

Prime Income Fund

Quarterly Report, Q3 2022
Issue 36



Returns are Edging Up!

Sept Net Asset Value:	\$7.672
Assets:	\$389.67M
Inception:	Nov-12

PERFORMANCE (Net)

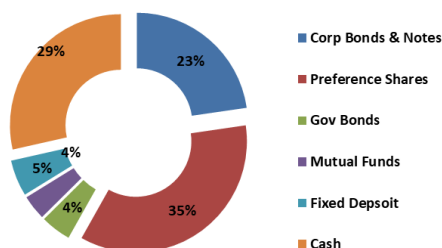
	Fund	Benchmark*
1 Month	0.24%	0.35%
3 Month	0.76%	1.06%
1Yr	2.80%	4.25%
5Yr	4.20%	4.35%

*Bahamas Prime Rate

TOP FIVE HOLDINGS

CABLE BAHAMAS PREF SHARES 6.00%	12.5%
NAD LIMITED NOTE 7.50%	9.4%
CABLE BAHAMAS PREF SHARES 5.50%	9.1%
BE ALIV FIXED RATE NOTES 8.5%	3.9%
BE ALIV SERIES 1 PREF SHARES 8.0%	3.8%

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 Prime Income Fund generated a return of 0.76% in Q3. Over the last 5 years the Fund grew by an average of 4.20% per annum.

The Fund's cash holdings remained high at 33.80% of the portfolio, which is a reduction of 37.10% in Q2. This was as a result of a purchase of additional Cable Bahamas preference shares. The Fund has plans to address the high cash balance by seeking alternative investments from private sector issuers.

The Bahamian economy continued its recovery in Q3 and is projected to maintain a healthy recovery momentum in 2023, supported by strong gains in both stopover and cruise activities. Tourism output further improved, bolstered by notable gains in the high value-added air segment and the rebound in sea traffic, in response to vaccination efforts and the further relaxation of COVID-19 restrictions in some of the major source markets.

Expectations are that the domestic economy will sustain its growth trajectory throughout the remainder of 2022, undergirded by ongoing improvements in tourism sector output. Nevertheless, downside risks to the industry persist, as emerging strains of the COVID-19 virus could potentially hinder the progress made on the international health front and curtail travel sector activity. In addition, rising fuel prices could constrain the travel industry's competitiveness, while the major central banks' counter-inflation policies could weaken the travel spending capacity of key source market consumers.

The Fund is beginning to deploy its large cash balance which is evident by the reduction through Q3. We expect to see further reduction in Q4 as the fund puts its large cash balance to work.

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