

FUELLING

QHEA
NGE

SAFETY
Strength
TEAM

COMPASSION
TECHNOLOGY
CUSTOMERS
CREATIVITY
EVOLUTION
Support
STRATEGY
IMPROVEMENT

Efficiency
LEVERAGE
ENHANCEMENT
EFFICACY

TRANSFORMATION
Adaptability
FORWARD-THINKING

DRIVING

GRWTH

WEALTH
GOALS
TEAM
FUTURE
Life

ADVANCEMENT
INVESTMENT
Customers
WELL-BEING
RETURNS

ANNUAL REPORT **2020**

PARTNERSHIP
EXPANSION
BETTERMENT
Entrepreneurship
NATION-BUILDING

Optimise
FORESIGHT
PLANNING
EFFICIENCY
LEVERAGE
STRENGTH



Partners for *Life*

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

Play by the rules, but be

FERRO



FUELLING CHANGE, DRIVING GROWTH

C I O U S



Partners for Life

ANNUAL REPORT 2020

FUELLING CHANGE *Driving* GROWTH

FOR ALL OF US,
2020 WAS A YEAR
LIKE NO OTHER. OUR
LIVES WERE ALTERED
IN WAYS WE COULD
NOT HAVE IMAGINED.

It was a year of change, a year when the COVID-19 pandemic forced us to pivot quickly. We changed the way we did business while navigating and overcoming the challenges. Our unyielding dedication to customer excellence and robust corporate governance was never compromised.

We want to be your financial institution of choice that you come to invest in your growth and prosperity. With the changes coming, your experience is going to be like no other, and we are putting things in place to get you there.

While a lot has happened during this time, we are stronger and tougher as a result. Our goal is always to ensure individuals, entrepreneurs, and businesses - large and small - have the tools and resources they need to grow and invest in a digital world.

We are playing a bigger role in the entrepreneurship sector by supporting and helping our entrepreneurs grow across all industries, - from start-ups, small and medium businesses, and the more established ones. For us, every sector counts if we are to build a vibrant and thriving entrepreneurship network.

It's how we can change our communities for the better.



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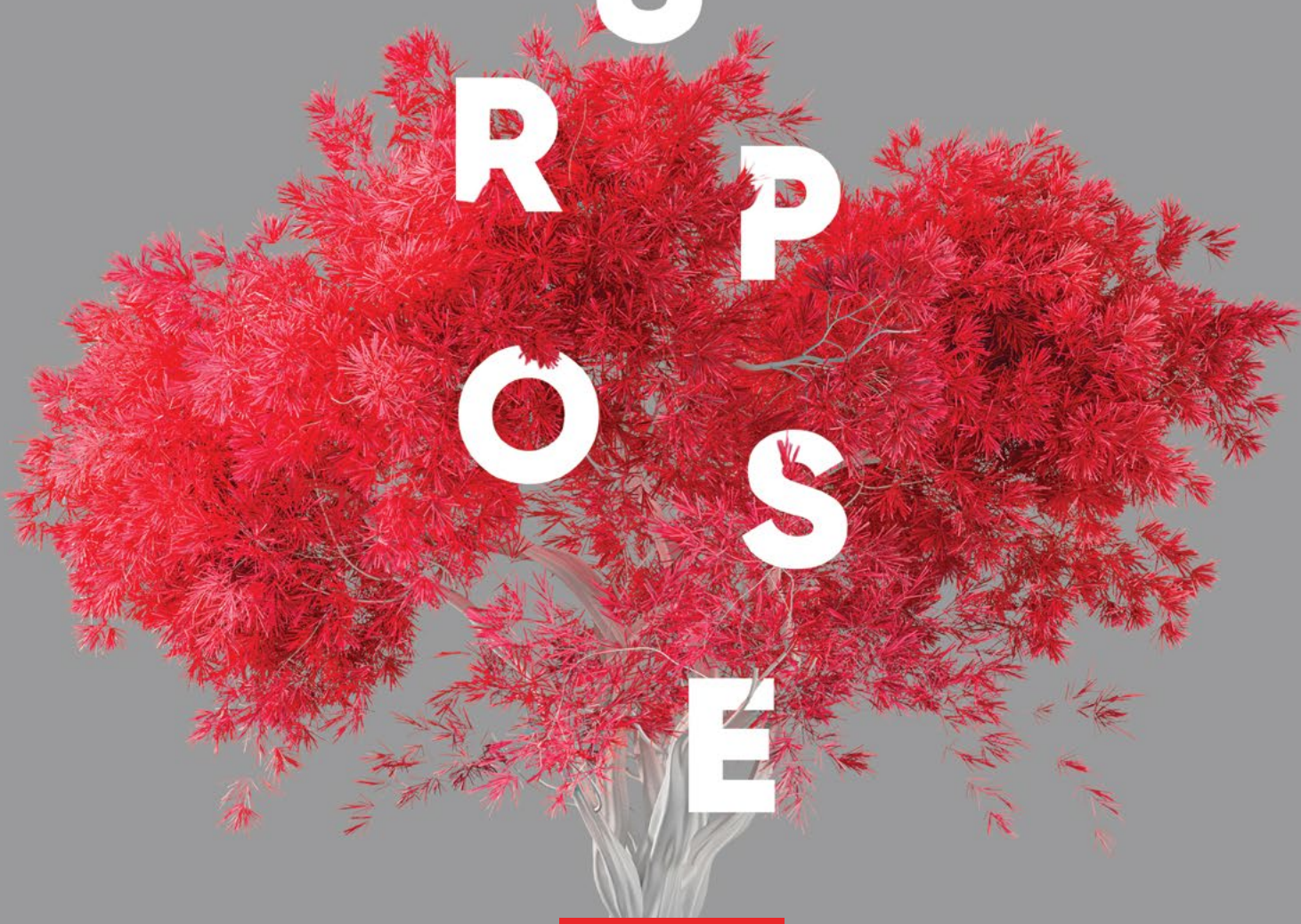


Partners for *Life*

FUELLING CHANGE, DRIVING GROWTH
ANNUAL REPORT 2020

PASSION

**P
U
R
P
O
S
E**



Progress



TT\$23.6Bn

FUNDS UNDER MANAGEMENT (FUM) - 4.3% INCREASE OVER 2019

TT\$805Mn

IN NET SALES - 997.9% INCREASE OVER 2019



TT\$169.2Mn

TTDIF DISTRIBUTION TO UNITHOLDERS - 9.1% INCREASE OVER 2019



TT\$21.1Bn

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - 4.4% INCREASE OVER 2019

112



LAPTOPS DISTRIBUTED TO AID WITH ONLINE LEARNING



APPROX. TT\$10Bn

AGGREGATE DISTRIBUTION PAYOUT SINCE 1982 - 2.6% INCREASE OVER 2019



US\$46.5Mn

USDIF DISTRIBUTION TO UNITHOLDERS - 20.8% INCREASE OVER 2019



TT\$23.8Bn

TOTAL ASSETS - 4.3% INCREASE OVER 2019

TT\$177Mn

RESERVES

5
HIGHLIGHTS

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










Partners for Life


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 622,000 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**
 4 Primary Regulatory Relationships
 CBTT, TTSEC, CIMA, TTSE**
 Retained Earnings **\$1.6Bn**
 FUM **\$23.6Bn**
 Market Share **38.4%**


 9 Mutual Funds
 TTS Income Fund
 USS Income Fund
 Calypso Macro Index Fund
 Growth & Income Fund
 Universal Retirement 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 **529**

 Proudly Serving **622,817** Unitholders

 Distribution Channels 9 Investment Centres
10 ATMs U-Online
1 Contact Centre 10 Online
Agencies

 Annual Revenue **\$0.7Bn**

 Distribution Payments Approx. \$10Bn (Since 1982)

* **Systemically Important Financial Institution**

** **Central Bank of Trinidad and Tobago (CBTT), Trinidad and Tobago Securities and Exchange Commission (TTSEC), Cayman Islands Monetary Authority (CIMA), Trinidad and Tobago Stock Exchange (TTSE)**



MANDATE

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

OUR COMMITMENT

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.



Partners for Life

where we operate



INVESTMENT
CENTRES



ONLINE
AGENCIES



with

locations nationwide,
we have investment centres
and online agents ready to
serve our Unitholders.

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

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

Couva

Acting Manager: Paula Stewart
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

Manager: Janice Jackman
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: Andre Clarke
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
55A St James Street,
Carlton Centre, San Fernando
Tel: (868) 657-UNIT (8648)
Fax: (868) 652-0620
Open: 8:00 a.m. - 2:30 p.m.

Sangre Grande

Acting Manager: Fleming Glace
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: Dexter Sandy
Cor. Main & Castries Streets,
Scarborough, Tobago
Tel: (868) 639-5096/3921
Fax: (868) 660-7730
Open: 8:00 a.m. - 2:30 p.m.



Partners for Life

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 – Fri 8:30 a.m. – 4:00 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. – 6:00 p.m.
Sat 10:00 a.m. – 6:00 p.m.

Unique Investments Limited

(Samuel Saunders)
UTC Agency – Pennywise Plaza
Unit 56, Upper Level,
Narsaloo Ramaya Road,
Endeavour, Chaguanas
Tel/Fax: (868) 610-4548
Open: Mon – Fri 9:00 a.m. – 6:00 p.m.
Sat 10:00 a.m. – 6:00 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 9:00 a.m. – 5:00 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

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

Fellow Unitholders,

2020

will be remembered as the year in which countries, populations and investor markets faced their most challenging test – a pandemic so severe, it has claimed close to three million lives to date and counting; it has infected over 138 million people. And it continues ... spawning new variants, and claiming more lives and livelihoods.

PROFESSOR
GERRY C. BROOKS
Chairman

MESSAGE FROM THE

CHAIRMAN



It has triggered unprecedented health and economic misery, regionally and globally. Conservatively, the International Monetary Fund (IMF) estimates that the global economy shrank by 4.4% in 2020 and an estimated US\$3.94Tn of wealth and market capitalisation has been destroyed across investor markets and economies.

Sectors and countries have shut down. Energy prices have plummeted, and for the first time ever, oil prices turned negative (-US\$22), shaking the energy sector and global investor confidence, while also deepening volatility and investor uncertainty.

2020 is a stark reminder that we must expect the unexpected. We must all be prepared to navigate a new normal with its potential for increasingly frequent Black Swan events. Future corporate success will require resilience, thoughtfulness, creativity, teamwork and the ability to pivot and re-engineer our business. As was the case in 1986, when Trinidad and Tobago faced a recessionary period, Team UTC again demonstrated these critical attributes in 2020 to support our 622,000 Unitholders and our country and will build on this legacy in 2021 and beyond.

Starting 2020 facing significant declines across our portfolio of investment funds, and having assumed the Chairmanship in March, we pivoted early and aggressively to stabilise and protect our investment positions, while positioning to leverage growth and value creation opportunities.

Within hours of advisories from the Ministry of Health, the Corporation had shifted to remote work and within days adapted to the new normal, regaining our momentum by the third quarter and ending fiscal 2020 with robust demand for our services, our highest total ever for Funds Under Management since inception – TT\$23.6Bn and we saw impressive growth in net subscriptions, evidenced by net sales of TT\$805Mn and successive quarter-on-quarter improvement in profitability and Fund returns post Quarter One.

Equally important, your Corporation's Board deliberately agreed to maintain the level of our dividend distributions to our Unitholders. This philosophy and approach in a time of national and international distress, recognised the obligation for preservation of capital and an assured flow of dividends and cash flow to our Unitholders. This approach instills confidence and provides the financial wherewithal to navigate the financial and other challenges caused by the pandemic.

These very encouraging results reflect the profound confidence Unitholders have reposed in the Unit Trust Corporation. We have also demonstrated our ongoing commitment to investment value protection and value creation for our Unitholders, our employees, our partners and our communities – even in the face of historic adversity.

As Chairman, our Board and I are exceptionally proud of our Management Team, who demonstrated thoughtfulness, agility, courage and an unyielding dedication to service excellence in supporting Unitholders, while ensuring robust corporate governance. These principles will continue to guide and inform our strategy and actions as we seek to negate the evolving and ever-present danger of the pandemic.



Partners for Life

FUELLING CHANGE, *Driving Growth*

Having entered 2020 with a strong financial foundation, we were focused on fuelling top-down and broad organisational change to enhance growth and returns across all our portfolios. This vision and philosophy are encompassed in the theme of our 2020 Annual Report **Fuelling Change, Driving Growth**. It reflects our determination to unlock new platforms – digital, non-conventional and traditional – to meet our customers' needs and to improve our service capability, as well as the growth and results trajectory of the Corporation.

COVID-19 has also validated and reinforced the need for accelerated implementation of our Corporation's Digital Transformation Plan. Through the dedication and determination of our Implementation Team, who worked continuously through the pandemic, the first phase of our New Core System Upgrade (familiarily called 'UTC ID Replacement Project') was completed in 2020.

This platform strengthens business continuity support, reduces paper usage through digitisation and creates the infrastructure for our 'Chip and Pin contactless Debit Visa cards'. Put simply, it improves our operational efficiency, reduces costs and most significantly enhances Unitholder and customer experience. The full project will be completed by the end of 2021.

Another significant technological pillar has been laid with our deliberate shift to Cloud computing, which has allowed us to transition from bulky servers and high maintenance costs to a more efficient, data-secure, scalable and innovation-rich Cloud environment.

Equally important, it provides a strategic pathway to accessing and leveraging transformational technologies, including Artificial Intelligence (AI) and other Cloud infrastructure to continuously re-engineer and realign our product and service offerings to meet our Unitholders' needs. Increasingly, in a data-driven society, implementation of these applications and the conversion of our business platforms to an agile, secure, digital architecture will provide cutting-edge mobile investment, educational and entrepreneurial opportunities for our Unitholders, whilst ensuring business resilience.

REGIONAL *Expansion*

Even as we embed the foundation of our Customer-First Investment Company, the next strategic planning period (2021-2023) is being philosophically and commercially anchored on scaling up our business. This initiative mandates that your Corporation look beyond Trinidad and Tobago and at adjacent value chain opportunities as we expand our focus and embrace opportunities to service potential clients in the region.

Fellow investors, our strategic focus is to generate real and sustainable growth across new markets and in new customer segments. This strategic imperative, COVID-19 notwithstanding, saw us building and deepening institutional and investor partnerships across the region. Importantly, this enables us to leverage our investment, competitiveness and financial and managerial expertise with institutional and individual investors regionally. It builds the UTC and simultaneously creates regional wealth across our investing population.

Our regional, strategic expansion will continue to be informed by careful research, analysis of market opportunities by country, deep appreciation of regulatory and governance requirements and constraints, while leveraging and optimising technology and shared services capability. Our regional initiatives are at an advanced stage and Unitholders will be continuously updated on our progress.



MODERNISING *The UTC Act* (1982)

Almost four decades have elapsed since the Unit Trust Corporation Act 1982 (the UTC ACT) was enacted. At that time, the mutual fund industry was in its nascent stages and the UTC was the only player. The 2009 global meltdown, Y2K, currency liberalisation and COVID-19 are just a few of the many profound changes that have reshaped the industry since that time. The 1982 Act must be refreshed, and amendments have been proposed to modernise our legislative framework.

Changes to the UTC Act will allow us to more efficiently compete in this new environment. It will better enable us to meet the needs of our customers with new and more customised products, while providing greater flexibility and scale to leverage opportunities in new markets.

The early passage of the proposed legislative amendments is a critical pillar in the Corporation's effort to enhance financial performance and reinforce good governance, and widen our network of investments and institutional partners regionally and hemispherically. These changes are also critical to our ability to compete globally, while keeping in sync with industry best practices. We urge the Government to accelerate the passage of these vitally needed amendments.



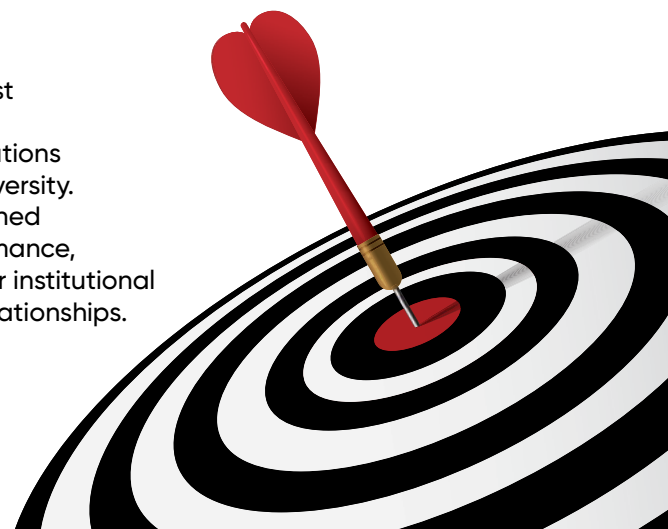
G OVERNANCE *and Ethics*

Notwithstanding the challenges created by the pandemic, the stewardship, experience and very collaborative approach of the Board and Management have proved invaluable. In fiscal 2020, the Board and Management jointly continued to strengthen our Governance Architecture and Policy Framework to ensure an ongoing framework of proactive and robust practices in these turbulent times. All policies were reviewed, including important amendments to our Risk Management Policies, and Audit and Governance Framework and Team Key Performance Indicators (KPIs).

Our commitment to the highest levels of corporate governance is matched only by our commitment to diversity.

This diversity is reflected in our Board's composition, comprising six female members out of our 10 appointees – 60%. They are: Sharmaine Caballero, Anne-Marie James, Michelle Durham-Kissoon, Fe Lopez-Collymore, Lorraine Kam and Jo-Anne Julien.

The Board of the Unit Trust Corporation serves as a beacon to other organisations that strive to embrace diversity. This philosophy has enriched deliberations and performance, and positively shaped our institutional and other stakeholder relationships.



CHANGES *to Our Board*

Let me take this opportunity to also thank outgoing Board Members – Mr. Jonathan Walker, Mr. John Tang Nian and Mrs. Michelle Durham-Kissoon – whose terms ended between March 2020 and March 2021. We also bade farewell to Mr. Nicholas Gomez last September. Their insightful and dedicated service to the Corporation contributed immensely to our progress during the pandemic and post-pandemic period.

May I also reiterate our profound gratitude to former Chairman Justice Rolston Nelson for laying the foundation for the Corporation's continued success during his tenure.

Simultaneously, may I also welcome Mrs. Fe Lopez-Collymore and Ms. Jo-Anne Julien, our newest Board Members who joined in October and November 2020 respectively and whose professional acumen and acuity will serve the Corporation well.

*L*OOKING Ahead

Fiscal 2020 ushered in the most unexpected circumstances and created significant disruptions to the economy, business and the banking industry. Our UTC Team frequently placed service to our Unitholders and country above self.

On behalf of our Board and Corporation, I convey our sincere gratitude to our team, our health workers, and others on the frontlines who have worked tirelessly to mitigate and extinguish the effects of the pandemic. We will continue to actively support Government, Health and other authorities in rebuilding the country and reimagining the economy.

As the largest leading financial mutual fund provider in the region with \$23.6Bn in Funds Under Management, we continue to actively embrace the privilege and responsibility to pivot and shape the financial services sector and return Trinidad and Tobago to sustained economic growth. We embrace a customer-first focus and country-first mindset.

Finally, and as I begin my second year as Chairman, I am honoured to serve an organisation that continues to create Shared Value for all stakeholders. I am grateful to our Management team, and staff whose shared mantra is to optimise growth, service and value for our stakeholders and country.

2020 was a test! Your Corporation was resilient! In 2021, our team sees continued challenges, but also opportunity. In the implementation of our Strategic Plan 2021-2023, our philosophy will continue to be excellence in execution, while proactively pivoting, enabling us to navigate the future with cautious optimism.

Together, we have made and will continue to make a difference; we will persevere and grow.

Stay safe.

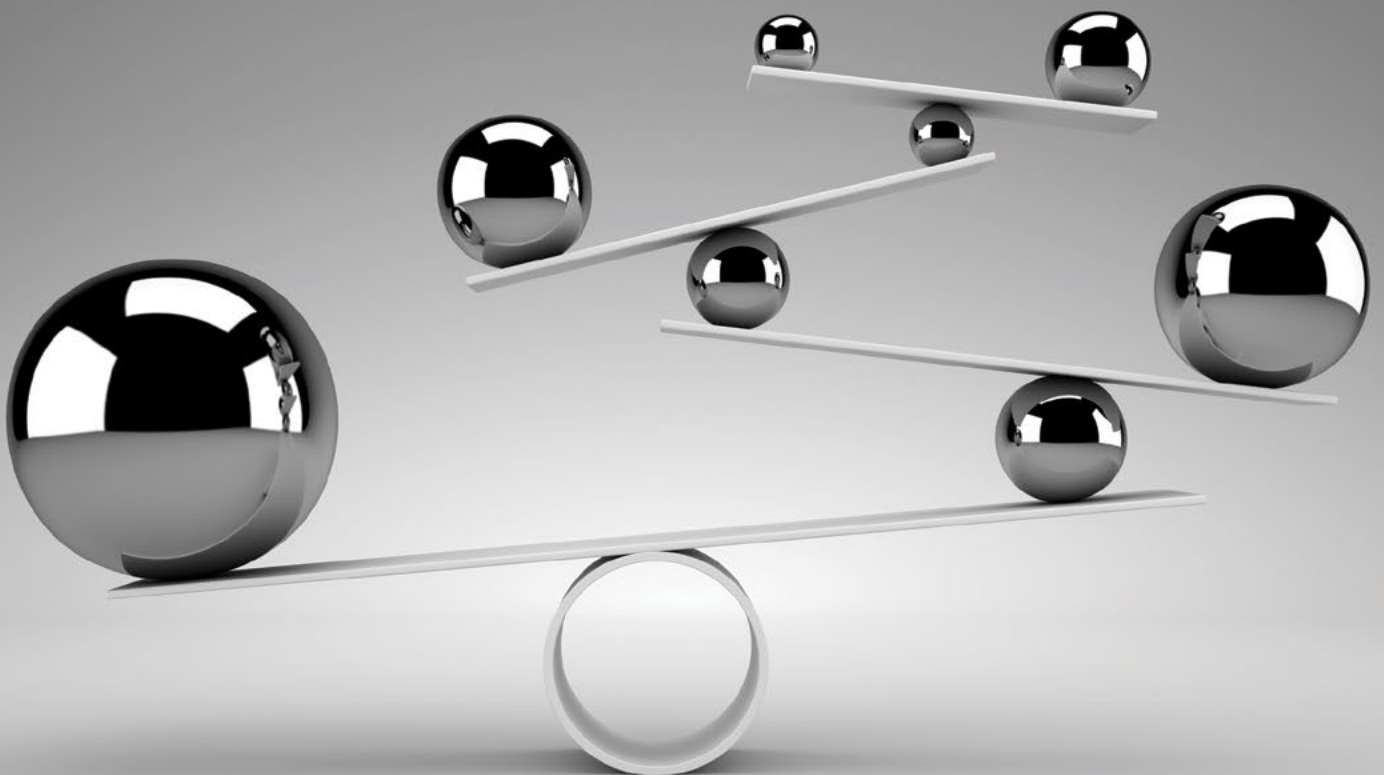


Professor Gerry C. Brooks
Chairman
28th April 2021



COMING TOGETHER IS A BEGINNING

KEEPING TOGETHER IS PROGRESS



Working together is success

Executive Director

2020 HAS BEEN A YEAR LIKE NO OTHER.

There are no words left to describe this period in our history. Across the globe, hundreds of millions of lives have been impacted by the COVID-19 pandemic and the toll it has taken on human life is heartbreaking. Almost everything has changed.

Amidst this uncertain landscape, we at the Unit Trust Corporation stayed true to our core tenets, delivered value to our stakeholders and most of all, stayed connected to you, our Unitholders.

