

Equity Pension Fund



Quarterly Report, Q3 2023
Issue 41—802159

September Net Asset Value:	\$3.25
Assets:	\$3.29M
Inception:	Nov-12

PERFORMANCE

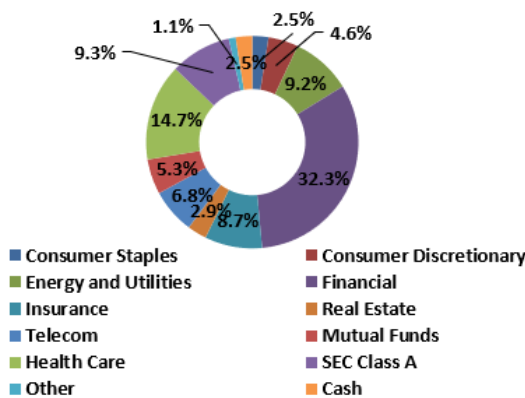
	Fund	Benchmark*
1 Month	-0.65%	0.47%
3 Month	1.40%	5.05%
1Yr	4.00%	2.02%
3Yr	12.33%	9.32%
5Yr	11.17%	6.99%

*BISX All share Index

TOP FIVE HOLDINGS

FIDELITY BANK (BAHAMAS)	15.33%
DOCTORS HOSPITAL	14.75%
SEC CLASS A (Private Equity)	9.31%
FINCO	8.16%
CABLE BAHAMAS	6.83%

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.

Improving The Risk/Return Profile Boosting Growth Potential

In Q3 the Fund returned 1.40% versus 5.05% for the BISX All Share Index (BISX). Over the last year the Fund returned 4.00% versus the 2.02% generated by BISX, which is heavily weighted (33% of the total index) towards CIBC shares, which returned 9.83% in Q3 but is down -9.32% YTD.

Over the last 3 years and 5 years, the Fund's average annual return was 12.33% and 11.17%, respectively. Over both periods the Fund significantly outperformed BISX.

The stars in Q3 were Bank of the Bahamas, Commonwealth Bank and Consolidated water which increased by 32.5%, 16.99%, and 16.46% respectively. The underperformers in Q3 were AML, Bahamas First, and Emera which declined by 17.90%, 12.60% and 12.00% respectively.

The mixed performance of Bahamian equities YTD 2023 slowed the performance of the Fund, but we expect a stronger Q4. The Bahamian economy continues to perform supported by strong tourism numbers. The chart below shows the steady increase in air arrivals and strong recovery in cruise passengers. The rate of growth is slowing but the industry remains strong.

We expect the Bahamian GDP growth slow to around 2.0%-2.5% in 2024, which means we will focus on companies with strong balance sheets, stable cash flows and dividend yields

