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 2023

OPINION

The consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation (the Corporation) for the year ended 31 December 2023 have been audited. The statements as set out on pages 1 to 96 comprise a Consolidated Statement of Financial Position as at 31 December 2023 and the 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 34, including a summary of material 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 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

BASIS FOR OPINION

3. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs). 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

4. Management of the Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards 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 financial reporting process of the Corporation.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED 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. The audit was carried out in accordance with section 30 (1) of the said Act.

8. The Auditor General's objectives are to obtain reasonable assurance about whether the consolidated 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 the principles and concepts of ISSAIs 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 consolidated financial statements.

9. As part of an audit in accordance with the principles and concepts of ISSAIs, 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

27TH MARCH, 2024
PORT OF SPAIN

JAIWANTIE RAMDASS
AUDITOR GENERAL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2023 $'000	2022 $'000
Assets			
Cash at bank	4	1,272,952	1,853,067
Deposits with banks	5	2,162,006	1,792,128
Receivables		186,393	199,844
Prepayments and other assets		24,465	27,105
Investment securities	6	21,351,794	21,100,070
Investment in joint venture	30	301	–
Property, plant and equipment	7	138,268	134,489
Right-of-use assets	8	17,047	20,856
Intangible assets	9	24,686	17,722
Total assets		**25,177,912**	**25,145,281**
Liabilities			
Accounts payable and short-term liabilities	10	111,962	106,825
Lease liabilities	8	18,132	21,610
Distribution payable		83,634	64,436
Pension and other post-retirement liabilities	11	22,777	36,461
Price guarantee provision	12	9,021	2,617
Net assets attributable to unitholders	13	23,210,698	23,266,544
Other liabilities		604	598
Total liabilities		**23,456,828**	**23,499,091**
Equity			
Statutory reserves		5,050	5,050
Revaluation reserve		328	(370)
Pension and other post retirement benefits reserve		(19,590)	(31,410)
Retained earnings		1,735,296	1,672,920
Total equity		**1,721,084**	**1,646,190**
Total liabilities and equity		**25,177,912**	**25,145,281**

These financial statements were approved by the Board of Directors and authorised for issue on 15 February 2024 and signed on its behalf by

Chairman

Executive Director

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2023 $'000	2022 $'000
Income			
Investment income	14	881,817	776,470
Net change in fair value of investment securities	15	19,771	(1,032,717)
Initial charge		7,001	10,136
Fee income	16	6,444	5,836
Other income	17	166	870
Total Income		915,199	(239,405)
Expenses			
Commissions		(8,670)	(11,007)
Administrative	18	(312,464)	(315,363)
Depreciation and amortisation	7,8,9	(22,273)	(21,348)
Total Expenses		(343,407)	(347,718)
Net income before guarantee adjustment		571,792	(587,123)
Price guarantee charge		(6,962)	(2,653)
Net income after guarantee adjustment		564,830	(589,776)
Distributions to unitholders	20	(308,744)	(256,283)
Income capitalised		(342)	48,063
Net income attributable to unitholders		(184,709)	857,152
Net income before finance charges		71,035	59,156
Finance charges	8	(1,497)	(690)
Share of profit of a joint venture accounted for using the equity method	30	302	–
Net income before taxation		69,840	58,466
Taxation	21	(12,165)	(6,236)
Net income for the year		57,675	52,230

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Group 2023 $'000	Group 2022 $'000
Net income for the year		57,675	52,230
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurements of pension and other post-retirement liabilities	11	16,521	1,847
Exchange differences on translation of foreign operations		698	(722)
Other comprehensive income for the year		17,219	1,125
Total comprehensive income for the year		74,894	53,355

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Statutory reserve fund	Pension and other post retirement benefits reserve	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2023	5,050	(31,410)	(370)	1,672,920	1,646,190
Profit for the year	–	–	–	57,675	57,675
Other comprehensive income for the year	–	16,521	698	–	17,219
Other equity movements	–	(4,701)	–	4,701	–
Balance as at 31 December 2023	5,050	(19,590)	328	1,735,296	1,721,084
Balance as at 1 January 2022	5,050	(33,257)	352	1,620,690	1,592,835
Profit for the year	–	–	–	52,230	52,230
Other comprehensive income for the year	–	1,847	(722)	–	1,125
Balance as at 31 December 2022	5,050	(31,410)	(370)	1,672,920	1,646,190

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Group 2023 $'000	Group 2022 $'000
Operating activities			
Net income before taxation		69,840	58,466
Adjustments to reconcile net income to net cash and cash equivalents from operating activities:			
Net (loss)/income attributable to unitholders		493,795	(648,932)
Share of profit of joint venture	30	(302)	–
Depreciation and amortisation	7,8,9	22,273	21,348
Gain on sale of property, plant and equipment		(12)	–
Increase in price guarantee provision	12	6,962	2,653
Net change in fair value on investment securities		(10,241)	1,072,852
Interest income	14	(755,005)	(654,980)
Dividend income		(106,894)	(96,860)
Interest portion of lease payments	8	1,497	690
Lease modifications		25	–
		(278,062)	(244,764)
Movement in net current assets			
Decrease in receivables		91,604	187,173
Decrease/(increase) in prepayments and other assets		2,640	(9,295)
Increase/(decrease) in accounts payable and liabilities		5,143	(137,126)
Increase in pension and other post retirement liabilities		2,837	5,676
Decrease in other movements in net assets attributable to unitholders	13	(12,173)	(4,195)
		(188,011)	(202,531)
Interest received		676,851	609,325
Dividend received		106,894	96,860
Taxation paid	21	(12,165)	(6,236)
Net cash flows from operating activities		583,569	497,418
Investing activities			
Purchase of property, plant and equipment		(15,305)	(5,406)
Purchase of intangible assets		(12,854)	(3,312)
Disposal of property, plant and equipment		171	31
Placement of deposits with banks		(1,351,975)	(1,933,969)
Matured deposits with banks		981,458	2,335,224
Purchase of investment securities		(12,721,435)	(17,082,421)
Disposal of investment securities		12,480,591	15,556,148
Net cash used in investing activities		(639,349)	(1,133,706)
Financing activities			
Subscriptions from unitholders	13	2,164,183	3,401,864
Redemptions by unitholders	13	(2,392,907)	(2,791,680)
Distributions to unitholders	20	(289,546)	(232,215)
Guarantee reserve payment	33	(558)	(36)
Principal portion of lease payments		(4,711)	(5,800)
Interest portion of lease payments	8	(1,497)	(690)
Net cash (used in)/from financing activities		(525,036)	371,443
Net loss/(gain) on foreign exchange		701	(723)
Net decrease in cash and cash equivalents		(580,115)	(265,567)
Cash at the beginning of the year		1,853,067	2,118,634
Cash at the end of the year		1,272,952	1,853,067

The accompanying notes form an integral part of these financial statements

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023
(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 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 Corporation's principal place of business is UTC Financial Centre, 82 Independence Square, Port of Spain.

On 20 May 2022, the Corporation entered into a 50/50 joint venture arrangement to offer a suite of collective investment schemes in Jamaica. The operations are conducted through GK Mutual Funds Limited and there was no activity to the period ended 31 December 2022. On 6 March 2023, GK Mutual Funds Limited launched three (3) collective investment schemes: GK US Dollar Income Fund, GK Jamaican Dollar Money Market Fund and GK Jamaican Dollar Growth and Income Fund. These collective investment schemes are registered in Jamaica with the Financial Services Commission (FSC).

During 2023, the Corporation expanded its operations into the Eastern Caribbean through its subsidiaries UTC Fund Management Services STL Limited (FMS) and UTC Global Balanced Fund Limited (GBFL). FMS and GBFL were incorporated under the Companies Act Chapter 13.01 of the Revised Laws of St. Luica to provide, inter alia, facilities for members of the public across the entire Eastern Caribbean Currency Union (ECCU) to invest in shares and securities. Both entities' principal place of business is Bella Rosa Road, Gros Islet, Saint Lucia.

