TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION

Partners for Life

TECHNOLOGY Empowering YOU

THE NEXT STEP

ANNUAL REPORT 2019

IF EVERYONE IS MOVING FORWARD, THEN SUCCESS TAKES CARE OF ITSELF.

- HENRY FORD

TECHNOLOGY

Empowering YOU

THE NEXT STEP

OUR WORLD IS CHANGING

From the time you open our doors to the time you leave, we want your customer experience to be one that you share with your family and friends, a relationship in which we are receptive to your needs, one that is like no other. Having a delightful customer experience journey means everything to us. It is central to our organisation's ethos. Our Annual Report's 2019 cover theme, 'Technology Empowering You,' offers a visual insight into that journey and our aspirations for the future.

At a time when companies are investing heavily in new technology, our promise is to keep delighting you, our customers, while never losing sight of the human touch. For over 37 years, our passion is being your ***Partners For Life***, and in this digital age, this is not going to change. In today's changing world, while there are many uncertainties we remain a trusted, solid partner, deeply thankful for your continued loyalty and support.

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TECHNOLOGY EMPOWERING **YOU** THE ***NEXT*** STEP ANNUAL REPORT **2019**

AN INVESTMENT IN KNOWLEDGE ALWAYS PAYS THE BEST INTEREST.
- BENJAMIN FRANKLIN

UTC HIGHLIGHTS*

TT$22.6 Bn
Funds Under Management (FUM) a 4.0% increase over 2018

TT$265.4 Mn
Distribution to Unitholders a 6.5% increase over 2018

TT$9.7 Bn
Aggregate Distribution Payout since 1982 a 3.2% increase over 2018

TT$155.1 Mn
TTDIF Distribution to Unitholders a 14.0% increase over 2018

100
Schools' Investment Games (SIG) number of teams participated a 233.3% increase over 2018

40
SEA Scholarship Programme students enrolled – an 8.1% increase over 2018

527
Total Staff Complement a 0.2% decrease from 2018

894,447
Number of Unitholder Accounts a 1.3% increase over 2018

TT$175 Mn
Reserves – a 2.9% increase over 2018

617,591
Total UTC Unitholders a 0.02% growth in customer base over 2018

*NOTE THAT FIGURES HAVE BEEN ROUNDED OFF TO ONE DECIMAL POINT

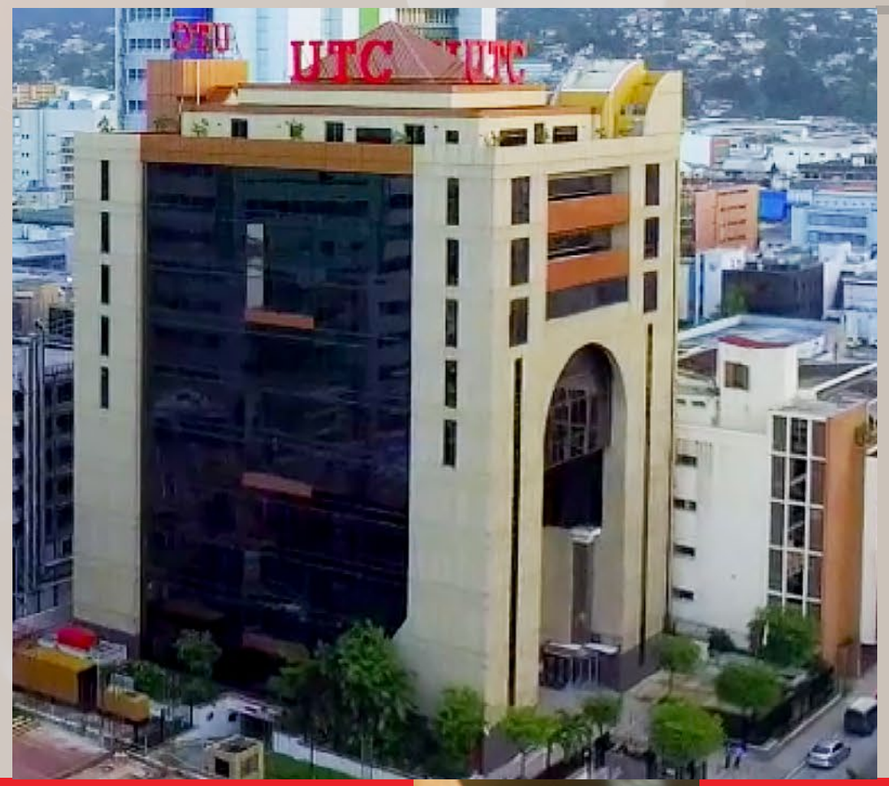
TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION

UTC AT A GLANCE

With nearly every household in Trinidad and Tobago invested with the Unit Trust Corporation (UTC), we are an indigenous institution with a strong foundation, standing side by side with over 617,000 strong Unitholders.

Through prudent advice and judicious fund management, we cater to the diverse needs of individuals, businesses and government institutions. We are focused on helping our investors realise their investment goals by offering investment education and financial advisory services.

With sound portfolio management strategies, we are committed to bringing the best value to our investors.



- Established **1982**
- Designated SIFI* **2013**
- 5 Primary Regulatory Relationships
  CBTT, TTSEC, CIMA, US SEC, TTSE**
- Retained Earnings **$1.5 Bn**
- FUM **$22.6 Bn**
- Market Share **41.2%**

- 9 Mutual Funds
  - TT$ Income Fund
  - US$ Income Fund
  - Growth & Income Fund
  - Universal Retirement Fund
  - Calypso Macro Index Fund
  - UTC Corporate Fund
  - Global Investor Select ETF Fund SP – Conservative
  - Global Investor Select ETF Fund SP – Moderate
  - Global Investor Select ETF Fund SP – Aggressive
- Team Members **527**
- Proudly serving **617,591** Unitholders
- Distribution Channels
  - 9 Investment Centres
  - 11 ATMs
  - U-Online
  - 1 Contact Centre
  - 9 Online Agencies
- Annual Revenue **$1.3 Bn**
- Distribution Payments **$9.7 Bn** (Since 1982)

* Systemically Important Financial Institution

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

OUR COMMITMENT

Mandate

To foster a culture of saving and investment through education and innovative solutions that allow everyone access to the capital markets

Mission

To create and enhance wealth for all by providing innovative investment solutions and world-class customer service

Vision

To be the leader in investment management and wealth creation in the region

CORE VALUES

Integrity
We guide our actions by the principles of trust, honesty, fairness and ethical standards.

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

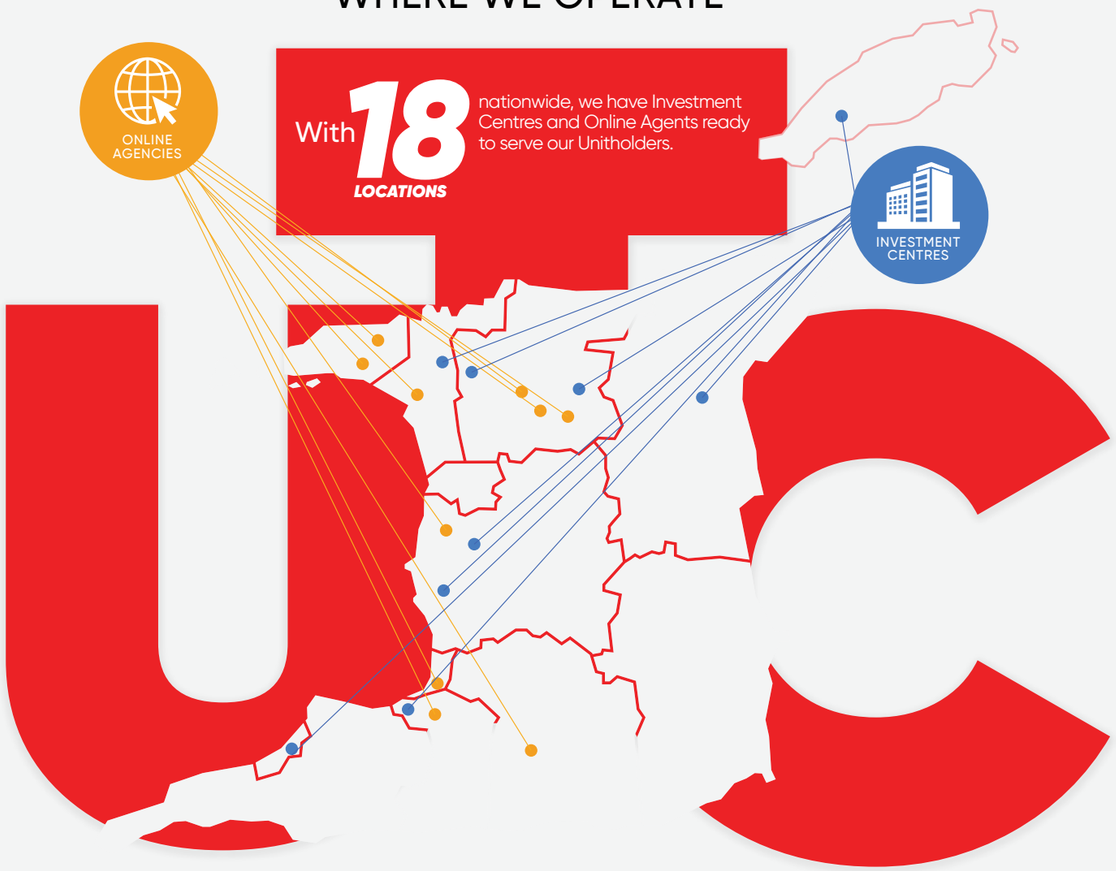
Respect
We treat our Team Members, Unitholders and other stakeholders in a courteous, caring and dignified manner.

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

Performance Excellence
We ignite the passion of our Team Members to deliver value to our Unitholders, achieve organisational sustainability and enhance personal growth and development.

TECHNOLOGY EMPOWERING **YOU** THE ***NEXT*** STEP ANNUAL REPORT **2019**

WHERE WE OPERATE



Arima
Manager: Schubert Andrews
44 Green Street, Arima
Tel: (868) 667-UNIT (8648)
Fax: (868) 667-2586
Open: 8:00 a.m. – 2:30 p.m.

Chaguanas
Manager: Genevieve Dillon
26-28 Endeavour Road,
Chaguanas
Tel: (868) 671-UNIT (8648)
Fax: (868) 671-6581
Open: 8:00 a.m. - 2:30 p.m.

Couva
Manager: Avalone Charles
26 Southern Main Road, Couva
Tel: (868) 636-9871
Fax: (868) 636-4750
Open: 8:00 a.m. – 2:30 p.m.

One Woodbrook Place
Acting Manager: Annissa Alfred-Pierre
Unit 27,
189 Tragarete Road, Port of Spain
Tel: (868) 625-UNIT (8648)
Fax: (868) 628-4879
Open: 10:00 a.m. - 5:00 p.m.

Point Fortin
Manager: Simone Lampkin
13 Handel Road, Point Fortin
Tel: (868) 648-6836
Fax: (868) 648-2997
Open: 8:00 a.m. – 2:30 p.m.

Port of Spain
Manager: Janice Jackman
UTC Financial Centre
82 Independence Square
Port of Spain
Tel: (868) 625-UNIT (8648)
Fax: (868) 624-0819
Open: 8:00 a.m. – 2:30 p.m.

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

Sangre Grande
Manager: Lisa Ganpat
Sinanan Building
2 Eastern Main Road, Sangre Grande
Tel: (868) 691-UNIT (8648) or 668-6475
Fax: (868) 668-3872
Open: 8:00 a.m. – 2:30 p.m.

Tobago
Manager: Andre Clarke
Cor. Main & Castries Streets,
Scarborough, Tobago
Tel: (868) 639-5096/3921
Fax: (868) 660-7730
Open: 8:00 a.m. – 2:30 p.m.

Online Agencies

Eve Financial Services Limited
(Ruben McSween)
UTC Agency – Westmall
Shop 174, The Falls, Westmall,
Western Main Road,
Westmoorings
Tel: (868) 223-9151/9152/9157
Open: Mon - Fri 10:00 a.m. - 5:00 p.m.
Sat 10:00 a.m. - 3:00 p.m.

Eve Financial Services Limited
(Ruben McSween)
UTC Agency – MovieTowne
61 Level 2,
MovieTowne Boulevard,
Invader's Bay,
Audrey Jeffers Highway,
Port of Spain
Tel: (868) 223-6697/6805/6505/6517
Fax: (868) 223-6728
Open: Mon - Fri 10:00 a.m. - 5:00 p.m.

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

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

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

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

Unique Investments Limited
(Samuel Saunders)
UTC Agency – Trincity
Unit B2 15,
Level 2, Trincity Mall, Trincity
Tel/Fax: (868) 640-8589
Open: Mon - Fri 9:00 a.m. - 7:00 p.m.
Sat 10:00 a.m. - 7:00 p.m.

Superior Wealth & Advisory Services Limited
(Ian Narine)
UTC Agency – Penal/Debe
2nd Floor, 216 S.S. Erin Road, Debe
Tel: (868) 647-2721
Open: Mon - Fri 8:00 a.m. - 4:00 p.m.

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

Auditors

LOCAL

The Auditor General of the Republic of Trinidad & Tobago
Level 2-4, Tower C,
Port of Spain International
Waterfront Centre,
1 Wrightson Road,
Port of Spain

Head Internal Audit
Neesa Bally
Chief Internal Auditor

OVERSEAS

Cohen Fund Audit Services Limited
1350 Euclid Avenue, Suite 800,
Cleveland, OH 44115-1877,
United States of America

Robert Milner, CPA
Accell Audit & Compliance PA
4868 West Gandy Boulevard,
Tampa, FL 33611,
United States of America

PricewaterhouseCoopers
18 Forum Lane
Camana Bay,
P.O. Box 258,
Grand Cayman, KY1-1104,
Cayman Islands

Bankers

LOCAL

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

Republic Bank Limited
Promenade Centre,
72 Independence Square,
Port of Spain

RBC Royal Bank (Trinidad & Tobago) Limited
55 Independence Square,
Port of Spain

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

First Citizens Bank Limited
62 Independence Square,
Port of Spain

OVERSEAS

Citibank N.A.
111 Wall Street,
New York, NY 10043,
United States of America

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

Attorneys

LOCAL

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

Mair & Company
50 Richmond Street, Port of Spain

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

Girwar & Deonarine
17-19 Court Street, San Fernando

J.D. Sellier & Company
129-131 Abercromby Street,
Port of Spain

Lex Caribbean
5-7 Sweet Briar Road, St. Clair

Johnson, Camacho & Singh
5th Floor, Newtown Centre,
30-36 Maraval Road, Port of Spain

OVERSEAS

Foley & Lardner
777 East Wisconsin Avenue,
Milwaukee, WI 53202-5367,
United States of America

Campbells
Floor 4, Willow House, Cricket Square,
Grand Cayman, KY1-9010,
Cayman Islands

LEADERSHIP REPORTS

CHAIRMAN'S MESSAGE

Professor
Gerry C. Brooks,
Chairman

Going Beyond the Boundary

Throughout the history of the Unit Trust Corporation, we have always faced adversities with resilience, and this time of global uncertainty is no different. I write to you from my home, adhering to the 'Stay at Home' order and looking at a world that has radically transformed almost overnight.

While the turbulence may be evident, we keep building on our strengths. At UTC, we will emerge from this a stronger company and will continue playing our part as we dedicate our collective intellect, experience and energy for you, our valued Unitholders.

It is an honour to be addressing you as the new Chairman of the Trinidad and Tobago Unit Trust Corporation, an organisation that has built its reputation on being there for our nation, Unitholders and communities in good and challenging times. We continue to display strength in all spheres, including leadership, investment performance, innovation and governance.

On behalf of our Board, I would, therefore, like to graciously thank Mr. Justice Rolston Nelson for his stellar service as Chairman of the UTC over the past two years and for his unstinting dedication and commitment.

We also pay tribute to our long-standing Board Members, Mr. Leonardo Ambrose and Mrs. Helen Drayton whose tenures ended during 2019, as well as Mr. Ruben McSween and Mr. John Tang Nian whose terms ended in 2020. I salute their tremendous contributions over the years and also warmly welcome new members of our Board, Ms. Sharmaine Caballero, Mr. Chip Sa Gomes and Mr. Nicholas Gomez (the latter joined on March 6th, 2020). I look forward to working with them and other members of the Board in this challenging and dynamic environment.

As we continue to focus on delivering exceptional value to our customers, the Unit Trust Corporation is pleased to present the 2019 Annual Report which again reveals solid results and we are delighted that you, our Unitholders, continue to share this journey with us.

At the beginning of 2019, we challenged ourselves to go beyond the expected. We rose to the task and the results are testimony to our hard work and passion for excellence. Moreover, this performance was largely due to the unfailing dedication of our Team Members, who are relentlessly focused on satisfying the investment needs of over 617,000 Unitholders.

Another noteworthy development in 2019 was the deliberate and strategic investment in technology and the enhancement of our digital platforms. These improvements will empower and support our team to deliver a more efficient and personalised customer experience aimed at satisfying the changing needs of our diverse demographic of investors, whilst winning new customer segments.

Further, 2019 represented the second year of our Digital Transformation Plan, which included Technology Integration, Organisational Alignment and a more Targeted Customer Approach. I am pleased to confirm that our investment has already begun to bear fruit. The Automation and Integration systems have been implemented which have helped to streamline our supply chain and financial management processes across the entire organisation.

Additionally, a Digital Strategy Unit has been incorporated and our team has re-engineered how our digital channels were integrated, all to ensure that our customers receive a real-time, accessible and user-friendly digital experience. Soon, you will enjoy the full suite of these technological solutions, some of which include reviewing and managing your investment portfolios and almost immediate access to investment advice from our UTC Team of investment professionals.

Similarly, our Team Members will be able to leverage the improved operational efficiencies that will cascade to all our stakeholders.

All of the foregoing strategic investments have led us to adopt '**Technology Empowering You**' as our main theme for the future. Indeed, this has become one of our strategic imperatives as we focus on investing in technology and our people.

Notwithstanding our technological emphasis, we continue to look for new ways to deliver on our commitment to providing innovative investment solutions to a diverse range of clients. Our Mobile Office and educational seminars are examples of this promise, helping us to share knowledge and investment expertise with thousands of investors across Trinidad and Tobago.

Undoubtedly, a key part of meeting our responsibility to our communities is satisfied through the UTC Foundation, where we aim to transform lives and empower those living in the communities in which we serve. The Foundation focuses on the pillars of Education, Financial Well-Being and Environmental Citizenship.

We remain inspired by the scores of Team Members who volunteered and went beyond our office walls, Creating Shared Value (CSV) and making a meaningful difference to the lives of others in a host of community development and charitable programmes.

Recognising the recent, pervasive impact of COVID-19, and for health and safety reasons, we have moderated our volunteerism efforts while helping our country to return to normalcy as quickly as possible. We look forward to re-engaging colleagues in our communities and to continue the corporate social responsibility and community initiatives we started. The work of the UTC Foundation is fully detailed and can be read on page 48.

UTC's Analyst Games were a proven success for the second year as 936 Unitholders between the ages of 18 to 34 embraced the opportunity to holistically test their investment skills. Vying for the first prize of TT$25,000, the candidates were tested on their ability to construct simulated investment portfolios, media relations and selling skills, as well as their knowledge and handling of national issues. We extend congratulations to Andrew Maharaj who ultimately emerged as the 2019 champion.

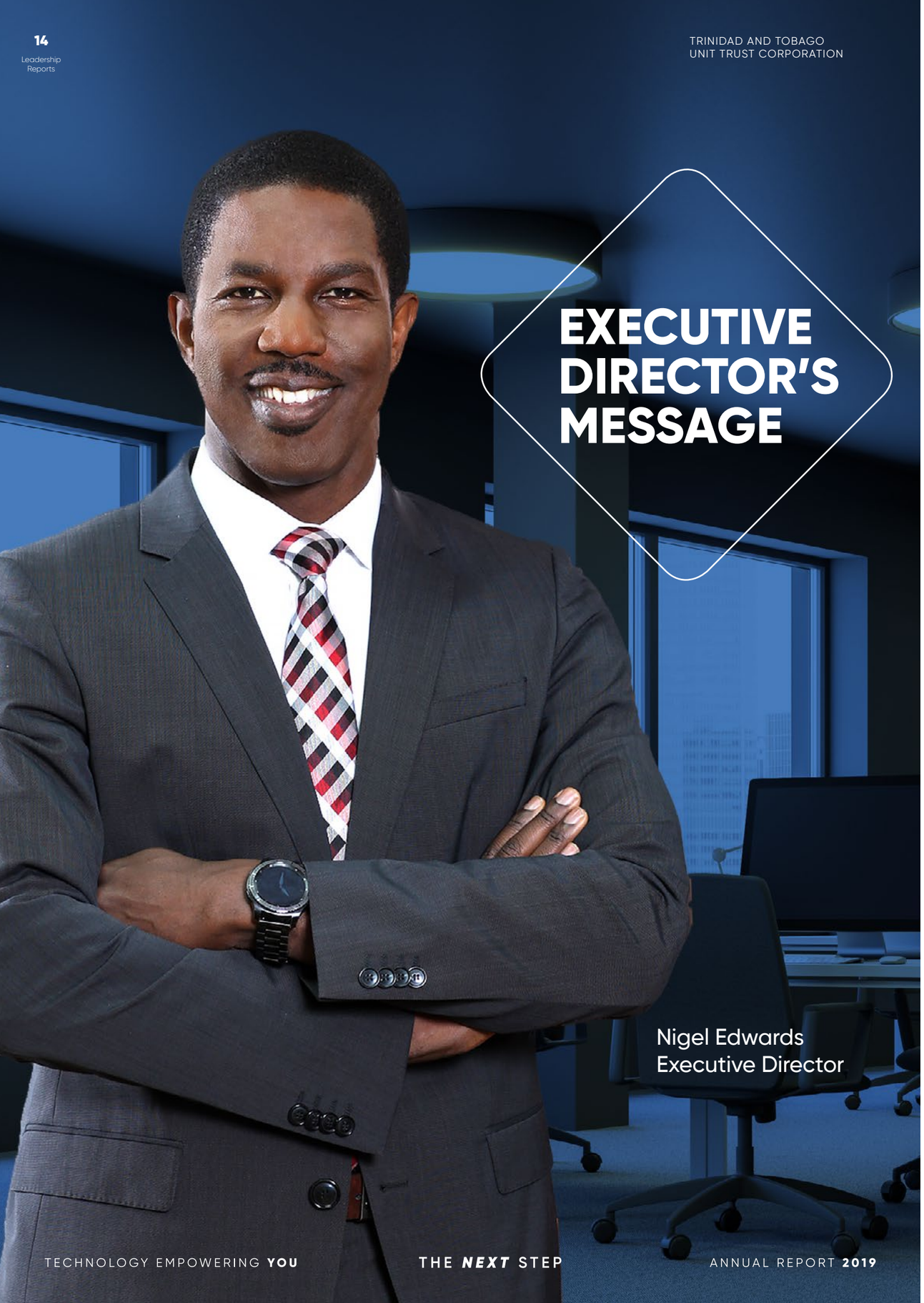
From the Corporation's inception in 1982, the senior leadership has been determined to develop a cadre of skilled and innovative professionals who are resilient and well-positioned to take advantage of opportunities, as well as strategising to mitigate the challenges ahead.

In our dedication to ensuring that our mantra, 'Partners for Life' is embedded in what we do over the long term, the Corporation is committed to building a platform for the future and a business strategy that can weather the unforeseen.

As our Leadership Team navigates the pernicious impact of global market volatility, we have withstood extraordinary challenges in good and bad times. Although challenging, we look to the next year with confidence, not because it is going to be easy but because we are well-prepared for what lies ahead. We thank you for your continued support.

Let us stay safe and embrace the health protocols and guidance as we navigate these uncharted waters.

Professor Gerry C. Brooks
Chairman
27th April 2020



EXECUTIVE DIRECTOR'S MESSAGE

Nigel Edwards
Executive Director

As I prepare this year's annual letter to our Unitholders, the world is confronted with the greatest health challenge of a generation, one that profoundly impacts the global economy and all its citizens.

For Trinidad and Tobago, this unprecedented environment is no different, and while we are part of the global community, the Unit Trust Corporation has built its reputation on being there for our citizens, especially in the most critical times. So, whilst we navigate these uncharted waters, allow me to share our 2019 performance.

I can say that 2019 was a year full of progress. Our performance proved to be a very strong one for the Corporation and I am delighted to share the solid results with our Unitholders.

To underline our 2019 performance, the Corporation's Total Income grew impressively by TT$1 Bn from TT$0.3 Bn in 2018 to TT$1.3 Bn. These are solid results, even in the face of market volatility and challenges, and are a direct result of our commitment to all our investors.

Inclusive of all of our Funds, we generated total Net Income of $1.1 Bn in 2019. In addition, I am pleased to share the following positive results:

- An increase in Total Distributions to Unitholders of TT$16 Mn to **TT$265 Mn**, from TT$249.3 Mn in 2018.
- An improvement in Net Income of TT$134 Mn to **TT$99 Mn**
- Reduction in expenditure of **TT$10 Mn**
- Growth in Total Assets by 3.9%, from TT$22 Bn in 2018 to **TT$22.8 Bn**
- Significantly enhanced cash position of TT$1.2 Bn from TT$2.1 Bn in 2018 to **TT$3.3 Bn**

Additionally, with the continued strengthening of our balance sheet, cash flows and an ongoing focus on cost efficiency, I am encouraged by our direction. However, we are mindful of the global uncertainty at this time and have taken steps to implement strategies to assess and mitigate the impact on our operations in 2020. Our approach is engineered to help preserve your wealth, even in the face of continued unpredictability.

UTC has faced challenges before, but the decisions made will always be in the best interest of our Unitholders.

'Technology Empowering You'

Our numbers and positive performance are just part of the entire picture. As outlined on the cover of our 2019 Annual Report, our theme, '**Technology Empowering You**,' is our vision for the next phase of our growth and how we will position the Corporation.

Over the years, technology has revolutionised our world and daily lives, and has created amazing tools and resources which put useful information at our fingertips. It has paved the way for faster and more powerful computers and multifunctional devices like smartwatches and smartphones. Our intention is to capitalise on the use of such devices to make your experience with us even more convenient and enjoyable.

It is increasingly clear that rapid change and unpredictability will be part of our future landscape and we are experiencing firsthand how this can impact both the geopolitical and socio-economic terrain around us. One of the major factors that can help us adapt and safely navigate the turbulence is the judicious use of technology to meet your future needs and that of over 617,000 Unitholders, entrepreneurs and businesses that we serve. We are expanding our technological capabilities to better serve you.

We remain committed to our mandate of fostering a culture of saving and investment through education and innovative solutions, while still embracing these changes and focusing ahead on our long-term strategic objectives.

Additionally, what matters most in this new reality is simplicity, ease of access, transparency and value. We want our customers to be our advocates as we embrace this new era.

Embracing technology as a strategic imperative

Our approach to the digital transformation thrust is holistic. At the foundational level, it involves a shift in our Team's mindset through the utilisation of technology to reduce our operating costs, increase operational efficiencies and provide a more meaningful customer experience.

As such, in 2018, we decided to actively engage in a three-pronged approach to develop our Digital Transformation Plan of Technology Integration, Organisational Alignment and a more Targeted Customer Approach. Then, in 2019, part of this fundamental shift involved substantial investments in technological upgrades which have yielded multiple value-creating benefits to our investment portfolio including:

- supporting the optimisation of our processes;
- enhancing the customer experience; and
- empowering all stakeholder relationships.

