REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT

REPORT
OF THE
AUDITOR GENERAL

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

FOR THE YEAR ENDED

31 December, 2021

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, 2021

OPINION

The consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation (the Corporation) for the year ended 31 December, 2021 have been audited. The statements as set out on pages 1 to 92 comprise a Consolidated Statement of Financial Position as at 31 December, 2021, 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 31, including a summary of significant accounting policies.

2. In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trinidad and Tobago Unit Trust Corporation as at 31 December, 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

BASIS FOR OPINION

3. The audit was conducted in accordance with 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 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.

EMPHASIS OF MATTER

4. Without modifying the above opinion, attention is drawn to Note 28 of the consolidated financial statements, which describes the consolidation of the Corporate Fund for the first time.

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

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

6. 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. 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.

9. The Auditor General's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes his opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

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

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

- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Corporation to continue as a going concern. If the Auditor General concludes that a material uncertainty exists, the Auditor General is required to draw attention in his audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify his opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

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

11. 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.

25TH MARCH, 2022
PORT OF SPAIN

LORELLY PUJADAS
AUDITOR GENERAL

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Notes to the Consolidated Financial Statements (continued)

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	31 Dec 2021	31 Dec 2020
Assets			
Cash and cash equivalents	4	2,118,634	2,815,499
Receivables		341,361	166,381
Prepayments and other assets		17,810	19,519
Investment securities	5	22,840,032	20,638,868
Property, plant and equipment	6	140,894	142,248
Right-of-use assets	7	7,918	13,950
Intangible assets	8	18,561	22,216
Total assets		**25,485,210**	**23,818,681**
Liabilities			
Accounts payable and short-term liabilities	10	242,971	75,314
Lease liabilities	7	9,056	15,386
Distribution payable		40,368	36,182
Pension and other post-retirement liabilities	11	32,632	19,108
Price guarantee provision		–	3,006
Net assets attributable to unitholders	12	23,565,770	22,133,444
Other liabilities		1,578	3,271
Total liabilities		**23,892,375**	**22,285,711**
Equity			
Statutory reserves		5,050	5,050
Revaluation reserve		(32,905)	(20,535)
Retained earnings		1,620,690	1,548,455
Total equity		**1,592,835**	**1,532,970**
Total liabilities and equity		**25,485,210**	**23,818,681**

REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL
27 3 2022

Chairman

Executive Director

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2021	2020
Income			
Investment income	13	659,349	605,473
Net change in fair value on investment securities	14	671,010	124,408
Initial charge		9,390	8,219
Fee income	15	3,630	3,807
Other income	16	10,140	3,247
Total income		1,353,519	745,154
Expenses			
Commissions		(13,101)	(14,482)
Administrative	17	(287,142)	(262,734)
Depreciation and amortisation	6,7,8	(20,852)	(20,597)
Total expenses		(321,095)	(297,813)
Net income before guarantee adjustment		1,032,424	447,341
Price guarantee credit/(charge)		2,977	(367)
Net income after guarantee adjustment		1,035,401	446,974
Distributions to unitholders	19	(220,555)	(238,447)
Income capitalised		(51,918)	(8,040)
Net income attributable to unitholders		(685,755)	(132,441)
Net income before finance charges		77,173	68,046
Finance charges	7	(858)	(1,657)
Net income before taxation		76,315	66,389
Taxation	20	(4,080)	(8,508)
Net income for the year		72,235	57,881

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

	Note	Group	
		2021	**2020**
Net income for the year		72,235	57,881
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Re-measurements of pension and other post-retirement liabilities	11	(12,114)	(205)
Exchange differences on translation of foreign operations		(256)	378
Other comprehensive income for the year		(12,370)	174
Total comprehensive income for the year		59,865	58,055

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

	Statutory reserve fund	**Revaluation reserve**	**Retained earnings**	**Total equity**
Balance as at 1 January 2020	5,700	(20,709)	1,489,924	1,474,915
Profit for the year	–		57,881	57,881
Other comprehensive income for the year	–	174	–	174
Other reserve movements	(650)	–	650	–
Balance as at 31 December 2020	5,050	(20,535)	1,548,455	1,532,970
Profit for the year	–	–	72,235	72,235
Other comprehensive income for the year	–	(12,370)	–	(12,370)
Other reserve movements	–	–	–	–
Balance as at 31 December 2021	5,050	(32,905)	1,620,690	1,592,835

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Group 2021	Group 2020
Operating activities			
Net income before taxation		76,315	66,389
Adjustments to reconcile net income to net cash and cash equivalents from operating activities:			
Net income attributable to unitholders		958,228	378,928
Depreciation and amortisation	6,7,8	20,852	20,597
Loss/(gain) on sale of property, plant and equipment		15	(456)
(Decrease)/increase in price guarantee provision		(2,977)	367
Revaluation of fund reserve assets		–	(330)
Interest on fund reserve assets		–	2,072
Net change in fair value on investment securities		(632,806)	(134,182)
Interest portion of lease payments		858	1,657
Lease modifications	7	328	–
		420,813	335,042
Movement in net current assets			
(Increase)/decrease in receivables		(174,981)	27,803
Decrease in prepayments and other assets		1,710	934
Decrease in accounts payable and liabilities		165,964	2,467
Decrease/(increase) in distribution liability		4,186	(2,648)
Increase in pension and other post retirement liabilities		1,410	1,152
		419,101	364,750
Taxation paid	20	(4,080)	(8,508)
Net cash flows from operating activities		415,022	356,242

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

	Notes	Group 2021	Group 2020
Investing activities			
Purchase of property, plant and equipment		(9,866)	(8,522)
Purchase of intangible assets		–	(23,658)
Disposal of property, plant and equipment		86	5,390
Purchase of investment securities		(16,505,203)	(24,593,181)
Disposal of investment securities		14,943,628	23,254,891
Net cash (used in)/generated from investing activities		(1,571,355)	(1,365,080)
Financing activities			
Subscriptions from unitholders		2,803,439	2,564,314
Redemptions by unitholders		(2,115,570)	(1,759,628)
Distribution payments to unitholders	19	(220,555)	(238,447)
Guarantee reserve payment	30	(29)	(384)
Principal portion of lease payments		(6,702)	(7,020)
Interest portion of lease payments	7	(858)	(1,657)
Net cash generated from/(used in) financing activities		459,725	557,178
Net loss on foreign exchange		(257)	(2,113)
Net (decrease)/increase in cash and cash equivalents		(696,865)	(453,773)
Cash and cash equivalents at the beginning of the year		2,815,499	3,269,272
Cash and cash equivalents at the end of the year		2,118,634	2,815,499

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

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.

The Consolidated Financial Statements of the Corporation and its subsidiaries, which include its controlled entities, (collectively "the Group") for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 14 February 2022.

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these Consolidated Financial Statements (the "Financial Statements") are set out below. These policies have been consistently applied to all years presented.

a) Basis of preparation

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

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

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

iv. In response to the COVID-19 coronavirus pandemic, in March 2020 the Government of Trinidad and Tobago instituted several measures to curtail the virus's spread, including at the onset: periodic lock-downs, stay-at-home measures for non-essential workers, and travel bans, and more recently: social distancing protocols and social gathering limitations.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

The Group was regarded as an essential business (along with other financial institutions such as banks and insurance companies) and as such maintained business operations throughout 2020 and 2021. In an effort to ensure the safety of its team members and unitholders, the Group activated its business continuity plan and took the decision to reduce the number of locations and opening hours for its Investment Centres and Agencies. A decision was also made to migrate the majority of non-customer-facing staff members to working from home. At the time of this report, the Group's Investment Centres and Agencies have returned to full operations, in line with Government guidelines. The Group's non-customer-facing staff members have migrated to hybrid working arrangements.

