

Targeted Equity Fund

Quarterly Report, Q4 2024
Issue 38



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|------------------|-----------|
| Net Asset Value: | \$15.10 |
| Assets: | \$131.26M |
| Inception: | Nov-12 |

PERFORMANCE (Net)

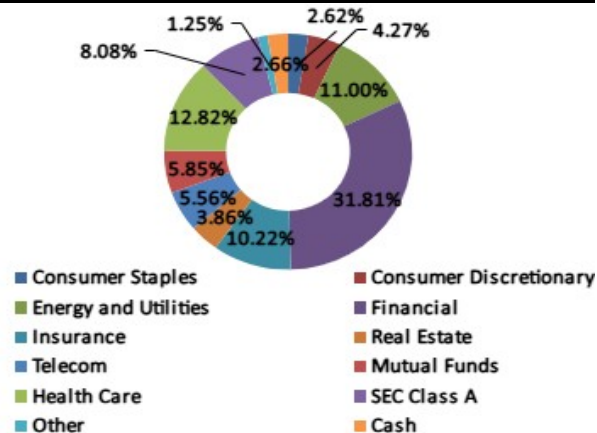
| | Fund | Benchmark* |
|---------|-------|------------|
| 1 Month | 1.52% | 1.16% |
| 3 Month | 1.46% | 0.61% |
| 1Yr | 5.67% | 5.35% |
| 3Yr | 8.56% | 10.60% |
| 5Yr | 8.34% | 6.41% |

*BISX All share Index

TOP FIVE HOLDINGS

| | |
|------------------------------|--------|
| FIDELITY BANK (BAHAMAS) | 13.43% |
| DOCTORS HOSPITAL | 13.17% |
| FINCO | 8.41% |
| SEC CLASS A (Private Equity) | 8.30% |
| FOCOL | 7.45% |

ALLOCATION



The Targeted Equity 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.

Portfolio Optimization for Long-Term Growth

In Q4 the Fund returned 1.52% versus 1.16% for the BISX All Share Index (BISX). Over the last year the Fund returned 5.67% versus the 5.35% generated by BISX.

Over the last 3 years and 5 years, the Fund's average annual return was 8.56% and 8.34%, respectively. The fund outperformed the benchmark in every period except for the 3 year period.

The stars in Q4 were FCL, FAM, and BPF which increased by 14.70%, 11.65%, and 9.38% respectively. The underperformers in Q4 were CAB, CBB, and EMA which declined by -10.00%, -9.10% and -5.86% respectively.

To enhance the Fund's diversification and potentially improve long-term returns, we're strategically adjusting our portfolio. This involves gradually increasing our exposure to international equities and alternative investments, currently representing 5.1% of the portfolio, with a target allocation of 10% by the end of 2025. Concurrently, we will strategically reduce positions in certain sectors to optimize the overall portfolio balance. This measured approach will not only enhance liquidity but also broaden the Fund's investment horizons.

The table below illustrates the continued strength of the tourism sector through the end of 2024. While occupancy rates have stabilized slightly below post-COVID peaks, the sector's outlook remains optimistic.

Graph 1: ADR and Occupancy Rates
December 2023 - December 2024

