



TRINIDAD AND TOBAGO GAZETTE (EXTRAORDINARY)

VOL. 62

Caroni, Trinidad, Friday 21st April, 2023—Price \$1.00

No. 60

553

REPUBLIC OF TRINIDAD AND TOBAGO AUDITOR GENERAL'S DEPARTMENT

R E P O R T O F T H E A U D I T O R G E N E R A L

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

FOR THE YEAR ENDED

31 December, 2022



**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, 2022**

OPINION

The consolidated financial statements of the Trinidad and Tobago Unit Trust Corporation (the Corporation) for the year ended 31 December 2022 have been audited. The statements as set out on pages 1 to 96 comprise a Consolidated Statement of Financial Position as at 31 December 2022, and the Consolidated Statement of Profit or Loss, a Consolidated Statement of Comprehensive Income, a Consolidated Statement of Changes in Equity and a Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements numbered 1 to 34, including a summary of 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 2022 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.

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

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

553—Continued

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Identifies and assesses the risks of material misstatement of the 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.

553—Continued

- 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 her audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify her opinion. The Auditor General's conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
 - Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtains sufficient appropriate audit evidence regarding, the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. The Auditor General is responsible for the direction, supervision and performance of the audit of the Corporation. The Auditor General remains solely responsible for his audit opinion.
10. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- 11.1 During the financial period, the Board of Directors did not meet at least six times a year and at least once every two months as required by the Unit Trust Corporation Act Chap. 83:03 because of the non-appointment of a Chairman on expiration of the office holder's term of office. A Chairman of the Board of Directors was appointed in August 2022.

27TH MARCH, 2023
PORT OF SPAIN



[Signature]
LORELLY PUJADAS
AUDITOR GENERAL

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

C O N T E N T S	Page
Consolidated Statement of Financial Position	4 - 5
Consolidated Statement of Profit or Loss	6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9 - 10
Notes to the Consolidated Financial Statements	
1. Principal activities of the Group	11
2. Significant accounting policies	
a) Basis of preparation	11 - 12
b) Basis of consolidation	12 - 13
c) Changes in accounting policies and disclosures	13 - 16
d) Deposits with Banks	16
e) Financial Instruments	17 - 20
f) Fair Value Measurement	20 - 24
g) Property, Plant and Equipment	24 - 25
h) Leases	25 - 27
i) Intangible Assets	28
j) Employee Benefits	28 - 29
k) Provisions	29
l) Guarantee Pricing Liability	29 - 30
m) Revenue Recognition	30
n) Taxation	30

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

Notes to the Consolidated Financial Statements (continued)

2.	Significant accounting policies (continued)	
o)	Foreign Currency Translation	31
p)	Equity Movements	31
q)	Impairment of Non-financial Assets	32
r)	Separate Funds under Management	32
3.	Significant accounting judgments, estimates and assumptions in applying accounting policies	32 - 35
4.	Cash at Bank	35
5.	Deposits with Banks	36
6.	Investment Securities	36
7.	Property, Plant and Equipment	37 - 39
8.	Leases	40 - 42
9.	Intangible Assets	43
10.	Accounts Payable and Short-term Liabilities	44
11.	Pension and Other Post-retirement Liabilities	44 - 50
12.	Price Guarantee Provision	50
13.	Net Assets Attributable to Unitholders	51 - 52
14.	Investment Income	52
15.	Net Change in Fair Value of Investment Securities	53
16.	Fee Income	53
17.	Other Income	53
18.	Administrative Expenses	54
19.	Staff Costs	54
20.	Distributions to Unitholders	54 - 55
21.	Taxation	55
22.	Related Party Transactions and Balances	56 - 57
23.	Segmental Information	58 - 60
24.	Fair Value of Financial Instruments	61 - 65
25.	Risk Management	66 - 76
26.	Capital Management	77
27.	Commitments	77
28.	Contingent Liabilities	77

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**C O N T E N T S**

Notes to the Consolidated Financial Statements (continued)

29.	Interest in Corporate Entities	78 - 80
30.	Restricted Assets	81
31.	Corporate Fund	82
32.	Local Collective Investment Schemes	82
33.	Summarised Financial Information	82 - 96
34.	Events after the Reporting Period	96

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2022	2021
Assets			
Cash at bank	4	1,853,067	2,118,634
Deposits with banks	5	1,792,128	2,194,177
Receivables		199,844	341,361
Prepayments and other assets		27,105	17,810
Investment securities	6	21,100,070	20,645,855
Property, plant and equipment	7	134,489	140,894
Right-of-use assets	8	20,856	7,918
Intangible assets	9	17,722	18,561
Total assets		25,145,281	25,485,210
Liabilities			
Accounts payable and short-term liabilities	10	106,825	242,971
Lease liabilities	8	21,610	9,056
Distribution payable		64,436	40,368
Pension and other post-retirement liabilities	11	36,461	32,632
Price guarantee provision	12	2,617	—
Net assets attributable to unitholders	13	23,266,544	23,565,770
Other liabilities		598	1,578
Total liabilities		23,499,091	23,892,375

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

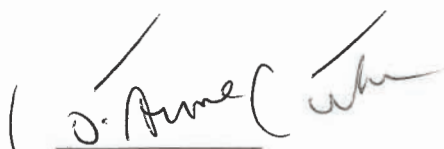
(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

	Notes	2022	2021
Equity			
Statutory reserves		5,050	5,050
Revaluation reserve		(370)	352
Pension and other post retirement benefits reserve		(31,410)	(33,257)
Retained earnings		<u>1,672,920</u>	<u>1,620,690</u>
Total equity		<u>1,646,190</u>	<u>1,592,835</u>
Total liabilities and equity		<u>25,145,281</u>	<u>25,485,210</u>

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

These financial statements were approved by the Board of Directors and authorised for issue on 15 February 2023 and signed on its behalf by:


Chairman




Executive Director

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	2022	2021
Income			
Investment income	14	776,470	659,349
Net change in fair value of investment securities	15	(1,032,717)	671,010
Initial charge		10,136	9,390
Fee income	16	2,772	3,630
Other income	17	<u>3,934</u>	<u>10,140</u>
Total Income		(239,405)	1,353,519
Expenses			
Commissions		(11,007)	(13,101)
Administrative	18	(315,363)	(287,142)
Depreciation and amortisation	7,8,9	<u>(21,348)</u>	<u>(20,852)</u>
Total Expenses		(347,718)	(321,095)
Net income before guarantee adjustment		(587,123)	1,032,424
Price guarantee (charge)/credit		<u>(2,653)</u>	<u>2,977</u>
Net income after guarantee adjustment		(589,776)	1,035,401
Distributions to unitholders	20	(256,283)	(220,555)
Income capitalised		48,063	(51,918)
Net income attributable to unitholders		<u>87,152</u>	<u>(685,755)</u>
Net income before finance charges		59,156	77,173
Finance charges	8	<u>(690)</u>	<u>(858)</u>
Net income before taxation		58,466	76,315
Taxation	21	<u>(6,236)</u>	<u>(4,080)</u>
Net income for the year		<u>52,230</u>	<u>72,235</u>

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)

	Note	Group	
		2022	2021
Net income for the year		52,230	72,235
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurements of pension and other post-retirement liabilities	11	1,847	(12,114)
Exchange differences on translation of foreign operations		<u>(722)</u>	<u>(256)</u>
Other comprehensive income for the year		<u>1,125</u>	<u>(12,370)</u>
Total comprehensive income for the year		<u>53,355</u>	<u>59,865</u>

