



TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

15th ANNUAL **Report & Accounts**

1 9 9 6

# OUR MISSION

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

***New  
Horizons  
of  
Financial  
Management***

Crystal, the symbol of a fifteenth anniversary separates light into its many colours. With fifteen years of successful experience, the UTC brilliantly separates the many components of sound financial management to produce an entire spectrum of new financial services.

Trust and Merchant Banking Services ... a whole new horizon of opportunities, from your trusted financial management team.

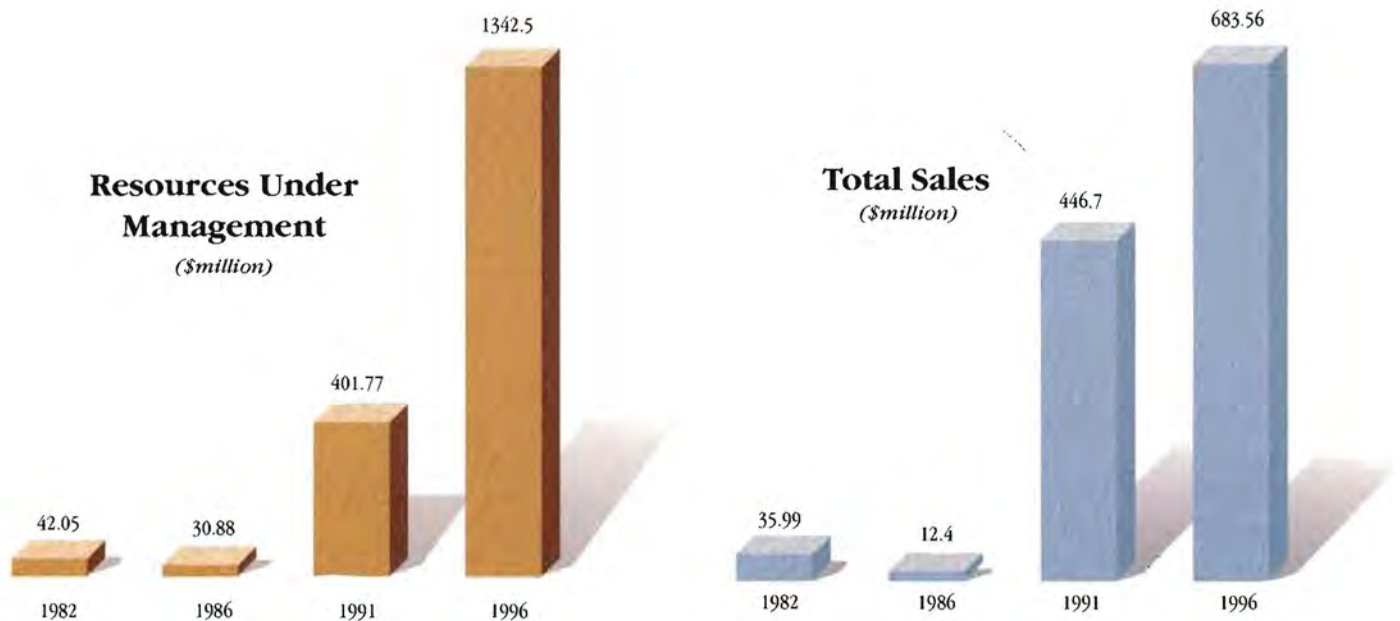


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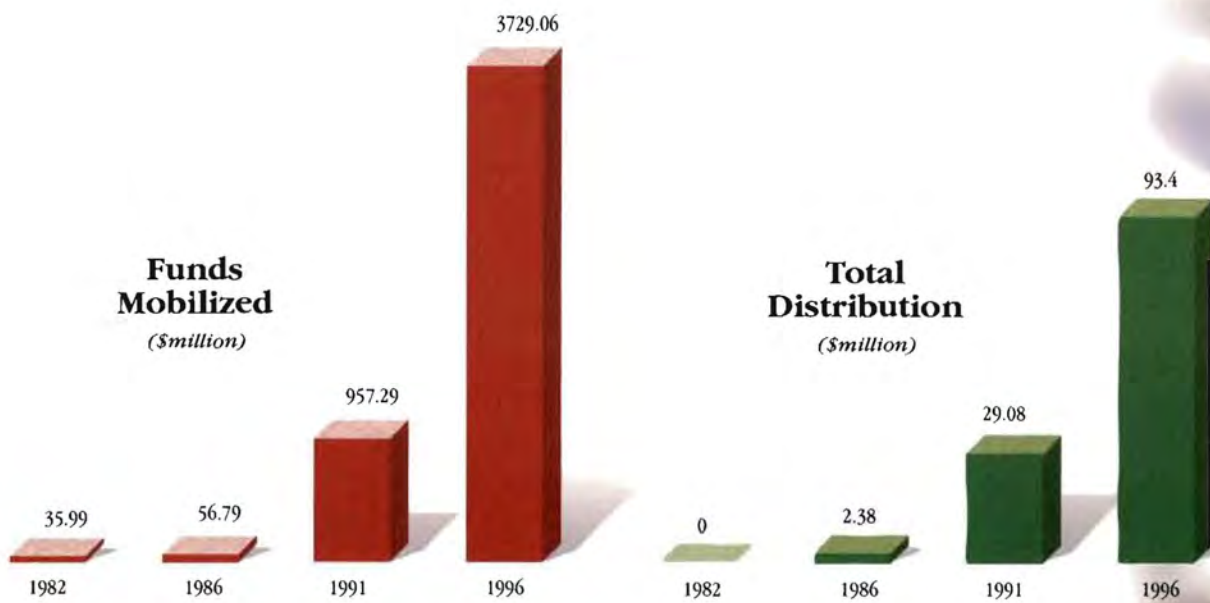
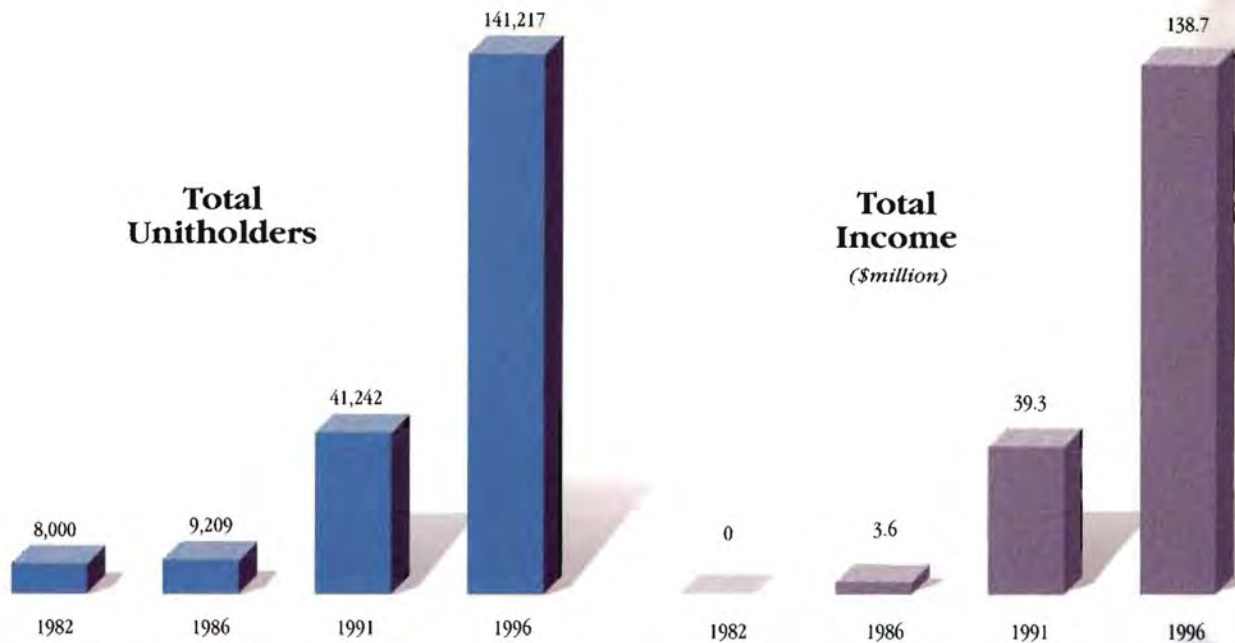
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# FINANCIAL

