



THE GUARDIAN  
ASSET MANAGEMENT  
SERIES OF MUTUAL FUNDS

## Caribbean Series of Mutual Funds

PROSPECTUS 3rd December, 2007

- The TTD Monthly Income Fund
- The USD Monthly Income Fund
- The Pan Caribbean Balanced Fund
- Emerging Markets Bond Fund



**Guardian Group**  
Guardian Asset Management Limited

#### Head Office

1 Guardian Drive, Westmoorings, Trinidad & Tobago  
t: 1 868 632 6000 f: 1 868 633 9427

#### Chaguanas Office

Guardian Regional Centre Chaguanas, Ground Floor,  
Lots 28 & 30 Endeavour, Industrial Estate, Chaguanas  
t: 1 868 671 8322 f: 1 868 671 3838

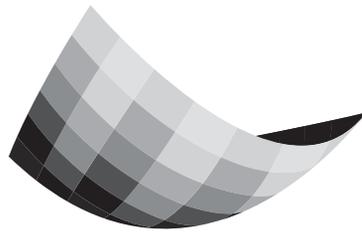
#### San Fernando Office

SSL Building, Corner Sutton & Gomez Sts., San Fernando  
t: 1 868 671 8322 f: 1 868 653 5016

[myguardiangroup.com](http://myguardiangroup.com)

The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

This prospectus has been seen and approved by the Directors of the Fund Sponsor and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.



# Guardian Group

Guardian Asset Management Limited



THE GUARDIAN  
ASSET MANAGEMENT  
SERIES OF MUTUAL FUNDS

GUARDIAN ASSET MANAGEMENT LIMITED  
CARIBBEAN SERIES of MUTUAL FUNDS

TTD MONTHLY INCOME FUND  
USD MONTHLY INCOME FUND  
PAN CARIBBEAN BALANCED FUND  
EMERGING MARKETS BOND FUND

The Trinidad & Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

This prospectus has been seen and approved by the Directors of the Funds' Sponsors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

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## INVESTOR WARNING

This Prospectus contains information to help you make an informed investment decision and to help you understand your rights. It contains information about the Funds, as well as the names of the persons responsible for their organization and management.

You are encouraged to read this prospectus in its entirety, prior to making any investment decision.

## CONFLICTS OF INTEREST

Instances may arise where the interests of the Trustee and the Portfolio Manager or their affiliates conflict with the interests of the Funds and their unitholders. Such conflicts include, but are not limited to, the fact that the Trustee and the Portfolio Manager may be engaged in other substantial activities apart from the activities described in this Prospectus and may therefore devote to the Funds only such time as they consider reasonably necessary. Furthermore, the Funds may from time to time invest in products promoted by or assets owned by Guardian Holdings Limited or any of its subsidiaries subject to the Funds' investment restrictions.

## KEY DEFINITIONS

Within the context of this Prospectus, the listed expressions will have the following meanings:

<b>Agent</b>	Anyone authorised by the Trustee to distribute the Funds
<b>Fund or Funds</b>	Any or all of the Funds offered by this Prospectus including the initial subscription of TT\$5,000,000
<b>NAV</b>	Net Asset Value (being the net value of the assets of the Funds).
<b>Portfolio Manager</b>	Guardian Life of the Caribbean Limited
<b>SFIC</b>	Statutory Funds of Insurance Companies
<b>The Fund Sponsor</b>	Guardian Asset Management Limited for the TTD Monthly Income Fund, USD Monthly Income Fund and the Pan Caribbean Balanced Fund
<b>Fund</b>	Guardian life of the Caribbean Limited for the Emerging Markets Bond
<b>The Trustee/ Custodian</b>	Guardian Asset Management Limited
<b>TTD/ TT\$</b>	Trinidad and Tobago Dollars
<b>TTSEC</b>	Trinidad and Tobago Securities and Exchange Commission
<b>Units</b>	Units of a Fund
<b>USD/US\$</b>	United States Dollars
<b>Valuation Day</b>	Business day on which the Net Asset Value per unit is calculated
<b>The Fund Administrator</b>	Guardian Asset Management Limited
<b>The Registrar</b>	Guardian Asset Management Limited
<b>TTSE</b>	Trinidad and Tobago Stock Exchange

## CORPORATE DIRECTORY

### SPONSORS:

Guardian Asset Management Limited  
1 Guardian Drive, Westmoorings

Guardian Life of the Caribbean Limited  
1 Guardian Drive, Westmoorings

### TRUSTEE and CUSTODIAN:

Guardian Asset Management Limited  
1 Guardian Drive, Westmoorings

### PORTFOLIO MANAGER:

Guardian Life of the Caribbean Limited  
1 Guardian Drive, Westmoorings

### ADMINISTRATOR

Guardian Asset Management Limited  
1 Guardian Drive, Westmoorings

# ROLES AND RESPONSIBILITIES

## **THE SPONSOR – The Emerging Markets Bond Fund**

The Sponsor, Guardian Life of the Caribbean Limited (GLOC) is part of an integrated financial services group, whose business focus is in the areas of life and health insurance, property and casualty insurance, pensions and asset management.

Headquartered in Trinidad & Tobago, the span of operations includes the English and Dutch-speaking Caribbean and the United Kingdom.

## **THE SPONSOR – The TTD Monthly Income Fund, The USD Monthly Income Fund and The Pan Caribbean Balanced Fund**

The Sponsor, Guardian Asset Management Limited is a wholly owned subsidiary of the Guardian Holdings Group of Companies and was born out of the Investment Department of Guardian Life of the Caribbean. In that role the Group's multi-billion dollar investment portfolios were held and managed over several decades.

## **BACKGROUND AND HISTORY OF GUARDIAN LIFE OF THE CARIBBEAN LIMITED**

Guardian Life of the Caribbean Limited (Guardian Life) acquired a majority shareholding in Crown Life (Caribbean) Limited and achieved a merger of the operations of the two companies in January of 1993 and also assumed management of the portfolio of business formally carried on by the Caribbean Atlantic Life Insurance Company (Trinidad & Tobago) Limited. With the acquisition of the Crown Life portfolio, Guardian Life expanded overseas into Curacao and Aruba.

