Prime Income Fund

Quarterly Report, Q1 2022
Issue 36

MUTUAL FUNDS

Mar Net Asset Value:	$7.5675
Assets:	$354.94M
Inception:	Nov-12

PEFORMANCE (Net)

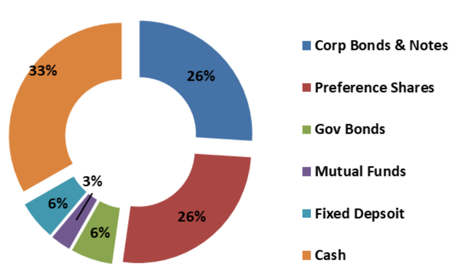
	Fund	Benchmark*
1 Month	0.23%	0.35%
3 Month	0.65%	1.06%
1Yr	2.96%	4.25%
5Yr	4.51%	4.35%

**Bahamas Prime Rate*

TOP FIVE HOLDINGS

NAD PARTICIPATING DEBT NOTES 7.5%	9.60%
CABLE BAHAMAS PREF SHARES 6.25%	8.90%
BE ALIV FIXED RATE NOTES 8.5%	4.20%
BE ALIV SERIES 1 PREF SHARES 8.0%	4.20%
CABLE BAHAMAS PREF SHARES 5.75%	3.80%

ALLOCATION



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.

The War Chest

The Prime Income Fund generated a return of 0.23% in Q1 . Over the last 5 years the Fund grew by an average of 4.51% per annum.

With net inflows reaching near all time highs, the Fund's cash holdings grew to 33% of the portfolio. While excess cash means the Fund is highly liquid, it also creates a drag of return, which we have seen over the last 12 months. Granted, the Fund has a substantial "war chest" of cash and is well positioned to benefit from future investment opportunities. Also, a net return of 2.96% over the last year dwarfs what commercial banks are offering on fixed deposits.

The Bahamian The economy is projected to maintain a healthy recovery momentum in 2022, supported by strong gains in both stopover and cruise activities. Sustaining the pace of the tourism recovery towards pre-pandemic levels remains contingent upon steadied success in international health initiatives, increased vaccination rates across countries and easing all globally imposed travel restrictions.

The unemployment rate is expected to remain above pre-COVID-19 levels, but with further workforce engagement concentrated primarily in the construction sector and full reemployment of tourism sector employees. Elevated inflationary pressures are anticipated, as a result of the rise in international oil prices, higher costs for other imported goods; and supply chain shortages, associated with geopolitical tensions in Eastern Europe

The Fund's large cash holdings means it has lots of capacity to take advantage of several private sector offerings coming to market now and over the balance of the year. The Fund's performance is expected to improve by nearly 1.0% by early 2023.

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