



Address

Mr. C. Wainwright Iton

CEO, TTSEC

Prize-Giving Ceremony

'Young Investors, Creative Expressions' Competition

August 10, 2016 at 10am

Salutations

Good morning.

Ladies and gentlemen we are here today to commemorate the end of the Commission's fourth National Investor Education Competition and to announce the winners of this year's creative competition.

Global and residential support for financial literacy and Investor Education

According to a 2013 survey from the Global Centre for Financial Literacy, which looked at financial literacy around the world, the question was asked: "How prepared are individuals to process economic information to make informed decisions about their current and future finances?" When it came to consumers' knowledge of basic financial concepts,

Germany scored 53%, followed by Netherlands at 45%, United States at 30% and Japan at 27%. A fair report according to author Thomas Friedman.

A 2016 Investor Education study conducted by the Canadian Securities Administrators (CSA), found that nationally, slightly over 2-in-5 respondents (42%) know that there is a provincial or territorial government agency responsible for regulating financial investments in their province or territory. Similar to results here at home where, preliminary findings from a recent survey conducted on behalf of the Commission, found that approximately 48% of those surveyed, are aware of the Trinidad and Tobago Securities and Exchange Commission. However the extent of awareness is left to be determined as many of those who claim to be aware of the TTSEC, do not know what we do. Citizens must begin to recognise that they have opportunities to save and invest in an industry that can make their money work for them. Awareness of the fact that 1) these opportunities exist within the securities industry and 2) that one of the TTSEC's core functions is to protect investors, can go a long way in helping to build and foster growth and confidence, in our securities industry, and our economy.

In these challenging economic times the public should be more alert to information that can help them save more and secure their financial future.

The need for a robust securities market

When one looks carefully at the different segments of the capital market here in Trinidad & Tobago, there isn't strong evidence of much growth over the last five (5) years.

- 1) The Trinidad & Tobago Stock Exchange
 - a. The number of listings has remained between 31 – 34 companies over this period.
 - b. Total market capitalization between approximately TT\$108 billion and TT\$110 billion.
 - c. Apart from First Citizens, Clico Investment Fund (CIF) and TTNGL, all of which were secondary offers made by the Government, there have been no Initial Public Offers (IPOs) to fund national development in the past five years.

- 2) The Jamaica Stock Exchange

By way of contrast, the Gleaner (Jamaica's oldest newspaper) on July 08, 2016 quoted General Manager, Marlene Street Forrest "Just within the first six months of the year (2016), over \$9.4 billion (TT\$582 million) has been raised through Initial Public Offerings alone". In all of 2015, \$9.6 billion was raised with 12 securities having been listed year to date. The listings included four preference stocks, and six junior companies.

A significant portion of the dynamism in the Jamaican market over the past five years has been attributed to the junior market. There have been 29 listings since 2009.

3) The SME Market (Exchange) in Trinidad & Tobago

It is worth noting that the Finance Act 2012 introduced legislation offering a tax incentive "to encourage small and medium-sized enterprises to raise capital through the Trinidad & Tobago Stock Exchange". This incentive was further refined in 2014.

The time is ripe for the TTSE, the market actors, broker-dealers, investment bankers, the Chambers of Commerce and small and medium-sized businesses to take up the challenge and make the SME (Junior) market a reality.

But the development of this market must start with effective investor education and understanding of the possible benefits associated with investing in the securities markets.

TTSEC providing the Investor Education tools to help investors make wise investment decisions

In the TTSEC's outreach sessions we observed that many are unaware of what it means to be an investor. And these are some of the issues we need to address and ensure that our citizenry are aware of:

- Who we are and what we do
- The Securities Industry and its players- shareholders/investors; broker dealers, market actors etc.
- What investors and potential investors can do with their hard – earned money – in terms of saving and investing
- Their rights and responsibilities as investors
- The available investments that are regulated by the Commission
- Avenues for redress
- Scams and fraudulent activities
- Legislation in accordance with our primary legislation the Securities Act, 2012

Despite this, I am pleased to say that we have a very diligent Communications, Education and Information Division that is actively working to improve the financial literacy and investor understanding in our country.

One of the core functions of the Commission is to educate and promote an understanding by the public of the securities industry, inclusive of the benefits, risks and liabilities associated with investing in securities. In this regard, the Commission seeks to:

- 1) Educate and promote an understanding by the public of the securities industry and the benefits, risks and liabilities associated with investing in securities.
- 2) Create and promote such conditions as may seem necessary to ensure the orderly growth, regulation and development of the capital market.

One such means by which we hope to achieve these targets is through the use of innovative national competitions, geared towards engaging the population in better understanding the securities industry.

This competition, in particular, was aimed at encouraging young individuals to learn more about investor education and financial literacy through creative outlets for expression namely, video presentations coupled with the creative arts.

The competition sought to:

- Build and develop core investor education competencies among students and young adults;
- Educate and empower young persons with investor knowledge so they would be capable of making informed decisions;
- Encourage young individuals to guide and inform their families and communities about the TTSE; TTSEC and investor information;
- Increase the visibility of the TTSEC and the TTSE within the Community; and
- Clarify the roles and mission of the TTSEC.

The Commission is always seeking to do new things, and engage our many audiences, and you, the participants, have helped us achieve this through this competition.

Your work will be used to educate others in Trinidad and Tobago, and some of your videos, with your cooperation, will be re-purposed and used as teaching tools for our investor education outreach sessions. This approach will both revitalise our messaging and also promote your work as an artiste.

This year we partnered with the blink | bmobile Foundation and the Trinidad and Tobago Stock Exchange.

Both institutions provided valuable support via sponsorship of the Group A and B prizes, which are attractive rewards for this competition.

The TTSE has previously supported the Commission's efforts in promoting both financial and investor literacy within Trinidad and Tobago. We are once again very pleased to have had this support from the Stock Exchange, as these prizes (the notional monetary value), offer young winners the chance to better understand how the stock market operates and to think strategically about how to invest their money wisely.

The blink | bmobile Foundation also supported us in promoting this competition and collaborated with the TTSEC's team throughout the competition. As such we wish to recognise and commend your support in promoting investor education.

The use of competitions, such as these, is only one tool being used by the Commission. Other tools include – Brochures, our Investor education website, investucatett.com; our corporate website, ttsec.org.tt; social media – Facebook, LinkedIn, YouTube videos; our Blog, our free outreach - investor education sessions; a 'TTSEC' mobile App- downloadable from all devices; and a market newsletter.

Essentially all these tools are aimed at changing a culture in Trinidad and Tobago towards 'saving and investing' for our future. This is not going to happen overnight and we need to start stimulating the minds of our youth if we are to expect a change in the future. Competitions such as these provide a creative avenue to learn about the securities industry and what it does for our economy. With your continued support we can improve the financial capability and investor literacy in Trinidad and Tobago.

I thank you.

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