



**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
FINANCIAL STATEMENTS OF THE TRINIDAD AND TOBAGO UNIT TRUST CORPORATION -
CALYPSO MACRO INDEX FUND FOR THE YEAR ENDED 31 DECEMBER 2024**

OPINION

The Financial Statements of the Trinidad and Tobago Unit Trust Corporation - Calypso Macro Index Fund (the Fund) for the year ended 31 December 2024 have been audited. The statements as set out on pages 1 to 28 comprise a Statement of Financial Position as at 31 December 2024 and the Statement of Comprehensive Income, a Statement of Changes in Equity and a Statement of Cash Flows for the year then ended, and Notes to the Financial Statements numbered 1 to 15, including a summary of material accounting policies.

2. In my opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Trinidad and Tobago Unit Trust Corporation - Calypso Macro Index Fund as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

BASIS FOR OPINION

3. The audit was conducted in accordance with the principles and concepts of International Standards of Supreme Audit Institutions (ISSAIs). The Auditor General's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. The Auditor General is independent of the Fund 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 the above audit opinion.

EMPHASIS OF MATTER

NON-GOING CONCERN BASIS OF PREPARATION

4. Attention is drawn to Note 2(a) of the Financial Statements, which states "Based on the provisions of the Unit Trust Corporation Fourth Unit Scheme Regulations, 2015 (Regulations), the Fund is due to be terminated on 30 November 2025. Consequently, the going concern assumption is not appropriate. In accordance with IAS 1 "Presentation of Financial Statements" the Financial Statements of the Fund are prepared on a non-going concern basis for the year ended 31 December 2024". The opinion is not modified in this matter.

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

5. Management of the Fund is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financing Reporting Standards and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

6. In preparing the Financial Statements, management is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern. Since the Fund is to be terminated, management has appropriately prepared the Financial Statements on a non-going concern basis, as required by IAS 1 (Presentation of Financial Statements).

7. Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit and to report thereon in accordance with section 30 (4) of the Unit Trust Corporation of Trinidad and Tobago Act, Chapter 83:03. The audit was carried out in accordance with section 30 (1) of the said Act.

9. The Auditor General's objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes her opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the principles and concepts of ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identifies and assesses the risks of material misstatement of the Financial Statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Fund.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. As the Fund is scheduled to terminate on 30 November 2025. The Financial Statements of the Fund have been prepared on a non-going concern basis.
- 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.

11. The Auditor General communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that were identified during the audit.



27TH MARCH, 2025
PORT OF SPAIN

Jaiwantie Ramdass
JAIWANTIE RAMDASS
AUDITOR GENERAL

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

FINANCIAL STATEMENTS

31 DECEMBER 2024

(Expressed in thousands of Trinidad and Tobago dollars)

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

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CALYPSO MACRO INDEX FUND

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TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	31-Dec-24 \$'000	31-Dec-23 \$'000
Assets			
Cash at bank	3	18,693	18,731
Other receivables	4	968	1,161
Investment securities	5	<u>552,212</u>	<u>577,533</u>
Total assets		<u>571,873</u>	<u>597,425</u>
Liabilities			
Other payables	6	<u>2,451</u>	<u>2,557</u>
Total liabilities		<u>2,451</u>	<u>2,557</u>
Equity			
Unitholders' capital	8	500,755	500,755
Fair value reserve		(2,353)	28,261
Retained earnings		<u>71,020</u>	<u>65,852</u>
Total equity		<u>569,422</u>	<u>594,868</u>
Total liabilities and equity		<u>571,873</u>	<u>597,425</u>
Net asset value per unit		\$28.18	\$ 29.44


Chairman




Executive Director

We draw your attention to Note 2 (a) which describes the basis of preparation of the financial statements on a non-going concern basis from 2024. The comparative information was prepared on a going concern basis.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	31-Dec-24 \$'000	31-Dec-23 \$'000
Dividend income		22,879	22,574
Net change in fair value of investment securities		5,411	(10,247)
Net foreign exchange loss		<u>(35)</u>	<u>(41)</u>
Total revenue		28,255	12,286
Management charge	9	(2,958)	(3,041)
Other operating expenses		<u>(460)</u>	<u>(321)</u>
Total operating expenses		(3,418)	(3,362)
Profit before tax		<u>24,837</u>	<u>8,924</u>
Withholding tax expense		<u>(2,701)</u>	<u>(2,627)</u>
Profit for the year		<u>22,136</u>	<u>6,297</u>
Other comprehensive loss:			
<i>Amounts that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value losses arising during the year		<u>(30,614)</u>	<u>(29,470)</u>
Other comprehensive loss for the year		<u>(30,614)</u>	<u>(29,470)</u>
Total comprehensive loss for the year		<u>(8,478)</u>	<u>(23,173)</u>

