

News Release Communiqué



**Trinidad and Tobago
Securities and Exchange Commission
57-59 Dundonald Street
Port of Spain**

FOR IMMEDIATE RELEASE

March 26th, 2010

SEC launches Managed Funds Study

The Trinidad and Tobago Securities and Exchange Commission (SEC) launched a study of the Managed Funds industry at the Trinidad Hilton on Thursday March 25th 2010.

In his remarks Mr. Charles de Silva Acting General Manager of the SEC stated that the initiation of this study marks the second time in just about five years that the SEC is embarking on such a substantial piece of fundamental research on the financial sector. The first such project was a study of the mutual funds industry which was undertaken in 2005.

Mr. de Silva noted that the investigative scope of this study of the managed funds industry extends well beyond the mutual funds industry and will seek to include all major classes of institutions that are engaged in the mobilization of long-term savings and will directly survey fund managers and key actors at the highest decision-making levels of mutual funds, pension funds, trust companies, the National Insurance Board, and other asset management institutions.

According to the Central Bank of Trinidad and Tobago's Summary of Economic Indicators, total financial system assets grew to TTD261.4 billion in 2008, with commercial banks accounting for approximately 33.7% while non-bank financial institutions, Life Insurance, the National Insurance Board and the Unit Trust together accounted for approximately 36.34% of total financial system assets. These institutions together with pension funds, mutual funds and subsidiaries (or trust and asset management, or trustee divisions) of financial institutions and commercial banks, comprise the managed funds industry of Trinidad and Tobago.

The Acting General Manager stressed in his address that the managed funds industry was of strategic importance to the economy of Trinidad and Tobago and that information on the size and scope of this vital segment of the financial sector as well as the manner in which investment decisions are made and the constraints under which the sector operates will be the focus of the investigative study to be conducted by the Caribbean Centre for Money and Finance (CCMF)

The specific objectives of the study were outlined as:

- To develop a comprehensive profile of the managed funds industry with respect to size and scope, the process for investment management and decision making, and the constraints perceived by the market actors.
- To evaluate the asset management practices of fund managers and compare to international best practice.
- To analyze the impact of the managed funds industry on the overall size, and on the pace of growth and development of the local securities market.
- To evaluate the effect of the current regulatory framework on the decision making process, investment practices and investment performance.
- To gain an understanding of the prospects for both the domestic and regional securities markets from the perspective of the market actors.

The project is being undertaken with the full support of the Central Bank of Trinidad and Tobago (CBTT) and is expected to take four months for completion.

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