

# Balanced Pension Fund

Quarterly Report, Q2 2024  
Issue 38—800685—BSD



## Tactical vs Strategic

Net Asset Value:	\$2.89
Assets:	\$27.03M
Inception:	Nov-12

### PERFORMANCE

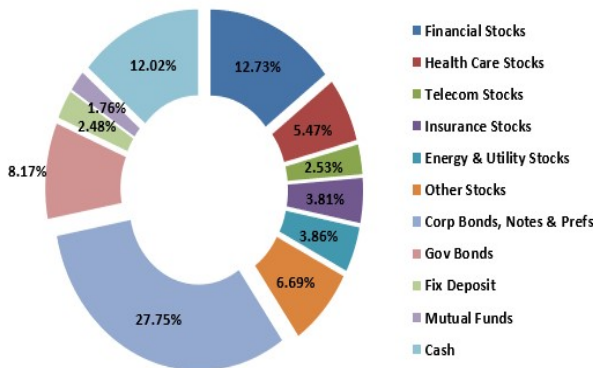
	Fund	Benchmark*
1 Month	0.25%	0.32%
3 Month	0.61%	0.73%
1Yr	4.04%	8.55%
3Yr	6.45%	8.44%
5yr	6.24%	5.38%

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

### INVESTMENT EXPOSURE

CORP. BONDS, NOTES & PREFS.	27.75%
FINANCIAL STOCKS	12.73%
CASH + Cash Equivalents	12.02%
GOVERNMENT BONDS	8.17%
HEALTH CARE STOCKS	5.47%

### ALLOCATION



*Fidelity Balanced Pension Fund is a sub fund of the Bahamas Opportunities umbrella investment 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.*

In June 2024 the Fund's NAV increased by 0.25% which was in line with the benchmark at 0.32%. Over the last year the Fund returned 4.04% vs 8.55% for the benchmark, but over the last 5 years, the Fund has averaged 4.04% per annum versus 5.38% for the benchmark.

Currently 38.75% of the Fund's portfolio is invested in the Targeted Equity Fund, 60.23% in the Prime Income Fund, and 1% in cash. The target allocation is 40% equities and 60% fixed income, so the fund is effectively in line with the target.

The stars in Q2 were FINCO, APD, and AML which increased by 13.28%, 8.38%, and 6.68% respectively. The underperformers in Q2 were Consolidated Water, FOCOL, and Commonwealth Brewery which declined by -15.10%, -5.32% and -4.63% respectively.

The Fund is well positioned from a strategic perspective regarding diversification across asset classes, industries, and geography. The Fund also has sufficient liquidity to take advantage of tactical opportunities that present themselves.

Subsequent to quarter-end the Fund invested in the Bahamas Grid Company 8% bonds and we expect additional attractive fixed income issues to come to market before year-end.

Regarding equities, the Fund has been active in the local equity market reducing positions and adding to positions based on our assessment of the market price versus intrinsic value.

The Fund's geographic exposure is approximately 12% USD and 88% BSD. The plan between now and the end of 2025 is to increase the USD exposure to 20%. We are of the view that this will increase the Fund's liquidity and enhance long-term performance.

The Fund's performance over the last 12 months, while positive, was below historic levels and we are actively positioning the Fund's portfolio to hopefully generate similar returns as it has done historically.