We draw your attention to Note 2 (a) which describes the basis of preparation of the financial statements on a non-going concern basis from 2024. The comparative information was prepared on a going concern basis.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

	Unitholders' capital \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 January 2024	500,755	28,261	65,852	594,868
Total comprehensive loss for the year				
Profit for the year	–	–	22,136	22,136
Other comprehensive loss for the year	–	(30,614)	–	(30,614)
Transactions with unitholders recognised directly in equity				
Distributions to unitholders	–	–	(16,968)	(16,968)
Total transactions with unitholders	–	–	(16,968)	(16,968)
Balance as at 31 December 2024	<u>500,755</u>	<u>(2,353)</u>	<u>71,020</u>	<u>569,422</u>
Balance as at 1 January 2023	500,755	57,731	75,715	634,201
Total comprehensive loss for the year				
Profit for the year	–	–	6,297	6,297
Other comprehensive loss for the year	–	(29,470)	–	(29,470)
Transactions with unitholders recognised directly in equity				
Distributions to unitholders	–	–	(16,160)	(16,160)
Total transactions with unitholders	–	–	(16,160)	(16,160)
Balance as at 31 December 2023	<u>500,755</u>	<u>28,261</u>	<u>65,852</u>	<u>594,868</u>

We draw your attention to Note 2 (a) which describes the basis of preparation of the financial statements on a non-going concern basis from 2024. The comparative information was prepared on a going concern basis.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

	31-Dec-24	31-Dec-23
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	24,837	8,924
Adjustments to reconcile profit before tax to net cash flows:		
Dividend income	(22,879)	(22,574)
Proceeds from sale of investments	117	1,964
Net change in fair value of investment securities	(5,411)	10,247
Working capital adjustments:		
Increase in other receivables	(5)	–
Increase in other payables	98	2
	<u>(3,243)</u>	<u>(1,437)</u>
Dividend received	23,076	22,757
Withholding tax paid	<u>(2,701)</u>	<u>(2,627)</u>
Net cash flows from operating activities	<u>17,132</u>	<u>18,693</u>
Cash flows from financing activities		
Distributions paid to unitholders	<u>(17,170)</u>	<u>(13,938)</u>
Net cash flows used in financing activities	<u>(17,170)</u>	<u>(13,938)</u>
Net (decrease)/increase in cash	(38)	4,755
Cash at the beginning of the year	<u>18,731</u>	<u>13,976</u>
Cash the end of the year	<u>18,693</u>	<u>18,731</u>

We draw your attention to Note 2 (a) which describes the basis of preparation of the financial statements on a non-going concern basis from 2024. The comparative information was prepared on a going concern basis.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

1. General information

The Calypso Macro Index Fund (the Fund) is a closed-end mutual fund denominated in Trinidad and Tobago dollars, that was launched on 8 January 2016, and is scheduled to terminate on the redemption date of 30 November 2025 as prescribed by the Regulations of the Fund. Refer to Note 2 (a) (ii) for more information.

The Fund is governed by Regulations made for the Fund by the Board of Directors of the Trinidad and Tobago Unit Trust Corporation (the Corporation) with the approval of the Central Bank of Trinidad and Tobago under Section 14(1) of the Unit Trust Corporation Act (the Act). The termination or redemption date may be extended in accordance with the provisions of Clause 27.1 of the Regulations. The Custodian of the Fund is the Trinidad and Tobago Central Depository (TTCD).

The Corporation is the Sponsor, Manager, Trustee and Investment Advisor of the Fund. Responsibility for managing the business affairs of the Fund is vested in the Board of Directors of the Corporation which approves all the Fund's significant agreements. The Corporation's registered office is located at UTC Financial Centre, 82 Independence Square, Port of Spain.