The Consolidated Financial Statements of the Corporation and its subsidiaries, which include its controlled entities, (collectively "the Group") for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 15 February 2024.

2. Material Accounting Policies

The material 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). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- International Accounting Standards (IASs)
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

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 as described in Note 2 (p).
iv. Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year. These adjustments had no impact on the Group's profit or equity.

b) Basis of consolidation

The Financial Statements incorporate the separate financial statements of the Corporation, the financial statements of its collective investment schemes (or Funds) (see Note 32) and the financial statements of its incorporated subsidiaries (see Note 29). 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 certain 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 them.

The Group 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 the Group's obligation to deliver cash on presentation of such units/shares for redemption.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial year end of each entity consolidated is 31 December.

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 2022 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 2023. Although these new amendments and interpretations apply for the first time in 2023, 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.

IFRS 17, 'Insurance Contracts' – Effective 1 January 2023

IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The standard had no impact on the consolidated financial statements of the Group in the financial year 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies – Effective 1 January 2023

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2. **Material Accounting Policies (continued)**

c) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

IFRS 17, 'Insurance Contracts' – Effective 1 January 2023 (continued)

Amendments to IAS 8 – Definition of Accounting Estimates – Effective 1 January 2023

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendment had no impact on the consolidated financial statements of the Group in the financial year 2023.

Amendments to IAS 12 – Deferred Tax related at Assets and Liabilities arising from a Single Transaction – Effective 1 January 2023

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

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 and Non-current Liabilities with Covenants – Effective 1 January 2024
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback – Effective 1 January 2024
- Amendments to IAS 7 and IFRS 17 – Disclosures: Supplier Finance Arrangements – Effective 1 January 2024
- Amendments to IAS 21 – Lack of exchangeability – Effective 1 January 2025

d) Deposits with Banks

Deposits with Banks comprise highly liquid financial assets that are subject to an insignificant risk of changes in their fair value.

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.

Financial assets at fair value through profit or loss (FVPL)

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.

Financial assets at FVPL are those that are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

i. The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

ii. The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Financial assets at FVPL are recorded in the Consolidated Statement of Financial Position at fair value at the end of each reporting period. Changes in fair value are recorded 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 15. Fair value is determined in the manner described in Note 2 (f).

Interest earned on instruments designated at FVPL is accrued in interest income, using the effective interest rate (EIR) method (see Note 2 (m)), taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.

Dividend income from equity instruments measured at FVPL is recorded in the Consolidated Statement of Profit or Loss as Investment Income.

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.

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

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.

ii) Impairment of financial assets

At each reporting period the Group measures the loss allowance on its financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses (ECL).

2. **Material Accounting Policies (continued)**

e) **Financial Instruments**

ii) Impairment of financial assets (continued)

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount (after deduction of the loss allowance). A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment that is more than 90 days past due is considered credit impaired.

Due to the short-term nature of the Group's financial assets the risk of loss is deemed negligible and the current 12-month ECL balance is nil.

iii) 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.

Any gain or loss on derecognition of financial assets measured at amortised cost is calculated as the difference between the book value (including impairment) and 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. 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 derecognising 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.

f) **Fair Value Measurement**

Valuation framework

The Group has established a control framework for the measurement of fair values. The framework includes a valuation team that is independent of front office management. The valuation team reports to a Valuation Committee comprising the Chief Financial Officer, Chief Risk Officer and other senior officers. On a monthly basis, the Valuation Committee reviews the prices for non-traded bonds prior to incorporation into the Group, while a meeting is held quarterly, or more frequently as required. The Valuation Committee reports to the Audit Committee in relation to significant changes to the valuation methodology. External independent valuators are used for the valuation of Land and buildings every three (3) years.

Valuation techniques

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, EBITDA multiples and revenue multiples and expected price volatilities and correlations.

The Group uses valuation models for determining the fair value of its financial instruments that use observable market data. Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the debt, equity and exchange-traded funds and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and the counterparty where appropriate.

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded.

An active market is a market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. For all other financial instruments, the Group determines fair values using other valuation techniques.

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- ***Level 1*** - Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- ***Level 2*** - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- ***Level 3*** - Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions such as trading comparables, transaction comparables are required to reflect differences between the instruments.

  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.

Valuation techniques for specific instruments

Equities traded in active markets

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.

2. **Material Accounting Policies (continued)**

f) **Fair Value Measurement (continued)**

Fair value hierarchy (continued)

Equities not traded in an active market (unquoted equities)

The fair value of significant holdings of unquoted equities is estimated by professional valuators and categorised as Level 3.

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

Private equity

The fair value of the Group's private equity holdings was provided by the General Partners of the entities and were categorised as Level 3.

Traded local and foreign bonds

Where quoted prices in an active market are available at the measurement date, those prices are used (Level 1 measurement). The Group measures instruments quoted in an active market at the closing price at the measurement date, because this price provides a reasonable approximation of the price that would be received to sell the bonds between market participants.

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 during the current financial year, effective 1 January 2019, the Corporation's Valuation Committee approved the following improvements to the model:

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

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 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.

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 and 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 in respect of lease payments and right-of-use assets representing the right to use the underlying assets.

(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 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.

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.

2. Material Accounting Policies (continued)

h) Leases (continued)

(b) Lease Liabilities (continued)

The lease liability is presented as a separate line item in the Consolidated Statement of Financial Position.

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 Consolidated 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.

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 11). 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.

(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 eligible units tends to contract. Conversely a decrease in the price of the units generally increases the total guarantee pricing liability as more units are eligible; and
(ii) General public sentiment with regard to the future performance of the local and global economy.

The Corporation has historically funded shortfalls in the guarantee reserve fund and is committed to doing so in the future. The guarantee pricing liability recognised as at 31 December 2023 was $9.0 million (2022: $2.6 million).

m) Revenue recognition

Interest income is recognised in the Consolidated Statement of Profit or Loss using the EIR method.

The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

Realised and unrealised investment gains and losses are recognised as income in the Consolidated Statement of Profit or Loss.

n) Investment in joint ventures

The Group holds a 50% interest in a joint venture, GK Mutual Funds Limited. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The joint venture investment is accounted for under the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

o) 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.

2. **Material Accounting Policies (continued)**

p) Foreign currency translation

The consolidated financial statements are presented in Trinidad and Tobago dollars (TT$), which is the functional currency of the Group. Transactions in foreign currencies are initially recorded in the functional currency at the mid-rate of exchange, quoted by the Central Bank of Trinidad and Tobago, ruling at the date prior to the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the mid-rate of exchange at the reporting date. Non-monetary assets and liabilities are translated using exchange rates that existed at the date of the initial transaction. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the Consolidated Statement of Profit or Loss.

On consolidation, the assets and liabilities in foreign operations are translated into TT$ at the mid-rate of exchange prevailing at the reporting date 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.

q) 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.

Revaluation Reserve

Exchange differences arising on translation of foreign controlled entities are recognised in Other Comprehensive Income, as described in note 2(o), and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

Pension and other post retirement benefits reserve

Actuarial gains/(losses), any change in the effect of the asset ceiling and revaluations related to the pension plan, the group life benefits post retirement plan and the medical benefits post retirement plan are recognised in Other Comprehensive Income.

r) 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.

Impairment losses are recognised in the Consolidated Statement of Profit or Loss.

s) Separate funds under management

The assets and liabilities pertaining to funds 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 $1.09 billion (2022: $1.1 billion).

3. **Significant accounting judgments, estimates and assumptions in applying accounting policies**

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.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial instruments risk management (see Note 25)
- Capital management (see Note 26)

a) Judgments

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 certain 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, the US Dollar Income Fund and the UTC Corporate Fund.
- The Group's decisions with respect to leases (see Note 8)

  – *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).