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

	Statutory reserve fund	Pension and other post retirement benefits reserve	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 January 2021	5,050	(21,143)	608	1,548,455	1,532,970
Profit for the year	—			72,235	72,235
Other comprehensive income for the year	—	(12,114)	(256)	—	(12,370)
Balance as at 31 December 2021	<u>5,050</u>	<u>(33,257)</u>	<u>352</u>	<u>1,620,690</u>	<u>1,592,835</u>
Balance as at 1 January 2022	5,050	(33,257)	352	1,620,690	1,592,835
Profit for the year	—	—	—	52,230	52,230
Other comprehensive income for the year	—	1,847	(722)	—	1,125
Balance as at 31 December 2022	<u>5,050</u>	<u>(31,410)</u>	<u>(370)</u>	<u>1,672,920</u>	<u>1,646,190</u>

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Group	
		2022	2021
Operating activities			
Net income before taxation		58,466	76,315
<i>Adjustments to reconcile net income to net cash and cash equivalents from operating activities:</i>			
Net income attributable to unitholders		(648,932)	958,228
Depreciation and amortisation	7,8,9	21,348	20,852
Loss on sale of property, plant and equipment		—	15
Increase/(decrease) in price guarantee provision		2,653	(2,977)
Net change in fair value on investment securities		1,072,852	(639,589)
Interest income		(654,980)	(522,807)
Dividend income		(96,860)	(95,922)
Interest portion of lease payments		690	858
Lease modifications		—	328
		<u>(244,763)</u>	<u>(204,699)</u>
<i>Movement in net current assets</i>			
Decrease/(increase) in receivables		187,173	(121,689)
(Increase)/decrease in prepayments and other assets		(9,295)	1,710
(Decrease)/increase in accounts payable and liabilities		(137,126)	165,964
Increase in pension and other post retirement liabilities		5,676	1,410
(Decrease)/increase in other movements in net assets attributable to unitholders		<u>(4,195)</u>	<u>317,913</u>
		(202,530)	160,609
Interest received		609,325	469,516
Dividend received		96,860	95,922
Taxation paid	21	<u>(6,236)</u>	<u>(4,080)</u>
Net cash flows from operating activities		<u>497,419</u>	<u>721,966</u>

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

	Notes	Group	
		2022	2021
Investing activities			
Purchase of property, plant and equipment		(5,406)	(9,866)
Purchase of intangible assets		(3,312)	—
Disposal of property, plant and equipment		31	86
Placement of deposits with banks		(1,933,969)	(1,273,971)
Matured deposits with banks		2,335,224	1,124,967
Purchase of investment securities		(17,082,421)	(15,231,231)
Disposal of investment securities		<u>15,556,148</u>	<u>13,818,660</u>
Net cash used in investing activities		<u>(1,133,706)</u>	<u>(1,571,355)</u>
Financing activities			
Subscriptions from unitholders		3,401,864	2,492,308
Redemptions by unitholders		(2,791,680)	(2,115,570)
Distributions to unitholders	20	(232,215)	(216,368)
Guarantee reserve payment	33	(36)	(29)
Principal portion of lease payments		(5,800)	(6,702)
Interest portion of lease payments	8	<u>(690)</u>	<u>(858)</u>
Net cash generated from financing activities		<u>371,443</u>	<u>152,781</u>
Net loss on foreign exchange		(723)	(257)
Net decrease in cash and cash equivalents		(265,567)	(696,865)
Cash at the beginning of the year		<u>2,118,634</u>	<u>2,815,499</u>
Cash at the end of the year		<u><u>1,853,067</u></u>	<u><u>2,118,634</u></u>

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)

1. Incorporation and principal activities of the Group

The Trinidad and Tobago Unit Trust Corporation (the "Corporation") was established by the Unit Trust Corporation of Trinidad and Tobago Act (the "Act"), Chapter 83:03 of the Laws of the Republic of Trinidad and Tobago to provide, inter alia, facilities for members of the public to invest in shares and securities approved by the Board of the Corporation. The Finance Act of 1997 expanded the Corporation's scope of business to include other financial services, such as merchant banking, trustee and card services.

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

The Consolidated Financial Statements of the Corporation and its subsidiaries, which include its controlled entities, (collectively "the Group") for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 15 February 2023.

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**a) Basis of preparation (continued)**

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.

b) Basis of consolidation

The Financial Statements incorporate the separate financial statements of the Corporation, the financial statements of its collective investment schemes (or Funds) (see Note 33) and the financial statements of its incorporated subsidiaries (see Note 29). The Corporation and the consolidated entities are referred to as the "Group" in these Financial Statements.

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

The 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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**b) Basis of consolidation (continued)**

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

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

c) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021 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 2022. Although these new amendments and interpretations apply for the first time in 2022, they did not have a material impact on the consolidated financial statements of the Group. These are also described in more detail below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use – Effective 1 January 2022

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment had no impact on the consolidated financial statements of the Group in the financial year 2022.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**c) Changes in accounting policies and disclosures (continued)***New and amended standards and interpretations (continued)***Amendments to IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract – Effective 1 January 2022**

The amendment apply a ‘directly related cost approach’. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendment had no impact on the consolidated financial statements of the Group in the financial year 2022.

Amendments to IFRS 3 – Reference to the Conceptual Framework – Effective 1 January 2022

The amendment add an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendment had no impact on the consolidated financial statements of the Group in the financial year 2022.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant Accounting Policies (continued)**c) Changes in accounting policies and disclosures (continued)***New and amended standards and interpretations (continued)***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****(i) Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards***Subsidiary as a first-time adopter*

- The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

(ii) Amendments to IFRS 9 Financial Instruments*Fees in the '10 per cent' test for derecognition of financial liabilities*

- The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.
- An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**c) Changes in accounting policies and disclosures (continued)***New and amended standards and interpretations (continued)***Annual improvements to IFRS standards 2018-2020 cycle, resulting in amendments to IFRS 1, IFRS 9 and IFRS 16 – Effective 1 January 2022 (continued)****(iii) Amendments to IFRS 16 Leases***Lease incentives*

- The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

The amendments had no impact on the consolidated financial statements of the Group in the financial year 2022.

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 2023
- 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 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies – Effective 1 January 2023
- IFRS 17, 'Insurance Contracts' – Effective 1 January 2023

d) Deposits with Banks

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**e) Financial Instruments****Financial assets****(i) Initial recognition and subsequent measurement**

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

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

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

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

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

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

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**e) Financial Instruments** (continued)**Financial assets** (continued)**(i) Initial recognition and subsequent measurement** (continued)*Financial assets at fair value through profit or loss (FVPL)* (continued)

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

- i. The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis
- ii. The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Financial assets at FVPL are recorded in the Consolidated Statement of Financial Position at fair value at the end of each reporting period. Changes in fair value are recorded in the Consolidated Statement of Profit or Loss.

The net gain or loss recognised in the Consolidated Statement of Profit or Loss is included in Note 15. Fair value is determined in the manner described in Note 2 (f).

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

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

Dividend income is recognised when:

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant Accounting Policies (continued)**e) Financial Instruments (continued)****Financial assets (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) Impairment of financial assets

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

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

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

iii) Derecognition of financial assets

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

2. Significant Accounting Policies (continued)**e) Financial Instruments (continued)****Financial assets (continued)****iii) Derecognition of financial assets**

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

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

ii) Derecognition of financial liabilities

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

f) Fair Value Measurement**Valuation framework**

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**f) Fair Value Measurement** (continued)*Valuation techniques*

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

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

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

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**f) Fair Value Measurement (continued)*****Valuation techniques (continued)***

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

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

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

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

Fair value hierarchy

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**f) Fair Value Measurement** (continued)*Fair value hierarchy* (continued)

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

*Valuation techniques for specific instruments**Equity traded in active markets*

The fair value of equities traded in active markets is based on unadjusted quoted prices at the close of trading on the reporting date and categorised as Level 1.

Equities not traded in an active market (unquoted equities)

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

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

Private equity

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

Traded local and foreign bonds

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

Unquoted local bonds

The Group uses an internally developed model to value its unquoted local bonds. Management reviews the model regularly to incorporate enhancements in line with established best practice.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**f) Fair Value Measurement (continued)***Valuation techniques for specific instruments (continued)**Unquoted local bonds (continued)*

Although no changes were made in 2021 and 2022, 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.

