

Prime Income Fund

Quarterly Report, Q4 2024
Issue 38



A Focus on Yield and Liquidity

Net Asset Value:	\$8.24
Assets:	\$482.5M
Inception:	Nov-12

PERFORMANCE (Net)

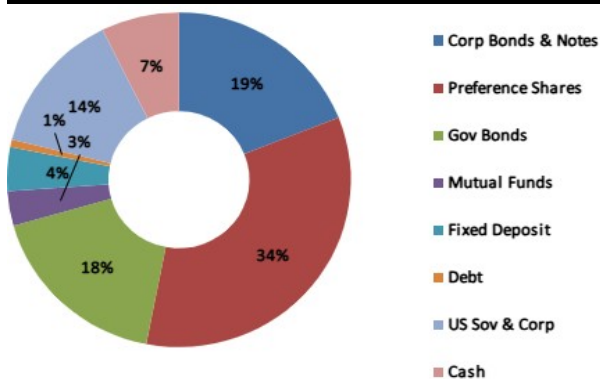
	Fund	Benchmark*
1 Month	0.35%	0.35%
3 Month	0.81%	1.06%
1Yr	3.22%	4.25%
3Yr	3.08%	4.25%
5Yr	3.50%	4.25%

*Bahamas Prime Rate

TOP FIVE HOLDINGS

CABLE BAHAMAS PEF SHARES 6.00%	10.30%
CABLE BAHAMAS PEF SHARES 5.50%	7.98%
NAD LIMITED PDN NOTE 7.50%	7.79%
CASH-BSD	6.37%
U.S. TREASURIES / NOTES	6.04%

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 Prime Income Fund (the "Fund") was up in December which equates to an annualized rate of 4.20% versus the 3.22% in 2024. While the Fund underperformed versus the benchmark in 2024, we feel the recent investments and asset reallocations will boost returns in 2025.

In the BSD Market, the Fund recently added investments in the Bahamas Grid Company (8%), Be Aliv Limited Series II (8%), and Bahamas Government 90 Day T-Bills (3%). The Plan during the first half of 2025 is to add USD holdings, which provide great liquidity for the fund, and attractive BSD paper which is expected to come to market.

During the middle of 2024 the markets expected the Federal Reserve to engage in a series of cuts over the balance of 2024 and into the first half of 2025. The Fed cut rates by 0.5% in Q3 and again by 0.25% in Q4(See Chart below), but now markets are only expecting one or two 0.25% rate cuts in 2025. The Fund has approximately 15% of the portfolio invested in USD fixed income securities, so managing interest rate risk is important. Which keeps the interest rate risk minimal. Also, the majority of the USD investments are in U.S Treasuries/Notes and investment grade corporate bonds.

July 2000–Jan. 2025