On June 18, 1996, the restructuring of Guardian Life of the Caribbean was completed and a holding company was established - Guardian Holdings Limited.

Now, as part of the Guardian Holdings Group, Guardian Life is the largest life insurance provider in the region with over 250,000 policies and assets in excess of \$3.5 billion under management. Guardian Holdings Limited is listed on the Trinidad & Tobago Stock Exchange and the Jamaica Stock Exchange.

## **BACKGROUND AND HISTORY OF GUARDIAN ASSET MANAGEMENT LIMITED**

Guardian Asset Management Limited is licensed under the Financial Institutions Act, 1993, to conduct business in the following classes of business:

(1) Merchant Bank, (2) Trust Company, (3) Unit Trust, and (4) Non-Banking Financial Services.

Guardian Asset Management Limited is a wholly owned subsidiary of the Guardian Holdings Group of Companies and was born out of the Investment Department of Guardian Life of the Caribbean. In that role the Group's multi-billion dollar investment portfolios were held and managed over several decades.

Currently there is no material litigation against Guardian Asset Management.

The Guardian Holdings Group of Companies owns a wide range of subsidiaries (**See Organizational Structure on page 7**) in the following industries throughout the Caribbean region and internationally:

- General Insurance
- Health Insurance
- Life Insurance
- Pensions
- Asset Management
- Real Estate

**Guardian Asset Management Limited performs three key functions:**

1. The management of investment portfolios and pension fund assets of Group companies across the region, including the general insurance subsidiaries. This results in economies of scale in the critical asset management area.
2. The development and marketing of local, regional and foreign mutual funds. The global shift away from pure protection products to products which combine savings/wealth accumulation and protection, or products (mutual funds) which are purchased separately from protection (term insurance) products, have created a significant opportunity. Furthermore, while the mutual fund market is maturing in the United States and Europe, there is considerable growth potential in the Caribbean as incomes rise, distances from the major financial markets shrink, and regional economies become more open.
3. Guardian Asset Management Limited is currently the Administrator and Investment Advisor for the Praetorian Property Fund and the Investment Advisor for the LifeStar and the Lifestyle Funds. Guardian Asset Management Limited has developed tremendous experience over the years in this area and now brings this expertise to local investors with a new offering of Mutual Funds.

## **THE TRUSTEE**

The Trustee, Guardian Asset Management Limited has a fiduciary responsibility to the unitholders of the Funds and will act as the custodian of the Funds' assets and will ensure that the rights of the unitholders are in no way infringed. The Trustee may make arrangements for the Funds to borrow under conditions set out in the Trust Deed on the advice of the Portfolio Manager.

## **PORTFOLIO MANAGER**

Guardian Life of the Caribbean Limited is the Portfolio Manager for the Funds and will provide a continuous investment programme for the Funds' portfolio by making day-to-day investment decisions and carrying out other related portfolio activities. These will include the purchase and sale of the Funds' assets and the general management of the Funds' investments in accordance with the stated objectives and policies of the Funds.

## **THE FUND ADMINISTRATOR**

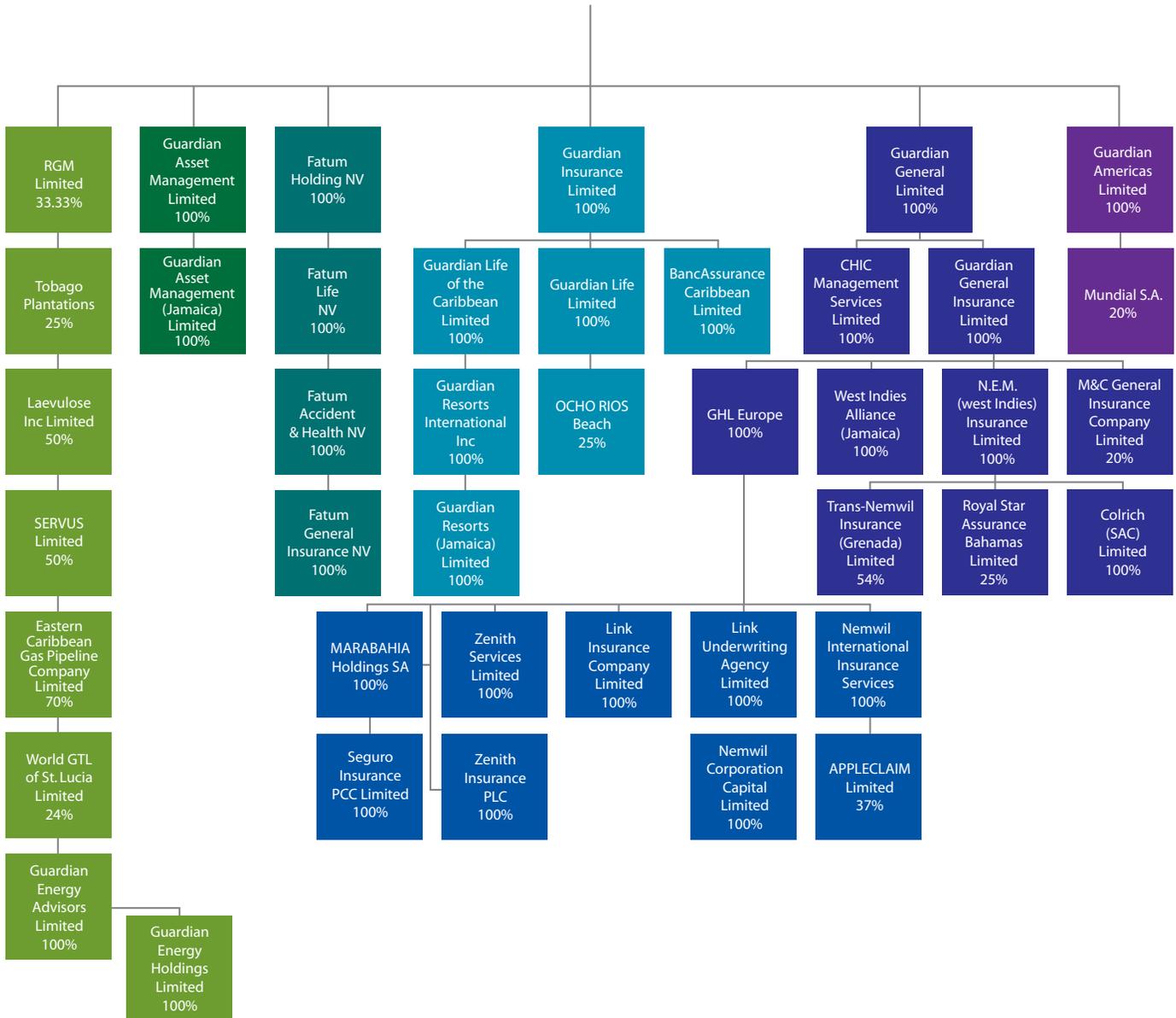
The Fund Administrator, Guardian Asset Management Limited, performs or arranges for the performance of the administrative services (other than investment advice and related portfolio activities) necessary for the daily operations of the Funds. These include maintaining the accounts, books and records of the Funds, providing reports and other documents required by the TTSEC and providing administrative office facilities.

