



# Prime Income Fund

Q4 2020  
Issue 33

<b>Dec. Net Asset Value:</b>	\$7.9824
<b>Assets:</b>	\$275.2M
<b>Inception:</b>	Nov-12

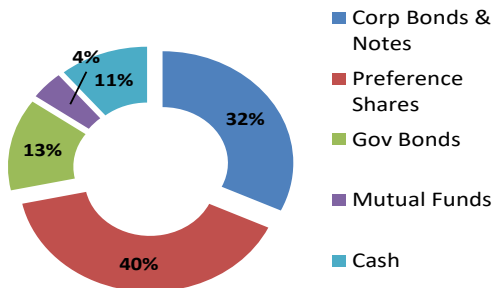
## Performance:

	Fund	Benchmark*
<b>1 Month</b>	0.33%	0.35%
<b>3 Month</b>	0.83%	1.06%
<b>1Yr</b>	4.91%	4.25%
<b>5Yr</b>	4.80%	4.35%
<b>Since Inception</b>	4.70%	4.50%

\* Bahamas Prime Rate

## Allocation:

### Asset Allocation



## Top Holdings:

CABLE BAHAMAS PEF SHARES 6.25%	12.3%
NAD PARTICIPATING DEBT NOTES 7.5%	11.6%
BE ALIV FIXED RATE NOTES 8.5%	5.8%
BE ALIV SERIES 1 PEF SHARES 8.0%	5.8%
CABLE BAHAMAS PEF SHARES 5.75%	4.5%

The Prime Income Fund is a sub fund of the Bahamas Opportunities umbrella investment fund, which began in November 2012. Performance shown is for Series 1, or retail, shares, which may differ from other Series offered in the fund. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to the restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

## Historic Double Whammy!

The Prime Income Fund generated a steady 0.83% and 4.91% return in Q4 and 2020, respectively. Since inception, the Fund has averaged 4.70% per annum.

The Fund's cash holdings grew to 11.7% of the portfolio. While excess cash means the Fund is highly liquid, it also creates a drag of return, but the Fund is well positioned to benefit from future investment opportunities.

Hurricane Dorian hit The Bahamas in September 2019 and 6 months later the Covid-19 pandemic brought the tourism sector to a sudden halt. The Bahamas has had to deal with arguable its worst natural disaster and worst economic crisis effectively simultaneously.

According to Marla Dukharan, a leading economist on the Caribbean, how the Government of The Bahamas has maintained a reasonable level of socio-economic stability, is a testament to their capabilities, political will, and ability to access assistance from external parties including multilateral lending institutions.

The dissemination of vaccines and the enhanced prevention measures finally being adopted by the US, provide reason to be optimistic about the second half of 2021. In 2020 the Bahamian economy is forecast to have contracted by around 15% and is not expected to recover to 2019 levels until 2023/24.

The Fund's large cash "war chest" means the Fund has lots of "dry powder" to take advantage of several private sector offerings expected to come to market in 1H2021. These investments should enhance the Fund's return in the 2H2021 and beyond.

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