- The Group's decisions with respect to property, plant and equipment (see Note 7)

  – 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 expenditure. 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.

b) Estimates and assumptions

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 (l));
- 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 as described in Note 2 (f). Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (see Notes 2 (f), 23 and 24);

3. **Significant accounting judgments, estimates and assumptions in applying accounting policies (continued)**

b) Estimates and assumptions (continued)

- The cost and the present value of the defined benefit plan, the pension obligation, and other post-retirement benefits 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 11); and
- The Group cannot determine the interest rate implicit in the leases which it holds as lessee nor can it easily arrive at an incremental borrowing rate to measure its lease liabilities. The Group has used the Central Bank prime lending rate as a proxy for its incremental borrowing rate and used that rate to measure its lease liabilities. The Central Bank prime lending rate used is 7.50% (2022: 7.50%) (See Note 8).

4. **Cash at Bank**

	2023	2022
Corporation	462,219	529,222
Local collective investment schemes	770,630	1,280,014
Foreign funds	1,524	7,865
Other group entities	38,579	35,966
	1,272,952	1,853,067

Cash at bank represents the balances of the accounts held in the various financial institutions as at 31 December.

Cash at bank held by the Funds form part of the net assets of the respective Funds. In compliance with legislation, regulatory restrictions and best practice, all assets of each Fund, including cash at bank, are ring-fenced and are not available for use by other entities within the Group. Restricted cash as at 31 December was $0.76 billion (2022: $1.29 billion) (see Note 31).

5. **Deposits with Banks**

	2023	2022
Corporation	370,570	488,758
Local collective investment schemes	1,791,436	1,303,370
Other group entities	–	–
	2,162,006	1,792,128

Deposits with bank held by the Funds form part of the net assets of the respective Funds. In compliance with legislation, regulatory restrictions and best practice, all assets of each Fund, including deposits with banks, are ring-fenced and are not available for use by other entities within the Group. Restricted deposits with banks as at 31 December was $1.72 billion (2022: $1.31 billion) (see Note 31).

6. **Investment Securities**

Summaries of the investment securities held by the Group are provided by year, investment type and classification below.

Investment securities measured at fair value through profit and loss

	2023	2022
Bonds	16,155,520	16,300,441
Equity	2,972,279	3,385,540
Treasury bills	–	–
Short-term investments	679,428	788,730
Commercial paper	380,737	382,906
Exchange Traded Funds (ETFs)	814,318	85,560
Private equity	5,162	2,812
Collective investment schemes	344,350	154,081
Total investment securities	21,351,794	21,100,070

7. **Property, Plant and Equipment**

2023

	Land	Buildings	Computer equipment	Office Improvements	Office Furniture & Motor Vehicles	Total
Opening net book value	12,956	83,082	20,714	14,910	2,827	134,489
Additions	–	–	2,105	10,307	2,892	15,304
Disposals	–	–	(158)	–	(1)	(159)
Depreciation/amortisation	(22)	(2,359)	(5,040)	(3,193)	(753)	(11,367)
Closing net book value	12,934	80,723	17,621	22,024	4,965	138,267
As at 31 December 2023						
Cost	13,604	122,104	93,367	68,966	18,662	316,703
Accumulated depreciation/amortisation	(671)	(41,381)	(75,744)	(46,942)	(13,697)	(178,435)
Net book value	12,934	80,723	17,622	22,024	4,965	138,268

2022

	Land	Buildings	Computer equipment	Office Improvements	Office Furniture & Motor Vehicles	Total
Opening net book value	12,978	85,441	23,648	15,617	3,210	140,894
Additions	–	–	3,009	2,077	320	5,406
Disposals	–	–	(28)	–	(3)	(31)
Depreciation/amortisation	(22)	(2,359)	(5,915)	(2,784)	(700)	(11,780)
Closing net book value	12,956	83,082	20,714	14,910	2,827	134,489
As at 31 December 2022						
Cost	13,603	122,104	114,664	58,660	26,219	335,250
Accumulated depreciation/amortisation	(647)	(39,022)	(93,950)	(43,750)	(23,392)	(200,761)
Net book value	12,956	83,082	20,714	14,910	2,827	134,489

Land includes leasehold land of $2.2 million (2022: $2.2 million) and freehold land of $11.4 million (2022: $11.4 million). The lease period is 99 years starting in 1993.

7. **Property, Plant and Equipment (continued)**

Fair value of land and buildings

The fair value of land and buildings was estimated at $162.6 million at 31 December (2022: $162.6 million), as analysed in the table below.

Amounts are presented in millions of dollars.

	Cost	Independent Valuation	Date of last valuation	Fair Value 31 Dec 2023	Fair Value 31 Dec 2022	Valuation Level
Property						
Leasehold land	2	15	Oct 2021	15	15	Level 2
Freehold land	12	26	Nov 2021	26	26	Level 2
Buildings	122	121	Nov 2021	121	121	Level 2
Total	136	162		162	162	

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

8. **Leases**

Group as lessee

Right-of-use assets

	Property	Motor vehicles	Equipment	Total
Cost				
As at 1 January 2023	35,586	1,324	3,519	40,429
Extensions	753	243	460	1,456
Disposals	–	(1,144)	(360)	(1,504)
As at 31 December 2023	36,339	423	3,619	40,381
Accumulated Depreciation				
As at 1 January 2023	(15,897)	(898)	(2,778)	(19,573)
Disposals	–	896	360	1,256
Depreciation	(4,030)	(170)	(817)	(5,017)
As at 31 December 2023	(19,927)	(172)	(3,235)	(23,334)
Carrying Amount				
As at 31 December 2023	16,412	251	384	17,047
Cost				
As at 1 January 2022	17,835	968	3,519	22,322
Additions	–	179	–	179
Extensions	17,751	424	–	18,175
Disposals	–	(247)	–	(247)
As at 31 December 2022	35,586	1,324	3,519	40,429
Accumulated Depreciation				
As at 1 January 2022	(12,089)	(805)	(1,510)	(14,404)
Transfers	392		(392)	–
Disposals	–	247	–	247
Depreciation	(4,200)	(340)	(876)	(5,416)
As at 31 December 2022	(15,897)	(898)	(2,778)	(19,573)
Carrying Amount				
As at 31 December 2022	19,689	426	741	20,856

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.

Lease liabilities

Approximately 12% 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.

	2023	2022
Less than one year	3,686	4,772
Between one and five years	11,741	8,139
More than five years	2,705	8,699
	18,132	21,610

The amounts recognised in the Consolidated Statement of Profit or Loss in respect of operating leases is provided below.

	2023	2022
Depreciation expense of Right-of-use assets	5,017	5,416
Finance charges on lease liabilities	1,497	690
Expense related to short-term leases	–	333
	6,514	6,439

At 31 December 2023, the Group had no short-term lease commitments (2022: one (1)). The total cash outflow for leases amounted to nil (2022: $6.5 million)

Group as lessor

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

Maturity analysis of operating lease contracts with tenants at 31 December is shown below.

	2023	2022
Year 1	415	148
Year 2	415	–
Year 3	149	–
	979	148

Rental income reported in the Consolidated Statement of Profit or Loss for 2023 was $2.81 million (2022: $2.84 million).