Participation by investors in the Fund is by units, which represent an undivided share in the Deposited Property. The Deposited Property means all the assets and investments of the Fund for the time being held or deemed to be held by the Trustee. No unitholder is entitled to any interest or share in any particular part of the Depository Property until such time as the Fund is terminated. The units of the Fund are traded on the Trinidad and Tobago Stock Exchange (TTSE).

Investment objective

The objective of the Fund is to hold the Deposited Property of the Fund for a period of ten years. The Fund seeks to provide investors with exposure to the Trinidad and Tobago Stock Exchange all T&T Index, as well as exposure to global energy companies through investment in the Global Energy Index. Each unit provides instant diversification to the investor.

Subscriptions

Subscription to the Fund closed on 4 December 2015 at the end of the initial offer period. During the initial offer period 20,000,000 units were offered at a price of TT\$25.00 per unit. On the transfer date the Trustee issued:

- i. 20,000,000 units to successful applicants, and
- ii. 200,000 units to the Fund Sponsor.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

1. General information (continued)

Redemptions

No unitholder is entitled to redeem units prior to the Redemption Date of 30 November 2025 or such later Redemption Date as may be prescribed under the Regulations of the Fund.

Trading of units

Unitholders may sell, transfer or otherwise dispose of their units by trading on the TTSE in accordance with its rules for effecting such transactions. The Registrar, transfer agent and income paying agent of the Fund is the Trinidad and Tobago Central Depository Limited. The Registrar maintains the records with respect to each unitholder of the Fund.

Termination of the Fund

The Fund will continue until the Redemption Date and upon full and final disposition of the Deposited Property. The proceeds from the disposition of the Deposited Property, together with the Fund's income, will be distributed to the unitholders pro rata minus any monies required to discharge unpaid liabilities properly incurred by the Trustee.

2. Material accounting policies

The material accounting policies applied in the preparation of these financial statements (the "financial statements") are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

- i. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS Accounting Standards comprise the following authoritative literature:
 - IFRS Accounting Standards
 - International Accounting Standards (IASs)
 - Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations)

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

a) Basis of preparation (continued)

- ii. Based on the provisions of the Unit Trust Corporation Fourth Unit Scheme Regulations, 2015 (Regulations), the Fund is due to be terminated on 30 November 2025. Consequently, the going concern assumption is not appropriate. In accordance with IAS 1 "Presentation of Financial Statements" the financial statements of the Fund are prepared on a non-going concern basis for the year ended 31 December 2024. The non-going concern basis of preparation contemplates the realisation of assets and the discharge of liabilities on the termination of the Fund.

Under this basis of preparation fees, costs, charges and expenses incidental to the administration, management and closure of the Fund are to be recognised in the Statement of Comprehensive Income. The costs and charges are not included in the financial statements as they are still to be determined.

Change in basis of measurement

In accordance with IAS 1 "Presentation of Financial Statements" and IAS 10 "Events After the Reporting Period" the Fund changed the basis of preparing the financial statements from a going concern basis used in 2023, the comparative year; to a non-going concern basis in 2024 due to the terms and conditions described under Section 24 in the Unit Trust Corporation Fourth Unit Scheme Regulations, 2015 and as disclosed in Note 1 "*Termination of the Fund*".

This change in basis of preparation was adopted as IAS 10 does not permit the use of the going concern basis of accounting if liquidation is expected either before or after year end.

- iii. The financial statements are presented in Trinidad and Tobago dollars, which is the functional currency of the Fund.

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

b) Changes in accounting policies and disclosures

Standards and amendments to existing standards effective 1 January 2024

The following new and amended accounting standards and interpretations did not have a material impact on the Fund's financial statements in 2024.

Amendments to IAS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants

The amendments specifies the requirements for classifying liabilities as current or non-current. The amendments clarify:

- i) What is meant by a right to defer settlement
- ii) That a right to defer settlement must exist at the end of the reporting period
- iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right
- iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

Amendments to IFRS 16 - Lease liability in a sale and leaseback

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Amendments to IAS 7 and IFRS 7 - Disclosures: supplier finance arrangements

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted

The following new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

- Amendments to *IAS 21 – Lack of Exchangeability* – Effective 1 January 2025
- Amendments to *IFRS 9 – Financial Instruments* and *IFRS 7 Financial Instruments: Disclosures* – Effective 1 January 2026

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

b) Changes in accounting policies and disclosures (continued)

New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted (continued)

- Annual Improvements to IFRS Accounting Standards – Volume 11 – Effective 1 January 2026
- *Amendments to IFRS 18 – Presentation and Disclosure in Financial Statements – Effective 1 January 2027*
- *Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures – Effective 1 January 2027*

c) Cash at bank

Cash at bank represents account balances held in a bank and a brokerage institution.

d) Deposits with banks

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

e) Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

f) Financial assets and financial liabilities

i) Classification and measurement

Financial assets

The financial statements are currently being prepared on a non-going concern basis, investment securities are recognised at fair value which has been the valuation method utilized in accordance with the documented business model for the Fund. This basis is consistent with the prior year.

