

## Manning urges Govt: Maintain HSF success

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SAN FERNANDO East MP Brian Manning has urged the Government to maintain recent strategic investment reforms that he says have driven the Heritage and Stabilisation Fund (HSF) to 'record-breaking' performances in recent years.

Manning's remarks come as the HSF posted its strongest financial performance to date, with total comprehensive income exceeding US\$1 billion for the first time in its history.

The milestone follows just two years after the fund reported its first-ever loss.

According to the HSF's most recent annual report, Trinidad and Tobago's sovereign wealth fund recorded total comprehensive income of US\$1,066,041,442 for the year ended September 30, 2024.

The previous highest total comprehensive income reported by the HSF was US\$624,178,449 in 2021.

Manning underscored the role of the People's National Movement (PNM) administration in increasing the Fund's assets, and suggested this growth could help ease some of the country's foreign exchange challenges.

Speaking yesterday at a news conference at the office of the Opposition Leader in Port of Spain, Manning said the record returns from the HSF were the fruits of PNM policy.

He recalled that in 2020, while serving as a minister in the Ministry of Finance, he participated in discussions to adjusting the HSF, allowing the ministry to access the Fund during the Covid-19 crisis.

Among the consultants were the Central Bank of Trinidad and Tobago (CBTT), and the HSF board, he said, citing a report by the HSF chairman at the time and its recommendations.

Manning pointed out that the HSF's split format, which allocates portions to stocks or equities and to fixed income or debt.

The equity portfolio is divided between US-dollar investments and non-US investments, mainly in Europe, each making up 17.5% of the Fund's total.

He said the equities portfolio was previously underinvested and should have been closer to 60%.

As such he said a decision was made to increase equities from around 35% to 50%, and the Fund's current success can be attributed to this strategic shift. He noted equities generally offer higher returns, while fixed income carries less risk and lower returns.

In 2024, the HSF's net value stood at US\$6.09

billion, up from US\$5.4 billion, a growth linked to strong performances in US and international stocks and increased equity investments. The Fund posted an annual return of 20.81% for 2024, driven by gains across both equity and fixed income portfolios.

Manning urged the Government to further increase investments in equities, including emerging markets, hedge funds, and alternative assets such as real estate and private equity. He said such strategies have been proven globally to increase risk-adjusted returns and maximise returns per unit of risk.

He said changes made by the previous government were showing record results, adding that the HSF was not just a savings facility but also means to diversify Trinidad and Tobago's assets.

Manning said the Fund's growing foreign exchange reserves could be leveraged to support the domestic economy and help address some of the shortfalls in foreign exchange supply.