Categorisation of short-term investments

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

Receivables, payables and short-term liabilities

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

g) Property, Plant and Equipment

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**g) Property, Plant and Equipment** (continued)

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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**h) Leases (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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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.

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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**i) Intangible Assets**

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

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

Costs associated with maintaining computer software are expensed when incurred.

j) Employee Benefits**(i) Short-term benefits**

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

(ii) Pension obligation

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**j) Employee Benefits (continued)****(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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**l) Guarantee Pricing Liability (continued)**

The Corporation has historically funded shortfalls in the guarantee reserve fund and is committed to doing so in the future. The guarantee pricing liability recognised as at 31 December 2022 was \$2.6 million (2021: nil).

m) Revenue recognition

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

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

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

n) 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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Significant Accounting Policies (continued)**o) Foreign currency translation**

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

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

On consolidation, the assets and liabilities in foreign operations are translated into TT\$ at the mid-rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at an average exchange rate. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income.

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.

Revaluation Reserve

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

Pension and other post retirement benefits reserve

Revaluations related to the pension plan, the group life benefits post retirement plan and the medical benefits post retirement plan.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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 \$1.1 billion (2021: \$1.2 billion).

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

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

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

3. Significant accounting judgments, estimates and assumptions in applying accounting policies
(continued)**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 8)
 - *Determining the lease term of contracts with renewal and termination options – Group as lessee*

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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 7)
 - Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expenditure. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

b) Estimates and assumptions

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

- the quantum of the liability under the price guarantee offered to unitholders of the Growth and Income Fund at the reporting date (see Note 2 (l));
- When the fair value of financial assets cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques as described in Note 2 (f). Changes in assumptions relating to these factors could affect the reported fair value of financial instruments (see Notes 2 (f), 23 and 24);
- 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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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% (2021: 7.50%) (See Note 8).

4. Cash at Bank

	2022	2021
Corporation	529,222	543,636
Local collective investment schemes	1,280,014	1,563,518
Foreign funds	7,865	9,976
Other group entities	<u>35,966</u>	<u>1,504</u>
	<u>1,853,067</u>	<u>2,118,634</u>

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

Cash at bank held by the Funds form part of the net assets of the respective Funds. In compliance with legislation, regulatory restrictions and best practice, all assets of each Fund, including cash at bank, are ring-fenced and are not available for use by other entities within the Group. Restricted cash as at 31 December was \$1.29 billion (2021: \$1.58 billion) (see Note 30).

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

5. Deposits with Banks

	2022	2021
Corporation	488,758	455,747
Local collective investment schemes	1,303,370	1,704,454
Other group entities	<u>—</u>	<u>33,976</u>
	<u>1,792,128</u>	<u>2,194,177</u>

Deposits with bank held by the Funds form part of the net assets of the respective Funds. In compliance with legislation, regulatory restrictions and best practice, all assets of each Fund, including deposits with banks, are ring-fenced and are not available for use by other entities within the Group. Restricted deposits with banks as at 31 December was \$1.31 billion (2021: \$1.70 billion) (see Note 30).

6. Investment Securities

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

	2022	2021
Investment securities designated at fair value through profit and loss		
Bonds	16,300,441	14,791,248
Equity	3,385,540	3,275,696
Treasury bills	—	454,152
Short-term investments	788,730	766,244
Commercial paper	382,906	67,720
Exchange Traded Funds (ETFs)	85,560	1,166,408
Private equity	2,812	3,088
Mutual funds	<u>154,081</u>	<u>121,299</u>
Total investment securities	<u>21,100,070</u>	<u>20,645,855</u>

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

7. Property, Plant and Equipment

2022

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

7. Property, Plant and Equipment (continued)

2021

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

Land includes leasehold land of \$2.2 million (2021: \$2.2 million) and freehold land of \$11.4 million (2021: \$11.4 million). The lease period is 99 years starting in 1993.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

7. **Property, Plant and Equipment** (continued)**Fair value of land and buildings**

The fair value of land and buildings was estimated at \$162.6 million at 31 December (2021: \$162.6 million), as analysed in the table below.

Amounts are presented in millions of dollars.

	Independent Cost	Independent Valuation	Date of last valuation	Fair Value 31 Dec 2022	Fair Value 31 Dec 2021	Valuation Level
Property						
Leasehold land	2	15	Oct 2021	15	15	Level 2
Freehold land	11	26	Nov 2021	26	26	Level 2
Buildings	<u>122</u>	<u>121</u>	Nov 2021	<u>121</u>	<u>121</u>	Level 2
Total	<u>135</u>	<u>162</u>		<u>162</u>	<u>162</u>	

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

8. Leases**Group as lessee****Right-of-use assets**

	Property	Motor vehicles	Equipment	Total
Cost				
As at 1 January 2022	17,835	968	3,519	22,322
Additions	—	179	—	179
Extensions	17,751	424	—	18,175
Disposals	—	(247)	—	(247)
As at 31 December 2022	<u>35,586</u>	<u>1,324</u>	<u>3,519</u>	<u>40,429</u>
Accumulated Depreciation				
As at 1 January 2022	(12,089)	(805)	(1,510)	(14,404)
Transfers	392		(392)	—
Disposals	—	247	—	247
Depreciation	(4,200)	(340)	(876)	(5,416)
As at 31 December 2022	<u>(15,897)</u>	<u>(898)</u>	<u>(2,778)</u>	<u>(19,573)</u>
Carrying Amount				
As at 31 December 2022	<u>19,689</u>	<u>426</u>	<u>741</u>	<u>20,856</u>
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 31 December 2021	<u>17,835</u>	<u>968</u>	<u>3,519</u>	<u>22,322</u>
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 31 December 2021	<u>(12,089)</u>	<u>(805)</u>	<u>(1,510)</u>	<u>(14,404)</u>
Carrying Amount				
As at 31 December 2021	<u>5,746</u>	<u>163</u>	<u>2,009</u>	<u>7,918</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

8. Leases (continued)**Group as lessee (continued)****Right-of-use assets (continued)**

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.

	2022	2021
Less than one year	4,772	5,163
Between one and five years	8,139	3,549
More than five years	8,699	344
	<u>21,610</u>	<u>9,056</u>

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

	2022	2021
Depreciation expense of Right-of-use assets	5,416	6,078
Finance charges on lease liabilities	690	858
Expense related to short-term leases	333	252
	<u>6,439</u>	<u>7,188</u>

At 31 December 2022, the Group had one (1) short-term lease commitment (2021: one (1)). The total cash outflow for leases amounted to \$6.5 million (2021: \$7.5 million)

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

8. 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 lease contracts with tenants at 31 December is shown below.

	2022	2021
Year 1	148	1,161
Year 2	—	148
	<u>148</u>	<u>1,309</u>

Rental income reported in the Consolidated Statement of Profit or Loss for 2022 was \$2.84 million (2021: \$3.01 million).

