

Targeted Equity Fund

Quarterly Report, Q3 2022
Issue 36



| | |
|-----------------------|-----------|
| Sept Net Asset Value: | \$13.3265 |
| Assets: | \$85.27M |
| Inception: | Nov-12 |

PERFORMANCE (Net)

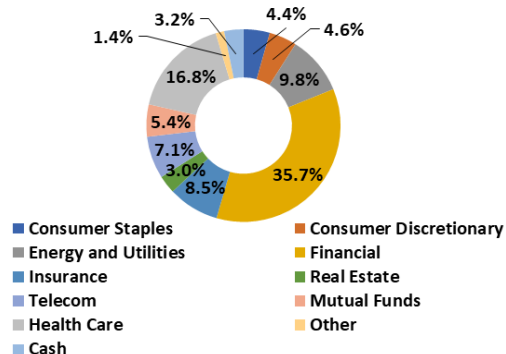
| | Fund | Benchmark* |
|---------|--------|------------|
| 1 Month | 0.70% | 2.59% |
| 3 Month | 3.60% | 1.91% |
| 1Yr | 20.97% | 26.52% |
| 3Yr | 10.10% | 7.45% |
| 5Yr | 11.19% | 7.63% |

*BISX All share Index

TOP FIVE HOLDINGS

| | |
|-------------------------|--------|
| FIDELITY BANK (BAHAMAS) | 18.32% |
| DOCTORS HOSPITAL | 16.84% |
| FINCO | 8.02% |
| CABLE BAHAMAS | 7.08% |
| FOCOL HOLDINGS | 6.07% |

ALLOCATION



Tourism Turnaround Drives Growth

In Q3 the Fund returned 3.60% versus 1.91% for the BISX All Share Index (BISX). Over the last year the Fund returned 20.97% versus the 26.52% generated by BISX, which is heavily weighted (33% of the total index) towards CIBC shares.

Over the last 3 years and 5 years, the Fund's average annual return was 10.10% and 11.19%, respectively. Over both periods the Fund significantly outperformed BISX.

The Bahamian economy continued its recovery in Q3 and is projected to maintain a healthy recovery momentum into 2023, supported by strong gains in both stopover and cruise activities. 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, supply chain shortages, and geopolitical tensions in Eastern Europe.

BISX equities continued their upward trajectory in Q3, with AML Foods and Commonwealth Brewery leading the way, with 16.95% and 15.00% increases respectively.

Other stars of Q3 were Bank of the Bahamas, Consolidated Water, and FINCO which rose 13.55%, 13.10%, and 8.91% respectively. The biggest faller of the quarter was Emera Incorporated, which fell by 13.70% due to impacts from hurricanes in eastern Canada and Florida, their largest markets.

The IMF expects The Bahamian economy to post real GDP growth of 8.0% and 4.1% in 2022 and 2023, respectively. Between 2024 and 2027 the IMF is forecasting average annual growth of 2%.

The Targeted Equity 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.

RF House, East Hill Street | Phone: 603-6000 | info@rfgroup.com
www.rfgroup.com