## **THE REGISTRAR**

Guardian Asset Management Limited will be the Registrar and will maintain a record of all unitholders and perform the role of Transfer and Income Paying Agent.



# GUARDIAN HOLDINGS LIMITED



# CERTIFICATION OF THE DIRECTORS FOR THE EMERGING MARKETS BOND FUND

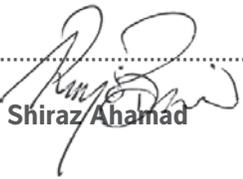
The prospectus for the above mentioned Fund has been seen and approved by the Directors of the Fund Sponsor and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

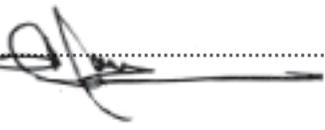
## Guardian Life of the Caribbean Limited.

The Directors of Guardian Life of the Caribbean Limited whose names appear below are responsible for the information contained in this Prospectus.

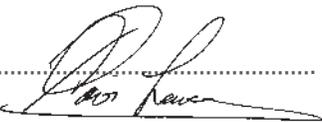
### BOARD OF DIRECTORS

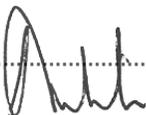
Mr. Rory O'Brien (Chairman)

  
.....  
Mr. Shiraz Ahmad

  
.....  
Mr. Nicholas Lok Jack

  
.....  
Mr. Ravi Tewari

  
.....  
Mr. Selby Wilson

  
.....

# CERTIFICATION OF THE DIRECTORS FOR THE TTD MONTHLY INCOME FUND, THE USD MONTHLY INCOME FUND AND THE PAN CARIBBEAN BALANCED FUND

This prospectus for the above mentioned Funds have been seen and approved by the Directors of the Funds' Sponsor and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

## Guardian Asset Management Limited.

The Directors of Guardian Asset Management Limited whose names appear below are responsible for the information contained in this Prospectus.

### BOARD OF DIRECTORS

Mr. Rory O'Brien (Chairman)



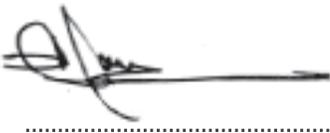
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Mr. Jim Lee-Young



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Mr. Shiraz Ahamad



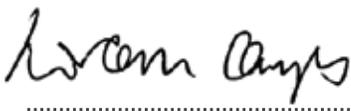
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Mr. Nicholas Lok Jack



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Mr. Lorcan Camps



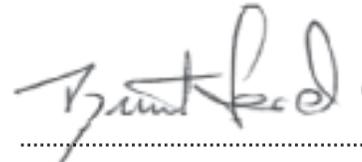
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Mrs. Janet Skinner



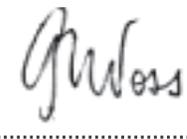
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Mr. Brent Ford



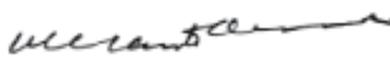
.....

Mr. Gary Voss



.....

Mr. H. P. Ganteaume



.....

## DOCUMENTS AVAILABLE FOR INSPECTION

The Trustee has entered into the following **Material Agreements**, which affect investors:

- a) The Trust Deed
- b) The Portfolio Management Agreement
- c) The Distribution Agreement
- d) Additionally the Trustee has developed rules regarding the custody of the Funds' Assets and administration of the Funds

Investors can inspect copies of the above agreements and rules during regular business hours at the offices of:

Head Office  
**Guardian Asset Management Limited**  
1 Guardian Drive  
Westmoorings  
Trinidad and Tobago, W.I.

Chaguanas Office  
**Guardian Asset Management Limited**  
Guardian Regional Centre,  
Chaguanas, Ground Floor,  
Lots 28 & 30 Endeavour Industrial Estate

The following section contains a summary of the information in the prospectus. You are encouraged to read this prospectus in its entirety, prior to making any investment decision.

## INFORMATION SUMMARY

Pursuant to Section 69 of the Trinidad and Tobago Securities Industry Act 1995, this Prospectus has been filed with the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and a receipt has been issued by the TTSEC for the purpose of giving information to the public.

This summary highlights the salient information about Guardian Asset Management Limited and the Funds. Investors are advised to read the entire prospectus before making any investment decisions.

This Prospectus is a concise outline of the relevant information about the Funds, which you should know before making a decision to purchase units. No Agent, sales representative or other person is authorised to give any information or to make any representations other than those contained in this prospectus, and if given or made, such information or representations may not be relied upon as having been authorised by the Trustee or the Portfolio Manager.

No person receiving this Prospectus in any jurisdiction outside of Trinidad & Tobago may treat this document as constituting an invitation to purchase or subscribe for any units unless such an invitation could lawfully be made in the relevant jurisdiction without the Portfolio Manager complying with any registration or other legal requirements.

For your information and protection, we advise that units in the Funds are investments at the sole risk of the investor. They are not deposits and, in common with other investments of this nature, are not insured by the Deposit Insurance Corporation and are not guaranteed by the Central Bank of Trinidad & Tobago, Guardian Asset Management Limited or any of its affiliates.