9. **Intangible assets**

	Computer software	Software licenses	Total
2023			
Opening net book value	100	17,622	17,722
Additions	–	12,854	12,854
Amortisation	(34)	(5,856)	(5,890)
Closing net book value	66	24,620	24,686
As at 31 December			
Cost	2,726	39,824	42,550
Accumulated amortisation	(2,660)	(15,204)	(17,864)
Net book value	66	24,620	24,686
2022			
Opening net book value	132	18,429	18,561
Additions	–	3,312	3,312
Amortisation	(32)	(4,119)	(4,151)
Closing net book value	100	17,622	17,722
As at 31 December			
Cost	2,726	26,970	29,696
Accumulated amortisation	(2,626)	(9,348)	(11,974)
Net book value	100	17,622	17,722

10. Accounts payable and short-term liabilities

	2023	2022
Due to brokers	50	16,550
Accounts payable and accruals	83,172	68,245
Other liabilities	28,740	22,030
	111,962	106,825

11. Pension and other post-retirement liabilities

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

	2023	2022
Net defined benefit liability (Note 11 (a))	–	–
Group life liability (Note 11 (b) (i) and (ii))	5,196	5,168
Medical benefit liability (Note 11 (c) (i) and (ii))	17,581	31,293
Consolidated Statement of Financial Position	22,777	36,461
Net defined benefit liability (Note 11 (a iv))	10,486	12,452
Group life liability (Note 11 (b iii))	544	2,875
Medical benefit liability (Note 11 (c iii))	3,197	3,095
Consolidated Statement of Profit or Loss	14,227	18,422
Net defined benefit liability (Note 11 (a v))	471	(407)
Group life liability (Note 11 (b iv))	(477)	(210)
Medical benefit liability (Note 11 (c iv))	(16,515)	(1,230)
Consolidated Statement of Comprehensive Income	(16,521)	(1,847)

a) Pension Benefits

i. Net liability in Consolidated Statement of Financial Position

Present value of defined benefit obligation	271,434	269,369
Fair value of plan assets	(281,757)	(279,955)
Surplus	(10,323)	(10,586)
Effect of asset ceiling	10,323	10,586
Net defined benefit liability/(asset)	–	–

ii. Movement in Consolidated Statement of Financial Position

Opening present value of defined benefit obligation	269,369	271,985
Current service cost	12,303	12,452
Plan participant contributions	4,194	4,307
Interest cost	15,045	15,193
Experience adjustments	(21,407)	(26,432)
Transfer payments received	21	–
Past servce cost	134	–
Benefits and expenses paid	(8,225)	(8,136)
Closing present value of defined benefit obligation	271,434	269,369

iii. The defined benefit obligation is allocated between Plan members as follows:

Active members	65%	67%
Deferred members	13%	13%
Pensioners	22%	20%

98% of the benefits for active members are vested.

27% of the total defined benefit obligation is defined benefit in nature, of which 22% is matched by purchased immediate annuity policies. 1% of the liabilities is conditional on active members' future salary increases. The weighted average duration of the defined benefit liability component of the obligation is 12.0 years.

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

	2023	2022
Opening fair value of plan assets	279,955	282,881
Expected return	15,609	15,782
Actuarial loss	(21,591)	(26,924)
Employer contributions for current service	11,794	12,045
Plan participant contributions for current service	4,194	4,307
Transfer payments received	21	–
Benefits and expenses paid	(8,225)	(8,136)
Closing fair value of plan assets	281,757	279,955
Actual return on plan assets	(5,982)	(11,142)

v. Asset allocation

Collective investment schemes	204,950	209,658
TT$ National Insurance bonds	3,545	3,630
TT$ Government bonds	10,941	11,200
Cash and cash equivalents	1,952	1,655
Insured annuities	60,369	53,812
	281,757	279,955

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 70% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments.

The line item "collective investment schemes" in the analysis above represents investments in the Group's controlled entities (Universal Retirement Fund and TT$ Income Fund).

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

Current service costs	12,303	12,452
Interest on Assets in Excess of Ceiling	(1,951)	–
Past service costs	134	–
	10,486	12,452

vii. Re-measurements recognised in the Consolidated Statement of Comprehensive Income

Actuarial (gains)/losses	184	492
Interest on Assets in Excess of Ceiling	1,114	–
Effect of asset ceiling	(827)	(899)
	471	(407)

viii. Summary of principal assumptions as at 31 December

Discount rate	5.50%	5.50%
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

Present value of defined benefit obligation	5,196	5,168
Fair value of plan assets	–	–
Net Defined Benefit Liability	5,196	5,168

ii. Movement in Consolidated Statement of Financial Position

Opening present value of defined benefit obligation	5,168	2,566
Current service cost	254	132
Interest cost	290	140
Past service cost	–	2,603
Experience adjustments	(477)	(210)
Actuarial gains from changes in financial assumptions	–	–
Benefits paid	(39)	(63)
Closing present value of defined benefit obligation	5,196	5,168

11. Pension and other post-retirement liabilities (continued)

b) Group Life Benefits

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

	2023	2022
Current service cost	254	132
Net interest cost	290	140
Past service cost	–	2,603
	544	2,875

iv Re-measurements recognised in the Consolidated Statement of Comprehensive Income

Experience gains	(477)	(210)

c) Medical Benefits

i. Net Liability in Consolidated Statement of Financial Position

Present value of defined benefit obligation	17,581	31,293
Fair value of plan assets	–	–
Net Defined Benefit Liability	17,581	31,293

ii. Movement in Consolidated Statement of Financial Position

Opening present value of obligation	31,293	30,066
Current service cost	1,447	1,459
Interest cost	1,750	1,636
Experience adjustments	(18,787)	(1,230)
Actuarial gains from changes in demographic assumptions	2,272	–
Benefits paid	(394)	(638)
Closing present value of obligation	17,581	31,293

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

Current service cost	1,447	1,459
Net interest cost	1,750	1,636
	3,197	3,095

iv Re-measurements recognised in the Consolidated Statement of Comprehensive Income

Experience (gains)/losses	(16,515)	(1,230)

v. Summary of principal assumptions as at 31 December

Discount rate	5.50%	5.50%
Average individual salary increases	4.00%	4.00%

12. Price guarantee provision

	2023	2022
Opening balance	2,617	–
Guarantee reserve payments	(558)	(36)
Price guarantee charge	6,962	2,653
	9,021	2,617

13. 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, the UTC Corporate Fund and to participating shareholders of UTC (Cayman) SPC Ltd. The units/shares issued by each of the aforementioned Funds may be redeemed 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.

	2023	2022
Initial Capital - Growth and Income Fund	4,766	4,766
Unit Capital - Growth and Income Fund	4,965,992	5,185,895
Unit Capital - TT Dollar Income Fund	12,209,992	12,125,891
Unit Capital - Universal Retirement Fund	409,617	403,181
Unit Capital - US Dollar Income Fund	5,079,657	4,968,959
Unit Capital - UTC Corporate Fund (See Note 28.)	538,777	571,496
Participating Shares - UTC (Cayman) SPC Ltd.	1,897	6,356
	23,210,698	23,266,544
Balance as at 1 January	23,266,544	23,565,770
Subscriptions from unitholders	2,164,183	3,401,864
Redemptions by unitholders	(2,392,907)	(2,791,680)
Net income attributable to unitholders	185,051	(905,215)
Other movements	(12,173)	(4,195)
Balance as at 31 December	23,210,698	23,266,544

The line item "other movements" in the analysis above represents mainly foreign currency translation of the US$ denominated funds.

Initial capital in 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 2023 was $4.8 million (2022: $4.8 million).

Unit capital in the analysis above, represents the net asset value of the five (5) 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 local collective investment schemes above in Note 32 and 33 (i) to (v). Financial information for UTC (Cayman) SPC Ltd. is provided in Note 33 (vi).

14. Investment income

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

Entity	2023	2022
Growth & Income Fund	184,438	171,388
TT Dollar Income Fund	438,178	405,935
Universal Retirement Fund	13,059	11,319
US Dollar Income Fund	182,666	134,783
UTC Corporate Fund	16,594	14,899
UTC (Cayman) SPC Ltd.	701	200
Local subsidiaries	478	352
Corporation	45,703	37,594
	881,817	776,470

Type of income

Interest income	754,830	654,980
Dividend income	125,580	119,282
Other income	1,407	2,208
	881,817	776,470

15. 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	2023	2022
Growth & Income Fund	(115,924)	(600,972)
TT Dollar Income Fund	40,208	(145,111)
Universal Retirement Fund	(3,956)	(50,375)
US Dollar Income Fund	88,932	(243,438)
UTC Corporate Fund	(438)	1,398
UTC (Cayman) SPC Ltd.	(354)	(2,275)
Local subsidiaries	4,741	–
Corporation	6,562	8,057
	19,771	(1,032,717)

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

16. Fee income

	2023	2022
Management charge - other managed fund	3,327	2,770
Management charge - related parties not controlled	3,107	3,064
Trustee fees	10	–
Paying agent fees	–	2
	6,444	5,836

