Trinidad and Tobago Unit Trust Corporation

CALYPSO MACRO INDEX FUND

STATEMENT OF FINANCIAL POSITION

As at 30 June, 2018

Expressed in Trinidad and Tobago Dollars

ASSETS	Unaudited 30-Jun-18 $'000	Unaudited 30-Jun-17 $'000	Audited 31-Dec-17 $'000
Cash and Cash Equivalents	**12,133**	10,361	12,181
Receivables	**1,694**	1,086	1,969
Investment Securities	**541,904**	517,406	537,698
Total Assets	**555,731**	528,853	551,848
LIABILITIES			
Payables	**2,529**	3,331	3,933
Total Liabilities	**2,529**	3,331	3,933
EQUITY			
Unitholders' Capital	**500,755**	500,755	500,755
Fair Value Reserve	**9,609**	47,275	77,124
Retained Earnings/(Loss)	**42,838**	(22,508)	(29,964)
Total Equity	**553,202**	525,522	547,915
TOTAL LIABILITIES AND EQUITY	**555,731**	528,853	551,848
Net Asset Value per Unit	**$27.38**	$26.01	$27.12

RF Nelson

Director

Director

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

Trinidad and Tobago Unit Trust Corporation

CALYPSO MACRO INDEX FUND

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June, 2018

Expressed in Trinidad and Tobago Dollars

	Unaudited		Unaudited		Audited
	Three months ended		Six months ended		Year ended
	30-Jun-18	30-Jun-17	**30-Jun-18**	30-Jun-17	31-Dec-17
	$'000	$'000	**$'000**	$'000	$'000
INCOME					
Dividend Income	**5,019**	4,781	**9,160**	8,925	18,667
Net Change in Fair Value of Investment Securities	**27,768**	-	**12,540**	-	-
Foreign Exchange Gain/(Loss)	**45**	21	**(16)**	8	18
Total Income	**32,832**	4,802	**21,684**	8,933	18,685
EXPENSES					
Management Charge	**(682)**	(669)	**(1,313)**	(1,333)	(2,651)
Impairment	**-**	(2,872)	**-**	(14,221)	(23,778)
Other Expenses	**(95)**	(97)	**(220)**	(213)	(321)
Bank Charges	**(1)**	(1)	**(2)**	(2)	(4)
Total Expenses	**(778)**	(3,639)	**(1,535)**	(15,769)	(26,754)
Net Income/(Loss) Before Taxation	**32,054**	1,163	**20,149**	(6,836)	(8,069)
Withholding Taxes	**(286)**	(500)	**(670)**	(832)	(2,005)
Net Income/(Loss) for the period	**31,768**	663	**19,479**	(7,668)	(10,074)
Other Comprehensive Income:					
Amounts that may be transferred to Profit or Loss in the future:					
Fair value (loss)/gain arising during the period	**(305)**	(17,600)	**(8,334)**	(30,712)	(10,420)
Impairment loss transferred to income	**-**	2,872	**-**	14,221	23,778
Other Comprehensive (Loss)/Income for the period	**(305)**	(14,728)	**(8,334)**	(16,491)	13,358
Total Comprehensive Income/(Loss) for the period	**31,463**	(14,065)	**11,145**	(24,159)	3,284

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

Trinidad and Tobago Unit Trust Corporation

CALYPSO MACRO INDEX FUND

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June, 2018

Expressed in Trinidad and Tobago Dollars

	Unitholders' Capital	Fair Value Reserve	Undistributed Income/(Loss)	Total
	$'000	$'000	$'000	$'000
Balance as at 1 January, 2018	**500,755**	**17,943**	**29,217**	**547,915**
Net Profit for the period	-	-	19,479	**19,479**
Distribution to Unitholders	-	-	(5,858)	**(5,858)**
Other Comprehensive Loss for the period	-	(8,334)	-	**(8,334)**
Balance as at 30 June, 2018 (Unaudited)	**500,755**	**9,609**	**42,838**	**553,202**
Balance as at 1 January, 2017	**500,755**	**63,766**	**(7,972)**	**556,549**
Distribution to Unitholders	-	-	(6,868)	**(6,868)**
Other Comprehensive Loss for the period	-	(16,491)	(7,668)	**(24,159)**
Balance as at 30 June, 2017 (Unaudited)	**500,755**	**47,275**	**(22,508)**	**525,522**
Balance as at 1 January, 2017	500,755	63,766	(7,972)	**556,549**
Net Loss for the year	-	-	(10,074)	**(10,074)**
Distribution to Unitholders	-	-	(11,918)	**(11,918)**
Other Comprehensive Income for the year	-	13,358	-	**13,358**
Balance as at 31 December, 2017 (Audited)	**500,755**	**77,124**	**(29,964)**	**547,915**

Trinidad & Tobago Unit Trust Corporation

CALYPSO MACRO INDEX FUND

STATEMENT OF CASH FLOWS

For the six months ended 30 June, 2018

Expressed in Trinidad and Tobago Dollars

	Unaudited 30-Jun-18 $'000	Unaudited 30-Jun-17 $'000	Audited 31-Dec-17 $'000
OPERATING ACTIVITIES			
Net Income/(Loss) before Taxation	**20,149**	(6,836)	(8,069)
Adjustment to reconcile net income to net cash and cash equivalents from operating activities:			
Dividend Income	**(9,160)**	(8,925)	(18,667)
Impairment	**-**	14,221	23,778
Net Change in Fair Value of Investment Securities	**(12,540)**	-	-
	(1,551)	(1,540)	(2,958)
Movements in Net Current Assets			
Increase/(Decrease) in Payables	**10**	(13)	(18)
	10	(13)	(18)
Dividend Received	**9,435**	9,659	18,519
Taxation paid	**(670)**	(832)	(2,005)
	8,765	8,827	16,514
Net Cash Flow From Operating Activities	**7,224**	7,274	13,538
FINANCING ACTIVITIES			
Distribution paid to Unitholders	**(7,272)**	(7,272)	(11,716)
Net Cash Used In Financing Activities	**(7,272)**	(7,272)	(11,716)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(48)**	2	1,822
Cash and Cash Equivalents at the beginning of the period	**12,181**	10,359	10,359
Cash and Cash Equivalents at the end of the period	**12,133**	10,361	12,181

