



The mobilise savings

maximise investment

mutual funds **Year** premier

first regional success

always one step **of** ahead

stellar performance

creating **the** wealth

unit holders security

need **Quantum** returns

future objectives



quantum **Leap**

UNIT TRUST CORPORATION

2002

shareholding democracy demand Annual Report

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For the Trinidad & Tobago Unit Trust Corporation, 2002 was the Year of the Quantum Leap. In the midst of celebrating its 20th anniversary, the organisation took steps towards reinforcing its presence in Trinidad and Tobago, and the region. Prudent planning, strategic investments and solid management helped shape 2002 into a memorable year of growth and achievement - for the UTC and its unitholders.

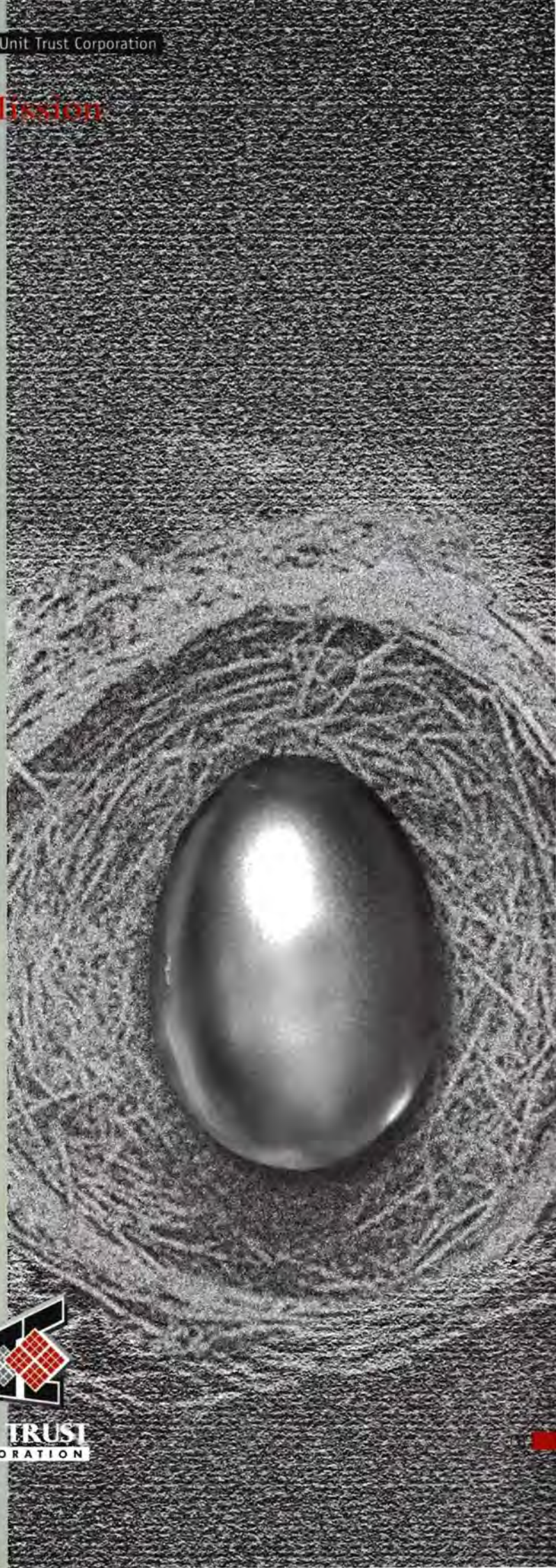
The Year of the Quantum Leap

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.



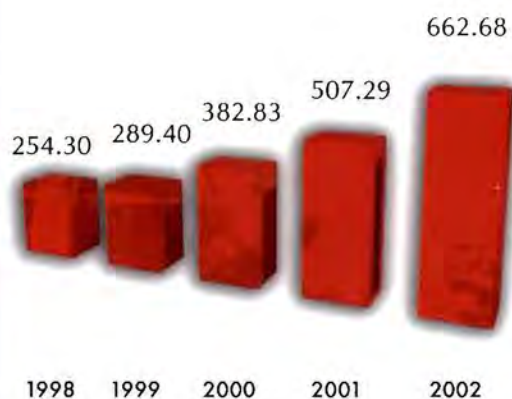
UNIT TRUST
CORPORATION



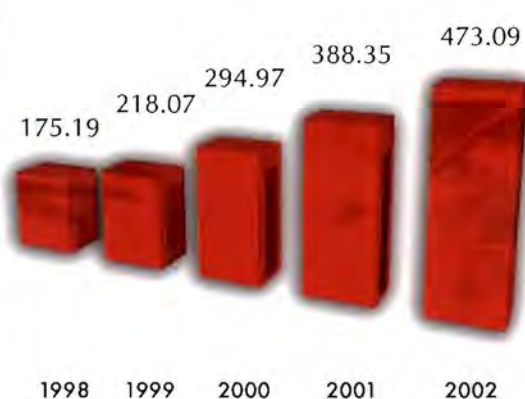
Performance Highlights

	1998	1999	2000	2001	2002
INVESTMENT FUNDS SIZE (\$M)					
Growth & Income Fund	1,473.82	1,266.45	1,298.82	1,253.86	1,623.94
Money Market Fund	1,227.46	1,688.31	2,162.03	2,898.59	4,359.24
Universal Retirement Fund	6.44	9.01	14.23	20.99	52.26
US\$ Money Market Fund	-	-	254.93	818.72	1,754.58
Total Investment Funds	2,707.72	2,963.77	3,730.01	4,992.16	7,790.02
OTHER FUNDS (\$M)					
Corporation Funds	103.01	122.27	132.50	157.89	217.33
Long Term Investments	-	-	435.33	316.12	350.02
Pension Funds	-	-	91.47	110.83	154.49
TOTAL OTHER FUNDS (\$M)	103.01	122.27	659.30	584.84	721.84
TOTAL RESOURCES UNDER MANAGEMENT (\$M)					
	2,810.73	3,086.10	4,389.23	5,577.00	8,511.86
MUTUAL FUND SALES (\$M)					
Growth & Income Fund	533.39	257.42	277.23	322.81	343.04
Money Market Fund	1,267.90	1,922.10	2,404.58	2,514.72	3,064.90
Universal Retirement Fund	5.91	2.60	3.85	4.82	22.22
US\$ Money Market Fund	-	-	343.69	930.42	1,498.97
TOTAL SALES (\$M)	1,807.20	2,182.12	3,029.35	3,772.77	4,929.13
FUNDS MOBILIZED (\$M)					
	7,031.91	9,214.03	12,243.38	16,016.15	20,945.28
UNITHOLDERS					
	232,267	266,956	315,270	355,809	391,700
TOTAL INCOME (\$M)					
	254.30	289.40	382.83	507.29	662.68
DISTRIBUTION TO UNITHOLDERS (\$M)					
	175.19	218.07	294.97	388.35	473.09

TOTAL INCOME (\$M)

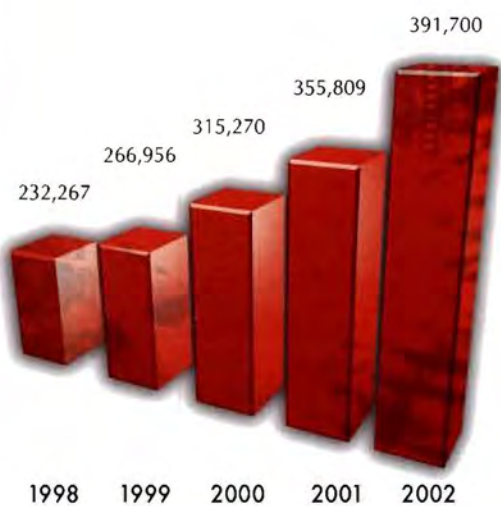


DISTRIBUTION TO UNIT HOLDERS (\$M)

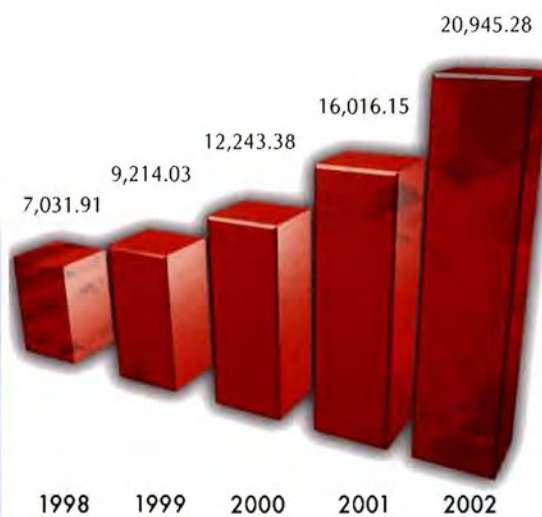


Performance Highlights

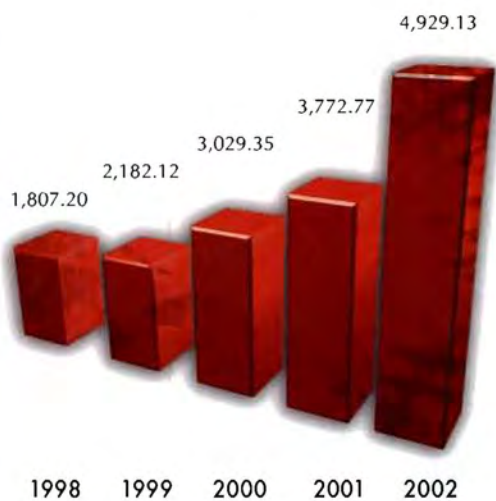
NUMBER OF UNITHOLDERS



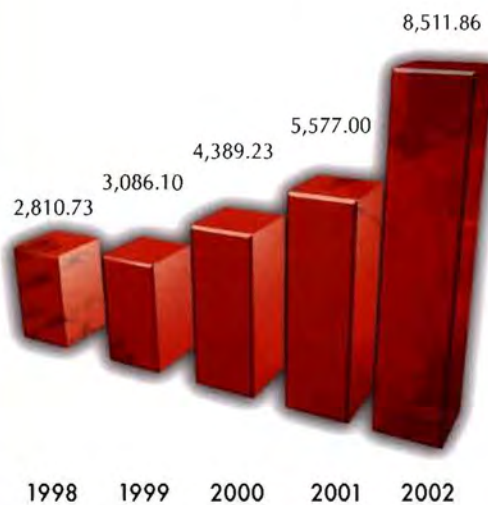
FUNDS MOBILIZED (\$M)



TOTAL SALES (\$M)



RESOURCES UNDER MANAGEMENT (\$M)



Corporate Information

Board of Directors

Chairman

Judy Y. Chang
(until August 21, 2002)

Hubert Alleyne
(from August 30, 2002)

Executive Director

Clarry Benn

Directors

Michal Y. Andrews
Terrence Bharath
Hollis De Four
Oscar B. Edghill
Larry Howai
Kamal Mankee
Ian Pemberton
John H. Smith
Ray A. Sumairsingh
Sookh Mungal Supersad

Corporate Secretary

Patricia Ilkhtchoui

Changes in Board

Mr. Hubert Alleyne was appointed Chairman of the Board by the President of the Republic of Trinidad & Tobago for a period of five (5) years effective August 30, 2002, in accordance with Section 7(1)(a) and Section 10(1) of the Unit Trust Corporation of Trinidad & Tobago Act, Chapter 83:03. Mr. Alleyne succeeds Mrs. Judy Y. Chang who served as Chairman of the Board for a period of five (5) years from August 22, 1997 to August 21, 2002.