17. Other income

	2023	2022
Foreign exchange (loss)/gain	(3,071)	(2,391)
Rental income	2,809	2,842
Other income	428	419
	166	870

18. Administrative expenses

	2023	2022
Audit fees	427	656
Directors' fees	3,384	2,602
General administration	161,792	147,811
Staff costs (see note 19)	146,861	164,294
	312,464	315,363

19. Staff costs

	2023	2022
Salaries and wages	108,291	111,194
Other staff costs	18,059	28,239
Pension costs (see note 11)	14,227	18,422
National insurance	6,284	6,439
	146,861	164,294
Number of employees	502	519

20. Distributions to unitholders

	2023	2022
Growth & Income Fund	73,156	55,497
TT Dollar Income Fund	156,784	142,174
US Dollar Income Fund	68,409	47,114
UTC Corporate Fund	10,395	11,498
	308,744	256,283

a) **Growth & Income Fund**
The Growth & Income Fund paid $73.2 million to its unitholders in respect of its June 2023 and December 2023 distributions (2022: $55.5 million). Included in the $73.2 million was distributions paid to initial capital contributors of $0.3 million (2022: $0.2 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 29 February 2024 amounted to $11.6 million (2022: $11.6 million).

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

21. Taxation

The Group's local subsidiaries are subject to Trinidad and Tobago corporation tax while its foreign subsidiaries are subject to taxation in their country of domicile.

	2023	2022
Net income before taxation	69,840	58,466
less: income taxed at 0%	(69,433)	(58,158)
Net income subject to tax	407	308
Corporation tax charge/(refund) for foreign subsidiaries	4	4
Withholding tax on interest and dividends received	10,960	5,326
Green fund levy	1,201	906
	12,165	6,236

22. Related party transactions and balances

Related parties consist of either individuals or entities. 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.

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

An entity is related to the Group 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.

	2023	2022
Assets		
Investment securities	171,194	154,075
Loans		
Key management	–	–
Balance at the end of the year	–	–
Represented by:		
Balance at the beginning of the year	–	11
Loan repayments	–	(11)
Balance at the end of the year	–	–
Liabilities		
Net assets attributable to unitholders		
Key management	5,196	4,445
Directors	3,950	3,390
Balance at the end of the year	9,146	7,835

22. Related party transactions and balances (continued)

	2023	2022
Income		
Dividend income	5,828	5,484
Net change in fair value on investment securities	17,119	32,782
Balance at the end of the year	22,947	38,266
Expenses		
Management charge	3,107	3,064
Distributions to unitholders		
Key management	49	40
Directors	52	33
Balance at the end of the year	101	73
Key management compensation		
Short-term benefits	18,714	20,867
Post employment benefits	1,661	4,004
Termination benefits	–	–
	20,375	24,871
Other related party transactions - directors renumeration		
Directors' fees (see Note 18)	3,384	2,602

All transactions with related parties were undertaken on commercial terms and at market rates. 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.

23. Segment information

For management purposes the Group is organised into two (2) operating segments based on the following sub-portfolios of the Funds. Each sub-portfolio is managed separately because they entail different investment objectives and strategies and contain investments in different products.

i. Equity portfolio

Consists of a diversified portfolio of equity securities issued on authorised stock exchanges and foreign/local unlisted companies to achieve capital appreciation and dividend income.

ii. Fixed Income portfolio

Assets from domestic and foreign fixed income security markets to achieve the highest possible risk-adjusted yield.

The board of directors reviews the internal management reports of each sub-portfolio at least quarterly.

Information regarding the results of each reportable segment is included below.

Segment information is measured on the same basis as that used in the preparation of the Group's financial statements.

All segment revenues are from external sources. There were no inter-segment transactions between the reportable segments during the year.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2023 or 2022.

Unallocated amounts are revenue or costs not directly associated with the equity and fixed income portfolios, the treasury portfolio of the Corporation which is not a reportable segment and the Group's consolidation eliminations.

23. Segment information (continued)

The following table presents income and profit and certain asset and liability information regarding the Group's operating segments.

	Equity Portfolios	Fixed Income Portfolios	Unallocated	Total
2023				
Total income	53,477	785,812	75,910	915,199
Commissions	–	–	(8,670)	(8,670)
Administrative	–	–	(312,464)	(312,464)
Depreciation and amortisation	–	–	(22,273)	(22,273)
Price guarantee charge	–	–	(6,962)	(6,962)
Distributions to unitholders	–	–	(308,744)	(308,744)
Net income attributable to unitholders	(53,477)	(785,812)	654,238	(185,051)
Net income before finance charges	–	–	71,035	71,035
Finance charges	–	–	(1,497)	(1,497)
Share of profit of a joint venture	–	–	302	302
Profit before taxation	–	–	69,840	69,840
Taxation	(6,399)	(4,444)	(1,322)	(12,165)
Profit after taxation	(6,399)	(4,444)	68,518	57,675
Total assets	3,820,333	18,566,063	2,791,516	25,177,912
Total liabilities	3,796,743	18,566,063	1,094,022	23,456,828
Purchase of fixed assets	–	–	15,305	15,305
2022				
Total income	(299,377)	57,044	2,928	(239,405)
Commissions	–	–	(11,007)	(11,007)
Administrative	–	–	(315,363)	(315,363)
Depreciation and amortisation	–	–	(21,348)	(21,348)
Price guarantee credit	–	–	(2,653)	(2,653)
Distributions to unitholders	–	–	(256,283)	(256,283)
Net income attributable to unitholders	302,554	(56,727)	659,388	905,215
Net income before finance charges	3,177	317	55,662	59,156
Finance charges	–	–	(690)	(690)
Share of profit of a joint venture	–	–	–	–
Profit before taxation	3,177	317	54,972	58,466
Taxation	(2,899)	(2,431)	(905)	(6,235)
Profit after taxation	278	(2,114)	54,066	52,231
Total assets	1,508,091	20,404,286	3,232,904	25,145,281
Total liabilities	1,486,817	20,403,976	1,608,298	23,499,091
Purchase of fixed assets	–	–	5,406	5,406

24. 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)).

2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at FVPL				
Bonds	6,260,484	9,895,038	–	16,155,522
Equity	2,728,989	–	243,290	2,972,279
Short-term investments	679,427	–	–	679,427
Commercial paper	380,737	–	–	380,737
Exchange Traded Funds (ETFs)	814,318	–	–	814,318
Private equity	–	–	5,161	5,161
Mutual funds	171,201	173,149	–	344,350
	11,035,156	10,068,187	248,451	21,351,794

24. Fair value of financial instruments (continued)

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

2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at FVPL				
Bonds	6,276,125	9,971,952	52,364	16,300,441
Equity	3,141,678	–	243,862	3,385,540
Short-term investments	788,730	–	–	788,730
Commercial paper	–	382,906	–	382,906
Exchange Traded Funds (ETFs)	85,560	–	–	85,560
Private equity	–	–	2,812	2,812
Mutual funds	154,081	–	–	154,081
	10,446,174	10,354,858	299,038	21,100,070

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 transfers from level 1 and 2 of $459.9 million and transfers from level 3 to level 2 of $45.0 million for the year ended 31 December 2023. The securities that were transferred are fair valued by the Group's proprietary valuation model.

There was sufficient information available to measure the fair values of securities determined as Level 3 in 2022. The table below shows the transfers between levels for the year ended 31 December 2022.

	Total
Transferred from Level 3 to Level 2	7,381,304
Transferred from Level 3 to Level 1	4,111,618
Transferred from Level 1 to Level 2	272,083
No transfers between levels	4,292,129
Purchases during the year	5,042,937
	21,100,071

(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.