Like the rest of the world, we witnessed the radical change that took us along new paths and offered new learnings.

While the past year has been transformative for the UTC, we have been responding to disruptions in the asset management industry long before COVID-19 struck by being proactive and strategic, while maintaining our foundational focus on being a Customer-First Investment Company.

When the pandemic hit, we were already investing in human capital and technological infrastructure to fuel regional growth and entrepreneurship, in addition to delivering on our promise to our Unitholders of Safety, Strength and Stability during a period of volatility.

Even as the world grapples with the pandemic, I strongly believe the investments we made in our technology, our people, and our strategy over 2020 will serve our business and our country well for years to come.

FINANCIAL PERFORMANCE

Highest Ever Assets Under Management

The Corporation emerged from 2020 with a new resolve and on a solid financial footing. UTC maintains a dominant market position in T&T, and as a Systemically Important Financial Institution (SIFI), we remain focused on creating value for stakeholders.

I am pleased to announce that UTC's portfolios, based on our strategic objective, asset allocation and investment management strategies, delivered strong performance and demonstrated growth in a challenging environment.

NIGEL EDWARDS

*Executive
Director*



Partners for Life

FUELLING CHANGE, DRIVING GROWTH
ANNUAL REPORT 2020



Solid Performance

- We delivered spectacular growth in net subscriptions, evidenced by net sales of TT\$805Mn, an incredible value of 10 times more than net subscriptions in 2019 and was achieved despite the prevailing environment of uncertainty. This says a lot about the trust investors have in us, especially during tough times.
- For the first time in our history, Assets Under Management hit a high of TT\$23.6Bn in 2020, a pivotal moment given the challenging conditions.
- Also, amid the turbulence brought on by COVID-19, the Corporation earned an impressive TT\$605Mn in 2020 from Investment Income, thanks to the stewardship of our experienced investment team.
- For the year ended December 31, 2020, the UTC experienced a 4.3% growth in its aggregate Fund size to TT\$22.1Bn compared to TT\$21.2Bn at the end of 2019.
- In fiscal 2020, we saw Total Group Expenses increase by TT\$10.9Mn mainly due to upgrades in the Corporation's technological and information systems architecture.
- We saw increased distributions in our Fixed Income Funds: The TT Dollar Income Fund paid distributions in 2020 totalling TT\$169.2Mn, up 9.1% from TT\$155.1Mn in 2019, and the US Dollar Income Fund moving from US\$5.7Mn in 2019 to US\$6.9Mn in 2020, up 20.8%.

Positive Ratings by CariCRIS

Our strong performance continues to be evident as manifested in our rating from Caribbean Information & Credit Rating Services, also known as CariCRIS. The rating agency reaffirmed UTC's high creditworthiness in 2020: CariAA (Foreign and Local Currency Ratings) on the regional rating scale and ttAA on the Trinidad and Tobago national scale. This rating underpins the Corporation's healthy cash balances and substantial liquidity buffers, together with its robust risk management framework, prudent investment portfolio management and performance, and ongoing IT infrastructural improvements.

Strategic Plan: 2021-2023

Fellow Unitholders, in this rapidly changing environment, we believe a more agile approach to our strategic planning process was needed to serve as the roadmap for our future. In the traditional approach, we would chart a course over five years, but in these precarious times, we needed to pivot quickly to the fast-evolving environment in which we are living and working.

Therefore, well-structured long-term strategic goals were established for the period 2021 to 2023, however, strategic imperatives were also developed, ensuring our tactical plans are calibrated and nimble enough to cater for the evolving environment.

Having a strategy is one thing. Being able to execute it, especially in times of great unpredictability, is something else.

With this in mind, we have identified five (5) **Strategic Imperatives** to which the Corporation must adhere to enhance its competitiveness and deepen its footprint in our financial landscape. They are:

- **Regional Expansion**
- **Enhancing Product Portfolio and Optimising Returns**
- **Enhancing the Distribution Model**
- **Improving Operational Efficiency**
- **Leveraging Technology**

1. Regional Expansion

UTC recognises its competitive advantage in expanding its investment footprint into the mutual fund market in the region. The Corporation has already initiated actions in line with this Strategic Imperative and will continue to focus on entering markets across the region within this strategic planning cycle.

2. Enhancing Product Portfolio and Optimising Returns

While the Corporation has made strides in creating several new mutual funds for which we are now seeking approval, further enhancement is required that aligns new products that offer differentiated value propositions to specific market segments. This requires new product development processes complemented by a robust sales and a marketing strategy that captures the customer's life cycle, from beginning to end.

3. Enhancing Distribution Model

As the market landscape changes, so too must our distribution model, which is the framework utilised to bring our investment products to our market segments. Not only does this model seek to attract new customers and retain existing ones, it also seeks to boost our presence, by using new methods of engagements, including digital channels and building partnerships to support the acquisition and retention of younger customers and other market segments.

4. Improving Operational Efficiency

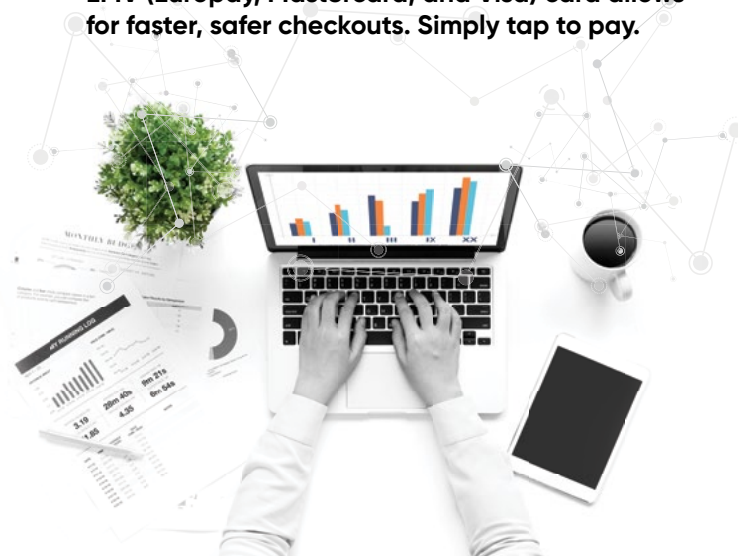
Becoming more agile and efficient demands an operating model that prioritises skills, procedures and technology to support and execute a strategy that is cost-effective and impactful. But this must be done without sacrificing what we do best – bringing enhanced customer service to our Unitholders. By reengineering business processes and automating high-volume, highly manual procedures, we can remain focused on being your Partners for Life.

5. Leveraging Technology

Last year, the technological upgrade that began in 2018 continued with greater impetus. For a better customer experience, we continue to strengthen our technology core that offers insight into how our customers think and feel. Our technological transformation will also enable our strategic objectives and imperatives by integrating technology across the entire business and ensuring our Unitholders' preferences remain in focus.

In 2020, we continued with a critical upgrade to a Cloud-based digital solution that not only serves our current stakeholders but also supports the rollout of new products and services for all customer segments. Digital enablement is fundamental to UTC's growth, and as such a keen focus is placed on both traditional and emerging digital trends. This, in turn, will drive product and service innovation so that we meet the needs and expectations of all demographics, including new markets.

To further leverage technology and heighten our customers' experience, before the end of 2021, we would have upgraded our debit cards with contactless chip technology to give more security and added benefits to card transactions. The new EMV (Europay, Mastercard, and Visa) card allows for faster, safer checkouts. Simply tap to pay.



Delivering on Our Promise to Stakeholders

These are tremendous technological upgrades and changes, but the impetus behind any improvement we make is bringing added value to what we do. The past year has been interesting, to say the least, as each of us had to wrestle with significant changes in our world. The events of the past year have only sharpened our ability to deal with these unpredictable and still evolving circumstances.

UTC Foundation

In 2020, as the pandemic took hold of our lives, we also learned quickly how important it was to help those who needed it the most. The UTC Foundation was created for this very reason, and at the time it was created, we didn't know how prescient this strategy would be. With social distancing in place along with health and safety protocols, we had to change our engagement from physical to digital interactions.

The Foundation helped schools transition to "online" learning and worked with Non-Governmental Organisations (NGOs) to meet the needs of multiple people in society. As challenging as last year was, it also offered inspiration – how we can come together to do great things.

(See Page 54 for more work on the UTC Foundation)

Igniting Entrepreneurship

Three years ago, we embarked upon a deliberate and intentional focus on entrepreneurs and entrepreneurship, and there were three main reasons for that:

- We recognised how important this group is to national economic development;
- We saw the critical role of the Corporation in the creation of an entrepreneurial ecosystem, and;
- We saw the inescapable need to develop a pipeline of solid, small and medium enterprises (SMEs) that would offer investment opportunities to potential investors.

When we observe the pandemic-induced changes to global economies, our foresight and plans three years ago regarding entrepreneurship have begun to bear fruit. We remain very passionate about growing our entrepreneurs regardless of scale, across Trinidad and Tobago.

As such, our newest initiative, Scale Up Trinidad & Tobago (Scale Up), is tapping into something deeply embedded in our DNA – a commitment to a culture of innovation and growth. That's why we've partnered with US-based Entrepreneurship Policy Advisors (EPA) to generate a new wave of entrepreneurial growth that will provide our entrepreneurial business owners with the tools and know-how to aggressively scale their businesses.

The companies that currently form part of our first Scale Up cohort, come from a diverse range of sectors, including technology, engineering, logistics and food processing, and they are all SMEs that are very motivated to aggressively grow their businesses.

Scale Up is just one of our initiatives to help drive economic growth and stimulate employment in our economy. Another is our Online Urpreneur Series, which offers workshops, educational content and a Digital Entrepreneurial Community. Urpreneur showcases conversations with successful entrepreneurs aired over multiple digital platforms, offering insight and entrepreneurial expertise.

We have also signed a partnership agreement with UWI Ventures to support entrepreneurs from idea creation to commercialisation. More will be shared about this exciting partnership as the year progresses.

We are setting alight the SME sector, and our goal is to facilitate entrepreneurial success – from start-up to small business, as well as the more established companies.

For us, it's about supporting the creation of an entrepreneurial ecosystem that caters to a vibrant community of support, leadership, culture, markets and customers.

Investors, stay the course

2020 was a year characterised by uncertainty and turbulence, a period when policymakers, both locally and internationally, needed to respond firmly to combat the spread of COVID-19. Some of the measures ranged from periodic lockdowns to border closures. The pandemic created severe volatility in financial markets, at times unprecedented, resulting in sharp market declines, particularly in the first half of the year.

However, our decision-making is consistently judicious, as we assess the risk/return trade-off of all investments and the value they can bring to our Unitholders.

This is why we are keen on encouraging investors to stay the course, even though it can be a particularly trying time for many people – whether psychologically or financially. There's a real opportunity in what many may see as challenges, but our message to you, our Unitholders, is to stay the course. Continue to invest.

Team Support

In 2020, our team showed tremendous resilience, responsibility and resolve to support one another, our customers and our communities. I am incredibly proud of them. Their professionalism and humanity shone through in the face of uncertainty.

In the last fiscal year, I watched Team Members rise to the challenge of a pandemic, taking a serious and active interest in the financial well-being of Unitholders, and displaying genuine care for each other. I saw their loyalty and commitment to stay with us, through thick and thin.

Pandemic protocols meant adjusting in a short time. I applaud each one of our Team Members for their support during this challenging period.

Our Business Continuity Protocols continue to guide our risk mitigation strategies and the operational team is functioning seamlessly. We have instituted work-from-home protocols and we have enabled secure virtual private networks and other technological infrastructure to ensure we can connect with our customers and each other. All of this allows our team to continue to consistently serve customers safely and securely.

Senior Management Changes

We have also had some changes in leadership. Judith Sobion, Vice President Corporate Services, retired at the end of 2020. We thank Judith for her unstinting contribution and years of unwavering and dedicated service with us.

Natasha Davis, Vice President Marketing and Operations, has assumed responsibility for Corporate Services, which includes Supply Chain Management, Corporate Security, Facilities Management, Corporate Administration, and Human Resources. Natasha maintains leadership of Trust Operations, Information and Communications Technology (ICT) and Reputation Management.

Warren Sookdar, Chief Information Officer (CIO), will now focus almost exclusively on guiding the transition of our technological projects in the Capacity of Advisor – Information and Communications Technology, which became effective January 1, 2021. At the time of writing, a new Chief Information Officer has been chosen, and the person's appointment will be announced in the coming months.

Looking Forward

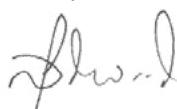
If I could find one word to describe what 2020 felt like for me, it would be *gratitude*. A strong foundation can weather many storms, and UTC's solid leadership, dedicated team and upgraded technological capabilities will give us a strong position from which to achieve our strategic objectives and imperatives.

We view 2021 as turning a page – we are no longer navigating a crisis – we are facing a new reality, and we are ready.

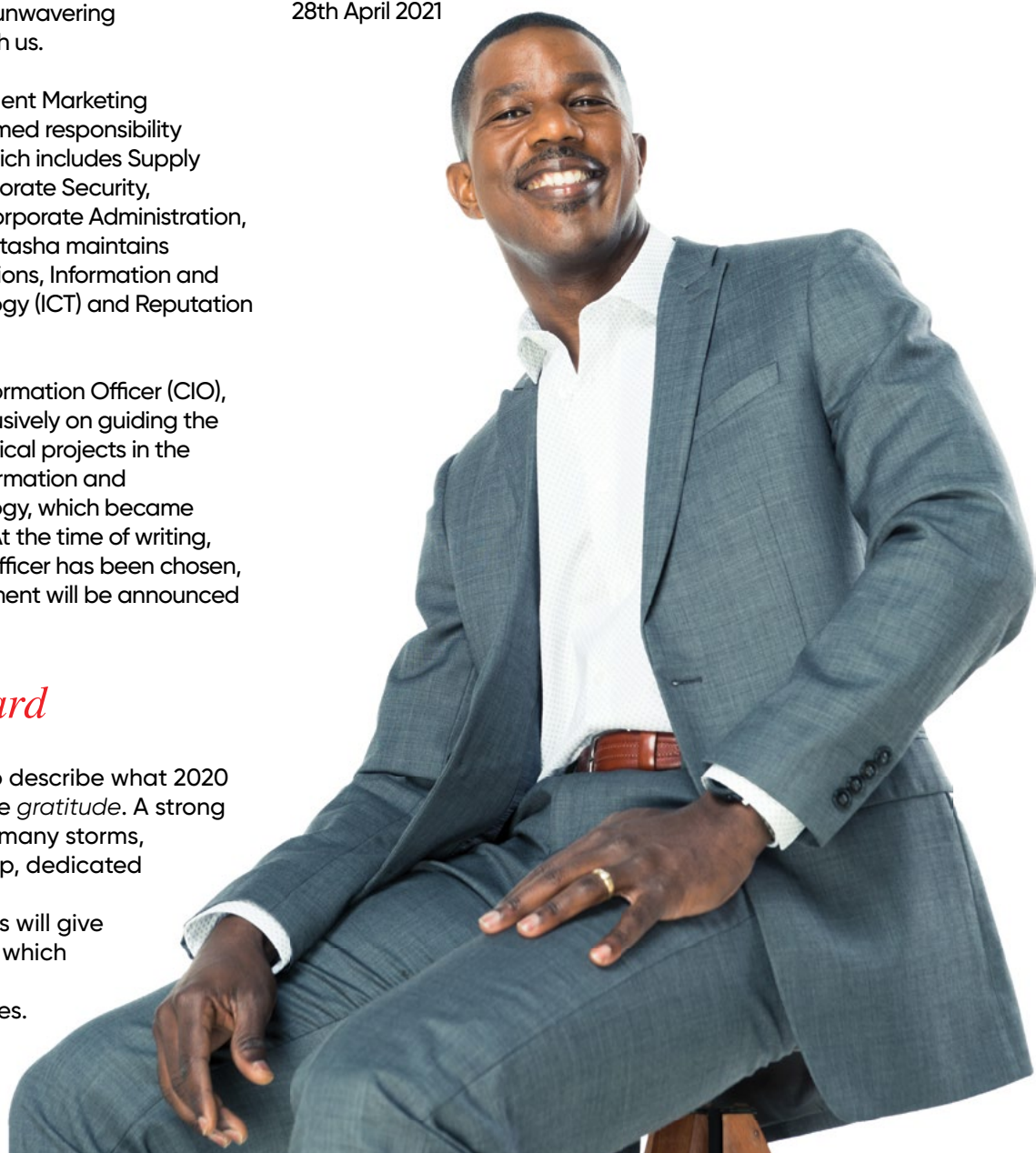
For me, that's what this business is all about. We are set on fuelling change and driving growth in our industry. We are committed to high standards of corporate governance that favour well-structured thoughts and decisions over knee-jerk reactions, and this creates value for all stakeholders. But at the end of the day, the UTC helps people build better lives.

While 2020 will go down as one of the most challenging years in the Corporation's history, the simple truth is that we are extremely committed to you. Our business is strong. Our future is secure.

So, I am leaning into 2021 with gratitude and optimism about the road ahead.



Nigel Edwards
Executive Director
28th April 2021



VALUE
THROUGH

innov

ative

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.

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

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)

Outcomes

STRATEGY AND RESOURCE ALLOCATION

VALUE CREATION FOR UTC STAKEHOLDERS

Intellectual

- Good Regulatory Standing
- Top 4 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 Trusted 'Partners for Life'
- Consistently High Customer Satisfaction

Natural

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

EXTERNAL ENVIRONMENT OUR KEY RELATIONSHIPS



(See pages 50-53)



Partners for Life

FUELLING CHANGE, DRIVING GROWTH
 ANNUAL REPORT 2020



Kerri Maharaj
Chief Financial Officer

CHIEF FINANCIAL OFFICER'S REPORT

Dear Fellow Unitholders,

Before describing the Group's financial performance, it may be useful to appreciate three important factors that influenced it: two that feature annually and one arising in 2020.



Partners for Life

FUELLING CHANGE, DRIVING GROWTH
ANNUAL REPORT 2020

NEW INTERNATIONAL *Financial* REPORTING STANDARDS (IFRS)

Each year, new and amended IFRSs and Interpretations are issued by the International Accounting Standards Board (IASB) that the Group must evaluate and adopt. Although at times these may have a material effect on the Group's reported results or Statement of Financial Position, the various applicable amendments that the Group adopted effective 1 January 2020 had no material impact on the financial statements for the current or prior periods. Effective 1 January 2019, the Group adopted IFRS 16 *Leases*.

Further information on these new Standards and Amendments can be found in Note 2c of the consolidated financial statements.





MARK -TO- MARKET *Accounting*

As a reminder, the Group accounts for its investments and other financial assets in accordance with IFRS 9 *Financial Instruments*. The IFRS requires that the accounting treatment reflects the Group's business activities, which the standard refers to as its business model. The nature of the Group's business is that Unitholders can redeem their units within established parameters in each Fund, and as such, each Fund's assets could be sold at market prices to pay 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 (this accounting practice is often referred to as mark-to-market accounting). Based on the business model adopted by the Group, when prices change and investment values adjust, 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 – specifically in 2020 it was the impact of the COVID-19 pandemic on capital markets. These factors 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 2020, this line item was favourable, a gain of TT\$124Mn whereas in 2019, the Group recorded a larger gain of TT\$640Mn. It is impossible to predict the outcome of 2021 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 Investment Report.

COVID-19 *Pandemic*

2020 was a year characterised by uncertainty and turbulence brought on by measures that governments, both local and international, instituted to combat the spread of the Novel Coronavirus (COVID-19), which ranged from periodic lockdowns to border closures. The pandemic created severe volatility in financial markets, at times unprecedented, resulting in sharp market declines, particularly in the first half of the year locally and globally.

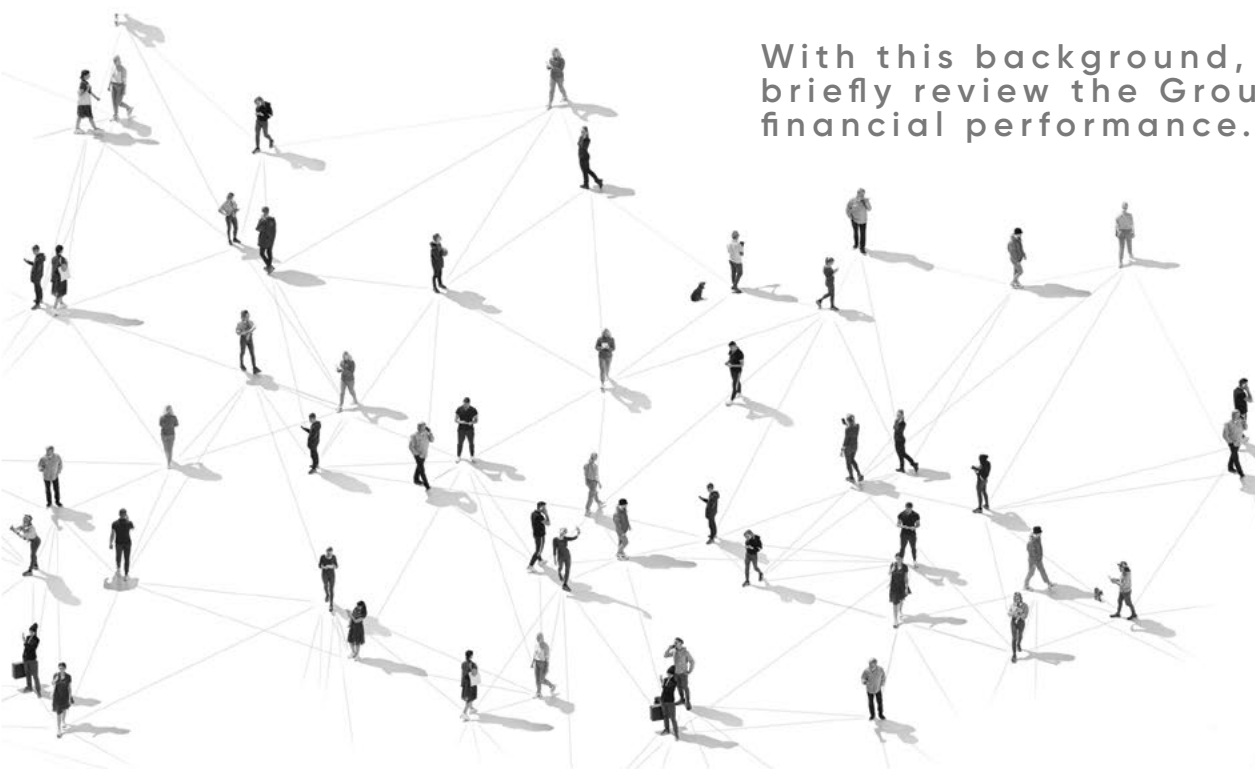
The Group's consolidated financial statements were impacted principally in two areas, described below.

As previously explained, the business model for its financial assets is Fair Value Through Profit or Loss (FVPL); as a result, the Group's performance is materially impacted by market price movements, which are recorded in the Consolidated Statement of Profit or Loss. At the onset of the pandemic, financial markets responded by driving asset prices down due to the then-existing uncertainties, and the Group recognised a material level of fair value losses. Subsequently, financial markets have rebounded and the Group's losses have reversed to produce net Fair Value gains of TT\$124Mn for the year ended 31 December 2020.

The Group also earned a lower level of interest and dividend income due to across-the-board interest rate declines from either the reduction or suspension of dividend declarations from its equity investments. As a consequence, the Group's Investment Income for 2020 declined by 11% when compared to 2019.

Further information on the impact of COVID-19 can be found in Note 2 of the consolidated financial statements.

