

Fixed Income Pension Fund

Quarterly Report, Q2 2022
Issue 36



June Net Asset Value:	1.986
Assets:	\$20.151M
Inception:	Nov-12

The War Chest

The Fund generated a return of 0.096% in Q2 . Over the last 3 years the Fund grew by an average of 3.39% per annum.

PERFORMANCE

	Fund	Benchmark*
1 Month	0.096%	0.35%
3 Month	0.21%	1.06%
1Yr	2.04%	4.25%
3Yr	3.39%	4.35%

*Bahamas Prime Rate

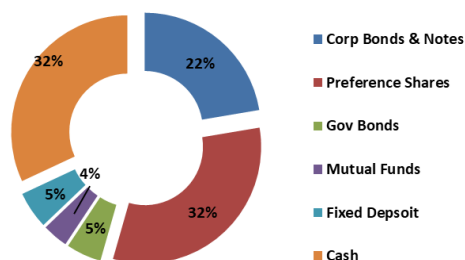
The Fund’s cash holdings remained high at 33.00% of the portfolio. While excess cash means the Fund is highly liquid, it also creates a drag of return, which we have seen over the last 12 months. Granted, the Fund has a substantial “war chest” of cash and is well positioned to benefit from future investment opportunities. Also, a net return of 2.04% over the last year dwarfs what commercial banks are offering on fixed deposits.

TOP FIVE HOLDINGS

NAD PARTICIPATING DEBT NOTES 7.5%	9.0%
CABLE BAHAMAS PEF SHARES 6.25%	8.2%
CABLE BAHAMAS PEF SHARES 6%	6.6%
BE ALIV FIXED RATE NOTES 8.5%	3.9%
BE ALIV SERIES 1 PEF SHARES 8.0%	3.8%

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.

ALLOCATION



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.

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.

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