

Equity Pension Fund

Quarterly Report, Q2 2021
Issue 36



June Net Asset Value:	\$2.4533
Assets:	\$1.697M
Inception:	Nov-12

PERFORMANCE

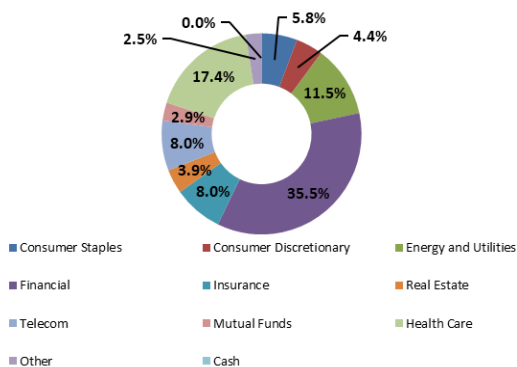
	Fund	Benchmark*
1 Month	1.54%	1.10%
3 Month	3.65%	0.46%
1Yr	7.57%	-7.15%
5Yr	8.75%	0.20%

* BISX All Share Index

TOP FIVE HOLDINGS

FIDELITY BANK (BAHAMAS)	19.35%
DOCTORS HOSPITAL	17.40%
FINCO	8.35%
FOCOL HOLDINGS	8.01%
CABLE BAHAMAS	8.00%

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.

The Tail of Two Halves

In Q2 the Fund returned 1.54% versus 1.10% for the BISX All Share Index (BISX). Over the last five years the Fund averaged an annual return of 8.75%, versus the 0.20% generated by BISX.

The recovery of the Bahamian economy that started in Q1, gained momentum in Q2. This is evidenced by the increase in passengers at NAD and the commencement of home porting of several cruises. We expect this trend to continue in the 2H 2021. Granted, the key threat to this growth is the delta variant of Covid-19 and the potential for another wave in the US and here in The Bahamas.

The major driver of this growth will be the tourism sector, which was shut down in 2020 due to the pandemic but has begun to show real signs of strengthening. A representative for the US Customs and Border Protection (CBP) projects that by end of the summer we should reach 70-75% of pre-COVID departure levels. Health travel visa data shows that in May 2021 some 110,000 visas were purchased—an increase from the 22,000 in January 2021.

The two major resorts, Atlantis and Baha Mar, are reporting high occupancy rates over the summer. Also, the re-start of the cruise industry, including the introduction of home porting by various cruise lines, should help boost the economy through the end of 2021. This positive momentum will depend on the country's ability to contain the spread of the Covid-19, which is primarily depended on a significant ramp up in local vaccination rates.

As the saying goes, a rising tide raises all boats and if the economy continues to improve, then the majority of our BISX listed stocks should benefit.

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