	1982	1986	1991	1996
<b>SALES (\$M)</b>				
First Unit Scheme	\$ 35.99	\$ 12.40	\$ 30.90	\$ 146.01
Second Unit Scheme			\$ 415.80	\$ 537.55
<b>TOTAL</b>	<b>\$ 35.99</b>	<b>\$ 12.40</b>	<b>\$ 446.70</b>	<b>\$ 683.56</b>
<b>FUND SIZE (\$M)</b>				
First Unit Scheme	\$ 42.05	\$ 29.13	\$ 135.89	\$ 593.67
Second Unit Scheme			\$ 247.01	\$ 705.33
Corporation		\$ 1.75	\$ 18.87	\$ 43.05
<b>RESOURCES UNDER MANAGEMENT (\$M)</b>				
	\$ 42.05	\$ 30.88	\$ 401.77	\$ 1,342.50
<b>FUNDS MOBILIZED (\$M)</b>				
	\$ 35.99	\$ 56.79	\$ 957.29	\$ 3,729.06
<b>TOTAL INCOME (\$M)</b>				
		\$ 3.67	\$ 39.31	\$ 138.71
<b>DISTRIBUTIONS TO UNITHOLDERS (\$M)</b>				
		\$ 2.38	\$ 29.08	\$ 93.40
<b>UNITHOLDERS</b>				
	8,000	9,209	41,242	141,217



# HIGHLIGHTS



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

CHAIRMAN	Rolston Nelson, S.C.
EXECUTIVE DIRECTOR	E. Henry Sealy (until March 31, 1996)
	Clarry Benn (from September 01, 1996)

DIRECTORS	Winston Connell Oscar Edghill Jerry Hospedales Larry Howai Richard Kellman Sookh Mungal Supersad Patrick Rabathaly John Smith
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SECRETARY	Clarry Benn (up to August 31, 1996)
	Patricia Small-Ilkhtchoui (from September 12, 1996)

### Changes in Board during the year:

Mr. Sookh Mungal Supersad was reappointed by the Board for a period of one (1) year with effect from September 18, 1996 in accordance with section 7, sub-sections (2), 5(A) and (6) of the Unit Trust Corporation Act, Ch. 83:03.

Mr. Sealy's contract expired on March 31, 1996 and Mr. Clarry Benn, Corporate Secretary and Executive Manager, Investments and Finance was appointed to act as Chief Executive Officer. He was subsequently appointed as the new Executive Director effective September 01, 1996.

As a consequence, Mrs. Patricia Small-Ilkhtchoui, Corporate Administrative Officer was appointed as Corporate Secretary effective September 12, 1996.

# CORPORATE INFORMATION

## ***BANKERS***

CENTRAL BANK OF TRINIDAD & TOBAGO  
Central Bank Building, Eric Williams Plaza,  
Port of Spain.

THE ROYAL BANK OF TRINIDAD &  
TOBAGO LTD.  
55 Independence Square, Port of Spain.

FIRST CITIZENS BANK LTD.  
Lower Milford Road, Scarborough, Tobago.

CITIBANK (Trinidad & Tobago) LTD.  
12 Queen's Park East, Port of Spain.

CITIBANK N.A.  
11 Wall Street, New York, N.Y. 10043 U.S.A.

## ***AUDITORS***

THE AUDITOR GENERAL OF  
THE REPUBLIC OF TRINIDAD & TOBAGO  
Eric Williams Finance Building,  
Eric Williams Plaza, Port of Spain.

## ***INTERNAL AUDITORS***

COOPERS & LYBRAND  
Chartered Accountants, 16 Victoria Avenue,  
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 53202-0900 U.S.A.

## ***CORPORATE OFFICES:***

HEAD OFFICE & MAIN BRANCH  
74 Independence Square, Port of Spain  
TEL: (809) 625-UNIT (8648 )  
FAX: (809) 624-8508  
E MAIL: [utc@trinidad.net](mailto:utc@trinidad.net)  
INTERNET ADDRESS  
<http://www.trinidad.net/utc> home

SAN FERNANDO BRANCH  
23 High Street, San Fernando.  
TEL: (809) 657-UNIT (8648)  
FAX: (809) 652-0620

CHAGUANAS BRANCH  
20 Yard Street, Chaguanas.  
TEL: (809) 671-UNIT (8648)  
FAX: (809) 671-6581

TOBAGO BRANCH  
Block A Level 1, Scarborough Mall, Tobago  
TEL: (809) 639-5096  
FAX: (809) 639-5096

# BOARD OF DIRECTORS

Rolston Nelson, S.C.  
*Chairman*

Clarry Benn  
*Executive Director*



Patrick Rabathaly



Oscar Edghill



Jerry Hospedales



Sookh Mungal Supersad



Patricia Small-Ilkhtchoui  
*Secretary*



Richard Kellman



Larry Howai



John Smith



(not shown) Winston Connell



# CHAIRMAN'S REVIEW

## Introduction

1996 was a most eventful year for the Corporation. Apart from having to deal with the peculiar circumstances presented by the economic and financial market conditions which prevailed during the period under review, it was one in which the Corporation experienced change at the level of the executive management and was challenged by the adverse consequences of the fiscal measures implemented during the year.

Both occurrences posed challenges to the capabilities of the management and staff of the Corporation. Therefore, I wish to take the opportunity to pay special tribute to them because it was through their singularity of purpose, collective efforts and dedication that the Corporation's performance for the year was nonetheless kept consistent with past trends.

I want specially to congratulate Mr. Clarry Benn on his appointment to the post of Executive Director of the Trinidad and Tobago Unit Trust Corporation and to thank him for the astute leadership which he provided during the period of transition. Mr. Benn has worked with the Corporation since its establishment in 1982 and he has always been instrumental in charting the direction of the organisation. I have no doubt that in his new position the knowledge and expertise which he has amassed over the years in this highly specialised area of investment and finance will continue to be applied to the Corporation's advantage.

## The Economy and Financial Market Conditions

In 1996, the economy grew by 2.7%. The annual rate of inflation decelerated from 5.3% in 1995 to 3.3% in 1996. The unemployment rate also trended downwards, falling from 17.2% in 1995 to an estimate of 15.1% in 1996. The central government registered an overall fiscal surplus of TT\$447.4 million, up from TT\$125.7 million in 1995. On the external account, the country's net foreign position strengthened, up from

US\$466.5 million at the end of 1995 to US\$693.7 million by year-end.

In the financial market, the year was characterised by the odd combination of an apprehensive foreign exchange market, high interest rates and excess liquidity in the banking system. These occasioned a policy mix by the monetary authority which encompassed

open market operations (on a limited scale), sale of US\$102 million to authorised dealers, a 1.6% increase in the legal reserve requirement, up from 21.4% of total deposit liabilities to 23% and a 4.4% increase in special deposits, up from 0.6% of total deposit liabilities to 5%, with the option to hold treasury bills.

The pressure on the exchange rate which began in the last quarter of 1995 continued unabated into the third quarter of 1996. Along with this, the buffer which the market enjoyed since 1993 was simply not available as preferences had changed. Therefore, on October 18, the TT dollar depreciated to TT\$6.15. It hit its lowest point in November when it traded at TT\$6.25. Shortly thereafter, it appreciated to TT\$6.09 but slipped

again to TT\$6.25 where it remained when the year closed.

In the fixed income market, the prime lending rate of commercial banks which began the year at 14% increased to 15.5% before the close of the first quarter and stayed at that level until the third quarter. On October 18, 1996, prime climbed to 17.5% and thereafter trended downwards, reaching 16.5% by year end. At the same time liquid assets in the banking sector rose by 4.5%, up from 26.8% in January 1996 to 31.3% at the end of November.

During 1996, the stock market continued to be fairly buoyant, with the composite index rising 17.2 points, up from 150.2 at the end of 1995 to 167.4 at the end of 1996. Both the volume and value of shares traded declined by 8.7% and 22.7%, respectively, down from 131.65 million stock units to 120.29 million and TT\$812.4 million to TT\$628.6 million respectively. Alternatively market capitalization increased by 31.2% or TT\$2.1 billion, to TT\$8.8 billion from TT\$6.7 billion.



ROLSTON NELSON, S.C.  
Chairman

# CHAIRMAN'S REVIEW CONTINUED . . .

## Fiscal Incentives and Taxation

In 1996, the Corporation witnessed the complete removal of the remaining fiscal incentives which unit-holders had enjoyed. The authorities relocated the 15 percent withholding tax on the distribution to unit holders of the Second Unit Scheme (the Money Market Fund) to the gross interest income earned by the unit scheme. This tax measure was also applied to the First Unit Scheme (the Growth and Income Fund). That tax measure impaired the competitiveness of both unit schemes. However, the impact was more severe on the Money Market Fund because that facility derives almost all of its income from interest bearing instruments domiciled in Trinidad and Tobago. This along with other market forces contributed to a net outflow of TT\$75.7 million from the Money Market Fund.

One may well recall that in 1994, to allow for equity between financial service providers in the business of deposit taking and Unit Trust/Mutual Fund, the authorities started to dismantle the fiscal incentives to unit holders. The 1996 measures put the Unit Trust Corporation, a mutual fund provider, at a decided disadvantage vis-à-vis other institutions within the financial services sector.

