

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

**STATEMENT OF
CORPORATE
OBJECTIVES
2025-2027**

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 authority, responsibilities and terms and conditions of governing the management of UTOSM are further stipulated by way of a Trust Deed.

The Trust Deed 2010 (Amended 2017) sets forth the relationship between the UTOSM and the Trustees. (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 2001
- ❖ Income Tax Amendment Act 2017
- ❖ VAGST Act 2015
- ❖ Business Licenses Act 1998
- ❖ Central Bank of Samoa Act 2015
- ❖ Money Laundering Prevention Act 2007
- ❖ Composition of Boards of Public Bodies Act 2012
- ❖ Trusts Act 2014
- ❖ Trustee Companies Act 2017
- ❖ Government Policies and Directives

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.

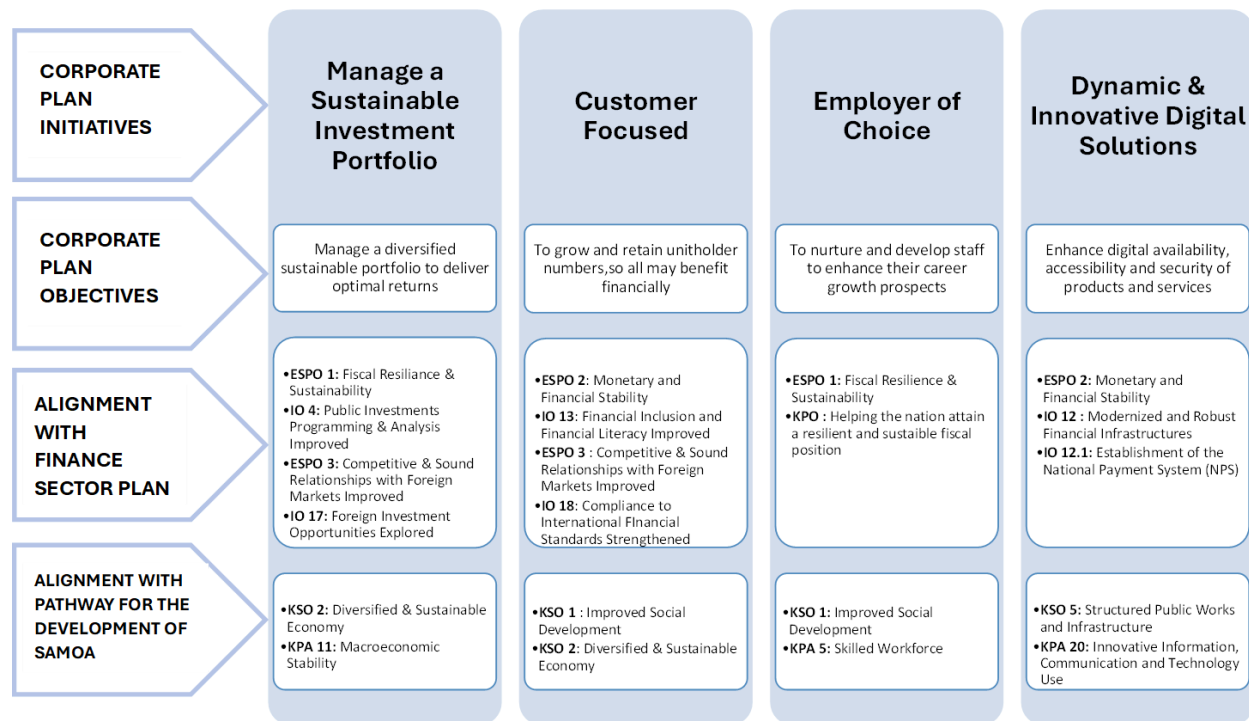
The company has grown significantly over the past 12 years having been provided with Government Budgetary support for its startup operational costs, to now declaring dividends in excess of startup costs to give back to the Government to support its ongoing developments. The growth has not only been established 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 2023, the UTOSM has paid a total of \$3.14million in dividends to the Government of Samoa since its establishment. 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 surpassing \$254million as at 30th June 2023 with over 5,000 unitholders actively participating in the Trust. The total value of dividends distributed to date since inception amounts to \$52million.