Financial Statement impact

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

- The business model for the Group's financial assets is Fair Value Through Profit or Loss (FVPL – see note 2 (e)); consequently, the Group's performance is materially impacted by market price movements. At the onset of the pandemic, financial markets responded by driving asset prices down due to the then-existing uncertainty and the Group recognized a material level of fair value losses. Since then, financial markets have rebounded, and the Group's losses have reversed to produce a fair value gain of $671 million for the year ended 31 December 2021.

- The Group earned a higher level of dividend income, compared to 2020, as a result of the improvement in dividend declarations from its equity investments. The Group expects this situation to continue in 2022.

Risk management

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

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Risk management (continued)

The Group has continued to monitor the various risks it faces (market, liquidity, and credit risk) but has not found it necessary to take additional measures to limit its risks apart from adjusting its portfolio holdings at the onset of the pandemic to exit or reduce certain exposures. As the economic and financial impact of the pandemic became clearer, the Group re-established its positions selectively. The Group will continue to closely manage its portfolio holdings and adjust its positions accordingly. The Group has historically managed its liquidity risk conservatively and did not experience any liquidity pressures during the year and it does not anticipate a liquidity challenge in 2022.

Reliefs and/or concessions

For the year ended 31 December 2021, the Group did not receive any reliefs or concessions from the Government of Trinidad and Tobago related to the pandemic.

Basis of preparation

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

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

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

2. Significant accounting policies (continued)

b) Basis of consolidation

The Financial Statements incorporate the separate financial statements of the Corporation, the financial statements of the locally domiciled Funds (see Note 29) and the financial statements if its incorporated subsidiaries (see Note 27). The Corporation and the consolidated entities are referred to as the "Group" in these Financial Statements.

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

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

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

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

The line item in the consolidated statement of financial position "Net Assets Attributable to Unitholders" represents the portion of the profit and net assets of consolidated collective investment schemes not owned, directly or indirectly, by either the Corporation or an entity which the Corporation controls. The balance is recognised as a liability in the consolidated statement of financial position, as the units/shares represent 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.

2. **Significant accounting policies** (continued)

b) Basis of consolidation (continued)

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 2020 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 2021. Although these new amendments and interpretations apply for the first time in 2021, they did not have a material impact on the consolidated financial statements of the Group. These are also described in more detail below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IFRS 9, IAS 39, IFRS 7 – Interest Rate Benchmark Reform (Phase 2) – Effective 1 January 2021

The amendments provided temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

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

Amendments to IFRS 9, IAS 39, IFRS 7 – Interest Rate Benchmark Reform (Phase 2) – Effective 1 January 2021 (continued)

The Phase 2 of the amendments addressed the following:-

- Practical expedient for particular changes to contractual cash flows
- Relief from specific hedge accounting requirements
- Disclosure requirements
- Transition

The amendments had no impact on the consolidated financial statements of the Group, as the Group has not entered into any hedging arrangements in the financial year 2021.

2. **Significant accounting policies** (continued)

c) **Changes in accounting policies and disclosures** (continued)

New and amended standards and interpretations (continued)

Amendments to IFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021 – Effective 1 April 2021

The amendment to IFRS 16 provided relief to lessees for accounting for rent concessions from lessors specifically arising from the covid-19 pandemic. While lessees that elect to apply the practical expedient do not need to assess whether a concession constitutes a modification, lessees still need to evaluate the appropriate accounting for each concession as the terms of the concession granted may vary.

The amendments had no impact on the consolidated financial statements of the Group, as the Group has did not receive any rent concessions in the financial year 2021 (a nominal concession was received in 2020).

Standards issued but not yet effective

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

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current – Effective 1 January 2022
- Amendments to IAS 8 – Definition of Accounting Estimates – Effective 1 January 2023
- Amendments to IAS 12 – Deferred Tax related at Assets and Liabilities arising from a Single Transaction – Effective 1 January 2023
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use – Effective 1 January 2022
- Amendments to IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract – Effective 1 January 2022
- Amendments to IFRS 3 – Reference to the Conceptual Framework – Effective 1 January 2022
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies – Effective 1 January 2023
- IFRS 17, 'Insurance Contracts' – Effective 1 January 2023
- Annual improvements to IFRS standards 2018-2020 cycle, resulting in amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 – Effective 1 January 2022

2. Significant accounting policies (continued)

d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, cash balances at brokers, and other short-term instruments with original maturities of ninety (90) days or less.

e) Financial instruments

Financial assets

(i) Initial recognition and subsequent measurement

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

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

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

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

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

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

2. Significant accounting policies (continued)

e) Financial instruments (continued)

Financial assets (continued)

(i) Initial recognition and subsequent measurement (continued)

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. The Group has designated all investments in equity instruments that are held for trading as FVPL.

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 14. Fair value is determined in the manner described in Note 22.

Interest earned on instruments designated at FVPL is accrued in interest income, using the effective interest rate (EIR) method, 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 other operating income when the right to the payment has been established.

2. **Significant accounting policies** (continued)

e) **Financial instruments** (continued)

Financial assets (continued)

(i) Initial recognition and subsequent measurement (continued)

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

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) Derecognition of financial assets

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

Financial liabilities

i) Initial recognition and subsequent measurement

The Group recognises a financial liability when it becomes party to the contractual obligations of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

2. **Significant accounting policies** (continued)

e) **Financial instruments** (continued)

Financial liabilities (continued)

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**

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

Valuation framework

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

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

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

Fair value hierarchy

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

- ***Level 1*** - Level 1 valuation inputs are unadjusted quoted prices for identical assets and liabilities in active markets that the entity can access at the measurement date.
- ***Level 2*** - Level 2 valuation inputs exclude Level 1 inputs but are inputs that are observable for the asset or liability either directly or indirectly. There were no assets classified as Level 2 during the years 2020 and 2021.
- ***Level 3*** - Level 3 uses significant inputs that are unobservable in the valuation of the asset.

2. **Significant accounting policies** (continued)

f) **Fair value measurement** (continued)

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

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

Equity traded in active markets

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

Equities not traded in an active market (unquoted equities)

The fair value of significant holdings of unquoted equities is estimated by professional 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 its fair value.

Private equity

In 2019, a significant portion of the fair value of the Group's private equity holdings was provided by the General Partners of the private entity and were categorised as Level 3. There were no such holdings as at 31 December 2020 and 2021.

Traded local and foreign bonds

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

2. Significant accounting policies (continued)

f) Fair value measurement (continued)

Unquoted local bonds

The Group uses an internally developed model to value its unquoted local bonds. Management reviews the model regularly to incorporate enhancements in line with established best practice. Although no changes were made in 2020 and 2021, during 2019, the following improvements to the model were made:

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

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

Categorisation of short-term investments

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

Receivables, payables and short-term liabilities

The carrying value of receivables and payables 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.

2. Significant accounting policies (continued)

g) Property, Plant and Equipment (continued)

Where the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the disposal proceeds with the carrying amounts. The resulting gains or losses are recognised in the consolidated statement of profit or loss.

Freehold land is capitalised 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.

2. Significant accounting policies (continued)

h) Leases (continued)

The Group as lessee (continued)

(a) Right-of-use assets

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

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

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

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

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments 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.

2. Significant accounting policies (continued)

h) Leases (continued)

(b) Lease liabilities (continued)

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

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

(b) The Group as lessor

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

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the 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.

