

Targeted Equity Fund

Quarterly Report, Q4 2023
Issue 38



Net Asset Value:	\$14.29
Assets:	\$109.58M
Inception:	Nov-12

PERFORMANCE (Net)

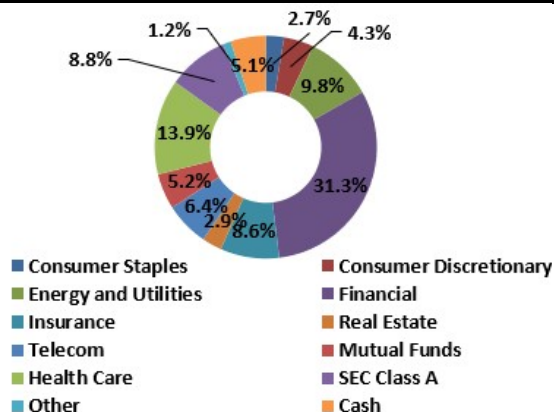
	Fund	Benchmark*
1 Month	1.19%	0.39%
3 Month	3.06%	6.14%
1Yr	4.99%	8.54%
3Yr	12.66%	10.98%
5Yr	10.87%	6.50%

*BISX All share Index

TOP FIVE HOLDINGS

FIDELITY BANK (BAHAMAS)	14.50%
DOCTORS HOSPITAL	13.85%
SEC CLASS A (Private Equity)	8.81%
FINCO	7.78%
CABLE BAHAMAS	6.40%

ALLOCATION



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.

Mixed Performance in 2023

In Q4 the Fund returned 3.06% versus 6.14% for the BISX All Share Index (BISX). Over the last year the Fund returned 4.99% versus the 8.54% generated by BISX, which is heavily weighted (33% of the total index) towards CIBC shares, which returned 9.83% in Q3 but is down -9.32% YTD.

Over the last 3 years and 5 years, the Fund's average annual return was 12.16% and 9.17%, respectively. Over both periods the Fund significantly outperformed BISX.

The stars in Q4 were Consolidated Water, Commonwealth Bank, AML, and which increased by 30.57%, 29.76%, and 14.85% respectively. The underperformers in Q4 were Bank of The Bahamas, First Caribbean, and Bahamas First which declined by -19.81%, -7.96% and -6.98% respectively.

Overall stocks have performed well in Q4 closing out the year on a positive note. The domestic economy is poised to experience a moderated pace of growth, driven primarily by the performance of the tourism sector. This anticipated expansion is expected to closely align with the economy's medium-term growth potential, reflecting a balance between sustainable development and sectoral performance.

The table below illustrates the remarkable progress witnessed in the Bahamas throughout 2023, particularly in comparison to other economies. Notably, this progress includes a substantial decrease in inflation, which has contributed to a slowdown in consumer spending, alongside the lowest unemployment rates recorded since before the onset of the Great Recession in 2008.

Selected International Statistics

A: Selected Macroeconomic Projections (Annual % Change and % of labor force)						
	Real GDP		Inflation Rate		Unemployment	
	2022	2023	2022	2023	2022	2023
Bahamas	14.4	4.3	5.6	3.9	12.3	8.8
United States	2.1	2.1	8.0	4.1	3.6	3.6
Euro-Area	3.3	0.7	8.4	5.6	6.7	6.6
Germany	1.8	-0.5	8.7	6.3	3.1	3.3
Japan	1.0	2.0	2.5	3.2	2.6	2.5
China	3.0	5.0	1.9	0.7	5.5	5.3
United Kingdom	4.1	0.5	9.1	7.7	3.7	4.2
Canada	3.4	1.3	6.8	3.6	5.3	5.5

Source: IMF World Economic Outlook October 2023

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