2023

	Level 3 fair value	**Valuation technique**	**Significant unobservable inputs**	**Possible shift in inputs**	**Changes in valuation**
Investment securities designated at FVPL					
Bonds	–	Valuation model, indicative quotations	Interest rates spreads	1%	–
Equity	243	Professional/ management valuations	Not applicable	Not applicable	Not applicable
Private equity	5	General partner's valuation	Not applicable	Not applicable	Not applicable
	248				–

2022

	Level 3 fair value	**Valuation technique**	**Significant unobservable inputs**	**Possible shift in inputs**	**Changes in valuation**
Investment securities designated at FVPL					
Bonds	52	Valuation model, indicative quotations	Interest rates spreads	1%	–
Equity	244	Professional/ management valuations	Not applicable	Not applicable	Not applicable
Private equity	3	General partner's valuation	Not applicable	Not applicable	Not applicable
	299				–

24. Fair value of financial instruments (continued)

(iii) Movements in Level 3 financial instruments

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

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

2023

	Bonds	Equity	Private Equity	Total
Carrying value as at 1 January 2023	52	244	3	299
Purchases/capitalised interest	1	–	2	3
Sales/ repayments/ maturities	(9)	(1)	–	(10)
Net (losses)/gains recognised in P&L	1	–	–	1
Transfers into Level 3	–	–	–	–
Transfers out of Level 3	(45)	–	–	(45)
Carrying value as at 31 December 2023	–	243	5	248

2022

	Bonds	Equity	Private Equity	Total
Carrying value as at 1 January 2022	13,994	285	3	14,282
Purchases/capitalised interest	1,156	–	1	1,157
Sales/ repayments/maturities	(3,188)	–	(1)	(3,189)
Net losses recognised in P&L	(458)	–	–	(458)
Transfers into Level 3	–	–	–	–
Transfers out of Level 3	(11,452)	(41)	–	(11,493)
Carrying value as at 31 December 2022	52	244	3	299

25. Risk management

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

	2023	2022
Financial assets		
Cash at bank (see Note 4)	1,272,952	1,853,067
Deposits with banks (see Note 5)	2,162,006	1,792,128
Receivables	186,393	199,844
Other assets	12,960	7,693
Investment securities (see Note 6)	21,351,794	21,100,070
	24,986,105	24,952,802
Financial liabilities		
Accounts payable	111,962	106,825
Lease liabilities	18,132	21,610
Distribution payable	83,634	64,436
Net assets attributable to unitholders	23,210,698	23,266,544
Other liabilities	604	598
	23,425,030	23,460,014

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 and Compliance Committee (SRCC) to identify, assess and manage these risks to safeguard the interests of all stakeholders and to achieve strategic objectives.

The SRCC meets at least once per quarter and is responsible for overseeing the Corporation's risk management and compliance frameworks, programs and supporting policies.

The Audit Committee is responsible for discharging independent oversight of the Corporation's financial reports and the Corporation's compliance with statutory and regulatory requirements. The Audit Committee is also responsible for ensuring that Management has:

i. maintained the reliability and integrity of the accounting policies and financial reporting and disclosure practices

ii. established and maintained processes to assure that an adequate system of internal control is functioning within the Corporation.

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

iii. liquidity risk; and

iv. operational risk

In alignment with the Enterprise Risk Management Framework, these risk exposures are managed on an ongoing basis. Risks are monitored to determine compliance with approved risk tolerances and to ensure appropriate corrective actions are implemented when necessary.

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.

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 price for these securities.

Two (2) 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

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 2023	2,122,508	1,440,434	568,005
	51.4%	*34.9%*	*13.7%*
As at December 2022	1,712,568	1,328,532	584,081
	47.2%	*36.6%*	*16.1%*

25. 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 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	
	%	2023	2022
		+/-	+/-
TTSE	+/- 5	90	104
S&P 500	+/- 5	70	33

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 - TT$ Income Fund and the US$ Income Fund. The debt securities held by the other entities within the Group also expose it to interest rate risk.

The Group manages its overall interest rate risk through judicious adjustments of the overall weighted average term to maturity (duration) of its portfolios.

The Group's exposure to interest rate risk as at 31 December 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.

	Less than one year	One to five years	Over five years	Total
2023				
Assets				
Cash at bank	1,272,952	–	–	1,272,952
Deposits with banks	2,162,006	–	–	2,162,006
Bonds	2,901,229	9,579,721	3,674,572	16,155,522
Short-term investments	679,427	–	–	679,427
Commercial paper	380,737	–	–	380,737
Liabilities				
Lease liability (see Note 7)	(3,686)	(11,741)	(2,705)	(18,132)
	7,392,665	**9,567,980**	**3,671,866**	**20,632,512**
2022				
Assets				
Cash at bank	1,853,067	–	–	1,853,067
Deposits with banks	1,792,128	–	–	1,792,128
Bonds	3,984,139	7,734,753	4,581,551	16,300,443
Short-term investments	788,730	–	–	788,730
Commercial paper	382,907	–	–	382,907
Liabilities				
Lease liability (see Note 7)	(4,772)	(8,139)	(8,699)	(21,610)
	8,796,199	**7,726,614**	**4,572,852**	**21,095,665**

Management has determined that a fluctuation in interest rates of 100 basis points is reasonably possible, considering the economic environment in which the Group operates.

The following tables demonstrate the sensitivity of the Fund's profit or loss for the year to a possible 100 basis point change in interest rates, with all other variables held constant. The sensitivity of the profit or loss for the year is the effect of the assumed change in interest rates on:

i. The interest income for one year, based on the floating rate assets held at the end of the reporting period; and

ii. Changes in the fair value for the year, based on revaluing fixed rate financial assets at the end of the reporting period.

Sensitivity of changes in income

	2023	2022
Maximum loss	(440,000)	(460,000)
Minimum loss	(430,000)	(450,000)
	–	–

Sensitivity of changes in fair value of investments

	2023	2022
US interest rates	71,062	62,289
LIBOR	3	–
T&T interest rates	74,881	82,720

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. 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.

	2023 US$ (Presented in TT$)	2023 Other Foreign Currencies (Presented in TT$)	2022 US$ (Presented in TT$)	2022 Other Foreign Currencies (Presented in TT$)
Cash at bank	441,255	967	1,092,424	–
Deposits with banks	128,972		255,398	–
Bonds	7,420,301		6,566,928	–
Short-term investments	418,277		676,230	–
Commercial paper	380,737		382,907	–
Equity, ETFs, Private equity	1,641,572	66,310	–	–
Mutual Funds	125,613	13,804	971,412	59,605
Total financial assets	10,556,727	81,081	9,945,299	59,605
Net assets attributable to Unitholders (see Note 13)	(5,081,554)	–	(4,975,315)	–
Total financial liabilities	(5,081,554)	–	(4,975,315)	–
Net currency risk exposure	5,475,172	81,081	4,969,984	59,605
Reasonably possible change in currency rate	1%	1%	1%	1%
Approximate change in foreign currency holdings	**54,752**	**811**	**49,700**	**596**

Concentration of foreign currency exposure

At the reporting date, the net open positions in foreign currencies expressed as a percentage of the Group's assets were as follows:

	2023	2022
% of total financial assets	22%	20%

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.

25. Risk management (continued)

Credit risk (continued)

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;

iii. regular review, measurement and monitoring of counterparties' credit ratings; and

iv. placing limits on the amount of risk accepted in relation to a single counterparty or group of related counterparties and to geographical segments.

The credit quality of the Group's debt securities, short-term investments and bank balances is analysed in the following table into high, moderate and low using ratings primarily from recognised 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

In instances where a security is not rated by an international rating agency and has not been assigned a rating under the internal rating system, it is classified as 'Unrated'.

An analysis of security ratings is presented in the table below.

Values are expressed in millions of dollars.

	High	Medium	Low	Unrated	Total
2023					
Cash at bank	1,273	–	–	–	1,273
Deposits with banks	2,162	–	–	–	2,162
Bonds	15,145	944	–	67	16,156
Short-term investments	679	–	–	–	679
Commercial paper	381	–	–	–	381
Total financial assets	19,640	944	–	67	20,651
2022					
Cash at bank	1,853	–	–	–	1,853
Deposits with banks	1,792	–	–	–	1,792
Bonds	14,320	1,684	250	47	16,301
Short-term investments	789	–	–	–	789
Commercial paper	383	–	–	–	383
Total financial assets	19,137	1,684	250	47	21,118

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 local collective investment schemes (see Note 33) and the participating shares of the segregated portfolios of UTC (Cayman) SPC Ltd. are redeemable on demand. This risk is mitigated by ensuring that the Corporation holds adequate cash and liquidity to fund commitments, and that each portfolio hold adequate cash, cash equivalents and short-term investments to fund redemptions. 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 2023 and 2022, based on contractual repayment obligations, over the remaining life of those liabilities.