Last year in my report I mentioned that all the parties should pause to re-examine the arrangements under which the Corporation was established including the following:

- (i) The capital structure of the Corporation;
- (ii) The limiting of our activities to Unit Trust operations;
- (iii) The fixed rate stipulated for the distribution of net income and the relationship it has to taxation of the gross interest income earned; and
- (iv) The limitation in respect of the amount which the Corporation may hold of any single security.

These are the issues which emerged as the market environment changed from a mutual fund industry involving one intermediary, the Unit Trust Corporation, to a mutual fund industry comprising several intermediaries in competition with one another.

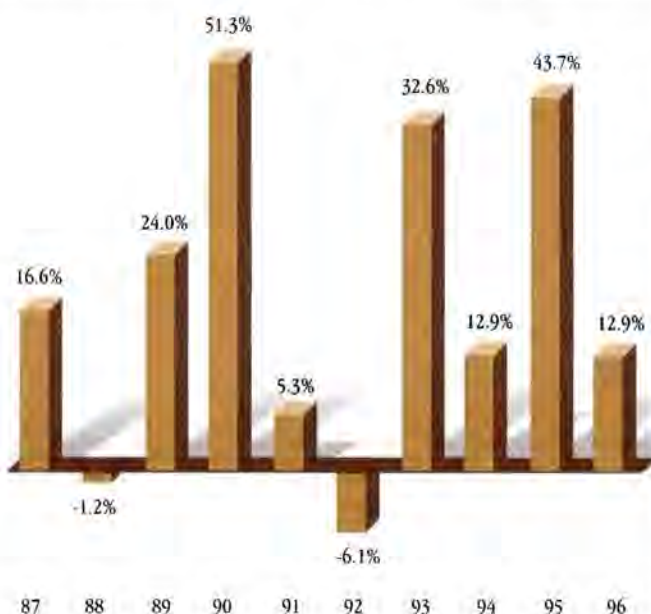
Against this background there is need to revisit the historical context which resulted in the Corporation being mandated the only Unit Trust/Mutual fund so that the role which was reserved for it becomes readily apparent. For instance, was there to be a complete parity of conditions with new mutual funds or did the initial mandate still require some special conditions for its operations? Perhaps the stage had been reached when this question should be faced in the interest of orderliness and completeness.

All along the crying need has been the amendment of the enabling legislation governing the Corporation instead of the piece-meal changes which were undertaken over the last three years. Therefore during the period under review with the change in official policy toward the Corporation it found itself in a situation in which it was constrained by its charter.

Nonetheless, in the circumstances, the Corporation demonstrated tremendous maturity and resilience. It had to embark on a campaign to explain the nature of its business and to remind those in authority of certain aspects of its charter. Also, there was an appeal for even-handed treatment consistent with the levelling of the playing field concept. In fiscal 1997, in response to the Corporation's efforts the Government enacted a mix of policy measures which included the relocation of the 15 percent tax to the point of distribution to unit holders and the amendment of Section 13 (1) of the Unit Trust Corporation of Trinidad and Tobago Act Chapter 83:03.

Amendment of the enabling legislation effectively extended the horizon of the Corporation from a mono business to a multiple dimensional operation with enhanced scope for continued growth and expansion. After having expanded its mutual fund operations to include a US dollar denominated Mutual fund domiciled

## First Unit Scheme Annual Rate of Return

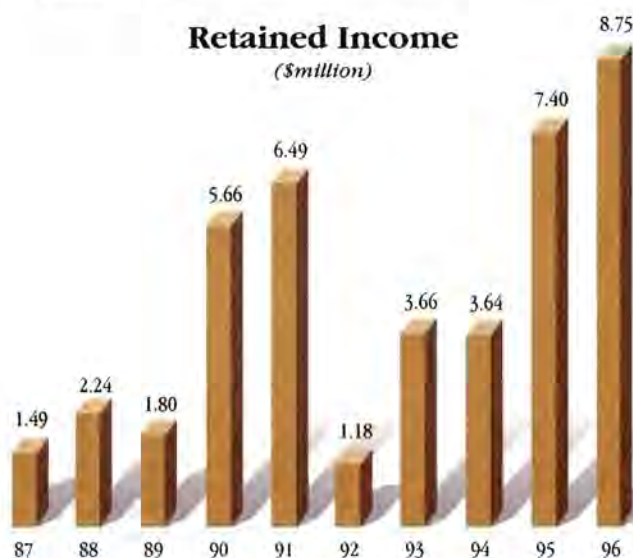


# CHAIRMAN'S REVIEW CONTINUED . . .

in the United States of America the Corporation is about to embark on ventures closely related to its core business. A vast and exciting future has now opened up to the Corporation. Additionally, the Unit Trust Corporation is well positioned to provide a wider range of financial services. These will include:

- (i) Trustee Services;
- (ii) Merchant Banking;
- (iii) Credit Card services; and
- (iv) Financial Services.

In pursuing these new business initiatives the Corporation will seek to exploit the credibility it has built up over the last fourteen years. In so doing the Unit Trust Corporation will continue to centre its operations around those individuals of modest means. More importantly, the Corporation will continue to design and develop products to satisfy those niches in the marketplace which are not catered for by the market at the present time.



## Financial Performance

In spite of the fact that the year was marked by significant changes, management produced the highest net income position to date for the Corporation as fund manager. As at December 31, 1996, retained income of the Corporation increased by \$8.75 million, an increase of \$1.35 million or 18.2% over the 1995 outturn of \$7.40 million. Indeed, what the overall performance during 1996 shows is that the Unit Trust Corporation can sustain its level of profitability in an environment characterised by competition, taxation and very limited or no fiscal incentives.

With respect to the unit schemes, all the key indicators

(which will be detailed in the Executive Director's Report) improved except sales and net flows in the Money Market Fund. Gross sales of the combined schemes declined by 32.7% or \$331.4 million while the fund size of the Money Market Fund decreased by \$75.7 million or 10% year-over-year. The poor performance in these areas was attributed to the 15 percent tax on the gross interest income of the unit scheme.

## Appreciation

After serving as executive director of the Unit Trust Corporation for eleven (11) years, Mr. E. Henry Sealy's tenure came to a close in March, 1996. During his term of office he provided dynamic leadership and through inspired interventions he consistently challenged the organisation to produce admirable and superior results. On behalf of the management and staff and my colleagues on the board, I thank him most sincerely for his contribution. I wish him well in his future endeavours and I hope he will continue to share the goals and aspirations of the Corporation and to place at the Corporation's disposal his considerable knowledge of the mutual fund industry.

Once again I thank the unit holders most sincerely for the trust and confidence they continue to repose in the Corporation. At the Unit Trust Corporation we regard unit holders with reverence, fully conscious of the fact that without their support and confidence our hopes and aspirations may not be achieved in the projected time. Therefore, as the Corporation faces up to the task ahead not only will we pursue them with vigour and enterprise, but at the forefront of our exertions at all times will be our Corporate watch words, "to provide customer satisfaction".

It is difficult to find words to express to the management and staff of the Corporation my gratitude for their performance over the year. Last year they prevailed against all odds. The opportunities they sought and won for the Corporation are indeed phenomenal. Therefore, I urge them to continue the journey, drawing on the experiences of the past as they strive to consolidate and strengthen our place in the financial firmament. May they never cease to struggle until they have built Jerusalem in Trinidad and Tobago's green and pleasant land.

To my fellow directors I thank you for your sterling contributions throughout the year.

*R.F. Nelson*

ROLSTON NELSON, S.C.  
May 14, 1997

# EXECUTIVE MANAGEMENT



*(center) CLARRY BENN, Executive Director.*

*(left) MICHAEL ALEXANDER, Financial Comptroller.*

*(right) RENRICK NICKIE, Executive Manager - Marketing, Operations and Management Information Systems.*

# EXECUTIVE DIRECTOR'S REPORT

## Introduction

It is an honour for me to present my first report as Executive Director of the Trinidad and Tobago Unit Trust Corporation since my assumption of office on September 01 1996.

It is abundantly evident that the resilience and strength of this great institution, owes much to the devotion and ability of our highly-qualified managers and dedicated staff and an expanding unitholding population, that shares the vision of a shareholding democracy.

The performance of 1996 bears testimony to the view that the Trinidad and Tobago Unit Trust Corporation has an assured place in the developmental firmament.

We have spent our time not only in a dispassionate analysis of the economic environment, but in soulful introspection - re-examining our modus operandi and re-fashioning our tools and outputs for the challenges of the future. I have viewed this as a singularly important task of the Office of the Executive Director and have taken personal charge of these efforts.