2. Significant accounting policies (continued)

i) Intangible Assets

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

The cost of intangible assets are amortised on a straight-line basis over the estimated useful life of the asset or the life of the license whichever is shorter.

Costs associated with maintaining computer software are expensed when incurred.

j) Employee Benefits

(i) Short-term benefits

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

(ii) Pension obligation

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

Defined benefits constitute a small portion of the Group's pension plan benefits (Note 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.

2. Significant accounting policies (continued)

j) Employee Benefits

(iii) Other post-retirement obligations

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

k) Provisions

Provisions are recognised when:

(i) the Group has a present or constructive obligation as a result of past events;
(ii) it is probable that an outflow of resources will be required to settle the obligation; and
(iii) the amount of the obligation can be reliably estimated.

l) Guarantee Pricing Liability

In January 1985, the Board of Directors of the Corporation, pursuant to section 13(1)(d) of the Act, formulated a guarantee pricing plan with respect to units issued under the First Unit Scheme - now the Growth and Income Fund (GIF). Under the guarantee pricing plan, each unitholder that holds units in the GIF for at least three (3) years from the date of purchase, may redeem those units at a price no less than the purchase price of the units. Subsequently, the Corporation established the Guarantee Reserve Fund under section 26(1) of the Act to meet claims under the Guarantee Pricing Plan.

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

(i) The prevailing price of the GIF units. Generally, the price of the GIF units and the total guarantee pricing liability are inversely related. Increases in the price of GIF units generally result in a decrease in the total guarantee pricing liability as the number of 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.

2. Significant accounting policies (continued)

l) Guarantee Pricing Liability (continued)

The Corporation has historically funded shortfalls in the guarantee reserve fund and is committed to doing so in the future. The guarantee pricing liability recognised as at 31 December 2021 was nil (2020: $3.0 million).

m) Revenue recognition

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

Dividend income is recognised when:

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

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

n) Taxation

Corporation tax

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

Withholding tax

Withholding tax is payable on dividends and interest earned in foreign jurisdictions based on the jurisdiction's tax laws and double taxation treaties where applicable.

2. Significant accounting policies (continued)

o) Foreign currency translation

The consolidated financial statements are presented in Trinidad and Tobago dollars, 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 statement of profit or loss.

On consolidation, the assets and liabilities in foreign operations are translated into Trinidad and Tobago dollars 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.

p) Equity movements

Statutory reserves

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

In accordance with section 5 of the Exchange Control Act, a reserve of $650,000 was established to meet the requirements for operation of the Group's Bureau de Change. The Corporation discontinued the operations of the Bureau de Change effective 1 August 2020 and as a result the established reserve was no longer required.

Revaluation Reserve

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

2. Significant accounting policies (continued)

q) Impairment of non-financial assets

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

Impairment losses are recognised in the consolidated statement of profit or loss.

r) 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 $1.2 billion (2020; $1.06 billion).

s) Segment reporting

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

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.

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

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

- Financial instruments risk management (see Note 23)
- Capital management (see Note 24)

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 Corporate Fund.
- The Group's decisions with respect to leases (see Note 7)

  – *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).

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

a) Judgments (continued)

- The Group's decisions with respect to property, plant and equipment (see Note 6)
    - 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));

- the fair value of financial assets categorised at Level 3. When the fair value of financial assets cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including; professional valuators' estimations, broker quotations, and an internally developed valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (see Notes 2 (f), 22 and 23);

- 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

(Expressed in thousands of Trinidad and Tobago dollars)

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

b) Estimates and assumptions (continued)

- The Group cannot determine the interest rate implicit in the leases which it holds as lessee nor can it easily arrive at an incremental borrowing rate to measure its lease liabilities. The Group has used the Central Bank prime lending rate as a proxy for its incremental borrowing rate and used that rate to measure its lease liabilities. The Central Bank prime lending rate used is 7.50% (2020: 9.25%) (See Note 7).

4. Cash and cash equivalents

Cash and cash equivalents are analysed below:

	2021	**2020**
Corporation	543,636	698,216
Locally Domiciled Funds	1,563,518	2,113,023
Foreign Funds	9,976	2,565
Other Group Entities	1,504	1,695
	2,118,634	2,815,499

Cash and cash equivalents held by Funds form part of the net assets of the respective Funds. In compliance with legislation, regulatory restrictions and best practice, all the assets of each Fund, including cash and cash equivalents, are ring-fenced and are not available for use by other entities within the Group. Restricted cash as at 31 December was $1.58 billion (2020: $2.17 billion) (see Note 9)

(Expressed in thousands of Trinidad and Tobago dollars)

5. Investment securities

	2021	2020
Investment securities		
Designated at fair value through statement of income	22,840,032	20,638,868
Total investment securities	22,840,032	20,638,868
Investment securities designated at fair value through profit and loss		
Bonds	14,791,248	12,852,428
Equity	3,275,696	2,422,263
Treasury bills	454,152	803,277
Fixed-term deposits	1,704,640	1,581,997
Short-term investments	1,255,781	881,499
Commercial paper	67,720	114,644
Bond Exchange Traded Funds	–	466,503
Exchange Traded Funds (ETFs)	1,166,408	1,398,326
Private equity	3,088	3,629
Mutual funds	121,299	114,302
Other	–	–
Total investment securities	22,840,032	20,638,868

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

6. Property, plant and equipment

2021

	Land	Buildings	Office Improvements	Office Computer equipment	Office & Furniture & Motor Vehicles	Total
Opening net book value	13,000	87,800	16,069	21,504	3,875	142,248
Additions	–	–	2,021	7,783	62	9,866
Disposals	–	–	–	(97)	(4)	(101)
Depreciation/amortisation	(22)	(2,359)	(2,473)	(5,542)	(723)	(11,119)
Closing net book value	12,978	85,441	15,617	23,648	3,210	140,894
As at 31 December 2021						
Cost	13,604	122,104	56,583	112,300	26,207	330,798
Accumulated depreciation/ amortisation	(626)	(36,663)	(40,966)	(88,652)	(22,997)	(189,904)
Net book value	12,978	85,441	15,617	23,648	3,210	140,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

6. Property and equipment (continued)

2020

	Land	**Buildings**	**Office Improvements**	**Office Computer equipment**	**Office & Furniture & Motor Vehicles**	**Total**
Opening net book value	15,987	92,111	13,995	23,450	4,283	149,826
Additions	–	–	3,698	4,455	369	8,522
Disposals	(2,965)	(1,942)	–	(20)	(7)	(4,935)
Depreciation/amortisation	(22)	(2,369)	(1,624)	(6,381)	(770)	(11,166)
Closing net book value	13,000	87,800	16,069	21,504	3,875	142,248
As at 31 December 2020						
Cost	13,604	122,104	54,562	106,514	26,206	322,990
Accumulated depreciation/ amortisation	(604)	(34,304)	(38,493)	(85,010)	(22,331)	– (180,742)
Net book value	13,000	87,800	16,069	21,504	3,875	142,248

Land includes leasehold land of $2.2 million (2020: $2.2 million) and freehold land of $11.4 million (2020: $11.4 million).