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

f) Financial assets and financial liabilities (continued)

i) Classification and measurement (continued)

Financial assets (continued)

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund classifies its financial assets in the following categories:

- those measured at fair value through profit or loss (FVPL)
- those measured at fair value through other comprehensive income (FVOCI)

Financial assets at FVPL

Investments in exchange traded funds (ETFs) are classified as FVPL, unless the Fund designates an investment that is not held for trading as fair value through other comprehensive income (FVOCI) on initial recognition.

Financial assets at FVPL are recorded in the statement of financial position at fair value at the end of each reporting period. Changes in fair value are recorded in the statement of comprehensive income.

The net gain or loss recognised in the statement of comprehensive income is determined in the manner described in Note 2 (g).

Financial assets at FVOCI

Upon initial recognition, the Fund elected to irrevocably classify some of its equity investments at FVOCI as they met the definition of equity under IAS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments will not be reclassified to profit or loss.

Equity instruments at FVOCI are not subject to an impairment assessment.

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

f) Financial assets and financial liabilities (continued)

i) Classification and measurement (continued)

Financial assets at FVOCI (continued)

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

Financial liabilities

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

A financial liability is classified as fair value through profit or loss if it is classified as held-for-trading or it is designated as such on initial recognition.

ii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the reporting date.

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. (Note 2 (g))

iii) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

iv) Foreign exchange gains and losses

The foreign exchange component for financial assets that are classified as FVPL forms part of its fair value gain or loss recognised in the statement of comprehensive income.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

f) Financial assets and financial liabilities (continued)

iv) Foreign exchange gains and losses

The foreign exchange component for financial assets that are classified as FVOCI forms part of its fair value gain or loss in other comprehensive income and is never reclassified to profit or loss.

g) Fair value measurement

Valuation framework

The Fund 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 Fund, while a meeting is held quarterly, or more frequently as required, to discuss and approve the fair value of assets in the funds. The Valuation Committee reports to the Audit Committee in relation to significant changes to the valuation methodology.

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.

TRINIDAD AND TOBAGO UNIT TRUST CORPORATION
CALYPSO MACRO INDEX FUND

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

g) Fair value measurement (continued)

Valuation techniques (continued)

The Fund uses valuation models that use observable market data for determining the fair value of its financial instruments. 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 Fund 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 Fund believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Fund and the counterparty where appropriate.

The fair values of financial assets 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 Fund determines fair values using other valuation techniques.

Notes to the financial statements

For the year ended 31 December 2024

(Expressed in thousands of Trinidad and Tobago dollars)

(Continued)

2. Material accounting policies (continued)

g) Fair value measurement (continued)

Fair value hierarchy

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

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

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

Valuation techniques for specific instruments

Equities and exchange traded Funds (ETFs) 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.

Receivables, payables and short-term liabilities

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

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h) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Fund, and the amount of the dividend can be measured reliably. Dividend income is recognised in the statement of comprehensive income.

i) Taxation

The Fund is exempt from corporation tax. The Fund currently incurs withholding taxes imposed by certain countries' on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income.

Withholding taxes are recognised as an expense and shown as a separate item in the statement of comprehensive income.

j) Foreign currency translation

The Fund's functional and presentation currency is Trinidad and Tobago dollars (TT\$).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within Net change in fair value of investment securities.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within Net foreign exchange gain or loss.