Over the past year, we have thus prepared ourselves not only for survival under changing circumstances, but for maintaining our leadership position as a premier financial institution in the service of our country.

No doubt, the gradual withdrawal of state fiscal incentives over recent years has provided its fair share of challenges for the Corporation. The 1996 fiscal package announced by Government impacted heavily on our sales figures and potentially threatened our overall profitability. We have however attempted to convert such challenges into opportunities and I believe we are now better prepared to intervene creatively on our own behalf.

We are now also aided by an unfolding legislative environment which suggests that the proposed widening of the field of play will be accompanied by a corresponding levelling of the rules of engagement.

The Corporation was, in this regard, heartened by the cognisance paid to this inalienable requirement in the fiscal measures for 1997 announced by the Finance Minister in his budget statement of December 12 1996.

It was proposed that the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03 be amended to allow the Corporation to engage in an expanded mix of activities including merchant banking, trust company operations, credit card business and the provision of financial services in respect of future and contingent liabilities relating to foreign exchange and commodities.

I believe this is a step in the right direction and bodes well for the continued prosperity of the institution in coming years. Work however, needs to be continued in the area of sturdier macro-economic stability.

The year 1996 saw repeated interventions to mop up excess liquidity in the system - an exercise which served to nudge interest rates up and helped to maintain the relative stability of the exchange rate. There remained, however, some volatility in exchange rate movements in the last quarter of the year.

The Unit Trust Corporation is meanwhile forging ahead. In 1996, we performed admirably with improvements recorded in resources under management and impressive growth in retained income. Our unitholding community expanded by an additional 21,904 accounts to end the year with a total of 141,217 accounts.

We have proven how possible it is, as a cohesive team, to overcome the odds and succeed. As newly-appointed Executive Director, I could not have asked for more from a cadre of capable, committed men and women comprising the management and staff of this noble institution.

I am therefore very pleased to report on the operational and financial performance of the Trinidad and



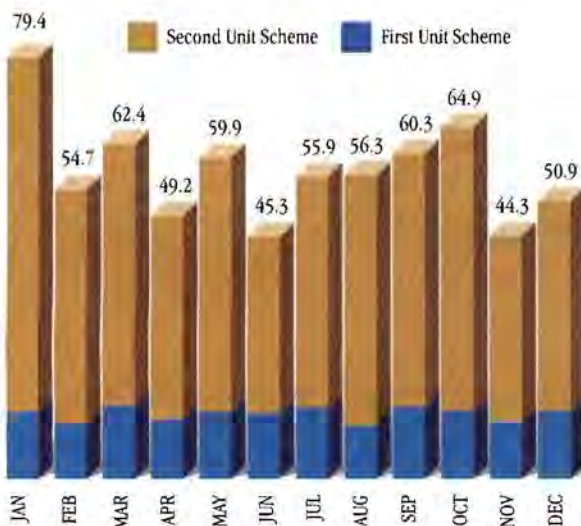
*CLARRY BENN*  
*Executive Director*

Tobago Unit Trust Corporation for the fiscal year ended December 31 1996.

**Financial Performance**

In 1996, resources under management increased by \$33.2 million or 2.8% to \$1.34 billion. This is largely attributable to attractive rates of return on investments, superior customer service and strategically sound marketing initiatives. Consolidated gross income improved by \$17.0 million or 13.9% to \$138.7 million mainly due to an additional \$16.6 million generated by the two Schemes, while total expenses increased by \$5.3 million or 4.7% to \$117.6 million over the same period.

**Average Monthly Sales for 1996**  
(Million)



**First Unit Scheme Portfolio Structure**



The incremental increase in total expenses was attributed mainly to increased total distribution payouts of \$5.3 million or 6.1% to \$92.4 million. As a consequence, retained income as at December 31 1996 stood at \$43.5 million - an increase of \$8.7 million or 25.18% over the 1995 figure of \$34.8 million.

**Resource Mobilization**

After three (3) successive years of sustained increases, gross sales of units in both the First Unit Scheme and Second Unit Scheme suffered a decline during the year. This can be attributed mainly to the implementation of new fiscal measures, which adversely affected the competitiveness of both products. Perhaps the most telling blow was in respect of the relocation of the 15 per cent withholding tax on gross interest income. Whereas the First Unit Scheme was able to partially cushion the impact of this measure, the Second Unit Scheme by the very composition of its portfolio was harder hit. Combined sales fell by 32.7% or \$331.4 million to \$683.56 million with the decline being more pronounced with the Second Unit Scheme (-34.7%), compared with the First Unit Scheme (-17.6%).

**First Unit Scheme**

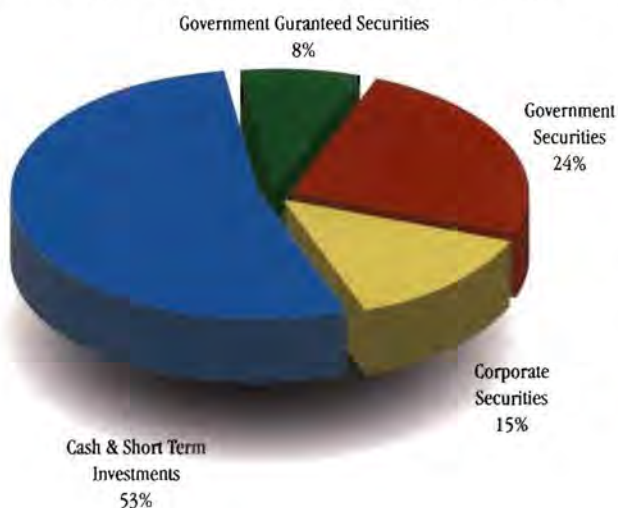
Resources in the First Unit Scheme (Growth and Income Fund) rose by \$100.2 million. This growth facilitated the generation of higher levels of income, which rose by \$8.7 million to \$40.4 million. This performance underscored the superior quality of the investment function in the context of the removal by the authorities of the Dividend Income Allowance (DIA), which had contributed a total of \$5.3 million in 1995.

Overall, the Scheme generated a rate of return of 12.86% during the year, with income distribution totalling \$27.0 million, compared with \$22.3 million in 1995. The offer price of units which began the year at \$14.50 ended the year at \$15.95. As at December 31, 1996 the portfolio of the Scheme comprised equities of 47.2% or \$280.0 million and non-equities of 52.8% or \$313.7 million.

### Second Unit Scheme

Although there was a decline in the size of this Fund from \$781.0 million in 1995 to \$705.3 million, income generated by the fund actually increased from \$78.1 million in 1995 to \$86.0 million. This higher level of income made possible enhanced distribution payments, which rose to \$61.9 million from \$57.0 million.

#### Second Unit Scheme Portfolio Structure



### Chaconia Income and Growth Fund

The financial and investment performance of the Chaconia Income and Growth Fund in 1996 has been rather satisfactory. The Fund achieved a total return of 5.61% during the year. This follows a rate of return of 27.16% in 1995. Since its inception in 1993 the Fund has generated an average annual rate of return of 9.13%. For fiscal 1996, the Fund paid a record dividend of US\$2.37 per share. The Board of Directors of the Fund is heartened by the growth in the number of shareholders which occurred during the year, from 661 at the beginning to 1,575 an increase of 138.3% at year-end. Moreover, the shareholding community of this Fund is widely spread among countries of the Caribbean, Central America and North America. The sharp increase in the number of shareholders has more than compensated for the decline in fund size, which resulted from the redemption during the year of 1,065,612 shares (US\$12.9 million) by the fund's largest shareholder.

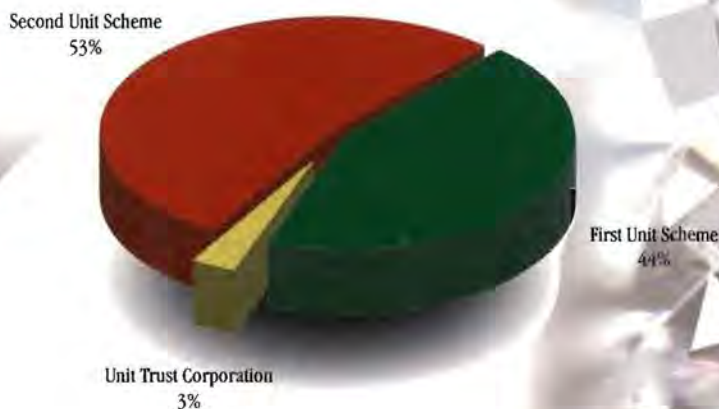
#### Outlook for 1997

The Corporation will in 1997 be celebrating its 15th Anniversary and it is my intention to position the organisation in such a manner, as to achieve a number of clearly-defined targets. These include a commitment to increase resources under management to no less than \$1.6 billion or by 15% and to increase our unitholder base to 155,000.

