

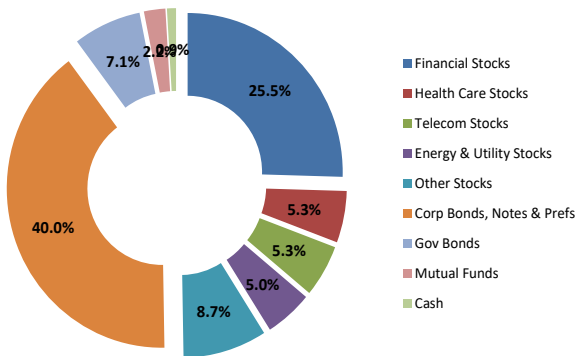


Dec Net Asset Value:	\$1.6756
Assets:	\$1.84M
Inception:	Jul-98

Performance:

	Fund	Benchmark*
1 Month	0.59%	0.97%
3 Month	1.35%	1.75%
1 Yr	11.55%	6.73%
3 Yr Ave Ann	5.94%	5.24%

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



Top Holdings:

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

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.

Balancing Risk & Return

The Secure Balanced Fund (the "Fund") appreciated by 1.36% in Q4, which represents a deceleration versus the first nine months of 2019. In 2019 the fund appreciated by 11.57% versus the 6.73% return of the benchmark. Over the last five years, the fund has averaged 6.71% per annum versus 5.24% for the benchmark.

Investors should be concerned about return, but they also need to understand risk. One of the primary ways to reduce risk is through diversification. The chart to the left shows that the Fund is diverse with approximately a 50/50 split between fixed income and equity exposure. Also, the equity component is invested across a number of industries. The Fund offers a reasonable blend of risk and return for the average investor.

The table below details Morgan Stanley's real GDP forecasts for 2020-2024. US real GDP growth is expected to remain positive and range from 1.1% to 1.9%. According to the Central Bank of The Bahamas, indications are that growth will be more subdued in 2020 versus 2019 due to the temporary reduction in tourism capacity. This position is consistent with Morgan Stanley's outlook.

Real GDP Forecasts	2019E	2020E	2021E	2022-2024E
Global	3.00%	3.20%	3.50%	3.30%
G10	1.70%	1.30%	1.50%	1.10%
US	2.30%	1.80%	1.90%	1.10%
Emerging Markets	3.90%	4.40%	4.70%	4.60%
China	6.10%	6.00%	5.90%	5.20%

Source: Morgan Stanley, On The Markets, December 2019

In 2020 we are expecting the Fund's return to be more in line with the five year average. The fixed income portion of the portfolio is expected to generate returns of around 5%, while the equity portion is expected to generate returns of 8%-10%.

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