Mr. Ian Pemberton was appointed by the National Insurance Board effective July 01, 2002 in accordance with Section 7, Sub-Sections (1)(e) and (5) of the Unit Trust Corporation of Trinidad & Tobago Act, Chapter 83:03. He succeeds Mrs. Rhonda-Ann Parris-De Freitas who served on the Board for approximately two (2) months following her re-appointment for a period of four (4) years effective April 22, 2002 to April 21, 2006. Mr. Pemberton, therefore, was appointed for the unexpired portion of Mrs. De Freitas' term, i.e. approximately three (3) years and ten (10) months.

Mr. Terrence Bharath and Mrs. Michal Y. Andrews were re-appointed by the Board for a period of one (1) year with effect from

April 23, 2002, in accordance with Section 7 (2), (5A) and (6) of the Unit Trust Corporation of Trinidad & Tobago Act, Chapter 83:03.

Mr. Sookh Mungal Supersad was also re-appointed by the Board for a period of one (1) year with effect from September 18, 2002, in accordance with Section 7 (2), (5A) and (6) of the Unit Trust Corporation of Trinidad & Tobago Act, Chapter 83:03.

Mr. John Smith resigned from the Board on December 31, 2002. He served on the Board as representative of the life insurance companies for an unbroken period of fifteen (15) years and five (5) months, i.e. from July 1987 to December 31, 2002.

As a consequence of Mr. Smith's resignation, Mr. Gerald Hadeed was elected to the Board by the life insurance companies (initial capital contributors) to serve for the unexpired portion of Mr. Smith's term in accordance with Section 7(1)(f) and (5) of the Unit Trust Corporation of Trinidad & Tobago Act effective January 01, 2003.

Corporate Information

Bankers

Local

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

RBTT Bank Limited
 #55 Independence Square
 Port of Spain

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

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

Overseas

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



Patricia Ilkhtchoni
 Corporate Secretary

Auditors

External

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

Internal

PricewaterhouseCoopers Chartered Accountants
 #11-13 Victoria Avenue
 Port of Spain

Attorneys

Local

Fitzwilliam, Stone, Furness-Smith & Morgan
 #48-50 Sackville Street
 Port of Spain

Mair & Company
 #50 Richmond Street
 Port of Spain

Overseas

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

Corporate Information

Corporate Offices

Head Office & Main Branch

UTC Financial Centre
 #82 Independence Square
 Port of Spain
 Tel: (868) 624-UNIT (8648)
 Fax: (868) 623-0092
 E-Mail: utc@trinidad.net
 Internet Address: <http://www.ttutc.com>

Branches

SAN FERNANDO

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

WESTMOORINGS

#1 Guardian Drive
 Westmoorings
 Tel: (868) 632-9222/7720
 Fax: (868) 632-7721

POINT FORTIN

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

CHAGUANAS

#20 Yard Street
 Chaguana
 Tel: (868) 671-UNIT (8648)/6615
 Fax: (868) 671-6581

TOBAGO

Block A, Level 1
 Scarborough Mall
 Tobago
 Tel: (868) 639-5096
 Tel/Fax: (868) 639-5096

COUVA

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

ARIMA

#32 Sanchez Street
 Arima
 Tel: (868) 667-1153
 Fax: (868) 667-2586

Senior Management

- Clarry Benn *Executive Director*
- Renrick Nickie *Executive Manager*
- Michael Alexander *Executive Manager*
- Eutrice Carrington *Manager, Investment Management Services*
- Marilyn Clarke-Andrews *Manager, Accounting and Finance*
- Gayle Daniel-Worrell *Manager, Marketing*
- Jennifer Fabien-Browne *Manager, Head Office Operations*
- Patterson Gay *Manager, Facilities*
- Portius James *Manager, Branch and Agencies*
- Jonathan Jones *Manager, Information Technology*
- Ruben Mc Sween *Manager, UTC Trust Services*
- Larry Olton *Corporate Manager, International Business Development*
- Amber Rondon *Manager, Human Resources*
- Neville Sandy *Manager, Compliance*
- David Thompson *Manager, Merchant Banking*
- Roger Williams *Manager, Card Services*



"One of the many commendable features of the UTC's operations is the relatively high level of income which it has been distributing to its unitholders."

A Second Decade of Success
The Trinidad and Tobago Unit
Trust Corporation 1992-2001



The Year of the Quantum Leap



Board of Directors



Terrence Bhanath

Oscar R. Elgool

Ian Pemberton

Larry Howai

Michal Y. Andrews

Sookb Mungal



James M. Miller

Hollis De Fout

Ray A. Swanson/Boyd

Clayton Bous
Executive Director

Robert Allayn
Chairman



Chairman's Review



Hubert Alleyne

Having been re-appointed to the Board in August 2002 after an absence of eight years, I am extremely delighted to present my first report as Chairman of the Board of the Trinidad and Tobago Unit Trust Corporation.

The Year of the Quantum Leap

Chairman's Review

I also take this opportunity to publicly express my own thanks and that of my fellow Directors to my immediate predecessor - Mrs. Judy Chang - who during the period of her stewardship presided with vision, integrity and a quiet confidence, qualities which have endeared her to our various publics. Not unlike Moses in the scriptures, Mrs. Chang would not be with us when we enter the promised land after the necessary legislation is passed and the UTC becomes a limited liability Company. However, I have no doubt that her thoughts go before us as we press forward, towards the mark of the high calling, which is the passage of the UTC Vesting Bill and ultimately the listing of the new company on the Trinidad and Tobago Stock Exchange. This promise has been made to the investing public every year for the last three years but the enabling legislation has not yet been enacted. The result has been the loss of wealth and opportunity, especially to the small unitholder. We hope that the present Administration will succeed in obtaining passage of the Bill in the next few months. If not, we are resolved, nonetheless to move ahead with full speed in achieving our initial mandate:

- *To mobilize the savings of the community in order to channel them into desirable investments.*
- *To provide to persons of modest means the facility for owning shares.*

It is with this purpose in mind that I now present a few thoughts for consideration on the topic of the Building of Personal Wealth.

THE BUILDING OF PERSONAL WEALTH

Conventional thinking about building your Personal Wealth is very simple. It says: Maximize your earnings, minimize your expenses, meet your financial obligations and above all, ensure that you have some sort of nest egg to provide for your old age and to pass along to the children. But to turn your life's dreams into realities, there are three strategies our teachers never taught us in school. These are: How to have a

successful marriage, how to bring up successful children, and finally, how to build personal wealth successfully. Now, if these subjects were brought to our attention formally, we might come to the conclusion that conventional wisdom is wrong. The reason is that while your income might be increasing, so are your mortgage expenses, looming tertiary education costs for the children and also all of your household bills. Even with both spouses working, you cannot see how you could care for aging parents or withstand a long stint of unemployment or illness. Moreover, preparing for an easy retirement at sixty-five or even seventy-five seems to be unattainable. Everyone with self-earned wealth will tell you that money is not complicated. The confusing financial terms, buzz words and complex explanations from investment advisors and professionals are not necessary and perhaps just serve to muddy the waters and cause further confusion. Success with money, family, relationships, health and careers is the ability to reach your personal objectives in the shortest time, with the least effort and

"Success with money, family, relationships, health and careers is the ability to reach your personal objectives in the shortest time, with the least effort and with the fewest mistakes."

with the fewest mistakes. The goals you set for yourself and the strategies you choose become your blueprint or plan.

Some people say that you are wealthy when you can live off of the returns of your investments. This can occur at 24, 27, 49 or 58.



Chairman's Review

"You must know the basic difference between an asset and a liability and then buy productive assets. If you want to be wealthy, this is all you need to know."



The age factor is not important. What is vitally important is learning not to undertake uncontrolled spending. There are other definitions of being wealthy. For

instance, you are wealthy when you have reached the point where your decision to go to work is not determined by financial need. You are wealthy if you can make a career change without regard to salary. You are wealthy if you can take time off from work to investigate a project that is important to you for non-financial reasons. And you are wealthy when you volunteer your time to public charities without considering the financial ramifications to your income stream. Ultimately, however, the only definition of wealth that really matters is your own. Some people are quite content to earn enough so as to maintain their current standard of living. Others dream of sailing around the world, or having an island home. Whatever your personal goals, make sure the steps to those goals are small enough to climb.

Most people cannot tell why they keep struggling financially. It is because they do not understand the concept of cash flow. You must know the basic difference between an asset and a liability and then buy productive assets. If you want to be wealthy, this is all you need to know. **It is Rule #1. IT IS THE ONLY RULE.** This may sound absurdly simple, but most of us have little idea of how profound this rule really is. The records show that many people struggle financially because they do not know the real difference between an asset and a liability.

Wealthy people acquire assets. The poor and middle-class folk buy liabilities which

they think are assets. In short, **the wealthy buy assets but the poor only have expenses. The middle-class buys liabilities that they think are assets.**

A person can be highly educated, professionally successful but financially illiterate. These people often work harder than they need to because they learned how to work hard but not how to make money work for them. You will remember as children we were programmed into a system which preached: Go to school, study hard, get a good job and retire happily. The system omitted some important ingredients such as how to make the best use of earnings, how to save and invest wisely so that you could become independently wealthy. This is one of the tragedies of our present system of society. If our schools taught people about money, there would be more wealth for all of us, there would be lower prices on goods and services and our country would be more prosperous with increased savings and investment. But unfortunately, today, our schools' curricula focus only on teaching people to get jobs and work for money and not how to take advantage of the power of money.

You and I know many people who appear to be wealthy. They live in expensive houses, belong to the most exclusive Clubs, travel the world, dress in the latest fashions, have expensive new cars and boats and enjoy high paying jobs. The truth is that in many cases they live from paycheck to paycheck, albeit a big paycheck. They are "the nouveau riche". My experience shows an inverse relationship between the amount of ostentation and size of a productive investment portfolio. This is because the more money people spend on possessions, the less money they have left for investment. Yes, I will admit that there are exceptions but the sad fact is that most of the people

Chairman's Review

who appear to be wealthy are not at all financially secure.

