



# Money Market Fund

Offering Units of



**UNIT TRUST**  
CORPORATION

# PROSPECTUS

The Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offense.



# Contents

<b>THE PROSPECTUS</b>	<b>2</b>
<b>THE CORPORATION</b>	<b>2</b>
<b>THE OBJECTIVE</b>	<b>2</b>
<i>Asset Allocation</i>	
<i>Investment Policies, Practices, Restrictions And Guidelines</i>	
<b>UNITS</b>	<b>4</b>
<b>DISTRIBUTION PERIODS AND YIELD INFORMATION</b>	<b>4</b>
<b>REINVESTMENTS</b>	<b>4</b>
<b>MANAGEMENT OF THE FUND</b>	<b>4</b>
<i>Board of Directors</i>	
<i>Executive Management</i>	
<i>Custodian</i>	
<i>Trustee</i>	
<b>PAYMENT OPTIONS AVAILABLE TO THE INVESTOR</b>	<b>5</b>
<b>REGULAR</b>	<b>6</b>
<b>CMP-CASH MANAGEMENT PLAN</b>	<b>6</b>
<b>HOW UNITS ARE VALUED</b>	<b>7</b>
<b>PUBLICATION OF THE PRICE AND QUOTED YIELD</b>	<b>7</b>
<b>SECURITY FOR LOANS</b>	<b>7</b>
<b>ACQUISITION, REPURCHASE AND TRANSFER OF UNITS</b>	<b>7</b>
<i>Eligibility</i>	
<i>Purchase of Units</i>	
<i>Payment</i>	
<i>Certificates</i>	
<i>Repurchase of Units</i>	
<i>Transfer of Units</i>	
<b>REPORTS TO UNITHOLDERS</b>	<b>8</b>
<b>TAXATION CONSIDERATION</b>	<b>8</b>
<b>RISK FACTORS</b>	<b>8</b>
<b>MANAGEMENT FEES AND OTHER EXPENSES</b>	<b>9</b>
<b>OTHER FUNDS OF THE CORPORATION</b>	<b>9</b>
<b>SECURITIES INDUSTRIES ACT</b>	<b>9</b>
<b>AUDITORS</b>	<b>9</b>
<b>INTERNAL AUDITORS</b>	<b>9</b>
<i>PriceWaterhouseCoopers</i>	
<b>BANKERS</b>	<b>9</b>
<i>Central Bank Of Trinidad &amp; Tobago</i>	
<i>First Citizens Bank Limited</i>	
<i>Citibank (Trinidad &amp; Tobago Limited)</i>	
<i>Citibank N.A.</i>	
<b>ATTORNEYS</b>	<b>10</b>
<i>Fitzwilliams Stone, Furness-Smith &amp; Morgan</i>	
<i>Foley &amp; Lardner</i>	
<i>Mair &amp; Company</i>	
<b>FINANCIALS</b>	<b>11</b>

## **THE PROSPECTUS**

This prospectus sets forth basic information which you should know before purchasing units in the Trinidad and Tobago Unit Trust Corporation's Second Unit Scheme, the Money Market Fund.

## **THE CORPORATION**

The Trinidad and Tobago Unit Trust Corporation (UTC) was established by statute in 1981 to engage in the buying and selling of securities. Its powers were expanded by the Finance Act of 1997 which allowed the Corporation to engage in the business of a trust company, merchant banking business, credit card business and the business of providing financial services in respect of future and contingent liabilities relating to foreign exchange and commodities.

## **THE OBJECTIVE**

The objective of the Second Unit Scheme (Money Market Fund), hereinafter referred to as the 'Fund' is the maximization of current income and the preservation of capital.

The Fund is a short-term investment vehicle and seeks to achieve its objective by investing in a diversified range of high quality fixed income securities. The securities include a wide range of government, corporate and money market instruments of investment grade quality. The approach of selecting fixed income instruments is based on the bottom-up fundamental approach to investment analysis designed to reduce the downside risks while adding value over the complete interest rate cycle.

The investment objectives, policies, restriction and practices of the Fund are stipulated in its enabling legislation, the Unit Trust Corporation of Trinidad and Tobago Act 1981, the Unit Trust Regulations 1989 as amended and the Finance Act 1997. Copies of these legislation can be obtained from the Government Printery.

The Fund has imposed upon itself certain additional Investment Guidelines which are fundamental policies of the Fund. No changes can be made to these Guidelines without the approval of the Investment Committee appointed by the Board of Directors for that purpose.