Further, in 2019, we completed a seamless technological upgrade that fully automated and integrated our supply chain and financial management systems. This online system, built upon Microsoft Dynamics 365 (D365), now allows for the accurate tracking of large-scale purchases so that we can leverage volume discounts in the form of lower unit prices, volume rebates and payment term discounts. Additionally, this initiative ensures a more comprehensive and centralised electronic filing system. Utilising the successful framework of D365, our organisation will be working towards reducing all manual processes and creating a paperless environment.

We also introduced a Digital Strategy Unit, re-engineered our website, and upgraded social media platforms to ensure our Unitholders receive an informative, accessible and user-friendly digital experience. The goal is to partner with you, our investors, and to help guide your everyday investment decisions.

This underscores our Customer Value Proposition, that as your 'Partners for Life', we promise to harness the technology that will empower you and the decisions you make. This is what matters most to us as we continue to build the Corporation to be a leader in the dynamic digital financial landscape.

Going forward in 2020, we will assess our growth opportunities, especially those that align strongly with our strategic objectives and broaden or deepen our capabilities. This is not only from a technological perspective but also relative to our products and services. An example of this is the Growth and Income Fund (GIF). After 37 years, the success of the GIF has surpassed our original expectations and many people are now responsible investors. Indeed the fledgling market into which the GIF was created is now far more mature, with a multiplicity of sophisticated investment options. Since the GIF was created, over TT$2 Bn in distribution payments have been made to Unitholders, together with an annualised rate of return of 6.93%. This strong performance is independent of the price guarantee. This Fund has truly come of age.

CariCRIS reaffirms UTC's High Corporate Credit Rating

In 2019, Caribbean Information and Credit Services Ltd (CariCRIS), the respected Caribbean regional rating agency, once again, gave the Corporation a stellar rating for its performance and astute investment management.

Arising from our healthy investment returns, good asset quality investment portfolio and dominant market share, CariCRIS has reaffirmed the High Corporate Credit Rating to the Corporation.

Additionally, this rating referenced our solid risk management practices and robust operating efficiencies due to the improvements in our information systems infrastructure.

It is the second consecutive year that CariCRIS has assigned UTC foreign and local currency ratings of *Cari*AA on the regional scale and *tt*AA on the national scale. These ratings affirmed the Corporation's high level of creditworthiness compared to other companies in Trinidad and Tobago and the wider Caribbean.

According to CariCRIS, 'the ratings of the Corporation reflect the importance of the mutual fund industry to the Trinidad and Tobago economy, as well as UTC's dominant market position as the largest mutual funds provider in T&T.'

These ratings are the result of the hard work of our Team Members. Their dedication is what makes the UTC what it is — one of the best-performing institutions in the financial sector. It is a testament to our drive for excellence.

As the Corporation navigates these unprecedented times, UTC's priority as one of the largest and most trusted financial service providers in Trinidad and Tobago continues to be our commitment to meeting our Unitholders' investing needs.

Engaging our customers through our communities

I am truly inspired by the host of innovative ideas that came from our creative Team Members. We continue to generate stakeholder initiatives that expanded the national ethos of saving and investing. One such initiative was the launch of the UTC Mobile Office.

At the UTC, customer satisfaction and community partnership have always been our priority and that mindset is embedded in our company's culture. Our goal is to ensure our customers always have a positive experience. In 1982, when the Unit Trust Corporation opened its doors, that itself was a groundbreaking initiative, but over the last 37 years, we have been able to mobilise savings across the country and channel them into financial successes.

Over the years, we have been meeting your investment needs through the Investment Centres, Advisory Services and our Agencies, and in so doing, we have transformed the financial services landscape. But we felt the need to further strengthen the relationships and our investment footprint in rural communities.

Therefore, as part of our mandate 'to encourage and mobilise savings in the communities we serve', we recognised that a mobile auto option was required, offering the same personalised investment guidance wrapped in world-class customer service that our investors have become accustomed to.

In June 2019, as part of our objective to reach out and connect with our Unitholders, we proudly launched our first Mobile Office in Mayaro. With over 600 customer visits, our Mobile Office Team awakened the financial possibilities for members of those communities. You can open accounts, update your information, make deposits using Linx or cheque, and register for U-Online, Card and ACH services. This is our way of making your financial goals a reality.

The results of our rural outreach have been incredibly gratifying. We engaged the communities of Siparia and Rio Claro. We took residence in Mayaro, and Diego Martin, and at the Divali Nagar site at Chaguanas.

Then in October 2019, to satisfy our objective to connect with our Unitholders both in Trinidad and Tobago, we launched the Tobago Mobile Office. We were boosted by the warmth and hospitality of Tobagonians and look forward to making our financial savings and investment services available at popular cultural events.

UTC Foundation — We lift our communities

We recognise that the responsibility to our Unitholders is complemented by the responsibility to our society at large. In our journey towards

Creating Shared Value (CSV) for those living in the communities in which we serve to bring about short and long-term systemic change, the UTC Foundation continues to invest in three key pillars: Education, Financial Well-Being and Environmental Citizenship.

It is our way of holding ourselves accountable to our social mandates to make a difference in the lives of the people we serve and to bring value in all the decisions we make. (See page 48 for more on the work of the Foundation.)

As an organisation that is always working towards a 'greener' work environment and reducing our carbon footprint, we have been focused on driving online solutions throughout the organisation and creating a paperless workplace.

We know we play an influential role in shaping the conversation on sustainable development, and we will continue to explore ways to forge ahead and amplify our social connections.

Meeting Team Members' needs

Innovation is an integral part of the Corporation's value proposition and it's embedded in our Team's DNA. Established in 2018, the UTC Love Account was a response to a severe flooding event that adversely impacted several of our Team Members that year. In most instances, catastrophic events of this nature confront victims with an acute measure of trauma and prolonged financial strain.

While the Love Account served to reduce the effects of the flooding, we acknowledge that there are a host of other events that can be categorised as traumatic. Consequently, in 2019, we gave additional structure and support to broaden the scope and streamlined the operations of the Love Account.

Another innovative initiative that took root was 'Project Bloom', a UTC Newsletter for Children. Our research revealed that only one in three adults globally is financially literate and this is often extended to the children, dependents or any child under the care of an adult.

Further, because understanding the basics of making prudent financial decisions is so challenging, this project was undertaken to provide young adults with a financial literacy foundation, thereby fulfilling our promise to a younger generation.

Such innovation is an inspiration to all of us, and despite the environment, we will continue to harness this potential.

Team Members' appreciation

Our results are due, in no small part, to the passion of our dedicated Team Members to provide seamless, world-class service. Collectively, we welcomed the digital agenda that will enhance and broaden product offerings and drive efficient service to our Unitholders across the country.

Without the support of my Team Members, we would not have achieved what we did. I am thrilled to have a team that rises to the occasion every time. It is their hard work, ability to adapt to the changing environment and dedication that have enabled us to deliver such strong results in 2019. Our people are our most important resource, and we remain an employer of choice in a competitive working environment.

Going forward

It is remarkable how much we have accomplished over the past 37 years, not only in terms of financial performance but in our steadfast dedication to meet our customers' needs and serve our communities. I can proudly say that we are positioned for the future!

Our values, purpose and strategy have been foundational to our success and they will be instrumental as we continue to build a world-class financial services provider. As the leading and most trusted financial institution in the country, the Unit Trust Corporation continues to build on a legacy of financial stability and exceptional customer service.

Let me take this opportunity to welcome our new Chairman to the Board, Professor Gerry C. Brooks, whose experience will complement the energy and talent of the current Board. I look forward to working with him in the future.

In closing, on behalf of the Management and Team Members of the UTC, I would like to thank you, our Unitholders, for your continued loyalty, trust and support over the years, and I look forward to continuing our successes in the future.

For all our progress and success, there is still more to do.

Nigel Edwards
Executive Director
27th April 2020

Value Through Innovative Business

OUR VALUE CREATION PROCESS IS DRIVEN BY A CLEAR UNDERSTANDING OF WHAT OUR STAKEHOLDERS WANT AND VALUE, PARTICULARLY YOU, OUR UNITHOLDERS.

As such, we continuously assess our business opportunities, risks and operating environment, and engage strategies to deliver the appropriate mix of products and services that yield the greatest economic value.

INPUTS

RISK AND OPPORTUNITIES

UTC'S STOCKS OF VALUE

Intellectual
- Effective Governance Practices
- Strong Brand Image and Reputation
- Asset Management Expertise

Financial
- Strong Capital Base
- Dominant Market Share
- Funds Under Management
- Primary Income (Management Charge)
- Astute Cost Management

Human
- Experienced, Ethical Leadership
- Employer of Choice (Top Talent)
- Committed and Skilled Workforce

PERFORMANCE

Manufactured
- Reliable IT Systems/Infrastructure
- Wide Distribution Network
- Multichannel Access

Social Relationship
- Shared Value Investments
- Network of Strategic Partners
- Quality Customer/Stakeholder Engagement and Service Delivery

Natural
- Compliant with Occupational Safety and Health Regulations
- Support for Environmental Initiatives (Recycling, Waste Management)

LEADING
INNOVATION
DRIVING VALUE

MANDATE | MISSION | VISION

BUSINESS MODEL

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

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

External Environment

OUR KEY RELATIONSHIPS (see page 46)

Team Members | Unitholders | Regulators | Strategic Partners | Society

OUTCOMES

STRATEGY AND RESOURCE ALLOCATION

VALUE CREATION FOR UTC'S STAKEHOLDERS

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

Financial
- Sustainable Profitability
- Capital Adequacy
- Sufficient Cash Flow for Operations
- Cost-efficient Operations

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

OUTLOOK

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

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

Natural
- Safe and Healthy Workplaces
- Green Operations (Environmentally Friendly)

TECHNOLOGY EMPOWERING **YOU** THE ***NEXT*** STEP ANNUAL REPORT **2019**

PERFORMANCE REPORTS

CHIEF FINANCIAL OFFICER'S REPORT

Dear Fellow Unitholders,

Before describing the Group's financial performance, it may be useful to appreciate two important factors that impacted its financial performance:

- New International Financial Reporting Standards (IFRS)
- Mark-to-market Accounting

New International Financial Reporting Standards

One new International Financial Reporting Standard (IFRS) became effective from 1 January 2019 and was adopted by the Group – IFRS 16 *Leases* – which replaced IAS 17 *Leases*. A lease is a contractual arrangement requiring a user (referred to as the lessee) to pay the owner (referred to as the lessor) for use of an asset. IFRS 16 did not materially change the accounting by lessors. The Group rents certain office space that it owns (the Group is the lessor) to third parties and these transactions were accounted for in a similar manner in both 2019 and 2018.

The accounting by lessees (the users) has, however, changed under IFRS 16. As permitted by the IFRS, the Group adopted the new treatment from 2019 and did not restate the prior periods (2018 and earlier). As a result, in 2018, the Group treated lease payments (e.g., for photocopiers) as an expense when the payment was made. In 2019, the Group applied the requirements of IFRS 16, which in principle, views the lease arrangement as a loan obtained to acquire the use of an asset.

As a result, the Group's Consolidated Statement of Financial Position has two new line items:
- Right-of-use assets
- Lease liabilities

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. Over the lease term, the lease liability is increased by an amount to reflect interest on the lease liability (recognised as a Finance Charge in the Consolidated Statement of Profit or Loss) and reduced by periodic lease payments.

Further information can be found in Note 2b(i) of the Consolidated Financial Statements.

Mark-to-market Accounting

As a reminder, the Group adopted IFRS 9 *Financial Instruments* in 2018, which required a fundamentally different approach to the accounting for the Group's investments. The IFRS requires that the accounting treatment reflect the Group's business activities, referred to as its business model. The nature of the Group's business is that Unitholders are able to redeem their units within established parameters in each Fund, and as such, each Fund's assets could be sold at market prices to pay for the redemptions. As a result, the most appropriate carrying value for each Fund's investments is fair value, which means the market price for each instrument at the reporting date (an approach sometimes referred to as mark-to-market accounting). When prices change and investment values adjust, based on the business model adopted by the Corporation, the IFRS requires that these changes be recognised in the Group's Consolidated Statement of Profit or Loss.

The important point to note is that market prices continuously fluctuate. Various factors can contribute to price movements, which could result in large favourable or unfavourable impacts on the Group's Consolidated Statement of Profit or Loss through the line item 'Net Change in Fair Value on Investment Securities'. In 2019, this line item was favourable – a gain of TT$640 Mn – while in 2018, the line item recorded a loss of TT$373 Mn. It is impossible to predict the outcome of 2020 and beyond.

While these movements can be unnerving, your investment portfolios are managed by a team of professionals who are trained to look beyond short-term market fluctuations and instead determine whether an investment has value over the long term. Unitholders should therefore try not to be swayed by short-term movements but are encouraged to view the performance of their portfolios over time.

The Group's investment performance and strategy are described extensively in the Chief Investment Officer's Report.

With this background, we will briefly review the Group's 2019 financial performance. At the close of 2019, the Corporation controlled nine entities.

PERFORMANCE REVIEW

Consolidated Statement of Financial Position

The Group's Total Assets grew 3.9%, moving from TT$22 Bn to TT$22.8 Bn, while its cash position ended at TT$3.3 Bn, an increase of TT$1.2 Bn, as the Group accumulated cash to execute certain investment strategies between the end of 2019 and the first quarter of 2020. The build-up of cash was the principal factor for the decrease in investment securities of TT$0.4 Bn.

The Price Guarantee Provision decreased to TT$3 Mn against the backdrop of buoyant equity markets during 2019. The Plan guarantees that any units purchased in the Growth and Income Fund (GIF) and held for a minimum of three years may be redeemed for no less than the purchase price of those units. An inverse relationship exists between the net asset value (NAV) of the GIF and the guarantee liability. The Fund's NAV increased by TT$1.40 to end the year at TT$18.63 (representing a gain of 8.1%), which accounted for the drop in the guarantee liability.

The new line items in the Consolidated Statement of Financial Position, as a consequence of the initial application of IFRS 16 *Leases*, were explained at the beginning of this report.

Consolidated Statement of Profit or Loss

Total income earned by the Group for 2019 was TT$1.3 Bn, an increase of TT$1.0 Bn over 2018. The principal driver was the swing in Net Change in Fair Value on Investment Securities from a loss of TT$373 Mn in 2018 to a gain of TT$640 Mn in 2019.

The Group's Net Income improved to TT$99 Mn in 2019 compared to a loss of TT$35 Mn in 2018. Several factors contributed to this improvement:
- Fair value losses on certain investments in 2018 did not repeat in 2019
- The reduction in the Price Guarantee Provision resulted in income of TT$22 Mn in 2019
- The net loss of TT$35 Mn on liquidation of the North American Fund was a non-repeating event in 2018
- Total expenses declined by TT$10 Mn

The Group's focus on enhancing Unitholders' wealth and providing competitive returns led to increased distribution payments of TT$16 Mn. Total Distribution to Unitholders was TT$265 Mn.

THE FUTURE

The Group remains committed to creating value for its Unitholders and is unwavering in pursuing our mandate of ensuring financial strength and operational efficiency, regardless of economic environments.

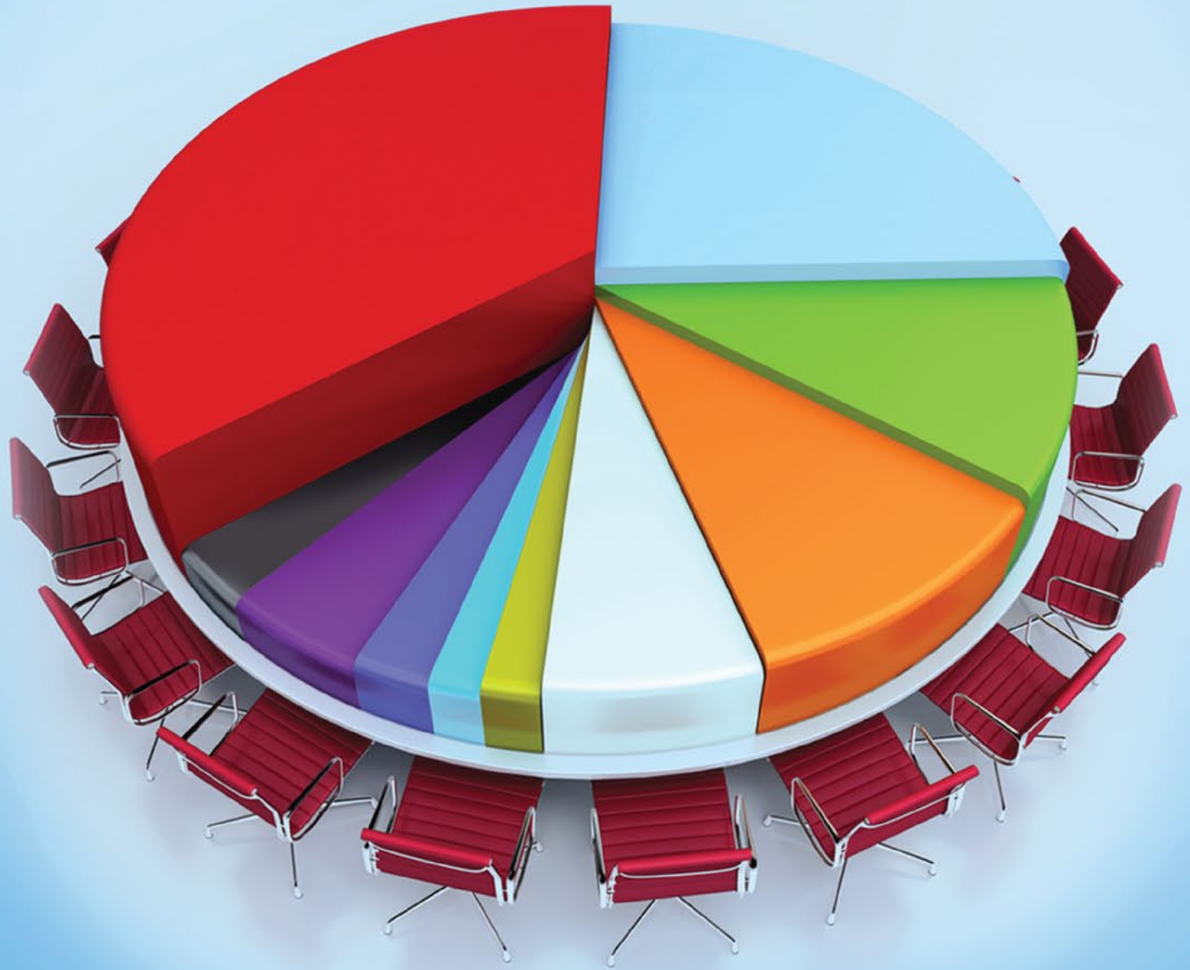
Kerri Maharaj
Chief Financial Officer
27th April 2020

CHIEF INVESTMENT OFFICER'S REPORT

Dear Fellow Unitholders,

The Unit Trust Corporation delivered significantly improved returns to its Unitholders in 2019, despite a host of newly emerging geopolitical risks, as well as lingering uncertainties in the global economic and financial environment carried over from the previous year.

The Corporation's Mutual Funds performed remarkably well in 2019, with many of our Funds generating the highest level of returns in over a decade.



ECONOMIC AND CAPITAL MARKET REVIEW

Global

Heightened uncertainties and volatility dominated the global capital markets over most of 2019. Trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies weighed heavily on global economic activity in the second half of 2019, particularly in terms of manufacturing and trade. By the end of the year, however, most of these uncertainties receded, providing some impetus to the financial markets. The reduced uncertainties stemmed from: tentative signs that both manufacturing activity and international trade were bottoming out; a general return to more accommodative monetary policies by the world's central banks; signs of a potential resolution to the ongoing trade impasse between the U.S. and China; and the dissipation of 'No-Deal' Brexit-related fears that characterised most of 2019 following the landslide electoral victory by the UK's Conservative Party.

Given this cauldron of market-influencing political and economic factors, the UTC adopted a very agile approach to its strategic asset allocations, particularly for the international equity components of its Funds, using a blend of fundamental, quantitative and technical analysis. At the UTC, we continually work towards finding increasingly effective ways to enhance Unitholder returns, while maintaining an acceptable level of risk. In so doing, we have ensured consistency with our overarching twin objectives of capital preservation and enhanced investment returns for our Unitholders.

The International Monetary Fund (IMF) reports that global growth is estimated to have decelerated to 2.9% in 2019 from 3.6% in 2018. The slowdown was broad-based, occurring across the major advanced economies, as well as emerging market and developing economies, which grew by 1.7% and 3.7% in 2019 respectively, compared to 2.2% and 4.5% in 2018.

The IMF estimates United States (U.S.) real gross domestic product (GDP) growth for 2019 of 2.3%, down from 2.9% a year earlier. The U.S. Federal Reserve Open Market Committee (FOMC) met on December 10th-11th and maintained the federal fund's target range of 1.50-1.75%. The IMF estimates the United Kingdom's (UK) economic growth at

TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION

1.3% in 2019. Real GDP growth slowed to 1.1% in the third quarter of 2019 in the UK, from 1.2% in the second quarter amid weaker global growth and heightened Brexit-related uncertainties which both weighed on consumer spending. The IMF estimates economic growth for the Euro Area at 1.2% in 2019. Economic activity in the Euro Area continues to be subdued with real GDP growth confirmed at 1.2% year-on-year at the end of the third quarter of 2019, unchanged from the previous quarter. The Chinese economy grew by an estimated 6.0% in the fourth quarter of 2019, unchanged from the previous quarter, amid persistent trade pressure from the U.S. and sluggish domestic and overseas demand for goods and services. This marks the slowest pace of growth recorded since the first quarter of 1992. The IMF estimates Chinese economic growth for 2019 at 6.1%.

The global equity markets performed well, evidenced by a 25.2% price return on the MSCI World Index and a 28.9% return on the U.S. S&P 500 Index in 2019. U.S. stock market volatility declined significantly in 2019 with the VIX* falling to 13.8 by the end of 2019 from 25.4 at the end of 2018.

Global fixed-income markets benefitted from the broad-based switch to more accommodative monetary policies by many of the world's central banks which exerted downward pressure on global bond yields, and favourably impacted fixed-income portfolio valuations. The de-escalation of trade tensions between the U.S. and China towards the year's end, coupled with weak global Purchasing Managers' Indices (PMIs) and benign inflation, all contributed to the conducive fixed-income environment. These factors contributed to the return of 6.8% for the Barclay's Global Aggregate Index (LEGATRUU) in 2019.

*The Volatility Index (VIX) is a real-time market index representing the market's expectations for volatility over the coming 30 days. The VIX is often referred to as the 'fear gauge' of the financial markets. As an example, in October 2008 during the height of the Global Financial Crisis, the VIX measured 89.5, exemplifying the high level of expected volatility in the financial markets at that time.

Regional

According to the Economic Commission for Latin America and the Caribbean (ECLAC), economic growth for the Caribbean region is expected to measure 1.4% in 2019. The region's commodity exporters are estimated to have grown by 0.9% in 2019 following 0.6% growth in 2018. In contrast, the service-based economies are estimated to have grown by 1.4% in 2019 following 1.8% growth in 2018.

In the third quarter of 2019, the Jamaican economy grew by 0.6% on a year-over-year basis, due primarily to a 1.2% improvement in the services industries which was partially offset by a 1.0% contraction in the goods-producing industries. The total number of visitor arrivals declined by 2.0% in 2019 to 4.2 Mn from 4.3 Mn in 2018 as a result of a 15.9% decrease in cruise passenger arrivals. In November 2019, the IMF concluded its sixth and final review of Jamaica under a three (3)-year Standby Arrangement (SBA). This ended 6.5 years of economic reforms and monitoring under IMF-supported programmes which were key to enhancing the country's economic health and long-term financial stability. Over the duration of the programme, Jamaica's gross debt-to-GDP ratio fell from over 135% to an estimated 93.5% by the end of 2019. In September 2019, Standard & Poor's raised Jamaica's sovereign foreign currency credit rating by 1 notch to B+ from B previously. Moody's also upgraded its long-term foreign currency sovereign credit ratings on Jamaica to B2 from B3 with a stable outlook. ECLAC estimates Jamaica's real GDP growth for 2019 at 1.7%, unchanged from 2018.

In Barbados, the Central Bank of Barbados (CBB) estimates that real GDP contracted by 0.1% in 2019, notwithstanding initial indications of a modest recovery in the second half of the year. A 2.9%

expansion in tourism output helped to offset a 6.4% and 3.4% reduction in output from agriculture and manufacturing respectively, resulting in an overall 0.8% growth in the tradeable sector. Lower output from construction; electricity, gas and water; and government which experienced declines of 4.7%, 1.1% and 1.0% respectively drove an overall 0.4% contraction in the non-tradeable sector. The country's debt-to-GDP ratio improved to 119.5% by the end of 2019, compared to 126.5% at the end of 2018. On December 16th 2019, the Executive Board of the International Monetary Fund concluded the Article IV consultation and its second review of Barbados' economic reform programme supported by an arrangement under the Extended Fund Facility (EFF). In December 2019, Standard & Poor's raised Barbados' long-term foreign currency sovereign credit ratings by 6 notches to B- from Selective Default (SD) with a stable outlook following the successful completion of the country's US Dollar debt restructuring. ECLAC estimates zero real GDP growth in Barbados during 2019 following a 0.6% contraction in 2018.

Local

According to the Central Bank of Trinidad and Tobago (CBTT), the domestic economy grew by 0.9% in the third quarter of 2019 on a year-over-year basis following contractions of 3.2% and 3.8% in the first and second quarters respectively. Output from the energy sector grew by a marginal 0.1% in the third quarter of 2019, while non-energy sector output experienced a 1.5% expansion. Crude oil production continued its secular decline, falling by 7.3% in the third quarter of 2019 and reflected the adverse impact of maturing oil fields on the country's production capacity. In contrast, natural gas production improved by 3.7% despite maintenance shutdowns at two large natural gas platforms during the third quarter of 2019. The average price for West Texas Intermediate (WTI) Crude Oil decreased to US$56.74 per barrel in 2019 from US$65.06 in 2018, while Henry Hub Natural Gas prices averaged US$2.59 per MMBtu in 2019 compared to US$3.15 per MMBtu one year earlier.

Preliminary data suggests that there was modest growth in the non-energy sector in the third quarter of 2019 as the wholesale and retail, and finance and insurance sectors grew by 2.3% and 4.3% respectively. Further, a 2.8% rise in local cement sales is suggestive of increased output from the construction sector in the third quarter of 2019, while there was a 0.9% decline in manufacturing output.

The CBTT maintained the repo rate at 5.0% throughout 2019; the rate has been held at this level since June 2018. Inflationary conditions remained subdued in 2019 as headline inflation slowed to 0.4%, down from 1.0% in 2018. Further, the unemployment rate remained unchanged on a quarter-over-quarter basis at 3.8% in the second quarter of 2018, compared to 4.4% by the end of the fourth quarter of 2017. The net public sector debt-to-GDP ratio climbed to 65.5% by the end of 2019 from 61.9% one year ago.

The Trinidad and Tobago Composite Index gained 12.7% in 2019. Local (Trinidad and Tobago) stocks advanced by 9.6%, whereas cross-listed stocks advanced by 19.0%. The top three price increases during the year were recorded by LJ Williams Limited B (LJWB), JMMB Group Limited (JMMBGL) and Grace Kennedy Limited (GKC) with annual price increases of 55.6%, 31.9% and 26.6% respectively. The top three declines were recorded by Guardian Media Limited (GML), National Enterprises Limited (NEL) and Trinidad Cement Limited (TCL) with yearly declines of 50.0%, 38.9% and 36.5% respectively.