6. **Property 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 (2020: $201 million). Information related to the fair value of land and buildings at 31 December is provided in the table below in millions of dollars:

Property	Cost $'M	Independent Valuation $'M	Date of last valuation	Fair Value 31 Dec 2021 $'M	Fair Value 31 Dec 2020 $'M	Valuation Level $'M
Leasehold land	2.2	15.0	Oct 2021	15.0	10.8	Level 2
Freehold land	11.4	26.2	Nov 2021	26.2	22.5	Level 2
Buildings	122.1	121.4	Nov 2021	121.4	167.7	Level 2
Total	135.7	162.6		162.6	201.0	

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

(Expressed in thousands of Trinidad and Tobago dollars)

7. Leases

Group as lessee

Right-of-use assets

	Property	Motor vehicles	Equipment	Total
Cost				
As at 1 January 2021	19,211	894	4,667	24,772
Additions	–	–	211	211
Extensions	–	74	–	74
Disposals	(1,376)	–	(1,359)	(2,735)
As at December 2021	17,835	968	3,519	22,322
Accumulated Depreciation				
As at 1 January 2021	(8,878)	(469)	(1,475)	(10,822)
Disposals	1,376	–	1,120	2,496
Depreciation	(4,587)	(336)	(1,155)	(6,078)
As at December 2021	(12,089)	(805)	(1,510)	(14,404)
Carrying Amount				
As at December 2021	5,746	163	2,009	7,918
Cost				
As at 1 January 2020	18,277	754	2,100	21,131
Additions	4,911	121	2,843	7,875
Extensions	122	19	428	569
Disposals	(4,099)	–	(704)	(4,803)
As at December 2020	19,211	894	4,667	24,772
Accumulated Depreciation				
As at 1 January 2020	(4,448)	(108)	(843)	(5,399)
Disposals	2,105	–	254	2,359
Depreciation	(6,535)	(361)	(886)	(7,782)
As at December 2020	(8,878)	(469)	(1,475)	(10,822)
Carrying Amount				
As at December 2020	10,333	424	3,192	13,950

(Expressed in thousands of Trinidad and Tobago dollars)

7. **Leases** (continued)

Group as lessee (continued)

Right-of-use assets

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 15% 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.

	2021	2020
Less than one year	5,163	6,269
Between one and five years	3,549	8,034
More than five years	344	1,083
	9,056	15,386

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

	2021	2020
Depreciation expense of right-of-use assets	6,078	7,782
Finance charges on lease liabilities	858	1,657
Expense related to short-term leases	252	429
	7,188	9,868

At 31 December 2021, the Group had one (1) short-term lease commitment (2020: nil). The total cash outflow for leases amounted to $7.5 million (2020: $8.3 million)

(Expressed in thousands of Trinidad and Tobago dollars)

7. **Leases** (continued)

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 leases contracts with tenants at 31 December is shown below.

	2021	**2020**
Year 1	1,161	587
Year 2	148	531
Year 3	–	91
	1,309	1,209

Rental income reported in the consolidated statement of profit or loss for 2021 was $3.01 million (2020: $3.04 million).

(Expressed in thousands of Trinidad and Tobago dollars)

8. Intangible assets

2021	Computer software	Software licenses	Total
Opening net book value	165	22,051	22,216
Amortisation	(33)	(3,622)	(3,655)
Closing net book value	132	18,429	18,561
As at 31 December			
Cost	2,726	23,658	26,384
Accumulated amortisation	(2,594)	(5,229)	(7,823)
Net book value	132	18,429	18,561
2020			
Opening net book value	207	–	207
Additions	–	23,658	23,658
Amortisation	(42)	(1,607)	(1,649)
Closing net book value	165	22,051	22,216
As at 31 December			
Cost	2,726	23,658	26,384
Accumulated amortisation	(2,561)	(1,607)	(4,168)
Net book value	165	22,051	22,216

(Expressed in thousands of Trinidad and Tobago dollars)

9. Restricted assets

The Group, in keeping with best practice and legislation, has no access to the investment securities, cash holdings or other assets of the Funds it manages. The Funds are by nature collective investment schemes and as such the assets, including cash, are ring-fenced and used exclusively for the benefit of the unitholders/shareholders. The table below analyses the significant line items in the consolidated statement of financial position which include assets that are not available to the Group.

Particulars	**2021**	**2020**
Cash and cash equivalents (see Note 4)	2,118,634	2,815,499
Restricted cash and cash equivalents	(1,576,261)	(2,170,311)
Available to Group without restriction	542,373	645,188

Particulars	**2021**	**2020**
Receivables	341,361	166,381
Restricted receivables	(327,939)	(158,663)
Available to Group without restriction	13,422	7,718

Particulars	**2021**	**2020**
Investment securities (see Note 5)	22,840,032	20,638,868
Restricted investment securities	(21,836,140)	(19,812,094)
Available to Group without restriction	1,003,892	826,774

10. Accounts payable and short-term liabilities

	2021	**2020**
Due to brokers	167,116	6,549
Accounts payable and accruals	52,169	44,314
Other liabilities	23,686	24,451
	242,971	75,314

(Expressed in thousands of Trinidad and Tobago dollars)

11. Pension and other post-retirement liabilities

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

	2021	2020
Net defined benefit liability (Note 11 (a))	–	–
Group life liability (Note 11 (b))	2,566	2,555
Medical benefit liability (Note 11 (c))	30,066	16,553
Statement of financial position	**32,632**	**19,108**

	2021	2020
Net Defined Benefit Liability (Note 11 (a iv))	11,627	11,206
Group Life Liability (Note 11 (b iii))	266	251
Medical Benefit Liability (Note 11 (c iii))	1,722	1,649
Statement of profit or loss	**13,615**	**13,106**

(Expressed in thousands of Trinidad and Tobago dollars)

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

a) Pension Benefits

i. Net liability in consolidated statement of financial position

	2021	2020
Present value of defined benefit obligation	271,985	244,866
Fair value of plan assets	(282,881)	(250,560)
Surplus	(10,896)	(5,694)
Effect on asset ceiling	10,896	5,694
Net Defined Benefit Liability/(Asset)	–	–

ii. Movement in consolidated statement of financial position

	2021	2020
Opening present value of defined benefit obligation	244,866	229,013
Current service cost	11,627	11,206
Plan participant contributions	4,163	4,180
Interest cost	12,456	11,721
Experience adjustments	10,344	(6,835)
Actuarial gains from changes in financial assumptions	(4,292)	–
Benefits and expenses paid	(7,179)	(4,419)
Closing present value of defined benefit obligation	271,985	244,866

(Expressed in thousands of Trinidad and Tobago dollars)

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

a) Pension Benefits (continued)

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

	2021	**2020**
Active members	69%	67%
Deferred members	14%	14%
Pensioners	17%	19%

96% of the benefits for active members are vested.

23% of the total defined benefit obligation is defined benefit in nature, of which 2% is conditional on active members' future salary increases. The weighted average duration of the defined benefit liability component of the obligation is 14.0 years.