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

1 General Information

The Calypso Macro Index Fund (the Fund) is a closed end mutual fund which was listed on the Trinidad and Tobago Stock Exchange on 11 January 2016. The initial Redemption Date of the Fund will be 30 November 2025. The Fund seeks to track the investment results of the All T&T Index and the Global Energy Index. The Trinidad and Tobago Unit Trust Corporation (TTUTC) performs the roles of Manager, Trustee and Investment Advisor of the Fund.

2 Basis of preparation

The interim financial statements for the six month period ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting.

3 Significant accounting policies

The accounting policies, presentation and methods of computation applied in these Interim Financial Statements are consistent with those applied in the preparation of the Annual Financial Statements of the Fund for the year ended 31 December 2017, except for the adoption of IFRS 9 – 'Financial Instruments'.

4 Amendments to IFRSs

IFRS 9 – Financial Instruments

IFRS 9 was issued in July 2014 and is mandatory for annual periods beginning on or after 1 January 2018. IFRS 9 replaces IAS 39 – 'Financial Instruments – Recognition and Measurement'.

IFRS 9 must be applied on a retrospective basis. However, in accordance with the transitional provisions, the Fund is not required to restate its prior period comparative financial statements on adoption of the new standard.

There were not changes in the carrying amounts f the Fund's financial instruments due to the adoption of IFRS 9.

On adoption of IFRS 9 – Financial Instruments, the Fund's investment portfolio has been classified as follows:

i. Equity Instruments: Fair Value Through Other Comprehensive Income (FVTOCI).
ii. ETF Instruments: Fair Value Through Profit or Loss (FVTPL).

Classification of financial assets under IFRS 9

IFRS 9 accounts for the carrying value of financial assets in three ways, namely:

a. amortized cost,
b. fair value through other comprehensive income (FVOCI); and
c. fair value through profit and loss (FVTPL)

Classification of financial assets under IFRS 9 is based on the business model within which the financial asset is held. IFRS 9 recognizes three business models, namely:

a. a business model whose objective is to hold financial assets to collect contractual cash flows;
b. a business model whose objective is both to collect contractual cash flows and sell financial assets; and
c. other business models.

4 Amendments to IFRSs (Continued)

IFRS 9 also provides an option to account for equity that are not traded, as Fair Value Through Other Comprehensive Income. The Fund has adopted that option with respect to the equity portion of its portfolio as the equity is not traded. Under this option, the unrealised gains and losses of the equity portion of the portfolio will be recognized in other comprehensive income permanently and, unlike the treatment under IAS 39, the accumulated unrealized gains and losses will not be recycled through the Profit or Loss Account on sale of the security.

The Exchange Traded Funds (ETFs) held in the Fund's portfolio do not qualify as equity. Accordingly, the ETF portion of the portfolio will be accounted for at Fair Value Through Profit or Loss. The unrealized gains and losses of the ETFs will be recognized immediately in the Statement of Comprehensive Income. This may give rise to profit volatility when markets are volatile.

The impact on the Fund's financial statements on adoption of IFRS 9 are itemized below:

		Jun 2018 IFRS 9 (TT$ Million)	Jun 2018 IAS 39 (TT$ Million)	Dec 2017 IAS 39 (TT$ Million)
Statement of Financial Position	Fair Value Reserve	11.6	81.3	77.1
Statement of Financial Position	Retained Earnings/(Loss)	42.84	15.07	(30.0)
Statement of Comprehensive Income	Net Change in Fair Value of Investment Securities	12.54	-	-
Other Comprehensive Income	Fair value loss during the period in OCI	8.0	-	-

5 Significant Related Party Transactions with Associate

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund is managed by the TTUTC (The Investment Manager), a corporation established by statute in Trinidad and Tobago. Under the terms of the management agreement dated 8 January 2016 the Fund appointed TTUTC as Investment Manager.

The TTUTC is paid a management fee based on the net asset value of the Fund at the end of each quarterly period at a rate of 0.5% per annum. Management fee for the six months ended 30 June 2018 amounted to $1.3 million (June 2017: $1.3 million). Management fee due to the TTUTC as at 30 June 2018 amounted to $0.9 million (June 2017: $0.9 million).

During the period the Fund entered into transactions with an associate. The transactions, which were effected on commercial terms and conditions and at market rates, are summarized below.

	Sale of Securities/US Currency TT$'M			Purchase of Securities/US Currency TT$'M		
	Jun 18	Jun 17	Dec 17	Jun 18	Jun 17	Dec 17
Calypso Macro Index Fund	3.0	1.7	3.0	-	-	-
Growth and Income Fund	-	-	-	3.0	1.7	3.0

5 Significant Related Party Transactions with Associate (continued)

There were no outstanding balances between the parties at the reporting date in respect of the above transactions.

6 Approval of Interim Financial Statements

The interim financial statements were authorized for issue by the Board of Directors of the Trinidad and Tobago Unit Trust Corporation on 13 August 2018.