	Less than one year	Greater than one year	Total
2023			
Accounts payable	111,962	–	111,962
Lease liabilities	3,686	14,446	18,132
Distribution payable	83,634	–	83,634
Net assets attributable to unitholders	23,210,698	–	23,210,698
Other liabilities	604	–	604
	23,410,584	14,446	23,425,030
2022			
Accounts payable	106,825	–	106,825
Lease liabilities	4,772	16,838	21,610
Distribution payable	64,436	–	64,436
Net assets attributable to unitholders	23,266,544	–	23,266,544
Other liabilities	598	–	598
	23,443,175	16,838	23,460,013

Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. This is inherent within all business activities and has the potential for financial or reputational loss, which includes errors, omissions, disasters and fraud. The risk is managed through a combination of systems, processes and controls.

The Group maintains a comprehensive business continuity program that enables the Corporation to be agile in responding to the various business continuity threats or operational disruptions that may arise.

Managing information and cyber security risks across the Group remains a priority. The Corporation maintains an Information Security Program to respond to the ever-evolving cyber threat landscape. The organisation continues to monitor and enhance its security posture and implements relevant controls and mitigants to reduce the impact of cyber incidents.

26. 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.

27. Commitments

As at 31 December, the Group had contractual obligations for capital contributions in the amounts of approximately $9.6 million (2022: $19.7 million) which relates to infrastructure projects and other investments.

28. Contingent liabilities

As at 31 December 2023, there were five (5) matters before the courts (2022: four (4) matters). The contingent liability in relation to the five (5) matters is estimated at $5.3 million (2022: $6.0 million).

29. Interest in corporate entities

(i) Local corporate entities

The Corporation has three (3) wholly-owned local subsidiary companies incorporated under the Companies Act 81:01 of the Laws of the Republic of Trinidad and Tobago, namely:

Company	Principal place of business	Date of incorporation
Unit Trust Corporation Financial and Investment Advisory Services Limited (formerly UTC Financial Services Limited)	82 Independence Square, Port of Spain, Trinidad	23 March 1999
		Interest 100%
Company UTC Trust Services Limited	82 Independence Square, Port of Spain, Trinidad	2 June 1999
		Interest 100%
Company Unit Trust Corporation Brokerage and Advisory Services Corporation Limited	82 Independence Square, Port of Spain, Trinidad	14 January 2021
		Interest 100%

All directors of the foregoing three (3) 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. Unit Trust Corporation Brokerage and Advisory Services Corporation Limited carries on the business of stockbrokering.

The financial statements of these entities are included in the consolidated financial statements.

Unit Trust Corporation Brokerage and Advisory Services Corporation Limited had no activities for the period.

The auditor for Unit Trust Corporation Financial and Investment Advisory Services Limited is Grant Thornton ORBIT Solutions.

The auditor for UTC Trust Services Limited is the Auditor General's Department of the Republic of Trinidad and Tobago.

(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

(iii) Regional corporate entities

The Corporation has two (2) wholly-owned regional subsidiary companies incorporated under the Companies Act Chapter 13.01 of the Revised Laws of St. Luica, namely:

Company	Interest	Country of incorporation	Date of incorporation
UTC Fund Management Services STL Limited	100%	St. Lucia	7 June 2021
UTC Global Balanced Fund Limited	100%	St. Lucia	7 June 2021

UTC Fund Management Services STL Limited performs the functions of a management company of a collective investment scheme in the Eastern Caribbean Securities Market. The financial statements of UTC Fund Management Services STL Limited are included in the consolidated financial statements.

UTC Global Balanced Fund Limited operates as a collective investment scheme in the Eastern Caribbean Securities Market. The financial statements of UTC Global Balanced Fund Limited are not included in the consolidated financial statements as the Group does not meet the control criteria established in IFRS 10.

The auditor for UTC Fund Management Services STL Limited and UTC Global Balanced Fund Limited is the PricewaterhouseCoopers East Caribbean.

30. Investment in joint venture

Summarised financial information of GK Mutual Funds Limited and a reconciliation of the carrying amount of the investment of the joint venture in the consolidated financial statements, are set out below:

Summarised statement of financial position of GK Mutual Funds Limited

	2023
Assets	2,554
	2,554
Liabilities	2,554
	2,554

Summarised statement of profit or loss of GK Mutual Funds Limited

Total revenue	2,427
Operating costs	(1,523)
Profit before tax	904
Taxation	(300)
Profit after tax	604

Investment in joint venture

Balance as at 1 January	–
Group's share of profit for the year	302
Balance as at 31 December	302

31. 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 collective investment schemes it manages. The collective investment schemes' assets, including cash, are ring-fenced and used exclusively for the benefit of the unitholders/shareholders. The table below analyses the significant line items in the Consolidated Statement of Financial Position which include assets that are not available to the Group.

Particulars	2023	2022
Cash at bank (see Note 4)	1,272,952	1,853,067
Restricted cash	(773,736)	(1,290,643)
Deposits with banks (see Note 5)	2,162,006	1,792,128
Restricted deposits with banks	(1,791,436)	(1,309,513)
Available to Group without restriction	869,786	1,045,039

31. Restricted assets (continued)

Particulars	2023	2022
Receivables	186,393	199,844
Restricted receivables	(173,836)	(194,294)
Available to Group without restriction	12,556	5,550

Particulars	2023	2022
Investment securities (see Note 6)	21,351,794	21,100,070
Restricted investment securities	(20,543,061)	(20,539,579)
Available to Group without restriction	808,733	560,491

32. Collective investment schemes

The six (6) funds controlled by the Corporation are considered subsidiaries for the purposes of IFRS 10. The total assets of these Funds are shown in the table below.

	2023	2022
Growth and Income Fund	5,022,707	5,248,168
TT Dollar Income Fund	12,238,857	12,151,093
Universal Retirement Fund	410,320	405,841
US Dollar Income Fund	5,107,683	4,988,014
UTC Corporate Fund	547,809	582,126
UTC (Cayman) SPC Ltd.	25,467	26,900
Total assets	23,352,843	23,402,142

Summarised financial information for the local collective investment schemes is provided in Note 33.

33. 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 2023 and 2022.

	2023	2022
Cash at bank	129,412	707,188
Deposits with banks	64,091	104,816
Due from brokers	5,851	5,851
Receivables	32,010	22,662
Investment securities	4,791,343	4,407,651
Total Assets	**5,022,707**	**5,248,168**
Liabilities	51,948	57,508
Equity	4,970,759	5,190,660
Total Liabilities and Equity	**5,022,707**	**5,248,167**
Investment income/(loss)	67,087	(429,584)
Net (loss)/income	(41,059)	(543,005)
Distributions	(73,156)	(55,498)
Total comprehensive (loss)/income for the year	**(114,215)**	**(598,504)**
Net cash flow (used in)/provided by operating activities	(409,829)	570,726
Net cash used in financing activities	(167,947)	(123,523)
Net change in cash flows for the year	**(577,776)**	**447,203**

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

Category		
Government securities	705,930	737,625
Corporate securities	483,119	229,180
Equity and ETFs (local and foreign)	3,602,294	3,305,600
Short-term investments	–	135,246
Total	**4,791,343**	**4,407,651**
Classification		
Fair value through profit or loss	4,791,343	4,407,651
Total	**4,791,343**	**4,407,651**

33. 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 2023 calls totalling $0.6 million (2022: $0.04 million) were made on the reserve. The Corporation, the guarantor (see Note 2 (l)), 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 2023 and 2022.