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

	2021	**2020**
Opening fair value of plan assets	250,560	235,405
Expected return	12,741	12,052
Actuarial loss	10,956	(8,294)
Employer contributions for current service	11,640	11,636
Plan participant contributions for current service	4,163	4,180
Benefits and expenses paid	(7,179)	(4,419)
Closing fair value of plan assets	282,881	250,560
Actual return on plan assets	23,697	3,758

(Expressed in thousands of Trinidad and Tobago dollars)

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

a) Pension Benefits (continued)

iii (b). Asset allocation

	2021	2020
Universal Retirement Fund	217,520	186,187
TT$ Income Fund	1,345	24,371
TT$ National Insurance bonds	3,597	13,641
TT$ Government bonds	11,066	24,832
Cash and cash equivalents	2,835	1,529
Insured annuities	46,518	–
	282,881	250,560

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

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

	2021	2020
Current service costs	11,627	11,206

v. Re-measurements recognised in other comprehensive income

	2021	2020
Actuarial (gains)/losses	(4,904)	1,459
Effect of asset ceiling	4,917	(1,029)
	13	430

(Expressed in thousands of Trinidad and Tobago dollars)

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

a) Pension Benefits (continued)

vi. Summary of principal assumptions as at 31 December

	2021	**2020**
Discount rate	5.50%	5.00%
Average individual salary increases	4.00%	4.00%
Future pension increases	0.00%	0.00%

b) Group Life Benefits

i. Net liability in consolidated statement of financial position

	2021	**2020**
Present value of defined benefit obligation	2,566	2,555
Fair value of plan assets	–	–
Net Defined Benefit Liability	2,566	2,555

ii. Movement in consolidated statement of financial position

Opening present value of defined benefit obligation	2,555	2,471
Current service cost	140	129
Interest cost	126	122
Experience adjustments	78	(111)
Actuarial gains from changes in financial assumptions	(269)	–
Benefits paid	(64)	(56)
Closing present value of defined benefit obligation	2,566	2,555

(Expressed in thousands of Trinidad and Tobago dollars)

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

b) Group Life Benefits (continued)

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

	2021	2020
Current service cost	140	129
Net interest cost	126	122
	266	251

iv Re-measurements recognised in other comprehensive income

	2021	2020
Experience (gains)/losses	(191)	(111)

c) Medical Benefits

i. Net Liability in consolidated statement of financial position

	2021	2020
Present value of defined benefit obligation	30,066	16,553
Fair value of plan assets	–	–
Net Defined Benefit Liability	30,066	16,553

(Expressed in thousands of Trinidad and Tobago dollars)

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

c) Medical Benefits (continued)

ii. Movement in consolidated statement of financial position

	2021	2020
Opening present value of obligation	16,553	15,690
Current service cost	907	872
Interest cost	815	777
Experience adjustments	15,662	(470)
Actuarial gains from changes in financial assumptions	(3,370)	–
Benefits paid	(501)	(316)
Closing present value of obligation	30,066	16,553

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

	2021	2020
Current service cost	907	872
Net interest cost	815	777
	1,722	1,649

iv Re-measurements recognised in other comprehensive income

	2021	2020
Experience (gains)/losses	12,292	(470)

v. Summary of principal assumptions as at 31 December

	2021	2020
Discount rate	5.50%	5.00%
Average individual salary increases	4.00%	4.00%

(Expressed in thousands of Trinidad and Tobago dollars)

12. 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 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.

	2021	**2020**
Initial Capital - Growth and Income Fund	4,766	4,766
Unit Capital - Growth and Income Fund	5,870,418	5,249,177
Unit Capital - TT Dollar Income Fund	12,290,724	12,393,600
Unit Capital - Universal Retirement Fund	443,535	371,921
Unit Capital - US Dollar Income Fund	4,415,922	4,106,210
Unit Capital - Corporate Fund (See Note 28.)	531,789	–
Participating Shares - UTC (Cayman) SPC Ltd.	8,616	7,770
	23,565,770	22,133,444

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 2021 was $4.8 million (2020: $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 locally domiciled entities above in Note 29 and 30 (i) to (v). Financial information for UTC (Cayman) SPC Ltd. is provided in Note 30 (vi).

(Expressed in thousands of Trinidad and Tobago dollars)

13. Investment income

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

Entity	**2021**	**2020**
Growth & Income Fund	158,361	130,687
TT Dollar Income Fund	337,381	334,352
Universal Retirement Fund	9,851	7,724
US Dollar Income Fund	113,728	107,352
Corporate Fund	9,441	–
UTC (Cayman) SPC Ltd.	400	411
Local subsidiaries	390	670
Corporation	29,797	24,277
	659,349	605,473

Type of income	**2021**	**2020**
Interest income	543,165	526,162
Dividend income	111,939	78,120
Other income	4,245	1,191
	659,349	605,473

14. 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	**2021**	**2020**
Growth & Income Fund	656,300	(8,260)
TT Dollar Income Fund	24,009	47,731
Universal Retirement Fund	50,425	8,048
US Dollar Income Fund	(70,736)	75,172
Corporate Fund	2,346	–
UTC (Cayman) SPC Ltd.	3,070	1,460
Corporation	5,596	257
	671,010	124,408

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

(Expressed in thousands of Trinidad and Tobago dollars)

15. Fee income

	2021	2020
Management charge - third parties	3,596	3,772
Trustee fees	20	20
Paying agent fees	14	15
	3,630	3,807

16. Other income

	2021	2020
Foreign exchange gain/(loss)	4,321	(3,656)
Rental income	3,007	3,044
Other management charge	2,449	2,546
Other income	363	1,313
	10,140	3,247

17. Administrative expenses

	2021	2020
Audit fees	800	402
Directors' fees	3,016	2,746
General administration	130,671	111,352
Staff costs (see note 18)	152,655	148,234
	287,142	262,734

18. Staff costs

	2021	2020
Salaries and wages	102,041	101,605
Other staff costs	30,704	27,464
Pension costs (see note 11)	13,615	13,106
National insurance	6,295	6,059
	152,655	148,234

(Expressed in thousands of Trinidad and Tobago dollars)

18. **Staff costs** (continued)

Number of employees	526	529

19. Distributions to unitholders

	2021	2020
Growth & Income Fund	33,619	22,743
TT Dollar Income Fund	140,231	169,179
US Dollar Income Fund	38,301	46,525
Corporate Fund	8,404	–
	220,555	238,447

a) Growth & Income Fund

The Growth & Income Fund paid $33.6 million to its unitholders in respect of its June 2021 and December 2021 distributions (2020: $22.7 million). Included in the $33.6 million was distributions paid to initial capital contributors of $0.3 million (2020: $0.3 million)

b) TT Dollar Income Fund

The TT Dollar Income Fund makes quarterly distributions at the end of February, May, August and November. Income accrued as at 31 December for distributions in the quarter ending 28 February 2022 amounted to $11.4 million (2020: $13.7 million).

c) US Dollar Income Fund

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

d) Corporate Fund

Distributions in the Corporate Fund are paid by calendar quarters. (See Note 28.)

(Expressed in thousands of Trinidad and Tobago dollars)

20. Taxation

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

	2021	**2020**
Net income before taxation	76,315	66,389
less: income taxed at 0%	(76,066)	(65,766)
Net income subject to tax	249	623
Corporation tax charge/(refund) for foreign subsidiaries	112	319
Withholding tax on interest and dividends received	2,854	7,145
Green fund levy	1,114	1,044
	4,080	8,508

(Expressed in thousands of Trinidad and Tobago dollars)

21. 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.

	2021	2020
Assets		
Loans		
Key management	11	52
Represented by:		
Balance at the beginning of the year	52	104
Loans advanced	–	–
Loan repayments	(41)	(52)
Balance at the end of the year	11	52

(Expressed in thousands of Trinidad and Tobago dollars)

21. Related party transactions and balances (continued)

	2021	2020
Liabilities		
Net assets attributable to unitholders		
Key management	4,242	5,043
Directors	3,724	3,402
Balance at the end of the year	7,966	8,445
Expenses		
Distributions to unitholders		
Key management	35	34
Directors	25	26
Balance at the end of the year	60	60

Key management compensation

	2021	2020
Short-term benefits	19,246	22,143
Post employment benefits	7,035	6,006
	26,281	28,149

Other related party transactions - directors renumeration

	2021	2020
Directors' fees (see Note 17)	3,016	2,746

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.

(Expressed in thousands of Trinidad and Tobago dollars)

22. 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)).