With this background, we will briefly review the Group's 2020 financial performance.



PERFORMANCE *Review*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group's Total Assets grew 4.3%, moving from TT\$22.8Bn to TT\$23.8Bn. The Group's investment securities also increased by 7.6% or TT\$1.4Bn when compared to 2019, owing to the deployment of surplus cash accumulated at the end of 2019. Of particular note would be the spectacular growth in net subscriptions to the Funds of TT\$805Mn. The intake in 2020 was 10 times larger than the level of net subscriptions in 2019, which occurred despite the prevailing environment of uncertainty.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Total income earned by the Group for 2020 was TT\$0.7Bn, a reduction of TT\$0.6Bn (or 45%) year-over-year. The principal driver was the previously described decrease in Net Change in Fair Value on Investment Securities gains by 81% from TT\$640Mn in 2019 to TT\$124Mn in 2020.

In 2019, the price guarantee liability declined from TT\$25Mn as at 31 December 2018, when the net asset value (NAV) of the Growth and Income Fund was TT\$17.22, to TT\$3Mn at 31 December 2019, when the NAV improved to TT\$18.63 (an increase of TT\$1.41). The overall impact to the Consolidated Statement of Profit or Loss in 2019 was therefore a favourable TT\$22Mn. In 2020, the change in NAV was inconsequential, resulting in immaterial movement recorded in 2020. The overall change year-over-year was a reduction of TT\$22.7Mn.

Total Group expenses increased by TT\$10.9Mn or 4% when compared to 2019, principally due to the Group's expenditure to improve the architecture of its information systems. This investment is part of the Group's strategic plan to focus on leveraging technology to better serve its Unitholders. We anticipate that our expenditure will continue to rise as we focus on further enhancements to our technology platform.

THE FUTURE

At the close of 2020, the Group's financial position continued to be solid and positioned for growth. The Group remains committed to creating value for its Unitholders and is unwavering in pursuing its dual mandates of ensuring financial strength and operational efficiency, regardless of the challenging environments.



Kerri Maharaj
Chief Financial Officer
28th April 2021

**PLANNING IS BRINGING
THE FUTURE INTO THE PRESENT**



So that you can do something about it now

CHIEF INVESTMENT
OFFICER'S REPORT

Sekou Mark
*Chief Investment
Officer*

Dear Fellow Unitholders,

2020 was a year filled with uncertainty and unprecedented challenges on multiple fronts: international markets and the domestic economy alike were faced with the significant headwinds of a pandemic and widespread economic decline. Nevertheless, the Unit Trust Corporation remained resolute in its duty to preserve capital and enhance investment returns.

We are pleased to report that the Corporation's Mutual Funds delivered solid returns despite these challenges.



Partners for Life

ECONOMIC AND CAPITAL MARKET *Review*



Global

Entering 2020, Brexit and the U.S. presidential election were anticipated as being the key events to drive market volatility, however, the COVID-19 pandemic seemed to have other plans and was determined not to be upstaged.

The pandemic became the central story of the year not just for financial markets, but also became the burning issue within economic, political and social spheres. The lightning pace at which COVID-19 spread around the globe caught many governments off guard as they sought to first understand and then contain the virus. This meant that governments closed borders, issued mask mandates and stay-at-home orders, as well as encouraged social distancing in order to limit the spread of the virus. Consequently, many economies came to a grinding halt with demand falling precipitously and global supply chains being severely disrupted. Steep economic contractions around the world in the first half of 2020 became commonplace with businesses shuttering and unemployment rates spiking.

In a response to resuscitate economies, governments gradually relaxed restrictions and unleashed massive fiscal stimulus programmes, while central banks moved swiftly and aggressively to thwart any economic fallout and support their respective economies via accommodative monetary policies and other unorthodox policy measures aimed squarely at economic growth.

By the third quarter of 2020, modest levels of global growth were recorded. Unfortunately, this growth came at a cost. The rollback of containment measures led to a spike in COVID-19 infections. By the fourth quarter, many countries were forced to reimpose lockdown measures.

On the positive side, the global health crisis acted as a catalyst to innovation as pharmaceutical manufacturers developed and tested experimental coronavirus vaccines in record time. In December, the United States Food and Drug Administration (FDA) approved two COVID-19 vaccines for emergency use with other vaccines also in the pipeline expected to gain approval. This development and the subsequent roll-out provided hope that some level of normalcy could return in 2021.

The International Monetary Fund (IMF) reported that global growth is estimated to have contracted by 3.5% in 2020, compared with modest growth of 2.9% recorded in 2019. Negative growth was widespread, affecting major advanced economies, emerging markets and developing economies alike, which declined by 4.9% and 2.4% in 2020 respectively. The IMF also estimates that the U.S. real gross domestic product (GDP) fell by 3.4% in 2020 down from positive growth of 2.3% a year earlier. In a bid to support the economy and keep credit markets functioning, the U.S. Federal Reserve Open Market Committee (FOMC) lowered the Federal Fund's target range to 0.00–0.25% for the first time since the 2008 financial crisis and indicated that the rate may remain at this level until 2023.



The economic decline in Europe was even more severe than experienced in the U.S. After recording negative growth in the first quarter of 2020, Eurozone GDP declined by approximately 12% in the second quarter when the full impact of the pandemic was registered. The third quarter saw a rebound in growth of 12.7%, followed by a marginal contraction of 0.7% in the fourth quarter as several countries reinstated lockdown measures. Overall, the IMF estimates that Eurozone GDP fell by 7.2% in 2020.

The economy of the United Kingdom was also hit hard, experiencing a decline of 10% in 2020 which was the biggest annual decline in over 300 years. This translated to an unwinding of the past seven years of growth which effectively returned the economy to the size it was in 2013. The year ended on a positive note, though, as December saw finalisation of the Brexit negotiations four-and-a-half years after the U.K. voted to leave the EU in a referendum. In essence, the negotiations concluded will allow the U.K. and the EU to continue to trade without extra tariffs being put on goods.

Asian countries, in general, were more successful in containing the virus. As a result, many Asian countries began reopening their economies well before their western counterparts, resulting in them being further along in the economic recovery race. China was the only major economy to record positive economic growth in 2020. The Chinese economy grew by an estimated 2.3%, capitalising on the tailwinds of investment, consumption and export growth.

The COVID-19 pandemic severely disrupted the energy markets. Economic shutdowns and border closures resulted in an extraordinary plunge in global oil demand. This was exacerbated by tensions between Saudi Arabia and Russia during the first quarter which triggered a price war in the oil markets. The near simultaneous onset of these crises ultimately sent the price for West Texas Intermediate crude oil into negative territory for the first time in history on April 20, 2020. Following the unprecedented crash, the Organization of the Petroleum Exporting Countries and their partners (OPEC+) sought to bolster oil prices by cutting crude oil production by 9.7 million barrels per day from May through June; this was tapered to 7.7 million barrels per day for the remainder of the year.

Notwithstanding the pandemic and the crisis in the energy markets, global equity markets performed well during 2020 evidenced by a 14.1% price return on the MSCI World Index. In the U.S., the S&P 500 index hit an all-time high on February 19th. However, by March 23rd, the S&P 500 had declined by 34% as uncertainties surrounding the COVID-19 virus became apparent.

In a concerted effort to preserve your capital and minimise Fund volatility, as soon as the markets started declining significantly in March 2020, the Unit Trust Corporation exited most international equity positions, reverting to cash. As markets cooled and recovery began, the Unit Trust Corporation re-entered the international equity markets based on a clear strategy hinged on key fundamental and technical indicators. Execution of the re-entry strategy proved to be successful as the S&P 500 generated an overall return of 16.3% in 2020.

Global fixed-income markets in 2020 were characterised by low yields driven by extremely accommodative monetary policies by many of the world's central banks. In the U.S., the Federal Reserve cut its major policy rate to zero, (uncharacteristically) purchased treasury and mortgage-backed securities, and relaxed capital requirements for banks. As expected, at the height of the pandemic, investors 'flew to safety' by investing in treasury securities which pushed treasury bond prices higher and yields to historic lows.

Regional

According to the Economic Commission for Latin America and the Caribbean (ECLAC), economic growth for the Caribbean region is expected to measure -7.9% in 2020. The region's commodity exporters are estimated to have grown by 0.6% in 2020, marginally decelerating from the 0.9% growth recorded in 2019. In contrast, the service-based economies are estimated to have shrunk by 9.9% in 2020, following growth of 1.4% recorded in 2019.

According to the Bank of Jamaica (BOJ), the Jamaican economy is estimated to have contracted by 10.2% in 2020. The contraction reflected steep declines in sectors such as hotels and restaurants, transport and communication that were adversely impacted by the COVID-19 pandemic.

The total number of visitor arrivals declined by a staggering 81.5% in 2020. There were also notable declines in the manufacturing and retail trade sectors due to the impact of lower domestic demand, as well as reduced business activity. During the year, the BOJ maintained an accommodative monetary policy stance. The BOJ's policy interest rate was at a historic low of 0.50%. Labour market conditions also weakened with the unemployment rate rising by 2.5% to an average of 10.2% for 2020.

Nevertheless, Fitch Global Ratings reaffirmed Jamaica's long-term foreign and local currency issuer default ratings at 'B+' but revised its outlook from 'positive' to 'stable'. Standard & Poor's Rating Agency (S&P) also affirmed Jamaica's long-term foreign and local currency ratings of 'B+' and maintained its 'negative' outlook on Jamaica.

In Barbados, the Central Bank of Barbados (CBB) estimates that real GDP contracted by 17.6% in 2020 on an account of depressed tourism activity, lower consumption and reduced investment activity. This led to a rise in unemployment and a fall in government revenues. The country's debt-to-GDP ratio deteriorated to 144.4% by the end of 2020, compared to 120.2% at the end of 2019.

Agriculture was the only bright spot in the economy with output rising by 1.9% in 2020 driven by higher food crop production. In November 2020, S&P maintained Barbados' long-term foreign currency sovereign credit ratings of 'B-' with a stable outlook. The progress that the government has made over the past two years under the IMF's Extended Fund Facility (EFF) programme, which will facilitate access to multilateral financing and support growth in foreign exchange reserves, was cited as the rationale for the stable outlook.

Local

According to the Central Bank of Trinidad and Tobago (CBTT), economic activity contracted by 8.7% year-on-year in the third quarter of 2020. The energy and non-energy sectors declined by 20.1%, and 1.5% respectively.

Inflationary conditions were muted for the year with headline inflation measuring 0.8% year-on-year in December, while net official reserves ended the year at US\$6.9Bn or 8.5 months of import cover. In terms of the labour market, the CBTT also revealed that conditions deteriorated in 2020 with retrenchment notices rising by almost 200% over the five-month period July to November 2020 compared to the same period in 2019.

With respect to monetary policy, the Monetary Policy Committee (MPC) of the Central Bank, in responding to the pandemic situation, lowered the repo rate by an unprecedented 150 basis points and reduced the reserve requirement by 3% to 14% of banks' deposit liabilities at its mid-March 2020 meeting.

On the energy front, an audit done by Netherland, Sewell and Associates Inc showed all categories of Trinidad and Tobago's crude oil reserves increased between 2012 and 2018. Proved reserves jumped by 10.3% from 199.5 million barrels to 220.1 million barrels. Additionally, probable reserves rose by 16.6% from 85.5 million barrels to 99.7 million barrels while possible reserves climbed by 8.5% from 124.8 million barrels to 135.5 million barrels. However, this positive development was tempered by a report released by the Ministry of Energy and Energy Industries which showed that Trinidad and Tobago's natural gas production plunged in June to its lowest level since 2016, averaging 3.1 billion standard cubic feet per day (bscf/d).

In his presentation of the 2021 National Budget, The Honourable Minister of Finance, Colm Imbert, announced that the revised budget deficit for fiscal 2020 is estimated to be in the order of TT\$16.8Bn or 11% of GDP which is substantially higher than the TT\$5.3Bn deficit originally forecasted. Expenditures on COVID-19 relief support were cited as the primary driver for the ballooning gap.

Earlier in the year, S&P lowered Trinidad and Tobago's long-term foreign and local currency sovereign credit rating from 'BBB' to 'BBB-', just one notch above speculative status. The rating agency cautioned that the rating may be lowered further 'should lower oil and gas prices, or the effects of COVID-19 on demand, contribute to a larger economic contraction a deterioration of external liquidity or debt beyond our current expectation', while it stated that the rating could improve if 'the government manages to limit the deterioration of public finances and stabilise the debt and interest burden, and should stronger-than-expected growth in the energy sector lead to significantly above-average economic growth, stemming balance of payments outflows'.

The Trinidad and Tobago Composite Index declined by 9.9% in 2020. Local (Trinidad and Tobago) stocks fell by 5.2%, whereas cross-listed stocks decreased by 18.4%. The top three price increases during the year were recorded by National Flour Mills (NFM), Trinidad Cement Limited (TCL) and Ansa Merchant Bank Limited (AMBL) with annual price increases of 59.3%, 25.0%, and 11.5% respectively. The top three declines were recorded by Guardian Media Limited (GML), National Enterprises Limited (NEL) and One Caribbean Media Limited (OCM) with yearly declines of 54.4%, 45.7%, and 43.1% respectively.



Fund Performance Review

2020 was a challenging year for financial markets. Fixed-income yields were depressed throughout the year, while the local equity market recorded its worst performance in 12 years. Many local companies took the hard decision to cut their dividend payments or eliminated them altogether to preserve cash in these uncertain times. This placed significant downward pressure on domestic investment yields.

Uncertainty and fear surrounding the path of a virus which ravaged lives and livelihoods across the globe also meant that international equity markets were not without their fair share of intrigue. On March 12th, 2020, the S&P 500 fell by 9.5% which was the largest one-day percentage drop since the historic 'Black Monday' crash of 1987. In fact, 2020 proved to be the most volatile year in over a decade for the S&P 500, with the index rising or slumping by 2% or more in over 40 trading sessions.

Notwithstanding these significant challenges, I am pleased to report that UTC has navigated these choppy waters and generated net positive returns to you, our Unitholders, on all of our actively managed Funds.

Further, despite the obvious trials of the pandemic and a global economic backdrop that remains uncertain and unpredictable, we at the Unit Trust Corporation believe there are grounds for optimism. Our fundamental and quantitative analysis led our portfolio managers to position the portfolios defensively as the pandemic took hold in early-2020.

This strategy which is conservative at heart bore fruit. It is pleasing to note that each Fund outperformed its benchmark index return in the period under review. Another positive is that looking forward as long-term strategic investors, the extreme pandemic market sell-off has provided UTC with the golden opportunity to improve the quality of the portfolio, refocus capital allocation and enhance dividend prospects over the medium to long term.

We enter our new financial year with renewed vigour, a prudently assembled portfolio of stocks and bonds and, most importantly, a team of portfolio managers who have benefitted from the learnings of what was a year in the financial markets unlike any other in recent history.

Thank you for your continued support and confidence.

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:
Conservative
8. Global Investor Select ETF Funds:
Moderate
9. Global Investor Select ETF Funds:
Aggressive



All UTC Funds which are measured by benchmark performance, outperformed their respective benchmarks in 2020: the TT Dollar Income Fund; the US Dollar Income Fund; the Growth & Income Fund; and the Universal Retirement Fund.

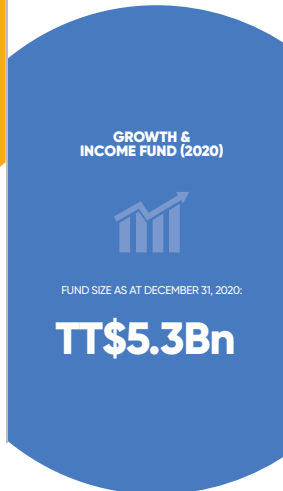
For the year ended December 31, 2020, the UTC experienced a 4.4% growth in the aggregate fund size of its Mutual Funds to TT\$22.1Bn compared to TT\$21.2Bn at year-end 2019. Gross income generated by the Funds fell by 45.4% from TT\$1.3Bn in 2019 to TT\$705.4Mn in 2020, while aggregate distributions to Unitholders in UTC's locally domiciled Mutual Funds declined by 10.2% in 2020 to TT\$238.5Mn from TT\$265.4Mn previously.



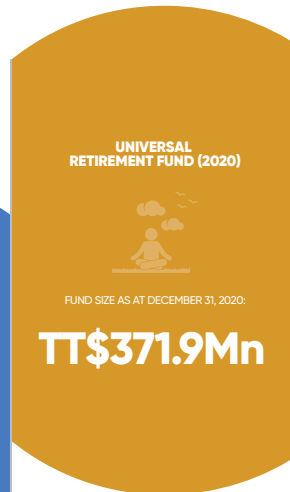
- Fund size grew by 7.3% from TT\$11.6Bn to TT\$12.4Bn.
- Total income fell from TT\$445.9Mn in 2019 to TT\$383.6Mn in 2020.
- Paid distributions to Unitholders in 2020 totalling TT\$169.2Mn, up 9.1% from the 2019 distribution of TT\$155.1Mn and resulting in an improved net return to Unitholders of 1.50% for 2020 compared to 1.39% in the previous year.



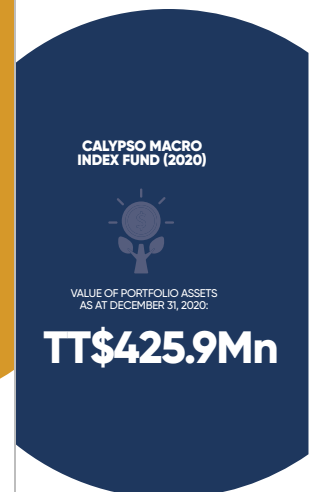
- Fund size grew by 4.6% from US\$582.3Mn to US\$609Mn.
- Total income declined from US\$32.8Mn in 2019 to US\$27Mn in 2020.
- Distributed a total of US\$6.9Mn to Unitholders in 2020, up 20.8% from the 2019 distribution of US\$5.7Mn.
- Improved net return to Unitholders of 1.25% in 2020 compared to 0.99% in 2019.



- The Fund generated a net return to Unitholders of 0.3% in 2020 compared to a 9.9% return produced in the prior year.
- Fund size of TT\$5.3Bn at the end of 2020, reflecting a 1.9% decline year-on-year.
- Unit bid price marginally fell to TT\$18.61 per unit at the end of 2020 from TT\$18.68 per unit at the end of 2019*.
- Recorded total income of TT\$118.6Mn in 2020 compared to TT\$583.5Mn in 2019.
- Distributed a total of TT\$22.7Mn to Unitholders compared to the 2019 distribution of TT\$71.7Mn, representing a 68.4% decline.



- Generated a net return of 2.1% compared to the 2019 return of 10.8%.
- Unit Net Asset Value (NAV) appreciated to TT\$49.56 per unit from TT\$48.52 per unit as at year-end 2019*.
- Total income declined from TT\$39.6Mn to TT\$15.4Mn in 2020.
- Fund size grew by 7.3% from TT\$346.5Mn to TT\$371.9Mn.



- Aggregate value of portfolio assets declined by 17.6% from TT\$517.0Mn to TT\$425.9Mn.
- Unit Net Asset Value (NAV) declined to TT\$21.09 per share in 2020 from TT\$25.50 per share at year-end 2019*.
- The Trinidad and Tobago Stock Exchange (TTSE) stock price depreciated to TT\$14.01 by the end of 2020 from TT\$15.75 at year-end 2019, representing an 11% decline.
- The discount to the NAV stood at 33.6% by the end of 2020.
- Total distributions rose by 6.3% to \$13.7Mn in 2020 compared to \$12.9Mn in 2019.
- Net return to Unitholders of -14.1% in 2020 (inclusive of distributions paid and net of management charge and other Fund expenses).

FUELLING CHANGE, DRIVING GROWTH



UTC CORPORATE FUND (2020)



FUND SIZE AS AT DECEMBER 31, 2020:

TT\$309.2Mn

- 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 2.3% in 2020.
- Fund size grew by 1,268.1% to TT\$309.2Mn at the end of 2020 from TT\$22.6Mn at the end of 2019.
- Recorded total income of TT\$7.6Mn compared to TT\$0.13Mn in 2019, reflecting a 5,776.9% improvement.
- Distributed a total of TT\$3.7Mn in 2020 to Unitholders compared to TT\$0.04Mn in 2019.

GLOBAL INVESTOR SELECT ETF FUNDS - CONSERVATIVE (2020)



FUND SIZE AS AT DECEMBER 31, 2020:

US\$1.2Mn

- Fund size grew by 2.8%.
- Net Asset Value (NAV) per unit of US\$21.06*.
- Total income of US\$0.07Mn in 2020.
- Generated a net return to Unitholders of 1.7% in 2020.

GLOBAL INVESTOR SELECT ETF FUNDS - MODERATE (2020)



FUND SIZE AS AT DECEMBER 31, 2020:

US\$1.6Mn

- Fund size grew by 4.9% from US\$1.5Mn to US\$1.6Mn.
- Net Asset Value (NAV) per unit of US\$21.52*.
- Total income of US\$0.1Mn in 2020.
- Generated a net return to Unitholders of 4.4% in 2020.

GLOBAL INVESTOR SELECT ETF FUNDS - AGGRESSIVE (2020)



FUND SIZE AS AT DECEMBER 31, 2020:

US\$1.2Mn

- Fund size grew by 3.0%.
- Net Asset Value (NAV) per unit of US\$21.22*.
- Total income of US\$0.09Mn in 2020.
- Generated a net return to Unitholders of 3.5% in 2020.

* End of Year published Net Asset Value (NAV)

Macroeconomic Outlook for 2021

The outlook for 2021 has a stronger starting point following the collapse in 2020 caused by the COVID-19 pandemic. Given the progressive approval of multiple effective vaccines in December 2020, the declining rate of infections and announcements of additional fiscal and monetary support in some countries, global economic output is expected to expand by 6.0% in 2021 according to the IMF.

Despite the improved global outlook, however, it is expected that growth will remain uneven. Strict containment measures will restrict growth in some countries in the near term, while others will benefit from effective public health policies, faster vaccine deployment and strong policy support. The rising number of cases and a lagging vaccination campaign will delay economic normalisation in Europe, posing even further downside risks to growth. Meanwhile, output in China is estimated to rebound at a faster-than-expected rate of 8.4% in 2021, with particular support from infrastructure spending.

The U.S. economy is poised to reap the benefits of a major stimulus windfall in 2021. Easing restrictions and broadening vaccinations will allow consumer spending to regain its long-held status as the key economic engine this year. Fiscal aid and extremely accommodative monetary policy primed the economy to significantly recover much of the ground lost to the pandemic in 2020. However, the labour market recovery will take considerably longer, despite an improvement in payroll gains.

Monetary policymakers remain firmly committed to the policy path they instituted in 2020 for both interest rates and asset purchases. The U.S. Federal Reserve is unlikely to reduce asset purchases until the pandemic no longer poses considerable risk to the economic outlook. At the current pace of asset purchases, the size of the balance sheet is poised to increase towards US\$9Tn by the end of 2021, up from \$7.4Tn at the end of 2020.

A few 'hawkish' Fed presidents suggest that a restive contingent may be stirring. However, reflective of the central view on the committee, the view remains firmly entrenched that low interest rates will remain until at least the end of 2023.

According to the World Bank, growth in the Caribbean is projected to rebound to 4.5% in 2021, boosted by a partial recovery of tourism. However, the Bank noted that human capital is being eroded due to a large number of workers being separated from their jobs for a prolonged period and schools being closed; economic activity could be dragged down further by (i) a failure to slow the spread of the pandemic; (ii) further financial strain related to debt and external financing; and (iii) deeper-than-expected economic damage in the medium term. Renewed outbreaks, difficulties obtaining or distributing vaccines, especially in countries without domestic production capabilities, or challenges surrounding the efficacy of vaccines could force the reintroduction of mitigation measures with grave economic consequences.

