



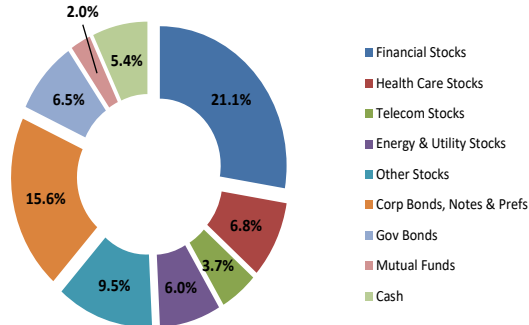
Sept. Net Asset Value:	\$2.3090
Assets:	\$17.42M
Inception:	Jul-98

Performance:

	Fund	Benchmark*
1 Month	0.68%	0.19%
3 Month	1.52%	0.05%
1 Yr	2.43%	1.88%
3 Yr Ave Ann	7.07%	3.99%

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

Asset Allocation



Top Holdings:

CABLE BAHAMAS PREF SHARES	6.25%
NAD PARTICIPATING DEBT NOTES	7.5%
BE ALIV FIXED RATE NOTES	8.5%
FIDELITY BANK (BAHAMAS)	
DOCTORS HOSPITAL	
FINCO	

The Balanced Fund is a pension-only pool of assets that invests in the pension-specific shares of other equity and fixed income funds. Performance shown does not include any fees associated with the administration of a pension plan and may differ from other shares offered in the fund as a result of different fee structures. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to any restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

Getting the Risk & Return Profile Right

The Plan's performance versus the benchmark has been strong over the last month, quarter, year and 3 years. The local equity market has been negatively impacted by the Covid-19 induced recession, and until the economy starts to recover, equity returns are expected to remain under pressure.

Currently 51.3% of the Plan's portfolio is invested in equities, with the balance invested in fixed income. The target allocation is 40% equities and 60% fixed income, so for the balance of 2020 the focus will be on reducing equity exposure and increasing fixed income holdings.

The local equity market has been more volatile than normal, with the first half of the year being impacted by the economic shock caused by the Covid-19 pandemic. In Q3 the local equity stabilized in large part, with increases in stocks selling necessary goods and services benefitting offsetting declines in more vulnerable sectors.

The listing of government debt on BISX established a Bahamian yield curve. YTD yields have been increasing and the yield curve steepening, which means interest rates are increasing, with longer-term yields increase faster than medium-term and shorter-term yields.

Interest rates and bond prices are inversely related, so we expect to see further downward pressure on bond prices for the balance of 2020 and into 2021.

The Plan will focus on reducing the weighted average maturity of its fixed income portfolio as a means of reducing interest rate risk.

For the balance of 2020, we will focus on risk management and portfolio reallocation.

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