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

9. Intangible assets

2022	Computer software	Software licenses	Total
Opening net book value	132	18,429	18,561
Additions	—	3,312	3,312
Amortisation	(32)	(4,119)	(4,151)
Closing net book value	<u>100</u>	<u>17,622</u>	<u>17,722</u>
As at 31 December			
Cost	2,726	26,970	29,696
Accumulated amortisation	(2,626)	(9,348)	(11,974)
Net book value	<u>100</u>	<u>17,622</u>	<u>17,722</u>
2021			
Opening net book value	165	22,051	22,216
Amortisation	(33)	(3,622)	(3,655)
Closing net book value	<u>132</u>	<u>18,429</u>	<u>18,561</u>
As at 31 December			
Cost	2,726	23,658	26,384
Accumulated amortisation	(2,594)	(5,229)	(7,823)
Net book value	<u>132</u>	<u>18,429</u>	<u>18,561</u>

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

10. Accounts payable and short-term liabilities

	2022	2021
Due to brokers	16,550	167,116
Accounts payable and accruals	68,245	52,169
Other liabilities	22,030	23,686
	<u>106,825</u>	<u>242,971</u>

11. Pension and other post-retirement liabilities

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

	2022	2021
Net defined benefit liability (Note 11 (a))	—	—
Group life liability (Note 11 (b) (i) and (ii))	5,168	2,566
Medical benefit liability (Note 11 (c) (i) and (ii))	31,293	30,066
Consolidated Statement of Financial Position	<u>36,461</u>	<u>32,632</u>

	2022	2021
Net defined benefit liability (Note 11 (a iv))	12,452	11,627
Group life liability (Note 11 (b iii))	2,875	266
Medical benefit liability (Note 11 (c iii))	3,095	1,722
Consolidated Statement of Profit or Loss	<u>18,422</u>	<u>13,615</u>

	2022	2021
Net defined benefit liability (Note 11 (a v))	(407)	13
Group life liability (Note 11 (b iv))	(210)	(191)
Medical benefit liability (Note 11 (c iv))	(1,230)	12,292
Consolidated Statement of Comprehensive Income	<u>(1,847)</u>	<u>12,114</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

11. Pension and other post-retirement liabilities (continued)**a) Pension Benefits****i. Net liability in Consolidated Statement of Financial Position**

	2022	2021
Present value of defined benefit obligation	269,369	271,985
Fair value of plan assets	<u>(279,955)</u>	<u>(282,881)</u>
Surplus	(10,586)	(10,896)
Effect of asset ceiling	<u>10,586</u>	<u>10,896</u>
Net defined benefit liability/(asset)	<u>—</u>	<u>—</u>

ii. Movement in Consolidated Statement of Financial Position

Opening present value of defined benefit obligation	271,985	244,866
Current service cost	12,452	11,627
Plan participant contributions	4,307	4,163
Interest cost	15,193	12,456
Experience adjustments	(26,432)	10,344
Actuarial gains from changes in financial assumptions	—	(4,292)
Benefits and expenses paid	<u>(8,136)</u>	<u>(7,179)</u>
Closing present value of defined benefit obligation	<u>269,369</u>	<u>271,985</u>

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

	2022	2021
Active members	67%	69%
Deferred members	13%	14%
Pensioners	20%	17%

97% of the benefits for active members are vested.

25% of the total defined benefit obligation is defined benefit in nature, of which 20% is matched by purchased immediate annuity policies. 2% of the liabilities is conditional on active members' future salary increases. The weighted average duration of the defined benefit liability component of the obligation is 12.8 years.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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

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

	2022	2021
Opening fair value of plan assets	282,881	250,560
Expected return	15,782	12,741
Actuarial loss	(26,924)	10,956
Employer contributions for current service	12,045	11,640
Plan participant contributions for current service	4,307	4,163
Benefits and expenses paid	<u>(8,136)</u>	<u>(7,179)</u>
Closing fair value of plan assets	<u>279,955</u>	<u>282,881</u>
Actual return on plan assets	<u>(11,142)</u>	<u>23,697</u>

v. Asset allocation

	2022	2021
Collective investment schemes	209,658	218,865
TT\$ National Insurance bonds	3,630	3,597
TT\$ Government bonds	11,200	11,066
Cash and cash equivalents	1,655	2,835
Insured annuities	<u>53,812</u>	<u>46,518</u>
	<u>279,955</u>	<u>282,881</u>

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

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

A decision was taken during 2021 for pensions in payment for existing and new retirees to be secured by purchase of immediate annuity policies to reduce the Plan's exposure to defined benefit risks. The Plan retains ownership of the insured liabilities so remains exposed to the financial strength of the insurers issuing the policies.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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

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

	2022	2021
Current service costs	<u>12,452</u>	<u>11,627</u>

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

	2022	2021
Actuarial (gains)/losses	492	(4,904)
Effect of asset ceiling	<u>(899)</u>	<u>4,917</u>
	<u>(407)</u>	<u>13</u>

vi. Summary of principal assumptions as at 31 December

	2022	2021
Discount rate	5.50%	5.50%
Average individual salary increases	4.00%	4.00%
Future pension increases	0.00%	0.00%

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

11. Pension and other post-retirement liabilities (continued)**b) Group Life Benefits**

i. Net liability in consolidated Statement of Financial Position

	2022	2021
Present value of defined benefit obligation	5,168	2,566
Fair value of plan assets	<u>—</u>	<u>—</u>
Net Defined Benefit Liability	<u>5,168</u>	<u>2,566</u>

ii. Movement in Consolidated Statement of Financial Position

Opening present value of defined benefit obligation	2,566	2,555
Current service cost	132	140
Interest cost	140	126
Past service cost	2,603	—
Experience adjustments	(210)	78
Actuarial gains from changes in financial assumptions	—	(269)
Benefits paid	<u>(63)</u>	<u>(64)</u>
Closing present value of defined benefit obligation	<u>5,168</u>	<u>2,566</u>

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

	2022	2021
Current service cost	132	140
Net interest cost	140	126
Past service cost	<u>2,603</u>	<u>—</u>
	<u>2,875</u>	<u>266</u>

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

	2022	2021
Experience gains	<u>(210)</u>	<u>(191)</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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

c) Medical Benefits

i. Net Liability in Consolidated Statement of Financial Position

	2022	2021
Present value of defined benefit obligation	31,293	30,066
Fair value of plan assets	<u>—</u>	<u>—</u>
Net Defined Benefit Liability	<u>31,293</u>	<u>30,066</u>

ii. Movement in Consolidated Statement of Financial Position

	2022	2021
Opening present value of obligation	30,066	16,553
Current service cost	1,459	907
Interest cost	1,636	815
Experience adjustments	(1,230)	15,662
Actuarial gains from changes in financial assumptions	—	(3,370)
Benefits paid	<u>(638)</u>	<u>(501)</u>
Closing present value of obligation	<u>31,293</u>	<u>30,066</u>

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

	2022	2021
Current service cost	1,459	907
Net interest cost	<u>1,636</u>	<u>815</u>
	<u>3,095</u>	<u>1,722</u>

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

	2022	2021
Experience (gains)/losses	<u>(1,230)</u>	<u>12,292</u>

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

11. Pension and other post-retirement liabilities (continued)**c) Medical Benefits (continued)**

v. Summary of principal assumptions as at 31 December

	2022	2021
Discount rate	5.50%	5.50%
Average individual salary increases	4.00%	4.00%

12. Price guarantee provision

	2022	2021
Opening balance	—	3,006
Guarantee reserve payments	(36)	(29)
Price guarantee charge/(credit)	2,653	(2,977)
	<u>2,617</u>	<u>—</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

13. Net assets attributable to unitholders

This represents the amounts payable on demand to unitholders in the Growth and Income Fund, the TT Dollar Income Fund, the Universal Retirement Fund, the US Dollar Income Fund, the 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.

	2022	2021
Initial Capital - Growth and Income Fund	4,766	4,766
Unit Capital - Growth and Income Fund	5,185,895	5,870,418
Unit Capital - TT Dollar Income Fund	12,125,891	12,290,724
Unit Capital - Universal Retirement Fund	403,181	443,535
Unit Capital - US Dollar Income Fund	4,968,959	4,415,922
Unit Capital - Corporate Fund (See Note 28.)	571,496	531,789
Participating Shares - UTC (Cayman) SPC Ltd.	6,356	8,616
	<u>23,266,544</u>	<u>23,565,770</u>
Balance as at 1 January	23,565,770	22,133,444
UCF balance as at 1 January due to first time consolidation	—	309,232
Subscriptions from unitholders	3,401,864	2,492,308
Redemptions by unitholders	(2,791,680)	(2,115,570)
Net income attributable to unitholders	(905,215)	737,673
Other movements	(4,195)	8,683
Balance as at 31 December	<u>23,266,544</u>	<u>23,565,770</u>

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

Initial capital in the analysis above, represents the capital subscribed by the initial contributors in accordance with Section 17 of the Act. The subscriptions were invested in the Growth and Income Fund. Initial capital as at 31 December 2022 was \$4.8 million (2021: \$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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

13. Net assets attributable to unitholders (continued)

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

Financial information is provided for the local collective investment schemes above in Note 32 and 33 (i) to (v). Financial information for UTC (Cayman) SPC Ltd. is provided in Note 33 (vi).