One lady confided in me recently, "I have always been told that I worked for peanuts. Well, maybe I did, but I saved as many of those peanuts as I could. Then when the time came, I made peanut butter out of them." Her investment portfolio is now valued at \$500,000. It earns income of about \$60,000 per annum. Add her pension and other retirement income and subtract her personal expenses and she is genuinely wealthy with a healthy surplus. She lives comfortably on the income generated from her investments, which is quite remarkable for someone whose annual salary never exceeded \$25,000.

I need to caution you about borrowing money. It is a more complex exercise than most people realize especially since the cost of borrowing can hamper greatly your ambitions for acquiring wealth. I have categorized the three basic reasons for borrowing money in terms of **worst, better, best.**

WORST

To purchase perishables such as meals, gas, groceries and airline tickets. You will realize that these are consumables and produce no additional income.

BETTER

To purchase depreciables such as private motorcars, clothes, furniture and appliances. Here again, these items are rarely income producing assets.

BEST

To purchase appreciable assets such as units from the Unit Trust Corporation, Real Estate or other investments.

Furthermore, be extremely careful in acquiring a mortgage loan

on your home. As an example, if you borrowed \$100,000 today over 30 years at 10% per annum for a property valued at \$125,000, this would cost you in interest \$215,926 by the year 2031 or over 215% what you had borrowed initially. As a comparison, if you borrowed \$100,000 today over 15 years at 10% per annum, this would cost you in interest \$93,430 or a saving of \$122,496 or about 57%. However, the monthly payment could be approximately 18% higher. A little known fact among most borrowers is that most of your mortgage payments in the early life of a mortgage goes towards interest. Typically in the first year 95 cents of every dollar covers interest payments. Gradually, your mortgage payments cover less and less interest and more and more of your principal. Do not be fooled into thinking that after making 15 years of payments towards a 30 year mortgage you would have paid off half of your principal. Actually, it would take 23.5 years before you could pay off 50% of your principal.

Now there is a way to save colossal amounts towards building your personal wealth by applying this formula which I will now

share with you. Supposing that your present mortgage loan balance is \$200,000, the rate of interest is 12% per annum and the term of the loan is 30 years. You are, therefore, paying \$2,057.23 monthly towards your mortgage. Now, if you pay \$25 per month more towards the principal, you could save \$64,316 in interest and reduce the life of the mortgage by almost 4 years. Using the same mortgage loan example, if you paid \$200 more per month towards principal you could save in interest over the life of the loan \$247,884 and shorten the term of the mortgage by



"Think of your job at whatever organisation in which you are employed as not an extension of yourself or your life ... Your work is what you do so you can have a life."

Chairman's Review

"The evidence suggests that a concerted drive should be made in the society, particularly among the young to help with the debilitating scourge of financial illiteracy."



Pay cash for your consumer purchases, as far as possible. Use loans and credit cards sparingly and only with great caution and avoid hire purchase arrangements as much as you possibly can. On your Credit Card Statement there is a box entitled "NEW PURCHASES THIS MONTH". The minimum you should pay if you ever want to eliminate credit card debt is what you owe for your new purchases for the month plus the minimum required payment. Pay off the credit purchases you make this month with a cheque next month when you receive the statement. **Don't wait.**

Think of your job at whatever organization in which you are employed as not an extension of yourself or your life. Perhaps you could consider yourself as somewhat of an entrepreneur supplying services for a fee which is now your salary. I recently heard the story of a lady who at age 37 was extremely successful as an advertising

about 12 years. Yes, we are talking big money. In the last example the savings are in fact more than the initial mortgage of \$ 2 0 0 , 0 0 0 . Before I conclude on this particular point, you could use the identical strategy towards any instalment loan for a car or a piece of equipment and save huge sums of money.

To conclude, however, I wish to give you some personal thoughts for consideration:

executive. But when her 5 year old daughter was more upset when the baby-sitter took a vacation than when she had to go abroad on business, she knew something was terribly wrong. After it was made clear to her that she could not possibly keep her job without putting in endless hours, she found another job with a company that did not demand 24 hours a day, seven days a week. She is making the same money, but now she is at home for dinner every night with her family. Your work is what you do so you can have a life.

Plan a life of lifelong satisfying work. Remember that when the concept of retirement income and pensions was first created, people died at 63. Today, however, you are likely to live into your eighties and in your older years you will be still active and productive. Ensure that the pension and retirement income in your organization will be adequate for you.

What about inheritance? The old cliché, Grandpa earned it, Dad used it and the kids spent it, is no longer true. Today, most parents have spent it long before the kids have a chance. Wealth today is rarely inherited. Most often it is earned and saved the old fashioned way, through hard work and careful spending patterns. There are, of course, exceptions, but they are just that - **exceptions**. You should therefore, try to leave this life as you came into it - **penniless**. Your assets are resources to be used for your own benefit and for the benefit of those you love and cherish. Consider giving it away to your children and grandchildren before you die. The old philosophy of personal finance encouraged you to live above your means in your early years, and then make up for that indiscretion by living beneath your means when you are older. Perhaps the new approach should be that you live fully up to but not beyond your means for your entire life. After all, you are not a corporation - you are a human being. Your money should not outlive you. As Andrew Carnegie is reported to have said "He who dies wealthy dies in disgrace" However, if you still wish to leave an estate, then for God's sake, leave a proper will.

Chairman's Review

There is an old saying that everybody wants to go to heaven but nobody wants to die in order to get there. Applying this idea to this presentation, everyone wants to earn some measure of financial independence but they find it difficult to take the steps to achieve that goal. No great civilization has ever been judged great because of wealth alone. There are other factors more important than Gold or GDP. Therefore, I believe more in the philosophy of GNH or the Gross National Happiness of our citizens and recommend that by training people to become financially independent from an early age, such an approach could go a long way towards achieving national peace of mind and a more prosperous and productive Trinidad and Tobago for future generations. The evidence suggests that a concerted drive should be made in the society, particularly among the young to help with the debilitating scourge of financial illiteracy. In this respect, we have already commenced discussions with the University of the West Indies - Institute of Business to develop some sort of accredited programme to assist citizens in our society. We look forward to receiving your full support in this endeavour.

Appreciation

On behalf of the Board of Directors, I wish to convey our deep appreciation and sincere thanks to all our Unitholders, both at home and overseas, for their loyalty and continuing confidence in our stewardship of their funds. To the Management and Staff of this noble institution, I extend on behalf of the Board of Directors, heartfelt congratulations for their outstanding performance in 2002. Finally, I take this opportunity to thank my fellow Directors for the support and co-operation they have given me since I assumed the position of Chairman a few short months ago.

While 2002 was indeed the beginning of a veritable quantum leap I give the assurance that your Board and Management remain committed to redoubling their efforts to ensure that both the upward and forward momentum are maintained in the year ahead.

I thank you.



Hubert Alleyne

April 8, 2003



Executive Director's Report



Clarry Benn

Against the backdrop of a generally favorable domestic macroeconomic environment, the UTC Family celebrated yet another year of stellar performance in 2002 despite the uncertain political environment that persisted.

The Year of the Quantity Leap

Executive Director's Report

The following are some of the Corporation's noteworthy achievements in 2002:

- Unit sales of \$4.9bn were attained, an increase of 30.8% over 2001.
- As at December 31, 2002, there were 391,700 accounts on register, representing an increase in the unit holder base of 10.1% or 35,891 accounts over 2001.
- Consolidated assets jumped by 51.55% to \$8.5bn. Of that amount, \$7.8bn represents investment funds, up from \$5bn the previous year.
- Total income rose by 30.6% to \$662.7m.
- The Corporation's Merchant Bank outperformed its own targets and added \$22.9m to total income, approximately \$18.9m more than in 2001.
- Unit holders enjoyed \$84.7m more in distributions, which totalled \$473.1m for the year.
- Net income improved tremendously from \$25.4m to \$64.4m, representing a 153.8% increase.
- Retained income grew from \$157.9m to \$217.3m.

This outstanding all-round performance has positioned the UTC as a financial model within the region and is a manifestation of our motto, "Always One Step Ahead".

FINANCIAL PERFORMANCE

Income and Expenditure

I am pleased to report that the 2002 total income benchmark of \$600m was exceeded by \$62.7m. Of the 30.6% or \$155.4m increase in total income, the bulk is attributable to investment income from the US Dollar Money Market Fund (42%) and the Second Unit Scheme (37%). Merchant Banking activity also made a significant contribution to income.

Total expenses increased by \$103.8m or 23% to \$557.9m with distribution payments accounting for 82% of that increase. In 2001, distribution payments to unit holders represented 82% of total expenses, but in 2002, this figure improved to 84.8% showing that the Corporation is committed to transferring wealth increases to its unit holders.

After finance charges relating to the cost of the UTC Financial Centre are taken into account, the above movement in total income and expenses results in a 125.6% improvement in net income from \$41.4m in 2001 to \$93.3m in 2002. Further deductions in terms of transfer to reserves and undistributed income lead to a net income from management operations of \$64.4m, a boost of 153.9% over 2001. The resulting effect after a final \$5m transfer to the Guarantee Reserve Fund is a stronger retained income position of \$217.3m, up 37.6% from \$157.9m a year earlier.

Operational Performance

The fixed income market did not present attractive investment opportunities in 2002 due to high liquidity and limited new bond offerings. However, the Corporation still managed to increase investment funds to just under the \$8bn mark. By December 31, 2002 funds under management grew by an impressive 56% or \$2.80bn from \$4.99bn to \$7.79bn. At this growth rate, we should expect the combined fund size to cross the \$10bn benchmark by the end of 2003.

Sales and Repurchases

In 2002 the combined gross sales for all of the funds stood at \$4.9bn, representing an increase of 30.8% or \$1.16bn. On the other hand, repurchases rose marginally by 4.16% to \$2.5bn resulting in a net position of \$2.4bn. Overall, the net position improved appreciably by 84.6% over 2001.

The substantial growth in sales coupled with the marginal increase in repurchases provided the impetus for growth in investment funds which also underscored the public's continued confidence in and loyalty to the UTC.

Closer examination reveals that once again, the United States Dollar Money Market Fund was the major contributor to the \$1.16bn advance in sales, accounting for 49.3% or \$573.4m of the increase. The Second Unit Scheme followed closely with 47.3%. In gross terms however, the Second Unit Scheme generated the majority of sales

Executive Director's Report

with a contribution of 62.1%, with sales rising from \$2.5bn to \$3.1bn by the end of 2002. Both the United States Dollar Money Market Fund and the Universal Retirement Fund experienced exceptional growth in sales during the year, with their respective sales rising by 61.4% to \$1.5bn, and 359% to \$22.1m. The First Unit Scheme reported less pronounced sales improvement, with a \$21.6m or 6.7% increase to \$344.4m.