3. Cash at bank

	2024	2023
Cash at bank	10,744	15,601
Cash at broker	<u>7,949</u>	<u>3,130</u>
Total	<u>18,693</u>	<u>18,731</u>

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4. Other receivables

	2024	2023
Dividend receivable	963	1,161
Other receivable	5	—
Total	<u>968</u>	<u>1,161</u>

5. Investment securities

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

	2024	2023
Investment securities carried at fair value		
Exchange traded funds (ETFs)	267,445	262,034
Quoted equities	<u>284,767</u>	<u>315,499</u>
Total	<u>552,212</u>	<u>577,533</u>
Investment securities summarised by classification		
- ETFs at fair value through profit or loss	267,445	262,034
- Equity instruments at fair value through other comprehensive income	<u>284,767</u>	<u>315,499</u>
	<u>552,212</u>	<u>577,533</u>

6. Other payables

	2024	2023
Amounts due to the Corporation (see Note10)	241	253
Distribution payable	2,112	2,304
Other payable	98	—
Total	<u>2,451</u>	<u>2,557</u>

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7. Distributions to unitholders

Distributions to unitholders for the year ended 31 December 2024 amounted to \$17.0 million (2023: \$16.1 million). The next distribution period is December 2024 to February 2025, payable on 7 April 2025.

8. Unitholders' capital

This represents the capital value of units issued by the Fund. The redeemable units of the Fund are 20.2 million.

9. Related party transactions

Parties are considered related if the following conditions applies:

- if one entity has the ability to control the other entity or exercise significant influence over the other entity in making financial or operational decisions, and
- if the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

The Fund is managed by the Corporation. Under the terms of the investment management agreement dated 23 September 2015, the Corporation may charge an annual fee of up to 0.5% of the net asset value of the Fund.

Total management fees for the year amounted to \$3.0 million or 0.5% of month end fund sizes (December 2023: \$3.0 million or 0.5% of month end fund sizes). The outstanding management charge due to the Corporation at 31 December 2024 amounted to \$0.2 million (2023: \$0.3 million). (see Note 6)

The Corporation and the Growth and Income Fund (a related party sponsored and managed by the Corporation) invested in the Calypso Macro Index Fund as at 31 December 2024. The value of the holdings were \$31.0 million and \$141.4 million respectively. (December 2023: \$30.8 million and \$140.4 million respectively).

During the year, the Fund distributed to the Corporation and the Growth and Income Fund \$1.1 million and \$5.0 million respectively. (December 2023: \$1.0 million and \$4.8 million respectively).

There were no other related party transactions for the year.

10. Segment information

The Fund has an equity and ETF portfolio which is its reportable segment. The portfolio's investment objective and strategy is to invest in a diversified portfolio of equity securities issued by TTSE and NYSE and foreign/local unlisted companies to achieve capital appreciation.

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10. Segment information (continued)

The Board of Directors reviews the internal management reports of the sub-portfolio at least quarterly.

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

11. Fair value of financial instruments

a) The fair value hierarchy for investment securities

The Fund uses a valuation hierarchy to rank the fair value of its investment securities (see Note 2 (g)), as analysed below.

Fair value hierarchy for investment securities as at 31 December 2024

Investment securities carried at fair value	Level 1	Level 2	Level 3	Total
Quoted equities	284,767	–	–	284,767
Exchange traded funds (ETFs)	267,445	–	–	267,445
Total investment securities	552,212	–	–	552,212

Fair value hierarchy for investment securities as at 31 December 2023

Investment securities carried at fair value	Level 1	Level 2	Level 3	Total
Quoted equities	315,499	–	–	315,499
Exchange traded funds (ETFs)	262,034	–	–	262,034
Total investment securities	577,533	–	–	577,533

b) Transfers between fair value hierarchy levels

There were no transfers between the fair value hierarchy levels during either 2024 or 2023.

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12. Risk management

Risk management framework

The Fund's investment activities expose it to a variety of financial risks. The Board of Directors has established policies, procedures, an Audit Committee and a Strategic Risk and Compliance Committee (SRCC) to identify, assess and manage these risks to safeguard the interests of all stakeholders and to achieve strategic objectives.

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

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

- maintained the reliability and integrity of the accounting policies and financial reporting and disclosure practices.
- established and maintained processes to assure that an adequate system of internal control is functioning within the Fund.

Risk exposures

The primary risks to which the Fund is exposed are:

- i. market risk, which comprises:
 - equity and exchange traded funds (ETF) price risk
 - currency risk
- ii. credit risk
- iii. liquidity risk; and
- iv. operational risk

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

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12. Risk management (continued)

Market risk

Market risk is the risk that changes in market prices for example equity, ETF price risk and foreign exchange rates will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Equity and ETF price risk

Equity and ETF price risk is the risk that the fair value of equities/ETFs decreases as a result of changes in the market prices for these securities.