14. Investment income

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

Entity	2022	2021
Growth & Income Fund	171,388	158,361
TT Dollar Income Fund	405,935	337,381
Universal Retirement Fund	11,319	9,851
US Dollar Income Fund	134,783	113,728
Corporate Fund	14,899	9,441
UTC (Cayman) SPC Ltd.	200	400
Local subsidiaries	352	390
Corporation	<u>37,594</u>	<u>29,797</u>
	<u>776,470</u>	<u>659,349</u>
Type of income	2022	2021
Interest income	654,980	543,165
Dividend income	119,282	111,939
Other income	<u>2,208</u>	<u>4,245</u>
	<u>776,470</u>	<u>659,349</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

15. Net change in fair value on investment securities

The Group's net change in fair value on investment securities is analysed by major entity below:

Entity	2022	2021
Growth & Income Fund	(600,972)	656,300
TT Dollar Income Fund	(145,111)	24,009
Universal Retirement Fund	(50,375)	50,425
US Dollar Income Fund	(243,438)	(70,736)
Corporate Fund	1,398	2,346
UTC (Cayman) SPC Ltd. Corporation	(2,275)	3,070
	<u>8,057</u>	<u>5,596</u>
	<u>(1,032,717)</u>	<u>671,010</u>

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

16. Fee income

	2022	2021
Management charge - third parties	2,770	3,596
Trustee fees	–	20
Paying agent fees	<u>2</u>	<u>14</u>
	<u>2,772</u>	<u>3,630</u>

17. Other income

	2022	2021
Foreign exchange (loss)/gain	(2,391)	4,321
Rental income	2,842	3,007
Other management charge	3,064	2,449
Other income	<u>419</u>	<u>363</u>
	<u>3,934</u>	<u>10,140</u>

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

18. Administrative expenses

	2022	2021
Audit fees	656	800
Directors' fees	2,602	3,016
General administration	147,811	130,671
Staff costs (see note 19)	<u>164,294</u>	<u>152,655</u>
	<u>315,363</u>	<u>287,142</u>

19. Staff costs

	2022	2021
Salaries and wages	111,194	102,041
Other staff costs	28,239	30,704
Pension costs (see note 11)	18,422	13,615
National insurance	<u>6,439</u>	<u>6,295</u>
	<u>164,294</u>	<u>152,655</u>
Number of employees	<u>519</u>	<u>525</u>

20. Distributions to unitholders

	2022	2021
Growth & Income Fund	55,497	33,619
TT Dollar Income Fund	142,174	140,231
US Dollar Income Fund	47,114	38,301
Corporate Fund	<u>11,498</u>	<u>8,404</u>
	<u>256,283</u>	<u>220,555</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

20. Distributions to unitholders (continued)**a) Growth & Income Fund**

The Growth & Income Fund paid \$55.5 million to its unitholders in respect of its June 2022 and December 2022 distributions (2021: \$33.6 million). Included in the \$55.5 million was distributions paid to initial capital contributors of \$0.2 million (2021: \$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 2023 amounted to \$11.6 million (2021: \$11.4 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 31.)

21. Taxation

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

	2022	2021
Net income before taxation	58,466	76,315
less: income taxed at 0%	<u>(58,158)</u>	<u>(76,066)</u>
Net income subject to tax	<u>308</u>	<u>249</u>
Corporation tax charge/(refund) for foreign subsidiaries	4	112
Withholding tax on interest and dividends received	5,326	2,854
Green fund levy	<u>906</u>	<u>1,114</u>
	<u>6,236</u>	<u>4,080</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

22. Related party transactions and balances

Related parties consist of either individuals or entities. An individual is related to the Group when that individual or a close member of that individual's family either:

- i. has significant influence over the Corporation or one of its subsidiaries; or
- ii. is a director or key member of the management of the Corporation or one of its subsidiaries.

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

An entity is related to the Group if the entity is:

- i. a subsidiary of the Corporation;
- ii. an associate of the Corporation;
- iii. has significant influence over the Corporation or one of its subsidiaries; or
- iv. a post-employment benefit plan of either the Corporation or one of its related entities.

Related party transactions and balances, not disclosed elsewhere in these Financial Statements, are disclosed below.

	2022	2021
Assets		
Investment securities	<u>154,075</u>	<u>121,293</u>
Loans		
Key management	<u>—</u>	<u>11</u>
Represented by:		
Balance at the beginning of the year	11	52
Loan repayments	<u>(11)</u>	<u>(41)</u>
Balance at the end of the year	<u>—</u>	<u>11</u>
Liabilities		
Net assets attributable to unitholders		
Key management	4,445	4,242
Directors	<u>3,390</u>	<u>3,724</u>
Balance at the end of the year	<u>7,835</u>	<u>7,966</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

22. Related party transactions and balances (continued)

	2022	2021
Income		
Dividend income	5,484	5,015
Net change in fair value on investment securities	<u>32,782</u>	<u>19,232</u>
Balance at the end of the year	<u>38,266</u>	<u>24,247</u>
Expenses		
Management charge	<u>3,064</u>	<u>2,449</u>
Distributions to unitholders		
Key management	40	35
Directors	<u>33</u>	<u>25</u>
Balance at the end of the year	<u>73</u>	<u>60</u>
Key management compensation		
	2022	2021
Short-term benefits	20,867	19,246
Post employment benefits	<u>4,004</u>	<u>7,035</u>
	<u>24,871</u>	<u>26,281</u>
Other related party transactions - directors remuneration		
	2022	2021
Directors' fees (see Note 18)	<u>2,602</u>	<u>3,016</u>

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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

23. Segment information

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

i. Equity portfolio

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

ii. Fixed Income portfolio

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

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

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

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

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

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2022 or 2021.

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

23. Segment information (continued)

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

	Equity Portfolio	Fixed Income Portfolio	Unallocated	Total
2022				
Total operating income	(299,377)	57,044	2,928	(239,405)
Commissions	—	—	(11,007)	(11,007)
Administrative	—	—	(315,363)	(315,363)
Depreciation and amortisation	—	—	(21,348)	(21,348)
Price guarantee charge	—	—	(2,653)	(2,653)
Distributions to unitholders	—	—	(256,283)	(256,283)
Net income attributable to unitholders	302,554	(56,727)	659,388	905,215
Finance charges	—	—	(690)	(690)
Profit before taxation	3,177	317	54,971	58,466
Taxation	(2,899)	(2,431)	(905)	(6,236)
Profit after taxation	277	(2,115)	54,066	52,230
Total assets	1,508,091	20,404,286	3,232,903	25,145,281
Total liabilities	1,486,817	20,403,976	1,608,298	23,499,091
Purchase of fixed assets	—	—	5,406	5,406

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

23. Segment information (continued)

	Equity Portfolio	Fixed Income Portfolio	Unallocated	Total
2021				
Total operating income	575,254	697,505	80,760	1,353,519
Commissions	—	—	(13,101)	(13,101)
Administrative	—	—	(287,142)	(287,142)
Depreciation and amortisation	—	—	(20,852)	(20,852)
Price guarantee credit	—	—	2,977	2,977
Distributions to unitholders	—	—	(220,555)	(220,555)
Net income attributable to unitholders	(570,052)	(697,105)	529,484	(737,673)
Finance charges	—	—	(858)	(858)
Profit before taxation	5,202	400	70,713	76,315
Taxation	(4,518)	1,233	(794)	(4,080)
Profit after taxation	684	1,632	69,918	72,235
Total assets	4,260,890	18,065,939	3,158,381	25,485,210
Total liabilities	4,243,796	18,065,545	1,583,034	23,892,375
Purchase of fixed assets	—	—	9,866	9,866

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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

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

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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

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
Short-term investments	766,244	—	—	766,244
Commercial paper	67,720	—	—	67,720
Exchange Traded Funds (ETFs)	1,166,408	—	—	1,166,408
Private equity	—	—	3,088	3,088
Mutual funds	121,299	—	—	121,299
	<u>6,363,883</u>	<u>—</u>	<u>14,281,972</u>	<u>20,645,855</u>

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

During the current year, there was sufficient information available to measure the fair values of securities determined as Level 3 in 2021. The table below shows the transfers between levels for the year ended 31 December 2022.

