

# PPP Equity Pension Fund



Quarterly Report, Q2 2022  
Issue 36

|                       |          |
|-----------------------|----------|
| June Net Asset Value: | 6.654    |
| Assets:               | \$2.015M |
| Inception:            | Nov-12   |

## PERFORMANCE

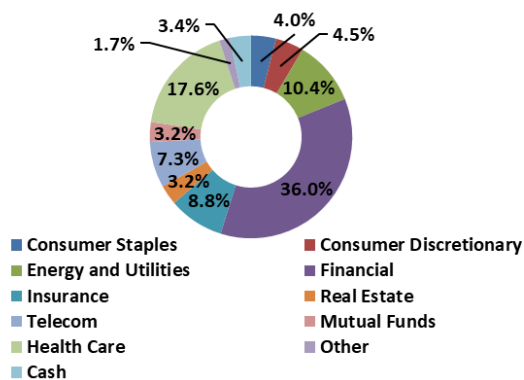
|         | Fund   | Benchmark* |
|---------|--------|------------|
| 1 Month | 5.01%  | 6.29%      |
| 3 Month | 8.27%  | 15.88%     |
| 1YR     | 22.98% | 32.42%     |
| 3Yr     | 12.91% | 7.87%      |

\*BISX All share Index

## TOP FIVE HOLDINGS

|                         |        |
|-------------------------|--------|
| FIDELITY BANK (BAHAMAS) | 18.75% |
| DOCTORS HOSPITAL        | 17.57% |
| FINCO                   | 7.83%  |
| CABLE BAHAMAS           | 7.33%  |
| FOCOL HOLDINGS          | 6.46%  |

## ALLOCATION



## Equities Lead the Way

In Q2 the Fund returned 8.27% versus 15.88% for the BISX All Share Index (BISX). Over the last year the Fund returned 22.98% versus the 32.42% generated by BISX.

Over the last 3 years the Fund's average annual return was 12.91%, vs 7.87% for BISX.

The Bahamian economy continued its recovery in Q2 but inflation, supply chain shortages, and risk of a US recession might limit the recovery going into 2023. The positives of the quarter as the continued growth of tourist arrivals, led by cruise ship passengers. The removal of the Covid testing requirement should help tourist arrivals to continue to rise throughout the rest of 2022.

BISX equities continued their upward trajectory in Q2, with Commonwealth Bank and Consolidated Water Company leading the way, with 35.34% and 31.22% increases respectively.

Other stars of Q2 were First Caribbean International Bank (CIB), Cable Bahamas, and Fidelity Bank, which rose 23.08%, 19.70%, and 15.07% respectively. The biggest faller of the quarter was Emera Incorporated, which fell by 5.60%. BISX is a market capitalization weighted index and CIB represents 34% of total market cap versus 5% of the fund's portfolio, BISX is not an ideal benchmark, but is the best one available.

For 2022 we feel the Fund's equity portfolio is positioned to continue outperforming BISX going forward and that the Bahamian economy should be able to continue their recovery from Covid. While tourist arrivals have increased significantly which is great for the economy, uncertainties about inflation and a fear for a US recession could limit the Bahamas recovery going into 2023.

*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.*

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