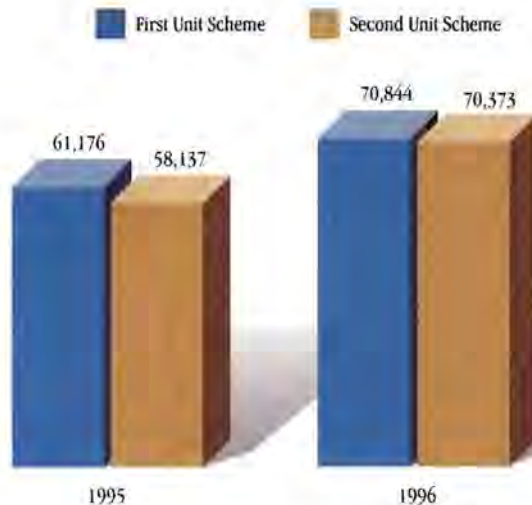
#### First Unit Scheme Unit Price



#### Funds Under Management 1996



### Number of Unitholders



Foremost amongst the strategies to meet these objectives is the conceptualizing and launching of an expanded range of investment products and services in consonance with our enhanced legislative framework, and in view of prospects for a more liberalised financial environment.

Success in these areas is heavily contingent on a regulatory environment conducive to innovation and change, and an official policy that fosters the emergence of indigenous solutions to national challenges.

I have initiated a programme of internal development within the Corporation which focuses on the tapping of the creative impulse and the enhancement of organisational efficiency. Management processes and organisational predisposition are all being geared towards greater emphasis on improving the quality of service and expanding the range of choices available to our clients.

Construction of our new headquarters will also begin in 1997 as part of overall improvements in the environment we create on behalf of our unitholding clientele.

In 1996, we maintained our links with the national community via solid contributions to a range of cultural, educational, sporting and community endeavours. In 1997, we plan to maintain and strengthen these bonds with the people of Trinidad and Tobago. The economic outlook for 1997 promises much as foreign investment projects come on stream and as national income from a more diverse revenue platform emerges. The Unit Trust Corporation plans to remain a part of the process of economic recovery through the

involvement of a wider cross-section of the population in investing in the future.

### Corporate Activity

During the year 1996, we continued to focus on the development of human capital as the vehicle for ensuring the delivery of superior products and services. Our staff complement was increased by nine (9) to one hundred and five (105) employees as at December 31, 1996. Staff members embarked upon a number of training exercises which included in-house programmes on strategic planning and organisational change.

We continued to support community development through numerous financial seminars and sponsorship of events, such as Scouting for Talent, Expo 1996, Southex 1996, and the CISP Common Entrance Scholarship Fund. We celebrated Divali Nagar, National Day of the People's Republic of China and Emancipation Day. Moreover, the Corporation sponsored a Unit Trust football team ("Men of Trust") which participated in the Inter-Bank Football League. The Corporation also part-sponsored the "Women on the Move" 5K Classic Road Race and won the Corporate Category for the fifth time.

The Annual Agents' Awards function was hosted by the Corporation in appreciation of its agents who have been instrumental in assisting the Corporation to attain new heights in the financial sector. The Corporation's 14th Anniversary was celebrated and a newspaper supplement with special greetings from the Minister of Finance and the Governor of the Central Bank was published to commemorate the occasion.

### Appreciation

My personal gratitude is expressed to the management and staff for their loyal, untiring and dedicated support and service during 1996, a most challenging, eventful and successful year. My sincerest appreciation to the Chairman and members of the Board of Directors for the guidance provided and to the unitholding community for their continued trust and support, as we move confidently forward to the next millennium.

CLARRY BENN  
May 14, 1997



# Some Memorable Moments



(1) The Corporation's first Board of Directors meeting in 1982.

(Left to Right) Peter Knaggs, Denis Borde, Dave Cowie, Jerry Hospedales, John Hunt, Amoy Chang Fong, Michael Chambers, Dunbar Mc Intyre.



(2) A Tobago Seminar conducted by Jerry Hospedales, the first Executive Director of UTC.

(3) Signing of the agreement between the Initial Capital Contributors and The Unit Trust Corporation in November 1982.



(4) A Seminar being conducted by Renrick Nickie, then Marketing Manager in 1985.



(5) Training of LUATT agents in 1985.



(6) 1990 - (Left to Right) Mr. Clarry Benn, then Investment Manager and Secretary to the Board presents Mr. Peter Clarke of Money Manager Ltd., with the award for Stockbroker Agent of the year while Gayle Daniel then Marketing Assistant, looks on.



(7) Launch of IRUA and opening of the Chaguanas Branch, in November 1992.



(8) Mr. Nelson - Chairman, Mr. Sealy - Former E.D., Mr. Benn - Current E.D., Mr. Nickie - Executive Manager at the Launch of the C.M.P.

(9) Chairman of the Board Mr. Rolston Nelson explains the features of the Cash Management Plan at the Launch of the Plan in April 1995.



(10) The Corporation hosts a Breakfast Meeting to market The Chaconia Income & Growth Fund to Institutional Investors.



(11) Chairman of the Board of the Unit Trust Corporation Mr. Rolston Nelson addresses Unitholders at the 14th. Annual General Meeting in May 1996.

(12) Mr. Henry Sealy, former Executive Director, during one of his final addresses to staff at the Head Office, Port of Spain.



(13) Unit Trust Marketing Officers explain the UTC's products to eager participants in the conference on "Harmony in Diversity" where the keynote address was delivered by the Dali Lama of Tibet.



(14) Mrs. Amoy Chang Fong, Deputy Governor Central Bank and former Director Unit Trust Corporation chats with Mr. Douglas Camacho, General Manager Guardian Life and former Director Unit Trust Corporation and Lucille Mair, Corporate Secretary Central Bank.



(15) Two Unit Trust employees conclude a customer transaction.

(16) Mr. Clarry Benn, Executive Director Unit Trust Corporation presents the Mayor of Chaguanas his worship Winston Serrera m with a gift.

(17) An investor listens attentively as the benefits of investing in the Unit Trust are explained at the "Southex" Exposition at Gulf City La Romain.





(18) Mr. Benn is Presented with an Award by the children of Chaguanas Government Primary School, where he taught for eight years.



(19) Mr. Eugene Williams presents a cheque to the winning team of the inaugural Schools Investment Game (1992 - 1993), St. Mary's College



(20) Mr. Clarry Benn, Executive Director chats with participants at the launch of the 1996 edition of the Unit Trust Corporation's Schools Investment Game, at the Holiday Inn, Port of Spain.



(21) The Honourable Prime Minister Mr. Basdeo Panday and Mrs. Panday are welcomed to Unit Trust's booth at the Divali Nagar by a jubilant Unitholder and UTC's Executive Director, Mr. Clarry Benn (at right).



(22) Mr. Renrick Nickie, (Executive Manager of Marketing, Operations & Management Information Systems) makes a presentation of units to the Grandmaster at the Tribute to Kitchener Concert.

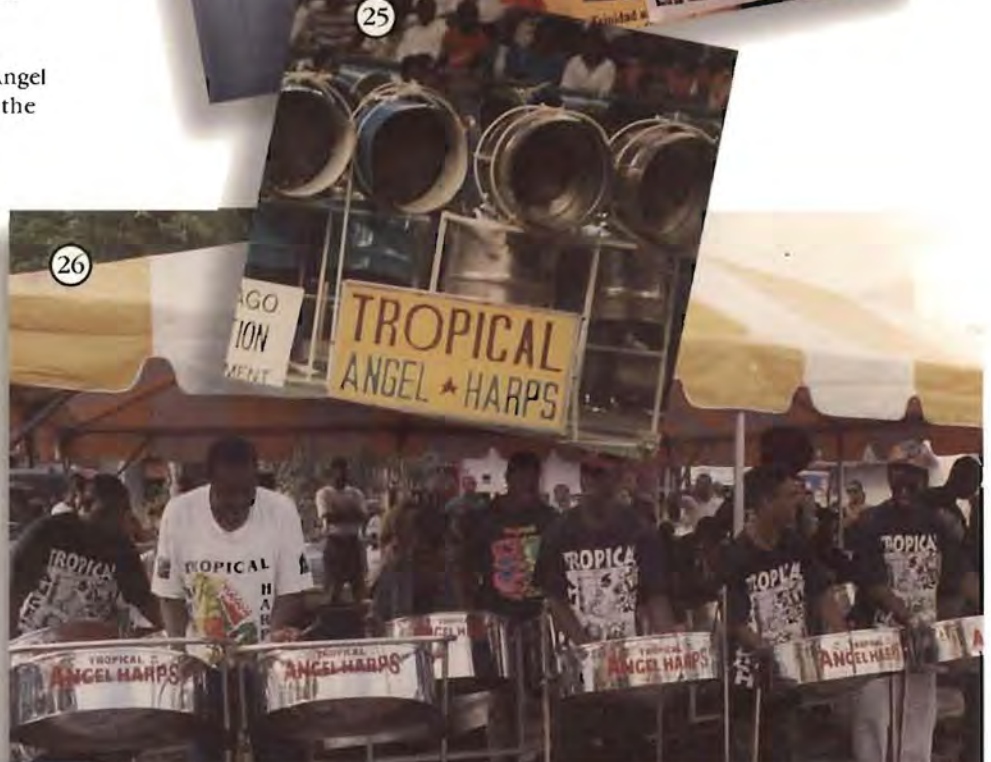


(23) Mr. Clarry Benn, Executive Director, displays the 1st. prize of the 1996 Scouting for Talent together with the 12 finalists in the Competition.