2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at FVPL				
Bonds	797,226	–	13,994,022	14,791,248
Equity	2,990,834	–	284,862	3,275,696
Treasury bills	454,152	–	–	454,152
Fixed-term deposits	1,704,640	–	–	1,704,640
Short-term investments	1,255,781	–	–	1,255,781
Commercial paper	67,720	–	–	67,720
Exchange Traded Funds (ETFs)	1,166,408	–	–	1,166,408
Bond Exchange Traded Funds	–	–	–	–
Private equity	–	–	3,088	3,088
Mutual funds	121,299	–	–	121,299
	8,558,060	–	14,281,972	22,840,032

(Expressed in thousands of Trinidad and Tobago dollars)

22. **Fair value of financial instruments** (continued)

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

2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment securities designated at FVPL				
Bonds	501,261	–	12,351,167	12,852,428
Equity	2,172,248	–	250,015	2,422,262
Treasury bills	803,277	–	–	803,277
Fixed-term deposits	1,581,997	–	–	1,581,997
Short-term investments	881,499	–	–	881,499
Commercial paper	114,644	–	–	114,644
Exchange Traded Funds (ETFs)	1,398,326	–	–	1,398,326
Structured bonds	466,503	–	–	466,503
Private equity	–	–	3,629	3,629
Mutual funds	114,302	–	–	114,302
	8,034,057	–	12,604,811	20,638,868

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

There were no transfers between levels for the year ended 31 December 2021 (2020: there were no transfers between levels).

22. Fair value of financial instruments

(ii) Valuation techniques used to derive Level 3 fair values

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

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

2021 Investment securities designated at FVPL	**Level 3 fair value**	**Valuation technique**	**Significant unobservable inputs**	**Possible shift in inputs**	**Changes in valuation**
Bonds	13,994	Valuation model, indicative quotations	Interest rates, spreads	1%	140
Equity	285	Professional/ management valuations	Not applicable	Not applicable	Not applicable
Private equity	3	General partner's valuation	Not applicable	Not applicable	Not applicable
	14,282				140

22. Fair value of financial instruments (continued)

(ii) Valuation techniques used to derive Level 3 fair values (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

22. Fair value of financial instruments (continued)

(iii) Movements in Level 3 financial instruments

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

2021

Investment securities designated at FVPL	Carrying value Level 3 1 Jan 2021	Purchases/ Capitalised interest	Sales/ Repayments/ Maturities	Net gains/ (losses) recognised in P&L	Carrying value Level 3 31 Dec 2021	Fair Values
Bonds	12,351	7,460	(5,719)	(98)	13,994	13,994
Equity	250	–	–	35	285	285
Private equity	4	1	–	(2)	3	3
	12,605	7,461	(5,719)	(65)	14,282	14,282

22. Fair value of financial instruments (continued)

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

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

2020 Investment securities designated at FVPL	Carrying value Level 3 1 Jan 2020	Purchases/ Capitalised interest	Sales/ Repayments/ Maturities	Net gains/ (losses) recognised in P&L	Carrying value Level 3 31 Dec 2020	Fair Values
Bonds	8,415	6,644	(2,796)	88	12,351	12,351
Equity	327	–	–	(77)	250	250
Structured bonds	527	–	(533)	6	–	–
Private equity	11	2	–	(9)	4	4
	9,280	6,646	(3,330)	8	12,605	12,605

(Expressed in thousands of Trinidad and Tobago dollars)

23. Risk management

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

	2021	2020
Financial assets		
Cash and cash balances (see Note 4)	2,118,634	2,815,499
Receivables	341,361	166,381
Other assets	7,659	7,630
Investment securities (see Note 5)	22,840,032	20,638,868
	25,307,686	23,628,378
Financial liabilities		
Accounts payable and short-term liabilities	242,971	75,314
Lease liabilities	9,056	15,386
Distribution payable	40,368	36,182
Other liabilities	1,578	3,271
Net assets attributable to unitholders	23,565,770	22,133,444
	23,859,743	22,263,596

23. Risk management (continued)

Risk management framework

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

The SRCC is responsible for establishing and implementing the Corporation's risk management framework and appropriate risk policies and mitigation plans. The SRCC also has oversight of the effectiveness of risk management, compliance and management of key risks including strategic and operational risks of the Corporation.

During 2021, the SRCC met at least once per quarter to:

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

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.

23. Risk management (continued)

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

At an operational level, and in line with the Corporation's Governance Framework, these risk exposures are managed on an ongoing basis to ensure that they remain in compliance with approved risk tolerances and that adequate 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.

The responsibility for market risk oversight is vested in the SRCC. The Enterprise Risk Management & Compliance Division is responsible for the development of detailed risk management policies and for the day-to-day review of their implementation.

(Expressed in thousands of Trinidad and Tobago dollars)

23. Risk management (continued)

Equity and ETF price risk

Equity and ETF price risk is the risk that the fair value of the equities/ETFs decreases as a result of changes in the market 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 2021	2,145,062	1,312,494	1,105,841
	47.0%	*28.8%*	*24.2%*
As at December 2020	1,938,273	782,242	1,100,074
	50.7%	*20.5%*	*28.8%*

23. Risk management (continued)

Equity and ETF price risk (continued)

The following table presents the approximate sensitivity of the net asset value of the Group to a 5% change in the TTSE composite index and the S&P 500 composite index respectively as at 31 December with all other variables held constant.

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

Market indices	**Change in equity price**	**Effect on net asset value**	
	%	**2021**	**2020**
		+/-	**+/-**
TTSE	+/- 5	128.4	73.5
S&P 500	+/- 5	71.4	70.7

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.

(Expressed in thousands of Trinidad and Tobago dollars)

23. Risk management (continued)

Interest rate risk (continued)

The Group's exposure to interest rate risk as at 31 December 2021 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.

2021	Less than one year	One to five years	Over five years	Total
Assets				
Cash & cash equivalents	2,118,634	–	–	2,118,634
Treasury bills	454,152	–	–	454,152
Fixed-term deposits	1,704,642	–	–	1,704,642
Short-term investments	1,255,781	–	–	1,255,781
Commercial paper	67,722	–	–	67,722
Bonds	1,466,447	13,324,801	–	14,791,248
Bond Exchange Traded Funds	–	–	–	–
Liabilities				
Lease liability (see Note 7)	(5,163)	(3,549)	(344)	(9,056)
Rate re-pricing position	**7,062,215**	**13,321,252**	**(344)**	**20,383,123**

(Expressed in thousands of Trinidad and Tobago dollars)

23. Risk management (continued)

Interest rate risk (continued)

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

(Expressed in thousands of Trinidad and Tobago dollars)

23. Risk management (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Since the TT$ denominated portfolios contain investments denominated in US$, these portfolios can be negatively impacted by movements in the US$/TT$ exchange rate.

The foreign currency assets and liabilities of the Group as at 31 December are summarised below.

	2021		2020	
	US$	**Other foreign currencies**	**US$**	**Other foreign currencies**
	(presented in TT$)		(presented in TT$)	
Cash & cash equivalents	556,044	–	477,195	–
Treasury bills	–	–	269,827	–
Fixed-term deposits	429,277	–	166,586	–
Short-term investments	680,631	–	273,205	–
Commercial paper	67,722	–	114,644	–
Bonds	6,272,403	–	5,418,066	–
Bond Exchange Traded Funds	–	–	466,503	–
Equities, ETFs, Private equity and Mutual Funds	1,913,536	72,521	1,880,670	73,363
Total financial assets	9,919,613	72,521	9,066,696	73,363
Net assets attributable to Unitholders (see Note 12)	(4,424,538)	–	(4,113,979)	–
Total financial liabilities	(4,424,538)	–	(4,113,979)	–
Net currency risk exposure	5,495,075	72,521	4,952,717	73,363
Reasonably possible change in currency rate	1%	1%	1%	1%
Approximate change in US$ holdings	**54,951**	**725**	**49,527**	**734**

23. Risk management (continued)

Currency risk (continued)

Concentration of foreign currency exposure

	2021	**2020**
% of total financial assets	22%	21%

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will default on its financial obligations, that is, it fails to make full and timely payments of scheduled interest and/or principal sums due.

