

**UNIT TRUST OF
SAMOA
(MANAGEMENT) LTD**

**STATEMENT OF
CORPORATE
OBJECTIVES
2023-2026**

A. MANDATE

UTOSM is established under the Companies Act 2001 and is classified as a Public Trading Body under the Public Bodies (Performance and Accountability) Act 2001. The governance and fiduciary responsibilities lie with the Board of Directors who are appointed by Cabinet following a recruitment process coordinated by the Ministry of Public Enterprises.

The mandatory roles, responsibilities and authority of the UTOSM as the Manager of the Trust is stipulated within the Unit Trust Act 2008 (“Act”). The Act provides for one company to manage the Trust, and a separate, independent trustee company to hold title to all investments of the Trust.

The *Trust Deed* sets forth the relationship between the UTOSM and the Tafailagi Trustee Company Ltd (the current Trustees for the Trust). The operations of UTOSM and the Trust are to be guided by the articles of the Trust Deed at all times.

The Central Bank of Samoa Prudential Guidelines for Unit Trusts provides the regulatory framework for any Unit Trust in Samoa. The Management Company must comply with these guidelines when making decisions on investing funds. The Trust Investment Policy is also steered by the Prudential Guidelines.

The Board and Management of UTOS (Management) Co Ltd shall also give due regard as good governance to:

- ❖ Public Finance Management Act 2001
- ❖ Financial Institutions Act 1996
- ❖ Companies Act 2006
- ❖ Income Tax Amendment Act 2013
- ❖ Government Policies and Directives
- ❖ Vagst Act 1993/1994
- ❖ Business Licences Act 1998
- ❖ Central Bank of Samoa Act 2015
- ❖ Money Laundering Prevention Act 2007
- ❖ Composition of Boards of Public Bodies Act 2012
- ❖ Trusts Act 2014
- ❖ Trust Companies Act 2017

B. ENTITY PROFILE

The inception of UTOSM was conceptualized within the SOE Monitoring Division of the Ministry of Finance in February 2010. Once the legalities were in place, the company was established in February 2011 with the appointment of its Executive Team together with the Board of Directors.

The company has grown significantly over the past 12 years having been provided with Government Budgetary support for its startup operational costs, to now declaring dividends in excess of startup costs to give back to the Government to support its ongoing developments. The growth has not only been established with regard to operational efficiencies but also in terms of staff numbers and staff capacity to carry out the mandate of the company.

UTOSM continues to move towards a more digitally enhanced presence with its systems now fully automated together with its services made available on various digital platforms. The positive performance of the company is also reflected in the growth of the Trust where through the work of UTOSM it has continued to grow the investment portfolio and also expand its unitholder base not only for our local population but also amongst the diaspora.

As of June 2022, the UTOSM has paid a total of \$2.98million in dividends to the Government of Samoa. This has far exceeded the initial capital contribution of \$1.80million from the Government.

The UTOSM continues to successfully manage the Trust with the Investment Portfolio amounting to \$202million as at 30th June 2022 with over 4,200 unitholders actively participating in the Trust. The total value of dividends distributed to date since inception amounts to \$44million.

C. OBJECTIVES & KEY PERFORMANCE INDICATORS

Objectives	Strategies	Performance Measures
Manage a diversified sustainable portfolio to deliver optimal returns	Active monitoring & rebalancing of the investment portfolio	The investment portfolio is to yield an average return of 10% - 15% per annum.
	Explore and execute new commercially viable investment opportunities across a range of investment asset classes	To grow the investment portfolio by \$20million per annum
	Offer additional products to provide a choice for unitholders.	A new product with 'Closed Fund' features to be launched in FY 22/23

	Ensure internal policies are reviewed and update in accordance with changes in the operational environment	Investment Policy is to be reviewed every 3 years or earlier if required Next Review(s): FY 22/23 & FY25/26
To grow and retain unitholder numbers, so all may benefit financially.	Conduct consultation with rural communities in Upolu and Savaii on the importance of investment to increase unitholder numbers.	The total number of unitholders grows by 20% per annum.
	Develop a Unitholder reward program to retain unitholders investment within the Trust Fund.	Unitholder turnover to be below 5% per annum or 5 closed accounts per month.
	Increase the number of unitholders opening accounts from overseas	Overseas unitholders to make up 15% of the unitholder portfolio by the end of FY25/26
	Drive UTOS awareness to departing seasonal workers.	25% of new accounts opened per annum are from Seasonal workers.
	Aggressive marketing with more promotional activities implemented to boost unitholder funds	\$20M per annum earned through unit Sales.
To nurture and develop staff to enhance their career growth prospects	Establish a staff development plan	Individual customized development plans for each staff to be in place and reviewed annually
	Identify internal & external staff training opportunities	Staff to participate in at least 1 training course per annum
	Review staff remuneration & rewards	Annual review of salaries & other incentives to be in line with other similar institutions

