



**First Citizens Depository Services Limited**  
**Fund Allocation Report June 30<sup>th</sup> 2019**

## The El Tucuche Fixed Income Fund

Fund Size: TT\$137,012,634

Investment Objective: To generate investment returns superior to prevailing TT dollar money market rates while maintaining acceptable levels of risk. This fund invests in bonds and other debt instruments denominated in both TT and US dollars.

### Fund Facts

Minimum Investment	NAV Type	Fund Type	Dividend Distribution	Last Dividend Date	Last Dividend
TT\$1,000	Floating	Open-Ended	Quarterly	April 15 <sup>th</sup> 2019	TT \$0.06

### Average Annualised Returns as of June 30<sup>th</sup> 2019

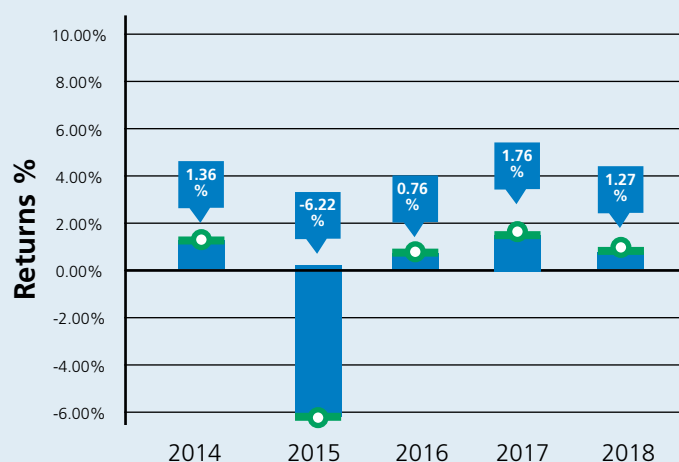
1 Year	3 Year	5 Year	Return from inception September 29 <sup>th</sup> 2008
0.97%	1.39%	0.12%	4.31%

### Market Update

During Q2 2019, the local short term interest rate environment remained virtually flat as the Central Bank's Monetary Policy Committee (MPC) of Trinidad and Tobago agreed to maintain the repo rate at 5% in June 2019 citing nascent domestic recovery and low inflation. In the United States, the Federal Reserve (the Fed) maintained its key rate at 2.25% – 2.50% while hinting at the possibility of rate cuts at subsequent meetings. Over the quarter, local liquidity levels as measured by the commercial banks' average excess reserves increased significantly from TT\$2,052 Million in April 2019 to TT\$5,131 Million in June 2019. Given the excess liquidity in the system coupled with the dearth of quality investment opportunities, we expect rates to remain subdued in the short to medium term. However, several fixed income instruments are expected to be issued during the second half of the year. The focus of the Fund continues to be to diversify the current holdings and increase USD Corporate exposure.

### Historical Interest Rate Calendar year Jan-Dec

#### Annual Return



### Management Expenses Ratio (MER)

The Fund's MER as at the end of June 2018 was 2.13%. This means that for every \$1,000 dollars invested, \$21.32 went towards paying for the management of the Fund. The MER is the percentage of the annual fees plus the annual expenses, divided by the average net assets of the Fund. The Trust Deed of the Fund allows for the Investment fee of no more than 2.5% per annum (p.a.), the Trustee fee of 0.25% p.a., the Distribution fee of 0.25% p.a. and the Fund Administration fee of 0.20% p.a.