Fiscal stimulus was necessary to cushion the economic blow of the pandemic, but it has largely depleted already limited fiscal space across the Caribbean region. A sudden tightening of bond yields, sharp currency depreciation or further credit downgrades could interrupt capital inflows and make debt servicing significantly more challenging.

As of late April, Trinidad and Tobago (T&T) had administered 17,695 vaccine doses. The Government has announced that Trinidad and Tobago is expected to receive a donation of 140,000 vaccines from India and China. The country's economic outlook remains highly dependent on oil and gas prices, which could fall if the continued spread of more contagious variants of COVID-19 leads major economies to re-impose strict lockdowns but can be boosted by the global deployment of COVID-19 vaccines.

Amid rebounding global economic demand, rising energy prices will drive an export surge and support consumer confidence, underpinning a modest recovery to employment, providing additional tailwinds to consumption.

Capital Market Outlook for 2021

The year 2020 was a year of surprises: there was the speed at which the pandemic escalated, the severity of the lockdowns, the size of the government stimulus measures globally and the magnitude of the equity market rebounds. In early 2021, the globe entered the early post-recession recovery phase of the cycle. This implies an extended period of low-inflation and low-interest rate growth that favours equities over bonds.

However, overly optimistic sentiment following the vaccine announcements has led to renewed lockdowns in Europe and North America as virus infections escalate. Amongst this near-term risk, there are also logistical difficulties in distributing the vaccine. The announcement of a successful COVID-19 vaccine in early November 2020 has led to tentative signs of a market rotation away from technology-heavy growth stocks towards more cyclical value stocks. The rotation away from technology stocks is likely to continue into 2021. The boost to tech-stock earnings from the lockdowns has peaked and there could be a demand shortfall in coming quarters. Geopolitical tensions can also deliver negative surprises from China, Iran and Russia as the new Biden administration takes the reins of the White House in the U.S.

In terms of fixed income, as economic conditions improve, bond yields on the longer end of the curve should rise. The Fed's interest rate policy will keep the shorter end of the yield curve anchored, thereby leading to a steepening yield curve. The major central banks have made it clear that they will wait until inflation rises before raising interest rates. This was highlighted by the recent move by the U.S. Federal Reserve to target average inflation and allow an overshoot of its 2% target.

With respect to local and regional stocks, economic and business activity is expected to improve this year, leading to expectations of earnings potential and dividend payment improvements. Companies in the banking sector should see growth with a gradual improvement in general market conditions. However, companies in the manufacturing and distribution sectors that rely on foreign exchange for inputs may continue to face headwinds as the supply of foreign currency continues to be tight.

Major headwinds still exist, which may derail the outlook, including rising government debt and volatile energy prices which may limit future government support programmes. The CBTT is expected to maintain its benchmark interest rate at 3.5% throughout the end of 2021 to support economic activity in the wake of the pandemic recession in 2020.

Conclusion

The COVID-19 pandemic has had an adverse impact on economies, businesses and financial institutions around the world. Although no one could have predicted the nature or extent of the crisis we faced in 2020, the Unit Trust Corporation demonstrated tremendous financial and operational resilience, leading to solid Mutual Fund returns.

Thank you for your ongoing trust in the Trinidad and Tobago Unit Trust Corporation as we navigate these challenging times together.

We remain your Partners for Life.



Sekou A. Mark
Chief Investment Officer
28th April 2021

Performance Highlights

	2013	2014	2015	2016	2017	2018	2019	2020
Funds Under Management (\$m)								
Growth and Income Fund	4,392.58	4,647.41	4,645.30	4,733.11	4,865.03	4,882.10	5,353.50	5,253.94
TT Dollar Income Fund	10,662.59	10,474.48	10,657.14	10,837.89	10,949.81	11,176.65	11,554.61	12,393.94
Universal Retirement Fund	254.44	271.39	288.27	304.90	299.52	297.29	346.51	371.92
US Dollar Income Fund	3,900.08	4,054.42	4,111.07	4,228.25	4,164.63	4,082.67	3,941.87	4,108.36
UTC Corporate Fund		19.28	26.80	12.60	5.12	5.20	22.59	309.23
UTC Calypso Macro Index Fund				556.55	547.92	473.56	516.97	425.92
Global Investor Select ETF Fund SP – Conservative						5.63	7.87	7.95
Global Investor Select ETF Fund SP – Moderate						5.91	7.76	10.51
Global Investor Select ETF Fund SP – Aggressive						5.71	10.05	8.07
UTC Energy Fund								
UTC Latin American Fund								
UTC European Fund								
UTC Asia Pacific Fund								
UTC Global Bond Fund								
UTC North American Fund	225.48	262.48	245.62	281.20	298.85	0.00	0.00	0.00
Belize Money Market Fund								
Pension and Other Funds	535.00	564.54	582.13	645.87	783.95	797.88	838.70	682.57
Treasury portfolio	1,175.54	573.19	60.28					
Total Funds Under Management (\$m)	21,145.71	20,867.19	20,616.61	21,600.37	21,914.83	21,732.60	22,600.42	23,572.42
Mutual Fund Sales (\$m)								
Growth and Income Fund	623.08	630.87	575.43	510.09	508.60	706.77	712.79	455.60
TT Dollar Income Fund	4,361.36	3,376.34	3,421.82	3,790.25	3,765.99	3,563.40	3,497.66	3,084.02
Universal Retirement Fund	44.42	36.02	37.34	37.22	32.56	30.80	40.46	34.59
US Dollar Income Fund	1,272.81	1,265.17	1,036.16	809.85	623.59	694.39	523.52	660.36
UTC Corporate Fund		19.28	31.10	0.17	0.10	0.07	17.30	484.62
UTC Energy Fund	8.21							
Global Investor Select ETF Fund SP – Conservative						5.70	1.81	0.08
Global Investor Select ETF Fund SP – Moderate						6.00	3.73	0.12
Global Investor Select ETF Fund SP – Aggressive						5.82	1.87	0.14
UTC Latin American Fund	0.12							
UTC European Fund	0.04							
UTC Asia Pacific Fund	0.21							
UTC Global Bond Fund	0.83							
UTC North American Fund	2.56	17.90	2.19	4.78	1.82			
Belize Money Market Fund								
Total Sales (\$m)	6,313.64	5,345.58	5,104.04	5,152.36	4,932.48	5,012.95	4,799.14	4,719.54
Funds Mobilised to date (\$m)	103,781.80	109,127.38	114,231.42	119,383.78	124,316.26	129,329.21	134,128.35	138,847.89
Unitholder Accounts to date	824,207	841,375	855,463	865,196	873,376	882,914	894,447	902,244

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?

Portfolio
of

INVESTMENTS »»



TT DOLLAR INCOME FUND

TOP TEN HOLDINGS (As at 31 December, 2020)

	% of Securities In Issue 2020
Government of Trinidad & Tobago 3.30% FXRB due July 2023 (VAT Bonds) T2	5.41%
Government of Trinidad & Tobago \$500Mn 3 yrs FLRB due June 2021	4.87%
Government of Trinidad & Tobago FXRB TT\$750Mn 3.3% due 2023	4.85%
Government of Trinidad & Tobago 3.30% FXRB Due May 2023	3.76%
Government of Trinidad & Tobago 15 yrs 2.5Bn 5.2% FXRB due 2027	3.60%
UDeCOTT TT\$3.40Bn 15 yrs Variable rate bond due 2028	3.48%
Government of Trinidad & Tobago TT\$794Mn 5.95% FXRB due 2023	2.97%
Treasury Bill 1728	2.88%
NIPDEC TT\$1Bn 4% due 2029	2.78%
Government of Trinidad & Tobago TT\$1.70Bn 2.50% due May 2021	2.72%
TOTAL	37.32%

TT DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS (As at December 31, 2020)

(Expressed in Trinidad and Tobago Dollars)

	MARKET VALUE 2020 TT\$
Corporate Securities	2,877,810,054
Government and Government Guaranteed Securities	5,333,393,747
Short-Term Investments	1,999,638,190
Bond Exchange Traded Investments	197,822,794
Cash and Cash Equivalents	1,760,963,523
Other Assets in Excess of Liabilities	224,313,681
TOTAL NET ASSETS	12,393,941,990

**US DOLLAR INCOME FUND**

TOP TEN HOLDINGS (As at 31 December, 2020)

	% of Securities In Issue 2020
US Treasury Bill 0.06% due 12.01.2021	5.25%
Government of Trinidad & Tobago US\$100Mn 3 yrs 3.75% due 24	5.06%
Trinidad Generation Unlimited US\$600Mn 11 yrs 5.25% FXRB Nov 2027	3.90%
Government of Trinidad & Tobago US\$102.4Mn 6.30% FXRB due April 2023	3.56%
Portfolio Credit Management Company Limited (PCML) SERIES 4 FLRB due 2021	2.58%
Trinidad Petroleum Holdings Limited US\$603Mn Snr. Secured Loan Tranche A FLRB due 2022	2.57%
CVS Health Corporation US\$3.0Bn 3.875% FXRB due 2025	1.98%
Walgreens Boots Alliance US\$1.90Bn 3.45% FXRB due 2026	1.94%
Government of Trinidad & Tobago US\$1.0Bn 4.5% FXRB due 2026	1.93%
Government of Trinidad & Tobago US\$500Mn 4.5% FXRB Due 2030	1.89%
TOTAL	30.66%

US DOLLAR INCOME FUND PORTFOLIO OF INVESTMENTS (As at 31 December, 2020)

Expressed in United States Dollars

	MARKET VALUE 2020 US\$
Corporate Securities	131,900,710
Government and Government Guaranteed Securities	337,225,230
Bond Exchange Traded Investments	39,829,270
Short-Term Investments	62,499,267
Cash and Cash Equivalents	19,306,382
Other Assets in Excess of Liabilities	18,264,511
TOTAL NET ASSETS	609,025,370



GROWTH AND INCOME FUND

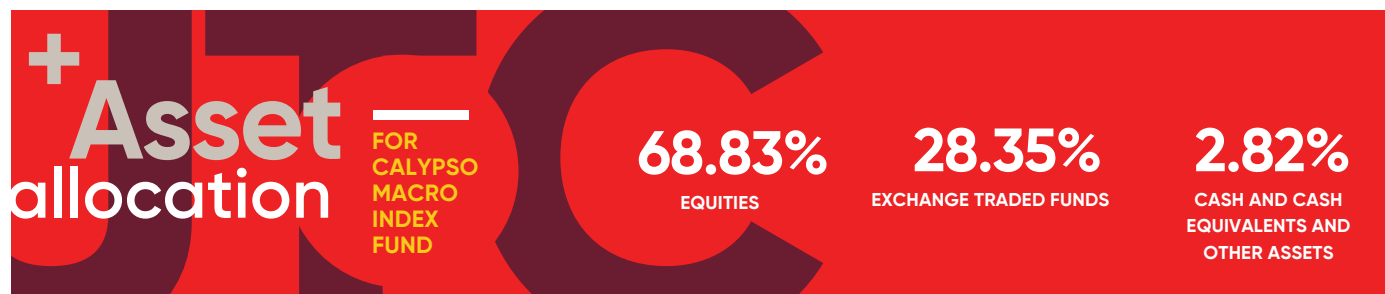
TOP TEN HOLDINGS (As at December 31, 2020)

	% of Securities In Issue 2020
First Citizens Bank Limited Common Shares	7.31%
Republic Bank Limited Common Shares	5.41%
Vanguard Info Tech Exchange Traded Fund	5.08%
Phoenix Park Gas Processors Limited	4.94%
Scotiabank Trinidad and Tobago Limited Common Shares	4.69%
iShares S&P 500 Index Fund	4.39%
Government of Trinidad & Tobago US\$1.0Bn 4.5% FXRB due 2026	4.32%
Massy Holdings Limited Common Shares	3.94%
ANSA McAl Limited Common Shares	3.33%
Vanguard S&P 500 Exchange Traded Fund	3.27%
TOTAL	46.68%

GROWTH AND INCOME FUND PORTFOLIO OF INVESTMENTS

(As at December 31, 2020)
Expressed in Trinidad and Tobago Dollars

	MARKET VALUE 2020 TT\$
Corporate Securities	265,403,570
Government and Government Guaranteed Securities	951,687,181
Short-Term Investments	227,628,291
Equities	3,603,532,395
Cash and Cash Equivalents	203,595,559
Other Assets in Excess of Liabilities	2,096,366
TOTAL NET ASSETS	5,253,943,362

**CALYPSO MACRO INDEX FUND**

TOP TEN HOLDINGS (As at December 31, 2020)

	% of Securities In Issue 2020
Republic Bank Limited Common Shares	14.57%
First Citizens Bank Limited Common Shares	9.09%
Scotiabank Trinidad and Tobago Limited Common Shares	8.59%
Energy Select Sector SPDR	8.26%
Vanguard Energy Equity Traded Fund	8.22%
ANSA McAl Limited Common Shares	7.92%
iShares US Energy	7.87%
British American Tobacco PLC - ADR	6.58%
Massy Holdings Limited Common Shares	4.99%
iShares Global Energy Sector Index Fund	4.82%
TOTAL	80.90%

CALYPSO MACRO INDEX FUND PORTFOLIO OF INVESTMENTS (As at December 31, 2020)

Expressed in Trinidad and Tobago Dollars

	MARKET VALUE 2020 TT\$
Equities	293,164,896
Exchange Traded Funds	120,740,806
Cash and Cash Equivalents	13,128,252
Other Liabilities in Excess of Assets	(1,114,511)
TOTAL NET ASSETS	425,919,443



UNIVERSAL RETIREMENT FUND

TOP TEN HOLDINGS (As at December 31, 2020)

	% of Securities In Issue 2020
Vanguard Info Tech Exchange Traded Fund	7.87%
Vanguard S&P 500 Exchange Traded Fund	7.68%
iShares Short Treasury Bond Exchange Traded Fund	7.39%
Clico Investment Fund Common Shares	6.15%
iShares S&P 500 INDEX FUND	5.18%
CITICORP CERT OF PART IN GOTT SERIES 30 BOND 4.15 DUE 2027	4.59%
First Citizens Bank Limited Common Shares	4.54%
Trinidad & Tobago NGL Limited Common Shares	4.47%
Massy Holdings Limited Common Shares	4.07%
Government of Trinidad & Tobago US\$1.0Bn 4.5% Fixed Rate Bond due 2026	3.60%
TOTAL	55.54%

UNIVERSAL RETIREMENT FUND PORTFOLIO OF INVESTMENTS (As at December 31, 2020)

Expressed in Trinidad and Tobago Dollars

	MARKET VALUE 2020 TT\$
Corporate Securities	27,150,945
Government and Government Guaranteed Securities	37,378,900
Equities	275,870,974
Short-Term Investments	11,744,399
Cash and Cash Equivalents	18,227,017
Other Assets in Excess of Liabilities	1,548,794
TOTAL NET ASSETS	371,921,029



GLOBAL INVESTOR SELECT FUND - CONSERVATIVE

TOP TEN HOLDINGS (As at December 31, 2020)

	% of Securities In Issue 2020
Vanguard FTSE Developed Exchange Traded Fund	10.00%
SPDR S&P 500 Exchange Traded Fund TRUST	9.88%
iShares Iboxx \$ Investment Grade Corp Bond	9.64%
iShares Core US Aggregate	9.56%
iShares Iboxx USD High Yield	7.96%
Vanguard Global ex-US Real Estate Exchange Traded Fund	7.57%
Vanguard REIT Exchange Traded Fund	7.46%
Vanguard Short-Term Treasury Exchange Traded Fund	6.05%
Powershares QQQ Trust Series	5.54%
iShares Core S&P Midcap	5.23%
TOTAL	78.89%

GLOBAL INVESTOR SELECT FUND - CONSERVATIVE PORTFOLIO OF INVESTMENTS (As at December 31, 2020)

Expressed in United States Dollars

	MARKET VALUE 2020 US\$
Equity Exchange Traded Fund Securities	1,173,002
Cash and Cash Equivalents	9,025
Other Liabilities in Excess of Assets	(3,904)
TOTAL NET ASSETS	1,178,122



GLOBAL INVESTOR SELECT FUND - MODERATE

TOP TEN HOLDINGS (As at December 31, 2020)

	% of Securities In Issue 2020
iShares Iboxx \$ Investment Grade Corp Bond	9.58%
SPDR S&P 500 Exchange Traded Fund TRUST	9.12%
Vanguard Global ex-US Real Estate Exchange Traded Fund	8.55%
Vanguard REIT Exchange Traded Fund	8.42%
Vanguard FTSE Developed Exchange Traded Fund	8.21%
iShares Core US Aggregate	7.82%
iShares 1-3 Year Treasury Bond Exchange Traded Fund	7.48%
Vanguard Materials Exchange Traded Fund	6.57%
iShares North American Natural Resources	6.57%
Powershares QQQ Trust Series	6.15%
TOTAL	78.47%

GLOBAL INVESTOR SELECT FUND - MODERATE PORTFOLIO OF INVESTMENTS (As at December 31, 2020)

Expressed in United States Dollars

	MARKET VALUE 2020 US\$
Equity Exchange Traded Fund Securities	1,549,947
Cash and Cash Equivalents	12,316
Other Liabilities in Excess of Assets	(4,015)
TOTAL NET ASSETS	1,558,249

**GLOBAL INVESTOR SELECT FUND - AGGRESSIVE****TOP TEN HOLDINGS** (As at December 31, 2020)

	% of Securities In Issue 2020
Vanguard FTSE Developed Exchange Traded Fund	9.98%
Vanguard Global ex-US Real Estate Exchange Traded Fund	9.75%
SPDR S&P 500 Exchange Traded Fund TRUST	9.75%
Vanguard REIT Exchange Traded Fund	9.61%
iShares 1-3 Year Treasury Bond Exchange Traded Fund	8.38%
Vanguard Materials Exchange Traded Fund	7.52%
iShares North American Natural Resources	7.51%
Powershares QQQ Trust Series	7.42%
iShares MSCI Emerging Market	7.22%
iShares Iboxx \$ Investment Grade Corp Bond	6.30%
TOTAL	83.44%

GLOBAL INVESTOR SELECT FUND - AGGRESSIVE PORTFOLIO OF INVESTMENTS (As at December 31, 2020)

Expressed in United States Dollars

	MARKET VALUE 2020 US\$
Equity Exchange Traded Fund Securities	1,192,579
Cash and Cash Equivalents	7,755
Other Liabilities in Excess of Assets	(3,818)
TOTAL NET ASSETS	1,196,516

Stakeholders' Engagement

The COVID-19 pandemic turned our world upside down.

Yet, despite the virus' pervasive health and economic impact, the pandemic made clear that now more than ever, we need to support our stakeholder groups as they struggle to cope with the new reality.

The pandemic is one of the biggest tests we've faced, and as such, effective and authentic engagement with our stakeholders is even more important right now. Working with diverse stakeholders is never simple and doing so during a global public health crisis presents additional challenges. However, at UTC, we have been identifying creative and adaptive approaches to nurture stakeholder engagement.

We have seen entrepreneurship taking flight in this new landscape, and we have seen T&T's younger demographic, 18-34 year olds, turn crisis into opportunity. These enterprising young people have tapped into new ideas, like food delivery apps, and brought them to life, creating a wave of positive change.

With entrepreneurship now a strategic pillar, and driven to make a difference in a sector that is critical to our economy, in 2020, we set a goal to strengthen the country's entrepreneurial ecosystem through a number of initiatives, many of which have already come to fruition.



Nigel Edwards
UTC Executive Director

Yet, recognising the importance of maintaining strong bonds with all stakeholders, we not only served new and growing businesses and celebrated outstanding entrepreneurship in 2020, but we also continued investing in our relationship with the media through a much-needed workshop, and with young people through our Analyst Games, which takes a gamified approach to investment education.

Enterprise Suite = Entrepreneurial Hub

When we opened our new flagship Investment Centre (IC) in San Fernando, we wanted to create a defined space – our very own Enterprise Suite, where young and aspiring entrepreneurs can connect and share ideas digitally while maintaining physical distancing.

It is a hub for stimulating entrepreneurial mixers, as well as physical and virtual financial planning seminars to help bring people's dreams to reality, and it even serves as a pilot for business incubation.



UTC Scale UP

TRINIDAD AND TOBAGO

It's all about **GROWTH**

We believe in nurturing a growth-minded culture and creating an environment to make a difference. Entrepreneurship is how we can change our communities for the better and we see ourselves playing an even bigger role.

We know that entrepreneurship can drive social change, spur innovation, create jobs and contribute to a growing economy, and we felt that we can make a difference to a sector that is critical to all of us. We also know that truly great companies of any size don't just want to survive, but to thrive.

That's why we're partnering with Scale Up, an internationally acclaimed, strategic business accelerator programme, to establish a sustainable growth engine in Trinidad and Tobago.

It is designed to deliver the tools needed to drive real growth and foster broad-based prosperity, and is a platform for the development of entrepreneurial business owners who possess the potential and passion to grow. It is a highly acclaimed programme with over 350 companies participating, including Panama, Colombia, Guatemala, Brazil, the USA, Canada and now Trinidad and Tobago.

This programme was pioneered and implemented by US-based Entrepreneurship Policy Advisors (EPA), and is led by a team of globally recognised experts who have been developing and running this programme on entrepreneurship since 2009.



We have our first cohort in this inaugural programme and these companies are actively working with us to scale up their businesses.



UTC'S MEDIA WORKSHOP 2020

Changing your DIGITAL LENS

The viral nature of social media makes it easier for information to spread quickly without credible validation. With data so readily available, internet users feel empowered to create and share their own narratives or versions of the truth.

International and renowned speakers, Mishi Choudhary and Craig Silverman, worked with our UTC team to produce an engaging and informative workshop session. With a segment titled, **'Detecting Deception and Fighting Fake News'**, Choudhary, a technology lawyer, delved into legislation, press freedom and accountability in the digital space. Silverman, a media editor at BuzzFeed News, presented on **'Essential Tools and Techniques for Verifying Digital Content'**.

Our media are now competing with disreputable 'news' sources as viewers and readers face the challenge of deciphering truth from falsehood. And as a financial institution, we recognise and value the contribution our journalists provide to our society.

So, despite the pandemic, we didn't think twice about staying connected with our journalists and hosted a virtual media workshop titled **'Changing Your Journalism Lens: What's Next for News in a Digital World?'**

Stakeholders'
Engagement

A year ago, when the country went into lockdown, we saw this as a great opportunity to connect with our millennials in the 18-34 age bracket. And we did it via a Zoom channel - **Everything and Then Some (EATS)**. The idea was to slice in entertainment into a lively discussion on saving, investment and entrepreneurship with popular millennial influencers, young entrepreneurs and soca artistes.

It generated quite a social media following, reaching over 200,000 persons when it aired live on social media platforms: YouTube, Instagram and Facebook.

Zoom MOVES



(EATS)

In May 2020, three days a week, the 30-minute Zoom sessions hosted by Keevan 'Keevo' Lewis, featured young entrepreneurs talking about how they started their business, what inspired them, coping with COVID-19, and their future hopes and dreams. Young UTC professionals shared money management tips in the 'Pocket Change' segment and how other millennials could apply the tips to their everyday lives.

Local artistes, such as Nailah Blackman, Lyrikal and Farmer Nappy, shared their experiences on diversifying their income during the pandemic and gave advice to young people on reaching their goals. Each session ended with a live Q&A segment with audience participation. What's more, EATS paved the way for a larger initiative for young and aspiring entrepreneurs, Urpreneur, which is now hosted on UTC's social media platforms.

