



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

For immediate release

June 12th, 2023

MEDIA RELEASE

Heritage and Stabilization Fund Fact Sheet

1. The Net Asset Value of the Heritage and Stabilization Fund was **US\$5.466 Billion (TT\$37.17 Billion)** on Friday June 9, 2023.
2. This is an Increase of **US\$754 Million (TT\$5.127 Billion)** in the actual value of the Fund **over the last 9 months** since September 2022. Excluding a deposit made in December 2022, the Fund has generated comprehensive income of almost **US\$600 Million** since then.
3. The figures, data and conclusions published in the Sunday Express article of June 11, 2023, on the HSF are **over eight (8) months old**, out of date, misleading and wholly irrelevant because the value of the Fund fluctuates over time, as do all sovereign wealth funds, since these funds react to the performance of global stock markets and financial instruments.
4. This is illustrated by the fact that the Net Asset Value of the HSF increased by **US\$327 Million (TT\$2.224 Billion)** in the last 6 months, between January 1, 2023, and June 9, 2023, without any deposits into the Fund from the Government during that period.
5. A further illustration of the volatility of global markets is the fact that during the 2-month period May 15, 2020, to June 19, 2020, in the height of the Covid-19 pandemic, the HSF increased in value by **US\$297 Million (TT\$2.019 Billion)**. More strikingly, again during the Covid-19 pandemic, during the 2-week period April 3, 2020, to April 17, 2020, the value of the Fund increased by **US\$286 Million (TT\$1.945 Billion)** in just 14 days. If the inverted logic of the Express article is to be followed, the Fund managers should have received a national award for earning almost TT\$2 Billion in 2 weeks in 2020.



(868) 612-9700



(868) 612-1869



comm.finance@gov.tt



www.finance.gov.tt

6. The Annual Report of the Heritage and Stabilization Fund for the 12-month period ending on September 30, 2022, which appears to be the basis for the misleading Sunday Express article, was laid in Parliament by the Minister of Finance, Hon. Colm Imbert, MP, on February 3, 2023, over **five (5) months ago**, and has therefore been a public document for **129 days**. It is curious that the Express waited 5 months to comment on that outdated Report.
7. It is public knowledge that 2022 was an extremely challenging year for market players and sovereign wealth funds, given volatile geopolitics, high inflation, rising interest rates, and significantly negative returns in both stocks and bonds. It is the first year in history the size of the industry has shrunk. Heavy falls in stock and bond markets in 2022 cut the combined value of the world's sovereign wealth and public pension funds for the first time ever. This would be well known to all media.
8. In fact, a report on state-owned investment vehicles by the highly regarded industry specialist Global SWF found that the value of assets managed by sovereign wealth funds around the world fell in 2022 by **US\$900 Billion**.
9. For example, Norway's wealth fund, one of the world's largest investors, posted a record loss of 1.64 trillion crowns (**US\$164.4 billion**) in 2022, losing 15% in its value in that year, and ending a three-year run of soaring profits as stocks and bonds were hit by the Ukraine war and inflation.
10. In Saudi Arabia, the market value of the general index (TASI) decreased by 528 Billion Riyals (**-24%**) (**-US\$142 Billion**) in 2022 from its value at the end of 2021.
11. The Chinese Sovereign Wealth Fund, managed by the China Investment Corporation, **lost 24% of its value** in 2022, or over **US\$300 Billion**, after growing by 35% in 2019.
12. There is nothing unique about the performance of Trinidad and Tobago's HSF in 2022, therefore, and further, like other sovereign wealth funds, our Fund has recovered strongly to the tune of over **US\$700 Million** since the close of its last fiscal year in September 2022. However, the Sunday Express article, contained no research, analysis, or information on the performance of global equity markets or sovereign wealth funds between 2022 and 2023, to properly educate and inform the public.
13. In fact, the graphics in the Sunday Express article are interesting, with its front page major headline announcing a US\$913 Million loss in the value of the Fund in 2022, coupled with a very small hard-to-read box in the upper right hand corner of the associated article, where it reluctantly acknowledged in that little box comment

that the Fund experienced a “turnaround” between September 2022 and December 2022, without revealing in that little box that in the last 3 months of 2022, the value of the Fund increased by over **US\$400 Million**.

14. This misleading Sunday Express article was followed by an equally uninformed editorial in the Daily Express of June 12, 2023, today, which bemoaned what it referred to as a 16% loss in the value of the HSF in 2022, and which according to that misguided newspaper will surely become “political fodder” for the upcoming Local Government Election, without understanding the irrelevance of its barren and irresponsible commentary, **since by June 2023, the Fund had increased in value by 16% from its value in September 2022.**
15. It is noteworthy that despite withdrawals from the HSF over the last 7 years and 9 months of almost US\$1.9 Billion, to fund the national budget in difficult periods, and the adverse temporary effects of that very challenging year for global stock markets in 2022, the Net Asset Value of the Fund on June 9, 2023 at approximately **US\$5.5 Billion** is virtually the same as it was in September 2015, which means that the Fund has earned **TT\$12 Billion** in comprehensive income since 2015.
16. Finally, misguided and uninformed commentary by some of the usual critics, particularly from the University, who relied on that erroneous article as their reference point, wrongly assuming it to be properly researched and relevant, is both unhelpful and unproductive.

- END -

The Honourable Colm Imbert M.P.
Minister of Finance