Investments are subject to fluctuations in the market value of the underlying assets, and payments of capital and interest are entirely dependent on the gains or losses derived from the securities and other assets comprising the Fund.

There is no assurance that the Funds' Investment Objectives will be achieved and investors may not receive the amount originally invested in the Funds.

## STATUTORY FUND

The Funds' units fall within the classes of assets and securities in which the SFIC and Pension Fund Plans may be invested. The Sponsors have received confirmation from the Supervisor of Insurance to this effect.

## THE PRICE OF A UNIT

The net asset value per unit (NAV) of each Fund is calculated after the close of business on each trading day. A "trading" day is any day that Commercial Banks are open for business in Trinidad & Tobago or such other time as the Trustee determines appropriate. On each trading day the net asset value per unit is calculated separately for each Fund based on the market value of its proportionate share of the assets of the Fund, less any liabilities of the Fund, divided by the total number of units of that Fund held by unitholders. The net asset value per unit will fluctuate with the value of the Fund's investments.

For U.S. dollar pricing purposes, net asset value per unit of each Fund is computed by converting the T&T dollar value to U.S. dollars based on the then current rate of exchange. The net asset value of the USD Monthly Income Fund and Emerging Markets Bond Fund are calculated in U.S. dollars.

If a Fund receives your order for the purchase, transfer or redemption of units before 11:00 a.m. on a trading day and all required monies and documents are received in good order and in the same currency as the Fund, the order will be processed at the applicable net asset value per unit on that day. Otherwise, the order will be processed at the applicable net asset value per unit on the trading day, on which all monies and documents are received in good order and in the same currency of the Fund.

## CLASSES OF UNITS

The units relating to the Funds are in three classes: Class A, Class B and Class C.

The difference in the various classes relates to the fee structure applicable to each class which is fully described hereafter.

### Class A Units

- Initial Sales Charge

Class A Units will be offered at the applicable net asset value, plus an initial sales charge of up to 5% which may be waived in whole or in part by the Dealer based on the dollar amount invested (see below). The balance of the amount invested will then be applied to the purchase of units in the relevant Fund.

Investment Amount	Initial Sales Charge
TT\$1,000 to TT\$100,000/ US\$150 to US\$15,000	5.00%
Over TT\$100,000 to TT\$250,000/ Over US\$15,000 to US\$40,000	4.00%
Over TT\$250,000 to TT\$500,000/ Over US\$40,000 to US\$80,000	3.00%
Over TT\$500,000 to TT\$1,000,000/ Over US\$80,000 to US\$175,000	2.00%
Over TT\$1,000,000/ Over US\$175,000	1.00%

- Trailer Commissions

A trailer commission of up to a certain percentage per annum of the applicable net asset value is deducted and paid to the dealer by the applicable Fund in order to compensate the dealer for any expenses incurred in connection with unitholders liaison and administration of units. This charge is accrued daily and is deducted and paid monthly to the dealer.

The following trailer commissions apply to Class A units of the different Funds:

- TTD Monthly Income Fund up to 0.20% of the applicable net asset value
- USD Monthly Income Fund up to 0.20% of the applicable net asset value
- Pan Caribbean Balanced Fund up to 0.50% of the applicable net asset value
- Emerging Markets Bond Fund up to 0.50% of the applicable net asset value

**Class B Units**

- Initial Sales Charge

Class B Units will be offered at the applicable net asset value. Class B units are not subject to an initial sales charge. Your entire investment is invested in units.

- Deferred Sales Charge

Class B units are subject to a Deferred Sales Charge (DSC) if the investor redeems units within five years of purchase. If any Class B units are redeemed or switched into Class A or Class C units there will be a declining DSC, as follows:

<b>If redeemed or switched during the following periods after purchase</b>	<b>Percentage of the Net Asset Value at the time of redemption or switch</b>
1st Year	4.00%
2nd Year	3.00%
3rd Year	2.00%
4th Year	1.00%
Thereafter	0.00%

**Class B units are not subject to Trailer Commissions**

**Class C Units**

- Initial Sales Charge

Class C Units will be offered at the applicable net asset value. Class C units are not subject to an initial sales charge. Your entire investment is invested in units.

- Deferred Sales Charge

Class C units are not subject to a Deferred Sales Charge (DSC) and Trailer Commissions.

**ADDITIONAL CLASSES OF UNITS**

The Trustee reserves the right to issue additional classes of units. Each Fund may have an unlimited number of classes of units and may issue an unlimited number of units of each class.

# INVESTMENT OBJECTIVE

## **The TTD Monthly Income Fund.** (Inception date 1st December, 2005)

The investment objective of the Fund is to earn high income and provide capital preservation. The Portfolio Manager will seek to achieve this objective by investing in a range of investment grade and non-investment grade fixed income securities, which will be primarily denominated in TTD, however other foreign currencies such as USD, Euros and Sterling may be included. Unitholder approval is required before any changes can be made to this investment objective.

## **The USD Monthly Income Fund.** (Inception date 1st December, 2005)

The investment objective of the Fund is to earn high income and provide capital preservation. The Portfolio Manager will seek to achieve this objective by investing in a range of investment grade and non-investment grade fixed income securities, which will be primarily denominated in USD, however other foreign currencies such as TTD, Euros and Sterling may be included. Unitholder approval is required before any changes can be made to this investment objective.

## **The Pan Caribbean Balanced Fund.** (Inception date 1st December, 2005)

The investment objective of the Fund is to achieve a balance between long term capital growth and income. The Fund shall invest at least 80% of the Fund's assets in shares of companies located in Pan Caribbean countries. The Fund shall invest at least 80% of the Fund's assets in a range of investment grade and non-investment grade fixed income securities of Pan Caribbean countries.

For purposes of the Fund's investments, Pan Caribbean countries include but are not limited to the following countries in the Caribbean, South America and Central America: Argentina, Aruba, Barbados, Belize, Brazil, Chile, Columbia, Costa Rica, Countries in the Eastern Caribbean, Curacao, Dominican Republic, Jamaica, Mexico, Panama, Peru, Trinidad and Tobago and Venezuela. Unitholder approval is required before any changes can be made to this investment objective.