	Total
Transferred from Level 3 to Level 2	7,381,304
Transferred from Level 3 to Level 1	4,111,618
Transferred from Level 1 to Level 2	272,083
No transfers between levels	4,292,128
Purchases during the year	<u>5,042,937</u>
	<u>21,100,070</u>

There were no transfers between levels for the year ended 31 December 2021.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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

2022

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

24. Fair value of financial instruments (continued)**(ii) Valuation techniques used to derive Level 3 fair values (continued)****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	<u>3</u>	General partner's valuation	Not applicable	Not applicable	Not applicable
	<u>14,282</u>				<u>140</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

24. Fair value of financial instruments (continued)**(iii) Movements in Level 3 financial instruments**

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

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

2022

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

2021

	Bonds	Equity	Private Equity	Total
Carrying value as at 1 January 2021	12,351	250	4	12,605
Purchases/ capitalised interest	7,460	—	1	7,461
Sales/ repayments/ maturities	(5,719)	—	—	(5,719)
Net (losses)/gains recognised in P&L	(98)	35	(2)	(65)
Transfers into Level 3	—	—	—	—
Transfers out of Level 3	—	—	—	—
Carrying value as at 31 December 2021	<u>13,994</u>	<u>285</u>	<u>3</u>	<u>14,282</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

25. Risk management

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

	2022	2021
Financial assets		
Cash at bank (see Note 4)	1,853,067	2,118,634
Deposits with banks (see Note 5)	1,792,128	2,194,177
Receivables	199,844	341,361
Other assets	7,693	7,659
Investment securities (see Note 6)	21,100,070	20,645,855
	<u>24,952,802</u>	<u>25,307,686</u>
Financial liabilities		
Accounts payable	106,825	242,971
Lease liabilities	21,610	9,056
Distribution payable	64,436	40,368
Net assets attributable to unitholders	23,266,544	23,565,770
Other liabilities	598	1,578
	<u>23,460,013</u>	<u>23,859,743</u>

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 has oversight of risk management and compliance and is responsible for establishing and implementing the Corporation's enterprise risk management framework and appropriate risk policies and mitigation plans.

During 2022, 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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

25. Risk management (continued)**Risk management framework (continued)**

- 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.

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.

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

25. 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 2022	1,712,568 47.2%	1,328,532 36.6%	584,081 16.1%
As at December 2021	2,145,062 47.0%	1,312,494 28.8%	1,105,841 24.2%

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

25. Risk management (continued)**Equity and ETF price risk (continued)**

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

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

Market indices	Change in equity price %	Effect on net asset value	
		2022 +/-	2021 +/-
TTSE	+/- 5	104	128
S&P 500	+/- 5	33	71

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group holds a significant portion of fixed rate debt securities, which exposes it to fair value interest rate risk and to cash flow interest rate risk. The exposure arises primarily on the debt securities held by its two (2) Income Funds - TT\$ Income Fund and the US\$ Income Fund. The debt securities held by the other entities within the Group also expose it to interest rate risk.

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

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

25. Risk management (continued)

Interest rate risk (continued)

2022	Less than one year	One to five years	Over five years	Total
Assets				
Cash at bank	1,853,067	—	—	1,853,067
Deposits with banks	1,792,128	—	—	1,792,128
Bonds	3,984,139	7,734,753	4,581,551	16,300,443
Short-term investments	788,730	—	—	788,730
Commercial paper	382,907	—	—	382,907
Liabilities				
Lease liability (see Note 7)	(4,772)	(8,139)	(8,699)	(21,610)
	<u>8,796,199</u>	<u>7,726,614</u>	<u>4,572,852</u>	<u>21,095,665</u>
2021	Less than one year	One to five years	Over five years	Total
Assets				
Cash at bank	2,118,634	—	—	2,118,634
Deposits with banks	2,194,177	—	—	2,194,177
Bonds	1,466,447	13,324,801	—	14,791,248
Treasury bills	454,152	—	—	454,152
Short-term investments	1,255,781	—	—	1,255,781
Commercial paper	67,722	—	—	67,722
Liabilities				
Lease liability (see Note 7)	(5,163)	(3,549)	(344)	(9,056)
	<u>7,551,750</u>	<u>13,321,252</u>	<u>(344)</u>	<u>20,872,658</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

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

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

- i. The interest income for one year, based on the floating rate assets held at the end of the reporting period; and
- ii. Changes in the fair value for the year, based on revaluing fixed rate financial assets at the end of the reporting period.

	Change in basis points	Sensitivity of interest income	Sensitivity of changes in fair value of investments
2022			
US interest rates	100	–	62,289
LIBOR	100	20	–
T&T interest rates	100	–	82,720
		Sensitivity of interest income	Sensitivity of changes in fair value of investments
2021			
US interest rates	100	18	56,724
LIBOR	100	212	–
T&T interest rates	100	113	72,377

Currency risk

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

25. Risk management (continued)**Currency risk (continued)**

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

	2022		2021	
	US\$	Other foreign currencies	US\$	Other foreign currencies
	(presented in TT\$)		(presented in TT\$)	
Cash at bank	1,092,424	—	556,044	—
Deposits with banks	255,398	—	432,663	—
Bonds	6,566,928	—	6,272,403	—
Short-term investments	676,230	—	677,245	—
Commercial paper	382,907	—	67,722	—
Equity, ETFs, Private equity	971,412	59,605	1,913,536	72,521
Total financial assets	9,945,299	59,605	9,919,613	72,521
Net assets attributable to Unitholders (see Note 13)	(4,975,315)	—	(4,424,538)	—
Total financial liabilities	(4,975,315)	—	(4,424,538)	—
Net currency risk exposure	4,969,984	59,605	5,495,075	72,521
Reasonably possible change in currency rate	1%	1%	1%	1%
Approximate change in US\$ holdings	49,700	596	54,951	725

Concentration of foreign currency exposure

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

	2022	2021
% of total financial assets	20%	22%

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

25. Risk management (continued)**Credit risk (continued)**

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.

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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

25. Risk management (continued)**Credit risk (continued)**

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

Values are expressed in millions of dollars.

	High	Medium	Low	Total
2022				
Cash at bank	1,853	—	—	1,853
Deposits with banks	1,792	—	—	1,792
Bonds	14,320	1,684	297	16,301
Treasury bills	—	—	—	—
Short-term investments	789	—	—	789
Commercial paper	383	—	—	383
Total financial assets	<u>19,137</u>	<u>1,684</u>	<u>297</u>	<u>21,118</u>
2021				
Cash at bank	2,119	—	—	2,119
Deposits with banks	2,194	—	—	2,194
Bonds	12,976	1,780	36	14,792
Treasury bills	454	—	—	454
Short-term investments	766	—	—	766
Commercial paper	68	—	—	68
Total financial assets	<u>18,577</u>	<u>1,780</u>	<u>36</u>	<u>20,393</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

25. 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 local collective investment schemes (see Note 33) and the participating shares of the segregated portfolios of UTC (Cayman) SPC Ltd. are redeemable on demand. This risk is mitigated by ensuring that the Corporation holds adequate cash and liquidity to fund commitments, and that each portfolio hold adequate cash, cash equivalents and short-term investments to fund redemptions. In addition, substantial portions of the investments held by the portfolios are tradeable.