(24) Mr. Dane Gulston, Winner of the 1996 Grand Final of Scouting for Talent receives his certificate for \$120,000 in Units from Mr. Clarry Benn Executive Director, Unit Trust Corporation.

(25) The Unit Trust Sponsored Tropical Angel Harps performing at Pan is Beautiful at the Jean Pierre Sports Complex.



(26) Members of the Tropical Angel Harps Steel Orchestra entertain the public at the Unit Trust Corporation's Customer Appreciation Week in July 1995.

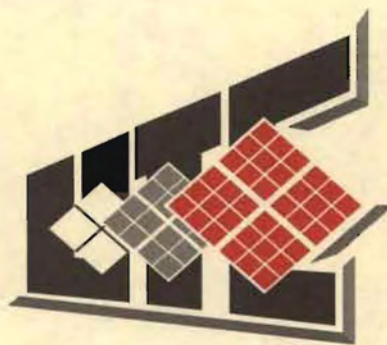
(27) The Unit Trust Corporation's Football Team takes a break at the halftime whistle, in this round one game against Republic Bank at Republic Bank Ground, Barataria, in the Interbank Football League 1996.



(28) Members of the Unit Trust Corporation's Women's Team which won the 1st. prize in the Corporate category, a record five times in the "Women on the Move" 5K Road Race.



AUDITOR  
GENERAL'S REPORT  
AND THE  
CORPORATION'S  
ACCOUNTS  
1996



REPORT OF THE AUDITOR GENERAL OF  
THE REPUBLIC OF TRINIDAD & TOBAGO  
ON THE ACCOUNTS OF THE  
Trinidad & Tobago Unit Trust Corporation  
FOR THE YEAR ENDED 31st. DECEMBER, 1996

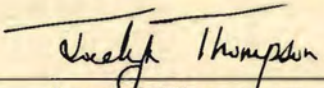


17th. April, 1997

The accompanying Financial Statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 31st December, 1996 have been examined in accordance with the provisions of section 30 (1) of The Unit Trust Corporation of Trinidad and Tobago Act, 1981. All the information and explanations requested were received. The examination was conducted in accordance with accepted Auditing Standards.

The Statements and Notes on pages twenty-four (24) to forty (40) are in agreement with the books of the Corporation 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 fair view of the state of affairs of the Corporation as at 31st December, 1996 and of the results of its activities for the year then ended.



  
Jocelyn Thompson  
Auditor General



# BALANCE SHEET

AS AT DECEMBER 31, 1996

	NOTES	1996 \$'000	1995 \$'000
<b>ASSETS</b>			
<b>Investment Funds</b>			
First Unit Scheme	1,20	593,675	493,482
Second Unit Scheme	1,21	705,332	781,043
		<u>1,299,007</u>	<u>1,274,525</u>
<b>Investments</b>	18	7,238	6,575
<b>Cash and Short Term Funds</b>		19,705	6,587
<b>Receivables</b>	11	17,361	19,692
<b>Fixed Assets</b>	23	8,880	8,376
<b>TOTAL ASSETS</b>		<u><u>\$1,352,191</u></u>	<u><u>\$1,315,755</u></u>
<b>LIABILITIES</b>			
Accounts Payable	12	4,707	2,347
<b>CAPITAL AND RESERVES</b>			
Initial Capital	5	4,811	4,898
Unit Capital - First Unit Scheme	6	586,676	485,998
Unit Capital - Second Unit Scheme	6	705,332	781,043
Guarantee Reserve	7	4,481	3,749
Children's Investment Starter Plan (CISP) Reserve	8	34	39
Second Unit Scheme Reserve	9	2,486	1,874
Capital Reserve	10	152	1,047
Retained Income		43,512	34,760
<b>TOTAL LIABILITIES, CAPITAL AND RESERVES</b>		<u><u>\$1,352,191</u></u>	<u><u>\$1,315,755</u></u>

*R.F. Nelson*

CHAIRMAN



*Carolee Lewis*

EXECUTIVE DIRECTOR

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

# INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 1996

INCOME	NOTES	1996 \$'000	1995 \$'000
Investment Income -			
First Unit Scheme	3	40,418	31,757
Second Unit Scheme Corporation	3	86,047	78,097
		6,481	4,422
Initial Charge	14	3,863	6,733
Other Income	13	756	718
Undistributed Income at start of year		1,145	29
<b>Total Income</b>		<b>138,710</b>	<b>121,756</b>
<b>Less:</b>			
Withholding Tax	3	(11,049)	-
Income After Tax		<b>127,661</b>	<b>121,756</b>
<b>EXPENSES</b>			
Distribution	4	92,433	87,128
Commission	17	1,868	2,795
Administrative	16	22,446	21,575
Depreciation	23	904	858
<b>Total Expenses</b>		<b>117,651</b>	<b>112,356</b>
<b>NET INCOME</b>		<b>10,010</b>	<b>9,400</b>
Transfer to Reserves		665	855
Undistributed Income at end of year		593	1,145
<b>RETAINED INCOME FOR THE YEAR</b>		<b>8,752</b>	<b>7,400</b>
RETAINED INCOME AS AT 1ST JANUARY		34,760	27,360
RETAINED INCOME AS AT 31ST DECEMBER		<b>43,512</b>	<b>34,760</b>

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

**INCOME AND EXPENDITURE ACCOUNT**  
**OF THE MANAGEMENT OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

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<b>INCOME</b>	NOTES	<b>1996</b> <b>\$'000</b>	<b>1995</b> <b>\$'000</b>
Initial Charge	14	3,863	6,733
Management Charge	15	20,982	18,693
Investment		6,481	4,422
Loan Interest		812	727
Other	13	756	718
<b>Total Income</b>		<b>32,894</b>	<b>31,293</b>
 <b>EXPENSES</b>			
Commission	17	792	1,460
Administrative	16	22,446	21,575
Depreciation	23	904	858
<b>Total Expenses</b>		<b>24,142</b>	<b>23,893</b>
Net Income of the Corporation		8,752	7,400
Retained Income as at 01st January		34,760	27,360
<b>RETAINED INCOME</b>		<b>43,512</b>	<b>34,760</b>

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

# CASHFLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1996

	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
<b>OPERATING ACTIVITIES</b>		
<b>NET INCOME</b>	8,752	7,400
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	904	858
Loss on Fixed Asset Disposals	2	121
Decrease/(Increase) in Receivables	2,332	(2,419)
(Increase)/Decrease in Accounts Payable	2,360	(1,613)
Net Change in Investment Funds		
First Unit Scheme - Capital Appreciation	(41,695)	(129,583)
Net Appropriations	(58,498)	(106,322)
Second Unit Scheme - Capitalised Interest	(605)	-
Net Expropriations	76,316	(239,468)
Income Reinvested in Chaconia	(1,309)	(227)
Unrealised foreign currency gain	(249)	(318)
Net cash Outflow from Operating Activities	<u>(11,690)</u>	<u>(471,571)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,561)	(3,432)
Proceeds from Disposals of Fixed Assets	151	52
Purchase of Investments	-	(296)
Net cash Outflow from Investing Activities	<u>(1,410)</u>	<u>(3,380)</u>
<b>FINANCING ACTIVITIES</b>		
Payments to initial contributors	(87)	-
Net Increase in FUS - Capital Appreciation	41,695	129,583
Net Proceeds from Sales	58,983	103,243
Net Decrease in SUS - Capitalised Interest	605	-
Net (Repurchases)/Sales	(76,316)	239,468
Movements in Reserves	1,338	970
Net cash inflow from Financing Activities	<u>26,218</u>	<u>473,264</u>
<b>NET CASH INFLOW/(OUTFLOW) FOR PERIOD</b>	13,118	(1,902)
Beginning Cash Balance	6,587	8,489
Cash Balance at end of period	<u>19,705</u>	<u>6,587</u>
<b>REPRESENTED BY:</b>		
Cash and Cash in Transit	9,016	3,170
Fixed Deposits	5,004	-
Reserve Fixed Deposits	5,685	3,417
	<u>19,705</u>	<u>6,587</u>