## **The Emerging Markets Bond Fund.** (Inception date 3rd December, 2007)

The investment objective of the Fund is to maximize your total return, consisting of a combination of interest income and capital appreciation. The Fund shall invest at least 80% of its assets in a range of investment grade and non-investment grade fixed income securities of issuers in emerging markets including cash, bonds, debentures, notes or similar instruments representing indebtedness, that have a remaining term to maturity of more than one year .

For purposes of the Fund's investments, Emerging Market countries include but are not limited to countries in the Caribbean, South America, Central America, Asia - Pacific Rim and Emerging Europe. Unitholder approval is required before any changes can be made to this investment objective.

# INVESTMENT PROFILE OF GEOGRAPHIC REGIONS

## **Pan Caribbean Region**

Compared to the stock markets in the North American and European regions, stock markets in the Pan Caribbean Region are subject to a higher degree of risk. There are several reasons for this which include:

- Investment and repatriation restrictions
- Currency fluctuations
- Shallow and substantially smaller liquid securities markets than in the North American and European Markets
- Limited investor information and less stringent investor disclosure requirements
- Limited regulation of the securities market

The Pan Caribbean region does however offer the potential of higher long-term capital appreciation. However, higher returns are associated with higher risks. The Guardian Asset Management Pan Caribbean Balanced Fund will give local investors access to these markets. However, investors should be aware that these emerging markets have higher risks than more developed markets. See section entitled "Risk Factors".

## Emerging Markets

Compared to the stock markets and fixed income securities issued in the North American and European regions, stock markets and fixed income securities issued in Emerging Markets are subject to a higher degree of risk. There are several reasons for this which includes:

- Investment and repatriation restrictions
- Currency fluctuations
- Shallow and substantially smaller liquid securities markets than in the North American and European Markets
- Limited investor information and less stringent investor disclosure requirements
- Limited regulation of the securities market

Emerging Markets do however offer the potential of higher long-term capital appreciation. However, higher returns are associated with higher risks. The Guardian Asset Management Emerging Markets Bond Fund will give local investors access to these markets. However investors should be aware that these emerging markets have higher risks than more developed markets. See section entitled "Risk Factors".

## INVESTMENT STRATEGIES & RESTRICTIONS

### The TTD Monthly Income Fund

The Fund's portfolio will consist primarily of domestic and/or foreign investments of the following description:

- Corporate Bonds
- Government Bonds and other Government Debt Obligations
- Money Market Instruments
- Deposits with financial institutions
- Mortgages
- Securitized Mortgages and other debt Instruments
- Index Linked Securities
- Other Securitized Instruments

### Restrictions

- No more than 10% of the portfolio's assets may be invested in securities of any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other Foreign Governments and guaranteed agencies.
- The Fund will not hold more than 10% of the securities issued by any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other Foreign Governments and guaranteed agencies and Index Linked securities

### Annual Management Fees

Class A units up to	2.00% of the applicable net asset value
Class B units up to	2.00% of the applicable net asset value
Class C units up to	1.25% of the applicable net asset value

## The USD Monthly Income Fund

The Fund's portfolio will consist primarily of domestic and/or foreign USD denominated investments of the following description:

- Corporate Bonds
- Government Bonds and other Government Debt Obligations
- Money Market Instruments
- Deposits with financial institutions
- Mortgages
- Securitized Mortgages and other Debt Instruments
- Index Linked Securities
- Other Securitized Instruments

### Restrictions

- No more than 10% of the portfolio's assets may be invested in securities of any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other foreign governments and guaranteed agencies.
- The Fund will not hold more than 10% of the securities issued by any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other foreign governments and guaranteed agencies and Index linked securities.

### Annual Management Fees

Class A units up to	2.00% of the applicable net asset value
Class B units up to	2.00% of the applicable net asset value
Class C units up to	1.25% of the applicable net asset value

## The Pan Caribbean Balanced Fund

The Fund's portfolio will consist primarily of shares of companies located in Pan Caribbean countries and a range of investment grade and non-investment grade fixed income securities of Pan Caribbean countries.

- Shares in companies listed on any Caribbean, South American and Central American stock exchange
- Shares in companies listed on other recognised stock exchanges
- Corporate Bonds of companies located in Pan Caribbean countries
- Government Bonds and other Government Debt Obligations of Pan Caribbean countries
- Money Market Instruments
- Deposits with financial institutions
- Mortgages
- Mutual Funds
- Index Linked Securities
- Private equity investments
- Structured Notes
- Exchange Traded Funds (ETFs)

The Portfolio Manager may use derivatives such as options and forward contracts to:

- Hedge against losses from movements in stock markets, currency exchange rates or interest rates
- Gain indirect exposure to individual securities or markets instead of buying the securities directly.

### Restrictions

- No more than 10% of the portfolio's assets may be invested in securities of any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other foreign governments and guaranteed agencies.
- The Fund will not hold more than 10% of the securities issued by any one corporate entity. Exceptions to the 10% rule are Caribbean governments or agencies of Caribbean governments, other foreign governments and guaranteed agencies and Index linked securities.

## Annual Management Fees

Class A units up to	2.50% of the applicable net asset value
Class B units up to	2.50% of the applicable net asset value
Class C units up to	1.50% of the applicable net asset value

## The Emerging Markets Bond Fund

The Fund's portfolio will consist primarily of bonds of companies and Governments located in Emerging Markets countries and a range of other investment grade and non-investment grade fixed income securities of Emerging Markets countries.

- Bonds of companies located in any Caribbean, South American, Central American, Asia - Pacific Rim and Emerging European countries
- Government Bonds and other Government Debt Obligations of Emerging Markets countries
- Money Market Instruments
- Deposits with financial institutions
- Mortgages
- Mutual Funds
- Index Linked Securities
- Structured Notes
- Exchange Traded Funds (ETFs)

The Portfolio Manager may use derivatives such as options and forward contracts to:

- Hedge against losses from movements in stock markets, currency exchange rates or interest rates
- Gain indirect exposure to individual securities or markets instead of buying the securities directly.