Consistent with past trends, the two money market funds contributed 92.6% of the sales volume.

INVESTMENT PERFORMANCE

The First Unit Scheme

During 2002, the combination of severe downward pressure on U.S. stock prices and the lack-lustre performance of the domestic fixed income market failed to put a damper on the key performance variables of the Scheme due to a strong showing in the domestic equity market.

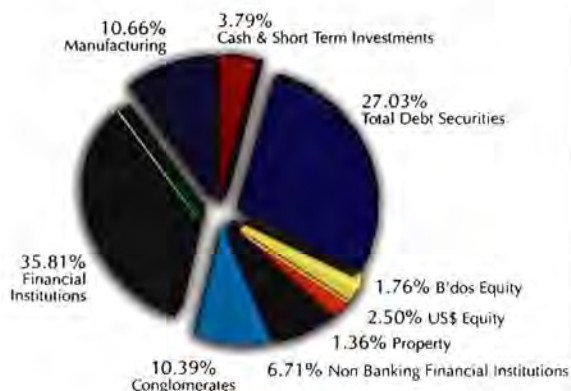
Among these key performance variables is investment income, which rose by 8.6% to \$136.2m mainly because of increased realized capital gains. After accounting for management charges, the net investment income appreciated by 6.1% to \$106.6m. On the balance sheet side, fund size moved from \$1.25bn to \$1.62bn, an increase of 29.5% or \$370m.

The Scheme opened the year 2002 with offer and bid prices of \$11.25 and \$10.70 per unit respectively. After its July 01 ex-distribution status was established, unit prices settled at \$11.60 offer and \$11.05 bid. However, on December 31, 2002, the unit prices stood at \$13.35 offer and \$12.70 bid, creating a net return to unitholders of 22.22%. If reinvestment is taken into account, then the net return to unitholders was actually 26.12%. This compares very favourably with the previous year's return of -0.3%.

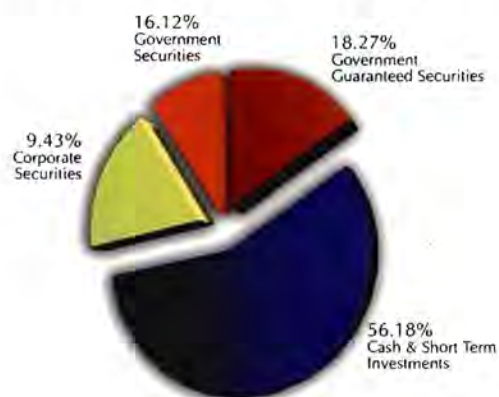
Positive returns during the year attracted 3,615 new investors to the Scheme, bringing the investor base to 138,247 accounts by the end of 2002.

PORTFOLIO STRUCTURES

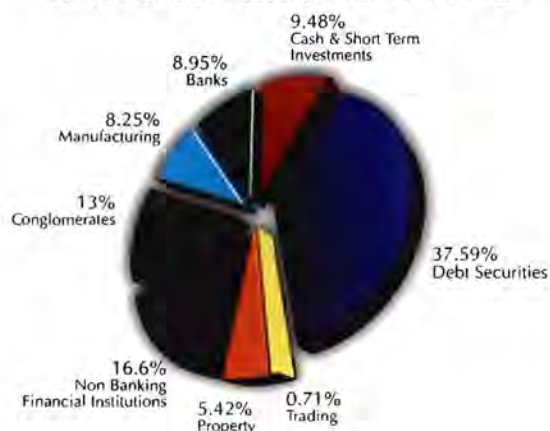
GROWTH & INCOME FUND



MONEY MARKET FUND



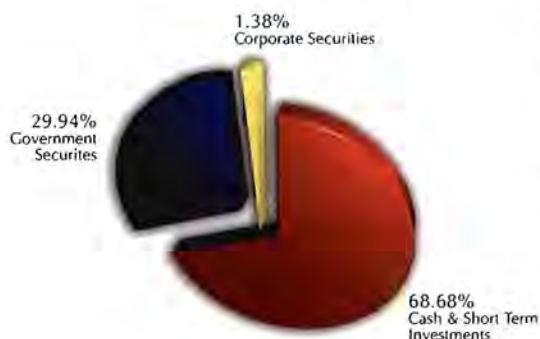
UNIVERSAL RETIREMENT FUND



Executive Director's Report

PORTFOLIO STRUCTURES

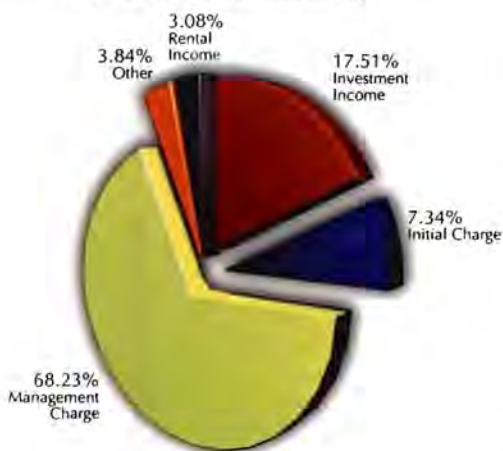
US\$ MONEY MARKET FUND



INVESTMENT FUNDS



MANAGEMENT OPERATIONS (2002 INCOME CATEGORIES)



The Second Unit Scheme

The environment in which the Second Unit Scheme operated during 2002 was nothing short of challenging. Again, this was as a result of high liquidity in the system despite the Central Bank's attempt at open market operations. Its sale of U.S. dollars to the banks and the low demand for loan credit neutralized the effects of its open market operations and repo rate policy. Owing to such liquidity conditions, interest rates across the board were depressed during the year. There were also few capital market issues, as many investors adopted a wait-and-see approach to their capital investments, pending the resolution of the political stalemate. The trend was also towards refinancing of existing debt at lower rates, rather than the issuance of new debt.

Even under such unfavorable conditions, the Second Unit Scheme performed creditably in 2002. The fund size of the Scheme increased by \$1.46bn or 50.4% from \$2.90bn to \$4.36bn. On the income side, \$345.7m in interest income was earned, which represents an increase of 21.6% or \$61.4m. Similarly, net investment income expanded by \$44.8m or 18.3% to \$289.6m of which 95.5% was distributed to unitholders. This represents a 4% decline over the amount distributed in 2001 due to an additional allocation to reserves of \$11.9m.

The average net yield to unitholders was 7.49%, which is 237 basis points below that of the previous year. However, it was still 225 basis points above the average 90-day treasury bill yield that prevailed at the end of 2002.

Nevertheless, investors were not deterred by the lower yield as the unit holder base of the Scheme grew by 12.3% to 228,123 accounts.

The Universal Retirement Fund

Like the First and Second Unit Schemes this Fund was also forced to operate under dismal local and foreign interest rate environments and a volatile foreign equity market. Consequently, efforts were concentrated in the very vibrant domestic equities market.

Executive Director's Report

Accordingly, the Universal Retirement Fund posted a net return to unitholders of 22.72%, up from 12.69% in 2001, as the net asset value rose to \$17.23 by the end of 2002.

Over the year, the Fund grew by a notable 149% from \$20.9m to \$52.3m, while gross investment income climbed to \$2.3m, up 12.9% from \$2.1m. The increase in income was mainly attributable to a 11.7% increase in interest income from \$1.55m to \$1.73m and in totality, this item accounted for the bulk or 74.2% of total income. On the other hand, dividends rose by 16.4% to \$602,000, representing 25.8% of total income. However, net income for capitalization decreased by 16.6% from \$1.67m to \$1.40m.

The Fund continues to grow steadily as the number of registered accounts stood at 2,993 representing a 13.6% increase over 2001.

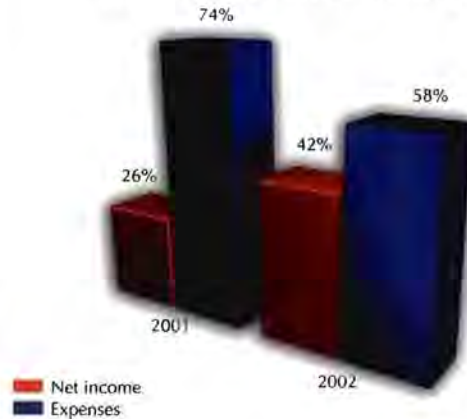
The United States Dollar Money Market Fund

In the last annual report I stated that the United States Dollar Money Market Fund completed its first full year of operation and that it was the best yielding U.S. dollar fund in the local mutual fund industry. Only one aspect has changed since then: it has now been two years since its introduction but it is still the most attractive alternative in the U.S. dollar money market mutual fund sub-sector.

The Fund produced another year of superb growth, moving from \$818.7m (US\$133.5m) at the end of 2001 to \$1.75bn (US\$289.1m) by the end of 2002, an increase of 114.3%. Likewise, total investment income almost doubled from \$65.5m (US\$10.7m) to \$130.3m (US\$21.5m). The same can also be said of net investment income, which increased by 96% to \$104.7m (US\$17.2m). This ultimately led to a 92% or \$96.3m (US\$15.9m) payout to unit holders, up from 84%.

It is therefore not surprising that the number of accounts increased by 44.6% from 15,446 to 22,337.

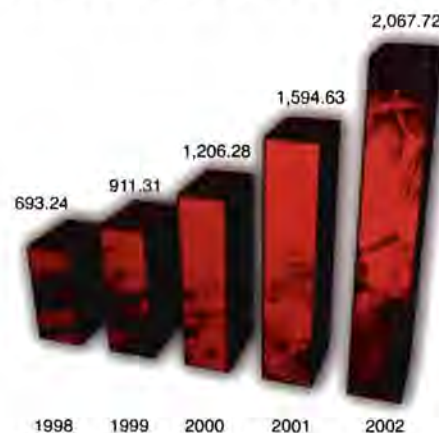
MANAGEMENT OPERATIONS (NET INCOME & EXPENSES AS PERCENTAGE OF TOTAL INCOME)



BOND ISSUES



CUMULATIVE DISTRIBUTION (\$M)



Executive Director's Report

The Chaconia Income and Growth Fund

Tension in the world political environment, slow improvement in corporate profitability, and negative news on the integrity of corporate financials led to an erosion of investor confidence and exuded constant pressure on U.S. equity markets in 2002. Therefore, the turnaround that was expected in the U.S. economy did not come to pass.

"This outstanding all-round performance has positioned the UTC as a financial model within the region and as a manifestation of our motto: 'always one step ahead'."



