three (3) Customer Service offices.

20 Acquisition and Disposal of Securities

Cost of Securities Acquired -	\$ 2,774,469
Receipts from Disposal of Securities	- \$ 1,247,920
Cost of Securities Disposed of	- \$ 1,470,915

21 Commitment

The Corporation has agreed to participate in the Government Project Financing Facility to the extent of \$8.059 million. As at December 31st, 1992 disbursements amounting to \$3,319,179 had been made.

22 Investment Portfolio

First Unit Scheme

SECURITY	SHAREHOLDING (STOCK UNITS)	CURRENT VALUE (\$)
BANKS		
Bank of Commerce T&T Ltd.	1,459,367	5,326,690
Bank of Nova Scotia T&T Ltd.	1,603,561	7,216,025
N.C.B. T&T Ltd.	2,713,265	1,817,888
Republic Bank Ltd.	3,833,302	13,838,220
Royal Bank of T&T Ltd.	2,749,812	8,441,923
Trinidad Co-op Bank Ltd.	23,896	50,659
MANUFACTURING		
Angostura Holdings Ltd.	1,477,156	5,051,874
Berger Paints T&T Ltd.	150,000	187,500
Lever Brothers W.I. Ltd.	733,627	1,907,430
West Indian Tobacco Co. Ltd.	1,084,329	7,536,086
Trinidad Cement Limited	1,685,000	4,465,250
Nestle T&T Ltd.	566,155	2,151,389
CONGLOMERATES		
Mc Eneaney Alstons Ltd.	906,421	1,794,713
Neal & Massy Holdings Ltd.	317,950	747,182
TRADING		
Agostini's Ltd.	355,500	622,125
INSURANCE		
American Life and General Insurance Company Ltd.	462,416	1,294,765
TELECOMMUNICATIONS		
Caribbean Communications Network Ltd.	375,000	378,750
TOTAL EQUITY		62,828,469
DEBT SECURITIES		34,301,889
CASH AND SHORT TERM INVESTMENTS		97,130,358
TOTAL VALUE OF PORTFOLIO		127,422,715

23 Investment Portfolio

Second Unit Scheme

Securities	Values
Government Securities	\$ 75,748,500
Government Guaranteed Securities	14,075,000
Corporate Securities	21,370,00
Cash and Short Term Investments	186,450,687
TOTAL	\$297,644,187

24 Corporation Equities

	1992 \$'000	1991 \$'000
	525	100

The Trinidad and Tobago Unit Trust Corporation has invested \$424,468.00 in the Chaconia Income and Growth Fund Inc. This fund, sponsored by the Trinidad and Tobago Unit Trust Corporation is incorporated in the State of Maryland, United States of America and registered as an open-ended, non-diversified load management investment company under the Investment Company Act of 1940.

25 Unrealised Capital Appreciation

This represents the unrealised gain on the valuation of the Investment Portfolio at the year-end.

26 Fixed Assets	1992	1991
COST		
Office Equipment	947,877	307,881
Office Furniture & Fixtures	330,534	81,181
Motor Vehicles	397,971	--
Lease-hold Improvements	431,464	--
	<u>2,107,846</u>	<u>389,062</u>
ACCUMULATED DEPRECIATION		
Office Equipment	145,114	26,945
Office Furniture & Fixtures	32,683	4,633
Motor Vehicles	61,951	--
Lease-hold Improvements	22,797	--
	<u>262,545</u>	<u>31,578</u>
NET BOOK VALUE		
Office Equipment	802,763	280,936
Office Furniture & Fixtures	297,851	76,548
Motor Vehicles	336,020	--
Lease-hold Improvements	408,667	--
	<u>1,845,301</u>	<u>357,484</u>

In addition to this, the Corporation utilised fixed assets provided by the Central Bank of Trinidad and Tobago in accordance with Technical Services Agreement referred to in Note 19.

Contributions To The Initial Capital

(1) * Central Bank of Trinidad and Tobago	The Royal Bank Mortgage and Finance Company Limited
(2) * The National Insurance Board	Trade Confirmers Limited (DIC)
(3) * Commercial Banks:-	Trinfinance Limited
Bank of Commerce Trinidad and Tobago	Trinidad Co-operative Bank Trust Company Limited
Bank of Nova Scotia Trinidad and Tobago Limited	
National Commercial Bank of Trinidad and Tobago Limited	(5) * Life Insurance Companies:-
Republic Bank Limited	American Life and General Insurance Company (Trinidad) Limited
The Royal Bank of Trinidad and Tobago Limited	Barbados Mutual Life Assurance Society
Trinidad Co-operative Bank Limited	British-American Insurance Company (Trinidad) Limited
Citibank (Trinidad & Tobago) Limited	Caribbean Atlantic Life Insurance Company Trinidad and Tobago Limited (under judicial management)
Workers' Bank (1989) Limited	Colonial Life Insurance Company (Trinidad) Limited
(4) * Non-Bank Financial Institutions:-	Crown Life (Caribbean) Limited
Amalgamated Finance Company Limited	Cuna Caribbean Insurance Society
Bank of Commerce Trust Company (Trinidad and Tobago) Limited	Goodwill Life and General Insurance Company Limited
Caribbean Finance Company Limited	GTM Life Insurance Company of Trinidad and Tobago Limited
Commercial Finance Company Limited (DIC)	Guardian Life of the Caribbean Limited Life of Barbados Limited
General Finance Corporation Limited	Maritime Life (Caribbean Limited)
International Trust Limited	Nationwide Insurance Company Limited
MAT Securities Limited (DIC)	TATIL Life Assurance Company Limited
National Commercial Bank Trust Company (Trinidad and Tobago) Limited	The Demerara Life Assurance Company Limited
Royal Bank Trust Company (Trinidad) Limited	United Security Life Insurance Company Limited (under judicial management)
Southern Finance Company Limited (Liquidated)	
Summit Finance Corporation Trinidad and Tobago Limited (Liquidated)	