The Fund has 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 equity 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 Fund's equity and ETF holdings are categorised below, both in dollar terms and as a percentage of total equity holdings into three (3) categories to reflect the Fund's exposure to movements in equity prices.

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12. Risk management (continued)

Equity and ETF price risk (continued)

	Lower than market	Comparable to market	Higher than market
At 31 December 2024	216,053 39%	249,453 45%	86,706 16%
At 31 December 2023	167,544 29%	346,737 60%	63,252 11%

The following table presents the approximate sensitivity of the net asset value of the Fund 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.

Market indices	Change in equity price %	Effect on net asset value	
		2024	2023
TTSE composite index	+/- 5	\$12.4 million	\$12.8 million
S&P 500 index	+/- 5	\$14.3 million	\$13.8 million

Currency risk

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

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(Continued)

12. Risk management (continued)

Currency risk (continued)

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

	At 31 December 2024		At 31 December 2023	
	US\$	Other foreign currencies	US\$	Other foreign currencies
	(Presented in TT\$)		(Presented in TT\$)	
Assets				
Cash at bank	14,512	–	11,571	–
Quoted equities	26,373	–	21,292	–
ETFs	267,445	–	262,034	–
Liabilities				
Payables	(241)	–	(253)	–
Total	<u>308,089</u>	<u>–</u>	<u>294,644</u>	<u>–</u>

The following analysis shows how the effect of a 1% change in the TT\$ relative to the US\$ and other foreign currencies would have changed the net assets of the Fund at 31 December 2024 with all other variables held constant.

	At 31 December 2024		At 31 December 2023	
	US\$	Other foreign currencies	US\$	Other foreign currencies
	(Presented in TT\$)		(Presented in TT\$)	
Approximate change	<u>3,081</u>	<u>–</u>	<u>2,946</u>	<u>–</u>

Concentration of foreign currency exposure

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

% of total equity	2024	2023
US dollars	54%	50%

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(Continued)

12. Risk management (continued)

Credit risk

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

The Fund is exposed to credit risk primarily on bank balances. The carrying value of these assets represents the Fund's maximum exposure to credit risk on financial instruments 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 Fund's bank balances are considered to have a high credit rating equivalent to 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

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.

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12. Risk management (continued)

Liquidity risk (continued)

Liquidity risk is the risk that Fund will be unable to liquidate positions to satisfy its commitments to unitholders due to market conditions. The Fund has limited exposure to liquidity risk as it is a closed-end mutual fund with a set redemption date of 30 November 2025.

The financial liabilities of the Fund are summarised by their due dates and shown below. The amounts disclosed are the contractual undiscounted cash flows. The Fund had no financial liabilities over one (1) year.

	Less than 1 year
At 31 December 2024	
Other payables	339
Distribution payable	<u>2,112</u>
Total	<u>2,451</u>
	Less than 1 year
At 31 December 2023	
Other payables	253
Distribution payable	<u>2,304</u>
Total	<u>2,557</u>

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12. Risk management (continued)

Liquidity risk (continued)

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 1-12 months or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 year
At 31 December 2024	
Cash at bank	18,693
Other receivables	968
Investment securities	<u>552,212</u>
Total	<u><u>571,873</u></u>
	Less than 1 year
At 31 December 2023	
Cash at bank	18,731
Other receivables	1,161
Investment securities	<u>577,533</u>
Total	<u><u>597,425</u></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. This is inherent within all business activities and has the potential for financial or reputational loss, this includes errors, omissions, disasters and fraud. It is managed through a combination of systems, processes and controls.

The Fund maintains a comprehensive business continuity program that enables it to be agile in responding to the various business continuity threats/operational disruptions that may arise.

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12. Risk management (continued)

Operational risk (continued)

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

13. Capital management

The Fund's capital consists of Unitholders' capital, Retained earnings and Fund reserves. The Fund's objectives when managing capital are:

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

14. Events after the reporting period

These financial statements have been prepared on a non-going concern basis which have been disclosed in the financial statements of the Fund as at 31 December 2024. There were no other material events after which required recording or disclosure as at 13 February 2025.

15. Approval of the financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 13 February 2025.