Fund Performance Review

The nine (9) Funds under review are:

1. **TT Dollar Income Fund (TTDIF)**
2. **US Dollar Income Fund (USDIF)**
3. **Growth & Income Fund (GIF)**
4. **The Universal Retirement Fund (URF)**
5. **Calypso Macro Index Fund (CALYP)**
6. **UTC Corporate Fund (UCF)**
7. **Global Investor Select ETF Funds: Aggressive**
8. **Global Investor Select ETF Funds: Moderate**
9. **Global Investor Select ETF Funds: Conservative**

All UTC Funds which are measured by benchmark performance, outperformed their respective benchmarks in 2019: the TT Dollar Income Fund; the US Dollar Income Fund; the Growth & Income Fund; and the Universal Retirement Fund.

Additionally, our other five Funds all generated positive net returns in 2019.

For the year ended December 31, 2019, the UTC experienced a 3.7% growth in the aggregate fund size of our Mutual Funds to TT$21.2 Bn compared to TT$20.4 Bn at year-end 2018.

TT DOLLAR INCOME FUND (2019)

FUND SIZE AS AT DECEMBER 31, 2019:
TT$11.6 Bn

- Grew by 3.4% from TT$11.2 Bn to TT$11.6 Bn.
- Total income rose from TT$257.5 Mn in 2018 to TT$445.9 Mn in 2019. The Fund benefitted from a decline in international bond yields, which in turn gave rise to higher fixed-income valuations, as well as from additional income earned by investing the surplus cash balances in higher-yielding short-term securities.
- Enhanced the overall reserves position with a further TT$0.7 Mn allocation to fund reserves during the year. The allocation plus income generated on the reserve balances increased the aggregate fund reserves to TT$77.4 Mn by the end of 2019.
- Paid distributions to Unitholders in 2019 totalling TT$155.1 Mn, up 14.0% from the 2018 distribution of TT$136.0 Mn and resulting in an improved net return to Unitholders of 1.39% for 2019 compared to 1.30% in the previous year.

US DOLLAR INCOME FUND (2019)

FUND SIZE AS AT DECEMBER 31, 2019:
US$582.4 Mn

- Total income increased from US$2.6 Mn in 2018 to US$32.8 Mn in 2019.
- Aggregate fund reserves were strengthened to US$14.4 Mn from US$13.9 Mn previously, representing a 3.2% increase.
- Distributed a total of US$5.7 Mn to Unitholders in 2019, up 36% from the 2018 distribution of US$4.2 Mn.
- Improved net return to Unitholders of 0.99% in 2019 compared to 0.90% in 2018.

GROWTH & INCOME FUND (2019)

FUND SIZE AS AT DECEMBER 31, 2019:
TT$5.4 Bn

- The Fund generated a net return to Unitholders of 10.0% in 2019 compared to a 0.9% return produced in the prior year.
- Fund size of TT$5.4 Bn at the end of 2019, reflecting a 9.7% growth.
- Unit bid price appreciated to TT$18.68 per unit at the end of 2019 from TT$17.33 per unit at the end of 2018*.
- Recorded total income of TT$583.5 Mn in 2019 compared to TT$85.8 Mn in 2018, reflecting a 580.0% improvement in total income earned.
- Distributed a total of TT$71.7 Mn to Unitholders compared to the 2018 distribution of TT$78.7 Mn, representing an 8.9% decline given that the largest component of fund performance in 2019 was generated through capital appreciation as opposed to dividend earnings and interest received.

UNIVERSAL RETIREMENT FUND (2019)

FUND SIZE AS AT DECEMBER 31, 2019:
TT$346.5 Mn

- Generated a net return of 10.8% compared to the 2018 return of negative 1.82%.
- Unit Net Asset Value (NAV) appreciated to TT$48.52 per unit from TT$43.81 per unit as at year-end 2018*.
- Improved total income by 2,593.8% from TT$1.5 Mn to TT$39.6 Mn in 2019.
- Fund size grew by 16.6% from TT$297.3 Mn to TT$346.5 Mn.

*End of Year Published Net Asset Value (NAV).

CALYPSO MACRO INDEX FUND (2019)

VALUE OF PORTFOLIO ASSETS AS AT DECEMBER 31, 2019:

TT$517.0 Mn

- Aggregate value of portfolio assets increased by 9.2% from TT$473.6 Mn to TT$517.0 Mn.
- Unit Net Asset Value (NAV) appreciated to TT$25.50 per share in 2019 from TT$23.44 per share at year-end 2018*.
- The average TT$:US$ foreign exchange rate depreciated from $6.78 to $6.77 over the period under review. This resulted in a slightly negative impact on overall fund value.
- The Trinidad and Tobago Stock Exchange (TTSE) stock price appreciated to TT$15.75 by the end of 2019 from TT$15.00 at year-end 2018, representing a 5% improvement.
- The discount to the NAV stood at 38.2% by the end of 2019.
- Total distributions rose by 12.3% to $12.9 Mn in 2019 compared to $11.5 Mn in 2018.
- Net return to Unitholders of 11.6% in 2019 (inclusive of distributions paid and net of management charge and other Fund expenses).

UTC CORPORATE FUND (2019)

FUND SIZE AS AT DECEMBER 31, 2019:

TT$22.6 Mn

- The Fund was reactivated on December 1st 2019 and features a fixed price of $100.00 per unit.
- The Fund generated a net return to Unitholders of 0.60% in 2019.
- Fund size grew by 334.2% to TT$22.6 Mn at the end of 2019 from TT$5.2 Mn at the end of 2018.
- Recorded total income of TT$0.13 Mn compared to TT$0.12 Mn, reflecting an 8.3% improvement.
- Distributed a total of TT$0.04 Mn to Unitholders in 2019.

GLOBAL INVESTOR SELECT ETF FUNDS-AGGRESSIVE (2019)

FUND SIZE AS AT DECEMBER 31, 2019:

US$1.2 Mn

- Initial seed capital invested by the UTC of US$750,000.
- Fund size grew by 38.0% from US$0.8 Mn to US$1.2 Mn, bolstered by net sales during the year of US$0.3 Mn.
- Net Asset Value (NAV) per unit of US$20.50*.
- Total income of US$0.08 Mn in 2019.
- Generated a net return to Unitholders of 4.3% in 2019.

GLOBAL INVESTOR SELECT ETF FUNDS-MODERATE (2019)

FUND SIZE AS AT DECEMBER 31, 2019:

US$1.5 Mn

- Initial seed capital invested by the UTC of US$750,000.
- Fund size grew by 70.3% from US$0.9 Mn to US$1.5 Mn, bolstered by net sales during the year of US$0.5 Mn.
- Net Asset Value (NAV) per unit of US$20.62*.
- Total income of US$0.1 Mn in 2019.
- Generated a net return to Unitholders of 4.4% in 2019.

GLOBAL INVESTOR SELECT ETF FUNDS-CONSERVATIVE (2019)

FUND SIZE AS AT DECEMBER 31, 2019:

US$1.2 Mn

- Initial seed capital invested by the UTC of US$750,000.
- Fund size grew by 38.2% from US$0.8 Mn to US$1.2 Mn, bolstered by net sales during the year of US$0.3 Mn.
- Net Asset Value (NAV) per unit of US$20.70*.
- Total income of US$0.08 Mn in 2019.
- Generated a net return to Unitholders of 4.7% in 2019.

*End of Year Published Net Asset Value (NAV).

Unitholders would be very pleased to note that buoyant financial markets and astute asset management have led to a significant improvement in fair market value gains on securities (mainly emanating from U.S. equities and U.S. fixed-income securities) held across the locally domiciled UTC Mutual Funds. In this regard, the gross income generated by the Funds improved by 258.3% from TT$360.8 Mn in 2018 to TT$1.3 Bn in 2019. These fair market value gains have benefitted Unitholders through increased Unit Net Asset Values across the Funds.

Aggregate distributions to Unitholders in UTC's locally domiciled Mutual Funds improved by 6.3% in 2019 to TT$265.4 Mn from TT$249.3 Mn previously.

MACROECONOMIC OUTLOOK FOR 2020

Since its initial outbreak in Wuhan, China in December 2019, the novel coronavirus (COVID-19) was declared a pandemic by the World Health Organization (WHO), spreading to a total of over 200 countries at the time of writing. So far, there have been close to 2.5 Mn confirmed cases of COVID-19 worldwide, with the current death toll over 71,000. The USA, Italy, Spain and Germany have all surpassed China in terms of the total number of confirmed COVID-19 cases. With a mortality rate of roughly 5.1%, COVID-19 does not appear to be as deadly as that of the SARS epidemic of 2003 with a mortality rate of 7.2%, although COVID-19 has proven to be far more contagious. Some of the likely negative spillover effects of COVID-19 include sharp reductions in consumer spending as individuals seek to maintain social/physical distancing by avoiding crowded public spaces such as shopping malls, mass transit and public transportation, restaurants and cinemas. Additionally, businesses may likely face increased manpower and productivity challenges as infected and other at-risk individuals go into quarantine.

In response to the pandemic, many governments around the world have implemented various containment measures, including temporary closure of schools and non-essential businesses, and travel restrictions in an attempt to slow the spread of the virus. There is therefore now a much greater probability of a global recession, but it is hoped that any such recession would be relatively short-lived, paving the way for at best a partial recovery in the second half of 2020 or at worst mid-to-late 2021. At a joint World Bank/International Monetary Fund press conference to address the COVID-19 response on March 4th, 2020, IMF Managing Director Kristalina Georgieva indicated that global growth in 2020 would now likely fall short of the 2.9% growth rate achieved in 2019, and further commented that the exact extent of the shortfall would be heavily dependent on the timeliness and effectiveness of the various countermeasures implemented to contain the spread of COVID-19. The latest forecasts from Capital Economics, one of the world's premier economics research companies, point to a 1% contraction in global economic growth in 2020.

U.S. President Donald Trump declared a national emergency on March 13th, 2020. In late March, the U.S. Congress reached agreement on a US$2 Tn stimulus package for the U.S. economy and millions of Americans ravaged by the coronavirus crisis. The package includes direct payments to many Americans and a half-trillion-dollar fund to shore up struggling companies. The U.S. Federal Reserve (U.S. Fed) cut interest rates to a zero to 0.25% range in an emergency meeting on March 15th, 2020 and launched a new round of quantitative easing in the amount of US$700 Bn aimed at insulating the economy. This followed on the heels of a 50 basis point emergency cut on March 3rd, 2020. The U.S. Fed also coordinated with five other foreign central banks namely the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank and the Swiss National Bank, to lower their rates on currency swaps to keep the financial markets functioning normally as part of a coordinated emergency monetary policy response to COVID-19. It is hoped that these extraordinary measures would help to cushion the negative impact on global economic growth and hasten the prospective recovery during and after the COVID-19 pandemic.

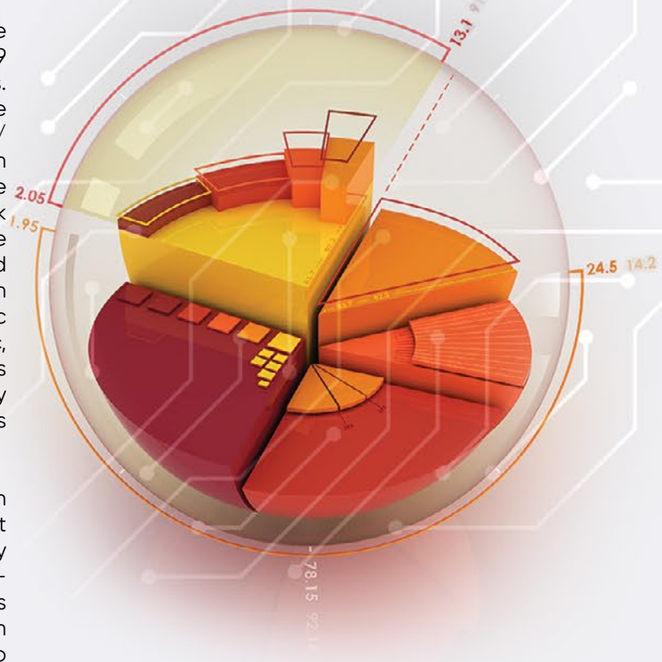
With respect to the Caribbean, ECLAC is now projecting negative real GDP growth in 2020. In addition to the fact that some of the countries in the region are grappling with active domestic cases of COVID-19 (e.g., Jamaica, Trinidad and Tobago, Barbados, Cayman Islands, St. Lucia, St. Vincent and the Grenadines, Cuba), the contagion resulting from the global slowdown is also expected to weigh heavily on regional economic growth in 2020. Many of the region's service-based economies are already reeling from the contraction in tourism caused by international travel bans, temporary closure of hotels, restaurants and other recreational activities. Simultaneously, the region's commodity exporters (Trinidad and Tobago, Suriname and most

recently, Guyana) have been adversely affected by the significant decline in global energy commodity prices, e.g., for crude oil and natural gas.

On the domestic front, as at the time of writing, there have been a total of 114 confirmed cases of COVID-19 in Trinidad and Tobago and eight related deaths. Critically, the government has taken appropriate precautionary measures to maximise social/physical distancing among the general population by closing schools, encouraging businesses in the private sector to allow non-essential staff to work from home, and discouraging public gatherings. The short to medium-term outlook for the Trinidad and Tobago economy is tilted to the downside given the combined impacts of lower global economic growth associated with the COVID-19 pandemic, continued depressed global oil and natural gas prices, and the decline in domestic business activity and productivity caused by the countermeasures employed to curb the spread of COVID-19 locally.

The Minister of Finance has estimated that TT$9 Bn would be required to address the country's current economic situation which has been significantly affected by the COVID-19 virus and the dramatic fall in the price of oil. Among the new measures to be implemented is the establishment of an unemployment relief grant to assist persons who are retrenched during this time. On the corporate front, the government of Trinidad and Tobago has committed that businesses and individuals that are owed valued added tax (VAT) and personal income tax refunds would be paid forthwith. The government has also requested that local financial institutions provide deferral relief on loan payments for businesses and individuals over the next three-five months. Further, the local credit unions would be given $100 Mn in funding to bring relief to their members. The additional funding for this extraordinary support would come from a further draw-down on the country's Heritage & Stabilisation Fund (HSF) and increased domestic and international borrowing.

Simultaneously, the CBTT took the unprecedented steps of reducing the repo rate by 150 basis points to 3.5% and lowering the reserve requirement ratio for the local commercial banks from 17% to 14%. These monetary policy measures are intended to provide much needed relief to businesses and households which may potentially require additional credit to meet their financial commitments in the face of reduced business activity. In this context and given



the risk of further weakening of domestic economic conditions, the CBTT would likely be open to additional interest rate cuts to further stimulate the economy.

CAPITAL MARKET OUTLOOK FOR 2020

Amid the increased concerns over the fate of the global economy, the global financial markets were not left unscathed. In March 2020, the U.S. stock market entered a bear market with the benchmark S&P 500 Index declining by 25.4% as at April 2nd, 2020 since its peak on February 19th, 2020. With respect to the fixed-income markets, barring additional financial support from world governments to help offset mounting operational costs, the economic fallout from COVID-19 is expected to cause financial distress and place increased pressures on both sovereign and corporate credit quality.

In early March 2020, global oil prices plummeted to lows not seen in nearly 20 years, following a breakdown in Organisation of Petroleum Exporting

Countries (OPEC) negotiations regarding proposed production cuts intended to stabilise prices in the face of weakened global demand associated with the COVID-19 pandemic. The current financial market turmoil has weighed on investor sentiment, prompting an outflow of investment capital from equities and riskier securities into safe-haven assets, particularly U.S. treasuries and gold. The current environment has, however, presented new potential investment buying opportunities, particularly in the U.S. equity space.

Other looming risks and uncertainties include renewed geopolitical tensions in the Middle East (notably between the U.S. and Iran), further deterioration in international trade relations, mounting political and social unrest, the ongoing U.S. presidential race and the outcome of the upcoming November 2020 U.S. general election, all of which may affect the trajectory of global economic growth over the short to medium term.

With respect to local and regional stocks, the larger listed companies in the banking, non-banking finance and conglomerate sectors are expected to be more resilient and better positioned than companies in other sectors to weather the economic turbulence ahead, given the recent shift in monetary policy towards more substantial accommodation and the diversity of their business operations.

CONCLUSION

Amid the lingering uncertainties, as well as the most recent developments in the domestic and global financial and economic environments, the Trinidad and Tobago Unit Trust Corporation wishes to assure its Unitholders of our unwavering commitment to protecting your investments.

We are here to help you safely navigate the turbulence of the financial marketplace on your way to achieving your long-term financial goals.

We remain your Partners For Life.

Sekou A. Mark
Chief Investment Officer
27th April 2020

Performance Highlights

	2012 $ Mn	2013 $ Mn	2014 $ Mn	2015 $ Mn	2016 $ Mn	2017 $ Mn	2018 $ Mn	2019 $ Mn
Funds Under Management								
Growth & Income Fund	3,748.45	4,392.58	4,647.41	4,645.30	4,733.11	4,865.03	4,882.10	5,353.50
TT$ Income Fund	11,203.77	10,662.59	10,474.48	10,657.14	10,837.89	10,949.81	11,176.65	11,554.61
Universal Retirement Fund	212.71	254.44	271.39	288.27	304.90	299.52	297.29	346.51
US$ Income Fund	4,578.22	3,900.08	4,054.42	4,111.07	4,228.25	4,164.64	4,082.67	3,941.87
UTC Corporate Fund	–	–	19.28	26.80	12.60	5.12	5.20	22.59
Calypso Macro Index Fund	–	–	–	–	556.55	547.92	473.56	516.97
UTC Global Investor Select ETF – Conservative	–	–	–	–	–	–	5.63	7.87
UTC Global Investor Select ETF – Moderate	–	–	–	–	–	–	5.91	7.76
UTC Global Investor Select ETF – Aggressive	–	–	–	–	–	–	5.71	10.05
UTC Energy Fund	31.52	–	–	–	–	–	–	–
UTC Latin American Fund	7.57	–	–	–	–	–	–	–
UTC European Fund	6.76	–	–	–	–	–	–	–
UTC Asia Pacific Fund	11.75	–	–	–	–	–	–	–
UTC Global Bond Fund	10.69	–	–	–	–	–	–	–
UTC North American Fund	196.44	225.48	262.48	245.62	281.20	298.85	–	–
Belize Money Market Fund	–	–	–	–	–	–	–	–
Pension & Other Funds	650.28	535.00	564.54	582.13	645.87	783.95	797.88	838.70
Treasury Portfolio	1,580.38	1,175.54	573.19	60.28	–	–	–	–
Total Funds Under Management ($Mn)	**22,238.53**	**21,145.72**	**20,867.19**	**20,616.60**	**21,600.37**	**21,914.84**	**21,732.59**	**22,600.42**
Mutual Fund Sales ($Mn)								
Growth & Income Fund	552.37	623.08	630.87	575.43	510.09	508.60	706.77	712.79
TT$ Income Fund	5,317.91	4,361.36	3,376.34	3,421.82	3,790.25	3,765.99	3,563.40	3,497.66
Universal Retirement Fund	26.24	44.42	36.02	37.34	37.22	32.56	30.80	40.46
US$ Income Fund	1,428.31	1,272.81	1,265.17	1,036.16	809.85	623.59	694.39	523.52
UTC Corporate Fund	–	–	19.28	31.10	0.17	0.10	0.07	17.30
UTC Energy Fund	26.51	8.21	–	–	–	–	–	–
UTC Global Investor Select ETF – Conservative	–	–	–	–	–	–	5.70	1.81
UTC Global Investor Select ETF – Moderate	–	–	–	–	–	–	6.00	3.73
UTC Global Investor Select ETF – Aggressive	–	–	–	–	–	–	5.82	1.87
UTC Latin American Fund	0.19	0.12	–	–	–	–	–	–
UTC European Fund	0.04	0.04	–	–	–	–	–	–
UTC Asia Pacific Fund	0.28	0.21	–	–	–	–	–	–
UTC Global Bond Fund	0.09	0.83	–	–	–	–	–	–
UTC North American Fund	0.67	2.56	17.90	2.19	4.78	1.82	–	–
Belize Money Market Fund	–	–	–	–	–	–	–	–
Total Sales ($Mn)	**7,352.62**	**6,313.62**	**5,345.59**	**5,104.04**	**5,152.36**	**4,932.65**	**5,012.95**	**4,799.14**
Funds Mobilised ($Mn) to date	**97,468.18**	**103,781.80**	**109,127.40**	**114,231.44**	**119,383.80**	**124,316.46**	**129,329.40**	**134,128.37**
Unitholder Accounts to date	**804,162**	**824,207**	**841,375**	**855,463**	**865,196**	**873,376**	**882,914**	**894,447**

PORTFOLIO OF INVESTMENTS

OVERALL INVESTMENT STRATEGY

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

"To create and enhance wealth for all."

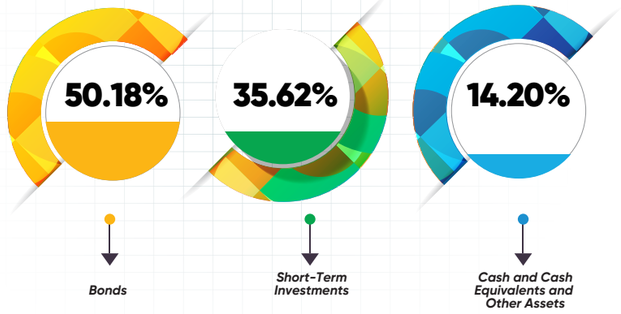
This is reflected in the wide diversity of options available to the investor through our nine Mutual Fund offerings, each of which caters to investors with specific investment needs.

The golden thread which connects all nine Mutual Funds is the adherence to the UTC's investment watchwords of 'Safety, Strength and Stability'.

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

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

ASSET ALLOCATION
TT DOLLAR INCOME FUND



TT DOLLAR INCOME FUND

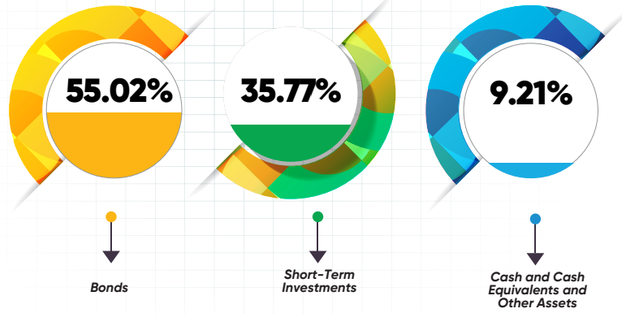
TOP TEN HOLDINGS (As at 31 December, 2019)

	% of Securities 2019
Government of Trinidad & Tobago $500Mn 3yrs FLRB June 2021	5.08%
Treasury Bill OMO 17-30 TT$200Mn due 2020	4.03%
UDeCOTT TT$3.40Bn 15YR variable rate bond due 2028	4.01%
Government of Trinidad & Tobago 15yrs 2.5Bn 5.20% FXRB due 2027	3.85%
Government of Trinidad & Tobago 1.20Bn 2.65% FXRB due 2020	3.78%
NIPDEC TT$1Bn 4% due 2029	2.89%
National Investment Fund Holding Company Ltd. $1.2Bn 5yr 4.50% due 2023	2.72%
Treasury Bill OMO 17-14 TT$150Mn due 2020	2.66%
TPHL US$603Mn Senior Secured Loan Tranche A FLRB due 2022	2.41%
First Caribbean Investment Bank (T&T) Ltd. $325Mn 3yrs FLRB due 2021	2.36%
TOTAL	**33.79%**

TT DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS (As at December 31, 2019)
(Expressed in Trinidad and Tobago Dollars)

	MARKET VALUE 2019 TT$
Corporate Securities	2,218,047,972
Government and Government Guaranteed Securities	3,580,456,895
Short-Term Investments	4,115,512,279
Cash and Cash Equivalents	1,468,134,235
Other Assets in Excess of Liabilities	172,459,684
TOTAL NET ASSETS	**11,554,611,065**

ASSET ALLOCATION
US DOLLAR INCOME FUND



US DOLLAR INCOME FUND

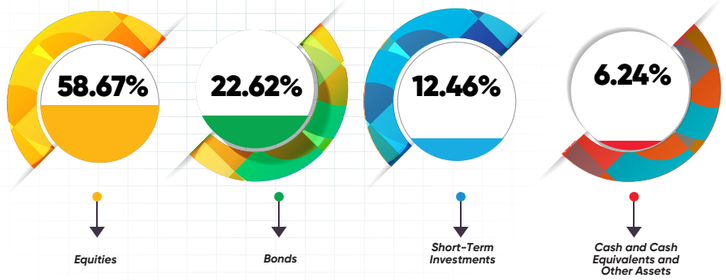
TOP TEN HOLDINGS (As at 31 December, 2019)

	% of Securities 2019
Government of Trinidad & Tobago US$100Mn 3yr 3.10% FXRB due 2020	5.71%
Trinidad Generation Unlimited US$600Mn 11yr 5.25% FXRB NOV 2027	4.19%
Trinidad Petroleum Holdings Ltd US$603Mn Snr. Secured Loan Tranche A FLRB due 2022	2.86%
Barclays Bank Fixed to Float Bond Non-Callable 3mths Libor	2.85%
Portfolio Credit Management Company Limited (PCML) SERIES 4 FLB due 2021	2.79%
Lloyds TSB Bank Fixed To Float Bond 10YR CMS 2020	2.75%
Altria Group Inc. 1.5Mn 4.75% FXRB due 2021	1.96%
AT&T US$1.25Mn 4.45% FXRB due 2021	1.96%
Motorola Solutions Inc. 3.75% FXRB US$750Mn due 2022	1.95%
Stanley Black & Decker Inc. 2.90% FXRB US$800Mn due 2022	1.94%
TOTAL	**28.97%**

US DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS (As at 31 December, 2019)
Expressed in United States Dollars

	MARKET VALUE 2019 US$
Corporate Securities	267,027,947
Government and Government Guaranteed Securities	53,324,698
Short-Term Investments	208,256,936
Cash and Cash Equivalents	35,237,387
Other Assets in Excess of Liabilities	18,379,994
Total Net Assets	**582,226,962**

ASSET ALLOCATION **GROWTH & INCOME FUND**



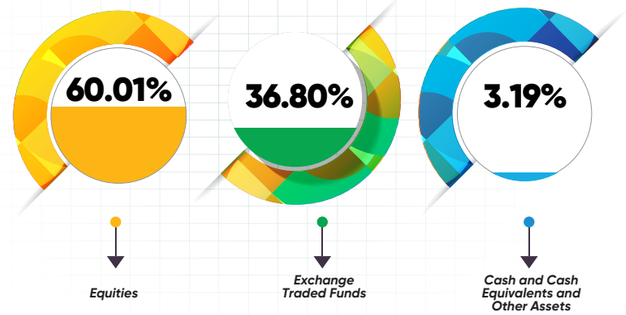
GROWTH AND INCOME FUND
TOP TEN HOLDINGS (As at December 31, 2019)