## ASSET ALLOCATION

The Fund will maintain investments in fixed income securities. As it seeks to achieve its investment objectives, it will take full advantage of money market securities and bonds over varying maturities. The specific asset allocation will be influenced by market conditions and the ability of the individual assets to add value to the portfolio while simultaneously reducing the level of risks associated with the portfolio.

## INVESTMENT POLICIES, PRACTICES, RESTRICTIONS AND GUIDELINES

The investment policies, practices and restriction of the Fund are stipulated in its enabling legislation, the Unit Trust Corporation of Trinidad and Tobago Act 1981, the Unit Trust Regulations 1982 as amended and the Finance Act 1997.

According to Section 8(1) of the Unit Trust Corporation of Trinidad and Tobago Act 1981, the Board shall appoint an Investment Committee comprising:

- a) The Chairman who shall be Chairman of the Investment Committee;
- b) The Executive Director;
- c) No less than two and no more than three other directors.

Further, in accordance with Section 8(2) of the Unit Trust Corporation of Trinidad and Tobago Act, 1981, the Investment Committee advises the Board on the Investment Policy.

According to Section 13(2) the Board shall not invest more than ten per cent of the funds of any one unit scheme in the purchase of securities in any one company or other corporation, nor shall the investments of all Unit Schemes established by the Board include at any time more than ten percent of the securities issued by any company or other corporation.

The Fund has imposed upon itself certain additional Investment Guidelines that are fundamental policies of the Fund. No changes can be made to these Guidelines without the approval of the Investment Committee and ratification by the Board of Directors for that purpose. (See Investment Policy statement).

The Investment Policy Statement is available for viewing and inspection by the public between the hours of 8 a.m. to

4.p.m. at the Head Office of the Trinidad and Tobago Unit Trust Corporation, 82 Independence Square, Port of Spain, Trinidad.

## **UNITS**

Participation by investors in the Fund is represented by units which is equivalent to a proportion of the Fund's portfolio. There is no limit to the number of units that may be issued. Each unit entitles the unitholder to high income to be distributed. However, each unit does not entitle the unitholder to vote at any Annual General Meeting.

## **DISTRIBUTION PERIODS AND YIELD INFORMATION**

Income is earned and compounded daily, but is credited to the unitholder's account on a quarterly basis. The Fund's distribution quarters/periods are as follows:

September 1 to November 30;

December 1 to February 28;

March 1 to May 31; and

June 1 to August 31.

The estimated quoted yield is largely a function of income to be earned for any distribution period and is quoted at the beginning of period. This quote reflects the minimum rate of interest a unitholder is expected to earn for the period. However, in the event that the portfolio earns more, it will pay more. The quoted yield which are not necessarily indicative of future results will fluctuate from time to time and there is no guarantee that the quoted yield will be realised.

## **REINVESTMENTS**

Income earned during any distribution period is automatically reinvested unless the Corporation is otherwise notified by the unitholder.

## **MANAGEMENT OF THE FUND**

The Board of Directors of the Corporation is responsible for

managing the business and affairs of the fund including the appointment of officers to administer the fund on a day to day basis. The Corporation's Board of Directors and its Executive Management are as follows:

#### Board of Directors

Ms. Amoy Chang Fong - Chairman  
Ms. Eutrice Carrington - Executive Director  
Mrs. Michal Yvette Andrews  
Mr. Terrence Bharath  
Mr. Peter Clarke  
Mr. Dennis Gurley  
Ms. Sharon Mohammed  
Mr. Alan Fitzwilliam  
Ms. Joan John

#### Executive Management

Ms. Eutrice Carrington - Executive Director

The Corporation furnishes the Fund with investment management services, trustee services, custodian services and investment research and advice and is subject to the Investment Committee appointment by the Board for such purposes. The Corporation may receive certain research services and engage other service providers consistent with its Investment Guidelines.

Overall management of the business and affairs of the Fund is invested with the Board of Directors, who approves all significant agreements between the Fund and the person or companies furnishing services to the fund. The day-to-day operations of the fund are delegated to the Fund's officers, subject at all times to the objective and policies of the Fund.

#### CUSTODIAN

The Central Bank of Trinidad and Tobago.

#### TRUSTEE

The Trinidad and Tobago Unit Trust Corporation.

#### **PAYMENT OPTIONS AVAILABLE TO THE INVESTOR**

The following mechanisms are available for making an

investment in the Fund:

- \* Regular or lump sum
- \* CMP- Cash Management Plan

## REGULAR

This allows maximum flexibility in the acquisition and redemption of units. Investments can be made either monthly, via salary deduction or otherwise, or in a manner consistent with the cash flow of the investor.