The Group is exposed to credit risk primarily on debt securities, short-term investments and bank balances. The carrying value of these assets represents the Group's maximum exposure to credit risk on the respective reporting dates. Hence no separate maximum exposure to credit risk disclosure is provided for these instruments.

Credit risk is managed by:

i. subjecting counterparties to robust credit risk assessments prior to initial acquisition;
ii. limiting the acquisition or retention of debt instruments to certain credit ratings;
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.

23. **Risk management** (continued)

Credit risk (continued)

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

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

	High	**Medium**	**Low**	**Total**
2021				
Debt securities	12,976	1,780	36	14,792
Treasury bills	454	–	–	454
Fixed-term deposits	1,705	–	–	1,705
Short-term investments	1,256	–	–	1,256
Commercial paper	68	–	–	68
Bond Exchange Traded Funds	–	–	–	–
Bank balances	2,119	–	–	2,119
Total financial assets	18,578	1,780	36	20,394
2020				
Debt securities	11,275	1,221	357	12,852
Treasury bills	803	–	–	803
Fixed-term deposits	1,582	–	–	1,582
Short-term investments	881	–	–	881
Commercial paper	115	–	–	115
Structured bonds	467	–	–	467
Bank balances	2,815	–	–	2,815
Total financial assets	17,938	1,221	357	19,516

(Expressed in thousands of Trinidad and Tobago dollars)

23. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they become due.

The units of the Locally domiciled Funds (see Note 29) 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 2021 and 2020, based on contractual repayment obligations, over the remaining life of those liabilities.

	Less than one year	**Greater than one year**	**Total**
2021			
Accounts payable and short-term liabilities	242,971	–	242,971
Lease liabilities	5,163	3,893	9,056
Distribution payable	40,368	–	40,368
Other liabilities	1,578	–	1,578
Net assets attributable to unitholders	23,565,770	–	23,565,770
	23,855,850	3,893	23,859,743

(Expressed in thousands of Trinidad and Tobago dollars)

23. Risk management (continued)

Liquidity risk (continued)

Analysis of financial liabilities by remaining contractual maturities (continued)

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

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. Operational risk is inherent within all business activities and has the potential for financial or reputational loss, this includes errors, omissions, disasters and fraud.

Operational risk is managed through a combination of systems and procedures to monitor and document transactions, and where appropriate, the risk is transferred by the placement of adequate insurance coverage.

The Group has developed business contingency arrangements and support of operations in the event of disasters.

Managing information security threats across the Group remains a major priority and the Corporation is responsible for overseeing information security risks and maintaining its risk appetite. Mechanisms are in place to prevent, detect and respond against cyber threats and where appropriate, risk is transferred by the placement of adequate insurance coverage.

24. 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.

25. Commitments

As at 31 December, the Group had contractual obligations for capital contributions in the amounts of approximately $37 million (2020: $38.8 million) which relates to infrastructure projects and other investments.

26. Contingent liabilities

As at 31 December 2020, there were three (3) matters before the courts. The contingent liability in relation to the three (3) matters is estimated at $3.3 million (2020: $3.78 million).

(Expressed in thousands of Trinidad and Tobago dollars)

27. 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	Principal place of business	Date of incorporation
UTC Trust Services Limited	82 Independence Square, Port of Spain, Trinidad	2 June 1999
		Interest
		100%

Company	Principal place of business	Date of incorporation
Unit Trust Corporation Brokerage and Advisory Services Corporation Limited	82 Independence Square, Port of Spain, Trinidad	14 January 2021
		Interest
		100%

27. Interest in corporate entities (continued)

(i) Local corporate entities (continued)

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 assets, liabilities and results of these subsidiaries have been fully incorporated in these 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 and 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

27. Interest in corporate entities (continued)

(ii) Foreign corporate entities (continued)

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) regional subsidiaries which are consolidated. These are:

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

All the directors of the foregoing two (2) companies are directors of the Corporation. UTC Fund Management Services STL Limited carries on the business of mutual fund management while UTC Global Balanced Fund Limited is the mutual fund company.

These subsidiaries had no activities for the period.

(Expressed in thousands of Trinidad and Tobago dollars)

28. Corporate Fund

The Corporate Fund was reactivated towards the end of 2019, and its activities were immaterial to the Group for 2019 and 2020. During 2021, the Group reassessed the materiality of the Fund with guidance from IFRS Practice Statement 2 Making Materiality Judgements, and concluded the Fund should be consolidated effective 1 January 2021, in accordance with IFRS 10 Consolidated Financial Statements. The financial statements included in the Group's results and financial position as at 31 December 2021 are shown in Note 30 (v).

29. Locally domiciled funds

The five (5) locally domiciled 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.

	2021	**2020**
Growth and Income Fund	6,046,629	5,281,488
TT Dollar Income Fund	12,318,222	12,423,783
Universal Retirement Fund	459,673	372,661
US Dollar Income Fund	4,432,353	4,126,388
Corporate Fund	546,164	–
Total assets	23,803,041	22,204,320

Summarised financial information for the locally domiciled funds is provided in Note 30.

30. 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 2021 and

	2021	**2020**
Cash and cash equivalents	259,985	203,596
Receivables	33,434	29,641
Investment securities	5,753,210	5,048,251
Total Assets	**6,046,629**	**5,281,488**
Liabilities	171,444	27,544
Equity	5,875,185	5,253,944
Total liabilities and equity	**6,046,629**	**5,281,488**

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(i) Growth and Income Fund (continued)

	2021	**2020**
Investment income	815,821	118,582
Net income	700,374	10,690
Distributions	(33,619)	(22,743)
Total comprehensive (loss)/ income for the year	**666,755**	**(12,053)**
Net cash flow provided by operating activities	180,030	18,381
Net cash used in investing activities	(41,307)	(29,193)
Net cash (used in)/provided by financing activities	(82,334)	(112,245)
Net change in cash flows for the year	**56,389**	**(123,057)**

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

	2021	**2020**
Category		
Government securities	978,588	951,687
Corporate securities	238,916	265,404
Equity and ETFs (local and foreign)	4,181,563	3,603,532
Short-term investments	354,143	227,628
Total	**5,753,210**	**5,048,251**

	2021	**2020**
Classification		
Fair value through profit or loss	5,753,210	5,048,251
Total	**5,753,210**	**5,048,251**

(Expressed in thousands of Trinidad and Tobago dollars)

30. 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 2021 calls totalling $0.03 million (2020: $0.4 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 2021 and 2020.

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

Fund Reserve	**2021**	**2020**
Fund reserve as at 1 January	–	–
Allocation to reserve (Growth & Income Fund)	–	–
Call on Reserve	29	384
Allocation to reserve (Corporation)	(29)	(384)
Fund reserve as at 31 December	–	–

No transfers to support the Growth & Income Fund were required during the year 2021 or 2020. The Corporation is the sponsor of the Growth & Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(ii) TT Dollar Income Fund

The table below summarises financial information for the TT Dollar Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2021 and 2020.

