

# PPP Fixed Income Pension Fund

Quarterly Report, Q4 2022  
Issue 38



## Returns Continue to Edging Up!

|                       |          |
|-----------------------|----------|
| Dec. Net Asset Value: | \$22.49  |
| Assets:               | \$21.01M |
| Inception:            | Nov-12   |

### PERFORMANCE (Net)

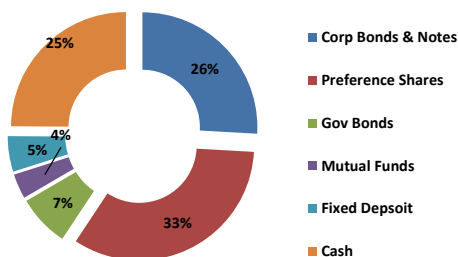
|         | Fund  | Benchmark* |
|---------|-------|------------|
| 1 Month | 0.29% | 0.35%      |
| 3 Month | 0.80% | 1.06%      |
| 1Yr     | 2.83% | 4.25%      |
| 3Yr     | 3.68% | 4.25%      |
| 5Yr     | 4.09% | 4.25%      |

\*Bahamas Prime Rate

### TOP FIVE HOLDINGS

|                                   |        |
|-----------------------------------|--------|
| CABLE BAHAMAS PREF SHARES 6.00%   | 11.98% |
| NAD LIMITED NOTE 7.50%            | 9.22%  |
| CABLE BAHAMAS PREF SHARES 5.50%   | 8.75%  |
| BE ALIV FIXED RATE NOTES 8.5%     | 3.82%  |
| BE ALIV SERIES 1 PREF SHARES 8.0% | 3.79%  |

### ALLOCATION



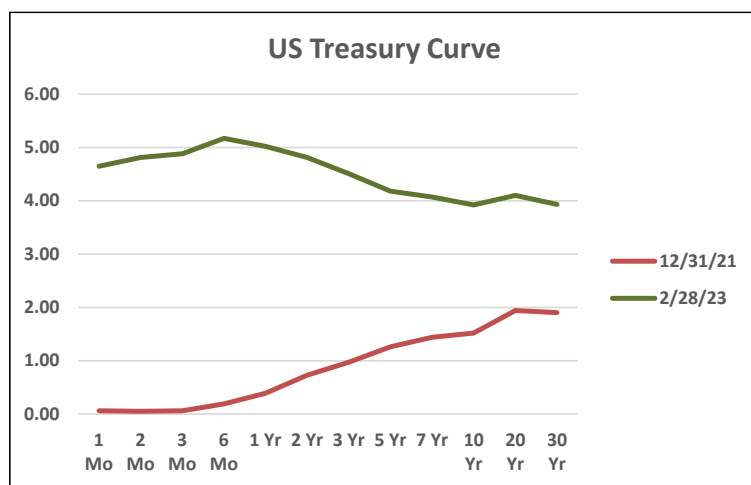
*The Prime Income Fund is a sub fund of the Bahamas Opportunities umbrella investment fund, which began in November 2012. Performance shown is for Series 1, or retail, shares, which may differ from other Series offered in the fund. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to the restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.*

The Fund generated a return of 0.80% in Q4. This equates to an annualized return of 3.20% versus 2.87% over the last 12 months. The Fund's performance is trending upwards. Over the last 5 years the Fund grew by an average of 4.09% per annum.

The Fund's cash holdings reduced from 33.80% in Q3 to 24.59% in Q4 of the portfolio. This was as a result of the Fund investing USD fixed income securities. Investments were made in US T-Bills and intermediate term investment grade corporate bonds. The plan is to invest excess cash over time as opportunities present themselves.

The chart below shows the significant upward shift in US yields. Currently the US 6-Month T-bill is yielding around 5.2% versus 2.92% on Bahamian 6-month T-bills despite the US being AAA rated (Prime) and versus B- (Highly Speculative) for The Bahamas.

BSD corporate fixed income opportunities remain scarce and if needed to Fund will externalize more funds to reduce cash drag on returns, diversify the portfolio, and ensure future liquidity.



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