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

Fund Reserve	**2023**	**2022**
Fund reserve as at 1 January	–	–
Allocation to reserve (Growth & Income Fund)	–	–
Call on Reserve	558	36
Allocation to reserve (Corporation)	(558)	(36)
Fund reserve as at 31 December	–	–

No transfers to support the Growth & Income Fund were required during the year 2023 or 2022. The Corporation is the sponsor of the Growth & Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

(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 2023 and 2022.

	2023	2022
Cash at bank	482,708	403,366
Deposits with banks	1,653,972	1,080,005
Due from brokers	25	16,352
Receivables	131,801	164,328
Investment securities	9,970,351	10,487,042
Total Assets	**12,238,857**	**12,151,093**
Liabilities	28,522	24,857
Equity	12,210,335	12,126,236
Total Liabilities and Equity	**12,238,857**	**12,151,093**
Investment income	478,392	259,794
Net income	313,730	99,780
Distributions	(156,784)	(142,174)
Allocations to reserves (see paragraphs below)	(2,800)	(3,033)
Total comprehensive income for the year	**154,146**	**45,427**
Net cash flow provided by/(used in) operating activities	236,979	(469,588)
Net cash used in financing activities	(157,637)	(256,304)
Net change in cash flows for the year	**79,342**	**(725,892)**

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

Category		
Government securities	6,884,188	7,326,584
Corporate securities	2,615,873	2,757,578
Short-term investments	470,290	402,880
Total	**9,970,351**	**10,487,042**

33. Summarised financial information (continued)

(i) TT Dollar Income Fund (continued)

	2023	2022
Classification		
Fair value through profit or loss	9,970,351	10,487,042
Total	**9,970,351**	**10,487,042**

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 2023 or 2022.

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

Primary Reserve	**2023**	**2022**
Fund reserve as at 1 January	67,720	64,687
Allocation to primary reserve	2,800	3,033
Interest earned on the reserve	–	–
Primary reserve as at 31 December	70,519	67,720
Secondary Reserve		
Fund reserve as at 1 January	21,717	21,717
Allocation to secondary reserve	–	–
Interest earned on the reserve	–	–
Secondary reserve as at 31 December	21,717	21,717
Total Fund reserve as at 31 December	**92,237**	**89,437**

A transfer of $2.8 million was made to the primary reserve during the year 2023 (2022: $3.0 million). The Corporation is the sponsor of the TT Dollar Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

(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 2023 and 2022.

	2023	2022
Cash at bank	26,551	62,128
Deposits with banks	3,373	3,381
Receivables	1,264	1,085
Investment securities	379,132	339,247
Total Assets	**410,320**	**405,841**
Liabilities	703	2,660
Equity	409,617	403,181
Total Liabilities and Equity	**410,320**	**405,841**
Investment income/(loss)	9,039	(39,511)
Total comprehensive income/(loss) for the year	342	(48,063)
Net cash flow (used in)/provided by operating activities	(41,432)	27,164
Net cash provided by financing activities	5,855	9,044
Net change in cash flows for the year	**(35,577)**	**36,208**

33. Summarised financial information (continued)

(iii) Universal Retirement Fund (continued)

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

	2023	2022
Category		
Government securities	48,541	44,154
Corporate securities	41,444	37,014
Equity and ETFs (local and foreign)	289,147	258,079
Total	**379,132**	**339,247**
Classification		
Fair value through profit or loss	379,132	339,247
Total	**379,132**	**339,247**

No transfers to support the Universal Retirement Fund were required during the year 2023 or 2022. The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the Fund financially and otherwise as necessary.

(iv) US Dollar Income Fund

The table below summarises financial information for the US Dollar Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2023 and 2022.

	2023	2022
Cash at bank	119,950	109,142
Deposits with banks	–	115,168
Receivables	69,906	53,358
Investment securities	4,917,827	4,710,346
Total Assets	**5,107,683**	**4,988,014**
Liabilities	30,970	19,312
Equity	5,076,713	4,968,702
Total Liabilities and Equity	**5,107,683**	**4,988,014**
Investment income/(loss)	271,468	(108,790)
Net income/(loss)	208,039	(167,120)
Distributions	(68,375)	(47,168)
Allocations to reserves (see paragraphs below)	8,096	12,172
Total comprehensive (loss)/income for the year	**147,760**	**(202,116)**
Net cash flow provided by/(used in) operating activities	78,676	(765,883)
Net cash (used in)/provided by financing activities	(67,612)	725,086
Net change in cash flows for the year	**11,064**	**40,797**

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

	2023	2022
Category		
Government securities	508,152	78,586
Corporate securities	3,819,800	3,998,250
Short-term investments	589,875	633,510
Total	**4,917,827**	**4,710,346**
Classification		
Fair value through profit or loss	4,917,827	4,710,346
Total	**4,917,827**	**4,710,346**

33. Summarised financial information (continued)

(iv) US Dollar Income Fund (continued)

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 2023 and 2022.

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

Primary Reserve	**2023**	**2022**
Fund reserve as at 1 January	91,992	79,940
Allocation to primary reserve	8,096	12,172
Interest earned on the reserve	–	–
Foreign exchange translation	(223)	(120)
Primary reserve as at 31 December	99,864	91,992
Secondary Reserve		
Fund reserve as at 1 January	35,724	35,771
Allocation to secondary reserve	–	–
Interest earned on the reserve	–	–
Foreign exchange translation	(84)	(47)
Secondary reserve as at 31 December	35,640	35,724
Total Fund reserve as at 31 December	**135,505**	**127,716**

A transfer of $8.1 million was made to the primary reserve during the year 2023 (2022: $12.2 million). The Corporation is the sponsor of the US Dollar Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

(v) UTC Corporate Fund

The table below summarises financial information for the UTC Corporate Fund (before inter-entity eliminations or consolidation adjustments) for the year 2023 and 2022.

	2023	**2022**
Cash at bank	13,592	975
Deposits with banks	70,000	–
Due from brokers	882	–
Receivables	2,811	4,750
Investment securities	460,524	576,401
Total Assets	**547,809**	**582,126**
Liabilities	2,739	4,407
Equity	545,070	577,719
Total Liabilities and Equity	**547,809**	**582,126**
Investment income	16,156	16,297
Net profit	13,264	13,331
Distributions	(10,396)	(11,498)
Total comprehensive income for the year	**2,868**	**1,833**
Net cash flow provided by/(used in) operating activities	60,170	(35,262)
Net cash (used in)/provided by financing activities	(47,553)	35,283
Net change in cash flows for the year	**12,617**	**21**

The table below analyses the investment securities held by the UTC Corporate Fund.

	2023	**2022**
Category		
Government securities	405,807	538,734
Corporate securities	54,717	37,667
Total	**460,524**	**576,401**
Classification		
Fair value through profit or loss	460,524	576,401
Total	**460,524**	**576,401**

No transfers to support the UTC Corporate Fund were required during the year 2023. The Corporation is the sponsor of the UTC Corporate Fund and is committed to supporting the Fund financially and otherwise as necessary.

(vi) 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 2023 and 2022.

	2023	**2022**
Cash at bank	1,524	7,865
Receivables and prepayments	59	143
Investment securities	23,884	18,892
Total Assets	**25,467**	**26,900**
Liabilities	182	196
Equity	25,285	26,704
Total Liabilities and Equity	**25,467**	**26,900**
Investment income/(loss)	344	(2,083)
Total comprehensive loss for the year	(573)	(2,969)
Net cash flow used in operating activities	(5,551)	(2,103)
Net cash (used in)/provided by financing activities	(789)	7
Net change in cash flows for the year	**(6,340)**	**(2,096)**

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

	2023	**2022**
Category		
Exchange Traded Funds	23,884	18,892
Total	**23,884**	**18,892**
Classification		
Fair value through profit or loss	23,884	18,892
Total	**23,884**	**18,892**

34. Events after the reporting period

There were no material events after the statement of financial position date of 31 December 2023 which required recording or disclosure in the financial statements of the Group as at 15 February 2024