	2021	**2020**
Cash and cash equivalents	1,129,258	1,760,964
Receivables	226,374	254,154
Investment securities	10,962,590	10,408,665
Total Assets	**12,318,222**	**12,423,783**
Liabilities	27,153	29,841
Equity	12,291,069	12,393,942
Total liabilities and equity	**12,318,222**	**12,423,783**

	2021	**2020**
Investment income	362,181	383,614
Net income	202,784	229,399
Distributions	(140,231)	(169,179)
Allocations to reserves (see paragraphs below)	(7,700)	–
Total comprehensive income for the year	**54,853**	**60,220**
Net cash flow provided by operating activities	216,278	139,516
Net cash (used in)/provided by investing activities	(549,510)	(438,700)
Net cash provided by financing activities	(298,474)	592,014
Net change in cash flows for the year	**(631,705)**	**292,830**

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(ii) TT Dollar Income Fund (continued)

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

	2021	2020
Category		
Government securities	5,946,923	5,333,394
Corporate securities	2,809,902	2,877,810
ETFs (foreign)	–	197,823
Short-term investments	2,205,765	1,999,638
Total	**10,962,590**	**10,408,665**

	2021	2020
Classification		
Fair value through profit or loss	10,962,590	10,408,665
Total	**10,962,590**	**10,408,665**

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 2021 or 2020.

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(ii) TT Dollar Income Fund (continued)

TT Dollar Income Fund reserves (continued)

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

Primary Reserve	**2021**	**2020**
Fund reserve as at 1 January	56,987	56,038
Allocation to primary reserve	7,700	–
Interest earned on the reserve	–	949
Primary reserve as at 31 December	64,687	56,987

Secondary Reserve	**2021**	**2020**
Fund reserve as at 1 January	21,717	21,355
Allocation to secondary reserve	–	–
Interest earned on the reserve	–	362
Secondary reserve as at 31 December	21,717	21,717

	2021	**2020**
Total Fund reserve as at 31 December	**86,404**	**78,704**

A transfer of $7.7 million was made to the primary reserve during the year 2021 (2020: nil). The Corporation is the sponsor of the TT Dollar Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(iii) Universal Retirement Fund

The table below summarises financial information for the Universal Retirement Fund (before inter-entity eliminations or consolidation adjustments) for the years 2021 and 2020.

	2021	**2020**
Cash and cash equivalents	25,920	18,227
Receivables	2,700	2,289
Investment securities	431,053	352,145
Total Assets	**459,673**	**372,661**
Liabilities	16,139	740
Equity	443,534	371,921
Total liabilities and equity	**459,673**	**372,661**

	2021	**2020**
Investment income	60,382	15,358
Total comprehensive income for the year	51,918	8,039
Net cash flow provided by/(used in) operating activities	15,424	68,369
Net cash (used in)/provided by investing activities	(27,680)	(76,364)
Net cash provided by financing activities	19,949	16,060
Net change in cash flows for the year	**7,693**	**8,065**

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(iii) Universal Retirement Fund (continued)

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

	2021	**2020**
Category		
Government securities	44,036	37,379
Corporate securities	42,458	27,151
Equity and ETFs (local and foreign)	341,173	275,871
Short-term investments	3,385	11,744
Total	**431,053**	**352,145**

	2021	**2020**
Classification		
Fair value through profit or loss	431,053	352,145
Total	**431,053**	**352,145**

No transfers to support the Universal Retirement Fund were required during the year 2021 or 2020. The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the Fund financially and otherwise as necessary.

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(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 2021 and 2020.

	2021	**2020**
Cash and cash equivalents	150,168	130,237
Receivables	146,464	141,233
Investment securities	4,135,721	3,854,918
Total Assets	**4,432,353**	**4,126,388**
Liabilities	14,925	18,025
Equity	4,417,428	4,108,363
Total liabilities and equity	**4,432,353**	**4,126,388**

	2021	**2020**
Investment income	42,992	182,391
Net income	(10,347)	129,571
Distributions	(38,392)	(46,491)
Allocations to reserves (see paragraphs below)	–	–
Total comprehensive income for the year	**(48,739)**	**83,081**
Net cash flow provided by/(used in) operating activities	78,011	42,728
Net cash provided by/(used in) investing activities	(364,772)	(218,920)
Net cash (used in)/provided by financing activities	306,692	69,032
Net change in cash flows for the year	**19,931**	**(107,160)**

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(iv) US Dollar Income Fund (continued)

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

	2021	2020
Category		
Government securities	717,514	2,543,534
Corporate securities	2,994,929	889,776
Short-term investments	423,278	421,608
Total	**4,135,721**	**3,854,918**

	2021	2020
Classification		
Fair value through profit or loss	4,135,721	3,854,918
Total	**4,135,721**	**3,854,918**

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 2021 and 2020.

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(iv) US Dollar Income Fund (continued)

US Dollar Income Fund reserves (continued)

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

Primary Reserve	**2021**	**2020**
Fund reserve as at 1 January	60,220	59,954
Allocation to primary reserve	18,286	–
Interest earned on the reserve		469
Foreign exchange translation	1,434	(203)
Primary reserve as at 31 December	79,940	60,220

Secondary Reserve	**2021**	**2020**
Fund reserve as at 1 January	37,583	37,417
Allocation to secondary reserve	–	–
Interest earned on the reserve	–	293
Foreign exchange translation	(1,812)	(127)
Secondary reserve as at 31 December	35,771	37,583

	2021	**2020**
Total Fund reserve as at 31 December	**115,710**	**97,803**

A transfer of $18.3 million was made to the primary reserve during the year 2021 (2020: nil). The Corporation is the sponsor of the US Dollar Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(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 2021.

	2021
Cash and cash equivalents	954
Receivables	11,465
Investment securities	533,745
Total Assets	**546,164**
Liabilities	9,016
Equity	537,148
Total liabilities and equity	**546,164**

	2021
Investment income	11,786
Total comprehensive income for the year	10,680
Net cash flow provided by/(used in) operating activities	12,406
Net cash (used in)/provided by investing activities	(224,611)
Net cash provided by financing activities	211,641
Net change in cash flows for the year	**(564)**

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(v) UTC Corporate Fund (continued)

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

	2021
Category	
Government securities	433,689
Corporate securities	94,056
Short-term investments	6,000
Total	**533,745**

	2021
Classification	
Fair value through profit or loss	533,745
Total	**533,745**

No transfers to support the UTC Corporate Fund were required during the year 2021. The Corporation is the sponsor of the UTC Corporate Fund and is committed to supporting the Fund financially and otherwise as necessary.

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

(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 2021 and 2020.

	2021	2020
Cash and cash equivalents	9,976	196
Receivables and prepayments	131	99
Investment securities	19,822	26,413
Total Assets	**29,929**	**26,709**
Liabilities	209	178
Equity	29,720	26,530
Total liabilities and equity	**29,929**	**26,708**

	2021	2020
Investment income	3,463	1,872
Total comprehensive income for the year	2,327	850
Net cash flow (used in)/provided by operating activities	9,030	(1,315)
Net cash provided by financing activities	751	924
Net change in cash flows for the year	**9,781**	**(391)**

(Expressed in thousands of Trinidad and Tobago dollars)

30. Summarised financial information (continued)

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

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

	2021	2020
Category		
Exchange Traded Funds	19,822	26,413
Total	**19,822**	**26,413**

	2021	2020
Classification		
Fair value through profit or loss	19,822	26,413
Total	**19,822**	**26,413**

31. Events after the reporting period

There were no material events after the statement of financial position date of 31 December 2021 which required recording or disclosure in the financial statements of the Group as at 14 February 2022.