Analysis of financial liabilities by remaining contractual maturities

The tables below summarise the maturity profile of the Group's financial liabilities as at 31 December 2022 and 2021, based on contractual repayment obligations, over the remaining life of those liabilities.

	Less than one year	Greater than one year	Total
2022			
Accounts payable	106,825	–	106,825
Lease liabilities	4,772	16,838	21,610
Distribution payable	64,436	–	64,436
Net assets attributable to unitholders	23,266,544	–	23,266,544
Other liabilities	598	–	598
	<u>23,443,175</u>	<u>16,838</u>	<u>23,460,013</u>

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

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

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

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 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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

26. Capital management

The Group's capital consists of reserves and retained earnings. The Group's objectives when managing capital are:

- i. to comply with the capital requirements stipulated by the regulators of the markets where the Group operates;
- ii. to safeguard the Group's ability to continue as a going concern; and
- iii. to provide attractive risk adjusted returns.

27. Commitments

As at 31 December, the Group had contractual obligations for capital contributions in the amounts of approximately \$19.7 million (2021: \$37 million) which relates to infrastructure projects and other investments.

28. Contingent liabilities

As at 31 December 2022, there were four (4) matters before the courts. The contingent liability in relation to the four (4) matters is estimated at \$6.0 million (2021: \$3.3 million).

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

29. Interest in corporate entities**(i) Local corporate entities**

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

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

29. 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

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

29. 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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

30. Restricted assets

The Group, in keeping with best practice and legislation, has no access to the investment securities, cash holdings or other assets of the collective investment schemes it manages. The collective investment schemes' assets, including cash, are ring-fenced and used exclusively for the benefit of the unitholders/shareholders. The table below analyses the significant line items in the Consolidated Statement of Financial Position which include assets that are not available to the Group.

Particulars	2022	2021
Cash at bank (see Note 4)	1,853,067	2,118,634
Restricted cash	(1,290,643)	(1,575,308)
Deposits with banks (see Note 5)	1,792,128	2,194,177
Restricted deposits with banks	<u>(1,309,513)</u>	<u>(1,698,586)</u>
Available to Group without restriction	<u>1,045,039</u>	<u>1,038,917</u>
Particulars	2022	2021
Receivables	199,844	341,361
Restricted receivables	<u>(194,294)</u>	<u>(327,939)</u>
Available to Group without restriction	<u>5,551</u>	<u>13,422</u>
Particulars	2022	2021
Investment securities (see Note 6)	21,100,070	20,645,855
Restricted investment securities	<u>(20,539,579)</u>	<u>(20,131,688)</u>
Available to Group without restriction	<u>560,490</u>	<u>514,167</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

31. 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 and 2022 are shown in Note 33 (v).

32. Local collective investment schemes

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.

	2022	2021
Growth and Income Fund	5,248,168	6,046,629
TT Dollar Income Fund	12,151,093	12,318,222
Universal Retirement Fund	405,841	459,673
US Dollar Income Fund	4,988,014	4,432,353
Corporate Fund	<u>582,126</u>	<u>546,164</u>
Total assets	<u>23,375,242</u>	<u>23,803,041</u>

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

33. Summarised financial information**(i) Growth and Income Fund**

The table below summarises financial information for the Growth and Income Fund (before inter-entity eliminations or consolidation adjustments) for the years 2022 and 2021.

	2022	2021
Cash at bank	707,188	259,985
Deposits with banks	104,816	150,973
Receivables	28,513	33,434
Investment securities	<u>4,407,651</u>	<u>5,602,237</u>
Total Assets	<u>5,248,168</u>	<u>6,046,629</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. Summarised financial information (continued)**(i) Growth and Income Fund (continued)**

	2022	2021
Liabilities	57,508	171,444
Equity	<u>5,190,660</u>	<u>5,875,185</u>
Total Liabilities and Equity	<u>5,248,168</u>	<u>6,046,629</u>
Investment (loss)/income	<u>(429,584)</u>	<u>815,821</u>
Net (loss)/income	(543,005)	700,374
Distributions	<u>(55,498)</u>	<u>(33,619)</u>
Total comprehensive (loss)/ income for the year	<u>(598,503)</u>	<u>666,755</u>
Net cash flow provided by operating activities	570,726	138,723
Net cash used in financing activities	<u>(123,523)</u>	<u>(82,334)</u>
Net change in cash flows for the year	<u>447,203</u>	<u>56,389</u>

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

	2022	2021
Category		
Government securities	737,625	978,588
Corporate securities	229,180	238,916
Equity and ETFs (local and foreign)	3,305,600	4,181,563
Short-term investments	<u>135,246</u>	<u>203,170</u>
Total	<u>4,407,651</u>	<u>5,602,237</u>
	2022	2021
Classification		
Fair value through profit or loss	<u>4,407,651</u>	<u>5,602,237</u>
Total	<u>4,407,651</u>	<u>5,602,237</u>

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

33. Summarised financial information (continued)**(i) Growth and Income Fund (continued)****Growth and Income Fund reserves**

In 1985, in accordance with the provisions of Section 26 (1) and (2) of the Act, the Corporation established a Guarantee Reserve Fund in respect of the Growth & Income Fund (First Unit Scheme) to ensure adequate funding of the Guarantee Pricing Plan. During 2022 calls totalling \$0.04 million (2021: \$0.03 million) were made on the reserve. The Corporation, the guarantor (see Note 2 (1)), met the calls on the reserve.

In 2012, the Board approved the establishment of a Secondary Reserve Facility for the Growth & Income Fund (First Unit Scheme). The Secondary Reserve is used to fund requirements for capital reinstatement and/or distribution liabilities of the Growth & Income Fund. The balance in the Secondary Reserve Facility was nil for 2022 and 2021.

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

Fund Reserve	2022	2021
Fund reserve as at 1 January	—	—
Allocation to reserve (Growth & Income Fund)	—	—
Call on Reserve	36	29
Allocation to reserve (Corporation)	<u>(36)</u>	<u>(29)</u>
Fund reserve as at 31 December	<u>—</u>	<u>—</u>

No transfers to support the Growth & Income Fund were required during the year 2022 or 2021. The Corporation is the sponsor of the Growth & Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. 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 2022 and 2021.

	2022	2021
Cash at bank	403,366	1,129,258
Deposits with banks	1,080,005	1,405,260
Receivables	180,680	226,374
Investment securities	<u>10,487,042</u>	<u>9,557,330</u>
Total Assets	<u>12,151,093</u>	<u>12,318,222</u>
Liabilities	24,857	27,153
Equity	<u>12,126,236</u>	<u>12,291,069</u>
Total Liabilities and Equity	<u>12,151,093</u>	<u>12,318,222</u>
	2022	2021
Investment income	<u>259,794</u>	<u>362,181</u>
Net income	99,780	202,784
Distributions	(142,174)	(140,231)
Allocations to reserves (see paragraphs below)	<u>(3,033)</u>	<u>(7,700)</u>
Total comprehensive income for the year	<u>(45,427)</u>	<u>54,853</u>
Net cash flow used in operating activities	(469,588)	(333,232)
Net cash used in financing activities	<u>(256,304)</u>	<u>(298,474)</u>
Net change in cash flows for the year	<u>(725,892)</u>	<u>(631,706)</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. Summarised financial information (continued)**(ii) TT Dollar Income Fund (continued)**

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

	2022	2021
Category		
Government securities	7,326,584	5,946,923
Corporate securities	2,757,578	2,809,902
Short-term investments	<u>402,880</u>	<u>800,505</u>
Total	<u>10,487,042</u>	<u>9,557,330</u>

	2022	2021
Classification		
Fair value through profit or loss	<u>10,487,042</u>	<u>9,557,330</u>
Total	<u>10,487,042</u>	<u>9,557,330</u>

TT Dollar Income Fund reserves

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

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

There were no calls on either reserve during 2022 or 2021.