	% of Securities 2019
iShares S&P 500 Index Fund	10.33%
First Citizens Bank Limited Common Shares	7.55%
Phoenix Park Gas Processors Limited	6.47%
Republic Bank Limited Common Shares	5.29%
Scotiabank Trinidad and Tobago Limited Common Shares	4.80%
Massy Holdings Limited Common Shares	3.77%
ANSA McAL Limited Common Shares	3.50%
UDeCOTT TT$3.40Bn 15YR Variable Rate Bond due 2028	3.39%
Trinidad & Tobago NGL Limited Common Shares	3.32%
GOTT US$1.0Bn 4.5% FXRB due 2026	2.89%
TOTAL	**51.31%**

GROWTH AND INCOME FUND PORTFOLIO OF INVESTMENTS (As at December 31, 2019)
Expressed in Trinidad and Tobago Dollars

	MARKET VALUE 2019 TT$
Corporate Securities	258,377,556
Government and Government Guaranteed Securities	952,634,709
Short-Term Investments	667,286,355
Equities	3,140,878,570
Cash and Cash Equivalents	326,653,143
Other Assets in Excess of Liabilities	7,670,659
Total Net Assets	**5,353,500,993**

ASSET ALLOCATION **CALYPSO MACRO INDEX FUND**



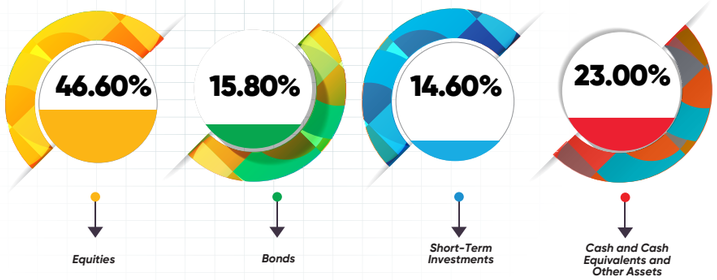
CALYPSO MACRO INDEX FUND
TOP TEN HOLDINGS (As at December 31, 2019)

	% of Securities 2019
Republic Bank Limited Common Shares	11.71%
Energy Select Sector SPDR	10.86%
Vanguard Energy Equity Traded Fund	10.72%
iShares US Energy	10.37%
First Citizens Bank Limited Common Shares	7.77%
Scotiabank Trinidad and Tobago Limited Common Shares	7.47%
ANSA McAL Limited Common Shares	6.75%
British American Tobacco PLC - ADR	6.19%
iShares Global Energy Sector Index Fund	6.07%
Massy Holdings Limited Common Shares	4.12%
TOTAL	**82.03%**

CALYPSO MACRO INDEX FUND PORTFOLIO OF INVESTMENTS (As at December 31, 2019)
Expressed in Trinidad and Tobago Dollars

	MARKET VALUE 2019 TT$
Equities	310,225,460
Exchange Traded Funds	190,252,372
Cash and Cash Equivalents	15,371,764
Other Assets in Excess of Liabilities	1,118,476
Total Net Assets	**516,968,071**

ASSET ALLOCATION **UNIVERSAL RETIREMENT FUND**



UNIVERSAL RETIREMENT FUND

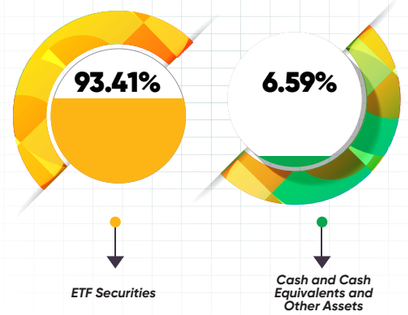
TOP TEN HOLDINGS (As at December 31, 2019)

	% of Securities 2019
Clico Investment Fund	8.92%
US TREASURY BILL 1.475% DUE 28.01.2020	7.60%
Trinidad & Tobago NGL Limited	7.40%
CITICORP CERT OF PART IN GOTT SERIES 30 BOND 4.15 DUE 2027	5.90%
General Motors Financial CP US$3Mn 1.77% 09012020	5.07%
Massy Holdings Limited Common Shares	4.75%
Republic Bank Limited Common Shares	4.49%
First Citizens Bank Limited Common Shares	4.15%
West Indian Tobacco Company Common Shares	3.82%
ANSA McAL Limited Common Shares	3.52%
TOTAL	**55.62%**

UNIVERSAL RETIREMENT FUND PORTFOLIO OF INVESTMENTS (As at December 31, 2019)
Expressed in Trinidad and Tobago Dollars

	MARKET VALUE 2019 TT$
Corporate Securities	25,668,284
Government and Government Guaranteed Securities	29,090,641
Equities	161,487,691
Short-Term Investments	50,575,048
Cash and Cash Equivalents	10,161,654
Other Assets in Excess of Liabilities	69,528,806
Total Net Assets	**346,512,124**

ASSET ALLOCATION **GIS FUND - CONSERVATIVE**



GLOBAL INVESTOR SELECT FUND - CONSERVATIVE

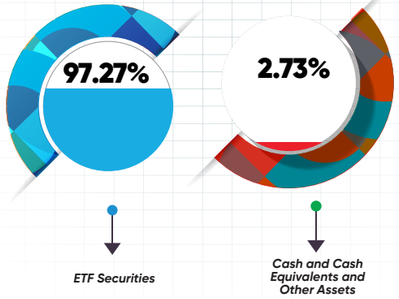
TOP TEN HOLDINGS (As at December 31, 2019)

	% of Securities 2019
Vanguard FTSE Developed ETF	10.14%
SPDR S&P 500 ETF TRUST	10.10%
iShares Core US Aggregate	9.87%
iShares Iboxx $ Investment Grade Corp Bond	9.81%
iShares 7-10YR TREASURY BOND	9.80%
iShares Iboxx USD HIGH YIELD	8.02%
Vanguard REIT ETF	7.41%
Vanguard Global ex-US Real Estate ETF	7.27%
iShares Short Treasury Bond ETF	6.64%
Powershares QQQ Trust Series	5.28%
TOTAL	**84.35%**

GLOBAL INVESTOR SELECT FUND - CONSERVATIVE PORTFOLIO OF INVESTMENTS (As at December 31, 2019)
Expressed in United States Dollars

	MARKET VALUE 2019 US$
Equity Exchange Traded Fund Securities	1,070,820
Cash and Cash Equivalents	24,222
Other Assets in Excess of Liabilities	51,310
Total Net Assets	**1,146,352**

ASSET ALLOCATION **GIS FUND - MODERATE**



GLOBAL INVESTOR SELECT FUND- MODERATE

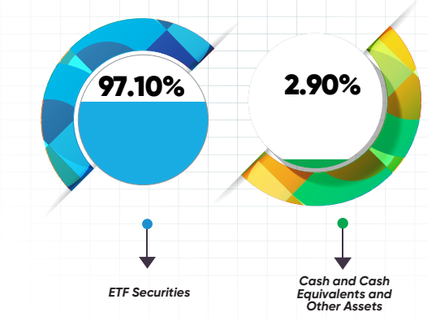
TOP TEN HOLDINGS (As at December 31, 2019)

	% of Securities 2019
iShares Iboxx $ Investment Grade Corp Bond	9.92%
iShares 7-10YR TREASURY BOND	9.80%
SPDR S&P 500 ETF TRUST	9.38%
Vanguard REIT ETF	8.41%
Vanguard Global ex-US Real Estate ETF	8.24%
Vanguard FTSE Developed ETF	8.24%
iShares Core US Aggregate	7.87%
iShares Short Treasury Bond ETF	7.36%
Vanguard Materials ETF	6.72%
Powershares QQQ Trust Series	6.43%
TOTAL	**82.38%**

GLOBAL INVESTOR SELECT FUND- MODERATE PORTFOLIO OF INVESTMENTS (As at December 31, 2019)
Expressed in United States Dollars

	MARKET VALUE 2019 US$
Equity Exchange Traded Fund Securities	1,444,274
Cash and Cash Equivalents	37,447
Other Assets in Excess of Liabilities	3,138
Total Net Assets	**1,484,859**

ASSET ALLOCATION **GIS FUND - AGGRESSIVE**



GLOBAL INVESTOR SELECT FUND - AGGRESSIVE

TOP TEN HOLDINGS (As at December 31, 2019)

	% of Securities 2019
Vanguard FTSE Developed ETF	10.11%
SPDR S&P 500 ETF TRUST	10.05%
Vanguard REIT ETF	9.84%
Vanguard Global ex-US Real Estate ETF	9.65%
iShares Short Treasury Bond ETF	8.85%
Vanguard Materials ETF	7.70%
Powershares QQQ Trust Series	7.51%
iShares MSCI Emerging Market	7.25%
iShares 7-10YR TREASURY BOND	6.26%
iShares Iboxx $ Investment Grade Corp Bond	6.40%
TOTAL	**83.62%**

GLOBAL INVESTOR SELECT FUND - AGGRESSIVE PORTFOLIO OF INVESTMENTS (As at December 31, 2019)
Expressed in United States Dollars

	MARKET VALUE 2019 US$
Equity Exchange Traded Fund Securities	1,127,458
Cash and Cash Equivalents	26,329
Other Assets in Excess of Liabilities	7,354
Total Net Assets	**1,161,141**

ENGAGING

OUR STAKEHOLDERS

Since opening our doors 37 years ago, we've focused on building sustainable relationships with stakeholders throughout Trinidad and Tobago. From developing the UTC Analyst Games that has gone national, to engaging the media fraternity, to laying the foundation for entrepreneurship, as well as fundraising for charitable organisations, we have remained passionate about making a difference in the lives of others. We continue to move ahead in partnership with you, a trusted partner, ready to embrace a sea-change of opportunity.

Business Journalism

Twenty-three (23) journalists benefited from the UTC Business Journalism Workshop which was facilitated by the Trinidad & Tobago Publishers and Broadcasters Association (TTPBA), in partnership with the Media Institute of the Caribbean (MIC).

The theme, **'The Story Behind the Numbers,'** was designed to encourage reporters to go beyond the surface of the numbers and sift out the untold stories. The journalists were also introduced to perspectives on media coverage of business and finance by business leaders.

JOURNALISM WORKSHOP : Sitting from left, Moderator Wesley Gibbings shares a moment with President of the Trinidad & Tobago Chamber of Industry and Commerce, Reyaz Ahamad; UTC Executive Director, Nigel Edwards; and Chief Executive Officer of the American Chamber of Commerce of Trinidad and Tobago, Nirad Tewarie; along with journalists and UTC Team Members.

Health and Wellness

As part of its Health and Wellness programme, the Unit Trust encourages work-life balance among its employees to help improve their physical, emotional, mental and career health.

WELLNESS: Anil Ramdhanie, Assistant Vice President Information and Communications Technology and Team Members pace themselves on exercise bikes during the opening of UTC's Chaguanas gym that complements other wellness initiatives introduced by the Unit Trust Corporation.

Mobile Offices

As part of the UTC's commitment to increase accessibility for our investors and improve ease of doing business for potential customers, the Unit Trust Corporation in 2019 launched Mobile Offices across the country. The mobile initiative seeks to raise awareness of the importance of savings and investing, and channel them into wealth.

MAYARO OPENS FOR BUSINESS : (L-R): Karrian Hepburn, Vice President Sales & Service; Nigel Edwards, UTC Executive Director; Mayaro MP Rushton Paray, Judith Sobion, Vice President Corporate Services; Upendra Udharamaney, Managing Director (Ag.), Trinidad and Tobago Postal Corporation; and Natasha Davis, Vice President Marketing and Operations; proudly open UTC's Mobile Office in Mayaro.

Tobago Welcomes UTC Mobile

Assemblyman Joel Jack, Deputy Chief Secretary of the Tobago House of Assembly (THA), second from left, assists Nigel Edwards, Executive Director, Unit Trust Corporation, who cuts the ribbon to unveil UTC's Mobile Office at South Beach, Pigeon Point Heritage Park, Tobago.

From left, other UTC executives are Judith Sobion, Vice President, Corporate Services; Karrian Hepburn, Vice President, Sales and Service; and Sharon St. Clair Douglas, Assistant Vice President, Investment Centres.

Cancer Solidarity

Team Members of Unit Trust Corporation rose to the occasion in the fight against breast cancer through an engaging fundraising initiative that saw tremendous support from UTC's wider corporate network. Over $10,000 was raised in just a few hours.

UTC Team Members, stand in solidarity on the steps of the UTC's Head Office in Port of Spain with Dr. Asante Le Blanc, Chairman of the **Trinidad & Tobago Breast Cancer Society**, *centre, who was presented with UTC's contribution.*

Entrepreneurship

Nigel Edwards, Executive Director of the Trinidad and Tobago Unit Trust Corporation, makes a point to his audience during the entrepreneurial symposium titled,**'The Entrepreneurial Journey and Options for Financing Entrepreneurial Pursuits,'** hosted by the Ministry of Sport and Youth Affairs at the Banquet and Conference Centre, MovieTowne.

Other panelists, from left, are Candice Guppy-Sobion, Founder of Candy Coated Experiences; Jules Sobion, General and Commander-in-Chief of Ceasar's Army; and Kandyss Trancoso, CEO of Royalink Limited.

Sharing Christmas Cheer

In December 2019, in the spirit of the season, Team Members of the Unit Trust Corporation assisted members of the **Living Water Community** with the packaging and distribution of over 100 food hampers to needy members of the Port of Spain community. This is the fourth year the UTC has partnered with Living Water.

Analyst Games

The Unit Trust Corporation held its second, national Analyst Games at the Hyatt Regency in Port of Spain. The Games' objective is to equip the players with the tools to make their own investment decisions and to manage a portfolio. The competition also allows for exposure to investment principles. In a simulated environment, players got to experience the highs and lows of the stock market, the risks involved in adapting to a changing environment, as well as strengthening their investing skills and business acumen.

Nigel Edwards, Executive Director, Unit Trust Corporation, (right) presents Andrew Maharaj Analyst Games 2019 winner with the $25,000 cheque at the Hyatt Regency in Port of Spain. Maharaj, walked away with $25,000, having managed a simulated investment portfolio of $1 Mn. Second place and third place winners were Julian Jurai and Okera Baptiste respectively. The Analyst Games' target audience was Unitholders between the ages of 18-35.

UTC FOUNDATION *OUR MISSION* ALL ALONG

To a child saddled with broken dreams, or financial challenges, or family crisis, failure – even the smallest ones – can feel like the end of the world.

This is why we've made it our business at UTC to tell young people that there is a place where they can nurture their hopes and dreams; to tell them that just about anything is possible through the transformational power of education.

And at UTC, as we always do, we back it up with action.

Over the years, our programmes have changed the lives of more than *200 students* by providing financial assistance for books and supplies, from Form 1 through to University.

That work continued in earnest in 2019, with ***40 new students*** joining our SEA Scholarship Programme and participating in workshops geared toward their career and personal development.

A further example of our commitment was through our Schools' Investment Games which seek to deepen young people's knowledge of money management by linking financial literacy to gameplay. In 2019, ***488 students*** took part, with Palo Seco Secondary emerging as the champion school for the third year in a row.

But the absolute highlight of our educational work – indeed, the highlight of our year – was when we sought to inspire thousands more through our personal stories.

Out of this was born our SEA Video Series, 'The Power to Become', featuring our very own UTC Team Members who overcame disappointment, embraced opportunity and never looked back.

Based on the tremendous feedback we received from our SEA Video Series, we were happy that our personal stories inspired so many students and their parents to continue to persevere, work hard and have faith in themselves.

Behind everything we do is a commitment to changing people's lives by creating opportunities that can have a lasting impact. This commitment led us to drive positive social and environmental change again this year in the communities we serve.

With phase two of our Energy Efficiency Drive, as well as our Coastal Rehabilitation and Coastal Restoration projects, we doubled down on being part of a movement for change.

We're rehabilitating forests. We're fighting soil erosion by planting ***4,000 vetiver plants*** along the coastline at Quinam in Siparia. And we've been helping to clean our waterways and beaches.

In March, we mobilised ***150 volunteers*** to remove harmful debris and trash from the Matura Beach before hundreds of leatherback turtles returned to nest.

TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION

Then in September, we turned our attention to the coastlines of Scotland Bay and Mayaro Beach, working with other community groups in a nationwide effort to remove more than ***1,000 pounds of trash.***

At the heart of the UTC Foundation is the intent to work and support people development in communities. We believe that this approach can simultaneously improve our society.

In 2019, we reaffirmed our commitment to people development through a series of free Financial Well-Being Workshops which attracted more than ***250 participants*** from communities as diverse as Toco, Sangre Grande, Black Rock, Carenage and Bethel.

Even so, we recognised there is a lot more work to be done. Our plan going forward is to leverage our in-house financial experts to educate and inspire more people to make better financial decisions for themselves and their families.

The point of our work this year, our investment in youth education, our work in the environment and our financial literacy training was to kindle hope and advance opportunities for communities throughout the country.

THAT'S BEEN OUR MISSION ALL ALONG.

EDUCATION

UTC Team Members, from left, Bernice Mayoung, Madonna Leach, and Keisha Alexander pose with 2019 Schools' Investment Games winners, Palo Seco Government Secondary at their awards ceremony.

Shoba Ganess, Brand Development Manager, presents a student from Palo Seco Government Secondary School, the winners of the 2019 Schools' Investment Game, with a Gift of Units Certificate.

EDUCATION

Nigel Edwards, UTC Executive Director, in a moment of celebration with parents of our SEA students during SEA Scholar Appreciation Day at Five Islands Amusement Park, Chaguaramas.

Dr Diane Douglas, Clinical Psychologist, has the attention of students during the celebration at Five Islands Amusement Park, Chaguaramas.

ENVIRONMENTAL CITIZENSHIP

UTC Team Members go through their paces while planting vetiver trees at Quinam, making their contribution to the preservation of the environment.

Natasha Davis, Vice President Marketing and Operations, is a picture of concentration during the coastal rehabilitation initiative at Matura Beach.

Executive Director, Nigel Edwards, strikes a pose with our SEA scholars at the UTC graduation ceremony.

Candice Lively, Digital Officer, displays calm as she is draped with a large snake during UTC's coastal rehabilitation at Matura Beach as part of the Corporation's environmental initiative.

In a collective effort, UTC Team Members are a sea of colour during the Matura Turtle Conservation beach clean-up exercise.

Team Members from Trust Operations visited Yerette, home to several species of hummingbirds, where they planted fruit trees, plants and flowers to help preserve the beautiful facility.

FINANCIAL WELL-BEING

Paula-Mae Weekes, President of the Republic of Trinidad and Tobago, second from left, poses in this photo with Nigel Edwards, UTC Executive Director; and Natasha Davis, Vice President, Marketing and Operations (left); and Keisha Alexander, UTC Foundation Officer; during the launch of Citizen True, a youth development initiative under the auspices of the Office of the President. UTC was honoured to be among the Pool of Patriots and Patrons.

In this collage of photos, UTC Team Members interact with participants during the Financial Well-Being Workshops held in various communities across the country during 2019.

PLANNING IS BRINGING THE FUTURE INTO THE PRESENT SO THAT YOU CAN DO SOMETHING ABOUT IT NOW.

- ALAN LAKEIN

Our Governance Framework

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

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

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

Our corporate governance framework is articulated in the Corporation's Boards and Committee Charters. These Charters have been reviewed and revised to incorporate developments in the corporate governance landscape but continue to focus on the key elements of effectiveness, accountability, independence and strong relationships with stakeholders.

Engaging Our Unitholders

The Corporation continues to engage with our individual and institutional Unitholders, as it is recognised that our relationship with them is at the core of good governance. Unitholders have an opportunity to engage with the Board of Directors and the Auditor General at our Annual General Meeting (AGM). This year, the AGM will be broadcast digitally on our online platforms as a business continuity measure during these ever-changing times.

Board of Directors

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

The Board is responsible for, among other things:

- Performing the duties and responsibilities as outlined in the UTC Act and ensuring compliance with the UTC Act and any regulations made thereunder;
- Ensuring that adequate strategic plans are in place to guide the direction of the Corporation;
- Annually reviewing the Corporation's strategy and business risks, Management's assessment of the internal risk management and control systems, and significant changes to such systems;
- Ensuring that adequate investment and risk management strategies are implemented;
- Ensuring that succession plans are in place for Executive Management;
- Ensuring compliance with the directions or guidelines issued by regulatory authorities;
- Promoting a culture of integrity and corporate values in keeping with the Corporation's code of conduct;
- Ensuring that written policies which are appropriate for the effective governance of the Corporation are in place;
- Reviewing and assessing the adequacy of the Board of Directors Charter at least biennially.
- In a group structure, the Board of the parent company has the overall responsibility for adequate corporate governance across the group and ensuring that there are governance policies and mechanisms appropriate to the structure, business and risks of the group and its entities.

Division of Roles

In keeping with best practice, there is a clear division of roles and responsibilities between the Board and the Executive Director. The Executive Director is accountable to the Board and is charged with providing leadership and guidance to Executive Management and staff of the Corporation.

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

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

Board Structure and Composition

In accordance with the UTC Act, the Board consists of 12 directors, 11 of whom are either independent or non-executive directors. The Board structure and composition is governed by the UTC Act which ensures diversity within the Board.

Members are appointed pursuant to section 7(1) of the UTC Act as follows:

- A Chairman appointed by instrument in writing by the President upon recommendation of the Central Bank of Trinidad and Tobago ('Central Bank')
- An Executive Director appointed by the Board in consultation with the Central Bank
- A person appointed by the Central Bank
- A person appointed by the Ministry of Finance
- A person appointed by the National Insurance Board
- Subject to section 7(1) and section 7(3) of the UTC Act, four (4) persons of whom two (2) shall be appointed by the Association of Trinidad and Tobago Insurance Companies as set out in section 17(2)(b) and two (2) by the Bankers' Association of Trinidad and Tobago as referred to in section 17(2)(d) provided that not less than three (3) of such persons shall have special knowledge of or experience in commerce, industry, labour, banking, finance or investment.
- Pursuant to section 7(1) and section 7(2) of the UTC Act, the Board may appoint additional persons to be directors but so that the total does not exceed twelve (12) in number.

The members of the Board as at December 31, 2019 are:

Mr. Nigel Edwards	Executive Director
Mr. Chip Sa Gomes	Association of Trinidad and Tobago Insurance Companies' Appointee
Mr. Douglas Camacho	Association of Trinidad and Tobago Insurance Companies' Appointee
Mrs. Sharmaine Caballero	Bankers Association of Trinidad and Tobago's Appointee
Mr. John Tang Nian	The term of office of the appointee of the Bankers Association of Trinidad and Tobago expired April 14, 2020.
Ms. Anne-Marie James	Central Bank Appointee
Mrs. Michelle Durham-Kissoon	Ministry of Finance Appointee
Mr. Ruben McSween	The term of office of the appointee of the National Insurance Board (NIB) expired January 8, 2020.
Ms. Lorraine Kam	Independent
Mr. Jonathan Walker	Independent
Mr. L. Dominic Rampersad	Independent

Director Induction

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

Director Tenure

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

Changes in the Membership

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

- Mrs. Michelle Durham-Kissoon, appointee of the Ministry of Finance, was reappointed to the Board of Directors under section 7 (1) (d) of the UTC Act for a period of two (2) years effective March 22, 2019.
- The term of office of Mr. Leonardo Ambrose, the appointee of the Association of Trinidad and Tobago Insurance Companies expired on April 14, 2019 and Mr. Chip Sa Gomes was appointed in place of Mr. Ambrose for a period of four (4) years, in accordance with sections 7(1) (f), and 7(4) of the UTC Act, effective April 15, 2019.
- The term in office of Mrs. Helen Drayton, the Bankers Association of Trinidad and Tobago appointee, expired on June 24, 2019 and Mrs. Sharmaine Caballero was appointed in place of Mrs. Drayton, in accordance with sections 7 (1) (f) and 7(4) of the UTC Act, effective June 25, 2019.
- Ms. Lorraine Kam and Mr. Jonathan Walker, Independent Directors, were reappointed to the Board of Directors under sections 7(2) and 7 (5A) of the UTC Act, for a period of one (1) year effective June 5, 2019.
- Mr. L. Dominic Rampersad, Independent Director, was reappointed to the Board of Directors under sections 7(2) and 7(5A) of the UTC Act, effective June 12, 2019 for a period of one (1) year.
- The appointment of Mr. Justice Rolston Nelson, S.C., Chairman, expired on September 13, 2019.

Director Independence

In recognition of the importance of Independent Directors being members of the Board of Directors, the Corporation has included in the definition of 'Independent Director' as set out in the Board of Directors' Charter, the criteria as articulated in the Central Bank of Trinidad and Tobago Corporate Governance Guideline. For the reporting period, three directors were classified as independent in keeping with the UTC's Board of Directors' Charter.

Director Remuneration

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

Section 11 of the UTC Act provides the framework for the determination of the fees and allowances to be paid to Directors. The Corporation retains the services of an independent consultant to conduct a survey of the fees paid to Directors in the financial services industry. This information is used in consultations with the Central Bank in accordance with the aforementioned section 11 of the UTC Act.

Board Effectiveness

The Board is committed to managing and measuring its performance. An independent evaluation is completed biennially to assess the Board's effectiveness in discharging its duties.

In mid-2019, the Corporation engaged Governance Solutions Inc., a Canadian company having wide experience and expertise in the area of Board and Directorial Evaluation. This evaluation exercise was originally scheduled to take place in Q4 2019. However, we were unable to proceed with this exercise in the absence of a Chairman. This evaluation was therefore placed on hold and will take place in 2020.

BOARD OF DIRECTORS

Professor Gerry C. Brooks
Chairman

Nigel Edwards
Executive Director

Lorraine Kam
Independent

Sharmaine Caballero
Bankers' Association Representative

Chip Sa Gomes
Insurance Representative

Jonathan Walker
Independent

L. Dominic Rampersad
Independent

Michelle Durham-Kissoon
Ministry of Finance Representative

Anne-Marie James
Central Bank Representative

Nicholas Gomez
National Insurance Board Representative

Douglas Camacho
Insurance Representative

Board Profiles

Professor Gerry C. Brooks –
March 11, 2020 to present

An energetic game changer, Professor Brooks brings a wealth of experience in a diverse range of sectors, including manufacturing, oil and gas, insurance and finance.

As a previous Executive Leader at the country's largest conglomerate, he led, advised and engineered multiple strategic projects geared at corporate alignment, enhancing efficiencies and adding overall material value to the conglomerate's business models and shareholders.

Leading with integrity and a passion for transformation and sustainability, Professor Brooks leveraged his expertise when he assumed the role of Chairman of the National Gas Company of Trinidad and Tobago where he added significant value to the company, the oil and gas sector, and the country.

An Attorney-at-Law, Professor Brooks holds an MBA from Columbia University – Dean's Honour Roll, and also graduated from the Hugh Wooding Law School and The University of the West Indies. He served as the Vice President of the Law Association of Trinidad and Tobago and served as Deputy Chairman of the Caribbean Court of Justice Trust Fund. He has also been awarded the title of 'Distinguished Alumnus of The University of the West Indies'.

Directorship on boards of other companies:
- B & B Transformation Solutions Limited
- ADR Services Limited
- UWI Ventures Limited
- Dispute Resolution Foundation

Nigel Edwards, Executive Director –
June 1, 2018 to present

Mr. Nigel Edwards is a servant leader, with strong financial acumen and 25 years strategic management experience at the highest levels across multiple disciplines.

He has demonstrated throughout his career the ability to work successfully in dynamic environments, designing, leading and executing strategies which resulted in impressive value creation. He served as Chief Executive and Executive Director - Investments at a Group of Companies and was critical in guiding complex, multiple mergers and acquisitions, and is a leading authority on corporate restructuring.