EATS Playlist

<https://www.youtube.com/playlist?list=PL1s8KmxD6QBzC5vh-HixJegIn0r5hyNBW7>

In this new business landscape, heart-warming stories of entrepreneurs have emerged – entrepreneurs who have not only brought new businesses to life but made them into resounding successes.

CHAMPIONS *of Business* AWARDS

It takes a lot to turn a challenge into an opportunity and the Champions of Business Awards was created to do just that. That's why we partnered with the Trinidad and Tobago Chamber of Industry and Commerce to demonstrate our appreciation for the dynamism, innovation and sheer determination shown by our entrepreneurs especially in the face of the pandemic.

We wanted to applaud and celebrate these successes because they reflect UTC's own entrepreneurial spirit. We know what it is like to start small and push ourselves to the limits to achieve something that leaves a lasting impact.

What some might see as setbacks, these entrepreneurs persevered; they saw opportunities to reengineer and executed on these new ideas. More importantly, these awards aligned with our entrepreneurial vision to nurture and support businesses in their continued growth and expansion.

UTC Entrepreneurship Category 2020 Winners

Nigel Edwards, Unit Trust Executive Director, centre poses with from left, Emerging Entrepreneur Award finalist, Christina Boodoosingh, U-Pick Farms Ltd.; SME (Small and Medium Enterprise) Pivot Award winner, Khalil Ali, Peche Patisserie; Emerging Entrepreneur Award winner, Stephanie Pemberton, Planting Seeds/Digital Marketplace; and Emerging Entrepreneur Award finalist, Kathryn Nurse, Immortelle Beauty. The Unit Trust Corporation supported the Trinidad and Tobago Chamber of Industry and Commerce in the Champions of Business Awards 2020 by sponsoring the Emerging Entrepreneur Award and the SME Pivot Award categories.



Inspiring the Next Generation of Entrepreneurs UTC + Entrepreneur = #URPRENEUR

It takes big dreams to start any business. To make that business a success requires huge doses of sacrifice and self-belief. That's what Urpreneur is all about. It's a space for our entrepreneurs to share their journey with everyone.

Hosted by our very own Karrian Hepburn, Vice President, Sales and Service, our Urpreneur series takes an exclusive look at T&T's entrepreneurs – their ideas, challenges and tips on adapting to achieve business success. Our first season showcased innovative and resilient businessmen and women from a wide range of businesses, from food to fashion, health and wellness, dentistry, tech and digital sales just to name a few.

UTC sees entrepreneurship as a vital factor in the growth of our economy and now more than ever, we have seen people stepping up to start businesses. As such, we are embarking on initiatives to engage entrepreneurs at different stages of the business life cycle to help them position themselves in the market.

Our goal is to help entrepreneurs build successful businesses by providing resources like subject matter experts, inspirational success stories from their peers and training through conferences and webinars.

Why are we doing projects like Urpreneur? Because the UTC has always been interested in making the place we live a better one and our people are key to that. If we can attract, nurture and inspire the next generation of entrepreneurs, and develop world-class talent here at home, we could help stimulate economic growth.

Urpreneur Playlist

<https://www.youtube.com/hashtag/urpreneur>



Analyst GAMES

Two years ago, we introduced our financial investments game to millennials in T&T and gained an overwhelming response. We could not ignore the interest, so in 2020 we took the Analyst Games to another level, adding a family component and including the participation of residents of our Caribbean neighbour, Grenada.

The result was a resounding success. While our Classic Edition brought us seasoned and novice investors, our Family Edition gave the games wider national coverage and provided further incentive to participate. The prize money was \$25,000 for each category.

Our investors were given the opportunity to learn about managing an investment portfolio of US\$1Mn in a simulated and challenging environment, thereby equipping them with the tools to make their own real-life investments.

In the Classic Edition, participants between the ages of 18 and 35 competed individually for the highest-earning portfolio. The Family Edition allowed contestants the opportunity to work together – these teams comprised a senior partner (36 years and older) and a junior partner (between 11 and 17 years old).



2020 WINNERS
FAMILY EDITION
– BRENT AND CORDELL BUTCHER

While the games challenged these participants to build equity portfolios using an online platform, it featured a host of fun activities with an investment focus. Our mantra: Anyone can be an investor.

In total, we received 3,434 applications online – **2,556 individuals for the Classic Edition** and **878 for the Family Edition**. Given the challenge of the pandemic, the games were hosted digitally – with only the semi-finals and finals being held in person at the Hyatt Regency in Port of Spain – and brought increased traffic to the UTC website and engagement on social media.



2020 WINNER
CLASSIC EDITION
– MS. MARSHA WARREN-GITTENS



CREATING SHARED VALUE

It's tempting to give in to uncertainty these days, especially when a pandemic changes just about everything you had planned in 2020. But not us, we never lost stride.

Connection to our community and the betterment of all who live and work here in Trinidad and Tobago are at the heart of the UTC's values, and the UTC Foundation, founded in 2017, was created for this very reason: **to nurture individuals and communities to improve their education, financial well-being and environmental stewardship.**

Renewing Relationships,

BUILDING NEW ONES



The pandemic unlocked a new level of corporate leadership and renewed commitment to those we serve. Our UTC team volunteers were excited about making a difference in communities across the country and we must thank them for their dedication and service. While many of our community engagement activities went virtual in 2020 because of the lockdowns and stay-at-home orders, that did not stop us from leaving our mark.

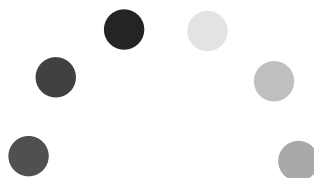
EDUCATION

We were all children once, hungry to learn and play and grow, and we owe it to the generations to come to give them the best possible chance to succeed and thrive. Education allows our children to share ideas and explore possibilities and UTC is proud of our ongoing commitment to help pave the way to a bright future.

In 2020, our SEA Scholarship Programme and its complementary 'Strategies for Success Workshop' helped provide an educational oasis. While COVID-19 forced the cancellation of the 2020 edition of the Schools' Investment Game, we look forward to hosting this event again in 2021.



UTC Team Member, Carolyn Huggins-Lovell, (right) presents refurbished desktops to Brasso Venado Village Council representative.



Imagine the frustration of being a curious, intelligent young person who does not have the resources necessary to learn. UTC's SEA Scholarship Programme supports academically brilliant students who need help to purchase books and school supplies. With the online learning requirements forced by COVID-19, the priority was to provide the tools to make the transition.

Our SEA Scholarship Programme has impacted the lives of well over 200 students since its inception and we are proud to provide the tools that help our children develop and thrive academically so they can pursue their dreams. In 2020, 40 students were awarded scholarships that allowed them access to books, supplies, computers and headphones.

SEA SCHOLARSHIP Programme



Assemblyman Joel Jack, Deputy Chief Secretary of the Tobago House of Assembly (THA), is presented with laptops from UTC Team Member Desiree Hackett-Murray.



UTC Team Member, Nicole Hays, (left) presents laptops to the parents of the 2020 SEA scholars.

Online Learning SUPPORT TO SCHOOLS, NGOs

With the move from the classroom to online learning last year, our Information and Communications Technology (ICT) Team worked tirelessly to refurbish 60 desktop computers. These, along with 12 laptops, were then donated to schools, non-governmental organisations (NGOs) and our own Team Members.

The recipient organisations included Save a Youth Save a Life, EXCEL Mentorship and Success Coaching Class, Christian Primary Academy, Arima West Government Primary School, Waterloo Secondary School Alumni Association, Charford Community Association and Brasso Venado Village Council. In addition, 13 schools received a monetary donation to assist with purchasing devices.



UTC Team Member, Lilawatie Ramasray, (right) receives her refurbished desktop from fellow Team Member Keshma Maharaj.

UTC Team Member, Sheneil Burke, (right) receives her refurbished desktop from fellow Team Member Crystal Noel.



Partners for Life

Our actions affect the world around us and we are each accountable for the footprint we leave, so the development of green initiatives is one of the UTC Foundation's fundamental value pillars. These efforts give us the opportunity to join with the community to reduce our environmental footprint.

In years past, we've rehabilitated abandoned quarry pits, worked on cleaning up the coastline and planted trees to help with erosion control, watershed protection and wildlife conservation. In March 2020, just before the pandemic forced us into lockdown, 21 UTC volunteers worked with Nature Seekers to remove harmful trash and debris from the Matura Beach as an ongoing effort to support the conservation and protection of nesting leatherback turtles.



Eight months later and with the pandemic continuing to force people indoors, we actively encouraged eco-friendly actions and conservation by inviting Unitholders and Team Members to help us deliver on our promise of environmental leadership. Under our partnership with IAMovement, we distributed 1,600 seed packages and included a how-to and environmental care guide to support our customers in their goal to set up home gardens.

Environmental CITIZENSHIP



At UTC, we believe that we are all connected and responsible for each other, and we will continue our efforts to partner with our publics – organisations, communities and individuals – on environmental projects that result in preserving our beautiful country.





Financial WELL-BEING Workshops

Having hosted financial literacy workshops for years, our goal has always been to help our citizens make healthy and informed financial decisions. By making smart choices with day-to-day transactions, budgeting, and saving and setting investment goals, we get people to see that taking care of their financial health is just as important as their bodily health.

And yet, getting people close to their dreams took on greater significance last year because of the disruption to livelihoods and financial stability caused by COVID-19.

2020 saw us transition from hosting live, financial planning workshops to virtual ones. Our team didn't let up and were unfazed by the new environment, providing to diverse groups across the country free financial advice on how to prioritise their savings in the pandemic, reassuring them that the UTC is here for them in good and bad times, and encouraging them to not make rash decisions during the pandemic. Our workshops provide citizens with the resources and guidance they need to transform their futures.


Going forward, we will continue to be a champion for education, financial well-being and environmental action.



Partners for Life



Corporate
GOVERNANCE



*“Good corporate governance is about
‘intellectual honesty’ and not just sticking to
rules and regulations, capital flowed towards companies
that practiced this type of good governance”*

– MERVYN KING (CHAIRMAN: KING REPORT)

Our Governance Framework

The Trinidad and Tobago Unit Trust Corporation was established in 1982 pursuant to 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). For the second consecutive 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 stewardship of the Corporation and for adequate corporate governance across the Corporation, and is responsible for setting the strategic direction of the Corporation 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, any regulations made thereunder and any other legislation applicable to the business of the Corporation;
- Overall responsibility for the stewardship of the Corporation and robust corporate governance;
- 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, comprising of the Chairman, Executive Director, and 10 persons who are either independent or non-executive directors. The Board structure and composition is governed by the UTC Act.

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

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:

- Professor Gerry C. Brooks was appointed as Chairman on March 11, 2020.
- The appointment of Mr. Ruben McSween, appointee of the National Insurance Board, expired on January 8, 2020.
- Mr. Nicholas Gomez, appointee of the National Insurance Board, was appointed on March 6, 2020 and resigned on September 16, 2020.
- The appointment of John Tang Nian, appointee of the Bankers Association of Trinidad and Tobago, expired April 14, 2020.
- Ms. Lorraine Kam, Independent Director, was reappointed to the Board of Directors under sections 7(2) and 7(5A) of the UTC Act, effective June 6, 2020 for a period of one (1) year.
- 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, 2020 for a period of one (1) year.
- The appointment of Mr. Jonathan Walker, Independent Director, expired on June 5, 2020.
- Mrs. Fe Lopez-Collymore, appointee of the National Insurance Board, was appointed on October 22, 2020.
- Ms. Jo-Anne Julien, Independent Director, was appointed to the Board of Directors under sections 7(2) and 7(5A) of the UTC Act effective November 26, 2020.

The members of the Board as at December 31, 2020 are:

Professor Gerry C. Brooks	Chairman, Appointed March 11, 2020
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
Ms. Anne-Marie James	Central Bank Appointee
Mrs. Michelle Durham-Kissoon	Ministry of Finance Appointee
Mrs. Fe Lopez-Collymore	Appointee of the National Insurance Board from October 22, 2020
Ms. Lorraine Kam	Independent
Mr. L. Dominic Rampersad	Independent
Ms. Jo-Anne Julien	Independent – Appointed on November 26, 2020

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, four 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 the 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.

The Board Evaluation Exercise commenced in September 2020 and the ground work and interviews were completed in December 2020.



Partners for *Life*

BOARD OF

LORRAINE KAM
INDEPENDENT



FE LOPEZ-COLLYMORE
INSURANCE BOARD REPRESENTATIVE



PROFESSOR GERRY C. BROOKS
CHAIRMAN



CHIP SA GOMES
INSURANCE REPRESENTATIVE



L. DOMINIC RAMPERSAD
INDEPENDENT



MICHELLE DURHAM-KISSOON
MINISTRY OF FINANCE REPRESENTATIVE



DIRECTORS

NIGEL EDWARDS
EXECUTIVE DIRECTOR



ANNE-MARIE JAMES
CENTRAL BANK REPRESENTATIVE



SHARMAINE CABALLERO
BANKERS ASSOCIATION REPRESENTATIVE



DOUGLAS CAMACHO
INSURANCE REPRESENTATIVE



JO-ANNE JULIEN
INDEPENDENT



FUELLING CHANGE, DRIVING GROWTH

Board Profiles

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

An energetic game changer, Professor Gerry C. 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 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 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. He 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 in 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 Association of Chartered 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 will lead 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 the 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 Chartered Financial Analyst (CFA®) and was awarded an MBA from the University of Florida and a BSc in Electrical Engineering (Hons) from the University of Texas.

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. Douglas is a past President of the Trinidad and Tobago Olympic Committee (TOC), having completed two four-year terms.

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 resources 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 Commission
- 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 chartered accountant, with a career span of over 34 years within the private sector in Trinidad and Tobago. She is a Fellow of the U.K. Association of Chartered Certified Accountants (ACCA) and a Member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT).

She commenced her professional career in external audit with one of the "Big Four" firms before moving to the financial sector where she worked in the banking sector with organisations including Republic Bank Limited and Bank of Commerce Limited, as well as with a diversified endowment fund.

With 30 years' experience in the financial services industry, her professional background includes broad management experience in the planning, management and execution of diverse finance functions, compliance and corporate governance, and investment management. She is a member of the Licensing Committee of ICATT and a former member of ICATT's Quality Assurance Committee.

Directorship on boards of other companies:

- UTC Financial Services Limited
- UTC Trust Services Limited

Fe Lopez-Collymore, Director –
October 22, 2020 to present

Mrs. Fe Lopez-Collymore brings almost 40 years of legal expertise as an attorney-at-law whose career focused on the provision of counsel across a wide scope of commercial activities, including property development, insurance, and a diverse range of complex financial services.

She previously held the position of General Counsel and Corporate Secretary to another Financial Group, which specialises in financial services, including the Group's subsidiaries and joint venture companies. She was responsible for the oversight of the provision of legal services, group restructuring, and several major acquisitions and disposals in Trinidad and Tobago and other external jurisdictions. During her 25-year tenure with the Financial Group, she also served as a Director on one of the Group's operating subsidiaries.

Mrs. Lopez-Collymore holds an Executive Masters in Business Administration (EMBA) from the Arthur Lok Jack Global School of Business.

She is currently a part-time lecturer on Corporate Governance and Business Law and a Faculty Member for the Professional Certificate in Effective Corporate Governance Programme at the Arthur Lok Jack Global School of Business.

Directorship on boards of other companies:

- Caribbean Corporate Governance Institute
- Caribbean Mental Health Foundation
- Edgemore Services Limited
- Primrose Place Company Limited
- Leonardo Estates Limited

Lorraine Kam, Director –
May 1, 2014 to present

Ms. Lorraine Kam is a financial services professional with more than 20 years of progressive experience within the financial services sector. This experience incorporates roles in strategic and enterprise risk management, corporate and investment banking and global relationship banking spanning a wide range of industries, including governments and the public sector. Currently, Ms. Kam serves as an Independent Director for companies in the financial sector as well as a registered non-governmental organisation (NGO) and has an advisory role on a technical rating committee. She is the Chairman of the Risk Committees of the financial sector companies where she serves as an Independent Director.

Prior to this, the majority of Ms. Kam's career was spent in banking and finance at Citibank, at the group's Trinidad, Barbados and New York offices. In her role

as the Corporate and Commercial Bank Head, she also served as an Executive Director on the Board of Citibank (Trinidad & Tobago) Limited and as a Director on the Board of the American Chamber of Trinidad and Tobago.

Ms. Kam holds a Bachelor of Science degree in Accounting from The University of the West Indies (St. Augustine) and a Master of Science degree in Finance from Cass Business School (London, United Kingdom). Her training includes certification by the Society of Management Accountants of Ontario, and she is an affiliate of the Association of Chartered Certified Accountants, United Kingdom.

Directorship on boards of other companies:

- Jamaica Money Market Brokers Limited
- Intercommercial Trust and Merchant Bank Limited
- UTC Financial Services Limited
- UTC Trust Services Limited

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

Mr. L. Dominic 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
- National Quarries Company Limited

Jo-Anne Julien, Director –
November 26, 2020 to present

Ms. Jo-Anne Julien is an Attorney-at-Law who brings almost 39 years of legal expertise in the commercial arena specialising in Banking and Corporate Finance.

A Founding Partner at one of the country's leading commercial law firms, Ms. Julien has been involved in negotiations for the divestment of local companies and acts as a local advisor to state corporations and quasi-state corporations providing legal support to such entities.

As a lead attorney on mergers and acquisitions outside of Trinidad and Tobago, Ms. Julien provided local counsel for a leading financial institution based in the United States that financed the operations of a local energy company. Ms. Julien was also responsible for legal oversight involving the formation of strategic alliances for two major publicly trading companies in Trinidad and Tobago.

Ms. Julien holds a Bachelor of Law Degree from The University of the West Indies and is currently a member of the Disciplinary Committee of the Law Association of Trinidad and Tobago.

A former member of the Council of the Law Association of Trinidad and Tobago, she is a sitting member of the Disciplinary Committee of the Institute of Chartered Accountants of Trinidad and Tobago.

Directorship on boards of other companies:

- Trinidad Building and Loan Association
- National Canners Limited
- Bermudez Biscuit Group Limited
- Jamaica Biscuit Company Limited (Jambisco)
- M.G. Daly & Partners
- UTC Financial Services Limited
- UTC Trust Services Limited

Michelle Durham-Kissoon, Director –
March 22, 2017 – March 21, 2021

Mrs. Michelle Durham-Kissoon has been appointed Permanent Secretary in the Ministry of Finance (Ag.) with effect from Wednesday November 2, 2016. Mrs. Durham-Kissoon has over 23 years of 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 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 Limited
- UTC Financial Services Limited
- UTC Trust Services Limited

Board of Directors Meetings

The Board of Directors held seven meetings during the period January 1 – December 31, 2020 as follows:

Board of Directors	Mar 26	Apr 23	Jun 25	Jul 23	Sep 17	Oct 22	Nov 26
Professor Gerry C. Brooks	✓	✓	✓	✓	✓	✓	✓
Nigel Edwards	✓	✓	✓	✓	✓	✓	✓
Douglas Camacho	✓	✓	✓	Abs.	✓	✓	✓
Anne-Marie James	✓	✓	✓	✓	Abs.	✓	✓
John Tang Nian	✓						
L. Dominic Rampersad	✓	✓	✓	✓	✓	✓	✓
Lorraine Kam	✓	✓	✓	✓	✓	✓	✓
Jonathan Walker	✓	✓					
Michelle Durham-Kissoon	✓	✓	✓	✓	✓	Abs.	✓
Chip Sa Gomes	✓	✓	✓	✓	✓	✓	✓
Sharmaine Caballero	✓	✓	✓	✓	✓	✓	✓
Trevor Nicholas Gomez	✓	✓	✓	✓			
Fe Lopez-Collymore	*	*	*	*	*	*	
Jo-Anne Julien	*	*	*	*	*	*	

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

Abs. Absent with excuse

 Ceased to be a Director (Term ended/Resigned)

 1st Board Meeting following appointment to Board of Directors

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 their mandates 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 – L. Dominic Rampersad

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.

The Audit Committee held four meetings during the period January 1 - December 31, 2020 as follows:

Committee Members	5 th AC Feb 12	6 th AC May 5	7 th AC Aug 4	8 th AC Nov 3
L. Dominic Rampersad	√	√	√	√
Anne-Marie James	√	√	√	√
Chip Sa Gomes	√	√	√	√
Trevor Nicholas Gomez	*	√	√	

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

█ Indicates that the Director's term ended.

Investment Committee

Chair - Professor Gerry C. Brooks

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 managing a portfolio of assets by balancing risk and return on investment for the Corporation's Funds.

The Investment Committee held nine meetings during the period January 1 - December 31, 2020 as follows:

Committee Members	277 th IC Feb 19	278 th IC April 3	279 th IC May 20	280 th IC June 17	281 st IC Aug 20	282 nd IC Sept 16	283 rd IC Oct 21	284 th IC Nov 18	285 th IC Dec 16
Professor Gerry C. Brooks	*	√	√	√	√	√	√	√	√
John Tang Nian	√	√							
Douglas Camacho	√	√	√	√	√	√	√	√	√
Anne-Marie James	√	√	√	√	√	Abs.	√	√	√
Nigel Edwards	√	√	√	√	√	√	√	√	√

* Indicates that the Director was not a member of the Committee during the period under consideration

█ Indicates that the Director's term ended.

Abs. Absent with excuse

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 four meetings during the period January 1 - December 31, 2020 as follows:

Committee Members	3 rd SRCC Feb 11	4 th SRCC May 5	5 th SRCC Aug 6	6 th SRCC Nov 5
Lorraine Kam (Chairman)	√	√	√	√
Nigel Edwards (ED)	√	√	√	√
Douglas Camacho	√	√	√	√
Michelle Durham-Kissoon	√	√	√	√
Professor Gerry C. Brooks	*	√	√	√

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

Corporate Advisory Committee

Chair – Professor Gerry C. Brooks (from May 14, 2020)

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 four meetings during the period January 1 - December 31, 2020 as follows:

Committee Members	31 st CAC Feb 13	32 nd CAC May 14	33 rd CAC July 9	34 th CAC Oct 8
John Tang Nian	✓			
Nigel Edwards (ED)	✓	✓	✓	✓
Lorraine Kam	✓	✓	✓	✓
Jonathan Walker	✓	✓		
Michelle Durham-Kissoon	✓	✓	✓	✓
Professor Gerry C. Brooks	*	✓	✓	✓

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

■ Indicates that the Director's term ended.

Human Resources Committee

Chair – Douglas Camacho

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, 2020 as follows:

Committee Members	36 th HRC Feb 5	37 th HRC Mar 17 (Special)	38 th HRC July 6	39 th HRC Oct 19
Douglas Camacho	✓	✓	✓	✓
Nigel Edwards	✓	✓	✓	✓
Jonathan Walker	✓	✓		
Sharmaine Caballero	✓	✓	✓	✓

■ Indicates that the Director's term ended.

Strong Internal Controls

The Internal Audit Department operates as an independent assurance function that reports to the Audit Committee. The Internal Audit Charter was reviewed and approved by the Board's Audit 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 Compliance Risk Management and the Internal Audit Department to mitigate both current and emerging risks. While Compliance and Risk Management develop and implement 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 Committee is satisfied that the internal audit function has been 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 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 Ethics¹ 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 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 considers the matter.