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

# FIRST UNIT SCHEME

## BALANCE SHEET

AS AT DECEMBER 31, 1996

	NOTES	1996 \$'000	1995 \$'000
<b>ASSETS</b>			
Investments	20	593,675	493,482
Cash		678	4,813
Short Term Investments		8,500	2,900
Income Receivable		6,597	5,988
DIA Receivable	3	5,310	7,965
Other Receivables		57	29
<b>Total Assets</b>		<u>614,817</u>	<u>515,177</u>
<b>LIABILITIES</b>			
Distribution Payable		14,094	13,011
Amounts Due Corporation		6,093	7,474
Miscellaneous Payable		362	65
		<u>20,549</u>	<u>20,550</u>
<b>RESERVES</b>			
Undistributed Income		593	1,145
<b>Total Liabilities and Reserves</b>		<u>21,142</u>	<u>21,695</u>
<b>NET ASSETS</b>		<u>593,675</u>	<u>493,482</u>
<b>CAPITAL ACCOUNT</b>			
CAPITAL ACCOUNT		393,002	332,020
UNREALISED CAPITAL APPRECIATION	22	200,673	161,462
		<u>593,675</u>	<u>493,482</u>

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

**FIRST UNIT SCHEME**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

	NOTES	1996 <u>\$'000</u>	1995 <u>\$'000</u>
<b>INVESTMENT INCOME</b>			
Dividends			
(1995 Including Dividend Income Allowance of \$5,310,023.71)	3	10,117	13,875
<b>Interest</b>	3	30,301	17,882
<b>Total Gross Investment Income</b>		<u>40,418</u>	<u>31,757</u>
Less: Withholding Tax 15%	3	(2,322)	-
<b>INVESTMENT INCOME AFTER TAX</b>		<u>38,096</u>	<u>31,757</u>
<b>EXPENSES</b>			
Management Charge	15	<u>11,414</u>	<u>8,155</u>
<b>Total Expenses</b>		11,414	8,155
<b>NET INVESTMENT INCOME</b>		<u><u>26,682</u></u>	<u><u>23,602</u></u>

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

**FIRST UNIT SCHEME**  
**INCOME DISTRIBUTION ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

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	NOTES	1996 <u>\$'000</u>	1995 <u>\$'000</u>
<b>NET INVESTMENT INCOME</b>		<b>26,682</b>	23,602
LESS : Distribution to Initial Contributors 52c per unit (1995 - 51c per unit)	4	252	250
Distribution to Unitholders 69c per unit (1995 - 68c per unit)	4	26,782	22,036
		<u>(352)</u>	<u>1,316</u>
ADD : Undistributed Income brought forward		1,145	29
		<u>793</u>	<u>1,345</u>
LESS : Allocation to Guarantee Reserve Fund	7	200	200
Undistributed Income at 31st, December		<u><u>593</u></u>	<u><u>1,145</u></u>

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

# SECOND UNIT SCHEME

## BALANCE SHEET

AS AT DECEMBER 31, 1996

	NOTES	1996 \$'000	1995 \$'000
<b>ASSETS</b>			
Investments	21	705,332	781,043
Cash		6,197	2,820
Interest Receivable		11,829	13,616
Other Receivables		56	
<b>Total Assets</b>		<u>723,414</u>	<u>797,479</u>
<b>LIABILITIES AND RESERVES</b>			
Accruals for Distribution	4	3,483	3,719
Amount Due Corporation		9,602	10,083
Other Liabilities		3,438	1,139
		<u>16,523</u>	<u>14,941</u>
Reserves		1,559	1,495
<b>Total Liabilities and Reserves</b>		<u>18,082</u>	<u>16,436</u>
<b>NET ASSETS</b>		<u>705,332</u>	<u>781,043</u>
Capital Account		<u>705,332</u>	<u>781,043</u>

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



**SECOND UNIT SCHEME**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

	NOTES	1996 <u>\$'000</u>	1995 <u>\$'000</u>
<b>INVESTMENT INCOME</b>			
Interest	3	86,047	77,750
Other		-	347
<b>GROSS INVESTMENT INCOME</b>		<u>86,047</u>	<u>78,097</u>
<b>Less: Withholding Tax (15%)</b>	3	(8,727)	-
<b>Investment Income After Tax</b>		<u>77,320</u>	<u>78,097</u>
<b>EXPENSES</b>			
Management Charge	15	9,568	10,538
Interest		812	727
Commission	17	1,076	1,335
<b>Total Expenses</b>		<u>11,456</u>	<u>12,600</u>
<b>NET INVESTMENT INCOME</b>		<u><u>65,864</u></u>	<u><u>65,497</u></u>

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

**SECOND UNIT SCHEME  
INCOME DISTRIBUTION ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 1996**

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	NOTES	1996 \$'000	1995 \$'000
<b>NET INVESTMENT INCOME</b>		65,864	65,497
<b>DISTRIBUTION PAYMENTS:</b>			
Distributions Paid	4	61,916	57,013
Tax	4	—	4,110
Accruals for Distribution	4	3,483	3,719
<b>TOTAL</b>		<u>65,399</u>	<u>64,842</u>
Transfer to Reserves		465	655
		<u><u>65,864</u></u>	<u><u>65,497</u></u>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st. 1996

## 1. Incorporation and Principal Activities

The Trinidad and Tobago Unit Trust Corporation was established by the Unit Trust Corporation of Trinidad and Tobago Act Chapter 83:03 ("the Act") 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, in money and capital markets.

In accordance with section 13 of the Act, the Corporation has established two unit schemes. The First Unit Scheme is a Growth and Income Fund and the Second Unit Scheme is a Money Market Fund.

## 2. Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are stated below:

### Basis of Preparation

These financial statements have been prepared under the historical cost convention except as modified in respect of security valuation.

The accounting policies in all material respects conform with International Accounting Standards adopted by the Institute of Chartered Accountants of Trinidad and Tobago.

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

### Security Valuation

#### FIRST UNIT SCHEME

In keeping with the convention in the Unit Trust Industry, traded securities are valued by the Corporation on the offer price on the last trading day.

Unlisted Bonds are valued at par.

#### SECOND UNIT SCHEME

The portfolio of the Second Unit Scheme is shown at acquisition cost.

### Fixed Assets

Fixed assets are stated at lower of cost or market value. Depreciation is provided for on the reducing balance basis at rates estimated to write off the value of the assets over their useful lives.

The rates used are as follows:

Building .....	2%
Motor Vehicles .....	25%
Equipment .....	20-25%
Furniture & Fixtures .....	15-20%

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st, 1996

## Foreign Currencies

Assets and liabilities in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling on December 31, 1996.

Resulting translation differences and profits and losses from other transactions are dealt with in the income statement.

## 3. Taxation

The Corporation is exempted from Corporation Tax. By virtue of the Provisional Collection of Taxes Order, 1996 a 15% tax on interest income paid to the Corporation was imposed. The effect of this tax is disclosed in the relevant income statements.

## 4. Distributions

	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
FUS		
FUS Unitholders	26,782	22,036
Initial Contributors	252	250
	<u>27,034</u>	<u>22,286</u>
SUS		
Distributions Paid	61,916	61,123
Accruals for Distribution	3,483	3,719
	<u>65,399</u>	<u>64,842</u>

The Corporation declared its twenty-seventh (27th) and twenty-eighth (28th) distributions in respect of the First Unit Scheme for the year 1996 totalling \$26,782,104. The distribution to registered unitholders as at June 30, 1996 amounted to \$12,812,886 and as at December 31, 1996 amounted to \$13,969,218. The total distribution to initial capital contributors for the year amounted to \$252,442.

Distributions in the Second Unit Scheme are made quarterly. Four (4) payments were made in 1996 and total distribution paid for the period January - November 1996 totalled \$61,916,004. Accrued income as at December 31, 1996 for distribution in the quarter ended February 28, 1997 amounted to \$3,482,502.

## 5. 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. In this financial year 1996, \$86,764 was provided for repayment to the Receiver of a failed financial institution.

## 6. Unit Capital

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st. 1996

## 7. Guarantee Reserve

In accordance with the provision of Section 26 (1) and (2) of the Act, 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 an allocation out of the Investment Income of the Scheme.

## 8. Children's Investment Starter Plan (CISP) Reserve

In accordance with the provisions of Section 26 (1) and (2) of the Act, 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 29, 1985.

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

## 9. Second Unit Scheme Reserve

The Board, in accordance with the provision of Paragraph 13 of the Second Unit Scheme Regulations issued under the Act, has established a reserve to satisfy any shortfall likely to be created through the liquidation of securities in the portfolio of the Scheme.