**First Citizens**

We put you first

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Top Credit Exposure		Top 10 Individual Holdings	
	Issuer % of Fund		Issuer % of Portfolio
GOVERNMENT OF TRINIDAD & TOBAGO	48.30%	CERT OF PART - WASA TT\$1.3359B SERIES 23	9.51
FIRST CITIZENS GROUP	11.43%	GOTT \$1399.8M 6.60% FXRB DUE 4-FEB-2027	8.73
WATER AND SEWERAGE AUTHORITY	9.51%	GOTT \$1,200M FXRB @ 4.15% DUE 2025	7.38
NIPDEC	7.67%	FIRST CITIZENS GROUP CASH ACCOUNTS	5.76
NIF HOLDING COMPANY	4.76%	GOTT US\$21,000M 5.00% FXRB DUE 2025	4.95
CREDIT SUISSE	4.33%	NIF \$1,200M SERIES A-4.50% DUE 2023	4.76
ANSA GROUP OF COMPANIES	3.33%	GOTT TT\$794M 5.95% FXRB DUE 2023	4.56
COMMERZBANK	2.84%	GOTT TT\$1,000M 4.10% FXRB DUE 2025	4.54
SOCIETE GENERALE	2.48%	CREDIT SUISSE AG 6.50% DUE 2023	4.33
AT&T INC	2.46%	NIPDEC TT\$750M 6.55% FXRB DUE 2030	4.29

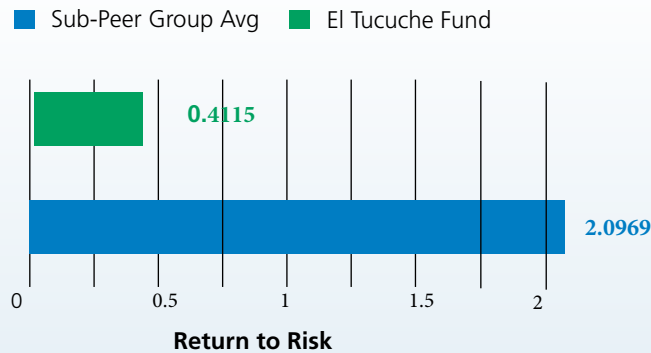
Percentages are rounded to 2 decimal points.

Exposure		
<b>By Assets</b>		<b>By Region</b>
75.46%	TTD Bonds	87.90%
3.37%	TTD Cash	9.65%
		2.46%
18.78%	USD Bonds	
2.38%	USD Cash	
		<b>By Currency</b>
		78.84%
		21.16%

Percentages are rounded to 2 decimal points.

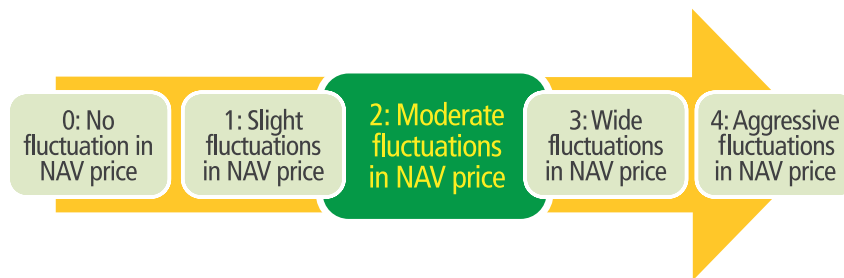
**Sharpe Ratio**

The Sharpe Ratio is a measure of risk-adjusted performance and is often described as the reward per unit of variability or risk. It seeks to give a numerical representation of how well the return of an asset compensates an investor given the amount of risk taken. The higher the Sharpe Ratio, relative to the peer group, the better for the investor. Value Horizon has calculated the Sharpe Ratio of the El Tucuche Fund to be as 0.4115 versus the sub-peer group average ratio of 2.0969.



Trailing 36 months as at June 30<sup>th</sup> 2019  
 Source: Value Horizon Caribbean Mutual Fund Journal

**Risk Level**



The El Tucuche Fixed Income Fund carries a moderate risk level with moderate fluctuations in the Net Asset Value of the Fund.

Past performance is not an indicator of future returns. The Prospectus should be read in its entirety before investing and is available upon request at all First Citizens Branches. Investments in the Fund are not deposits and are not insured by the Deposit Insurance Corporation, nor guaranteed by the CBTT, First Citizens, any of its subsidiaries or any person or corporation.