Mr. Edwards, whose previous position was Chief Financial Officer (CFO) at the UTC, was instrumental in the Corporation maintaining its robust financial position and ensuring it is well-positioned to optimise opportunities.

He was awarded an MSc. Finance by the London Business School and a BSc in Management Studies by The University of the West Indies. Mr. Edwards is also a member of the Chartered Association of Certified Accountants (ACCA).

Mr. Edwards appreciates that building customer relationships is fundamental to our continued growth and strengthening our competitive edge. As Executive Director, Mr. Edwards is leading the charge in continuing the UTC's innovation thrust, strategic leadership and strengthening the Corporation's competitive edge in the financial services sector.

Chip Sa Gomes, Director –
April 15, 2019 to present

Mr. Chip Sa Gomes is a financial services professional with over 20 years experience in local and regional financial markets.

He has served as Chairman, Director, and Senior Executive of publicly listed and private financial services companies, both in Trinidad and Barbados. In these positions, he has grown insurance, investment, investment banking and consumer finance businesses. Mr. Sa Gomes is currently running an investment advisory firm and serving as a non-executive director of a consumer finance company, a digital asset fund and a family-owned land development company.

Mr. Sa Gomes is a CFA® Charterholder (2002) and was awarded an MBA from the University of Florida (1995) and a BScEE (Hons) from the University of Texas (1991).

Directorship on boards of other companies:
- Property Holding & Development Company Limited
- Island Finance Trinidad and Tobago Limited
- Admiral Limited
- UTC Financial Services Limited
- UTC Trust Services Limited

Douglas Camacho, Director –
January 1, 2016 to present

Mr. Douglas Camacho has been active in the insurance industry for over 30 years during which time he served as a senior executive. Mr. Camacho is a past President of The Association of Trinidad and Tobago Insurance Companies (ATTIC) and the Insurance Association of the Caribbean (IAC). He has also served as the Chairman of the Board of Governors of the Trinidad and Tobago Insurance Institute (TTII), Chairman of the Pan Caribbean Business Coalition (PCBC) and a Board Member of LL Global.

Additionally, Mr. Camacho is a past President of the Trinidad and Tobago Olympic Committee (TTOC), having completed two four-year terms as its president.

Directorship on boards of other companies:
- National Insurance Board of Trinidad and Tobago
- Trinidad and Tobago Hockey Board
- Dynamic Equity Limited
- Mayaro Initiative for Private Enterprise Development (MIPED)
- SERVOL
- Tobago Plantations Limited
- Impodream Limited
- Family Planning Association of Trinidad and Tobago
- UTC Financial Services Limited
- UTC Trust Services Limited

Sharmaine Caballero, Director –
June 25, 2019 to present

Mrs. Sharmaine Caballero is a human resource professional with over 35 years experience. During her career, she led the human resources function of the Central Bank of Trinidad and Tobago. Following this, she joined Republic Bank Limited where she was a member of the executive management team holding the position of General Manager, Human Resources until her retirement.

Mrs. Caballero was awarded a BSc degree in Economics and Mathematics by The University of the West Indies and an MBA by New York University.

In addition, Mrs. Caballero is a former part-time lecturer at The University of the West Indies and a former President and Chairman of the Council of the Institute of Banking and Finance of Trinidad & Tobago.

Directorship on boards of other companies:
- Trinidad and Tobago Electricity Corporation
- Power Generation Company of Trinidad and Tobago
- UTC Financial Services Limited
- UTC Trust Services Limited

Anne-Marie James, Director –
May 1, 2014 to present

Ms. Anne-Marie James is an experienced financial professional and certified accountant with a career span of over 34 years in the private sector in Trinidad and Tobago. She began her professional career in external audit with one of the big four audit firms before moving to the financial sector. With 35 years experience in the financial services industry, including 27 years at senior management and executive levels, her extensive professional background includes broad experience in the planning, management and execution of diverse finance functions, corporate governance and investment management. She is currently the Senior Finance Manager and Corporate Secretary of a diversified endowment fund.

Ms. James is a fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). In addition to her role as a Director of the UTC, Ms. James is also a member of the Investigations Committee of the ICATT.

Directorship on boards of other companies:
- UTC Financial Services Limited
- UTC Trust Services Limited

Michelle Durham-Kissoon, Director –
March 22, 2017 to present

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

In addition, Mrs. Durham-Kissoon has spent the past seven years defining policy positions for articulation by the Minister of Finance in his capacity as Governor for Trinidad and Tobago for both the World Bank Group and the International Monetary Fund. Her responsibilities in this area culminated in her assignment for the past two years when she was nominated by the government as Advisor for the Republic of Trinidad and Tobago at the Board of Executive Directors of the World Bank Group. There, she championed issues such as advocacy against the loss of correspondent banking relationships arising from the de-risking activities of international banks, as well as for the development of unique financial instruments to cater for the special needs of small states.

Directorship on boards of other companies:
- Seafood Industry Company Limited
- Community Improvement Services Ltd
- UTC Financial Services Limited
- UTC Trust Services Limited

Lorraine Kam, Director –
May 1, 2014 to present

Ms. Lorraine Kam is a financial services professional with over 20 years of progressive experience within the financial services industry. Her experience incorporates a number of executive and management positions, including business head in the areas of corporate and commercial banking, global relationship banking, the public sector client group, financial institutions and in trade, as well as senior positions in corporate and investment banking and risk management. The majority of her career was in banking and finance at Citibank within their Trinidad, Barbados and New York offices. Ms. Kam was also Chief Executive Officer of a subsidiary of a regional financial institution.

Ms. Kam served as an Executive Director on the Board of Citibank (Trinidad & Tobago) Limited and as an Independent Director on the Board of the American Chamber of Commerce of Trinidad & Tobago.

Ms. Kam holds a Bsc in Accounting from The University of the West Indies (Trinidad) and a MSc in Finance from Cass Business School (London, UK). She is a Certified Management Accountant and a Member of the Society of Management Accountants of Ontario, as well as an Affiliate of the Association of Chartered Certified Accountants, United Kingdom.

Directorship on boards of other companies:
- Jamaica Money Market Brokers Ltd
- Intercommercial Trust and Merchant Bank Limited
- UTC Financial Services Limited
- UTC Trust Services Limited

Jonathan Walker, Director –
June 3, 2015 to present

Mr. Jonathan Walker is a partner at the law firm of M. Hamel-Smith & Co. where he heads the dispute and risk management group. Admitted to practice law in 1996, Mr. Walker works closely with clients to manage their legal risks. His core expertise is in the area of litigation and the management of significant commercial and financial disputes. He is trained in mediation and negotiation, and has experience in employment and public law. He is also a former Member of the Law Reform Commission of Trinidad & Tobago.

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

Directorship on boards of other companies:
- IRP Limited
- Yara Trinidad
- UTC Financial Services Limited
- UTC Trust Services Limited

L. Dominic Rampersad, Director –
June 12, 2014 to present

Mr. Rampersad is the holder of a master's degree in business administration from the Oxford Institute of International Finance. He is also a Chartered Accountant and a Member of the Association of Chartered Certified Accountants, as well as the Institute of Chartered Accountants of Trinidad and Tobago. He began his professional career as an Accountant at the National Institute of Higher Education Research, Science and Technology, and has been employed with Phoenix Park Gas Processors Limited since 1994.

Directorship on boards of other companies:
- UTC Financial Services Limited
- UTC Trust Services Limited

Nicholas Gomez –
March 6, 2020 to present

Mr. Nicholas Gomez has amassed significant experience in both public and multinational companies, strengthening their presence in the value chain.

His breadth of experience spans over 30 years in the financial services sector and he has distinguished himself in senior leadership positions in the insurance and assurance advisory services industry.

Mr. Gomez, former Chair of the Audit and Accounting Committee of the Institute of Chartered Accountants of Trinidad and Tobago, has lent his expertise to governance, financial reporting and regulatory issues in several companies across the Caribbean.

Directorship on boards of other companies:
- Bounty & Aukenseoch Limited
- Unilever Caribbean Limited
- Agostini Limited
- Massy Finance GFC Limited
- Massy United Insurance Limited
- Massy Remittance Services Limited
- Massy Transportation Group Ltd
- General Building & Loan Association
- Laughlin & De Gannes Limited
- Process Components Limited

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Board of Directors Meetings

The Board of Directors held six meetings during the period January 1 - December 31, 2019 as follows:

Board of Directors	Jan 24th	Mar 28	May 27 (S)	Jun 6 (S)	Jul 25	Aug 23 (S)
Justice Rolston Nelson	√	√	√	√ (vtc)	√	√
Nigel Edwards	√	√	√	√	√	√
Leonardo Ambrose	√	√	–	–	–	–
Douglas Camacho	√	√	√	√	√	√
Anne-Marie James	√	√	√	√ (vtc)	√	√
Ruben McSween	√	√	√	√	√	Abs.
John Tang Nian	√	√	Abs.	√	√	Abs.
L. Dominic Rampersad	Abs.	√	√	Abs.	Abs.	√
Lorraine Kam	√	√	√	–	√	Abs.
Jonathan Walker	√	√	√	–	√	Abs.
Helen Drayton	√	Abs.	Abs.	√ (vtc)	–	–
Michelle Durham-Kissoon	√	√	Abs.	√ (vtc)	√	√
Chip Sa Gomes	–	–	√	√ (vtc)	√	√
Sharmaine Caballero	–	–	–	–	√	√

*– Indicates that the Director was not a member of the Board during the period under consideration.
* vtc – indicates that the Director attended the meeting via teleconference

Board Committees

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

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

The following are the established Board Committees:

Audit Committee
Investment Committee
Strategic Risk & Compliance Committee
Corporate Advisory Committee
Human Resources Committee

Each Committee provides an annual report to the Board at the end of each reporting period. A brief overview of the Committees and their functions is presented below:

Audit Committee

Chair – Leonardo Ambrose
Chair – L. Dominic Rampersad (from July 25, 2019)

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

At the 370th Meeting of the Board of Directors held on December 6, 2018, the Board AGREED to the implementation of a new organisational structure with effect from January 1, 2019. This new structure was proposed with a view to optimise the effectiveness and efficiency of the office of the Executive Director and to ensure focus on the Corporation's strategic objectives, while providing the appropriate levels of delegation. In light of the revised reporting structure, the Risk and Compliance units were amalgamated into a single Risk and Compliance division with a single Head of Risk and Compliance that reports administratively to the Executive Director.

Consequently, the Audit and Compliance Committee Charter was revised to reflect this change which also resulted in a change to the naming convention of the Committee to Audit Committee.

The Audit Committee held five meetings during the period January 1 - December 31, 2019 as follows:

Committee Members	23rd ACC Feb 12	1st AC May 7	2nd (Special) AC Jun 3	3rd AC Jul 31	4th AC Nov 6
Leonardo Ambrose	√	–	–	–	–
Anne-Marie James	√	√	√	√	√
Ruben McSween	√	√	Abs.	√	Abs.
L. Dominic Rampersad	√	√	√	√	√
Chip Sa Gomes	–	–	–	Abs.	√
Douglas Camacho	√	√	√	–	–

*– Indicates that the Director was not a member of the Board/Committee during the period under consideration.
* vtc – indicates that the Director attended the meeting via teleconference

Investment Committee

Chair – Justice Rolston Nelson

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

The Investment Committee held five meetings during the period January 1 – December 31, 2019 as follows:

Directors	272nd IC Jan 16	273rd IC Apr 24	274th IC May 15 (Special)	275th IC Jul 17	276th IC Aug 23 (Special)
Justice Rolston Nelson	√	√	√	√	√
Nigel Edwards	√	√	Abs.	√	√
Douglas Camacho	√	√	√	√	√
John Tang Nian	√	√	√	√	Abs.
L. Dominic Rampersad	√	√	√	–	–
Anne-Marie James	–	–	–	–	√
Ruben McSween	–	–	–	–	Abs.

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

Strategic Risk and Compliance Committee

Chair – Lorraine Kam

The Strategic Risk and Compliance Committee (SRCC) is a Committee of the Board of Directors established to discharge oversight responsibilities with key risks, including strategic and operational risks, and to ensure that the appropriate policies, procedures and guidelines to mitigate such risks are implemented and monitored.

The Strategic Risk and Compliance Committee held three meetings during the period January 1 – December 31, 2019 as follows:

Committee Members	17th SRC March 20	1st SRCC May 17	2nd SRCC Sept 4
Lorraine Kam (Chairman)	√	√	√
Nigel Edwards	√	√	√
Douglas Camacho	√	Abs.	√
Helen Drayton	√	√	-
Michelle Durham-Kissoon	√	√	√
Justice Rolston Nelson	√	√	√

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

Corporate Advisory Committee

Chair – John Tang Nian

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

The Corporate Advisory Committee held five meetings during the period January 1 – December 31, 2019 as follows:

Committee Members	26th CAC Feb 7	27th CAC Apr 25	28th CAC Jun 24	29th CAC Oct 8	30th CAC (Special) Nov 27
John Tang Nian	√	√	√	√	√
Nigel Edwards	√ (vtc)	√	Abs.	√	√
Ruben McSween	√	√	√	–	√
Jonathan Walker	√	Abs.	Abs.	√	√
Michelle Durham-Kissoon	√	√	√	√	√
Justice Rolston Nelson	√	√	√	–	–
Lorraine Kam	–	–	–	√ (vtc)	√

*– Indicates that the Director was not a member of the Board/Committee during the period under consideration.
vtc – indicates that the Director attended the meeting via teleconference

Human Resources Committee

Chair – Helen Drayton
Chair – Douglas Camacho (from July 25, 2019)

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

The Human Resources Committee held four meetings during the period January 1 – December 31, 2019 as follows:

Committee Members	32nd HRC Jan 14	33rd HRC Mar 25	34th HRC May 6	35th HRC Sept 9
Helen Drayton	√	√	√	–
Douglas Camacho	–	–	–	–
Justice Rolston Nelson	√	√	√	–
Nigel Edwards	√	√	√	√
Anne-Marie James	√	√	√	Abs.
Lorraine Kam	√	√	√	Abs.
Jonathan Walker	√	√	√	√
Sharmaine Caballero	–	–	–	√

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

Strong Internal Controls

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

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

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

External Auditors

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

Our Mutual Funds are audited by a locally based service provider, contracted through a tendering process. This provider has also engaged in non-audit work for the Corporation. The Audit and Compliance Committee is satisfied that they have performed their duties in a transparent and independent manner.

Commitment to Ethics

The Corporation remains committed to fair and ethical business practices, and these form the basis of the Corporation's core values. These principles are entrenched in our Code of Ethics[1] and all Team Members, including Directors, are required to read and attest to adhering to the obligations in the Code on an annual basis.

Conflicts of Interest

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

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

Disclosure and Transparency

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

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

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

TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION

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THE *NEXT* STEP

ANNUAL REPORT 2019

- **Nigel Edwards**
  Executive Director

- **Judith Sobion**
  Vice President, Corporate Services

- **Sekou Mark**
  Chief Investment Officer

- **Dawn Seepersad**
  General Counsel and
  Corporate Secretary

- **Crystal Rodriguez- Greaves**
  Chief Risk Officer

- **Karrian Hepburn**
  Vice President, Sales and Service

- **Kerri Maharaj**
  Chief Financial Officer

- **Natasha M. Davis**
  Vice President, Marketing and Operations

- **Warren Sookdar**
  Chief Information Officer

STRATEGIC LEADERSHIP TEAM

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Nigel Edwards
Executive Director

Mr. Nigel Edwards is a servant leader, with strong financial acumen and over 25 years strategic management experience at the highest levels across multiple disciplines.

He has demonstrated throughout his career the ability to work successfully in dynamic environments, designing, leading and executing strategies which resulted in impressive value creation. He served as Chief Executive and Executive Director - Investments at a Group of Companies and was critical in guiding complex, multiple mergers and acquisitions, and is a leading authority on corporate restructuring.

Mr. Edwards, whose previous position was Chief Financial Officer (CFO) at the UTC, was instrumental in the Corporation maintaining its robust financial position and ensuring it is well-positioned to optimise opportunities.

He was awarded an MSc. Finance by the London Business School and a BSc in Management Studies by The University of the West Indies. Mr. Edwards is also a member of the Chartered Association of Certified Accountants (ACCA).

Mr. Edwards appreciates that building customer relationships is fundamental to our continued growth and strengthening our competitive edge. As Executive Director, Mr. Edwards is leading the charge in continuing the UTC's innovation thrust, strategic leadership and strengthening the Corporation's competitive edge in the financial services sector.

Dawn Seepersad
General Counsel and Corporate Secretary

Ms. Dawn Seepersad is an Attorney-at-Law with over 30 years experience in banking, insurance and commercial law, legal and business management and administration.

Her career portfolio includes the position of General Counsel and Corporate Secretary at an international bank and Assistant Vice President, Legal and Assistant Corporate Secretary at a regional insurance and financial services company. She has provided legal services in the area of commercial and civil law, and corporate secretarial services and administration of an investment brokerage firm. She also had extensive litigation experience in banking, insurance and commercial law at the Civil Bar.

Her education includes an LLB (Honours) from The University of the West Indies and a Certificate of Legal Education from the Hugh Wooding Law School.

In the role of General Counsel and Corporate Secretary, she has executive responsibility for the legal and regulatory matters of the UTC.

Judith Sobion
Vice President, Corporate Services

Ms. Judith Sobion holds a MBA Administration from the University of New Orleans, a first degree in Social Sciences and History from The University of the West Indies and a post-graduate diploma in Human Resources Management from the Institute of Business/The University of the West Indies, now known as the Arthur Lok Jack Global School of Business.

Ms. Sobion has more than 25 years leadership experience in strategic planning, human resources management and industrial relations, and has led a diverse range of teams within different organisational cultures at the national, regional and global levels.

Her other strengths include people leadership, strategy design and execution, organisational design, change management, talent forecasting and resourcing, coaching and mentoring, as well as mergers and acquisitions.

Her position as Vice President, Corporate Services has executive responsibility for Human Resources, Industrial Relations, Procurement/ Supply Chain Management, Facilities Management, Corporate Security and Corporate Administration.

Natasha M. Davis
Vice President, Marketing and Operations

Ms. Natasha M. Davis has more than 19 years experience in strategic marketing, reputation management, brand development, brand management, public relations, event management, and contract negotiation. She holds an MBA (International Marketing) from the Arthur Lok Jack Graduate School of Business and has a BSc (Management Studies – Marketing & Finance) from The University of the West Indies, St Augustine.

In her role as Vice President, Ms. Davis has executive responsibility for Reputation Management, Marketing, Corporate Communications, Brand Management, Digital Strategy, Trust Operations, The UTC Foundation and administratively Information and Communications Technology.

Karrian Hepburn
Vice President, Sales and Service

Mrs. Karrian Hepburn's career experience spans over 16 years and includes strategic and financial planning, marketing and sales, designing and implementing policies and procedures, customer relationship management, compliance as it relates to anti-money laundering, know your customer-related matters and people leadership.

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

She holds an MBA in General Management and a BSc in Management Studies and Public Administration from The University of the West Indies. In addition, she has completed international professional training in the areas of business support services, audit, credit risk management and operations shared services. She is certified in Change Management process with Prosci Canada and is currently pursuing her Doctorate in Management of Organisational Leadership.

She currently sits on the Board of Directors of The American Chamber of Commerce of Trinidad & Tobago (AMCHAM T&T) and is a Director of Unit Trust Corporation (Cayman) SPC Ltd. In the role of Vice President, Sales and Service, she has executive responsibility for managing all customer relationships and service touchpoints across the Corporation, which includes the Investment Centres, Bureau de Charge, Advisory Services, Contact Centre and Card Services.

Sekou Mark
Chief Investment Officer

Mr. Sekou Mark has executive responsibility for the strategic leadership of the Investment Research and Portfolio Management team in the execution of the critical investment function of the Trinidad and Tobago Unit Trust Corporation, the largest Mutual Fund company in the English-speaking Caribbean with over US$3 billion in Assets Under Management and 617,591 individual and institutional investors.

He is the holder of an MBA with a concentration in International Business Finance from The George Washington University.

A career banker, Mr. Mark has worked in more than 20 countries across Latin America and the Caribbean in his over 20 years of experience. Mr. Mark spent 10 years in Washington, DC at The World Bank and the Inter-American Development Bank, then returned to the Caribbean to hold senior leadership positions at First Citizens Bank, Citi and presently at the Trinidad and Tobago Unit Trust Corporation.

Mr. Mark has extensive experience in project finance, corporate finance, public-private partnerships and asset management; is passionate about regional capital market development; and is proficient in Spanish.

Crystal Rodriguez-Greaves, CFA
Chief Risk Officer

As the Corporation's Chief Risk Officer, Crystal Rodriguez-Greaves has responsibility for the Enterprise Risk Management and Compliance Frameworks at the Corporation.

Mrs. Rodriguez-Greaves joined the Unit Trust Corporation in 2004 and over the past 16 years has held leadership roles in the areas of Finance, Investment Management, Risk Management and Compliance. Her career portfolio includes expertise in the areas of macroeconomic analysis, financial statement analysis, investment strategy formulation, portfolio management, enterprise risk management, market risk, operational risk, business continuity management and compliance.

She holds the CFA designation and a BSc in Management Studies and Finance from The University of the West Indies, St. Augustine. She is also a member of the Board of the CFA Society Trinidad and Tobago.

Warren Sookdar
Chief Information Officer

Mr. Warren Sookdar is the holder of an MBA from the Anglia Ruskin University, Cambridge, UK. He also has an advanced certificate in Project Management from the Arthur Lok Jack Graduate School of Business and a post-graduate diploma in Business Administration, Henley Management College, UK.

He has functioned at the senior leadership level for approximately 25 years in the field of information and communications technology (ICT) within the financial sector locally, regionally and internationally. His knowledge and expertise are in the areas of strategic leadership in ICT, inclusive of credit card operations, process management, process re-engineering and ICT-based service delivery.

He has executive responsibility for leading and directing the ICT team.

Additionally, Mr. Sookdar is an adjunct lecturer at the Arthur Lok Jack Global School of Business and serves as a Non-Executive Director in a large regional conglomerate. He is also an active Rotarian and is involved in several community and charitable organisations.

Kerri Maharaj
Chief Financial Officer

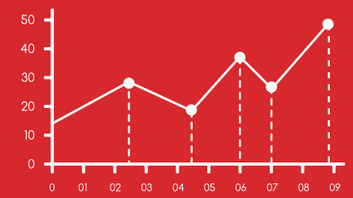
Mr. Kerri Maharaj brings with him approximately 20 years of management experience and has held senior leadership roles spanning a range of industry sectors for both local and global entities.

In addition to various finance positions, Mr. Maharaj's professional career includes General Manager, Treasury at a global banking entity and Director, Mergers and Acquisitions at a global institution. His most recent position was Group Chief Financial Officer of a regional financial institution.

He holds various UK-based qualifications and is a fellow of the Association of Corporate Treasurers, a fellow of the Association of Chartered Certified Accountants and the holder of a BSc in Financial Services and Associateship.

Mr. Maharaj has executive responsibility for the finance, accounting and treasury functions of the Corporation.

TRINIDAD AND TOBAGO
UNIT TRUST CORPORATION



FINANCIAL REPORTS

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

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO UNIT TRUST CORPORATION FOR THE YEAR ENDED 31 DECEMBER, 2019

OPINION

The consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation (the Corporation) for the year ended 31 December, 2019 have been audited. The statements as set out on pages 1 to 67 comprise a Consolidated Statement of Financial Position as at 31 December, 2019, a Consolidated Statement of Profit or Loss, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Changes in Equity and a Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements numbered 1 to 31, including a summary of significant accounting policies.

2. In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trinidad and Tobago Unit Trust Corporation as at 31 December, 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

BASIS FOR OPINION

3. The audit was conducted in accordance with accepted auditing standards. The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Corporation in accordance with the ethical requirements that are relevant to the audit of the financial statements and other ethical responsibilities have been fulfilled in accordance with these requirements. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

4. Management of the Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

5. In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

6. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

8. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with accepted auditing standards, the Auditor General exercises professional judgment and maintains professional skepticism throughout the audit. The Auditor General also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Corporation.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Corporation to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit

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report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify his opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding, the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. The Auditor General is responsible for the direction, supervision and performance of the audit of the Corporation. The Auditor General remains solely responsible for his audit opinion.

10. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. The Unit Trust Corporation Chap. 83:03 paragraph 12(1) states that:

"The Board shall meet not less than six times a year and at least once every two months and shall observe such rules of procedure in the transaction of business at its meetings as may be made by the Board."

11.1 During the financial period, the Board of Directors did not meet at least six times a year and at least once every two months as required by the Unit Trust Corporation Act Chap. 83:03 because of the non-appointment of a Chairman on expiration of the office holder's term of office. A Chairman of the Board of Directors was appointed in March 2020.