## CMP-CASH MANAGEMENT PLAN

The CMP provides investors with a unique opportunity to personalise their investment choices in accordance with their individual standing in the life cycle by allocating their cash resources among the various unit trust schemes established by the Corporation.

The CMP offers investors four (4) asset allocation options, namely:

<b>Option</b>	<b>Asset Allocation</b>
Investment Starter	50% Second Unit Scheme (Money Market Fund) 25% First Unit Scheme (Growth & Income Fund) 25% Individual Retirement Unit Account (IRUA)
Prime Time Earner	35% Money Market Fund 30% First Unit Scheme 35% IRUA
Autumn Dawn	40% Money Market Fund 15% First Unit Scheme 45% IRUA
Golden Harvest	85% Money Market Fund 15% First Unit Scheme

The allocation of units to the First Unit Scheme will attract a 5% front end sales charge normally associated with the purchase of units in the First Unit Scheme. This charge will

apply at any time when assets are transferred or purchased out-right in the First Unit Scheme.

The CMP allows an investor to automatically transfer funds, build capital and income consistent with the investment strategy of the investor. The investment objectives of the investor form the investment amount, the frequency of the investment and the portfolio apportionment. The plan allows an investor to make cash contribution into an account. The cash is then swept automatically into the Corporation's Managed or Sponsored Investment Funds and Plans identified by the investor.

## **HOW UNITS ARE VALUED**

The price of a unit in the Fund is based on a stable net asset value which is fixed at \$20.00 per unit. As such, units are acquired and redeemed at a price of \$20.00 per unit.

## **PUBLICATION OF THE PRICE AND QUOTED YIELD**

The net asset value and the monthly/quarterly quoted yield are published daily in the newspapers.

## **SECURITY FOR LOANS**

Units in the Fund are eligible as collateral for loans.

## **ACQUISITION, REPURCHASE AND TRANSFER OF UNITS**

### *Eligibility*

This Fund is available to individuals age 18 and over and to any legal Corporate body. Investments in the Fund are eligible for inclusion in the statutory funds of insurance companies and the asset portfolios of pension funds and are included in the Second Schedule of the Insurance Act for such purposes.

### *Purchase of Units*

The minimum initial investment is \$100.00 which can be purchased through a duly authorized agent, that is,

commercial banks, trust companies, stockbrokers, selected licensed life underwriters or directly from all branches of the Trinidad and Tobago Unit Trust Corporation. A specimen of the application form for the purchase of units is attached as Appendix A.

### Payment

Payment can be made by cash, cheque, draft, money order and/or debit cards.

### Certificates

Certificates are issued only on initial purchase and are mailed to the applicant.

Additional certificates for use as collateral are available upon request.

### Repurchase of Units

Units are redeemable on demand except those acquired from uncleared cheques and those held as collateral. There are no penalties or charges associated with redemptions.

### Transfer of Units

A unitholder has the option of transferring units from the Fund to any other investment vehicle managed by the Corporation.

## **REPORTS TO UNITHOLDERS**

Quarterly statements are furnished to unitholders summarising the account balance, the number of units and income earned for each distribution period.

## **TAXATION CONSIDERATION**

The interest income component of the distribution made by the Fund will be subject to tax at the prevailing rate, and is applicable to individuals only. However, individuals 60 years and over are exempt.

## **RISK FACTORS**

The value of the Fund is related to the market value of the underlying investments and as such payment of principal and interest would reflect investment performance.

## **MANAGEMENT FEES AND OTHER EXPENSES**

Management fees remitted to the Corporation are limited to 2 percent per annum of funds under management. These fees form the basis upon which the Corporation meets the expenses associated with its investment and related services.

## **OTHER FUNDS OF THE CORPORATION**

Unitholder's inquiries concerning other investment vehicles of the Corporation can be directed to any of the Corporation's offices.

## **SECURITIES INDUSTRIES ACT**

Pursuant to Section 69 of the Securities Industries Act (SIA), this Prospectus has been filed with the Securities and Exchange Commission (SEC), and a receipt thereof has been issued by the Commission, for the purpose of giving information to the public with regard to the Trinidad and Tobago Unit Trust Corporation (TTUTC).

## **AUDITORS**

The auditors of the Fund are the Auditor General of Trinidad and Tobago or a duly qualified auditor nominated by the Auditor General in that behalf in accordance with Section 30 (1) of the Corporation's enabling legislation.