Enhance digital availability, accessibility & security of products & services	Upgrade UTOS Public Website	UTOS website upgrade in FY 22/23
	Review URS & Enhance Mobile App Capabilities	Continuously review URS and upgrade mobile app for FY 22/23, FY23/24, FY 24/25 and FY 25/26
	Upgrade Server and Survey Cloud Based Servers	Server upgrade and Cloud Server survey completed in FY 22/23
	Implement and sustain cyber security resilience measures to maintain minimum scores of 900 and conduct period reviews of security threats	By end of 2026 Security Score should be 930
	Develop Incident Response Plan (IRP) and ICT Policy Review	IRP to be launched in FY 22/23, while ICT policy is reviewed every 3 years.
	Review Contracts and Licenses	All contracts and licenses will be reviewed and renewed before expiry dates.
Governance KPIs	Compliance with report requirements (Quarterly, Annual and Corporate Plan Reports) as well as Dividend Policy in accordance with the Public Bodies (Performance & Accountability) Act 2001	Quarterly and Annually Submitted
	Achievement of Financial and Non-Financial KPIs	

D. SPECIFIC PROJECTS

The key proposed development projects within the period of this corporate plan revolves around the upgrading of digital services and ensuring that adequate cyber security measures are in place and continuously upgraded to keep up with evolving cyber threats in this day and age.

E. SUPPORT FOR GOVERNMENT POLICIES

The Company continues to maintain support for Government Policies and Development Initiatives. We endeavor to provide assistance wherever required either through concessional lending or participation as an investor to secure national interest in any privatization initiatives.

The Company will look to improve social development as it continues to raise the awareness of the benefits of UTOS especially to our rural area residents. The Company will continue to ensure that strategic investment decisions are made to benefit the unitholders through trust returns and also the Government of Samoa through the dividends from the Management Company.

F. MAIN ASSUMPTIONS & RISK

The main assumption in this corporate plan is around business continuity and continued growth and profitability of the Trust through the work carried out by Management. We also assume that living with the pandemic is the new normal and adaptability is key to any unforeseen situations

Key Risks include but are not limited to;

Risks/Issues	Mitigation/Status	Status/Impact Going Forward
Limited revenue generating streams for the Management Company	Management continues to review and scope potential revenue streams for the Management Company	The revenue streams for UTOSM are limited given it currently manages a single Trust product. The introduction of a new product will also add another Manager's Fee. The manager may also look to rebrand to expand the scope of the Management Company to manage projects etc.
Reward program partnership agreement not being fulfilled	Alternative rewards and promotions were carried out	The Management will expand its rewards programs to not be singular focus and to allow for multiple options.
Limited training opportunities for the staff	Staff to highlight training needs and be on the look for relevant trainings locally, abroad and online	Online training to take priority as they are more readily available and training time is flexible
Staff development plans not completed	Work on staff development plans currently outstanding	Principal HR will be recruited to assist with this task
Regulatory restrictions not reviewed to reflect changes in economic conditions	Discussions with regulatory authority ongoing	Management to continue to work with CBS with regard to updating of Prudential Guidelines for Unit Trusts and easing certain restrictions.

G. DIVIDEND FORECAST

Financial Year	2023	2024	2025	2026
Dividend	\$169,800	\$179,095	\$157,920	\$141,820

H. FINANCIAL STATEMENTS

Financial KPIs	Actual	Budget	Forecast			
	2021	2022	2023	2024	2025	2026
Revenue	2177437	2,262,012	2,662,111	2,725,000	2,735,000	2,745,000
Expenditure	1,601,915	1,956,162	2,176,969	2,213,300	2,283,800	2,339,800
Net Profit (Loss) After Tax	575,522	305,850	485,142	511,700	451,200	405,200
ROE	19.08%	10%	13.0%	13.40%	11%	9.34%
Current Ratio	4.2:1	12.7:1	11.73:1	8.01:1	6.8:1	8.60:1
Cash Flow Balance	2,473,639	2,327,623	2,462,818	2,829,095	3,511,142	3,616,495
Non-Financial KPIs						
Total number of units sold	12,513,909	17,307,041	17,500,000	18,000,000	18,500,000	19,000,000
Total number of units redeemed	11,564,935	7,271,898	8,000,000	8,500,000	9,000,000	9,500,000
Total number of unitholders	3,839	4,286	4,500	5,000	5,500	6,000