27TH MARCH, 2020
PORT OF SPAIN

LORELLY PUJADAS
AUDITOR GENERAL

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December, 2019
Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-19 $ '000	31-Dec-18 $ '000
ASSETS			
Cash and Cash Equivalents	3	3,269,272	2,090,800
Receivables		194,183	150,104
Prepayments and Other Assets		20,453	17,179
Investment Securities	4	19,178,368	19,565,672
Property, Plant and Equipment	5	149,826	157,305
Right-of-Use Assets	6	15,732	-
Intangible Assets	7	207	490
TOTAL ASSETS		22,828,041	21,981,550
LIABILITIES			
Accounts Payable and Short-term Liabilities		70,566	70,045
Lease Liability		16,405	-
Distribution Payable		38,829	51,291
Pension and Other Post-retirement Liabilities	8	18,161	13,983
Price Guarantee Provision	9	3,024	25,857
Net Assets Attributable to Unitholders	10	21,201,609	20,438,710
Other Liabilities		4,532	2,110
TOTAL LIABILITIES		21,353,126	20,601,996
EQUITY			
Statutory Reserves	11	5,700	5,700
Revaluation Reserve	12	(20,709)	(16,720)
Retained Earnings		1,489,924	1,390,574
		1,474,915	1,379,554
TOTAL LIABILITIES AND EQUITY		22,828,041	21,981,550

Chairman

Executive Director

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December, 2019
Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-19 $'000	31-Dec-18 $ '000
CONTINUING OPERATIONS			
INCOME			
Investment Income	13 a	683,722	661,068
Initial Charge		11,900	11,847
Fee Income	14	4,561	5,283
Other Income		4,328	10,592
Net Change in Fair Value on Investment Securities	13 b	639,628	(373,123)
Total Income		1,344,139	315,667
EXPENSES			
Commissions		(16,177)	(16,545)
Administrative	15	(253,586)	(266,909)
Depreciation and Amortisation	5, 6, 7	(17,093)	(13,215)
Total Expenses		(286,856)	(296,669)
Net Income before Guarantee Adjustment		1,057,283	18,998
Price Guarantee Credit/(Charge)	9	22,360	(13,873)
Net Income after Guarantee Adjustment		1,079,643	5,125
Distributions to Unitholders	19	(265,389)	(249,333)
Allocation by Funds to Reserves	28, 30	(2,731)	(15,163)
(Income)/Loss Capitalized		(32,591)	5,037
Net (Income)/Loss Attributable to Unitholders		(672,628)	259,944
Net Income from continuing operations before Finance Charges		106,304	5,610
Finance Charges	6a	(1,555)	-
Net Income before Taxation		104,749	5,610
Taxation	20	(5,399)	(6,394)
Net Income/(Loss) from continuing operations after taxation		99,350	(784)
DISCONTINUED OPERATIONS			
Net Loss on Liquidation	33	-	(34,653)
Net Income/(Loss) for the period		99,350	(35,437)

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2019
Expressed in Trinidad and Tobago dollars

	Notes	31-Dec-19 $'000	31-Dec-18 $ '000
Net Income/(Loss) for the period		99,350	(35,437)
Other Comprehensive Income:			
Amounts that may be transferred to Profit or Loss in the future:			
Exchange Translation differences		(121)	760
Amounts that will not be transferred to Profit or Loss in the future:			
Re-measurements of Pension and Other Post-retirement Liabilities		(3,868)	1,590
Other Comprehensive (Loss)/Income for the period		(3,989)	2,350
Total Comprehensive Income/(Loss) for the period		95,361	(33,087)

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2019

Expressed in Trinidad and Tobago dollars

	Statutory Reserves $'000	*Revaluation Reserve $'000*	*Retained Income $'000*	*Total $'000*
Balance as at 1 January, 2019	5,700	(16,720)	1,390,574	1,379,554
Total Comprehensive Income for the period	-	(3,989)	99,350	95,361
Balance as at 31 December, 2019	5,700	(20,709)	1,489,924	1,474,915
Balance as at 1 January, 2018	5,700	(19,070)	1,426,011	1,412,641
Total Comprehensive Loss for the year	-	2,350	(35,437)	(33,087)
Balance as at 31 December, 2018	5,700	(16,720)	1,390,574	1,379,554

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

Trinidad and Tobago Unit Trust Corporation

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December, 2019

Expressed in Trinidad and Tobago dollars

	31-Dec-19 $'000	31-Dec-18 $'000
OPERATING ACTIVITIES		
Net Income before taxation	104,749	5,610
Adjustment to reconcile net income to net cash and cash equivalents from operating activities:		
Net Income/(Loss) Attributable to Unitholders	973,339	(485)
Depreciation and Amortisation	17,093	13,215
Loss on sale of Property, Plant and Equipment	(1)	-
(Decrease)/Increase Price Guarantee Provision	(22,834)	13,873
Revaluation of Fund Reserve Assets	(178)	251
Interest on Fund Reserve Assets	1,902	1,535
Net Change in Fair value on Investment Securities	(658,470)	456,101
Interest portion of lease payments	1,555	
	417,155	490,100
Movements in Net Current Assets		
(Increase)/Decrease in Receivables	(44,079)	11,648
(Decrease)/Increase in Prepayments and Other Assets	(3,273)	20,175
Decrease/(Increase) in Accounts Payable and Liabilities	2,943	(5,361)
(Increase)/Decrease in Distribution Liability	(12,462)	3,386
Increase in Pension and Other Post-retirement Liabilities	310	400
	360,594	520,348
Taxation paid	(5,399)	(6,394)
Net Cash Flow From Operating Activities	355,195	513,954
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(3,982)	(7,570)
Disposal of Property, Plant and Equipment	51	1
Purchase of Investment Securities	(20,835,813)	(10,383,654)
Disposal of Investment Securities	21,862,746	8,401,912
Net Cash Flow From/(Used In) Investing Activities	1,023,002	(1,989,311)
FINANCING ACTIVITIES		
Subscriptions from Unitholders	2,814,593	2,866,702
Redemptions by Unitholders	(2,741,298)	(2,475,838)
Distribution Payments to Unitholders	(265,389)	(249,333)
Guarantee Reserve Payment	(469)	(871)
Principal portion of lease payments	(4,726)	-
Interest portion of lease payments	(1,555)	
Net Cash (Used In)/Flow From Financing Activities	(198,844)	140,660
Net (Loss)/Gain on Foreign Exchange	(881)	1,845
Net Increase/(Decrease) In Cash and Cash Equivalents	1,178,472	(1,332,852)
Cash and Cash Equivalents at beginning of period	2,090,800	3,423,652
Cash and Cash Equivalents at end of period	3,269,272	2,090,800

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

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

1) Incorporation and Principal Activities

The Trinidad and Tobago Unit Trust Corporation (the "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 to provide, inter alia, facilities for members of the public to invest in shares and securities approved by the Board of the Corporation.

The Corporation's principal place of business is UTC Financial Centre, 82 Independence Square, Port of Spain.

The Finance Act of 1997 permitted expansion of the Corporation's scope of business to include other financial services, such as merchant banking, trustee and card services.

The Consolidated Financial Statements of the Corporation and its subsidiaries, which include its controlled entities, (collectively "the Group") for the year ended 31 December 2019 were authorized for issue by the Board of Directors on 24 February, 2020.

2) Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these Consolidated Financial Statements (the "Financial Statements") are set out below. These policies have been consistently applied to all years presented, except as described in Note 2 (b)(i).

a) Basis of Preparation

i. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

ii. The Financial Statements were prepared under the historical cost convention as modified by financial assets measured at fair value through profit or loss (FVPL). The methods used to fair value the Group's financial assets are provided at Note 2(f).

iii. The Financial Statements are presented in Trinidad and Tobago dollars (TTD), which is the functional currency of the Corporation.

iv. The preparation of Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which can have a significant effect on the amounts recognized in the Financial Statements:

- The Group's decision to consolidate the entities for which it is the investment manager, trustee and sponsor (see Note 2c); and
- The Group's decisions with respect to the business models of the investment portfolios of the Growth and Income Fund, the TT Dollar Income Fund, the Universal Retirement Fund, and the US Dollar Income Fund.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

a) Basis of Preparation (continued)

v. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next year are described below:

- the quantum of the liability under the price guarantee offered to unitholders of the Growth and Income Fund at the reporting date (see Note 9);
- the fair value of financial assets categorized as Level 3. When the fair value of financial assets cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (see Notes 2(f), 4(c) and 21);
- The cost of the defined benefit plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. The key assumptions in the actuarial valuation include: the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and the long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually (see Note 8); and
- The Group cannot determine the interest rate implicit in the leases which it holds as lessee nor can it easily arrive at an incremental borrowing rate to measure its lease liabilities. The Group has used the Central Bank prime lending rate as a proxy for its incremental borrowing rate and used that rate to measure its lease liabilities. The current Central Bank prime lending Rate is 9.25% (see Note 6).

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) (i) New published standards applicable to the Group

- **IFRS 16 - *Leases***

IFRS 16 is mandatory from 1 January 2019. It sets out principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17 - *Leases*, IFRIC 4 - *Determining whether an Arrangement contains a Lease*, SIC 15 - *Operating Leases* and SIC - 27 - *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 introduced new or amended requirements with respect to lease accounting. It introduced significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of right-of-use assets, and a lease liability at commencement, for all leases except short-term leases and leases of low value assets when such recognition exemptions are adopted. Lessees must also now recognize depreciation on right-of-use assets and interest expense on the related lease liability in the statement of income.

Lessor accounting is substantially unchanged from accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

Impact of the new definition of a lease

In preparation for the first-time application of IFRS 16, the Group carried out an implementation project, which determined that the new definition in IFRS 16 will not significantly change the scope of contract that meets the definition of a lease for the Group.

The Group has applied IFRS 16 using the modified retrospective/the cumulative catch-up approach with the date of initial application as 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

The Group has made use of the practical expedient available on transition to IFRS 16, that is, not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered into or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of identified assets for a period of time in exchange for consideration. This is in contrast to the focus on 'risk and rewards' in IAS 17 and IFRIC 4.

The Group applied the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or lessee in the lease contract).

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) (i) New published standards applicable to the Group (continued)

- **IFRS 16 – *Leases (continued)***

Impact on Lessee accounting - former operating leases

IFRS 16 changed how the Group accounts for leases previously classified as operating leases under IAS 17. Such leases were not included in the statement of financial position prior to 1 January 2019. In applying IFRS 16 to all leases, the Group:

i. recognized right-of-use assets and lease liabilities in the consolidated statement of financial position in respect of contracts formerly classified as operating leases under IAS 17, as separate line items;
ii. initially measured the right-of-use assets and lease liabilities at the present value of the future lease payments. In the case of leases entered into or modified after 1 January 2019, the right-of-use asset is adjusted by the amount of any prepaid accrued lease payments. In the case of leases in effect on 1 January 2019, it has used the expedient allowed by IFRS 16 whereby it may exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application (see the IFRS 16 expedients used listed later in this note);
iii. did not group right-of use assets with any other class of assets;
iv. recognized depreciation on the right-of-use assets recognized and interest on related lease liabilities in profit or loss; and
v. separated the total amount of cash paid on operating leases into a principal portion (presented within financial activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free periods) are recognized as part of the measurement of the right-of-use assets and lease liabilities for leases entered into or modified after 1 January 2019, whereas under IAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expense generally on a straight-line basis. The Group had no leases with lease incentives at the reporting date.

Under IFRS 16, the right-of-use assets are tested for impairment in accordance with IAS 36 – *Impairment of Assets*.

As permitted by IFRS 16, the Group has opted to recognize as lease expenses on a straight-line basis, short-term leases (leases with terms of 12 months or less) and leases of low value assets. The expense is presented within Administrative Expenses in the consolidated statement of profit or loss.

The Group used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases under IAS 17. The Group has:

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) (i) New published standards applicable to the Group (continued)

- **IFRS 16 – *Leases (continued)***
  Impact on Lessee accounting - former operating leases (continued)

  i. applied a single discount rate to its portfolio of leases;
  ii. relied on its assessment of whether leases were onerous immediately before the date of initial application, applying IAS *37 Provisions, Contingent Liabilities and Contingent Assets* as an alternative to undertaking an impairment review under IAS 36 – *Impairment of Assets*;
  iii. elected not to recognize right-of-use assets and lease liabilities in respect of leases where the lease term ended within 12 months of the initial application date;
  iv. excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
  v. used hindsight when determining the lease term when contracts contain options to extend or terminate the lease.

  Impact on Lessee accounting – former finance leases

  The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognizes as part of the lease liability the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17.

  The Group had no leases classified as finance leases under IAS 17 and changes introduced by IFRS 16 had no impact on these Financial Statements.

  Impact on Lessor Accounting

  IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and accounts for those two types of leases differently.

  IFRS 16 has however changed and expanded the disclosures required, in particular regarding how a lessor manages the risk arising from its residual interest in leased assets.

  Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

  The changes to lessor accounting introduced by IFRS 16 had no impact on these Financial Statements.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) (i) New published standards applicable to the Group (continued)

- **IFRS 16 – *Leases***
  Financial impact of the initial application of IFRS 16

  The incremental borrowing rate applied to the lease liabilities recognized in the statement of financial position on 1 January 2019 was 9.25%.

  The table below shows the operating lease commitments at 31 December 2018 applying IAS 17, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact on Retained Earnings as at 1 January 2019	**$'000**
Operating lease commitments at 31 December 2018	22,676
Effect of discounting the above amounts	(4,032)
Lease liabilities recognized at 1 January 2019	**18,644**
Right-of-use assets recognized at 1 January 2019	**18,644**

  The Group recognized $18.6 million of right-of-use assets and $18.6 million of lease liabilities upon transition to IFRS 16. The transition to IFRS 16 had no impact on the Group's Retained Earnings (see the Statement of Changes in Equity).

  Impact on the Consolidated Statement of Cash Flows

  The application of IFRS 16 has impacted the Group's consolidated statement of cash flows. In particular:

  i. Short-term lease payments and payments for leases of low-value assets are reported as part of operating activities;
  ii. Cash paid for the interest portion of a lease liability has been reported as operating activities; and
  iii. Cash paid for the principal portion of a lease liability has been reported as part of financing activities.

  Under IAS 17, all lease payments on operating leases were presented as part of cash flows from operating activities. Consequently, the net cash generated by operating activities has increased by $6.4 million, and net cash used in finance activities has increased by the same amount.

  The adoption of IFRS 16 did not have an impact on net cash flows.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) (i) New published standards applicable to the Group (continued)

- **Amendments to IFRS**

  In the current year, the Group applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for annual periods that begin on or after 1 January 2019. Their adoption has not had a material impact on the disclosures or on the amounts reported in these Financial Statements. The amendments are listed below:

  - *Amendments to IFRS 9 – Prepayment features with Negative Compensation*
  - *Amendments to IAS 28 – Long-term interests in associates and joint ventures*
  - *Amendments to IAS 19 – Plan amendment, Curtailment or Settlement*
  - *Amendments to IFRIC 23 Uncertainty over Income tax Treatments*
  - *Annual improvements to IFRS 2015-2017 which included amendments to*
    - *IAS 12 Income Taxes*
    - *IAS 23 Borrowing Costs*
    - *IFRS 3 Business Combinations*
    - *IFRS 11 Joint Arrangements*

(ii) **New published standards not yet effective and not early adopted:**

The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

- *Amendments to IAS 1 and IAS 8 Definition of material*
  The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards.

  The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

  The amendments are applied prospectively for annual periods beginning on or after 1 January 2020 with earlier application permitted.

- *IFRS 17 Insurance Contracts*
  IFRS 17 establishes the principles for recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The standard is effective for annual periods beginning on or after 1 January 2022 with early application permitted. It is not expected that adoption of the standard will have any impact on the these Financial Statements in the foreseeable future.

- *Amendments to IFRS 3 Definition of a business*
  The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

b) New published standards applicable to the Group (continued)

(ii) **New published standards applicable to the Group but not yet effective and not early adopted** (continued)

- *IFRS 10 and IAS 28 (amendments) Sale or contribution of assets between an investor and its Associate or joint venture*
  The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.

  The effective date of the amendments has yet to be set by the IASB. Early application is permitted.

- *Amendments to references to the Conceptual Framework in IFRS Standards*
  The IASB has issued Amendments to References to the Conceptual Framework in IFRS Standards. The amendments, where they are actually updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

c) Basis of Consolidation

The Financial Statements incorporate the separate financial statements of the Corporation, the financial statements of the locally domiciled Funds (see Note 26) and the financial statements of its incorporated subsidiaries (see Note 22). The Corporation and the consolidated entities are referred to as the "Group" in these Financial Statements.

Management concluded that for purposes of IFRS 10, its relationship with the locally domiciled Funds was that of a principal rather than that of an agent hence their consolidation in these Financial Statements. Management's conclusion was based primarily on its exposure to significant variability of returns due to the Corporation's commitment to support the locally domiciled Funds.

The Corporation reassesses at each reporting period whether or not it controls the entities with which it is involved using the control criteria established in IFRS 10. In particular, it concludes that it controls an entity if, and only if, after considering all the circumstances, it forms the view that:

i. it has power over the entity;
ii. it is exposed, or has rights, to variable returns from its involvement with the entity; and
iii. it has the ability to use its power to affect its returns from the entity.

Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control the entity.

The line item in the Consolidated Statement of Financial Position - 'Net Assets Attributable to Unitholders' - represents the portion of the profit and net assets of consolidated collective investment schemes not owned, directly or indirectly, by either the Corporation or an entity which the Corporation controls. The balance is recognized as a liability in the Consolidated Statement of Financial Position, as the units/shares represent Group obligations to deliver cash on presentation of such units/shares for redemption.

All material intra-group transactions and balances have been eliminated in preparing these Financial Statements.

The financial year end of each entity consolidated is 31 December. The accounting policies of each entity consolidated are consistent with those of the Group.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

d) Financial Assets

The Group's financial assets consist of:

i. Investment securities;
ii. Cash and cash equivalents; and
iii. Receivables

The Group recognizes a financial asset when it becomes party to the contractual rights of the financial asset.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or where the Group has transferred substantially all the risks and rewards of ownership of the financial asset to another party.

Classification and subsequent measurement of financial assets
The Group classifies its financial assets based on the business model of the portfolio within which the financial asset is managed and the contractual cash flow characteristics of the financial asset.

In assessing the objective of a portfolio's business model, the Group considers:

i. The way in which the assets within the portfolio are managed and information provided to management;
ii. The stated policies and objectives of the portfolio;
iii. The operation of the portfolio's stated policies in practice;
iv. The method of evaluating the performance of the portfolio; and
v. The risks that affect the performance of the portfolio and how those risks are managed.

The Group's investment securities are held in portfolios which are managed and evaluated on a fair value basis. The receipt of contractual cash flows or, the receipt of contractual cash flows and the purchase and sale of financial assets in the portfolio, are incidental to the objectives of the portfolios. Accordingly, the assets in the Group's portfolios have been classified and measured at FVPL – mandatory.

e) Financial Liabilities
The Group recognizes a financial liability when it becomes party to the contractual obligations of the financial instrument. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

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2) Significant Accounting Policies (continued)

f) Fair Value Estimation – Investment Securities

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

Valuation framework
The Group has established a control framework for the measurement of fair values. The framework includes a valuation team that is independent of front office management. The valuation team reports to a Valuation Committee comprising the Vice Presidents of the Finance and Risk departments. Valuations are reviewed by the Audit Committee on a quarterly basis.

Fair value hierarchy
Fair value measurements of securities are categorized into three levels based on the degree to which the fair value measurement inputs are observable. The three levels are:

- ***Level 1***. Level 1 valuation inputs are unadjusted quoted prices for identical assets and liabilities in active markets that the entity can access at the measurement date.
- ***Level 2***. Level 2 valuation inputs exclude Level 1 inputs but are inputs that are observable for the asset or liability either directly or indirectly. There were no assets classified as Level 2 during the years 2018 and 2019.
- ***Level 3***. Level 3 uses significant inputs that are unobservable in the valuation of the asset.

The level within the fair value hierarchy to which fair value measurements are assigned is determined by the lowest level input that is significant to the fair value measurement in its entirety. Thus, where a fair value measurement requires significant judgment with respect to an input, it is classified as Level 3.

The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

f) Fair Value Estimation – Investment Securities (continued)

Equities traded in active markets
An active market is a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of equities traded in active markets is based on unadjusted quoted prices at the close of trading on the reporting date and categorized as Level 1.

Equities not traded in an active market – unquoted equities
The fair value of significant holdings of unquoted equities is estimated by professional valuators and categorized as Level 3.

Insignificant holdings of unquoted equities are held by the Corporation for strategic purposes. The cost of such holdings is presumed to approximate its fair value.

Private Equity
The fair value of the Group's private equity holdings is provided by the General Partners of the private entity and are categorized as Level 3.

Traded local and foreign Bonds
Traded bonds are valued using indicative quotations at the reporting date from a reputable pricing service. The quotations do not necessarily reflect the price at which a broker would be willing to execute a transaction and the valuations have been categorized as Level 3. Where the Group is in receipt of prices at which bonds can be traded, the bonds are categorized as Level 1.

Unquoted Local Bonds
The Group uses an internally developed model to value its unquoted local bonds. Management reviews the model regularly to incorporate enhancements in line with established best practice. Effective 1 January 2019, the Group's Valuation Committee approved the following improvements to the model.

- Application of bootstrapping methodology to construct a zero-coupon yield curve; previously the Group used par yield curves.
- Use of an extrapolation function to estimate the short end of the yield curve.
- Incorporation of industry specific spreads and credit ratings. The Group now uses the Global Industry Classification Standard (GICS) to estimate the spread desirable for each bond.

The output of any valuation model is an estimate of a value that cannot be determined with certainty. As such the valuation may vary significantly from the value that would be realized in an actual transaction. Valuations based on the model are categorized as Level 3.

Categorization of Short-term Investments
The Group's short-term investments are assumed to be encashable/tradeable at their carrying value and are categorized as Level 1.

Receivables, payables and short-term liabilities
The carrying value of receivables and payables, which are of a short-term nature, are assumed to approximate their fair values.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

g) Fair Value Estimation – Property

Land and buildings are valued by independent professional valuators every three years.

h) Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs for repairs and maintenance are charged to the Consolidated Statement of Profit or Loss during the financial period in which such costs are incurred.

Where the carrying amount of Property, Plant and Equipment is greater than its estimated recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount.

Gains and losses on disposal of Property, Plant and Equipment are determined by comparing the disposal proceeds with the carrying amounts. The resulting gains or losses are recognized in the Consolidated Statement of Profit or Loss.

Freehold land is capitalized but not depreciated. Leasehold land is capitalized and amortized over the term of the lease.

Depreciation on Property, Plant and Equipment, with the exception of motor vehicles, is calculated using the straight-line method to allocate their cost over their estimated useful lives. Depreciation on Motor Vehicles is calculated on a reducing balance basis.

The estimated useful life of the various categories of the Group's Property, Plant and Equipment are as follows:

Property, Plant and Equipment Category	Estimated Useful Life
Building	50 years
Office Improvement	3-15 years
Computer Equipment	2-8 years
Office Equipment	3-13 years
Office Furniture & Fixtures	3-10 years
Motor Vehicles	4 years

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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Expressed in Trinidad and Tobago Dollars

2) Significant Accounting Policies (continued)

i) Leases

The Group has applied IFRS 16 using the modified retrospective/the cumulative catch-up approach and therefore comparative information has not been restated. The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below.

Policies applicable from 1 January 2019

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes right-of-use assets and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For short-term and low value lease arrangements, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time patterns in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments less any lease incentives receivable;
- variable lease payments that depend on an index or rate, internally measured using the index or rate at the commencement rate;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchased options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

2) **Significant Accounting Policies (continued)**

i) **Leases (continued)**

Policies applicable from 1 January 2019 (continued)

(a) The Group as lessee (continued)

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to a change in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payment using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site at which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in Administrative expenses in the consolidated statement of profit or loss.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

2) **Significant Accounting Policies (continued)**

i) **Leases (continued)**

Policies applicable from 1 January 2019 (continued)

(a) The Group as lessee (continued)

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as Lessor

The Group enters into lease agreements as a lessor with respect to some of its properties. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group's leases as lessor are all classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the term of the lease. When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Policies applicable prior to 1 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

(a) The Group as a lessee

Assets under finance leases are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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2) Significant Accounting Policies (continued)

i) Leases (continued)

Policies applicable prior to 1 January 2019 (continued)

(a) The Group as lessee (continued)

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the lease, except where another systematic basis is more representative of the time patterns in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognized as expenses in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

No Group entity was party to a finance lease as a lessee during 2018.

(b) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

No Group entity was party to a finance lease as a lessor during 2018.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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2) Significant Accounting Policies (continued)

j) Intangible Assets

Acquired computer software and software licenses are the only intangible assets recognized by the Group in these Financial Statements. Computer software and software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognized as an intangible asset if, and only if, it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

The cost of intangible assets is amortized on a straight-line basis over the estimated useful life of the asset (between three (3) to five (5) years) or the life of the license whichever is shorter. No software was capitalized during 2019 (2018: nil) (see Note 7).

Costs associated with maintaining computer software are expensed as incurred.

k) Impairment of Non-Financial Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or, at a minimum, at least annually. An impairment loss is the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit or Loss.

l) Foreign Currency Translation

The Group's functional and presentation currency is Trinidad and Tobago dollars. Foreign currency transactions are translated into the functional currency using the mid-rate for the currency, quoted by the Central Bank of Trinidad and Tobago, on the day prior to the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the Consolidated Statement of Profit or Loss.

The results and financial position of all Group entities that have a functional currency other than the presentation currency are translated into the presentation currency using the closing rate. All resulting exchange differences are recognized in the Consolidated Statement of Comprehensive Income.

2) Significant Accounting Policies (continued)

m) Employee Benefits

i. Short-term benefits

Short-term employee benefits such as salaries and vacation entitlements are recognized in the accounting period during which the short-term benefits are earned.

ii. Pension obligations

Group contributions to retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefits constitute a small portion of the Group's pension plan benefits (see Note 8). The Group's defined benefit obligations are calculated by estimating the value of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of the plan assets are deducted. The discount rate approximates either high quality corporate bonds or the long-term bond rate for government bonds with a duration similar to the duration of the defined benefit obligations.

The defined benefit obligation calculations are performed annually by an actuary using the projected unit credit method. Should the calculation result in a surplus, the surplus is not recognized as an asset since the Group is not entitled to reduce its contributions to the plan.

iii. Other post-retirement obligations

The Group provides post-retirement medical and insurance benefits to its retirees, the cost of which is recognized as an expense. Entitlement to these benefits is dependent on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that used to compute the defined benefit pension obligations. An independent qualified actuary conducts a valuation of these obligations annually.

n) Cash and Cash Equivalents

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

o) Provisions

Provisions are recognized when:

i. the Group has a present or constructive obligation as a result of past events;

ii. it is probable that an outflow of resources will be required to settle the obligation; and

iii. the amount of the obligation can be reliably estimated.

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2) Significant Accounting Policies (continued)

p) Revenue Recognition

Interest income is recognized in the Consolidated Statement of Profit or Loss using the effective interest method.

Dividend income is recognized only when:

i. the right to receive a dividend payment is established;
ii. it is probable that the economic benefits associated with the dividend will flow to the Group; and
iii. the amount of the dividend can be reliably measured.

Realized and unrealized investment gains and losses are recognized as income in the Consolidated Statement of Profit or Loss.

q) Segment Reporting

The Group consists of one segment as all of the Group's activities are incidental to its main activity of collective investment scheme management.

r) Separate Funds Under Management

The assets and liabilities pertaining to funds which are managed on behalf of third parties by the Group in accordance with specific Investment Management Agreements are not included in the Consolidated Statement of Financial Position of the Corporation. The market value of these portfolios as at 31 December is $936 million (2018: $798 million).

s) Taxation

The Corporation is exempt from corporation tax. However, it is subject to Green Fund Levy. Corporation tax is payable on profits realized by the corporate subsidiaries, based on the laws applicable in their tax jurisdiction. Withholding tax is payable on dividends and interest earned in foreign jurisdictions based on the jurisdiction's tax laws and double taxation treaties where applicable.

Taxes are recognized as an expense in the period in which they arise.

t) Comparative Information

In addition to the changes from the initial application of IFRS 16 - Leases (see Note 2 (b)), certain changes have been made in these Financial Statements to conform with presentation in the current year. These were as follows:

1. Net Changes in Fair Value of Investment Securities of ($456 million) previously reported within Expenses is now reported under Total Income;

2. Realized gains of $83 million previously reported in Investment Income has been amalgamated with the Net Change in Fair Value of Investment Securities within Total Income; and

3. As a consequence, total Investment Income of $744 million in 2018 is now shown as $661 million and the Net Changes in Fair Value of Investment Securities of ($456 million) is now shown as ($373 million) in 2018.

These changes had no effect on the operating results, net income after tax, or equity of the Group.

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Notes to the Consolidated Financial Statements (continued)
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3) Cash and Cash Equivalents

Cash and cash equivalents are analyzed below:

	2019 $'000	2018 $'000
Corporation	**1,187,978**	651,715
Locally Domiciled Funds	**2,043,460**	1,401,797
Foreign Funds	**2,957**	2,431
Other Group Entities	**34,877**	34,857
	3,269,272	2,090,800

Cash and cash equivalents held by Funds form part of the net assets of the said Funds. In compliance with legislation, regulatory restrictions and best practice, all the assets of each Fund, including cash and cash equivalents, are ring-fenced and are not available for use by other entities within the Group. Restricted cash at 31 December was $2.142 billion (2018: $1.487 billion) (see Note 16).

4) Investment Securities

Summaries of the Investment Securities held by the Group are provided by investment type and classification below.