## 10. Capital Reserves

The unrealised Capital Appreciation from the investment in the Chaconia Income and Growth Fund has been taken to a Capital Reserve Account. During the year there was a partial realisation of the capital gain on this fund.

<b>11. Receivables</b>	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
	17,361	19,692

These include amounts due to the Corporation from both unit schemes.

<b>12. Accounts Payable</b>	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
	4,707	2,347

This comprises mainly liabilities for Administrative and Commission Expenditure and amounts due to the Unit Schemes from the Corporation at the year end.

<b>13. Other Income</b>	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
Chaconia Fees	659	713
Miscellaneous	97	5
	<u>756</u>	<u>718</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st, 1996

## 14. Initial Charge

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

## 15. Management Charge

The Corporation in accordance with the regulations governing the First and Second Unit Schemes may charge a management fee of up to two per cent (2%) on the value of the funds held in each scheme. For 1996 the Board applied an average charge of 2% (1995 - 1.94%) to the First Unit Scheme and a weighted average charge of 1.38% (1995 - 1.56%) to the Second Unit Scheme.

## 16. Administrative Expenses

	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
	22,446	21,575
These expenses include the following:		
1. Directors' fees	132	126
2. Auditors' remuneration	243	131

## 17. Commissions

	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
	1,868	2,795

Commission charges in respect to sales of units in the First Unit Scheme are met by the Initial Charge whilst Commission Charges in respect of sales of units in the Second Unit Scheme are charged against the income of that Scheme.

## 18. Investments

	1996	1995
	<u>\$'000</u>	<u>\$'000</u>
	7,238	6,575

This amount includes \$7.138 million in respect of the value of the Trinidad and Tobago Unit Trust Corporation investment 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 no load management investment company under the Investment Company Act of 1940.

## 19. Commitment

The Corporation has agreed to participate in the Government Project Financing Facility to the extent of \$19.36 million. As at December 31, 1996 disbursements amounting to \$11,185,994.84 had been made.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st. 1996

## 20. INVESTMENT PORTFOLIO

FIRST UNIT SCHEME SECURITY	SHAREHOLDING (STOCK UNITS)	CURRENT VALUE (\$)
<b>BANKS</b>		
Bank of Commerce Trinidad & Tobago Limited	1,528,897	7,720,930
Bank of Nova Scotia Trinidad & Tobago Limited	3,030,356	37,455,200
Republic Bank Limited	3,833,302	67,466,115
Royal Bank of Trinidad & Tobago Limited	6,171,207	63,008,023
<b>MANUFACTURING</b>		
Angostura Holdings Limited	2,108,523	9,530,524
Berger Paints Trinidad Limited	133,333	166,666
Lever Brothers West Indies Limited	1,167,185	7,353,266
West Indian Tobacco Company Limited	1,317,561	9,420,561
Trinidad Cement Limited	7,869,322	32,815,073
National Flour Mills	1,502,500	3,906,500
<b>CONGLOMERATES</b>		
Ansa Mc Al	1,987,445	12,520,903
Neal & Massy Holdings Limited	2,347,968	5,822,961
<b>INSURANCE</b>		
American Life and General Insurance Company Limited	462,416	1,294,765
Guardian Life	18,075	147,492
<b>PROPERTY</b>		
PLIPDECO	1,701,240	4,508,286
<b>TRANSPORTATION</b>		
B.W.I.A.	2,000,000	14,220,000
<b>TRADING</b>		
L.J. WILLIAMS 'B'	1,333,064	2,599,475
TOTAL EQUITY		279,956,740
TOTAL DEBT SECURITIES		196,329,862
		<hr/>
CASH AND SHORT TERM INVESTMENTS		476,286,602
		<hr/>
TOTAL VALUE OF PORTFOLIO		593,675,449

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st. 1996

## 21. Investment Portfolio

SECOND UNIT SCHEME  
SECURITIES

	VALUE \$
Government Securities	166,553,934
Government Guaranteed Securities	56,311,992
Corporate Securities	106,871,005
Cash and Short Term Investments	375,594,885
<b>TOTAL</b>	<b><u>705,331,816</u></b>

## 22. Unrealised Capital Appreciation

This represents the net unrealised gain on the valuation of the Investment Portfolio at the year-end, net of all realised gains and losses on disposal of securities.

## 23. Fixed Assets

	1996 (\$)	1995 (\$)
<b>COST/MARKET VALUE</b>		
Equipment	2,242,578	1,864,303
Furniture & Fixtures	1,143,027	994,805
Motor Vehicles	1,068,967	1,014,430
Leasehold Land	3,019,875	2,469,106
Leasehold Improvements	1,799,263	1,777,324
Freehold Land	600,000	600,000
Freehold Building	1,905,930	1,905,930
	<b><u>11,779,640</u></b>	<b><u>10,625,898</u></b>
<b>ACCUMULATED DEPRECIATION</b>		
Equipment	1,153,755	846,677
Furniture & Fixtures	399,772	282,560
Motor Vehicles	406,529	518,728
Leasehold Improvements	888,053	587,680
Freehold Building	51,715	13,874
	<b><u>2,899,824</u></b>	<b><u>2,249,519</u></b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31st. 1996

## NET BOOK VALUE

Equipment	1,088,823	1,017,626
Furniture & Fixtures	743,255	712,246
Motor Vehicles	662,438	495,702
Leasehold Land	3,019,875	2,469,106
Leasehold Improvements	911,210	1,189,643
Freehold Land	600,000	600,000
Freehold Building	1,854,215	1,892,056
	<u>8,879,816</u>	<u>8,376,379</u>

The amount shown as Leasehold Land reflects the Corporation's interest in a ninety-nine (99) year lease granted by the Government of Trinidad and Tobago to the Unit Trust Corporation for land situated at the Corner of Richmond Street and Independence Square, Port of Spain, for the construction of its headquarters building.

## 24. PENSION PLAN

The Corporation operates a contributory defined benefit pension plan for its employees.

The plan is self administered under the terms of a trust deed dated 5th February, 1993 and valuations are to be done every three years by independent actuaries. The actuarial valuation report as at January 1, 1995 revealed that the fund is adequate to provide its promised benefits.

# CONTRIBUTORS TO THE INITIAL CAPITAL

The following institutions contributed to the Initial Capital of the Unit Trust Corporation:

- (i) Central Bank of Trinidad & Tobago
- (ii) The National Insurance Board
- (iii) COMMERCIAL BANKS
  - Bank of Commerce Trinidad & Tobago Ltd.
  - Bank of Nova Scotia Trinidad & Tobago Ltd.
  - First Citizens Bank Ltd.
  - Republic Bank Ltd.
  - The Royal Bank of Trinidad & Tobago Ltd.
  - Citibank (Trinidad & Tobago) Ltd.

#### NON-BANK FINANCIAL INSTITUTIONS

Amalgamated Finance Company Ltd.  
Bank of Commerce Trust Company  
(Trinidad & Tobago) Ltd.  
Bank of Nova Scotia Trust Company Trinidad  
& Tobago Ltd.  
Caribbean Finance Company Ltd.  
Clico Investment Bank  
First Citizens Mortgage & Trust  
*(merger of N.C.B. Trust Company and  
Trinidad Co-operative Bank Trust)*  
First Citizens Merchant Bank Limited  
*(formerly Trinfinance Company Ltd.)*  
General Finance Corporation Ltd.  
Republic Finance & Merchant Bank Ltd.  
(FINCOR)  
Royal Bank Trust Company (Trinidad) Ltd.  
The Royal Merchant Bank and Finance  
Company Ltd.

#### LIFE INSURANCE COMPANIES

American Life and General Insurance Company  
(Trinidad) Ltd.  
Barbados Mutual Life Assurance Society  
British-American Insurance Company  
(Trinidad) Ltd.  
Caribbean Atlantic Life Insurance Co.  
Trinidad & Tobago Ltd.  
*(operations managed by GUARDIAN LIFE  
OF THE C'BEAN LTD.)*  
Colonial Life Insurance Company (Trinidad) Ltd.  
Crown Life (Caribbean) Ltd.  
*(wholly-owned subsidiary of Guardian Life)*  
Cuna Caribbean Insurance Society  
Demerara Life Assurance Company  
Goodwill General Insurance Company Ltd.  
*(wholly-owned subsidiary of Demerara Life  
Assurance Co.)*  
MEGA Insurance Company of Trinidad &  
Tobago Ltd.  
Guardian Life of the Caribbean Ltd.  
Life of Barbados Ltd.  
Maritime Life (Caribbean) Ltd.  
Nationwide Insurance Company Ltd.  
Tatil Life Insurance Company Ltd.  
Winsure Life Insurance Company  
*(under judicial management)*