## **INTERNAL AUDITORS**

PriceWaterhouseCoopers  
Chartered Accountants  
11-13 Victoria Avenue, Port of Spain

## **BANKERS**

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

First Citizens Bank Limited  
Lower Milford Road  
Scarborough, Tobago  
RBTT  
55 Independence Square,  
Port of Spain

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

Citibank N.A.  
11 Wall Street  
New York, NY 10043  
USA

## **ATTORNEYS**

Fitzwilliams Stone, Furness-Smith & Morgan  
36 Pembroke Street  
Port of Spain

Foley & Lardner  
Firstar Center  
777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202  
U S A.

Mair & Company  
50 Richmond Street  
Port of Spain.

## **FINANCIALS**

The financial statements of the Second Unit Scheme for the last five years, which have been audited in accordance with the provisions of section 30 (1) of the Unit Trust Corporation of Trinidad and Tobago Act 1981, are as follows:

**SECOND UNIT SCHEME  
BALANCE SHEET {TT\$ MONEY MARKET }  
AS AT DECEMBER 31ST, 2001 – 2005**

	<b>2005</b> \$'000
<b><u>ASSETS</u></b>	
Investments	6,803,973
Cash	199,194
Interest Receivable	83,210
<b>Total Assets</b>	<b>7,086,377</b>
<b><u>LIABILITIES</u></b>	
Accruals for Distribution	28,209
Amount Due Corporation	5,840
Other Liabilities	238,454
<b>Total Liabilities</b>	<b>272,503</b>
<b><u>RESERVES</u></b>	
Reserves	9,901
<b>Total Liabilities and Reserves</b>	<b>282,404</b>
<b>NET ASSETS</b>	<b>6,803,973</b>
<b>CAPITAL ACCOUNT</b>	6,808,502
<b>UNREALISED CAPITAL)</b>	(4,529)
<b>APPRECIATION/(DEPRECIATION</b>	
	<b>6,803,973</b>

**SECOND UNIT SCHEME  
INCOME DISTRIBUTION ACCOUNT {TT\$ MONEY MARKET }  
FOR THE YEARS ENDED DECEMBER 31ST, 2001 - 2005**

	<b>2005</b> \$'000
Net Investment Income	349,853
<b><u>DISTRIBUTIONS</u></b>	
Distribution Expense	(320,444)
Accruals for Distribution	(28,209)
<b>Total Distribution</b>	<b>(348,653)</b>
Transfer to Reserves	(1,200)
<b>Undistributed Income as at December 31st</b>	<b>-</b>

<b>2004</b> \$'000	<b>2003</b> \$'000	<b>2002</b> \$'000	<b>2001</b> \$'000
5,988,569	5,353,694	4,359,239	2,898,592
187,141	173,123	80,983	41,413
84,455	102,782	111,352	753
<b>6,260,165</b>	<b>5,629,599</b>	<b>4,551,574</b>	<b>2,940,758</b>
21,094	14,531	18,524	12,646
13,544	14,973	3,728	25,479
227,057	236,500	160,182	2,191
<b>261,695</b>	<b>266,004</b>	<b>182,434</b>	<b>40,316</b>
9,901	9,901	9,901	1,850
<b>271,596</b>	<b>275,905</b>	<b>192,335</b>	<b>42,166</b>
<b>5,988,569</b>	<b>5,353,694</b>	<b>4,359,239</b>	<b>2,898,592</b>
5,852,919	5,215,244	4,178,112	2,898,592
135,650	138,450	181,127	-
<b>5,988,569</b>	<b>5,353,694</b>	<b>4,359,239</b>	<b>2,898,592</b>

<b>2004</b> \$'000	<b>2003</b> \$'000	<b>2002</b> \$'000	<b>2001</b> \$'000
314,668	285,959	284,966	244,805
(293,174)	(271,029)	(257,992)	(230,999)
(21,094)	(14,530)	(18,523)	(12,646)
<b>(314,268)</b>	<b>(285,559)</b>	<b>(276,515)</b>	<b>(243,645)</b>
(400)	(400)	(8,451)	(1,160)
-	-	-	-

**SECOND UNIT SCHEME  
STATEMENT OF OPERATIONS {TT\$ MONEY MARKET }  
FOR THE YEARS ENDED DECEMBER 31ST, 2001 - 2005**

	<b>2005</b> \$'000
<b><u>INVESTMENT INCOME</u></b>	
Interest Income	387,909
<b>Total Investment Income</b>	<b>387,909</b>
<b><u>EXPENSES</u></b>	
Management Charge	(29,387)
Interest	-
Commission	(8,669)
Total Expenses	(38,056)
<b>NET INVESTMENT INCOME</b>	<b>349,853</b>