	2019 $'000	2018 $'000
Investment Securities carried at fair value		
Bonds	**8,870,960**	9,442,189
Equity	**2,342,013**	2,285,817
Treasury Bills	**1,845,507**	1,844,180
Fixed-term Deposits	**1,574,233**	2,053,028
Short-term Investments	**1,504,971**	1,158,391
Commercial Paper	**1,500,892**	1,221,337
Exchange Traded Funds (ETFs)	**996,823**	852,722
Structured Bonds	**526,872**	602,383
Private Equity	**10,933**	98,306
Mutual Funds	**5,164**	5,006
Other	**-**	2,313
Total Investment Securities	**19,178,368**	19,565,672

Investment Securities summarized by classification	2019 $'000	2018 $'000
At fair value through profit or loss – mandatory (FVPL – M)	19,178,368	19,565,672
	19,178,368	19,565,672

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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4) Investment Securities (continued)

a) The Fair Value Hierarchy for Investment Securities (continued)

The Group uses a valuation hierarchy to rank the fair value of its Investments (see Note 2 (f) Fair Value Hierarchy). The Group's Investments at 31 December 2019 are analyzed by their fair valuation categorization below:

Fair Value Hierarchy for Investment Securities 31 December 2019

Recurring fair value measurements	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Investment securities carried at fair value through profit or loss - mandatory				
Bonds	455,545	-	8,415,415	8,870,960
Equity	2,015,004	-	327,009	2,342,013
Treasury Bills	1,845,507	-	-	1,845,507
Fixed-term Deposits	1,574,233	-	-	1,574,233
Short-term Investments	1,504,971	-	-	1,504,971
Commercial Paper	1,500,892	-	-	1,500,892
Exchange Traded Funds (ETFs)	996,823	-	-	996,823
Structured Bonds	0	-	526,872	526,872
Private Equity	0	-	10,933	10,933
Mutual Funds	5,164	-	-	5,164
Total Investment Securities	**9,898,139**	**-**	**9,280,229**	**19,178,368**

Trinidad and Tobago Unit Trust Corporation
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(4) Investments Assets (continued)

a) The Fair Value Hierarchy for Investment Securities (continued)

The Group's Investments at 31 December 2018 are analyzed by the fair valuation hierarchy below:

Fair Value Hierarchy for Investment Securities December 2018

Recurring fair value measurements	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Investment securities carried at fair value through profit or loss - mandatory				
Bonds	463,796	-	8,978,393	9,442,189
Equity	1,958,164	-	327,653	2,285,817
Treasury Bills	1,844,180	-	-	1,844,180
Fixed-term Deposits	2,053,028	-	-	2,053,028
Short-term Investments	1,158,391	-	-	1,158,391
Commercial Paper	1,221,337	-	-	1,221,337
Exchange Traded Funds (ETFs)	852,722	-	-	852,722
Structured Bonds	-	-	602,383	602,383
Private Equity	-	-	98,306	98,306
Mutual Funds	5,006	-	-	5,006
Other	-	-	2,313	2,313
Total Investment Securities	**9,556,624**	-	**10,009,048**	**19,565,672**

There were no transfers between the Fair Value Hierarchy Levels during either 2019 or 2018.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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4) Investment Securities (continued)

(b) Valuation Techniques used to derive Level 3 Fair Values

The valuation techniques used by the Group to arrive at the fair value of Level 3 investments are set out in Note 2 (f). The tables below summarize the valuation techniques used in estimating the fair value of Level 3 securities, the significant unobservable inputs, the relationship of the unobservable inputs to fair value and the impact that an increase or decrease in the unobservable inputs would have had on the valuation results.

Values in the following four (4) tables are expressed in millions of dollars.

Summary of Techniques used to value Level 3 Financial Assets in 2019

Investment securities carried at fair value through profit or loss - mandatory	Level 3 fair value 2019 $'M	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/- $'M
Bonds	8,415	Valuation model, Trading prices	Interest rates, spreads	1%	120
Structured Bonds	527	Broker quotations	Interest rates, spreads	1%	-
Equity	327	Professional/ management valuations	Not applicable	Not applicable	Not applicable
Private Equity	11	General partner's valuation	Not applicable	Not applicable	Not applicable
Other	-	Cost	Not applicable	Not applicable	Not applicable
TOTAL	9,280				120

Fair value through profit or loss - mandatory	Carrying Value Level 3 Securities 1/1/2019 $'M	Purchases/ Capitalized Interest $'M	Sales/ Repay-ments/Mat-urities $'M	Net Gains/ (Losses) recognized in Profit or Loss $'M	Unrealized Gains/ Losses recognized in OCI $'M	Carrying Values Level 3 Securities 31/12/2019 $'M	Fair Values $'M
Bonds	8,978	4,637	(4,729)	(471)	-	8,415	8,415
Structured bonds	603	-	(82)	6	-	527	527
Equity	328	-	-	(1)	-	327	327
Private Equity	98	-	(104)	17	-	11	11
Other	2	-	(2)	-	-	-	-
TOTAL	10,009	4,637	(4,917)	(449)	-	9,280	9,280

Trinidad and Tobago Unit Trust Corporation
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4) Investment Securities (continued)

c) Valuation Techniques used to derive Level 3 Fair Values (continued)

Summary of Techniques used to value Level 3 Financial Assets in 2018

Investment securities carried at fair value through profit or loss - mandatory	Level 3 fair value 2018 $'M	Valuation Technique used	Significant unobservable inputs	Possible shift in inputs +/-	Change in valuation +/- $'M
Bonds	8,978	Valuation model, Trading prices	Interest rates, spreads	1%	125
Structured Bonds	603	Broker quotations	Interest rates, spreads	1%	-
Equity	328	Professional/ management valuations	Not applicable	Not applicable	Not applicable
Private Equity	98	General partner's valuation	Not applicable	Not applicable	Not applicable
Other	2	Cost	Not applicable	Not applicable	Not applicable
TOTAL	10,009				125

Fair value through profit or loss - mandatory	Carrying Value Level 3 Securities 1/1/2018 $'M	Purchases/ Capitalized Interest $'M	Sales/ Repayments/Maturities $'M	Net Gains/ (Losses) recognized in Profit or Loss $'M	Unrealized Gains/ Losses recognized in OCI $'M	Carrying Values Level 3 Securities 31/12/2018 $'M	Fair Values $'M
Bonds	9,478	10,075	(8,626)	(1,949)	-	8,978	8.978
Structured bonds	608	-	-	(5)	-	603	603
Equity	320	-	-	8	-	328	328
Private Equity	100	-	-	(2)	-	98	98
Other	2	-	-	-	-	2	2
TOTAL	10,508	10,075	(8,626)	(1,948)	-	10,009	10,009

(d) The Group's exposure to market, credit and liquidity risk on its investments is provided at Note 21.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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5) Property, Plant and Equipment

	Land	Building	Office Improvement	Office & Computer Equipment	Office Furniture & Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 31 Dec, 2019						
Opening Net Book Value	**16,008**	**94,520**	**15,483**	**26,624**	**4,670**	**157,305**
Acquisitions	-	-	**242**	3,323	417	**3,982**
Disposals				(17)	(33)	**(50)**
Depreciation/Amortisation	(21)	(2,409)	(1,730)	(6,480)	(771)	**(11,411)**
Closing Net Book Value	15,987	92,111	13,995	23,450	4,283	**149,826**
As at 31 Dec, 2019						
Cost	16,569	124,269	50,864	102,900	26,214	**320,816**
Accumulated Depreciation/ Amortisation	(582)	(32,158)	(36,869)	(79,450)	(21,931)	**(170,990)**
Net Book Value	15,987	92,111	13,995	23,450	4,283	**149,826**
Year ended 31 Dec, 2018						
Opening Net Book Value	**16,030**	**96,933**	**16,703**	**28,341**	**4,582**	**162,589**
Acquisitions	-	-	1,434	5,194	942	**7,570**
Disposals	-	-	-	-	(1)	**(1)**
Depreciation/Amortisation	(22)	(2,413)	(2,654)	(6,911)	(853)	**(12,853)**
Closing Net Book Value	16,008	94,520	15,483	26,624	4,670	**157,305**
As at 31 Dec, 2018						
Cost	16,569	124,269	61,890	102,966	26,207	**331,901**
Accumulated Depreciation/ Amortisation	(561)	(29,749)	(46,407)	(76,342)	(21,537)	**(174,596)**
Net Book Value	16,008	94,520	15,483	26,624	4,670	**157,305**

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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5) Property, Plant and Equipment (continued)

Land

Land includes leaschold land of $2.2 million (2018: $2.2 million) and freehold land of $14.4 million (2018: $14.4 million).

Fair Value Land and Buildings

The fair value of land and buildings was estimated at $206.5 million at 31 December (2018: $207.0 million). Information related to the fair value of land and buildings at 31 December is provided in the table below in millions of dollars:

Property	Cost $'M	Independent Valuation $'M	Date of last valuation	Fair value 31 Dec 2019 $'M	Valuation Level
Leasehold Land	2.2	10.8	24 Jan 2019	10.8	Level 2
Freehold Land	14.4	26.5	24 Jan 2019	26.5	Level 2
Building	139.4	169.7	24 Jan 2019	169.2	Level 2
Total	**156.0**	**207.0**		**206.5**	

Valuation Technique used to derive Level 2 fair valuation Land and Buildings

Management estimated the fair value of Level 2 land and buildings by reference to independent valuator reports and its recent experience in the market.

6) Leases

a) Group as Lessee reporting under IFRS 16 - 2019

Right-of-use Assets	Property $'000	Motor Vehicles $'000	Equipment $'000	Total $'000
Cost				
At 1 January 2019	17,379	-	1,265	18,644
Additions	898	754	835	2,487
At 31 December 2019	18,277	754	2,100	21,131
Accumulated Depreciation				
At 1 January 2019	-	-	-	-
Depreciation	(4,448)	(108)	(843)	(5,399)
At 31 December 2019	(4,448)	(108)	(843)	(5,399)
Carrying Amount				
At 31 December 2019	13,829	646	1,257	15,732

The Group leases buildings, motor vehicles and office equipment. The average term is 3.10 years. The Group's obligations are secured by the lessors' title to the leased assets.

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Notes to the Consolidated Financial Statements (continued)
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6) Leases (continued)

a) Group as Lessee reporting under IFRS 16 – 2019 (continued)

Approximately 12% of the leases for property and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. The maturity analysis of lease liabilities is presented in the table below.

Maturity analysis of lease liabilities at 31.12.2019	$'000
Less than one year	4,872
Between one and five years	10,376
More than five years	1,157
TOTAL	**16,405**

The amounts recognized in the consolidated statement of profit or loss in respect of operating leases is provided below.

	$'000
Depreciation expense on right-of-use assets	5,399
Interest expense on right-of-use assets	1,555
Expense related to short-term leases	199

At 31 December 2019, the Group had no short-term lease commitments. The total cash outflow for leases amounted to $6.5 million.

b) Group as Lessor reporting under IFRS 16 - 2019

Operating leases, in which the Group is lessor, relate to excess office space within buildings owned by the Group and leased for terms of between 1 to 3 years, with options to renew. The lessees do not have an option to purchase at the expiry of the lease periods.

Maturity analysis of operating lease payments

Maturity analysis of operating lease contracts with tenants at 31.12.2019	$'000
Year 1	1,380
Year 2	-
Year 3	-
Total	**1,380**

Rental income reported in the consolidated statement of profit or loss for 2019 was $3.03 million (2018: $3.03 million).

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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6) Leases (continued)

c) Group as Lessee reporting under IAS 17 – 2018

	$'000
Lease payments under operating leases recognized as an expense in 2018	6,332

At 31 December 2018, the Group had outstanding undiscounted commitments for future lease payments under non-cancellable operating leases as follows:

	$'000
Within one year	5,880
Between two and five years	14,699
More than five years	2,097
Total	**22,676**

Operating leases represent rental payable by the Group for equipment and office space. Leases for equipment are negotiated for an average term of 3 years. Leases for office space are negotiated for an average term of 3.1 years at fixed rentals.

d) Group as Lessor reporting under IAS 17 – 2018

At 31 December 2018 the Group had contracted with tenants for the following future minimum lease payments.

Maturity analysis of operating lease contracts at 31.12.2019	$'000
Year 1	2,968
Year 2	1,380
Year 3	-
Total	**4,348**

Rental income reported in profit or loss for 2018 was $3.03 million.

7) Intangible Assets

	2019 $'000	2018 $'000
Year ended 31 December		
Opening Net Book Value	**490**	852
Acquisitions	**-**	-
Amortisation	**(283)**	(362)
Closing Net Book Value	**207**	490
As at 31 December		
Cost	**2,726**	53,054
Accumulated Amortisation	**(2,519)**	(52,564)
Net Book Value	**207**	490

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8) Pension and Other Post-retirement Liabilities

A summary of the Group's Pension and Other Post-retirement Liabilities is summarized below.

	2019 $'000	2018 $'000
Net Defined Benefit Liability (see Note 8 (a))	**-**	-
Group Life Liability (see Note 8 (b))	**2,471**	2,012
Medical Benefit Liability (see Note 8 (c))	**15,690**	11,971
	18,161	13,983

a) Pension benefits

i. Net Liability in Consolidated Statement of Financial Position

	2019 $'000	2018 $'000
Present Value of Defined Benefit Obligation	**229,013**	208,222
Fair Value of Plan Assets	**(235,405)**	(212,000)
(Surplus)/Benefit	**(6,392)**	(3,778)
Effect of Asset Ceiling	**6,392**	3,778
Net Defined Benefit Liability/(Asset)	-	-

ii. Movement in the Present Value of the Defined Benefit Obligations

	2019 $'000	2018 $'000
Opening present value of defined benefit obligation	**208,222**	199,739
Current service costs	**10,745**	10,031
Plan participant contributions	**4,127**	3,916
Interest cost	**10,652**	211
Actuarial gains on obligation	**402**	(174)
Benefit and expenses paid	**(5,135)**	(5,501)
Closing present value of defined benefit obligation	**229,013**	208,222

ii (b). The defined benefit obligation is allocated between the Plan's members as follows:

Active members	68%
Deferred members	12%
Pensioners	20%

96% of the benefits for active members are vested.

28% of the total defined benefit obligation is defined benefit in nature, of which 3% is conditional on active members' future salary increases. The weighted average duration of the defined benefit liability component of the obligation is 15.7 years.

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8) Pension and Other Post-retirement Liabilities (continued)

a) Pension benefits (continued)

iii. Changes in the fair value of Plan assets are as follows:

	2019 $'000	2018 $'000
Opening fair value of Plan assets	**212,000**	203,795
Expected return on Plan assets	**10,859**	211
Actuarial loss on Plan assets	**2,067**	(1,373)
Employer contributions for current service	**11,487**	10,952
Plan participant contributions for current service	**4,127**	3,916
Benefits and expenses paid	**(5,135)**	(5,501)
Closing fair value of Plan assets	**235,405**	212,000
Actual return on Plan assets	**12,926**	(1,162)

iii (b) Asset allocation

	2019 $'000	2018 $'000
Universal Retirement Fund	**172,980**	152,965
TT$ Income Fund	**30,742**	38,253
TT$ National Insurance bonds	**13,708**	13,858
TT$ Government bonds	**10,158**	-
Cash and cash equivalents	**7,817**	6,924
	235,405	212,000

The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments.

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8) Pension and Other Post-retirement Liabilities (continued)

a) Pension benefits (continued)

iv. Expense Recognised in Consolidated Statement of Profit or Loss

	2019 $'000	2018 $'000
Current service costs	**10,745**	10,031
Total recognized in Staff Costs	**10,745**	10,031

v. Re-measurements recognized in Other Comprehensive Income

	2019 $'000	2018 $'000
Actuarial (gains)/losses	**(1,665)**	1,199
Effect of Asset Ceiling	**2,407**	(278)
	742	921

vi. Summary of Principal Assumptions as at 31 December

	2019 $'000	2018 $'000
Discount rate	5.00%	5.00%
Average individual salary increases	4.00%	5.00%
Future pension increases	0.00%	0.00%

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8) Pension and Other Post Retirement Benefits (continued)

b) Group Life Benefits

i. The Net Liability in the Consolidated Statement of Financial Position:

	2019 $'000	2018 $'000
Present value of the obligation	**2,471**	2,012
Fair Value of Assets	**-**	-
(Surplus)/Deficit	**2,471**	2,012
Effect of Asset Ceiling	**-**	-
Recognized in the Consolidated Statement of Financial Position	**2,471**	2,012

ii. Movement in Present Value of Defined Benefit Obligation:

	2019 $'000	2018 $'000
Defined Benefit Obligation at start of year	**2,012**	1,896
Current service costs	**175**	101
Interest costs	**99**	98
Experience adjustments	**700**	10
Actuarial loss/(gain) on obligations	**(466)**	-
Benefits paid	**(49)**	(93)
Closing present value of obligations	**2,471**	2,012

iii. Expense recognised in the Consolidated Statement of Profit or Loss

	2019 $'000	2018 $'000
Current service costs	**175**	101
Net interest costs	**99**	98
Past Service Cost/(Credit)	**-**	-
Expense recognized in the Consolidated Statement of Profit or Loss	**274**	199

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8) Pension and Other Post Retirement Benefits (continued)

c) Medical Benefits

i. The Net Liability in the Consolidated Statement of Financial Position:

	2019 $'000	2018 $'000
Present value of the obligation	**15,690**	11,971
Fair Value of Assets	**-**	-
(Surplus)/Deficit	**15,690**	11,971
Effect of Asset Ceiling	**-**	-
Recognized in the Consolidated Statement of Financial Position	**15,690**	11,971

ii. Movement in Present Value of Defined Benefit Obligation:

	2019 $'000	2018 $'000
Present value of the obligations of the Medical Benefit Scheme		
Opening present value of the obligation	**11,971**	13,277
Current service costs	**449**	778
Interest costs	**592**	677
Experience adjustments	**(2,606)**	(2,523)
Actuarial losses	**5,541**	-
Benefits paid	**(257)**	(238)
Closing present value of the obligation	**15,690**	11,971

iii. Expense recognised in the Consolidated Statement of Profit or Loss

	2019 $'000	2018 $'000
Current service costs	**449**	778
Net interest costs	**592**	677
Past Service Cost/(Credit)	**-**	-
Expense recognized in the Consolidated Statement of Profit or Loss	**1,041**	1,455

vi. Summary of Principal Assumptions as at 31 December

	2019 $'000	2018 $'000
Discount rate	5.00%	5.00%
Average individual salary increases	4.00%	2.00%

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9) Guarantee Pricing Liability

In January 1985, the Board of Directors of the Corporation, pursuant to section 13(1)(d) of the Act, formulated a guarantee pricing plan with respect to units issued under the First Unit Scheme - now the Growth and Income Fund (G&IF). Under the Guarantee Pricing Plan, each unitholder that holds units in the G&IF for at least three years from the date of purchase, may redeem those units at a price no less than the purchase price of the units. Subsequently, the Corporation established the Guarantee Reserve Fund under section 26 (1) of the Act to meet claims under the Guarantee Pricing Plan.

There is significant uncertainty with regard to the timing and value of the claims made under the Guarantee Pricing Plan. Factors that appear to influence the timing of guarantee claims include:

i. The prevailing price of the Growth and Income Fund units. Generally, the price of the G&IF units and the total Guarantee Pricing Liability are inversely related. Increases in the price of G&IF units generally result in a decrease in the total Guarantee Pricing Liability as the number of units 'in the money' tends to contract. Conversely a decrease in the price of the units generally increases the total Guarantee Pricing Liability as more units are 'in the money'; and

ii. General public sentiment with regard to the future performance of the local and global economy.

The Corporation has historically funded shortfalls in the Guarantee Reserve Fund and is committed to doing so in the future. The liability recognized at 31 December was $3.0 million (2018: $25.9 million).

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10) Net Assets Attributable to Unitholders

This represents the amounts payable on demand to unitholders in the Growth and Income Fund, the TT$ Income Fund, the Universal Retirement Fund, the US$ Income Fund and to participating shareholders of UTC (Cayman) SPC Ltd. The units/shares issued by each of the foregoing Funds may be redeemed by unit/shareholders of the Funds at any time. Each Fund is responsible for redemption of its units/shares out of its assets.

An analysis by Fund of the net assets attributable to unitholders is provided below.

ANALYSIS OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS BY FUND	**2019** **$'000**	2018 $'000
Initial Capital Growth and Income Fund	**4,766**	4,766
Unit Capital Growth and Income Fund	**5,348,738**	4,877,332
Unit Capital TT$ Income Fund	**11,553,551**	11,176,653
Unit Capital Universal Retirement Fund	**346,512**	297,291
Unit Capital US$ Income Fund	**3,939,498**	4,082,668
Participating Shares UTC (Cayman) SPC Ltd.	**8,544**	-
Net Assets Attributable to Unitholders	**21,201,609**	20,438,710

Initial Capital in line one of the analysis above, represents the capital subscribed by the Initial Contributors in accordance with Section 17 of the Act. The subscriptions were invested in the Growth and Income Fund. Initial Capital at 31 December was $4.8 million (2018: $4.8 million)

Unit Capital in the analysis above, represents the Net Asset Value of the four (4) Investment Funds domiciled in Trinidad and Tobago at the reporting date. In respect of the Growth and Income Fund, this excludes the acquisition cost of the units issued in respect of Initial Capital.

Participating shares represent the participating shares of the three (3) segregated portfolios of UTC (Cayman) SPC Ltd. not held by the Corporation or other Group entities.

Financial information is provided for the locally domiciled entities above in Notes 27-30. Financial information for UTC (Cayman) SPC Ltd. is provided in Note 31.

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11) Statutory Reserves

In accordance with Section 51(1) of the Securities Act, Chapter 83:02 and Section 27(1)(a)(ii) of the Securities Industry By-Laws, Chapter 83:02, a reserve of $5 million was established to satisfy the capital requirements for registration as a Broker Dealer and $50,000 for registration as an Investment Adviser.

In accordance with Section 5 of the Exchange Control Act, a reserve of $650,000 was established to meet the requirements for operation of the Group's Bureau de Change.

12) Revaluation Reserve

The revaluation reserve reflects foreign currency translation differences related to financial instruments and revaluations related to the Pension and other post retirement plans. The revaluation of the investments held by the Investment Funds is reflected in the line item Net Assets Attributable to Non-group Interests and is not included in this revaluation reserve.

13a) Investment Income – Investment Funds

The Group's Investment Income is analysed by major entity and type of Income below:

Entity	2019 $'000	2018 $'000
Growth & Income Fund	**182,017**	181,596
TT$ Income Fund	**344,893**	326,661
Universal Retirement Fund	**10,791**	10,273
US$ Income Fund	**110,300**	117,851
UTC Cayman (SPC) Ltd.	**606**	-
Corporation	**35,115**	24,687
	683,722	661,068

Type of income	2019 $'000	2018 $'000
Interest Income	**553,354**	523,113
Dividend Income	**126,635**	133,086
Other Income	**3,733**	4,869
	683,722	661,068

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13b) Net Change in Fair Value on Investment Securities

The Group's Net Change in Fair Value on Investment Securities is analysed by major entity below:

Entity	2019 $'000	2018 $'000
Growth & Income Fund	**401,459**	(95,788)
TTS Income Fund	**101,046**	(69,935)
Universal Retirement Fund	**28,807**	(8,805)
US$ Income Fund	**111,519**	(101,095)
UTC Cayman (SPC) Ltd.	**1,147**	-
Corporation	**(4,350)**	(97,500)
	639,628	(373,123)

The fair value on Investment Securities is determined in accordance with the Significant Accounting Policies outlined at Note 2(f).

14) Fee income

	2019 $'000	2018 $'000
Management charge – third parties	**4,526**	5,245
Trustee fees	**20**	20
Paying agent fees	**15**	18
Total	**4,561**	5,283

15) Administrative Expenses

	2019 $'000	2018 $'000
Audit fees	**362**	330
Directors' fees	**3,000**	3,459
General administration	**109,311**	115,645
Staff costs (Note 18)	**140,913**	147,475
Total	**253,586**	266,909

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16) Restricted Assets

The Group, in keeping with best practice and legislation, has no access to the investment securities, cash holdings, cash flows or other assets of the Funds it manages. The Funds are by nature Collective Investment Schemes and as such the assets, including cash, are ring-fenced and used exclusively for the benefit of the unitholders/shareholders. The tables below analyze the significant line items in the Consolidated Statement of Financial Position which include assets that are not available to the Group.

Particulars	**2019 $'000**	2018 $'000
Cash and Cash Equivalents (see Note 3)	**3,066,168**	2,090,800
Restricted Cash and Cash Equivalents	**(2,144,531)**	(1,486,716)
Available to Group without restriction	**921,637**	604,084

Particulars	**2019 $'000**	2018 $'000
Receivables	**194,183**	150,104
Restricted Receivables	**(185,342)**	(128,579)
Available to Group without restriction	**8,841**	21,525

Particulars	**2019 $'000**	2018 $'000
Investment Securities (see Note 4)	**19,178,368**	19,565,672
Restricted Investment Securities	**(18,888,458)**	(18,861,483)
Available to Group without restriction	**289,910**	704,189

17) Foreign Exchange Gains / (Losses)

The exchange differences credited to the Consolidated Statement of Profit or Loss are included in other income as follows:

	2019 $'000	2018 $'000
Foreign exchange (loss)/gain	**(1,350)**	2,912
	(1,350)	2,912

18) Staff Costs

	2019 $'000	2018 $'000
Salaries and Benefits	**123,900**	131,249
Pension Costs (see Note 8 (a)(iv))	**10,745**	10,031
National Insurance	**6,268**	6,195
Total	**140,913**	147,475
Number of employees	**527**	528

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19) Distributions

	2019 $'000	2018 $'000
Growth and Income Fund	**71,704**	78,718
TT$ Income Fund	**155,053**	135,961
US$ Income Fund	**38,632**	34,654
Total	**265,389**	249,333

a) **Growth and Income Fund**

The Growth and Income Fund paid $71.7 million to its unitholders in respect of its June 2019 and December 2019 distributions (2018: $78.7 million). Included in the $71.7 million referred to are distributions to Initial Capital Contributors of $0.3 million (2018: $0.3 million).

b) **TT$ Income Fund**

The TT$ Income Fund makes quarterly distributions at the end of February, May, August and November. Income accrued at 31 December for distribution in the quarter ending 28 February 2020 amounted to $13.9 million (2018: $11.6 million).

c) **US$ Income Fund**

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

20) Taxation

The local subsidiary companies are subject to Trinidad and Tobago Corporation Tax while the foreign subsidiaries are subject to taxation in their country of domicile.

	2019 $'000	2018 $'000
Net Income before taxation	**104,642**	5,610
Less: Income taxed at 0%	**(104,636)**	(5,586)
Net Income subject to tax	**6**	24
(Corporation Tax Refund)/Corporation tax for foreign subsidiaries	**(107)**	473
Withholding Tax on interest and dividends received	**4,426**	4,752
Green Fund Levy payments	**1,080**	1,169
Tax charge	**5,399**	6,394

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21) Financial Risk Management

The financial assets and liabilities of the Group are summarized below:

	2019	2018
Financial Assets	**$'000**	$'000
Cash and Bank Balances (see Note 3)	**3,269,272**	2,090,800
Receivables	**194,183**	150,104
Other Assets	**7,617**	11,640
Investment Securities (see Note 4)	**19,178,368**	19,565,672
Financial Liabilities		
Accounts Payable and Short-term Liabilities	**70,566**	70,045
Lease Liability	**16,405**	-
Distribution Payable	**38,829**	51,291
Other Liabilities	**4,532**	2,110
Net Assets Attributable to Unitholders (see Note 10)	**21,201,609**	(20,438,710)

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21) Financial Risk Management (continued)

Financial Risk Management Framework

The Collective Investment Schemes managed by the Corporation and the Corporation's investment activities expose the Group to a variety of financial risks. The Board of Directors has established policies, procedures, an Audit Committee and a Strategic Risk Committee to minimize the potential loss that may arise from such financial risks.