The Chaconia Income and Growth Fund was not spared as it experienced a loss of 17.15% for the year. Yet, its highly diversified portfolio enabled it to weather the storm less severely than the

Dow Jones, NASDAQ and S&P 500 indices, which all suffered declines of 17.19%, 32.52%, and 23.8% respectively. Moreover, it was named the best performing fund in its category in the United States for the last quarter of 2002 by Barron's - the Dow Jones Business and Financial Weekly.

Given the economic outlook, the Fund's performance is likely to remain volatile in the near term. However, the Corporation remains steadfast in its quest to capitalize on opportunities that would limit the losses and improve the yield.

OTHER BUSINESS SEGMENTS

The Merchant Banking Department

Prior to 2002, the Merchant Banking Department has underwritten a number of issues approximating \$1.37bn since its inception in 2000. For 2002 it obtained mandates for three (3) bond issues totaling \$417.8m, or 11.6% of the \$3.6bn worth of original issues for the year.

Further, the Department's total investment income rose by 9% to \$52.1m, while there was a marked reduction in expenses from \$43.7m to \$29.2m. The combined effect was an impressive increase in its contribution to net income from \$4.08m in 2001 to \$22.9m in 2002.

The Bureau de Change generated \$3.28m in revenues, representing an increase of \$1.4m or 74.9% over 2001.

The International Business Development Unit

Although the official launch of the Belize Unit Trust Corporation did not come off until early 2003, the groundwork took place in 2002 and it was thus a major accomplishment for the International Business Development Unit for that year, in terms of its pursuit of expanding the regional presence of the Corporation.

The Unit initiated action across the Atlantic Ocean when in May 2002 it facilitated the signing of a memorandum of understanding with Nigerian investors with the intention of duplicating the UTC model in Nigeria.

During the year, Chaconia Financial Services was registered as a broker-dealer company with the Securities and Exchange Commission and the National Association of Securities Dealers in the United States.

Branch Networking

In its attempt to enhance the quality of physical facilities provided to the investing public, the Corporation, on August 19, celebrated the turning of the sod by the Honorable Patrick Manning, Prime Minister of Trinidad and Tobago to commence construction of a new branch in

Executive Director's Report

The financials in this report speak for themselves and it is only a matter of time before the Corporation assumes the position of the third largest financial institution in Trinidad and Tobago, as measured by assets.

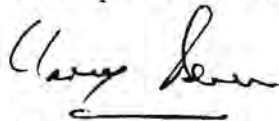
APPRECIATION

I wish to express my sincere gratitude to all those who contributed to another successful year in the history of the Corporation.

I also take this opportunity to welcome the new Chairman of the Board, Mr. Hubert Alleyne and to wish his predecessor, Mrs. Judy Chang, all the best in her future endeavors. Very deserving appreciation also goes out to the other members of the Board of Directors for their direction, guidance and focus.

As Executive Director, I wish to express my deepest appreciation to the executive management, middle management, and general staff for their support and hard work.

Finally, thanks to the many unitholders who have remained loyal to us. We look forward to serving you as we continue our journey of redefining the financial landscape in which we operate.



Clarry Benn

April 10, 2003



The UTC maintains a high profile public presence through its frequent involvement in a number of community relations activities, inclusive of its promotion of sports, cultural and educational activities throughout the community."

A Second Decade of Success
The Trinidad and Tobago Unit Trust
Corporation 1992-2001

Our 20th Anniversary

FEBRUARY



UTC launched its Excellence in Financial Reporting programme. The Awards are designed to encourage precise and analytical reporting among financial journalists throughout the Caribbean region. Photo captures Executive Director Clarry Benn in discussion with the Governor of the Central Bank of Trinidad and Tobago, Ewart Williams.

MAY

The women of Trinidad and Tobago turned the Queen's Park Savannah blue on the occasion of the inaugural UTC Ribbons of Hope 5k run/walk. The annual event seeks to raise funds to assist young persons in T&T living with HIV



MAY



In 2002, Customer Appreciation Days were held in Arima, Westmoorings and Couva. Here Couva customers enjoy UTC's hospitality.

JUNE

2002 was definitely a year of 'firsts'. UTC launched its first-ever debit card, the FUNDCARD. The card gives unitholders access to their Money Market Fund account through Automatic Teller Machines (ATMs). There are two such ATMs at the UTC Financial Centre, and one each at the Westmoorings, San Fernando and Arima branches.



Year in Pictures



AUGUST

The then Chairman Judy Chang, assists Prime Minister Patrick Manning on the occasion of the sod turning, marking the commencement of construction of UTC's Chaguanas Branch.



AUGUST

The Nation celebrated its 40th Anniversary in August. The Corporation hosted a gala tribute with fireworks that lit up the night. Entertainers thrilled the audience with lively performances.

JUNE

UTC's Schools' Investment Game celebrated its tenth anniversary in 2002. Chaguanas Senior Comprehensive's Team E won pushing Hillview College's Team A and their own Team D into second and third places respectively. The winning team increased their portfolio from \$20,000 to \$52,031.95.

AUGUST

SEA 7 year scholarship recipients - Rynessa Cutting, Stephen Garcia and Makeda Rosales



SEPTEMBER

For the last quarter of 2002, visitors to UTC's Financial Centre were awed by the skill and imagination of Jackie Hinkson. His art and sculptures adorned the Centre gracing it with creativity and wonder. The exhibition was one facet of the UTC's Anniversary programme.



DECEMBER

UTC documented its second decade of achievement in a book titled: 'A Second Decade of Success'. Photo shows Chairman Hubert Alleyne presenting a copy to Minister in the Ministry of Finance Conrad Enill.



UTC's reach extends to sport. The UTC Sport Scholarship was awarded to Ayeisha Collymore (left) and Ravi Rampaul (second from right). Ayeisha took home five gold medals at the CARIFTA Swimming Championship, while Ravi made it to the cricket record books with his performance at the Regional Under-19 Cricket Tournament. On hand for the presentation were Minister of Sport Roger Boynes and UTC Executive Director Clarry Benn.



DECEMBER



Outgoing Chairman Judy Chang was specially honoured during the UTC's gala Long Service Awards celebration. Here Marketing Officer Cheryl-Ann Phillips-Gonzales presents her with a commemorative plaque.



"**T**his outstanding all-round performance has positioned the UTC as a financial model within the region and is a manifestation of our motto: 'always one step ahead'."

Executive Director's Report
Annual Report 2002



The Year of the Quantum Leap



Executive Management Team



*Clarry Benn
Executive Director*

*Renrick Nickie
Executive Manager*

*Michael Alexander
Executive Manager*

Management Responsibility For Financial Statements

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

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

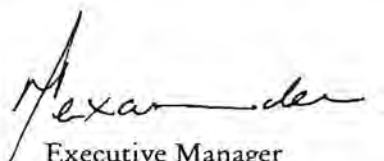
The independent accountants audit the Corporation's financial statements in accordance with generally accepted auditing standards and provide an objective, independent review of the Corporation's internal controls and the fairness of its reported financial position and operating results.

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

Signed by:



Executive Director
Clarry Benn



Executive Manager
Michael Alexander



**TO: THE BOARD OF DIRECTORS
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

**REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF
TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE
TRINIDAD AND TOBAGO UNIT TRUST CORPORATION**

For the year ended 2002 December 31

The accompanying Financial Statements of the Trinidad and Tobago Unit Trust Corporation for the year ended 2002 December 31 have been audited. The Statements as set out on pages one to thirty-one (31) comprise:

(a) **IN RESPECT OF THE UNIT TRUST CORPORATION**

- A Consolidated Balance Sheet as at 2002 December 31
- A Consolidated Income and Expenditure Statement for the year ended 2002 December 31
- An Income and Expenditure Statement for Management Operations for the year ended 2002 December 31; and
- A Consolidated Cash Flow Statement for the year ended 2002 December 31.

(b) **IN RESPECT OF THE FIRST UNIT SCHEME, SECOND UNIT SCHEME AND THE
US DOLLAR MONEY MARKET FUND, FOR EACH**

- A Balance Sheet as at 2002 December 31
- A Statement of Operations for the year ended 2002 December 31; and
- An Income Distribution Statement for the year ended 2002 December 31.

(c) **IN RESPECT OF THE UNIVERSAL RETIREMENT FUND**

- A Balance Sheet as at 2002 December 31; and
- A Statement of Operations for the year ended 2002 December 31.

(d) **Notes to the Financial Statements numbered one to twenty-nine (29).**

2. These Financial Statements are the responsibility of the management of the Trinidad and Tobago Unit Trust Corporation. The Auditor General's responsibility is to audit these Financial Statements in accordance with section 30 (1) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03 and to report thereon in accordance with section 30 (4) of the said Act.
3. The examination was conducted in accordance with generally accepted Auditing Standards. These Standards require that the audit be planned and performed in order to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.
4. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of information in the Financial Statements. The Auditor General is of the view that the audit which was conducted provides a reasonable basis for the comment made at paragraph 5 of this Report.

OPINION

5. The Financial Statements and Notes to the Financial Statements as outlined at paragraph 1 above are in agreement with the books of the Trinidad and Tobago Unit Trust Corporation and present fairly, in material respects, the state of affairs of the Corporation as at 2002 December 31 and the results of its operations and its cash flows for the year ended 2002 December 31 in accordance with generally accepted accounting principles.