**SECOND UNIT SCHEME  
STATEMENT OF CHANGES IN NET ASSETS  
{TT\$ MONEY MARKET} FOR THE YEAR ENDED  
31ST DECEMBER 31ST, 2005**

	<b>CAPITAL ACCOUNT</b> \$'000
<b>BAL B/F at 01/01/2005</b>	5,852,919
<b>Net Appropriations/(Expropriations)</b>	<b>955,583</b>
<b>Portfolio Appreciation/(Depreciation)</b>	-
<b>BAL C/F at 31/12/05</b>	<b>6,808,502</b>

**SECOND UNIT SCHEME  
INVESTMENT PORTFOLIO {TT\$ MONEY MARKET }  
FOR THE YEARS ENDED DECEMBER 31ST, 2005**

<b>Securities</b>	<b>Market Value</b> \$
Government Securities	1,465,944,079
Corporate Securities	789,681,337
Cash and Short Term Investments	4,548,347,711
<b>Total Investments</b>	<b>6,803,973,127</b>

<b>2004</b> \$'000	<b>2003</b> \$'000	<b>2002</b> \$'000	<b>2001</b> \$'000
364,726	326,797	341,043	284,222
<b>364,726</b>	<b>326,797</b>	<b>341,043</b>	<b>284,222</b>
(42,910)	(33,969)	(49,659)	(35,573)
-	-	(433)	(899)
(7,148)	(6,869)	(5,985)	(2,945)
(50,058)	(40,838)	(56,077)	(39,417)
<b>314,668</b>	<b>285,959</b>	<b>284,966</b>	<b>244,805</b>

<b>UNREALISED APPRECIATION</b> \$'000	<b>TOTAL</b> \$'000
135,650	5,988,569
-	<b>955,583</b>
(140,179)	(140,179)
<b>(4,529)</b>	<b>6,803,973</b>

**The Portfolio of the Money Market  
Fund is represented by:**

**Market Value**  
\$

Held to Maturity Financial Assets  
Available for Sale Financial Assets

\$6,617,332,378  
\$186,640,749

**Total**

**\$6,803,973,127**

# Application for Units

Surname: \_\_\_\_\_

Other Name (S): \_\_\_\_\_

Address: \_\_\_\_\_

Identification No.: \_\_\_\_\_

Date Of Birth: \_\_\_\_\_

Tel: \_\_\_\_\_ Sex: \_\_\_\_\_

Resident/non-resident: \_\_\_\_\_

Joint Holders: \_\_\_\_\_

Beneficiaries: \_\_\_\_\_

Minors: \_\_\_\_\_

I/we Wish To Invest

US\$ \_\_\_\_\_ and/or TT\$ \_\_\_\_\_

**In The TT Dollar Money Market Fund**

TTMMF Account No.: \_\_\_\_\_

\_\_\_\_\_  
Signature (1)

\_\_\_\_\_  
Signature (2)

\_\_\_\_\_  
Signature (3)

\_\_\_\_\_  
Signature (4)

MAKE ALL CHEQUES PAYABLE TO THE  
**Trinidad & Tobago Unit Trust Corporation**



**UTC Financial Centre:**

82 Independence Square.  
tel: 625-UNIT (8648)  
fax: 623-0092

**San Fernando:**

23 High Street.  
tel: 657- UNIT (8648)  
fax: 652-0620

**Couva:**

32 Southern Main Road.  
tel: 636-9871  
tel/fax: 636-4750

**Sangre Grande:**

Sinanan Building,  
2 Eastern Main Road.  
tel: 668-6475  
fax: 668-3872

**Arima:**

40-40a Green Street.  
tel: 667-UNIT (8648)  
fax: 667-2586

**Chaguanas:**

Endeavour Road.  
tel: 671-UNIT (8648)  
tel/fax: 671-6581

**Point Fortin:**

13 Handel Road.  
tel: 648-6836/2997  
fax: 648-2997

**Westmoorings:**

Guardian Building,  
#1 Guardian Drive.  
tel: 632-9222  
fax: 632-7221

**Tobago:**

Cor. Main & Castries Streets  
Scarborough  
tel: 639-5096  
fax: 660-7730



**UNIT TRUST**  
C O R P O R A T I O N