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

FUELLING CHANGE

KERRI MAHARAJ

CHIEF FINANCIAL OFFICER



NIGEL EDWARDS

EXECUTIVE DIRECTOR



STRATEGIC

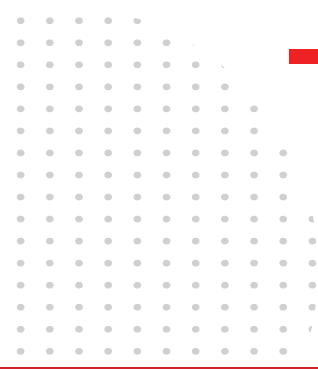
CRYSTAL RODRIGUEZ-GREAVES

CHIEF RISK OFFICER



DAWN SEEPERSAD

GENERAL COUNSEL AND CORPORATE SECRETARY



**NATASHA
M. DAVIS**

VICE PRESIDENT,
MARKETING AND
OPERATIONS



**KARRIAN
HEPBURN**

VICE
PRESIDENT,
SALES AND
SERVICE



Leadership TEAM

**SEKOU
MARK**

CHIEF
INVESTMENT
OFFICER



DRIVING GROWTH

ANNUAL
REPORT
2020



Partners for Life

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. He 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 in 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 Association of Chartered 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 will lead 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 of 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 areas of commercial and civil law, and corporate secretarial services and administration at an investment brokerage firm. She also

has 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, Ms. Seepersad has executive responsibility for the legal and regulatory matters of the UTC.

Natasha M. Davis
Vice President, Marketing and Operations

Ms. Natasha M. Davis has more than 19 years of 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 Global 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, Brand Management, Digital Strategy, Trust Operations, Information and Communications Technology, Human Resources, Supply Chain Management, Corporate Security, Facilities Management, Corporate Administration and The UTC Foundation.

Karrian Hepburn
Vice President, Sales and Service

Mrs. Karrian Hepburn's career spans over 19 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 holds 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 investments, asset management, retail banking, business support services, audit, credit risk management and operations shared services. She is certified in the Change Management process with Prosci Canada and is currently pursuing her Doctorate with the University of Phoenix 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 Limited.

In the role of Vice President, Sales and Service, Mrs. Hepburn 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\$3.5 billion in Assets Under Management and 622,817 individual and institutional investors.

Mr. Mark is also the Executive Head of the Enterprise Innovation Unit which practices Open Innovation and ample usage of agile teams to create a culture of innovation across the Unit Trust Corporation.

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, D.C. at The World Bank and the Inter-American Development Bank, then returned home to the Caribbean to hold senior leadership

positions at First Citizens Bank, Citibank and presently at the Trinidad and Tobago Unit Trust Corporation.

Mr. Mark has extensive experience in project finance, corporate finance, public-private partnerships, asset management and strategic innovation.

He is passionate about financial literacy, regional capital market development and is proficient in Spanish.

Crystal Rodriguez-Greaves, CFA
Chief Risk Officer

As the Corporation's Chief Risk Officer, Mrs. 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 17 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 Chartered Financial Analyst (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.

Kerri Maharaj
Chief Financial Officer

Mr. Kerri Maharaj brings with him approximately 20 years of management experience and he 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 and of the

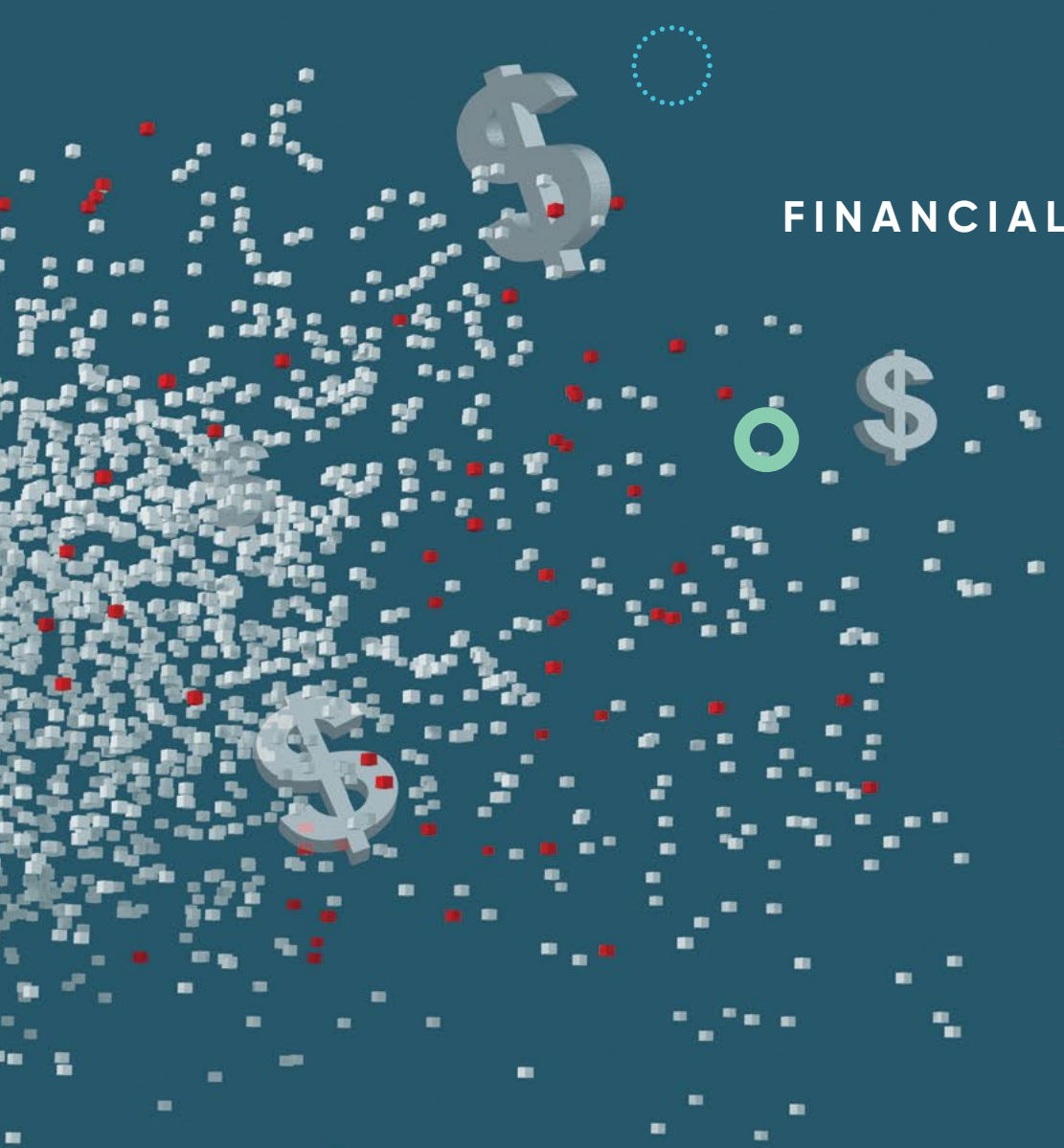
Association of Chartered Certified Accountants and is the holder of a BSc in Financial Services and Associateship.

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





FINANCIAL REPORT



Creativity
IS THINKING UP NEW THINGS

Innovation
IS DOING NEW THINGS



Partners for Life

FUELLING CHANGE, DRIVING GROWTH
ANNUAL REPORT 2020



**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, 2020

OPINION

The consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation (the Corporation) for the year ended 31 December, 2020 have been audited. The statements as set out on pages 1 to 85 comprise a Consolidated Statement of Financial Position as at 31 December, 2020, 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 27, 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, 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

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.



24TH MARCH, 2021
PORT OF SPAIN


LORELLY PUJADAS
AUDITOR GENERAL

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	31 Dec 2020	31 Dec 2019
Assets			
Cash and cash equivalents	3	2,815,499	3,269,272
Receivables		166,381	194,183
Prepayments and other assets		19,519	20,453
Investment securities	4	20,638,868	19,178,368
Property, plant and equipment	5	142,248	149,826
Right-of-use assets	6	13,950	15,732
Intangible assets	7	22,216	207
Total assets		23,818,681	22,828,041
Liabilities			
Accounts payable and short-term liabilities		75,314	70,566
Lease liabilities	6	15,386	16,405
Distribution payable		36,182	38,829
Pension and other post-retirement liabilities	9	19,108	18,161
Price guarantee provision	2(l)	3,006	3,024
Net assets attributable to unitholders	10	22,133,444	21,201,609
Other liabilities		3,271	4,532
Total liabilities		22,285,711	21,353,126
Equity			
Statutory reserves	2(p)	5,050	5,700
Revaluation reserve	2(p)	(20,535)	(20,709)
Retained earnings		1,548,455	1,489,924
Total equity		1,532,970	1,474,915
Total liabilities and equity		23,818,681	22,828,041

Chairman



Executive Director

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 FOR THE YEAR ENDED 31 DECEMBER 2020
 (Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2020	2019
Income			
Investment income	11	605,473	683,722
Initial charge		8,219	11,900
Fee income	14	3,807	4,561
Other income		3,247	4,328
Net change in fair value on investment securities	12	124,408	639,628
Total income		745,154	1,344,139
Expenses			
Commissions		(14,482)	(16,177)
Administrative	15	(262,734)	(253,586)
Depreciation and amortisation	5,6,7	(20,597)	(17,093)
Total expenses		(297,813)	(286,856)
Net income before guarantee adjustment		447,341	1,057,283
Price guarantee (charge)/credit	2(1)	(367)	22,360
Net income after guarantee adjustment		446,974	1,079,643
Distributions to unitholders	17	(238,447)	(265,389)
Allocation by Funds to Reserves	27	–	(2,731)
Income capitalised		(8,040)	(32,591)
Net income attributable to unitholders		(132,441)	(672,628)
Net income before finance charges		68,046	106,304
Finance charges	6	(1,657)	(1,555)
Net income before taxation		66,389	104,749
Taxation	18	(8,508)	(5,399)
Net income for the year		57,881	99,350

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

	Note	Group 2020	2019
Net income for the year		57,881	99,350
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Re-measurements of pension and other post-retirement liabilities	9	(205)	(3,868)
Exchange differences on translation of foreign operations		378	(121)
Other comprehensive income for the year		174	(3,989)
Total comprehensive income for the year		<u>58,055</u>	<u>95,361</u>

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

	Statutory reserve fund	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2019	5,700	(16,720)	1,390,574	1,379,554
Profit for the year	–	–	99,350	99,350
Other comprehensive income for the year	–	(3,989)	–	(3,989)
Other reserve movements	–	–	–	–
Balance as at 31 December 2019	<u>5,700</u>	<u>(20,709)</u>	<u>1,489,924</u>	<u>1,474,915</u>
Profit for the year	–	–	57,881	57,881
Other comprehensive income for the year	–	174	–	174
Other reserve movements	(650)	–	650	–
Balance as at 31 December 2020	<u>5,050</u>	<u>(20,535)</u>	<u>1,548,455</u>	<u>1,532,970</u>

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Group	
		2020	2019
Operating activities			
Net income before taxation		66,389	104,749
<i>Adjustments to reconcile net income to net cash and cash equivalents from operating activities:</i>			
Net income attributable to unitholders		378,928	973,339
Depreciation and amortisation	5,6,7	20,597	17,093
Loss on sale of property, plant and equipment		(456)	(1)
Increase/(decrease) in price guarantee provision		367	(22,834)
Revaluation of fund reserve assets		(330)	(178)
Interest on fund reserve assets		2,072	1,902
Net change in fair value on investment securities		(134,182)	(658,470)
Interest portion of lease payments	6	1,657	1,555
		335,042	417,155
<i>Movement in net current assets</i>			
Decrease/(increase) in receivables		27,803	(44,079)
Decrease/(increase) in prepayments and other assets		934	(3,273)
Decrease in accounts payable and liabilities		2,467	2,943
(Increase)/decrease in distribution liability		(2,648)	(12,462)
Increase in pension and other post retirement liabilities		1,152	310
		364,750	360,594
Taxes paid	18	(8,508)	(5,399)
Net cash flows from operating activities		356,242	355,195

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2020
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

	Notes	Group	
		2020	2019
Investing activities			
Purchase of property, plant and equipment		(8,522)	(3,982)
Purchase of intangible assets		(23,658)	–
Disposal of property, plant and equipment		5,390	51
Purchase of investment securities		(24,593,181)	(20,835,813)
Disposal of investment securities		23,254,891	21,862,746
Net cash (used in)/generated from investing activities		(1,365,080)	1,023,002
Financing activities			
Subscriptions from unitholders		2,564,314	2,814,593
Redemptions by unitholders		(1,759,628)	(2,741,298)
Distribution payments to unitholders	17	(238,447)	(265,389)
Guarantee reserve payment	27	(384)	(469)
Principal portion of lease payments		(7,020)	(4,726)
Interest portion of lease payments	6	(1,657)	(1,555)
Net cash generated from/(used in) financing activities		557,178	(198,844)
Net loss on foreign exchange		(2,113)	(881)
Net (decrease)/increase in cash and cash equivalents		(453,773)	1,178,472
Cash and cash equivalents at the beginning of the year		3,269,272	2,090,800
Cash and cash equivalents at the end of the year		2,815,499	3,269,272

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (Expressed in thousands of Trinidad and Tobago dollars)

1. Incorporation and principal activities of the Group

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 expanded 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 2020 were authorised for issue by the Board of Directors on 12 February 2021.

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.

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 in 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 judgements, 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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**a) Basis of preparation (continued)**

iv. Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial instruments risk management (see Note 21)
- Capital management (see Note 22)

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 recognised in the consolidated financial statements:

- The Group's decision to consolidate the entities for which it is the investment manager, trustee and sponsor (see Note 2 (b)); 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.
- The Group's decisions with respect to the leases (see Note 6)
 - *Determining the lease term of contracts with renewal and termination options – Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

- iv. • The Group's decisions with respect to the property, plant and equipment (see Note 5)
 - Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.
- 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 2 (1));
 - the fair value of financial assets categorised at 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; professional valuations, broker quotations, and an internally developed valuation 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), 20 and 21);
 - The cost of the defined benefit plan and other post-retirement 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 valuations 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 9); and

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**a) Basis of preparation (continued)**

- 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 Central Bank prime lending rate used is 9.25% (See Note 6).
- vi. In response to the COVID-19 coronavirus pandemic, in March 2020 the Government of Trinidad and Tobago instituted several measures to curtail the virus's spread, including at the onset: periodic lock-downs, stay-at-home measures for non-essential workers, and travel bans and latterly: social distancing protocols, social gathering limitations, and continued border closures.

The Group was regarded as an essential business (along with other financial institutions such as banks and insurance companies) and as such maintained business operations throughout 2020. In an effort to ensure the safety of its team members and unitholders, the Group activated its business continuity plan and took the decision to reduce the number of locations and opening hours for its Investment Centres and Agencies. A decision was also made to migrate the majority of non-customer-facing staff members to working from home. At the time of this report, the Group's Investment Centres and Agencies have returned to full operations, in line with Government guidelines. The Group's non-customer-facing staff members have continued to work primarily from home and the Group does not anticipate a requirement for these team members to mandatorily return to office in the immediate short term.

Financial Statement impact

The Group's annual financial statements have been affected by the pandemic in primarily two aspects:

- The business model for the Group's financial assets is Fair Value Through Profit or Loss (FVPL – see note 2 (e)); consequently, the Group's performance is materially impacted by market price movements. At the onset of the pandemic, financial markets responded by driving asset prices down due to the then-existing uncertainty and the Group recognized a material level of fair value losses. Since then, financial markets have rebounded, and the Group's losses have reversed to produce a fair value gain of \$124.4 million for the year ended 31 December 2020.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

- The Group earned a lower level of interest and dividend income as a result of across-the-board interest rate declines and from either the reduction or suspension of dividend declarations from its equity investments. The Group expects this situation to continue in 2021.

Risk management

The Group routinely undertakes stress testing on all Funds and also evaluates the impact of various scenarios on the Corporation as the Funds' Sponsor. The objective of our stress testing is to determine the potential impact of multiple adverse possible outcomes and to implement proactive risk mitigating strategies. The stress testing considers various factors that can have a negative impact on investment securities including changes to interest rates, credit ratings, foreign exchange rates, equity prices and redemption levels.

The Group has continued to monitor the various risks it faces (market, liquidity, and credit risk) but has not found it necessary to take additional measures to limit its risks apart from adjusting its portfolio holdings at the onset of the pandemic to exit or reduce certain exposures. As the economic and financial impact of the pandemic became clearer, the Group re-established its positions selectively. The Group will continue to closely manage its portfolio holdings and adjust its positions accordingly. The Group has historically managed its liquidity risk conservatively and did not experience any liquidity pressures during the year and it does not currently anticipate a liquidity challenge in 2021.

Reliefs and/or concessions

For the year ended 31 December 2020, the Group did not receive any reliefs or concessions from the Government of Trinidad and Tobago related to the pandemic.

Basis of preparation

Globally, the development of COVID-19 remains uncertain, with consequences that are difficult to predict. Notwithstanding these uncertainties, the Group believes it possesses sufficient financial resources to withstand materially unfavourable financial impacts, should they arise, and therefore the going concern basis of accounting remains appropriate.

The major area where judgement could be required would be changes to estimation techniques and assumptions for measuring the fair value of financial assets.

The Group is not aware of material events occurring after its Statement of Financial Position sheet date that require either adjusting or disclosure in these financial statements.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**b) 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 25). The Corporation and the consolidated entities are referred to as the "Group" in these Financial Statements.

Management concluded that for the 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 recognised 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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

b) Basis of consolidation (continued)

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.

c) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019 except for the adoption of new standards and interpretations noted below.

New and amended standards and interpretations

The Group applied for the first time certain amendments and interpretations that are effective for annual periods beginning on or after 1 January 2020.

The nature and effect of these changes are described below. Although these new amendments and interpretations apply for the first time in 2020, they did not have a material impact on the consolidated financial statements of the Group. These are also described in more detail below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IAS 1 and IAS 8 – Definition of Material – Effective 1 January 2020

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments had no impact on the consolidated financial statements of the Group. The Group clearly discloses information regarding a material item, transaction or other event in the financial statements in language that is clear and specific.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)**c) Changes in accounting policies and disclosures (continued)***New and amended standards and interpretations (continued)***Amendments to IFRS 3 – Definition of a Business – Effective 1 January 2020**

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have ‘the ability to contribute to the creation of outputs’ rather than ‘the ability to create outputs’.

The amendments had no impact on the consolidated financial statements of the Group, as there were no acquisitions during the financial year.

Amendments to IFRS 9, IAS 39, IFRS 7 – Interest Rate Benchmark Reform – Effective 1 January 2020

The amendments focused on hedge accounting issues, and provided targeted relief from the potential effects of the uncertainty caused by the interbank offered rates (IBOR) reform.

The amendments provided the following:-

- an exception for the IAS 39 retrospective assessment when a hedge is temporarily outside the 80-125% range during the period of uncertainty arising from the reform;
- relief from the separately identifiable requirement for redesignation of hedged items in hedges where dedesignation and redesignation take place (e.g. macro hedges);
- clarification that the end of application requirement should apply to each individual item within a designated group of items;
- clarification that the scope of the proposed amendments would apply to all hedges that include interest rate benchmark-based cash flows for the hedged item and/or hedging instrument – e.g. certain cross currency hedges – that are directly affected by uncertainties arising from the reform; and
- simpler proposed disclosure requirements (which introduce specific disclosure requirements for hedging relationships to which the reliefs are applied).

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

c) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IFRS 9, IAS 39, IFRS 7 – Interest Rate Benchmark Reform – Effective 1 January 2020 (continued)

A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The reliefs continue indefinitely in the absence of any of the events described in the amendments. When an entity designates a group of items as the hedged item, the requirements for when the reliefs cease are applied separately to each individual item within the designated group of items.

The amendments had no impact on the consolidated financial statements of the Group, as the Group has not entered into any hedging arrangements that are active in the financial year 2020.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current – Effective 1 January 2022
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use – Effective 1 January 2022
- Amendments to IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract – Effective 1 January 2022
- Amendments to IFRS 3 – Reference to the Conceptual Framework – Effective 1 January 2022
- Amendments to IFRS 16 – Covid-19-Related Rent Concessions – Effective 1 June 2020
- IFRS 17, 'Insurance Contracts' – Effective 1 January 2023
- Annual improvements to IFRS standards 2018-2020 cycle, resulting in amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 – Effective 1 January 2022

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**d) 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 (90) days or less.

e) Financial instruments**Financial assets****(i) Initial recognition and subsequent measurement**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

e) Financial instruments (continued)

Financial assets (continued)

(i) Initial recognition and subsequent measurement (continued)

Investments in equity instruments are classified as FVPL, unless the Group designates an investment that is not held for trading as fair value through other comprehensive income (FVOCI) on initial recognition.

Debt instruments that do not meet the amortised cost criteria are measured as FVPL. In addition, debt instruments that meet the amortised cost criteria but are designated as FVPL are measured at FVPL. A debt instrument may be designated as FVPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the consolidated statement of profit or loss. The net gain or loss recognised in the consolidated statement of profit or loss is included in Note 12. Fair value is determined in the manner described in Note 20.

Interest income on debt instruments designated at FVPL is included in the consolidated statement of profit or loss.

Dividend income on investments in equity instruments at FVPL is recognised in the consolidated statement of profit or loss when the Group's right to receive the dividends is established.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss.

Therefore, for financial assets that are classified as FVPL, the foreign exchange component is recognised in the consolidated statement of profit or loss.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**e) Financial instruments (continued)****Financial assets (continued)****ii) Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities**i) Initial recognition and subsequent measurement**

The Group recognises a financial liability when it becomes party to the contractual obligations of the financial instrument. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

The Group determines the classification of its financial liabilities at initial recognition.

ii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant accounting policies (continued)

f) Fair value measurement

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 uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 Finance and Risk departments. On a quarterly basis, valuations are reviewed by the Audit Committee.

External independent valuers are used for the valuation of Land and buildings every three (3) years.

Fair value hierarchy

Fair value measurements of securities are categorised 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 2019 and 2020.
- **Level 3** - Level 3 uses significant inputs that are unobservable in the valuation of the asset.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**f) Fair value measurement (continued)**

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 judgement 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.

Equity 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 categorised 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 valuers and categorised by 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

In 2019, a significant portion of the fair value of the Group's private equity holdings was provided by the General Partners of the private entity and are categorised as Level 3. There were no such holdings as at 31 December 2020.

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 categorised as Level 3. Where the Group is in receipt of prices at which bonds can be traded, the bonds are categorised as Level 1.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**f) Fair value measurement (continued)*****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. Although no changes were made in 2020, during 2019, the following improvements to the model were made:

- 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 realised in an actual transaction. Valuations based on the model are categorised as Level 3.

Categorisation of short-term investments

The Group's short-term investments are assumed to be encashable/tradeable at their carrying value and are categorised 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.

g) 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other 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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant accounting policies (continued)**g) Property, Plant and Equipment (continued)**

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 recognised in the consolidated statement of profit or loss.

Freehold land is capitalised but not depreciated. Leasehold land is capitalised and amortised 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 the 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
Buildings	50 years
Office Improvements	3 - 15 years
Computer Equipment	2 - 8 years
Office Equipment	3 - 13 years
Office Furniture and Fixtures	3 - 10 years
Motor Vehicles	4 years

h) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)**2. Significant accounting policies (continued)****h) Leases (continued)***The Group as lessee (continued)**(a) Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Property	3 - 9 years
• Office equipment	3 years
• Motor vehicles	3 years

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 item in the consolidated statement of financial position.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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(Continued)

2. Significant accounting policies (continued)**h) Leases (continued)***(b) Lease liabilities (continued)*

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

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

(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 arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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(Continued)

2. Significant accounting policies (continued)

i) Intangible Assets

Acquired computer software and computer software licenses are the only intangible assets recognised by the Group in these financial statements. Computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into operation. The costs are recognised 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 are amortised on a straight-line basis over the estimated useful life of the asset or the life of the license whichever is shorter.