2003 April 29



Joelyn Thompson

**JOCELYN THOMPSON
AUDITOR GENERAL**

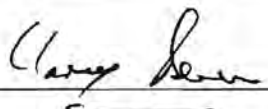
CONSOLIDATED BALANCE SHEET

As at December 31 2002

ASSETS	Notes	2002 \$ '000	2001 \$ '000
Investment Funds	4	7,790,023	4,992,156
Cash & Short Term Investments		136,350	73,459
Receivables		48,984	73,731
Prepayments and Other Assets		10,756	4,695
Investment in Subsidiaries		-	244
Investments	5	357,041	325,786
Fixed Assets	6	112,309	109,119
TOTAL ASSETS		8,455,463	5,579,190
LIABILITIES			
CURRENT			
Accounts Payable and Short Term Liabilities		17,178	18,710
Other Liabilities		26,718	16,761
Short Term Certificates of Interest	7	124,200	175,122
Current Portion of Long Term Debt	9	3,122	2,763
TOTAL CURRENT LIABILITIES		171,218	213,356
LONG TERM			
Long Term Financial Instruments	8	97,938	116,586
Finance Lease	9	72,047	75,169
TOTAL LIABILITIES		341,203	405,111
CAPITAL AND RESERVES			
Initial Capital	10	4,811	4,811
Unit Capital	11	7,785,212	4,987,345
Fund Reserves	12	25,624	20,238
Statutory Reserves	13	5,050	5,050
Capital Reserve	14	75,028	(1,263)
Minority Interest		1,203	-
Retained Income		217,332	157,898
TOTAL LIABILITIES, CAPITAL AND RESERVES		8,455,463	5,579,190



Chairman



Executive Director



The following notes form an integral part of these Financial Statements

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT

For the year ended December 31 2002

INCOME	Notes	2002 \$ '000	2001 \$ '000
Investment Income -			
First Unit Scheme		136,181	125,442
Second Unit Scheme		341,043	284,223
Universal Retirement Fund		2,330	2,064
US\$ Money Market Fund		130,317	65,498
Net Investment Income -			
Management Operations	15	26,497	7,516
Initial Charge		11,291	10,824
Other Income		5,915	4,311
Rental Income		4,747	3,311
Undistributed Income at start of year		4,358	4,104
Total Income		662,679	507,293
EXPENSES			
Distribution	16	473,096	388,348
Commission		8,651	6,764
Administrative	17	68,166	53,998
Depreciation		6,018	4,965
Impairment Charges	18	1,994	-
Total Expenses		557,925	454,075
Net Income before Finance Charges		104,754	53,218
Finance Charges	9	(11,457)	(11,855)
Net Income after Finance Charges		93,297	41,363
Transfer to Reserves		(10,423)	(11,622)
Undistributed Income at end of year		(18,440)	(4,358)
Net Income for the year - Management Operations		64,434	25,383
Retained Income at start of year		157,898	132,515
		222,332	157,898
Transfer to Reserve	12a	(5,000)	-
Retained Income at end of year		217,332	157,898

INCOME AND EXPENDITURE STATEMENT OR MANAGEMENT OPERATIONS

For the year ended December 31 2002

	Notes	2002 \$ '000	2001 \$ '000
INCOME			
Management Charge	19	105,001	72,324
Initial Charge		11,291	10,824
Investment Income		26,929	8,415
Rental Income		4,747	3,311
Other		5,915	4,311
Total Income		153,883	99,185
EXPENSES			
Commission		1,814	2,984
Administrative	17	68,166	53,998
Depreciation		6,018	4,965
Impairment Charges	18	1,994	-
Total Expenses		77,992	61,947
Net Income before Finance Charges		75,891	37,238
Finance Charges	9	(11,457)	(11,855)
Net Income for the year		64,434	25,383
Retained Income at start of year		157,898	132,515
		222,332	157,898
Transfer to Reserves	12a	(5,000)	-
		217,332	157,898

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31 2002

	2002 \$ '000	2001 \$ '000
OPERATING ACTIVITIES		
	64,434	NET INCOME 25,383
<i>Adjustment to reconcile net income to net cash from operating activity:</i>		
Depreciation Expense	6,018	4,965
Loss on Fixed Asset Disposals	-	1
Decrease/(Increase) in Receivables	24,933	(22,555)
Increase in Prepayments and Other Assets	(6,061)	(1,939)
(Decrease)/Increase in Accounts Payable	(1,532)	14,729
Increase in Other Liabilities	9,957	3,893
Income Reinvested in Mutual Funds	(88)	(48)
Unrealised Foreign Currency (Loss)/Gain	(54)	86
Capitalised Interest on Investments	(3,226)	(21,942)
Decrease in Short Term Certificates of Interest	(50,922)	(214,672)
(Decrease)/Increase in Long Term Financial Instruments	(18,648)	98,758
Net Cash Inflow from Operating Activities	24,811	(113,341)
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,326)	(3,624)
Decrease in Investments	47,958	141,341
Proceeds from Disposal of Fixed Assets	118	90
Net Cash Inflow/(Outflow) from Investing Activities	38,750	137,807
FINANCING ACTIVITIES		
Finance Lease Repayments	(2,763)	(2,085)
Movement in Reserves	2,093	7,030
Net Cash Inflow from Financing Activities	(670)	4,945
NET CASH INFLOW FOR THE YEAR	62,891	29,411
Cash & Cash Equivalents:		
Beginning of Year	73,459	44,048
End of Year	136,350	73,459

FIRST UNIT SCHEME BALANCE SHEET

As at December 31 2002

ASSETS	Notes	2002 \$ '000	2001 \$ '000
Investments	20	1,623,939	1,253,856
Cash and Short Term Investments		43,389	34,097
Income Receivable		34,732	43,188
Total Assets		1,702,060	1,331,141
LIABILITIES			
Distribution Payable		52,642	61,481
Amount Due Corporation		16,944	12,598
Other Payables		138	76
		69,724	74,155
RESERVES			
Undistributed Income		8,397	3,130
Total Liabilities and Reserves		78,121	77,285
NET ASSETS		1,623,939	1,253,856
CAPITAL ACCOUNT			
		891,750	785,830
UNREALISED CAPITAL APPRECIATION	21	732,189	468,026
		1,623,939	1,253,856

FIRST UNIT SCHEME STATEMENT OF OPERATIONS

For the year ended December 31 2002

INVESTMENT INCOME	Notes	2002 \$ '000	2001 \$ '000
Dividends		34,567	36,910
Interest		43,087	45,448
Realised Capital Gains		58,527	43,084
Total Investment Income		136,181	125,442
 EXPENSES			
Management Charge	19	29,625	24,984
Total Expenses		29,625	24,984
 NET INVESTMENT INCOME		 106,556	 100,458

FIRST UNIT SCHEME INCOME DISTRIBUTION ACCOUNT

For the year ended December 31 2002

	Notes	2002 \$ '000	2001 \$ '000
NET INVESTMENT INCOME		106,556	100,458
Distribution Paid to Initial Contributors 80c per unit (2001 - 85c per unit)	16	770	818
Distribution Paid to Unitholders 80c per unit (2001 - 85c per unit)	16	99,519	99,120
		6,267	520
Undistributed Income brought forward		3,130	2,810
		9,397	3,330
Allocation to Guarantee Reserve Fund	12a	1,000	200
Undistributed Income at December 31		8,397	3,130

SECOND UNIT SCHEME

BALANCE SHEET

As at December 31 2002

	Notes	2002 \$ '000	2001 \$ '000
ASSETS			
Investments	22	4,359,239	2,898,592
Cash & Receivables		40,863	42,166
Total Assets		4,400,102	2,940,758
LIABILITIES			
Accruals for Distribution	16	18,524	12,646
Amount Due Corporation		3,728	25,479
Other Liabilities		8,710	2,191
		30,962	40,316
Reserves		9,901	1,850
Total Liabilities and Reserves		40,863	42,166
NET ASSETS		4,359,239	2,898,592
CAPITAL ACCOUNT		4,178,112	2,898,592
UNREALIZED CAPITAL APPRECIATION	21	181,127	-
		4,359,239	2,898,592

SECOND UNIT SCHEME STATEMENT OF OPERATIONS

For the year ended December 31 2002

	Note	2002 \$ '000	2001 \$ '000
INVESTMENT INCOME			
Interest Income		341,043	284,222
Investment Income		341,043	284,222
EXPENSES			
Management Charge	19	49,659	35,573
Interest		433	899
Commission		5,985	2,945
Total Expenses		56,077	39,417
NET INVESTMENT INCOME		284,966	244,805

SECOND UNIT SCHEME INCOME DISTRIBUTION ACCOUNT

For the year ended December 31 2002

	Notes	2002 \$ '000	2001 \$ '000
NET INVESTMENT INCOME		284,966	244,805
DISTRIBUTION PAYMENT:			
Distribution Paid		257,992	230,999
Accruals for Distribution	16	18,523	12,646
Total Distribution		276,515	243,645
Transfer to Reserves	12c	8,451	1,160
		284,966	244,805

UNIVERSAL RETIREMENT FUND

BALANCE SHEET

As at December 31 2002

	Notes	2002 \$ '000	2001 \$ '000
ASSETS			
Long Term Investments		47,304	15,356
Cash & Short Term Investments		1,942	3,543
Interest Receivable		3,548	2,306
Total Assets		52,794	21,205
LIABILITIES			
Amount Due Corporation		532	214
NET ASSETS OF THE FUND	23	52,262	20,991
CAPITAL ACCOUNT			
UNREALISED CAPITAL APPRECIATION	21	9,082	903
		52,262	20,991

UNIVERSAL RETIREMENT FUND STATEMENT OF OPERATIONS

For the year ended December 31 2002

	Note	2002 \$ '000	2001 \$ '000
INVESTMENT INCOME			
Dividends		602	517
Interest		1,728	1,547
Total Investment Income		2,330	2,064
EXPENSES			
Management Charge	19	934	391
Total Expenses		934	391
NET INCOME FOR CAPITALIZATION		1,396	1,673

US DOLLAR MONEY MARKET FUND

BALANCE SHEET

As at December 31, 2002

	Notes	2002 TT\$ '000	2001 TT\$ '000
ASSETS			
Investments	24	1,754,583	818,717
Other Current Assets		46,711	37,041
Total Assets		1,801,294	855,758
LIABILITIES			
Amount Due Corporation		14,606	19,343
Distribution Payable		23,459	16,471
		38,065	35,814
RESERVES			
Undistributed Income		8,646	1,227
Total Liabilities and Reserves		46,711	37,041
NET ASSETS		1,754,583	818,717
CAPITAL ACCOUNT		1,754,600	818,717
UNREALIZED CAPITAL DEPRECIATION	21	(17)	-
		1,754,583	818,717

US DOLLAR MONEY MARKET FUND

STATEMENT OF OPERATIONS

For the year ended December 31 2002

	Note	2002 TT\$ '000	2001 TT\$ '000
INVESTMENT INCOME			
Interest Income		130,317	65,498
Total Investment Income		130,317	65,498
EXPENSES			
Management Charge	19	24,783	11,376
Commissions		853	834
Total Expenses		25,636	12,210
NET INVESTMENT INCOME		104,681	53,288

US DOLLAR MONEY MARKET FUND
INCOME DISTRIBUTION ACCOUNT

For the year ended December 31 2002

	Note	2002 \$ '000	2001 \$ '000
NET INVESTMENT INCOME		104,681	53,288
Distribution Expense		96,291	44,766
		8,390	8,522
Undistributed Income at start of year		1,227	1,294
		9,617	9,816
Transfer to Reserve	12b	971	8,589
Undistributed Income as at December 31		8,646	1,227

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31 2002

I INCORPORATION AND PRINCIPAL ACTIVITIES

The Trinidad and Tobago Unit Trust Corporation was established by the Unit Trust Corporation of Trinidad and Tobago Act ("the Act") Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago, generally to provide facilities for participation by members of the public in investing in shares and securities approved by the Board. The Finance Act of 1997 permitted expansion of the Corporation's scope of activities to include other financial services including merchant banking and trustee services. The Corporation's principal office is at the UTC Financial Centre, #82 Independence Square, Port of Spain.