## Restrictions

- The Fund will not purchase a security of an issuer if, immediately after the purchase, more than 10% of the net assets of the Fund, taken at market value at the time of purchase, would be invested in securities of the issuer.
- Exceptions to the 10% rule are:
  - Debt securities (Bonds, Debentures, notes etc.) that have a remaining term to maturity of less than one year that are issued, or fully and unconditionally guaranteed as to principal and interest by a financial institution or a government entity (other than a foreign government or any political division of that government that issues debt securities).
  - Debt securities (Bonds, Debentures, notes etc.) that have a remaining term to maturity of more than one year that are issued, secured or unsecured, by a financial institution or a government entity (other than a foreign government or any political division of that government that issues debt securities).
- The Fund will not purchase a security if, immediately after the purchase the Fund would hold more than 10% of the votes attached to the outstanding voting securities of that issuer, or the outstanding equity securities of that issuer.
- The Fund will not purchase a security for the purpose of exercising control or direction over the management of the issuer of the security.

## Annual Management Fees

Class A units up to	2.50% of the applicable net asset value
Class B units up to	2.50% of the applicable net asset value
Class C units up to	1.50% of the applicable net asset value

## BORROWING POWERS

The Trustee has established the following borrowing powers:

- Borrowing will be restricted to 5% of the Net Asset Value of the Fund
- Borrowing will be restricted to short term loans (less than six months)
- The Fund will not make unsecured loans
- No derivative transactions nor forward currency contracts may be entered into for speculative purposes
- No securities that are subject to restrictive legal or contractual obligations on resale may be acquired

Potential risks and results of borrowing:

- The Fund may not be able to sell assets held as collateral
- Interest charged to the Fund for borrowing will increase Fund expenses

## VALUATION OF THE FUNDS

The Net Asset Value will, unless the Trustee determines otherwise, be determined as at the close of business in the relevant market or markets on each Valuation Day in accordance with the following guidelines:

- (i) The value of any cash on hand, on loan, on deposit or on call, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Portfolio Manager shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value shall be deemed to be such value as the Trustee considers to be the reasonable value.
- (ii) Except in the case of any interest in a managed fund to which paragraph (iii) applies and subject as provided in paragraphs (iv) and (v) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be made by reference to the last traded price (or, lacking any sales, at the mean between the last available bid and asked prices) on the principal stock exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made. Where there is no stock exchange, commodities exchange, futures exchange or over-the-counter market, all calculations based on the value of investments quoted by any person, firm or institution making a market in that investment (and if there shall be more than one such market-maker then such particular market-maker as the Trustee may designate) shall be made by reference to the mean of the latest bid and asked price quoted thereon, provided always that if the Trustee in its discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices.
- (iii) Subject as provided in paragraph (iv) and (v) below, the value of each interest in any open-ended unit trust or corporation, open-ended investment company or other similar open-ended investment vehicles (a "managed fund") shall be the last published Net Asset Value per unit, share or other interest in such managed fund (where available) or (if the same is not available) a price calculated by aggregating the last published bid price and the last published offer price thereof (excluding any preliminary or initial charge included in such offer price) and dividing the result by two.
- (iv) If no Net Asset Value, bid and offer prices or price quotations are available as provided in paragraphs (ii) or (iii) above, the value of the relevant asset shall be determined from time to time in such manner as the Trustee shall determine.
- (v) Notwithstanding the foregoing, the Trustee may, at its absolute discretion, permit some other method of valuation to be used if it considers that such valuation better reflects the fair value.

If the Trustee resolves that the Funds shall issue further classes of units it is possible that the method of calculating the net asset value may differ for those other classes or series of units.

# EXPENSES & NET PROCEEDS

## EXPENSES AND FEES

### **TTD Monthly Income Fund and the USD Monthly Income Fund**

The Management Fee will not exceed 2.00% per annum of the average total assets of the TTD Monthly Income Fund and the USD Monthly Income Fund. The Management Fee will accrue daily and will be paid monthly to the following service providers:

- Trustee Fee will not exceed 0.75% per annum of the average total assets of the TTD Monthly Income Fund and the USD Monthly Income Fund.
- Administrator Fee will not exceed 0.75% per annum of the average total assets of the TTD Monthly Income Fund and the USD Monthly Income Fund.
- Portfolio Manager Fee will not exceed 0.50% per annum of the average total assets of the TTD Monthly Income Fund and the USD Monthly Income Fund.

### **Pan Caribbean Balanced Fund and the Emerging Markets Bond Fund**

The Management Fee will not exceed 2.50% per annum of the average total assets of the Pan Caribbean Balanced Fund and the Emerging Markets Bond Fund. The Management fee will accrue daily and will be paid monthly to the following service providers:

- Trustee/ Custodian Fee will not exceed 1.00% per annum of the average total assets of the TTD Monthly Income Fund and the USD Monthly Income Fund.
- Administrator Fee will not exceed 1.00% per annum of the average total assets of the TTD Monthly Income Fund and the USD Monthly Income Fund.
- Portfolio Manager Fee will not exceed 0.50% per annum of the average total assets of the TTD Monthly Income Fund and the USD Monthly Income Fund.

For Class A units of the Pan Caribbean Balanced Fund and the Emerging Markets Bond Fund there is an initial sales charge of up to 5.0% which may be added to the prevailing net asset value at the discretion of the Trustee.

For Class A units of the TTD Monthly Income Fund and the USD Monthly Income Fund there is no initial sales charge.

In addition, operational fees and expenses, including auditor's fees, legal fees and other administrative costs, will be incurred as the need arises. All applicable fees and expenses will be borne by the respective Funds.

Fees and expenses of the Funds are estimated by the Trustee based on current contracts with all professional service providers as outlined in the relevant material agreements.

It should be noted that the Trustee on the advice of the Portfolio Manager may borrow on behalf of the Funds and any interest incurred shall be an expense of the Funds. Guardian Asset Management Limited as Trustee will not charge a fee for this service.

A Redemption Charge may also apply. (See how to redeem units page 20 )

## **BANK CHARGES**

You will be charged all bank charges levied by any bank or other financial institution for any of your cheques that are dishonoured and returned to the Funds.

## **USE OF PROCEEDS**

The proceeds of this offering, minus payment of any operational expenses and fees will be invested by the Funds in an appropriate asset mix of investments in accordance with the objectives of the Funds.