Costs associated with maintaining computer software are expensed when incurred.

j) Employee Benefits

(i) Short-term benefits

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

(ii) Pension obligation

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

Defined benefits constitute a small portion of the Group's pension plan benefits (Note 9). 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 unrecognised 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 recognised as an asset since the Group is not entitled to reduce its contributions to the plan.

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(Continued)

2. Significant accounting policies (continued)**j) Employee Benefits****(iii) Other post-retirement obligations**

The Group provides post-retirement medical and insurance benefits to its retirees, the cost of which is recognised 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.

k) Provisions

Provisions are recognised 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.

l) 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 (GIF). Under the guarantee pricing plan, each unitholder that holds units in the GIF for at least three (3) 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 guarantees include:

- (i) The prevailing price of the GIF units. Generally, the price of the GIF units and the total Guarantee Pricing Liability are inversely related. Increases in the price of GIF 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

2. Significant accounting policies (continued)

l) Guarantee Pricing Liability (continued)

The Corporation has historically funded shortfalls in the guarantee reserve fund and is committed to doing so in the future. The liability recognised as at 31 December 2020 was \$3.0 million (2019: \$3.0 million).

m) Revenue recognition

Interest income is recognised in the consolidated statement of profit or loss using the effective interest rate method.

Dividend income is recognised 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;
- (iii) the amount of the dividend can be reliably measured.

Realised and unrealised investment gains and losses are recognised as income in the consolidated statement of profit or loss.

n) Taxation

Corporation tax

The Corporation is exempt from corporation tax. However, it is subject to Green Fund Levy. Corporation tax is payable on profits realised by the corporate subsidiaries, based on the laws applicable in their tax jurisdiction.

Withholding tax

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.

o) 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 of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statement of profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

2. Significant accounting policies (continued)**o) Foreign currency translation (continued)**

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 at the rate of exchange prevailing at 31 December and their statements of profit or loss are translated at an average exchange rate. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

p) Equity movements*Statutory reserves*

In accordance with section 51(1) of the Securities Act, Chapter 83:02 and Section 27(1)(a)(ii) of the Security 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. The Corporation discontinued the operations of the Bureau de Change effective 1 August 2020 and as a result the established reserve was no longer required.

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 Funds is reflected in the line item Net Assets Attributable to Unitholders and is not included in this revaluation reserve.

q) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

2. Significant accounting policies (continued)

q) Impairment of non-financial assets (continued)

An impairment loss is the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

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 \$1.06 billion (2019; \$936 million).

s) Segment reporting

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

3. Cash and cash equivalents

Cash and cash equivalents are analysed below:

	2020	2019
Corporation	698,216	1,187,978
Locally Domiciled Funds	2,113,023	2,043,460
Foreign Funds	2,565	2,957
Other Group Entities	<u>1,695</u>	<u>34,877</u>
	<u>2,815,499</u>	<u>3,269,272</u>

Cash and cash equivalents held by Funds form part of the net assets of 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 as at 31 December was \$2.17 billion (2019: \$2.144 billion) (see Note 8)

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(Continued)

4. Investment securities

	2020	2019
Investment securities		
Designated at fair value through statement of income	<u>20,638,868</u>	<u>19,178,368</u>
Total investment securities	<u>20,638,868</u>	<u>19,178,368</u>
Investment securities designated at fair value through profit and loss		
Bonds	12,852,428	8,870,960
Equity	2,422,263	2,342,013
Treasury bills	803,277	1,845,507
Fixed-term deposits	1,581,997	1,574,233
Short-term investments	881,499	1,504,971
Commercial paper	114,644	1,500,892
Bond Exchange Traded Funds	466,503	–
Exchange Traded Funds (ETFs)	1,398,326	996,823
Structured bonds	–	526,872
Private equity	3,629	10,933
Mutual funds	114,302	5,164
Other	–	–
Total investment securities	<u>20,638,868</u>	<u>19,178,368</u>

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(Continued)

5. Property, plant and equipment

2020	Land	Buildings	Office Improvements	Office Computer equipment	Office Furniture & Motor Vehicles	Total
Opening net book value	15,987	92,111	13,995	23,450	4,283	149,826
Additions	—	—	3,698	4,455	369	8,522
Disposals	(2,965)	(1,942)	—	(20)	(7)	(4,934)
Depreciation/amortisation	(22)	(2,369)	(1,624)	(6,381)	(770)	(11,166)
Closing net book value	13,000	87,800	16,069	21,504	3,875	142,248
As at 31 December 2020						
Cost	13,604	122,104	54,562	106,514	26,206	322,990
Accumulated depreciation/ amortisation	(604)	(34,304)	(38,493)	(85,010)	(22,331)	(180,742)
Net book value	13,000	87,800	16,069	21,504	3,875	142,248

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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(Continued)

5. Property and equipment (continued)

2019	Land	Buildings	Office Improvements	Office Computer equipment	Office & Furniture & Motor Vehicles	Total
Opening net book value	16,008	94,520	15,483	26,624	4,670	157,305
Additions	-	-	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 December 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

Land includes leasehold land of \$2.2 million (2019: \$2.2 million) and freehold land of \$11.4 million (2019: \$14.4 million).

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

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(Continued)**5. Property and equipment (continued)****Fair value of land and buildings**

The fair value of land and buildings was estimated at \$201 million at 31 December (2019: \$206.5 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 2020 \$'M	Fair Value 31 Dec 2019 \$'M	Valuation Level
Leasehold land	2.2	10.8	24 Jan 2019	10.8	10.8	Level 2
Freehold land	11.4	26.5	24 Jan 2019	22.5	26.5	Level 2
Buildings	122.1	169.7	24 Jan 2019	167.7	169.2	Level 2
Total	135.7	207.0		201.0	206.5	

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

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(Continued)

6. Leases

Group as lessee

Right-of-use assets

	Property	Motor vehicles	Equipment	Total
Cost				
As at 1 January 2020	18,277	754	2,100	21,131
Additions	4,911	121	2,843	7,875
Extensions	122	19	428	569
Disposals	(4,099)	–	(704)	(4,803)
As at December 2020	<u>19,211</u>	<u>894</u>	<u>4,667</u>	<u>24,772</u>
Accumulated Depreciation				
As at 1 January 2020	(4,448)	(108)	(843)	(5,399)
Disposals	2,105	–	254	2,359
Depreciation	(6,535)	(361)	(886)	(7,782)
As at December 2020	<u>(8,878)</u>	<u>(469)</u>	<u>(1,475)</u>	<u>(10,822)</u>
Carrying Amount				
As at December 2020	<u>10,333</u>	<u>424</u>	<u>3,193</u>	<u>13,950</u>
Cost				
As at 1 January 2019	17,379	–	1,265	18,644
Additions	898	754	835	2,487
As at December 2019	<u>18,277</u>	<u>754</u>	<u>2,100</u>	<u>21,131</u>
Accumulated Depreciation				
As at 1 January 2019	–	–	–	–
Depreciation	(4,448)	(108)	(843)	(5,399)
As at December 2019	<u>(4,448)</u>	<u>(108)</u>	<u>(843)</u>	<u>(5,399)</u>
Carrying Amount				
As at December 2019	<u>13,829</u>	<u>646</u>	<u>1,257</u>	<u>15,732</u>

The Group leases buildings, motor vehicles and office equipment. The average term is 3 years. The Group's obligations are secured by the lessors' title to the leased assets.

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(Continued)

6. Leases (continued)**Group as lessee (continued)****Lease liabilities**

Approximately 3% of the leases for properties 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.

	2020	2019
Less than one year	6,269	4,872
Between one and five years	8,034	10,376
More than five years	1,083	1,157
	<u>15,386</u>	<u>16,405</u>

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

	2020	2019
Depreciation expense of right-of-use assets	7,782	5,399
Interest expense on lease liabilities	1,657	1,555
Expense related to short-term leases	429	199
	<u>9,868</u>	<u>7,153</u>

At 31 December 2020, the Group had no short-term lease commitments. The total cash outflow for leases amounted to \$8.3 million (2019: \$6.5 million)

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(Continued)

6. Leases (continued)

Group as lessor

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

Maturity analysis of operating leases contracts with tenants at 31 Dec

	2020	2019
Year 1	587	1,380
Year 2	531	–
Year 3	91	–
	<u>1,209</u>	<u>1,380</u>

Rental income reported in the consolidated statement of profit or loss for 2020 was \$3.04 million (2019: \$3.03 million).

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(Continued)

7. Intangible assets

2020	Computer software	Software licenses	Total
Opening net book value	207	–	207
Additions	–	23,658	23,658
Amortisation	(42)	(1,607)	(1,649)
Closing net book value	<u>165</u>	<u>22,051</u>	<u>22,216</u>
As at 31 December			
Cost	2,726	23,658	26,384
Accumulated amortisation	(2,561)	(1,607)	(4,168)
Net book value	<u>165</u>	<u>22,051</u>	<u>22,216</u>
2019			
Opening net book value	490	–	490
Additions	–	–	–
Amortisation	(283)	–	(283)
Closing net book value	<u>207</u>	<u>–</u>	<u>207</u>
As at 31 December			
Cost	2,726	–	2,726
Accumulated amortisation	(2,519)	–	(2,519)
Net book value	<u>207</u>	<u>–</u>	<u>207</u>

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(Continued)

8. Restricted assets

The Group, in keeping with best practice and legislation, has no access to the investment securities, cash holdings 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 table below analyse the significant line items in the consolidated statement of financial position which include assets that are not available to the Group.

Particulars	2020	2019
Cash and cash equivalents (see Note 3)	2,815,499	3,269,272
Restricted cash and cash equivalents	<u>(2,170,311)</u>	<u>(2,144,531)</u>
Available to Group without restriction	<u>645,188</u>	<u>1,124,741</u>

Particulars	2020	2019
Receivables	166,381	194,183
Restricted receivables	<u>(158,663)</u>	<u>(185,342)</u>
Available to Group without restriction	<u>7,718</u>	<u>8,841</u>

Particulars	2020	2019
Investment securities (see Note 4)	20,638,868	19,178,368
Restricted investment securities	<u>(19,812,094)</u>	<u>(18,888,458)</u>
Available to Group without restriction	<u>826,774</u>	<u>289,910</u>

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9. Pension and other post-retirement liabilities

A summary of the Group's pension and other post-retirement liabilities is summarised below.

	2020	2019
Net Defined Benefit Liability (Note 9 (a))	–	–
Group Life Liability (Note 9 (b))	2,555	2,471
Medical Benefit Liability (Note 9 (c))	16,553	15,690
Statement of financial position	<u>19,108</u>	<u>18,161</u>

a) Pension Benefits**i. Net Liability in consolidated statement of financial position**

	2020	2019
Present value of defined benefit obligation	244,866	229,013
Fair value of plan assets	<u>(250,560)</u>	<u>(235,405)</u>
Surplus	(5,694)	(6,392)
Effect on asset ceiling	<u>5,694</u>	<u>6,392</u>
Net Defined Benefit Liability/(Asset)	<u>–</u>	<u>–</u>

ii. Movement in consolidated statement of financial position

Opening present value of defined benefit obligation	229,013	208,222
Current service costs	11,206	10,745
Plan participant contributions	4,180	4,127
Interest cost	11,721	10,652
Actuarial gains on obligation	(6,835)	402
Benefit and expenses paid	<u>(4,419)</u>	<u>(5,135)</u>
Closing present value of defined benefit obligation	<u>244,866</u>	<u>229,013</u>

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(Continued)

9. Employee benefits (continued)**a) Pension Benefits (continued)**

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

	2020	2019
Active members	67%	68%
Deferred members	14%	12%
Pensioners	19%	20%

96% of the benefits for active members are vested.

27% 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 15.1 years.

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

	2020	2019
Opening fair value of plan assets	235,405	212,000
Expected return	12,052	10,859
Actuarial loss	(8,294)	2,067
Employer contributions for current service	11,636	11,487
Plan participant contributions for current service	4,180	4,127
Benefits and expenses paid	<u>(4,419)</u>	<u>(5,135)</u>
Closing fair value of plan assets	<u>250,560</u>	<u>235,405</u>
Actual return on plan assets	<u>3,758</u>	<u>12,926</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

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(Continued)

9. Employee benefits (continued)

a) Pension Benefits (continued)

iii (b). Asset allocation

	2020	2019
Universal Retirement Fund	186,187	172,980
TT\$ Income Fund	24,371	30,742
TT\$ National Insurance bonds	13,641	13,708
TT\$ Government bonds	24,832	10,158
Cash and cash equivalents	<u>1,529</u>	<u>7,817</u>
	<u>250,560</u>	<u>235,405</u>

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.

iv. Expense recognised in the consolidated statement of profit or loss

	2020	2019
Current service costs	<u>11,206</u>	<u>10,745</u>

v. Re-measurements recognised in other comprehensive income

	2020	2019
Actuarial (gains)/losses	1,459	(1,665)
Effect of asset ceiling	<u>(1,029)</u>	<u>2,407</u>
	<u>430</u>	<u>742</u>

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(Continued)

9. Employee benefits (continued)

a) Pension Benefits (continued)

vi. Summary of principal assumptions as at 31 December

	2020	2019
Discount rate	5.00%	5.00%
Average individual salary increases	4.00%	4.00%
Future pension increases	0.00%	0.00%

b) Group Life Benefits

i. Net Liability in consolidated statement of financial position

	2020	2019
Present value of defined benefit obligation	2,555	2,471
Fair value of plan assets	<u>—</u>	<u>—</u>
Benefit	2,555	2,471
Effect on asset ceiling	<u>—</u>	<u>—</u>
Net Defined Benefit Liability	<u>2,555</u>	<u>2,471</u>

ii. Movement in consolidated statement of financial position

Opening present value of defined benefit obligation	2,471	2,012
Current service costs	129	175
Interest cost	122	99
Experience adjustments	(111)	700
Actuarial loss/(gain) on obligation	—	(466)
Benefit paid	<u>(56)</u>	<u>(49)</u>
Closing present value of defined benefit obligation	<u>2,555</u>	<u>2,471</u>

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(Continued)

9. Employee benefits (continued)**b) Group Life Benefits (continued)**

iii. Expense recognised in the consolidated statement of profit or loss

	2020	2019
Current service costs	129	175
Net interest costs	122	99
Past service cost/(credit)	<u>—</u>	<u>—</u>
	<u>251</u>	<u>274</u>

iv Re-measurements recognised in other comprehensive income

	2020	2019
Experience (gains)/losses	(111)	234
Effect of asset ceiling	<u>—</u>	<u>—</u>
	<u>(111)</u>	<u>234</u>

c) Medical Benefits

i. Net Liability in consolidated statement of financial position

	2020	2019
Present value of defined benefit obligation	16,553	15,690
Fair value of plan assets	<u>—</u>	<u>—</u>
Benefit	16,553	15,690
Effect on asset ceiling	<u>—</u>	<u>—</u>
Net Defined Benefit Liability	<u>16,553</u>	<u>15,690</u>

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(Continued)

9. Employee benefits (continued)

c) Medical Benefits (continued)

ii. Movement in consolidated statement of financial position

Opening present value of obligation	15,690	11,971
Current service costs	872	449
Interest cost	777	592
Experience adjustments	(470)	(2,606)
Actuarial loss/(gain) on obligation	–	5,541
Benefit paid	<u>(316)</u>	<u>(257)</u>
Closing present value of obligation	<u>16,553</u>	<u>15,690</u>

iii. Expense recognised in the consolidated statement of profit or loss

	2020	2019
Current service costs	872	449
Net interest costs	777	592
Past service cost/(credit)	<u>–</u>	<u>–</u>
	<u>1,649</u>	<u>1,041</u>

iv Re-measurements recognised in other comprehensive income

	2020	2019
Experience (gains)/losses	(470)	2,935
Effect of asset ceiling	<u>–</u>	<u>–</u>
	<u>(470)</u>	<u>2,935</u>

v. Summary of principal assumptions as at 31 December

	2020	2019
Discount rate	5.00%	5.00%
Average individual salary increases	4.00%	4.00%

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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 Dollar Income Fund, the Universal Retirement Fund, the US Dollar 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 unitholders/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.

	2020	2019
Initial Capital Growth and Income Fund	4,766	4,766
Unit Capital Growth and Income Fund	5,249,177	5,348,738
Unit Capital TT Dollar Income Fund	12,393,600	11,553,551
Unit Capital Universal Retirement Fund	371,921	346,512
Unit Capital US Dollar Income Fund	4,106,210	3,939,498
Participating Shares UTC (Cayman) SPC Ltd.	<u>7,770</u>	<u>8,544</u>
	<u>22,133,444</u>	<u>21,201,609</u>

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 as at 31 December 2020 was \$4.8 million (2019: \$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 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 Note 27 (i) to (iv). Financial information for UTC (Cayman) SPC Ltd. is provided in Note 27 (v).

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11. Investment income

The Group's investment income is analysed by major entity and type of income below:

Entity	2020	2019
Growth & Income Fund	130,687	182,017
TT Dollar Income Fund	334,352	344,893
Universal Retirement Fund	7,724	10,791
US Dollar Income Fund	107,352	110,300
UTC (Cayman) SPC Ltd.	411	606
Local subsidiaries Corporation	670	—
	<u>24,277</u>	<u>35,115</u>
	<u>605,473</u>	<u>683,722</u>
Type of income	2020	2019
Interest income	526,162	553,354
Dividend income	78,120	126,635
Other income	1,191	3,733
	<u>605,473</u>	<u>683,722</u>

12. 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	2020	2019
Growth & Income Fund	(8,260)	401,459
TT Dollar Income Fund	47,731	101,046
Universal Retirement Fund	8,048	28,807
US Dollar Income Fund	75,172	111,519
UTC (Cayman) SPC Ltd. Corporation	1,460	1,147
	<u>257</u>	<u>(4,350)</u>
	<u>124,408</u>	<u>639,628</u>

The fair value on investment securities is determined in accordance with the significant accounting policies note 2(f).

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(Continued)

13. Foreign exchange gains/(losses)

The exchange differences credited to the consolidated statement of profit or loss are included in Other Income as follows:

	2020	2019
Foreign exchange loss	<u>(3,656)</u>	<u>(1,350)</u>

14. Fee income

	2020	2019
Management charge - third parties	3,772	4,526
Trustee fees	20	20
Paying agent fees	15	15
	<u>3,807</u>	<u>4,561</u>

15. Administrative expenses

	2020	2019
Audit fees	402	362
Directors' fees	2,746	3,000
General administration	111,352	109,311
Staff costs (see note 16)	148,234	140,913
	<u>262,734</u>	<u>253,586</u>

16. Staff costs

	2020	2019
Salaries and wages	101,605	98,743
Other staff costs	27,464	23,842
Pension costs (see note 9)	13,106	12,060
National Insurance	6,059	6,268
	<u>148,234</u>	<u>140,913</u>

Number of employees	<u>529</u>	<u>527</u>
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(Continued)

17. Distributions to unitholders

	2020	2019
Growth & Income Fund	22,743	71,704
TT Dollar Income Fund	169,179	155,053
US Dollar Income Fund	46,525	38,632
	<u>238,447</u>	<u>265,389</u>

a) Growth & Income Fund

The Growth & Income Fund paid \$22.7 million to its unitholders in respect of its June 2020 and December 2020 distributions (2019: \$71.7 million). Included in the \$22.7 million was distributions paid to initial capital contributors of \$0.3 million (2019: \$0.3 million)

b) TT Dollar Income Fund

The TT Dollar Income Fund makes quarterly distributions at the end of February, May, August and November. Income accrued as at 31 December for distributions in the quarter ending 28 February 2021 amounted to \$13.7 million (2019: \$13.9 million).

c) US Dollar Income Fund

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

18. Taxation

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

	2020	2019
Net income before taxation	66,389	104,749
less: income taxed at 0%	<u>(65,766)</u>	<u>(104,743)</u>
Net income subject to tax	<u>623</u>	<u>6</u>
Corporation tax charge/(refund) for foreign subsidiaries	319	(107)
Withholding tax on interest and dividends received	7,145	4,426
Green Fund Levy	<u>1,044</u>	<u>1,080</u>
	<u>8,508</u>	<u>5,399</u>

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19. Related party transactions and balances

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. has significant influence over the Corporation or one of its subsidiaries; 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.

	2020	2019
Key management transactions		
Loan balances	<u>52</u>	<u>104</u>
Represented by:		
Balance at the beginning of the year	104	334
Loans advanced	–	–
Loan repayments	(52)	(230)
Interest income	–	10
Interest received	<u>–</u>	<u>(10)</u>
Balance at the end of the year	<u>52</u>	<u>104</u>

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(Continued)

19. Related party transactions and balances (continued)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Key management - compensation

	2020	2019
Short-term benefits	22,143	19,336
Post employment benefits	<u>6,006</u>	<u>5,861</u>
	<u>28,149</u>	<u>25,197</u>

Key management - balances in Funds managed by the Corporation

	2020	2019
Units held by key management	<u>5,043</u>	<u>1,568</u>

Other related party transactions - directors remuneration

	2020	2019
Directors' fees (see Note 15)	<u>2,746</u>	<u>3,000</u>

Other related party transactions - directors balances in Funds under management

	2020	2019
Units in funds under management	<u>3,402</u>	<u>1,754</u>

All transactions with related parties were undertaken on commercial terms and on an arms-length basis. No expense was recognised 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.

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(Continued)

20. Fair value of financial instruments**(i) Determination of fair value and fair value hierarchies**

The Group uses a valuation hierarchy to rank the fair value of its investments (see Note 2 (f)).

2020	Level 1	Level 2	Level 3	Total
Investment securities designated at FVPL				
Bonds	501,261	-	12,351,167	12,852,428
Equity	2,172,248	-	250,015	2,422,263
Treasury bills	803,277	-	-	803,277
Fixed-term deposits	1,581,997	-	-	1,581,997
Short-term investments	881,499	-	-	881,499
Commercial paper	114,644	-	-	114,644
Exchange Traded Funds (ETFs)	1,398,326	-	-	1,398,326
Bond Exchange Traded Funds	466,503	-	-	466,503
Private equity	-	-	3,629	3,629
Mutual funds	114,302	-	-	114,302
	<u>8,034,057</u>	<u>-</u>	<u>12,604,811</u>	<u>20,638,868</u>

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(Continued)

20. Fair value of financial instruments (continued)

(i) Determination of fair value and fair value hierarchies (continued)

2019	Level 1	Level 2	Level 3	Total
Investment securities designated at FVPL				
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	—	—	526,872	526,872
Private equity	—	—	10,933	10,933
Mutual funds	5,164	—	—	5,164
	<u>9,898,139</u>	<u>—</u>	<u>9,280,229</u>	<u>19,178,368</u>

At each reporting date the Group assesses the fair value hierarchy of its financial instruments. A transfer between levels will occur when a financial instrument no longer meets the criteria in which the financial instrument is classified.

There were no transfers between levels for the year ended 31 December 2020 (2019: there were no transfers between levels).

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(Continued)**20. Fair value of financial instruments****(ii) 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 investment securities are set out in Note 2 (f). The tables below summarise the valuation techniques used in estimating the fair value of level 3 investment 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 tables are expressed in millions of dollars.