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

33. 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	2022	2021
Fund reserve as at 1 January	64,687	56,987
Allocation to primary reserve	3,033	7,700
Interest earned on the reserve	—	—
Primary reserve as at 31 December	67,720	64,687
Secondary Reserve	2022	2021
Fund reserve as at 1 January	21,717	21,717
Allocation to secondary reserve	—	—
Interest earned on the reserve	—	—
Secondary reserve as at 31 December	21,717	21,717
	2022	2021
Total Fund reserve as at 31 December	89,437	86,404

A transfer of \$3 million was made to the primary reserve during the year 2022 (2021: \$7.7 million). The Corporation is the sponsor of the TT Dollar Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. 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 2022 and 2021.

	2022	2021
Cash at bank	62,128	25,920
Deposits with banks	3,381	3,386
Receivables	1,085	2,700
Investment securities	339,247	427,667
Total Assets	405,841	459,673
Liabilities	2,660	16,139
Equity	403,181	443,534
Total Liabilities and Equity	405,841	459,673
	2022	2021
Investment (loss)/income	(39,511)	60,382
Total comprehensive (loss)/ income for the year	(48,063)	51,918
Net cash flow provided by/(used in) operating activities	27,164	(12,255)
Net cash provided by financing activities	9,044	19,949
Net change in cash flows for the year	36,208	7,694

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. Summarised financial information (continued)**(iii) Universal Retirement Fund** (continued)

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

	2022	2021
Category		
Government securities	44,154	44,036
Corporate securities	37,014	42,458
Equity and ETFs (local and foreign)	<u>258,079</u>	<u>341,173</u>
Total	<u>339,247</u>	<u>427,667</u>
	2022	2021
Classification		
Fair value through profit or loss	<u>339,247</u>	<u>427,667</u>
Total	<u>339,247</u>	<u>427,667</u>

No transfers to support the Universal Retirement Fund were required during the year 2022 or 2021. The Corporation is the sponsor of the Universal Retirement Fund and is committed to supporting the Fund financially and otherwise as necessary.

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. 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 2022 and 2021.

	2022	2021
Cash at bank	109,142	150,168
Deposits with banks	115,168	138,835
Receivables	53,358	146,464
Investment securities	4,710,346	3,996,886
Total Assets	4,988,014	4,432,353
Liabilities	19,312	14,925
Equity	4,968,702	4,417,428
Total Liabilities and Equity	4,988,014	4,432,353
	2022	2021
Investment (loss)/income	(108,790)	42,992
Net loss	(167,120)	(10,347)
Distributions	(47,168)	(38,392)
Allocations to reserves (see paragraphs below)	12,172	18,286
Total comprehensive (loss)/income for the year	(202,116)	(30,453)
Net cash flow used in operating activities	(765,883)	(286,761)
Net cash provided by financing activities	725,086	306,692
Net change in cash flows for the year	(40,797)	19,931

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. Summarised financial information (continued)**(iv) US Dollar Income Fund (continued)**

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

	2022	2021
Category		
Government securities	78,586	717,514
Corporate securities	3,998,250	2,994,929
Short-term investments	633,510	284,443
Total	4,710,346	3,996,886

	2022	2021
Classification		
Fair value through profit or loss	4,710,346	3,996,886
Total	4,710,346	3,996,886

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 2022 and 2021.

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

33. 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	2022	2021
Fund reserve as at 1 January	79,940	60,220
Allocation to primary reserve	12,172	18,286
Interest earned on the reserve	—	—
Foreign exchange translation	(120)	1,434
Primary reserve as at 31 December	91,992	79,940
Secondary Reserve	2022	2021
Fund reserve as at 1 January	35,771	37,583
Allocation to secondary reserve	—	—
Interest earned on the reserve	—	—
Foreign exchange translation	(47)	(1,812)
Secondary reserve as at 31 December	35,724	35,771
	2022	2021
Total Fund reserve as at 31 December	127,716	115,710

A transfer of \$12.2 million was made to the primary reserve during the year 2022 (2021: \$18.3 million). The Corporation is the sponsor of the US Dollar Income Fund and is committed to supporting the Fund financially and otherwise as necessary.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

33. 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 2022 and 2021.

	2022	2021
Cash at bank	975	954
Deposits with banks	–	6,000
Receivables	4,750	11,465
Investment securities	<u>576,401</u>	<u>527,745</u>
Total Assets	<u>582,126</u>	<u>546,164</u>
Liabilities	4,407	9,016
Equity	<u>577,719</u>	<u>537,148</u>
Total Liabilities and Equity	<u>582,126</u>	<u>546,164</u>
	2022	2021
Investment income	<u>16,297</u>	<u>11,786</u>
Net loss	13,331	10,680
Distributions	<u>(11,498)</u>	<u>(8,404)</u>
Total comprehensive income for the year	<u>1,833</u>	<u>2,276</u>
Net cash flow used in operating activities	(35,262)	(212,204)
Net cash provided by financing activities	<u>35,283</u>	<u>211,641</u>
Net change in cash flows for the year	<u>21</u>	<u>(563)</u>

553—Continued

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in thousands of Trinidad and Tobago dollars)
(Continued)

33. Summarised financial information (continued)**(v) UTC Corporate Fund (continued)**

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

	2022	2021
Category		
Government securities	538,734	433,689
Corporate securities	<u>37,667</u>	<u>94,056</u>
Total	<u>576,401</u>	<u>527,745</u>
	2022	2021
Classification		
Fair value through profit or loss	<u>576,401</u>	<u>527,745</u>
Total	<u>576,401</u>	<u>527,745</u>

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

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 (Expressed in thousands of Trinidad and Tobago dollars)
 (Continued)

33. 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 2022 and 2021.

	2022	2021
Cash at bank	7,865	9,976
Receivables and prepayments	143	131
Investment securities	<u>18,892</u>	<u>19,822</u>
Total Assets	<u>26,900</u>	<u>29,929</u>
Liabilities	196	209
Equity	<u>26,704</u>	<u>29,720</u>
Total Liabilities and Equity	<u>26,900</u>	<u>29,929</u>
	2022	2021
Investment (loss)/income	<u>(2,083)</u>	<u>3,463</u>
Total comprehensive (loss)/ income for the year	<u>(2,969)</u>	<u>2,327</u>
Net cash flow (used in)/provided by operating activities	(2,103)	9,030
Net cash provided by financing activities	<u>7</u>	<u>751</u>
Net change in cash flows for the year	<u>(2,096)</u>	<u>9,781</u>

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

33. Summarised financial information (continued)**(vi) UTC (Cayman) SPC Ltd. (continued)**

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

	2022	2021
Category		
Exchange Traded Funds	<u>18,892</u>	<u>19,822</u>
Total	<u>18,892</u>	<u>19,822</u>
	2022	2021
Classification		
Fair value through profit or loss	<u>18,892</u>	<u>19,822</u>
Total	<u>18,892</u>	<u>19,822</u>

34. Events after the reporting period

On 11 November 2022, the finance minister announced that distribution of shares and bonds to Clico Investment Fund (CIF) unitholders will begin in January 2023, after the termination on 2 January 2023, in accordance with the provisions set out in the CIF Trust Deed.

On termination, the Trustee distributed Republic Financial Holdings Limited Shares (RFHL) and Government of the Republic of Trinidad and Tobago Series II, 4.25% 25 Year Fixed Rate Bonds due 31 October 2037. The Group's CIF holdings on the portfolio as at 31 December 2022 was 10,157,166 shares. In accordance with the allocation rules, unitholders received 0.1964 RFHL shares for each unit held and 3.445 bonds per unit held. The shares and bonds were put through on 24 January 2023 with a settlement date of 27 January 2024.

There was no impact to the Group's financial statements as at 31 December 2022. The CIF termination occurred after the reporting period, as such it is considered a non-adjusting event.

The positive impact to the Group's financial statements in January 2023 was \$26.5M.