2 SIGNIFICANT ACCOUNTING POLICIES

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

a) *Basis of Preparation*

These financial statements are expressed in Trinidad and Tobago Dollars and have been prepared under the historical cost convention except as modified in respect of security valuation (see (c) below). The accounting policies in all material respects conform with International Accounting Standards. All material income and expenditure items are accounted for on an accrual basis.

b) *Investments*

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

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

All purchases and sales of investment securities are recognized at the settlement date. Gains and losses from changes in fair value on investments classified as available-for-sale are recognized in equity. When the financial assets are disposed of or are impaired, the related fair value adjustments are included in the income statement.

c) *Security Valuation*

The fair value of publicly traded securities is determined by reference to the prevailing market prices on the last trading day before the Balance Sheet date, on the offer basis.

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*d) *Fixed Assets*

The Corporation utilizes the straight line method of depreciation for all its depreciable assets with the exception of motor vehicles which are depreciated using the reducing balance basis. The straight-line useful lives are as follows:

Building	50 years
Office Improvements	5-15 years
Computer Equipment	3-10 years
Office Equipment	4-15 years
Furniture & Fixtures	7-15 years
Reducing balance basis:	
Motor Vehicles	25%

e) *Foreign Currencies*

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago Dollars at the rates of exchange prevailing on December 31 2002.

Resulting translation differences and profits and losses from other transactions are recognized within the Income Statements except where the differences arise on consolidation of foreign entities. In such instances the translation difference is recognized in equity.

f) *Leases*

Assets held under finance leases are capitalized as fixed assets and duly depreciated. The liability net of finance charges is shown on the Balance Sheet and the interest element is charged to the Income Statement over the term of the lease.

g) *Funds Under Management*

The assets and liabilities pertaining to pension and other funds which are managed in accordance with specific Investment Management Agreements are not included in the Balance Sheet of the Corporation. The market value of these portfolios at the end of financial year 2002 is \$375.6 million.

h) *Presentation*

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended December 31 2002

3 TAXATION

The Corporation is exempt from Corporation Tax. A 5% withholding tax is applied to interest income at the point of distribution to unit holders in accordance with the Finance Act of 1997.

4 INVESTMENT FUNDS

	2002 \$ '000	2001 \$ '000
First Unit Scheme	1,623,939	1,253,856
Second Unit Scheme	4,359,239	2,898,592
Universal Retirement Fund	52,262	20,991
US\$ Money Market Fund	1,754,583	818,717
Investment Funds	7,790,023	4,992,156

5 INVESTMENTS

	2002 \$ '000	2001 \$ '000
Long Term Investments	350,017	316,120
Business Investments	473	1,683
Chaconia Income and Growth Fund	6,551	7,983
	357,041	325,786

- (a) The major portion of Long Term Investments represents the Corporation's holding in long term government bonds that will mature in fifteen (15) to twenty (20) years.
- (b) The irrecoverable portion of Business Investments made by the Corporation has been taken to the Income Statement (See Note 18).
- (c) The Chaconia Income and Growth 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 Act of 1940 of the United States of America. The diminution in value of the Corporation's investment in the Chaconia Income and Growth Fund has been recognized in the Capital Reserve Account (See Note 14).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

6 FIXED ASSETS

	Free- hold Land \$'000	Build- ing \$'000	Lease- hold Land \$'000	Office Improve- ments \$'000	Motor Vehicles \$'000	Equip- ment \$'000	Furnit- -ure \$'000	TOTAL \$'000
Year ended December 31 2002								
Opening Net Book Value	12,305	69,589	2,170	12,616	1,869	4,495	6,075	109,119
Additions	-	-	-	1,915	845	6,137	429	9,326
Disposals	-	-	-	-	(118)	-	-	(118)
Transfers	-	-	-	-	-	-	-	-
Depreciation Charge	-	(1,464)	-	(1,544)	(566)	(1,829)	(615)	(6,018)
Closing Net Book Value	12,305	68,125	2,170	12,987	2,030	8,803	5,889	112,309
As at December 31 2002								
Cost	12,305	72,844	2,170	15,524	3,577	16,384	8,418	131,222
Accumulated Depreciation	-	(4,719)	-	(2,537)	(1,547)	(7,581)	(2,529)	(18,913)
Net Book Value	12,305	68,125	2,170	12,987	2,030	8,803	5,889	112,309
As at December 31 2001								
Cost	12,305	72,844	2,170	16,113	3,108	10,247	7,990	124,777
Accumulated Depreciation	-	(3,255)	-	(3,497)	(1,239)	(5,752)	(1,915)	(15,658)
Net Book Value	12,305	69,589	2,170	12,616	1,869	4,495	6,075	109,119

The amount shown as Leasehold Land reflects the Corporation's interest in a ninety-nine (99) year lease granted by the Government of the Republic of Trinidad and Tobago to the Unit Trust Corporation with respect to land situated at the Corner of Richmond Street and Independence Square, Port of Spain for the construction of its Headquarters. In 1999 the Corporation completed construction of its Headquarters Building through a Build, Own, Lease and Transfer arrangement.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

7 SHORT TERM CERTIFICATES OF INTEREST

This represents Guaranteed Investment Certificates backed by the underlying asset of Government bonds. The instruments are due within one year.

8 LONG TERM FINANCIAL INSTRUMENTS

This represents zero coupon financial instruments that are derived from a portion of the Government long term bonds. These instruments are payable in fifteen (15) to twenty (20) years.

9 FINANCE LEASE

The Corporation committed to a lease agreement with Republic Finance and Merchant Bank Limited (FINCOR) for the UTC Financial Centre on November 19, 1999. This agreement is for a term of 20 years, with purchase options at the end of the tenth and fifteenth years. The current portion of the debt at December 31 2002 was \$3.122 million. The long term portion as at December 31 2002 was \$72.047 million. Interest charges on the lease for 2002 amounted to \$11.457 million.

10 INITIAL CAPITAL

Initial Capital is capital subscribed by the Initial Capital Contributors to the Unit Trust Corporation in accordance with Section 17 of the Act and invested in the First Unit Scheme.

11 UNIT CAPITAL

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

	2002	2001
	\$'000	\$'000
First Unit Scheme	1,619,128	1,249,045
Second Unit Scheme	4,359,239	2,898,592
Universal Retirement Fund	52,262	20,991
US\$ Money Market Fund	1,754,583	818,717
Total Unit Capital	7,785,212	4,987,345

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

12 FUND RESERVES

	2002	2001
	\$'000	\$'000
Guarantee Reserve	9,846	6,001
US\$ Money Market Fund Reserve	9,469	8,589
Second Unit Scheme Reserve	6,309	5,648
Total Fund Reserves	25,624	20,238

a) *Guarantee Reserve*

In accordance with the provisions 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 by allocations from the Investment Income of the First Unit Scheme. In 2002 \$2.2 million of the Guarantee Reserve Fund was utilized to finance the Guarantee Pricing Plan and \$1.0 million was allocated to the Fund from the Income of the First Unit Scheme. In addition the Board allocated \$5.0 million from Retained Earnings in 2002 to augment the Fund.

b) *US\$ Money Market Fund Reserve*

In accordance with the provisions of Section 26(1) and (2) of the Act, the Board of Directors, established a Special Reserve Fund in respect of the US\$ Money Market Fund (US\$ MMF) to provide for maintenance of the capital value of the Fund. During 2002, US\$160,000 (TT\$971,200) was allocated to the Special Reserve Fund from the Investment Income of the US\$ MMF. No calls were made on the US\$ MMF Reserves in the year 2002.

c) *Second Unit Scheme Reserve*

In accordance with the provisions of Section 13 of the Second Unit Scheme Regulations issued under the Act, the Board established a reserve to satisfy any shortfall which may arise from the liquidation of securities in the portfolio of the Scheme. During 2002 \$0.4 million was allocated to the Second Unit Scheme Reserve Fund from the Investment Income of the Second Unit Scheme. No calls were made on the Second Unit Scheme Reserve in the year 2002.

13 STATUTORY RESERVES

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

14 CAPITAL RESERVE

	\$ '000
Balance as at January 1 2002	(1,263)
Unrealized Gain - Long Term Investments	77,411
Unrealized Loss - Available for sale investments	(1,749)
Foreign Exchange Translation Difference on consolidation of subsidiary	(28)
Transfer of Net Unrealized Losses on impaired asset to Income Statement	755
Reclassification of Foreign Exchange Losses	(94)
Balance as at December 31 2002	75,028

15 NET INVESTMENT INCOME - MANAGEMENT OPERATIONS

Net Investment Income - Management Operations comprises the following:

	2002	2001
	\$ '000	\$ '000
Interest and Other Fee Income	55,699	51,247
Interest Expense and Other Charges	(29,202)	(43,731)
Total	26,497	7,516

16 DISTRIBUTIONS

The Corporation declared its thirty-ninth (39th) and fortieth (40th) distributions in respect of the First Unit Scheme during the year 2002 totaling \$100.289 million. The distribution to registered unitholders as at June 30, 2002 amounted to \$47.642 million and the December 31 2002 distribution amounted to \$51.877 million. The total distribution to Initial Capital Contributors for the year amounted to \$0.770 million.

Distributions in the Second Unit Scheme are made quarterly. Four (4) payments were made in 2002 and total distributions paid during the period January - November 2002 totalled \$257.992 million. Income accrued as at December 31 2002 for distribution in the quarter ended February 2003 amounted to \$18.523 million.

Distributions in the US\$ Money Market Fund are paid by calendar quarters. Total distributions for the calendar year 2002 amounted to TT\$96.291 million (US\$15.863 million).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

17 ADMINISTRATIVE EXPENSES

2002	2001
\$ '000	\$ '000
68,166	53,998

Included in 2002 Administrative Expenses are:

- (a) Directors' Fees and Auditors' Remuneration in the amounts of \$0.847 million and \$0.115 million respectively. The comparatives for 2001 were: Directors' fees \$0.363 million and Auditors' fee \$0.140 million; and
- (b) Staff Bonus Incentive entitlements for two financial years. In 2002 the Corporation amended its policy with respect to accounting for Bonus Incentive Payments. The change resulted in the Bonus Incentive entitlements for both 2001 and 2002 being recognized in the Administrative Expenses in 2002.

18 IMPAIRMENT CHARGES

In accordance with International Accounting Standard 39, International Financial Instruments: Recognition and Measurement – the Corporation has taken to the Income Statement the value of Business Investments which are considered irrecoverable.