a. ALIGNMENT TO THE PATHWAY FOR DEVELOPMENT OF SAMOA AND FINANCE SECTOR PLAN



C. OBJECTIVES & KEY PERFORMANCE INDICATORS

Objectives	Strategies	Performance Measures	Responsible Department
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.	Investment
	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.	Two new products to be launched; <ul style="list-style-type: none"> • A new product 	

		<p>with 'Closed Fund' features to be launched before FY27</p> <ul style="list-style-type: none"> • Lending to Unit-holders to be launched before FY27 	
	Ensure internal policies are reviewed and updated in accordance with changes in the operational environment.	<p>Investment Policy is to be reviewed every 3 years or earlier if required.</p> <p>Next Full Review(s): FY 26/27.</p>	
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.	Customer Relations
	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 FY 25/26.	
	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.	Develop staff development plans.	Individual customised development plans for each staff to be in place and reviewed annually.	HR/CEO
	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.	Review URS & Enhance Mobile App Capabilities.	Continuously review URS and upgrade mobile app for FY 23/24, FY 24/25, FY 25/26 & FY23/27.	IT
	Upgrade Server and Survey Cloud Based Servers.	Server upgrade and Cloud Server survey to be completed in FY 24/25.	
	Implement and sustain cyber security resilience measures to maintain minimum scores of 900 and conduct period reviews of security threats	By end of FY 26/27 Security Score should be 930	
	Review Contracts and Licences	All contracts and licences will be	

		reviewed and renewed before expiry dates.	
	Conduct system analysis and review URS to develop and implement new proposed products (Lending & Closed Fund)	To be completed by end of FY 26/27	
Governance KPIs	Improve compliance with reporting requirements (Quarterly, Annual and Corporate Plan Reports), Dividend Policy and relevant mandates in which the UTOSM operates.	In accordance with relevant policies and Acts.	Finance/CEO
	Achievement of Financial and Non Financial KPIs	As stated in annual business plans.	

D. SPECIFIC PROJECTS

The key proposed development projects within the period of this corporate plan revolves around the launch of two new products for the Trust, which are;

1. Lending to Unitholders; secured against their existing units
2. A Closed-Fund product for long term infrastructure investments. The key feature of this fund is that investors ought to find a willing buyer in order to exit as opposed to being able to sell back to the Manager.

Management has undertaken significant reviews of its existing regulatory guidelines and legislations in order for these new products to be launched effectively. At present, the company is a fund manager for the Trust and going forward will consider extending its fund manager services to include other services such as property management and other viable options. This will contribute to the income streams of the Management Company which will in return make for higher returns to the Government as a Public Trading Body.

In addition to new products, UTOSM will also continuously upgrade and enhance its digital services and ensure 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	Discussions with regulatory	Management to continue to

reviewed to reflect changes in economic conditions	authority ongoing	work with CBS with regard to updating Prudential Guidelines for Unit Trusts and easing certain restrictions.
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G. DIVIDEND FORECAST

FY	2024	2025	2026	2027
Dividend	\$168,595	\$150,920	\$141,820	\$138,320

H. FINANCIAL STATEMENTS

	Actual		Forecast			
Financial KPIs	2022	2023	2024	2025	2026	2027
Revenue	2,333,949	2,713,459	2,725,000	2,735,000	2,745,000	2,745,000
Expenditure	1,848,228	2,073,054	2,243,300	2,303,800	2,339,800	2,349,800
NPAT	485,721	640,405	481,700	431,200	405,200	395,200
ROE	14.23%	17%	12%	10%	9%	8%
Current Ratio	1.79:1	15.10	7.8:1	6.42:1	3.31:1	9.54:1
Cash Flow Balance	2,264,266	810,952	2,545,440	3,272,557	3,336,090	3,689,360
Dividend to Govt	170,124	224,141	168,595	150,920	141,820	138,320
Non-Financial KPIs						
Total number of units sold	17,307,040	20,558,786	20,558,786	18,500,000	19,000,000	19,000,000
Total number of units redeemed	7,271,898	7,814,055	7,814,055	9,000,000	9,500,000	8,500,000
Total Number of Unitholders	4,286	5,141	5,500	6,000	6,500	7,000