

Fixed Income Pension - PRA

Quarterly Report, Q2 2022
Issue 36



June Net Asset Value:	\$1.1701
Assets:	\$11.02M
Inception:	JUN-18

PERFORMANCE

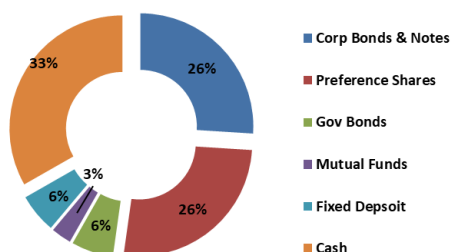
	Fund	Benchmark*
1 Month	0.01%	0.35%
3 Month	0.33%	1.06%
1Yr	2.49%	4.25%

*Bahamas Prime Rate

TOP FIVE HOLDINGS

NAD PARTICIPATING DEBT NOTES 7.5%	9.60%
CABLE BAHAMAS PRAF SHARES 6.25%	8.90%
BE ALIV FIXED RATE NOTES 8.5%	4.20%
BE ALIV SERIES 1 PRAF SHARES 8.0%	4.20%
CABLE BAHAMAS PRAF SHARES 5.75%	3.80%

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.

2022 Looking Optimistic

The Fund generated a steady 0.33% return in Q2 . Over the past year, the Fund has averaged 2.49% vs 4.25% for benchmark.

The Fund's cash holdings remained high at 33.00% of the portfolio. While excess cash means the Fund is highly liquid, it also creates a drag of return, which we have seen over the last 12 months. Granted, the Fund has a substantial "war chest" of cash and is well positioned to benefit from future investment opportunities. Also, a net return of 2.50% over the last year dwarfs what commercial banks are offering on fixed deposits.

The Bahamian economy has continued to grow throughout the first two quarters of the year. Tourism has been the main driver of this growth, as Baha Mar and Atlantis have both reported strong occupancy levels, as the hotels look to progress to pre-Covid levels. Baha Mar reported a near full house during the Fourth of July weekend, with expectations that demand will remain high thorough out the summer.

Even with the strong rebound in tourism, the Bahamian economy is still under immense pressure to recover from the pandemic, which created a goods and services trade deficit of about \$1.7bn. The Government must find a way to reduce this deficit in both the short-term and long-term. This large deficit shows important fiscal prudence will be going forward.

The Fund's large cash holdings means it has lots of capacity to take advantage of several private sector offerings expected to come to market in later in the year which will help boost returns.

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