The Strategic Risk Committee is responsible for oversight of the strategic risks which the Group faces. During 2019 the Audit Committee and the Strategic Risk Committees met at least once per quarter to:

i. monitor compliance with the risk management policies and procedures established by the Board;
ii. ensure that the overall risk profile and policy environment of the Group was appropriate and consistent with the Group's strategic objectives; and
iii. consider reports and recommendations submitted by the Risk Management and the Internal Audit departments.

Financial Risk Exposures

The primary financial risks to which the Group is exposed are:

i. market risk – which comprises:
   - equity, exchange traded funds (ETF) and traded bonds price risk
   - interest rate risk
   - currency risk
ii. credit risk; and
iii. liquidity risk

Market Risk

Market risk is the risk that changes in market prices e.g. equity and ETF price risk, bond price risk, foreign exchange rates, and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

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21) Financial Risk Management (continued)

Equity and ETF Price Risk

Equity and ETF price risk is the risk that the fair value of equities/ETFs decreases as a result of changes in the market prices for these securities.

Two (2) of the Funds within the Group have significant holdings of equities and ETFs all of which are traded on either the local or North American stock exchanges. Negative equity price movements in the local and foreign equity markets can subject the portfolios to decreases in their Net Asset Values. This risk is managed by:

i. careful asset allocation and security selection;
ii. daily monitoring of security prices; and
iii. monitoring and measurement of each portfolio's price risk exposure.

The equity price risk exposure is monitored and measured with reference to the beta of equity instruments. Beta is a measure of the stock's price sensitivity to the stock market e.g. stocks that have a beta of 1 would change by approximately 1% for every 1% move in the overall stock market.

A stock with a beta less than 0.9 is considered to have a low equity price risk relative to the overall market. A stock with a beta above 1.1 is considered to have a high equity price risk vis-à-vis the market. A stock with a beta between 0.9 and 1.1 is regarded as having equity price risk comparable to the market.

The Group's equity and ETF holdings are categorized below, both in dollars and as a percentage of total equity holdings into three (3) categories to reflect the Group's exposure to movements in equity prices.

	Lower than market $'000	Comparable to market $'000	Higher than market $'000
At 31 December 2019	**1,844,028** ***61.2%***	1,029,980 ***34.2%***	**137,937** ***4.6%***
At 31 December 2018	1,694,775 *60.3%*	592,569 *21.1%*	523,541 *18.6%*

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21) Financial Risk Management (continued)

Equity and ETF Price Risk (continued)

The following table presents the approximate sensitivity of the net asset value of the Group to a 5% change in the TTSE Composite Index and the S&P 500 Composite Index respectively as at 31 December with all other variables held constant.

	31 December, 2019	31 December, 2018
TTSE Composite Index	**39.7 million**	$33.7 million
S&P 500 Composite Index	**47.0 million**	$41.8 million

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group holds a significant portion of fixed rate debt securities, which exposes it to fair value interest rate risk and to cash flow interest rate risk. The exposure arises primarily on the debt securities held by its two Income Funds – the TT Dollar Income Fund and the US Dollar Income Fund. The debt securities held by the Growth and Income Fund, the Universal Retirement Fund and the Corporation also expose the Group to interest rate risk.

The Group manages the overall interest rate risk by making judicious adjustments of the overall weighted average term to maturity (duration) of its portfolios.

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21) Financial Risk Management (continued)

Interest Rate Risk (continued)

The Group's exposure to interest rate risk as at 31 December 2019 is summarized below. The Group's assets and liabilities are included at their carrying amount and categorized by the earlier of contractual re-pricing or maturity dates.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total $'000
At 31 December, 2019				
Assets				
Cash & Cash Equivalents	3,269,272			**3,269,272**
Treasury Bills	1,845,507			**1,845,507**
Fixed-term Deposits	1,574,233			**1,574,233**
Short-term Investments	1,504,971			**1,504,971**
Commercial Paper	1,500,892			**1,500,892**
Bonds (FVPL)	1,447,694	4,802,097	2,621,169	**8,870,960**
Structured Bonds (FVPL)	526,872			**526,872**
Liabilities				
Lease Liability (see Note 6)	(4,872)	(10,376)	(1,157)	**(16,405)**
Rate Re-pricing Position	**11,664,569**	**4,792,003**	**2,620,012**	**19,076,302**

The Group's exposure to interest rate risk as at 31 December 2018 is summarized below.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total $'000
At 31 December, 2018				
Assets				
Cash & Cash Equivalents	2,090,800			2,090,800
Treasury Bills	1,844,180			1,844,180
Fixed-term Deposits	2,053,028			2,053,028
Short-term Investments	1,158,391			1,158,391
Commercial Paper	1,221,337			1,221,337
Bonds	7,996,527	394,229	1,051,433	9,442,189
Structured Bonds	602,383			602,383
Liabilities	-	-	-	-
Rate Re-pricing Position	16,966,646	394,229	1,051,433	18,412,308

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21) Financial Risk Management (continued)

Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the TT$ denominated portfolios contain investments denominated in US$, these portfolios can be negatively impacted by movements in the US$/TT$ exchange rate.

The foreign currency assets and liabilities of the Group at 31 December are summarized below.

	At 31 December, 2019		At 31 December, 2018	
	US$ (Presented in TT$) $'000	Other Foreign Currencies $'000	US$ (Presented in TT$) $'000	Other Foreign Currencies $'000
Assets				
Cash & Cash Equivalents	**1,001,199**	**7**	881,118	534
Prepayments and Other Assets	**7,353**	**-**	6,378	-
Treasury Bills	**1,061,411**	**-**		
Fixed-term Deposits	**57,310**	**-**		
Short-term Investments	**240,289**	**-**		
Commercial Paper	**1,467,093**	**-**		
Bonds measured at fair value through profit or loss	**2,957,387**	**-**	4,242,569	-
Structured Bonds measured at fair value through profit or loss	**526,872**	-	602,383	-
Equities, ETFs, Private Equity & Mutual Funds	**1,271,283**	-	1,216,038	-
	8,590,197			
Liabilities				
Net Assets Attributable to Unitholders (see Note 10)	**(3,939,498)**	-	(4,082,668)	-
Total	**4,650,699**	**7**	4,246,472	534

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21) Financial Risk Management (continued)

Currency Risk (continued)

The following analysis shows the effect a 1% change in the TT dollar relative to the US dollar would have changed the net assets of the Group at 31 December with all other variables held constant.

	2019 TT$'000	2018 TT$'000
Approximate change in US$ holdings	**46,567**	42,465

Concentration of foreign currency exposure

% of total financial assets	**2019**	**2018**
US dollars	38%	38%

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Notes to the Consolidated Financial Statements (continued)
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21) Financial Risk Management (continued)

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will default on its financial obligations, that is, it fails to make full and timely payments of scheduled interest and/or principal sums due.

The Group is exposed to credit risk primarily on debt securities, short-term investments and bank balances. The carrying value of these assets represents the Group's maximum exposure to credit risk on the respective reporting dates. Hence no separate maximum exposure to credit risk disclosure is provided for these instruments.

Credit risk is managed by:

i. subjecting counterparties to robust credit risk assessments prior to initial acquisition;
ii. limiting the acquisition or retention of debt instruments to certain credit ratings; and
iii. regular review, measurement and monitoring of counterparties' credit ratings.

The credit quality of the Group's debt securities, Short-term investments and bank balances is analyzed in the table below into high, moderate and low using ratings primarily from international rating agencies and local rating agencies for either the instrument, the issuer, the sponsor in the case of Bond ETFs or the sovereign in the case of State-owned entities. In those few instances where instruments were rated internally, the ratings were mapped to the international credit quality grades used by Standard and Poor's.

	2019 $'M	2018 $'M
Securities rated by S&P as AAA to BBB-, are considered high credit quality instruments		
- Debt securities	**7,490**	8,937
- Structured bonds	**526**	602
- Treasury Bills	**1,846**	1,844
- Fixed-term Deposits	**1,574**	2,053
- Short-term Investments	**1,505**	1,159
- Commercial Paper	**1,501**	1,221
- Bank balances	**3,269**	2,091
	17,711	17,907
Securities rated by S&P as BB+ to B-, are considered medium credit quality instruments		
- Debt securities	**855**	468
Securities rated by S&P as CCC+ and below, are considered low quality instruments		
- Debt securities	**1,053**	37
Total	**19,619**	18,412

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Notes to the Consolidated Financial Statements (continued)
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21) Financial Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they become due.

The units of the Growth and Income Fund, the TT$ Income Fund and the US$ Income Fund are redeemable on demand. The participating shares of the segregated portfolios of UTC (Cayman) SPC Ltd. are also redeemable on demand. The risk is mitigated in each portfolio by holding adequate cash, cash equivalents and short-term investments. In addition, substantial portions of the investments held by the portfolios are tradable.

The financial liabilities of the Group are summarized by their due dates and shown below. The amounts disclosed are the contractual undiscounted cash flows.

	Less than one year $'000	Greater than one year $'000
At 31 December, 2019		
Accounts Payable and Short-term Liabilities	70,566	-
Lease Liability	5,631	10,774
Distribution Payable	38,829	-
Other Liabilities	4,532	-
Net Assets Attributable to Unitholders	21,201,609	-
Total	**21,321,167**	**10,774**

	Less than one year $'000	Greater than one year $'000
At 31 December, 2018		
Accounts payable and short-term liabilities	70,045	-
Distribution Payable	51,291	-
Other Liabilities	2,110	-
Net Assets Attributable to Unitholders	20,438,710	-
Total	20,562,156	-

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21) Financial Risk Management (continued)

Capital Management

The Group's capital consists of Reserves and Retained Earnings. The Group's objectives when managing capital are:

i. to comply with the capital requirements stipulated by the regulators of the markets where the Group operates;
ii. to safeguard the Group's ability to continue as a going concern; and
iii. to provide attractive risk adjusted returns.

22) Interests in Corporate Entities

a) Local Corporate Entities

The Corporation has two (2) wholly-owned local subsidiary companies incorporated under the Companies Act 81:01 of the Laws of the Republic of Trinidad and Tobago, namely:

Company	Interest	Principal Place of Business	Date of Incorporation
UTC Financial Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	23 March, 1999
UTC Trust Services Limited	100%	82, Independence Square, Port of Spain, Trinidad	2 June, 1999

All the Directors of the foregoing two companies are Directors of the Corporation. UTC Financial Services Limited carries on the business of a registrar and paying agent, while UTC Trust Services Limited is the registered Trustee for certain bonds.

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

The auditor for UTC Financial Services Limited and UTC Trust Services Limited is the Auditor General's Department of the Republic of Trinidad and Tobago.

b) Foreign Corporate Entities

The Corporation has three (3) foreign subsidiaries which were consolidated. These are:

Company	Interest	Date of Incorporation	Country of Incorporation
UTC Fund Services, Inc.	100%	8 December, 1997	Delaware, USA
UTC Financial Services USA, Inc.	100%	8 June, 1999	Rhode Island, USA
UTC (Cayman) SPC Ltd.	69%	4th September, 2015	Cayman Islands

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December, 2019

Expressed in Trinidad and Tobago Dollars

22) Interests in Corporate Entities (continued)

b) Foreign Corporate Entities (continued)

UTC Fund Services Inc. and UTC Financial Services USA, Inc. have been dormant since closure of the North American Fund in 2018.

UTC (Cayman) SPC Ltd. is incorporated in the Cayman Islands as an exempted segregated portfolio company with limited liability. It operates three (3) open-ended mutual funds namely:

i. UTC Global Investor Select ETF Fund Segregated Portfolio – Conservative
ii. UTC Global Investor Select ETF Fund Segregated Portfolio – Moderate
iii. UTC Global Investor Select ETF Fund Segregated Portfolio - Aggressive

Auditors Foreign Subsidiaries

UTC Fund Services Inc. does not require auditors for any statutory or regulatory purpose. The auditors for the UTC Financial Services USA, Inc. and UTC (Cayman) SPC Ltd. are as follows:

Company	Auditors
UTC Financial Services USA, Inc.	Accell Audit & Compliance, PA, Tampa, Florida
UTC (Cayman) SPC Ltd.	PricewaterhouseCoopers, Cayman Islands

23) Related-party Transactions

Related parties are individuals or entities that are related to the Group. An individual is related to the Group when that individual or a close member of that individual's family either:

i. has significant influence over the Corporation or one of its subsidiaries; or

ii. is a Director or key member of the management of the Corporation or one of its subsidiaries.

An entity is related to the Corporation if the entity is:

i. a subsidiary of the Corporation;
ii. an associate of the Corporation;
iii. in a joint venture with the Corporation; or
iv. a post-employment benefit plan of either the Corporation or one of its related entities.

Related party transactions and balances, not disclosed elsewhere in these Financial Statements, are disclosed below.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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23) Related-party Transactions (continued)

	2019 $'000	2018 $'000
Key Management transactions - loans		
Loan balances	**104**	334
Represented by:		
Balance at beginning of year	**334**	930
Loans advanced during year		-
Loan repayments received during year	**(230)**	(596)
Interest income during year	**10**	26
Interest received during year	**(10)**	(26)
Balance at end of year	**104**	334

	2019	2018
Key Management - compensation	**$'000**	$'000
Salaries	**19,336**	20,432
Post-employment benefits	**5,861**	7,813
Termination benefits	**-**	3,657
	25,197	31,902

	2019	2018
Key Management - balances in Funds managed by the Corporation	**$'000**	$'000
Units held by key management	**1,568**	1,505

	2019	2018
	$'000	$'000
Other related party transactions - directors remuneration		
Directors' fees (see Note 15)	**3,000**	3,459

	2019	2018
Other related party balances - directors balances in Funds under management	**$'000**	$'000
Units in Funds under management	**1,754**	2,425

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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23) Related-party Transactions (continued)

All transactions with related parties were undertaken on commercial terms and on an arms-length basis. No expense was recognized in the current or prior year for bad or doubtful debts for amounts owed by any related party.

There were no balances outstanding for related parties except for the loans to key management noted above.

There were no commitments to related parties during the year and no commitments outstanding at the year end.

24) Commitments

At 31 December, the Group had contractual obligations for capital contributions in the amounts of approximately $20.13 million (2018: $20.24 million).

25) Contingent Liabilities

At 31 December 2019, there were two matters before the Courts. The contingent liability in relation to the two matters is estimated at $2.8 million.

26) Locally domiciled funds

The four (4) locally domiciled Funds controlled by the Corporation are considered subsidiaries for the purposes of IFRS 10. The Total Assets of the locally domiciled Funds are shown in the table below.

	2019 $'000	2018 $'000
Growth and Income Fund	**5,379,701**	4,963,665
TT$ Income Fund	**11,588,597**	11,213,479
Universal Retirement Fund	**347,106**	300,328
US$ Income Fund	**3,960,832**	4,115,416
Total Assets	**21,276,236**	20,592,888

Summarized financial information for the locally domiciled Funds is provided in Notes 27-30.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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27) Summarized Financial Information – Growth and Income Fund

The table below summarizes financial information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2019 and 2018.

	2019 $'000	2018 $'000
Cash and Cash Equivalents	**326,653**	406,686
Receivables	**33,871**	28,018
Investment Securities (see tables below)	**5,019,177**	4,528,961
Total assets	**5,379,701**	4,963,665
Liabilities	**26,200**	81,567
Equity	**5,353,501**	4,882,098
Total liabilities and equity	**5,379,701**	4,963,665
Investment Income	**583,475**	85,809
Net Income/(Loss)	**478,696**	(14,374)
Distribution	**(71,704)**	(78,717)
Allocations to Reserves (see paragraphs below)	**-**	(500)
Other Comprehensive Loss for the year	**-**	-
Total Comprehensive (Loss) for the year	**-**	(18,795)
Net cash flow from operating activities	**7,586**	83,159
Net cash used in investing activities	**(74,026)**	(96,124)
Net cash (used in)/flow from financing activities	**(13,593)**	38,409
Net change in cash flows for the year	**(80,033)**	25,444

The table below analyses the investment securities held by the Growth and Income Fund.

	2019 $'000	2018 $'000
Government Securities	**952,635**	829,042
Corporate Securities	**258,378**	301,986
Equity and ETFs (local and foreign)	**3,140,879**	3,012,227
Short-term Investments	**667,285**	385,706
Total	**5,019,177**	4,528,961

The table below classifies the investment securities held by the Growth and Income Fund

	2019 $'000	2018 $'000
Fair value through profit or loss	**5,019,177**	4,528,961
Total	**5,019,177**	4,528,961

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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27) Summarized Finan`cial Information – Growth and Income Fund (continued)

Growth and Income Fund Reserves

In 1985, in accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation established a Guarantee Reserve Fund in respect of the Growth and Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan. During 2019 calls totaling $0.5 million were made on the Reserve. The Corporation, the guarantor (see Note 9), met the calls on the Reserve.

In 2012 the Board approved the establishment of a Secondary Reserve Facility for the Growth and Income Fund (First Unit Scheme). The Secondary Reserve is used to fund requirements for capital reinstatement and/or distribution liabilities of the Growth and Income Fund. The balance in the Secondary Reserve Facility was nil for 2018 and 2019.

A summary of the transactions in the Growth and Income Fund Guarantee Reserve is provided below.

Fund Reserve	**2019 $'000**	2018 $'000
Fund Reserve as at 1 January	**-**	-
Allocation to Reserve (Growth and Income Fund)	**-**	500
Call on Reserve	**469**	(871)
Allocation to Reserve (Corporation)	**(469)**	371
Fund Reserve as at 31 December	**-**	-

No transfers to support the Growth and Income Fund were required during either 2019 or 2018. The Corporation is the sponsor of the Growth and Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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28) Summarized Financial Information – TT$ Income Fund

The table below summarizes financial information for the TT$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2019 and 2018.

	2019 $'000	2018 $'000
Cash and Cash Equivalents	**1,468,134**	625,539
Receivables	**206,446**	250,043
Investment Securities (see tables below)	**9,914,017**	10,337,897
Total assets	**11,588,597**	11,213,479
Liabilities	**33,986**	36,826
Equity	**11,554,611**	11,176,653
Total liabilities and equity	**11,588,597**	11,213,479
Investment Income	**445,938**	257,534
Net Income	**303,548**	70,712
Distributions	**(155,052)**	(135,960)
Allocations to Reserves (see paragraphs below)	**(700)**	(2,800)
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**303,548**	70,712
Net cash flow from operating activities	**174,482**	105,988
Net cash flow from/(used in) investing activities	**560,842**	(1,268,930)
Net cash flow from financing activities	**107,271**	138,187
Net change in cash flows for the year	**842,595**	(1,024,755)

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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Expressed in Trinidad and Tobago Dollars

28) Summarized Financial Information – TT$ Income Fund (continued)

The table below analyses the investment securities held by the TT$ Income Fund

	2019 $'000	2018 $'000
Government Securities	**3,580,457**	3,542,403
Corporate Securities	**2,218,048**	1,946,421
Short-term Investments	**4,115,512**	4,849,073
Total	**9,914,017**	10,337,897

The table below classifies the investment securities held by the TT$ Income Fund

	2019 $'000	2018 $'000
Fair value through profit or loss	**9,914,017**	10,337,897
Total	**9,914,017**	10,337,897

TT$ Income Fund Reserves

In accordance with the provisions of Section 13 of the TT$ Income Fund (Second Unit Scheme) Regulations issued under the Act, the Corporation established two reserves in respect of the TT$ Income Fund - a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise on the realization of securities in the portfolio of the Fund.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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28) Summarized Financial Information – TT$ Income Fund (continued)

A summary of the transactions in the TT$ Income Fund Reserves is provided below.

Primary Reserve	2019 $'000	2018 $'000
Fund reserve as at 1 January	**54,677**	51,299
Allocation to primary reserve	**700**	2,800
Interest earned on the reserve	**661**	578
Primary Reserve as at 31 December	**56,038**	54,677

Secondary Reserve	2019 $'000	2018 $'000
Fund reserve as at 1 January	**21,104**	20,874
Allocation to secondary reserve	**-**	-
Interest earned on the reserve	**251**	230
Secondary Reserve as at 31 December	**21,355**	21,104
Total Fund Reserves as at 31 December	**77,393**	75,781

The Corporation is the sponsor of the TT$ Income Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the TT$ Income Fund were required during either 2019 or 2018.

Trinidad and Tobago Unit Trust Corporation
Notes to the Consolidated Financial Statements (continued)
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29) Summarized Financial Information – Universal Retirement Fund

The table below summarizes financial information for the Universal Retirement Fund (before inter-entity eliminations or consolidation adjustments) for the years 2019 and 2018.

	2019 $'000	2018 $'000
Cash and Cash Equivalents	**10,162**	30,398
Receivables	**70,122**	1,189
Investment Securities (see tables below)	**266,822**	268,741
Total assets	**347,106**	300,328
Liabilities	**594**	3,038
Equity	**346,512**	297,290
Total liabilities and equity	**347,106**	300,328
Investment Income	**39,599**	1,470
Net Income/(Loss) for capitalization	**32,591**	(5,037)
Other comprehensive loss for the year	**-**	-
Total comprehensive (loss)/income for the year	**32,591**	(5,037)
Net cash (used in)/ flow from operating activities	**(69,620)**	2,332
Net cash flow from/ (used in) investing activities	**32,634**	(9,279)
Net cash flow from / (used in) financing activities	**16,750**	3,821
Net change in cash flows for the year	**(20,236)**	(3,126)

The table below analyses the investment securities held by the Universal Retirement Fund.

	2019 $'000	2018 $'000
Government Securities	**29,091**	40,017
Corporate Securities	**25,668**	22,578
Equity and ETFs (local and foreign)	**161,488**	185,840
Short-term Investments	**50,575**	20,306
Total	**266,822**	268,741

The table below classifies the investment securities held by the Universal Retirement Fund.

	2019 $'000	2018 $'000
Fair value through profit or loss	**266,822**	268,741
Total	**266,822**	268,741

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29) Summarized Financial Information – Universal Retirement Fund (continued)

The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the fund financially and otherwise as and when necessary. No transfers to support the Universal Retirement Fund were required during 2019 and 2018.

30) Summarized Financial Information – US$ Income Fund

The table below summarizes Financial Information for the US$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2019 and 2018.

	2019 $'000	2018 $'000
Cash and Cash Equivalents	**238,511**	339,174
Receivables	**143,376**	135,729
Investment Securities (see tables below)	**3,578,945**	3,640,513
Total assets	**3,960,832**	4,115,416
Liabilities	**18,967**	32,748
Equity	**3,941,865**	4,082,668
Total liabilities and equity	**3,960,832**	4,115,416
Investment Income	**221,819**	17,484
Net Income/(Loss)	**160,988**	(45,831)
Distributions	**(38,631)**	(34,654)
Allocations to reserves (see paragraphs below)	**(2,031)**	(11,863)
Other comprehensive income for the year	**-**	-
Total comprehensive (loss)/income for the year	**160,988**	(45,831)
Net cash flow from operating activities	**37,736**	63,475
Net cash (used in)/ flow from investing activities	**173,150**	(215,284)
Net cash used in financing activities	**(310,884)**	(53,816)
Net change in cash flows for the year	**(99,998)**	(205,625)

The table below analyses the investment securities held by the US$ Income Fund

	2019 $'000	2018 $'000
Government Securities	**361,884**	721,851
Corporate Securities	**1,807,432**	2,328,025
Short-term Investments	**1,409,629**	590,637
Total	**3,578,945**	3,640,513

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30) Summarized Financial Information – US$ Income Fund (continued)

The table below classifies the investment securities held by the US$ Income Fund

	2019 $'000	2018 $'000
Fair value through profit or loss	**3,578,945**	3,640,513
Total	**3,578,945**	3,640,513

US$ Income Fund Reserves

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation has established two reserves in respect of the US$ Income Fund, a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise on the realization of securities in the portfolio of the Fund. There were no calls on the reserve during 2019 and 2018.

The Secondary Reserve was established to augment the capital maintenance capability of the Fund and to provide for the funding of any distribution liability which may arise.

A summary of the transactions in the US$ Income Fund Reserves is provided below.

Primary Reserve	2019 $'000	2018 $'000
Fund reserve as at 1 January	**57,427**	48,720
Allocation to primary reserve	**2,031**	8,122
Interest earned on the reserve	**542**	433
Foreign exchange revaluation	**(46)**	152
Primary Reserve as at 31 December	**59,954**	57,427

Secondary Reserve	2019 $'000	2018 $'000
Fund reserve as at 1 January	**37,106**	32,999
Allocation to secondary reserve	**-**	3,716
Interest earned on the reserve	**334**	293
Revaluation	**(23)**	98
Secondary Reserve as at 31 December	**37,417**	37,106
Total Fund Reserves as at 31 December	**97,371**	94,533

The Corporation is the sponsor of the US$ Income Fund and is committed to supporting the Fund financially and otherwise as and when necessary. No transfers to support the US$ Income Fund were required during 2019 and 2018.

Trinidad and Tobago Unit Trust Corporation
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31) Foreign Funds – UTC (Cayman) SPC Ltd.

The Corporation is the Manager, Sponsor, Administrator and Investment Advisor of UTC (Cayman) SPC Ltd. The table below summarizes Financial Information for the US$ Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2019 and 2018.

	2019 $'000	2018 $'000
Cash and Cash Equivalents	**24,658**	7,371
Receivables	**853**	1,110
Investment Securities (see tables below)	**589**	9,036
Total assets	**26,100**	17,517
Liabilities	**426**	304
Equity	**25,674**	17,213
Total liabilities and equity	**26,100**	17,517
Investment Income	**1,753**	(379)
Net Income/(Loss)	**1,083**	(271)
Distributions	**-**	-
Allocations to reserves (see paragraphs below)	**-**	-
Other comprehensive income for the year	**-**	-
Total comprehensive (loss)/income for the year	**1,083**	(271)
Net cash flow from operating activities	**(15,243)**	8,116
Net cash (used in)/ flow from investing activities	**-**	-
Net cash used in financing activities	**6,796**	-
Net change in cash flows for the year	**8,447**	8,116

The table below analyses the investment securities held by UTC (Cayman) SPC Ltd.

	2019 $'000	2018 $'000
Exchange Traded Funds	**589**	9,036
Total	**589**	9,036

The table below classifies the investment securities held by UTC (Cayman) SPC Ltd.

	2019 $'000	2018 $'000
Fair value through profit or loss	**589**	9,036
Total	**589**	9,036

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTICE

Annual General Meeting

Given the current global pandemic caused by COVID-19, and pursuant to Sections 6(2) and 31(2) and (3) of the Trinidad and Tobago Unit Trust Corporation Act, the Chairman and members of the Board of Directors have decided to host the 2020 Annual General Meeting, through a **Live Online Broadcast**.

The thirty-eighth (38th) Annual General Meeting of the TTUTC will be streamed live on Thursday May 28, 2020 at 10:00 a.m. on www.ttutc.com and also on www.facebook.com/ttutc

Registration

We encourage persons to tune in to the live broadcast. Simply register using any of our online channels **www.ttutc.com, @ttutc on Facebook, Instagram or Twitter** by Wednesday May 27, 2020 to receive both the event reminders and the live feed link.

By Order of the Board

Dawn Seepersad
GENERAL COUNSEL &
CORPORATE SECRETARY
April 22, 2020
82 Independence Square
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