## **DISTRIBUTION POLICY**

Distributions will be paid monthly for TTD Monthly Income and USD Monthly Income Fund.

Distributions will be paid semi-annually for the Pan Caribbean Balanced Fund and the Emerging Markets Bond Fund and unitholders are allowed to reinvest their distribution at the net asset value on the date of reinvestment.

Distributions will be reinvested in additional units unless otherwise requested by a unitholder. If the Trustee decides to declare dividends, such dividends may be distributed from net income and/or net realised and unrealised capital gains.

# TERMS & CONDITIONS OF THE OFFERING

## THE OFFER

The minimum initial subscription required is TT\$10,000 for the TTD Monthly Income Fund and TT\$10,000 for the Pan Caribbean Balanced Fund. Thereafter, the minimum acceptable subscription for the Funds is TT\$1,000. This applies to Class A and Class B units.

The minimum initial subscription required for Class C units is TT\$1,000,000 for the TTD Monthly Income Fund and TT\$1,000,000 for the Pan Caribbean Balanced Fund. Thereafter the minimum acceptable subscription for Class C units is TT\$100,000.

The minimum initial subscription required is US\$1,500 for the USD Monthly Income Fund and the Emerging Markets Bond Fund. Thereafter the minimum acceptable subscription is US\$150. This applies to Class A and Class B units.

The minimum initial subscription required for Class C units is US\$150,000 for the USD Monthly Income Fund and the Emerging Markets Bond Fund. Thereafter the minimum acceptable subscription for Class C units is US\$15,000.

Applications will be received at the Guardian Asset Management Limited offices in Westmoorings and Chaguanas. Copies of the Prospectus, Application Request Forms and Redemption Forms may be obtained from these offices.

The Trustee reserves the right to refuse an application request.

Investors should be aware that the Portfolio Manager will seek to maintain the initial unit price of TT\$10 for the TTD Income Fund and US\$10 for the USD Income Fund.

The initial price for the TTD Monthly Income Fund and the Pan Caribbean Balanced Fund is TT\$10.

The initial price for the USD Monthly Income Fund the Emerging Markets Bond Fund is US\$10.

## MINIMUM BALANCES

Accounts with balances below TT\$1000 or US\$150 will be automatically closed and the net proceeds will be forwarded to the unitholder minus any fees or and charges.

## PUBLICATION OF PRICES

The Net Asset Value for the Funds can be accessed in the daily newspapers once a week.

## ELIGIBILITY

Individuals of sound mind, over eighteen years of age and corporate entities can purchase units of the Funds. The Funds are eligible investments for the Statutory Funds of Insurance Companies and Pension Plans.

## JOINT INVESTORS

Where units are jointly held, they are subject to the rules of joint tenancy.

If either unitholder dies, his or her units automatically pass to the surviving party.

The Trustee requires that all parties to the account must sign any redemption request made.

## TERMINATION OF THE FUND

At the date of termination as may be determined by the Trustee, the right of investors with respect to redemption shall cease. The Trustee shall sell all remaining assets in its possession and such sale shall be carried out and completed in a manner and within a period as determined by the Trustee. The Trustee shall be entitled to retain out of any monies in its hands payments for all debts, liabilities, fees or commissions outstanding. The Trustee will then distribute to investors pro rata to the number of units held by them respectively all net assets of the Fund that are available.

## DESCRIPTION OF UNITS

The Funds are open-ended Mutual Funds, hence there is no limit to the number of units or to the number of classes of units that may be issued, however the Trustee reserves the right to refuse an application for units. Each unit secures an equal share in the distribution of net income and participates equally in all other respects. Units may be issued as fractions. Units must be paid for by TT or US cheque, draft or wire transfer. Cheques and drafts will need to clear and wire transfers will need to be confirmed as being received by the Fund before any new units or fraction thereof, can be distributed to an investor's account.

## HOW TO PURCHASE UNITS

Units in the TTD Monthly Income Fund and the Pan Caribbean Balanced Fund were initially offered at TT\$10 per unit on inception date (see page 13) subject to an initial minimum investment of TT\$10,000. Units in the USD Income Fund and the Emerging Markets Bond Fund were initially offered at US\$10 per unit on inception date (see page 13) subject to an initial minimum investment of US\$1,500. This applies only to Class A and Class B units. Thereafter the Funds are offered at the prevailing day's NAV.

Class C units in the TTD Monthly Income Fund, and the Pan Caribbean Balanced Fund were initially offered at TT\$10. per unit on inception date (see page 13) subject to an initial minimum investment of TT\$1,000,000. Class C Units in the USD Monthly Income Fund and The Emerging Markets Bond Fund were initially offered at US\$10.per unit subject to an initial minimum investment of US\$150,000. Thereafter the Funds are offered at the prevailing day's NAV.

Only TTD or USD cheques, drafts or wire transfers will be accepted as the method of payment. Investors may purchase units from the Guardian Asset Management Limited office or any one of its authorised Agents. TTD will be converted at the current day's exchange rate.

The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Fund's subscription account. This means that cheques and drafts will have to clear and wire transfers of money have to be confirmed as received by the Trustee before a subscription is accepted and value is given to the unitholder.

The Trustee may accept or reject any application to purchase units; such a decision is to be made within four (4) working days after receipt of the application. If an application is rejected, all monies received with the application will be returned without interest within four (4) working days of this decision.

## HOW TO REDEEM UNITS

A unitholder may redeem any or all of the units of the Funds owned by such unitholder in accordance with the provisions of the Trust Deed at any time by delivering a redemption Form to the office of Guardian Asset Management Limited or any of its authorised Agents, after which, the payment will be made to such investor within four (4) working days.

A redemption request made in respect of units held jointly must be signed by all parties to the account.

There is a Redemption Charge of 2% on Funds withdrawn in the first 90 days after subscription for the TTD Monthly Income Fund and USD Monthly Income Fund. Following the 90 day mark, the account holder may withdraw freely from his/her account without incurring any penalty charge. This applies only to Class A and Class C units.

