

# Balance Pension Fund PPP

Quarterly Report, Q2 2022  
Issue 36



June Net Asset Value:	1.968
Assets:	\$3.986M
Inception:	Nov-12

## PERFORMANCE

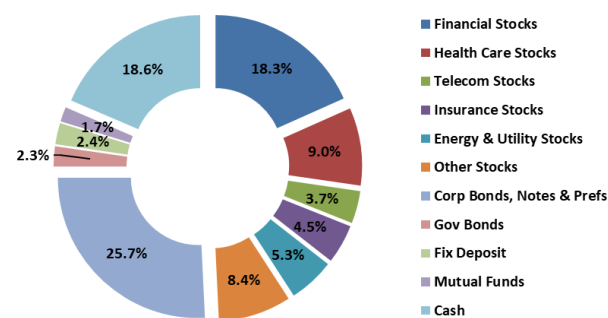
	Fund	Benchmark*
1 Month	2.34%	3.42%
3 Month	4.07%	7.50%
YTD	4.57%	15.52%
3Yr	8.31%	5.76%

\*Blended Index: 60% current Bahamas Prime Rate and 40% BISX All Share Index

## INVESTMENT EXPOSURE

CORP. BONDS, NOTES & PREFS.	25.7%
FINANCIAL STOCKS	18.3%
HEALTH CARE STOCKS	9.0%
ENERGY & UTILITY STOCKS	5.3%
INSURANCE STOCKS	4.5%

## ALLOCATION



*The Secure Balanced 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 Benefit of Equity Exposure

Over the Year to date the Fund returned 4.57% vs 15.52% for the benchmark. Over the last 3 years, the Fund has averaged 8.31% per annum versus 5.76% for the benchmark.

Currently 50.97% of the Fund's portfolio is invested in equities, with 47.29% in fixed income and the balance in cash. The target allocation is 40% equities and 60% fixed income, but no attractive new fixed income securities have come to market recently, so cash was invested in undervalued equities.

Over time the Fund will rebalance its asset allocation to the target 40/60 split, but the timing of this will depend on attractive new fixed income securities coming to market.

The Fund's largest sector exposure is the financial services sector, with 18.5% of the total portfolio invested local banks. This sector has been the top performing sector for this quarter, with many local banks producing strong returns.

Investment opportunities in look fixed income remain limited, but several local stocks remain attractive investments. Many stocks have seen very attractive returns throughout this quarter, which we expect to see in other companies throughout the rest of the year.

We expect for the equity market to drive the Fund forward through the end of the year as business return to near pre-pandemic levels and new private fixed income offerings come to market, which will also help drive returns.

The economy is projected to maintain a healthy recovery momentum in 2022, supported by strong gains in both stopover and cruise activities. 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.