2020 Investment securities designated at FVPL	Level 3 fair value	Valuation technique	Significant unobservable inputs	Possible shift in inputs	Changes in valuation
Bonds	12,351	Valuation model, Trading prices Professional/ management valuations	Interest rates, spreads	1%	124
Equity	250		Not applicable	Not applicable	Not applicable
Structured bonds	–	Broker quotations	Interest rates, spreads	1%	–
Private equity	4	General partner's valuation	Not applicable	Not applicable	Not applicable
Other	–	Cost	Not applicable	Not applicable	Not applicable
	<u>12,605</u>				<u>124</u>

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(Continued)

20. Fair value of financial instruments (continued)

(ii) Valuation techniques used to derive Level 3 fair values (continued)						
2019	Investment securities designated at FVPL	Level 3 fair value	Valuation technique	Significant unobservable inputs	Possible shift in inputs	Changes in valuation
Bonds	8,415	Valuation model, Trading prices	Interest rates, spreads	1%	120	
Equity	327	Professional/management valuations	Not applicable	Not applicable	Not applicable	
Structured bonds	527	Broker quotations	Interest rates, spreads	1%	–	
Private equity	11	General partner's valuation	Not applicable	Not applicable	Not applicable	
Other	–	Cost	Not applicable	Not applicable	Not applicable	
	<u>9,280</u>				<u>120</u>	

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20. Fair value of financial instruments (continued)

(iii) Movements in Level 3 financial instruments

Values in the following tables are expressed in millions of dollars.

2020	Investment securities designated at FVPL	Carrying value Level 3 1 Jan 2020	Purchases/ Capitalised interest	Sales/ Repayments/ Maturities	Net gains/ (losses) recognised in P&L	Unrealised gains/(losses) recognised in OCI	Carrying value Level 3 31 Dec 2020	Fair Values
	Bonds	8,415	6,644	(2,796)	88	-	12,351	12,351
	Equity	327	-	-	(77)	-	250	250
	Structured bonds	527	-	(533)	6	-	(0)	(0)
	Private equity	11	2	-	(9)	-	4	4
	Other	-	-	-	-	-	-	-
		<u>9,280</u>	<u>6,646</u>	<u>(3,329)</u>	<u>8</u>	<u>-</u>	<u>12,605</u>	<u>12,605</u>

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(Continued)

20. Fair value of financial instruments (continued)

(iii) Movements in Level 3 financial instruments (continued)

Values in the following tables are expressed in millions of dollars.

2019 Investment securities designated at FVPL	Carrying value Level 3 1 Jan 2019	Purchases/ Capitalised interest	Sales/ Repayments/ Maturities	Net gains/ (losses) recognised in P&L	Unrealised gains/(losses) recognised in OCI	Carrying value Level 3 31 Dec 2019	Fair Values
Bonds	8,978	4,637	(4,729)	(471)	-	8,415	8,415
Equity	328	-	-	(1)	-	327	327
Structured bonds	603	-	(82)	6	-	527	527
Private equity	98	-	(104)	17	-	11	11
Other	2	-	(2)	-	-	-	-
	<u>10,009</u>	<u>4,637</u>	<u>(4,917)</u>	<u>(449)</u>	<u>-</u>	<u>9,280</u>	<u>9,280</u>

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21. Risk management

The financial assets and liabilities of the Group are summarised below.

	2020	2019
Financial assets		
Cash and cash balances (see Note 3)	2,815,499	3,269,272
Receivables	166,381	194,183
Other assets	7,630	7,617
Investment securities (see Note 4)	20,638,868	19,178,368
Financial liabilities		
Accounts payable and short-term liabilities	75,314	70,566
Lease liabilities	15,386	16,405
Distribution payable	36,182	38,829
Other liabilities	3,271	4,532
Net assets attributable to unitholders	22,133,444	21,201,609

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21. Risk management (continued)

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 minimise 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 2020, 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 internal audit departments.

Risk exposures

The primary 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 optimising returns.

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 (Continued)

21. Risk management (continued)

Equity and ETF price risk

Equity and ETF price risk is the risk that the fair value of the 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 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 categorised 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	Comparable to market	Higher than market
As at December 2020	1,938,273 50.7%	782,242 20.5%	1,100,074 28.8%
As at December 2019	1,844,028 61.2%	1,029,980 34.2%	137,937 4.6%

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21. 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.

Values in the following table are expressed in millions of dollars.

Market indices	Change in equity price %	Effect on net asset value	
		2020 +/-	2019 +/-
TTSE	+/- 5	73.5	39.7
S&P 500	+/- 5	70.7	47.0

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 (2) Income Funds - TTS Income Fund and the US\$ 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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(Continued)

21. Risk management (continued)**Interest rate risk (continued)**

The Group's exposure to interest rate risk as at 31 December 2020 is summarised below. The Group's assets and liabilities are included at their carrying amount and categorised by the earlier of contractual re-pricing or maturity dates.

2020	Less than one year	One to five years	Over five years	Total
Assets				
Cash & cash equivalents	2,815,499	–	–	2,815,499
Treasury bills	803,277	–	–	803,277
Fixed-term deposits	1,581,997	–	–	1,581,997
Short-term investments	881,499	–	–	881,499
Commercial paper	114,644	–	–	114,644
Bonds (FVPL)	2,533,069	7,499,696	2,819,663	12,852,428
Bond Exchange Traded Funds	466,503	–	–	466,503
Liabilities				
Lease liability (see Note 6)	(6,269)	(8,034)	(1,083)	(15,386)
Rate re-pricing position	<u>9,190,219</u>	<u>7,491,662</u>	<u>2,818,580</u>	<u>19,500,461</u>

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(Continued)

21. Risk management (continued)

Interest rate risk (continued)

2019	Less than one year	One to five years	Over five years	Total
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 Products (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	4,791,721	2,620,012	19,076,302

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21. Risk management (continued)

Currency risk

Currency risk is the risk that the fair value or 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 as at 31 December are summarised below.

	2020		2019	
	US\$ (presented in TT\$)	Other foreign currencies	US\$ (presented in TT\$)	Other foreign currencies
Cash & cash equivalents	477,195	–	1,001,199	7
Prepayments and Other assets	–	–	7,353	–
Treasury bills	269,827	–	1,061,411	–
Fixed-term deposits	166,586	–	57,310	–
Short-term investments	273,205	–	240,289	–
Commercial paper	114,644	–	1,467,093	–
Bonds (FVPL)	5,418,066	–	2,957,387	–
Bond Exchange Traded Funds	466,503	–	526,872	–
Equities, ETFs, Private equity and Mutual Funds	1,880,670	73,363	1,271,283	–
Total financial assets	9,066,696	73,363	8,590,197	7
Net assets attributable to Unitholders (see Note 10)	(4,113,979)	–	(3,939,498)	–
Total financial liabilities	(4,113,979)	–	(3,939,498)	–
Net currency risk exposure	4,952,717	73,363	4,650,699	7
Reasonably possible change in currency rate	1%	1%	1%	1%
Approximate change in US\$ holdings	49,527	734	46,507	0

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21. Risk management (continued)

Currency risk (continued)

Concentration of foreign currency exposure

	2020	2019
% of total financial assets	21%	38%

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 analysed 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.

The security ratings by S&P and their corresponding impact on the credit quality on the investment securities are:

- ratings with AAA to BBB- are considered high credit quality instruments
- ratings with BB+ to B- are considered medium credit quality instruments
- ratings with CCC+ and below are considered low credit quality instruments

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(Continued)

21. Risk management (continued)

Credit risk (continued)

Values in the following table are expressed in millions of dollars.

	High	Medium	Low	Total
2020				
Debt securities	11,275	1,221	357	12,853
Treasury bills	803	–	–	803
Fixed-term deposits	1,582	–	–	1,582
Short-term investments	881	–	–	881
Commercial paper	115	–	–	115
Bond Exchange Traded Funds	467	–	–	467
Bank balances	2,815	–	–	2,815
Total financial assets	17,938	1,221	357	19,516
2019				
Debt securities	7,490	855	1,053	9,398
Treasury bills	1,846	–	–	1,846
Fixed-term deposits	1,574	–	–	1,574
Short-term investments	1,505	–	–	1,505
Commercial paper	1,501	–	–	1,501
Structured bonds	526	–	–	526
Bank balances	3,269	–	–	3,269
Total financial assets	17,711	855	1,053	19,619

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(Continued)

21. 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 tradeable.

Analysis of financial liabilities by remaining contractual maturities

The tables below summarise the maturity profile of the Group's financial liabilities as at 31 December 2020 and 2019, based on contractual repayment obligations, over the remaining life of those liabilities.

	Less than one year	Greater than one year	Total
2020			
Accounts payable and short-term liabilities	75,314	–	75,314
Lease liabilities	6,269	9,117	15,386
Distribution payable	36,182	–	36,182
Other liabilities	3,271	–	3,271
Net assets attributable to unitholders	<u>22,133,444</u>	<u>–</u>	<u>22,133,444</u>
	<u>22,254,480</u>	<u>9,117</u>	<u>22,263,597</u>

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(Continued)

21. Risk management (continued)**Liquidity risk (continued)***Analysis of financial liabilities by remaining contractual maturities (continued)*

	Less than one year	Greater than one year	Total
2019			
Accounts payable and short-term liabilities	70,566	–	70,566
Lease liabilities	5,631	10,774	16,405
Distribution payable	38,829	–	38,829
Other liabilities	4,532	–	4,532
Net assets attributable to unitholders	<u>21,201,609</u>	<u>–</u>	<u>21,201,609</u>
	<u>21,321,167</u>	<u>10,774</u>	<u>21,331,941</u>

22. 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.

23. Commitments

As at 31 December, the Group had contractual obligations for capital contributions in the amounts of approximately \$ 38.5 million (2019: \$20.13 million) which relates to infrastructure projects and other investments.

24. Contingent liabilities

As at 31 December 2020, there were six (6) matters before the Courts. The contingent liability in relation to the six (6) matters is estimated at \$3.78 million (2019: \$2.8 million).

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25. Interest in corporate entities

(i) 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
Unit Trust Corporation Financial and Investment Advisory Services Limited (formerly 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 (2) companies are directors of the Corporation. Unit Trust Corporation Financial and Investment Advisory 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 Unit Trust Corporation Financial and Investment Advisory Services Limited and UTC Trust Services Limited is the Auditor General's Department of the Republic of Trinidad and Tobago.

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25. Interest in corporate entities

(ii) Foreign corporate entities

The Corporation has three (3) foreign subsidiaries which are consolidated. These are:

Company	Interest	Country of incorporation	Date of incorporation
UTC Fund Services, Inc.	100%	Delaware, USA	8 December 1997
UTC Financial Services USA, Inc	100%	Rhode Island, USA	8 June 1999
UTC (Cayman) SPC Ltd.	69%	Cayman Islands	4 September 2015

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.	Pricewaterhouse Coopers, Cayman Islands

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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.

	2020	2019
Growth and Income Fund	5,281,488	5,379,701
TT Dollar Income Fund	12,423,783	11,588,597
Universal Retirement Fund	372,661	347,106
US Dollar Income Fund	<u>4,126,388</u>	<u>3,960,832</u>
Total assets	<u>22,204,320</u>	<u>21,276,236</u>

Summarised financial information for the locally domiciled funds is provided in Notes 27.

27. Summarised financial information

(i) Growth and Income Fund

The table below summarises financial information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2020 and 2019.

	2020	2019
Cash and cash equivalents	203,596	326,653
Receivables	29,641	33,871
Investment securities	<u>5,048,251</u>	<u>5,019,177</u>
Total Assets	<u>5,281,488</u>	<u>5,379,701</u>
Liabilities	27,544	26,200
Equity	<u>5,253,944</u>	<u>5,353,501</u>
Total liabilities and equity	<u>5,281,488</u>	<u>5,379,701</u>

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27. Summarised financial information (continued)

(i) Growth and Income Fund (continued)

	2020	2019
Investment income	<u>118,582</u>	<u>583,475</u>
Net income	<u>10,690</u>	<u>474,793</u>
Distributions	<u>(22,743)</u>	<u>(71,704)</u>
Total comprehensive (loss)/ income for the year	<u>(12,053)</u>	<u>403,089</u>
Net cash flow provided by operating activities	18,381	7,586
Net cash used in investing activities	(29,193)	(74,026)
Net cash (used in)/provided by financing activities	<u>(112,245)</u>	<u>(13,593)</u>
Net change in cash flows for the year	<u>(123,057)</u>	<u>(80,033)</u>

The table below analyses the investment securities held by the Growth & Income Fund.

	2020	2019
Category		
Government securities	951,687	952,635
Corporate securities	265,404	258,378
Equity and ETFs (local and foreign)	3,603,532	3,140,879
Short-term investments	<u>227,628</u>	<u>667,285</u>
Total	<u>5,048,251</u>	<u>5,019,177</u>

	2020	2019
Classification		
Fair value through profit or loss	<u>5,048,251</u>	<u>5,019,177</u>
Total	<u>5,048,251</u>	<u>5,019,177</u>

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(Continued)

27. Summarised financial information (continued)

(i) 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 & Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan. During 2020 calls totalling \$0.4 million (2019: \$0.5 million) were made on the reserve. The Corporation, the guarantor (see Note 2 (1)), met the calls on the reserve.

In 2012, the Board approved the establishment of a Secondary Reserve Facility for the Growth & Income Fund (First Unit Scheme). The Secondary Reserve is used to fund requirements for capital reinstatement and/or distribution liabilities of the Growth & Income Fund. The balance in the Secondary Reserve Facility was nil for 2020 and 2019.

A summary of the transactions in the Growth & Income Fund Guarantee Reserve is provided below.

Fund Reserve	2020	2019
Fund reserve as at 1 January	–	–
Allocation to reserve (Growth & Income Fund)	–	–
Call on Reserve	384	469
Allocation to reserve (Corporation)	<u>(384)</u>	<u>(469)</u>
Fund reserve as at 31 December	<u>–</u>	<u>–</u>

No transfers to support the Growth & Income Fund were required during the year 2020 or 2019. The Corporation is the sponsor of the Growth & Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

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27. Summarised financial information (continued)

(ii) TT Dollar Income Fund

The table below summarises financial information for the TT Dollar Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2020 and 2019.

	2020	2019
Cash and cash equivalents	1,760,964	1,468,134
Receivables	254,154	206,446
Investment securities	<u>10,408,665</u>	<u>9,914,017</u>
Total Assets	<u>12,423,783</u>	<u>11,588,597</u>
Liabilities	29,841	33,986
Equity	<u>12,393,942</u>	<u>11,554,611</u>
Total liabilities and equity	<u>12,423,783</u>	<u>11,588,597</u>
	2020	2019
Investment income	<u>383,614</u>	<u>445,938</u>
Net income	<u>229,399</u>	<u>303,548</u>
Distributions	(169,179)	(155,052)
Allocations to reserves (see paragraphs below)	<u>–</u>	<u>(700)</u>
Total comprehensive income for the year	<u>60,220</u>	<u>147,796</u>
Net cash flow provided by operating activities	139,516	174,482
Net cash (used in)/provided by investing activities	(438,700)	560,842
Net cash provided by financing activities	<u>592,014</u>	<u>107,271</u>
Net change in cash flows for the year	<u>292,830</u>	<u>842,595</u>

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27. Summarised financial information (continued)

(ii) TT Dollar Income Fund (continued)

The table below analyses the investment securities held by the TT Dollar Income Fund

	2020	2019
Category		
Government securities	5,333,394	3,580,457
Corporate securities	2,877,810	2,218,048
ETFs (foreign)	197,823	–
Short-term investments	<u>1,999,638</u>	<u>4,115,512</u>
Total	<u>10,408,665</u>	<u>9,914,017</u>
	2020	2019
Classification		
Fair value through profit or loss	<u>10,408,665</u>	<u>9,914,017</u>
Total	<u>10,408,665</u>	<u>9,914,017</u>

TT Dollar Income Fund reserves

In accordance with the provisions of Section 13 of the TT Dollar Income Fund (Second Unit Scheme) regulations issued under the Act, the Corporation established two (2) reserves in respect of the TT Dollar Income Fund - a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise on the realisation of securities in the portfolio of the Fund. The Secondary Reserve was established to augment the capital maintenance capabilities of the Fund and to provide for the funding of any distribution liability which may arise.

There were no calls on either reserve during 2020 or 2019.

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27. Summarised financial information (continued)

(ii) TT Dollar Income Fund (continued)

TT Dollar Income Fund reserves (continued)

A summary of the transactions in the TT Dollar Income Fund Reserves is provided below.

Primary Reserve	2020	2019
Fund reserve as at 1 January	56,038	54,677
Allocation to primary reserve	–	700
Interest earned on the reserve	949	661
Primary reserve as at 31 December	56,987	56,038
Secondary Reserve	2020	2019
Fund reserve as at 1 January	21,355	21,104
Allocation to primary reserve	–	–
Interest earned on the reserve	362	251
Secondary reserve as at 31 December	21,717	21,355
	2020	2019
Total Fund reserve as at 31 December	78,704	77,393

No transfers to support the TT Dollar Income Fund were required during the year 2020 or 2019. The Corporation is the sponsor of the TT Dollar Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

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27. Summarised financial information (continued)

(iii) Universal Retirement Fund

The table below summarises financial information for the Universal Retirement Fund (before inter-entity eliminations or consolidation adjustments) for the years 2020 and 2019.

	2020	2019
Cash and cash equivalents	18,227	10,162
Receivables	2,289	70,122
Investment securities	<u>352,145</u>	<u>266,822</u>
Total Assets	<u>372,661</u>	<u>347,106</u>
Liabilities	740	594
Equity	<u>371,921</u>	<u>346,512</u>
Total liabilities and equity	<u>372,661</u>	<u>347,106</u>
	2020	2019
Investment income	<u>15,358</u>	<u>39,599</u>
Total comprehensive income for the year	<u>8,039</u>	<u>32,591</u>
Net cash flow provided by/(used in) operating activities	68,369	(69,620)
Net cash (used in)/provided by investing activities	(76,364)	32,634
Net cash provided by financing activities	<u>16,060</u>	<u>16,750</u>
Net change in cash flows for the year	<u>8,065</u>	<u>(20,236)</u>

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 (Continued)

27. Summarised financial information (continued)

(iii) Universal Retirement Fund (continued)

The table below analyses the investment securities held by the Universal Retirement Fund.

	2020	2019
Category		
Government securities	37,379	29,091
Corporate securities	27,151	25,668
Equity and ETFs (local and foreign)	275,871	161,488
Short-term investments	11,744	50,575
Total	<u>352,145</u>	<u>266,822</u>
	2020	2019
Classification		
Fair value through profit or loss	<u>352,145</u>	<u>266,822</u>
Total	<u>352,145</u>	<u>266,822</u>

No transfers to support the Universal Retirement Fund were required during the year 2020 or 2019. The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the Fund financially and otherwise as necessary.

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27. Summarised financial information (continued)

(iv) US Dollar Income Fund

The table below summarises financial information for the US Dollar Income Fund (before inter-entty eliminations or consolidation adjustments) for the years 2020 and 2019.

	2020	2019
Cash and cash equivalents	130,237	238,511
Receivables	141,233	143,376
Investment securities	<u>3,854,918</u>	<u>3,578,945</u>
Total Assets	<u>4,126,388</u>	<u>3,960,832</u>
Liabilities	18,025	18,967
Equity	<u>4,108,363</u>	<u>3,941,865</u>
Total liabilities and equity	<u>4,126,388</u>	<u>3,960,832</u>
	2020	2019
Investment income	<u>182,391</u>	<u>221,819</u>
Net income	<u>129,571</u>	<u>160,988</u>
Distributions	(46,491)	(38,631)
Allocations to reserves (see paragraphs below)	<u>—</u>	<u>(2,031)</u>
Total comprehensive income for the year	<u>83,081</u>	<u>120,326</u>
Net cash flow provided by/(used in) operating activities	42,728	37,882
Net cash provided by/(used in) investing activities	(218,920)	173,150
Net cash (used in)/provided by financing activities	<u>69,032</u>	<u>(310,883)</u>
Net change in cash flows for the year	<u>(107,160)</u>	<u>(99,851)</u>

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27. Summarised financial information (continued)

(iv) US Dollar Income Fund (continued)

The table below analyses the investment securities held by the US Dollar Income Fund.

	2020	2019
Category		
Government securities	2,543,534	361,884
Corporate securities	889,776	1,807,432
Short-term investments	<u>421,608</u>	<u>1,409,629</u>
Total	<u>3,854,918</u>	<u>3,578,945</u>
	2020	2019
Classification		
Fair value through profit or loss	<u>3,854,918</u>	<u>3,578,945</u>
Total	<u>3,854,918</u>	<u>3,578,945</u>

US Dollar Income Fund reserves

In accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation established two (2) reserves in respect of the US Dollar Income Fund - a Primary Reserve and a Secondary Reserve.

The Primary Reserve was established to satisfy any shortfall that may arise on the realisation of securities in the portfolio of the Fund. The Secondary Reserve was established to augment the capital maintenance capabilities of the Fund and to provide for the funding of any distribution liability which may arise.

There were no calls on the reserve during 2020 and 2019.

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27. Summarised financial information (continued)

(iv) US Dollar Income Fund (continued)

US Dollar Income Fund reserves (continued)

A summary of the transactions in the US Dollar Income Fund Reserves is provided below.

Primary Reserve	2020	2019
Fund reserve as at 1 January	59,954	57,427
Allocation to primary reserve	–	2,031
Interest earned on the reserve	469	542
Foreign exchange translation	(203)	(46)
Primary reserve as at 31 December	60,220	59,954
Secondary Reserve	2020	2019
Fund reserve as at 1 January	37,417	37,106
Allocation to primary reserve	–	–
Interest earned on the reserve	293	334
Foreign exchange translation	(127)	(23)
Secondary reserve as at 31 December	37,583	37,417
	2020	2019
Total Fund reserve as at 31 December	97,803	97,371

No transfers to support the US Dollar Income Fund were required during the year 2020 or 2019. The Corporation is the sponsor of the US Dollar 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

FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

27. Summarised financial information (continued)

(v) UTC (Cayman) SPC Ltd.

The Corporation is the manager, sponsor, administrator and investment advisor of UTC (Cayman) SPC Ltd. The table below summarises financial information for UTC (Cayman) SPC Ltd. (before inter-entity eliminations or consolidation adjustments) for the years 2020 and 2019.

	2020	2019
Cash and cash equivalents	196	589
Receivables and prepayments	99	853
Investment securities	26,413	24,658
Total Assets	26,708	26,100
Liabilities	178	426
Equity	26,530	25,674
Total liabilities and equity	26,708	26,100
	2020	2019
Investment income	1,872	1,753
Total comprehensive income for the year	850	1,083
Net cash flow (used in)/provided by operating activities	(1,315)	(15,243)
Net cash provided by financing activities	924	6,796
Net change in cash flows for the year	(391)	(8,447)

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
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(Continued)

27. Summarised financial information (continued)

(v) UTC (Cayman) SPC Ltd. (continued)

The table below analyses the investment securities held by the UTC (Cayman) SPC Ltd.

	2020	2019
Category		
Exchange Traded Funds	<u>26,413</u>	<u>24,658</u>
Total	<u>26,413</u>	<u>24,658</u>

	2020	2019
Classification		
Fair value through profit or loss	<u>26,413</u>	<u>24,658</u>
Total	<u>26,413</u>	<u>24,658</u>



TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTICE

Annual General Meeting

In light of the current COVID-19 Pandemic, the restrictions made under the Public Health Ordinance 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 2021 Annual General Meeting, through a **Live Online Broadcast**.

The thirty-ninth (39th) Annual General Meeting of the TTUTC will be streamed live on Wednesday 26th May, 2021 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 Tuesday 25th May, 2021 to receive both the event reminders and the live feed link.

By Order of the Board



Dawn Seepersad
GENERAL COUNSEL &
CORPORATE SECRETARY
April 19, 2021
82 Independence Square
Port of Spain

625-UNIT (8648)
www.ttutc.com



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UTC FINANCIAL CENTRE
82 INDEPENDENCE SQUARE
PORT OF SPAIN, TRINIDAD AND TOBAGO

T: (868) 625-UNIT (8648)

F: (868) 624-0819

E: NEWS@TTUTC.COM

W: WWW.TTUTC.COM

625-UNIT

www.ttutc.com   