### **See page 12 for Deferred Sales Charges applied to Class B units**

You can redeem your units at any time, as long as the aggregate amount redeemed does not exceed TT\$500,000 or 1% of the total Net Asset Value, whichever is lower, of the respective Fund. If the amount requested for redemption exceeds TT\$500,000 or 1% of the total net asset value of the Fund, the Trustee in its discretion may only process the portion of the redemption request up to TT\$500,000 or 1% of the total net asset value, whichever is lower, of the Fund. A new request will need to be submitted for further redemptions on subsequent days.

If the redemption request exceeds TT\$500,000 (US\$50,000) or is to be paid to any person other than the owner on record or sent to an address other than the registered address, the request must be made in writing with signature(s) guaranteed by a bank, trust company or dealer for protection.

# UNITHOLDERS RIGHTS AND BENEFITS

Unitholders are entitled to receive notice of and attend all meetings of unitholders of the Funds and vote at any such meeting .

The prior approval of unitholders is required before any of the following changes take effect:

1. A change in the fundamental objectives of a Fund
2. A change to the Portfolio Manager unless the successor Portfolio Manager is an affiliate of the existing Portfolio Manager
3. A change to the auditor of a Fund
4. A change to the methodology used to calculate the net asset value per security of a Fund
5. An increase in fees or expenses charged to a Fund including, but not limited to, an increase in management fees
6. The suspension and/ or termination of a Fund

## DISSOLUTION

Upon liquidation, termination, dissolution or winding up of any of the Funds or other distribution of the assets of the Fund for the purpose of winding up its affairs, the right of investors with respect to redemption shall cease. The Trustee shall sell all remaining assets in its possession and such sale shall be carried out and completed in such a manner and within a period determined by the Trustee. The Trustee shall be entitled to retain out of any monies in its hands payments for all debts, liabilities, fees or commissions outstanding. The Trustee will then distribute to investors pro-rata to the number of units held by them respectively all net assets of the Fund available.

## TAX CONSIDERATIONS (UNDER CURRENT TRINIDAD & TOBAGO LEGISLATION)

### Resident Individual Unitholders:

- **Income:** Any distributions paid to resident individual unitholders will not be subject to tax.
- **Capital Gains:** Capital gains generated on the sale of units will be exempt from tax.

### Resident Corporate Unitholders:

- **Income:** Any distribution made by the Fund to a resident corporate unitholder will be exempt from tax.
- **Capital Gains:** Capital gains generated on the sale of units will be exempt from tax.

**Neither the Trustee nor the Portfolio Manager will accept responsibility for any tax liability or tax consequences to any unitholder of his/her/its investment in units. All potential unitholders should seek tax advice from professional sources on their specific circumstances prior to acquisition of units.**

## TAX BENEFITS OF THE FUND (UNDER CURRENT TRINIDAD AND TOBAGO LEGISLATION)

- **Income:** The Funds will not be subject to tax in Trinidad & Tobago on the income or profits derived from its investments.
- **Capital Gains:** There are no capital gains tax in Trinidad & Tobago, therefore, capital gains realized by the Funds will not be subject to tax.

# RISK FACTORS

## GENERAL

Prospective investors should be aware that the investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in securities. The value of units may fall or rise and investors may not receive the amount originally invested. Accordingly, an investment in a Fund should only be made by persons who are able to bear the risk of loss of all the capital invested. The difference at any one time between the offer and redemption price of units in a Fund means that the investment should be viewed as medium to long term. The Funds will be responsible for paying fees and expenses regardless of the level of its profitability.

**The following specific risks should be carefully considered by prospective Shareholders, but the list does not purport to be exhaustive.**

## INVESTMENT RISK

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. The capital return of a Fund is based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's return may be expected to fluctuate.

## EMERGING MARKETS

A portion of the net asset value of the Funds may be exposed to emerging market securities and additional risks may be encountered in relation to that portion of the net asset value of the fund exposed indirectly to emerging market equities. These additional risks include:

- Currency Risk: the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.
- Country Risk: the value of a Fund's assets may be affected by political, legal, economic and fiscal uncertainties within the emerging markets. Existing laws and regulations may not be consistently applied.
- Market Characteristics: the emerging markets which are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated. Settlement of transactions may be subject to delay and administrative uncertainties.
- Disclosure: less complete and reliable fiscal and other information may be available to investors and accounting standards may not provide the same degree of shareholder protection as would generally apply internationally.

## ECONOMIC CONDITIONS

The success of any investment is affected by general economic conditions, which may be affected by the level and volatility of interest rates and market prices. Unexpected volatility and illiquidity in the global markets in which any of the Funds have invested could cause them to incur losses.

## POLITICAL AND REGULATORY RISKS

The value of the assets of any Fund may be affected by uncertainties such as political developments, changes in government policies, taxation, restrictions on foreign investment on currency repatriation, currency fluctuations and other changes in the laws and regulations of the countries in which any of the Funds may invest.

## **PERFORMANCE DATA**

The calculation of performance data will be done in accordance with International Financial Reporting Standards.

Total annual returns for the TTD Monthly Income Fund and the USD Monthly Income Fund will be made up of interest income from all interest bearing instruments. This income will be recognised on an accrual basis using the effective interest method and will be distributed monthly to the unitholders' accounts net of expenses.

Total annual returns for the Pan Caribbean Balanced Fund and The Emerging Markets Bond Fund will represent capital appreciation or capital depreciation and net income distributed during the period. Net Income will be made up of interest income from all interest bearing instruments. This distributed income is recognised on an accrual basis using the effective interest method and is distributed semi-annually to the unitholders' account net of expenses.

Once available performance data will be published semi-annually in our unitholders report and monthly in the local newspapers.

## **ACCOUNTING POLICIES**

Financial Statements will be prepared in conformity with generally accepted accounting principles using policies set out according to International Financial Reporting Standards.

The year-end of the Funds is the 30th April.

Annual audited financial statements will be published in the local daily newspapers within 90 days of a Fund's financial year-end. Semi-annual unaudited financial statements are published in the local daily newspapers.

Statements of the number of units held and their current earnings will be mailed to unitholders on a quarterly basis.

## **AMENDMENT OF THE TRUST DEED & RULES**

The Trust Deed and Rules may be amended by the Trustee. Investors will be notified in accordance with the provisions of the Trust Deed of the text of the amendment and the rationale for it within 60 days of the amendment.