

Pension Balanced Fund

Quarterly Report, Q2 2023
Issue 37



Let's Stay the Course

June Net Asset Value:	\$2.78
Assets:	\$26.41M
Inception:	Nov-12

PERFORMANCE

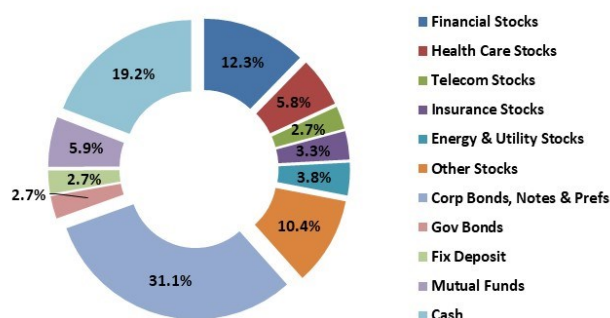
	Fund	Benchmark*
1 Month	0.32%	1.17%
3 Month	0.80%	3.31%
1Yr	3.94%	2.14%
3Yr	6.79%	5.27%
5yr	6.62%	4.93%

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

INVESTMENT EXPOSURE

CORP. BONDS, NOTES & PREFS.	31.1%
CASH	19.2%
FINANCIAL STOCKS	12.3%
HEALTH CARE STOCKS	5.8%
ENERGY & UTILITY STOCKS	3.8%

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.

In Q2 2023 the Fund's NAV increased by 0.80% which underperformed against the benchmark at 3.31%. Over the last year the Fund returned 3.94% vs 2.14% for the benchmark. Over the last 5 years, the Fund has averaged 6.62% per annum versus 4.93% for the benchmark.

Currently 40.20% of the Fund's portfolio is invested in the Targeted Equity Fund, 57.4% in the Prime Income Fund, and 2.4% in cash. The target allocation is 40% equities and 60% fixed income, so the fund is effectively in line with the target.

The effective exposure of the Fund is noted in the allocation chart bottom left. The largest asset class is corporate bonds, notes, and preference shares accounting for 31.1% of the portfolio. The large cash position is primarily due to the excess cash in the Prime Income Fund. In total, equities account for 38.4% of the total portfolio.

The stars in Q2 were Consolidated Water, Bank of the Bahamas, CIBC, and FOCOL which increased by 61.67%, 17.65%, 12.68%, and 12.50%, respectively. The dogs in Q2 were AML, Bahamas First, Cable Bahamas, and Fidelity Bank which declined by 15.46%, 8.89%, 7.11%, and 2.78%, respectively.

The Prime Income Fund is currently reviewing several USD investment opportunities in which we plan to invest \$40-\$50 million of the fund's excess cash. The table below details how US yields continue to edge upward making investing in USD fixed income increasing more attractive. In fact, USD treasury yields are higher than Bahamian government yields out to 2028.

The top priority during the second half of 2023 is getting as much of the excess cash invested as possible.