19 MANAGEMENT CHARGE

	2002	2001
	\$ '000	\$ '000
First Unit Scheme	29,625	24,984
Second Unit Scheme	49,659	35,573
Universal Retirement Fund	934	391
US\$ Money Market Fund	24,783	11,376
Total	105,001	72,324

The Corporation, in accordance with the regulations governing the First and Second Unit Schemes and the prospectuses governing the Universal Retirement Fund and the US\$ Money Market Fund, may charge a management fee of up to two percent (2%) on the value of the funds held in each scheme.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended December 31 2002

20 INVESTMENTS - FIRST UNIT SCHEME

Equity	Shareholding (Stock Units)	Market Value \$
Banks		
RBTT Financial Holdings Limited	12,429,426	226,215,553
Republic Bank Limited	4,943,165	197,347,588
Scotiabank Trinidad and Tobago Limited	6,636,862	139,705,945
FirstCaribbean International Bank Limited	2,145,834	18,239,589
Manufacturing		
Trinidad Cement Limited	9,790,572	56,295,789
Angostura Holdings Limited	6,987,207	42,272,602
Lever Brothers West Indies Limited	1,226,770	33,184,129
The West Indian Tobacco Company Limited	1,243,876	21,021,504
National Flour Mills Limited	6,884,794	20,083,622
Readymix (W I) Limited	35,780	212,891
Conglomerates		
ANSA McAl Limited	4,974,855	79,846,423
Neal & Massy Holdings Limited	4,299,225	77,601,011
Grace, Kennedy & Company Limited	2,088,000	10,544,400
Barbados Shipping and Trading Limited	70,000	773,500
Non Banking Financial Institutions		
Guardian Holdings Limited	2,304,949	49,210,661
National Enterprises Limited	8,796,000	43,980,000
ANSA Finance and Merchant Bank Limited	1,729,626	13,664,046
American Life and General Insurance Company (Trinidad and Tobago) Limited	462,416	2,103,993
Property		
Point Lisas Industrial Port Development Corporation Limited	2,191,880	22,137,988
Total TT\$ Equity		1,054,441,234
Total US\$ Equity		40,524,825
Total B'dos \$ Equity		28,519,849
Total Equity		1,123,485,908
Total Debt Securities		438,966,609
		1,562,452,517
Cash and Short Term Investments		61,486,972
TOTAL VALUE OF PORTFOLIO		1,623,939,489
The Portfolio of the First Unit Scheme is represented by:		
Held to Maturity Financial Assets		\$ 17,642,438
Available for Sale Financial Assets		1,606,297,051
TOTAL		1,623,939,489

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended December 31 2002

21 UNREALISED CAPITAL APPRECIATION/DEPRECIATION

This represents the net unrealized gain on the valuation of the Investment Portfolio at the year's end.

22 INVESTMENTS - SECOND UNIT SCHEME

Securities	Market Value \$
Government Securities	702,808,298
Government Guaranteed Securities	796,347,481
Corporate Securities	411,073,369
Cash and Short Term Investments	2,449,010,262
Total	4,359,239,410

The Portfolio of the Second Unit Scheme is represented by:

Held to Maturity Financial Assets	\$ 2,361,309,940
Available for Sale Financial Assets	1,997,929,470
TOTAL	4,359,239,410

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended December 31 2002

23 INVESTMENTS - UNIVERSAL RETIREMENT FUND

Equity	Shareholding (Stock Units)	Market Value \$
Banks		
RBTT Financial Holdings Limited	203,778	3,698,571
Republic Bank Limited	22,357	938,994
Scotiabank of Trinidad & Tobago Limited	2,000	42,000
Manufacturing		
Trinidad Cement Limited	300,960	1,715,472
West Indian Tobacco Company Limited	87,226	1,469,758
Lever Brothers West Indies Limited	30,975	836,325
National Flour Mills Limited	95,306	285,918
Readymix (W I) Limited	1,000	5,900
Conglomerates		
Neal & Massy Holdings Limited	191,292	3,443,256
Grace, Kennedy & Company Limited	370,020	1,850,100
ANSA McAl Limited	93,614	1,497,824
Non-Banking Financial Institutions		
Guardian Holdings Limited	157,072	3,345,634
ANSA Finance and Merchant Bank Limited	340,768	2,675,029
National Enterprises Limited	441,000	2,182,950
Chaconia Income and Growth Fund	9,631	468,308
Property		
Point Lisas Industrial Port Development Corporation Limited	282,009	2,834,190
Trading		
LJ Williams 'B'	100,000	261,000
Prestige Holdings Limited	25,000	107,500
Market Value of Equity		27,658,729
Debt Securities		19,645,702
Cash and Short Term Investments		4,957,128
Net Asset Value of Portfolio		52,261,559
The Portfolio of the Universal Retirement Fund is represented by:		
		\$
Held to Maturity Financial Assets		4,073,195
Available for Sale Financial Assets		48,188,364
TOTAL		52,261,559

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

24 US\$ MONEY MARKET FUND**Securities**

	Market Value
	\$
Government Securities	525,345,327
Corporate Securities	24,280,000
Cash and Short Term Investments	1,204,957,432
Total	1,754,582,759

The Portfolio of the US\$ Money Market Fund is represented by:

	\$
Held to Maturity Financial Assets	785,007,481
Available for Sale Financial Assets	969,575,278
TOTAL	1,754,582,759

25 INVESTMENT IN SUBSIDIARIES*Local*

During 1999 the Corporation established two (2) wholly owned subsidiaries – UTC Financial Services Limited and UTC Trust Services Limited - which were incorporated on March 23 1999 and June 2 1999 respectively under the Companies Act 1995 of Trinidad and Tobago. During 2002 the Corporation established another wholly owned subsidiary UTC Property Development Limited. These companies are capitalized as follows:

	2002	2001
	\$'000	\$'000
UTC Financial Services Limited	20,000	20,000
UTC Trust Services Limited	15,000	15,000
UTC Property Development Limited	1,000	-
Total	36,000	35,000

The activities of the three (3) subsidiaries are immaterial in the consideration of these Financial Statements. There were no transactions in UTC Trust Services Limited and UTC Property Development Limited in this financial year and the transactions for UTC Financial Services Limited - which were minimal - have been incorporated in these Consolidated Accounts.

Foreign

The Corporation established a wholly owned subsidiary – Chaconia Fund Services, Inc. a Delaware corporation formed in 1997. In 1999 Chaconia Fund Services, Inc. acquired Chaconia Financial Services Inc. a Rhode Island corporation and registered broker-dealer. There were no transactions in Chaconia Fund Services, Inc.. The transactions in Chaconia Financial Services, Inc. though minimal have been incorporated into these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

For the year ended December 31 2002

25 INVESTMENT IN SUBSIDIARIES *(Continued)**Foreign (Continued)*

During 2002 the Corporation invested US\$500,000 in the Belize Unit Trust Corporation. The Belize Unit Trust Corporation is a company incorporated under the Companies Act, Chapter 206, of the Laws of Belize and has its registered office at 77 Central American Boulevard, Belize City. At December 31 2002 the Corporation's share holding represented 71% of the issued shares of the Belize Unit Trust Corporation. The Balance Sheet of the Belize Unit Trust Corporation as at December 31 2002 has been incorporated into these Financial Statements. Transactions in the Belize Unit Trust Corporation were minimal as it commenced operations in January 2003.

26 RETIREMENT BENEFIT PLAN ASSETS

Prior to January 1 2001 the Unit Trust Corporation Pension Fund Plan (the Plan) had been a **defined benefit plan**. The Plan received formal approval during 2002 for conversion to a **defined contribution plan** with effect from January 1 2001. During 2002 the Corporation contributed \$2.230 million to the Plan which has been charged against Income for the year 2002.

27 COMMITMENTS

The Corporation has agreed to participate in the Government Project Financing Facility to the extent of \$19.36 million. As at December 31 2002 disbursements amounting to \$15.06 million had been made.

28 POST BALANCE SHEET EVENTS

These financial statements were authorized for issue on March 26, 2003. There were no material post balance sheet events prior to authorization of the statements for issue which have a bearing on the understanding of the financial statements.

29 FINANCIAL REPORTING

The Corporation utilized a personal computer based spreadsheet to complement its main general ledger system which has demonstrated a numeric field limitation. Notwithstanding efforts by the general ledger software supplier, the numeric field limitation was only partially overcome by December 31 2002. The Corporation has embarked on a comprehensive integrated financial reporting upgrade project, one of the outcomes of which will be the replacement of its main general ledger system by December 31 2003 so as to meet its present and future expanded business needs. The combination of the main general ledger system and the personal computer based spreadsheet has not compromised the integrity of these financial statements.

(Contributors to the Initial Capital)

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

Central Bank of Trinidad & Tobago
The National Insurance Board

COMMERCIAL BANKS

Citibank (Trinidad & Tobago) Limited
First Citizens Bank Limited
RBTT Bank
Republic Bank Limited
Scotiabank Trinidad & Tobago Limited

NON-BANK FINANCIAL INSTITUTIONS

ANSA Finance & Merchant Bank Limited
Caribbean Finance Company Limited
Clico Investment Bank
First Citizens Trust & Merchant Bank Limited
RBTT Trust Company
RBTT Merchant Bank & Finance Company
Republic Finance & Merchant Bank Limited
(FINCOR)
Scotiastrust & Merchant Bank Trinidad &
Tobago Limited

LIFE INSURANCE COMPANIES

American Life and General Insurance
Co. (Trinidad) Ltd
Banc Assurance Caribbean Limited
*(formerly Crown Life (Caribbean)
Limited - wholly-owned subsidiary
of Guardian Insurance Limited)*
British-American Insurance
Company (Trinidad) Limited
Caribbean Atlantic Life Insurance
Company T & T Limited
*(operations managed by Guardian
Life of the Caribbean Limited)*
Colonial Life Insurance Company
(Trinidad) Limited
Cuna Caribbean Insurance Society
Demerara Life Assurance Company
Goodwill General Insurance Company Ltd.
*(wholly-owned subsidiary of West Indian
Financial & Development Company Limited)*
MEGA Insurance Company of
Trinidad & Tobago Limited
Guardian Life of the Caribbean Ltd.
Life of Barbados Limited
(wholly-owned subsidiary of Sagicor)
Maritime Life (Caribbean) Limited
Nationwide Insurance Co. Ltd.
(wholly-owned subsidiary of Sagicor)
Sagicor (formerly Barbados Mutual Life
Assurance Society - The Mutual)
Tatil Life Insurance Company Ltd.
Winsure Life Insurance Company
*(transferred and assigned to Maritime
Life (Caribbean) Limited)*

The mobilise savings

maximise **investment**

mutual funds **Year premier**

first regional success

always one step **of ahead**

stellar performance

creating **the** wealth

unitholders security

need **Quantum** returns

future objectives step

quantum **Leap** funds

shareholding **democracy** demand