

UTC profit falls 67%

...but distributions soar

■ Melissa Maynard

THE Trinidad and Tobago Unit Trust Corporation reported a 67% drop in net profit for 2024, falling from \$57 million in 2023 to \$19 million last year.

However, executive director Nigel Edwards said yesterday that the drop was no cause for concern, stating it was a 'deliberate choice' to increase distributions to investors.

Edwards said distributions to unitholders totalled nearly \$495 million last year, representing a 60.3% increase over 2023.

And chairman Jo-Anne Julien also stated that the lower profit was not indicative of any operational weakness at UTC, but rather the result of broader market conditions and strategic policy decisions.

Julien and Edwards made the comment as the UTC held its 43rd annual general meeting at the National Academy for Performing Arts, Port of Spain yesterday.

'As noted by our chairman, UTC recorded a 67% fall in net income for fiscal 2024 compared to 2023. However, it is important to emphasise that this is not a reflection of diminished value for our unitholders. In fact, we made a deliberate choice to increase distributions to you, our investors, by over 60% compared to 2023; a decision rooted in our mission to prioritise unitholder value. Unlike privately held institutions, UTC was established to serve the interests of its unitholders, not to maximise profits,' Edwards said.

'This fall in income stems primarily from an increased provision for the Growth and Income Fund's price guarantee, which is a commitment that ensures that unitholders who remain invested for three years are protected at their entry price. This historical commitment, which was put in place since 1985, is a guarantee that we have upheld for 40 years, even in challenging market conditions,' he said.

In her address, Julien noted that despite 'facing headwinds' last year, the UTC remained steady.

'In 2024, the global and regional economic landscapes were influenced by persistent inflation, geopolitical volatility, and structural changes, resulting from the post-pandemic recovery. These headwinds have tested even the most resilient institutions, including those right here, in Trinidad and Tobago. Yet still, UTC has remained steady, focused on its founding mission to expand access to investment opportunities for all, empowering individuals to build longterm financial security,' Julien stated.

'UTC continues to offer stability in uncertain times. Our progress is guided by effective stewardship and accountability. We are managing your investments with a shrewd sense of responsibility and discipline,' she said.

Julien said that as the UTC pivots its operational systems to meet the demands of an evolving financial landscape, it is important to underscore sustainability in its business model.

'Looking at our financial performance, it is also important to address the fall in net income for fiscal 2024 compared to 2023. This result does not reflect operational weakness but rather the impact of broader market conditions and strategic policy decisions,' Julien stated.

'Mandated to serve'

'Aligned with our mission, to bring longterm value creation for unitholders, UTC significantly increased distributions to unitholders, returning capital to those we are mandated to serve, even amid challenging market conditions,' she said.

Edwards said that in a year marked by global uncertainties and cautious investor sentiment, the UTC demonstrated 'resilience and strategic foresight.' 'We generated \$1.045 billion in total investment income, underpinned by disciplined asset allocation and strategic diversification,' Edwards said.

Edwards said the TT Dollar Income Fund distributed \$279.4 million last year, an increase of 78.2% compared to 2023, while the US Dollar Income Fund distributed \$129.5 million, up 89.2% over the previous year.

Edwards also lauded the Calypso Macro Index Fund, which he said is the first of its kind in Trinidad and Tobago, offering investors unique exposure to a diversified portfolio.

'As of year-end 2024, the Calypso Macro Index

Fund managed assets totalling \$569.42 million. Notably, it is set to mature this year, marking a significant milestone for both the Fund and the Corporation as we deliver on our promise to return value to unitholders,' Edwards said.

Edwards said digital transformation is a 'critical part' of the UTC's strategy to maintain its competitive edge.

'We are moving beyond traditional methods of managing investments, making it easier and more convenient for unitholders to engage with us online. Our digital platform, Uon, empowers you to track and grow your investments from anywhere, without the need to visit an Investment Centre,' Edwards stated.

'Additionally, our TTUTC mobile app, which was developed by programmers in Trinidad and Tobago, is designed to simplify investment management, providing greater flexibility and control in the palm of your hands. Even more enhancements are on the way, which we'll be sharing with you shortly,' he stated.

Edwards said UTC is focused on securing a future for those to come.

'We are, therefore, building sustainability principles into all aspects of our strategy and operations to ensure that your wealth creation can be passed from generation to generation. Sustainability is a catalyst for performance. In addition, by integrating AI and other technologies, we aim to enhance efficiency, security, and inclusivity, aligning with the values of our investors,' he said.