

Pension Balanced Fund—PRA



Quarterly Report, Q3 2023
Issue 38—104407—BSD

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|----------------------------|---------|
| September Net Asset Value: | \$1.26 |
| Assets: | \$3.92M |
| Inception: | Nov-12 |

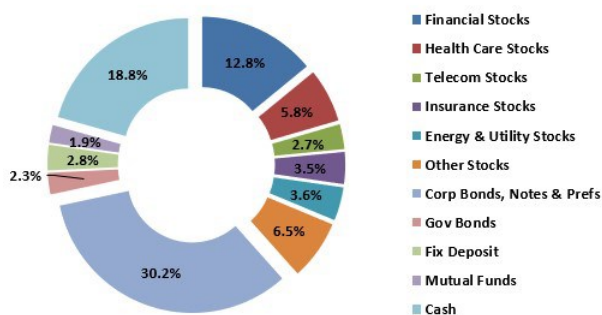
PERFORMANCE

| | Fund | Benchmark* |
|---------|--------|------------|
| 1 Month | -0.18% | 0.40% |
| 3 Month | 0.82% | 2.65% |
| 1Yr | 3.47% | 3.53% |
| 3Yr | 6.37% | 6.27% |
| 5Yr | 5.24% | 5.36% |

TOP FIVE HOLDINGS

| | |
|-----------------------------|--------|
| CORP. BONDS, NOTES & PREFS. | 30.23% |
| CASH | 18.75% |
| FINANCIAL STOCKS | 12.79% |
| HEALTH CARE STOCKS | 5.84% |
| ENERGY & UTILITY STOCKS | 3.63% |

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.

Strategic Balance is the key to success

In Q3 2023 the Fund's NAV increased by 1.10% which underperformed against the benchmark at 2.65%. Over the last year the Fund returned 3.80% vs 3.53% for the benchmark. Over the last 5 years, the Fund has averaged 8.47% per annum versus 5.36% for the benchmark

Currently 39.6% of the Funds portfolio is invested in the Targeted Equity Fund, 59.4% in the Prime Income Fund, and 2.4% in Cash. The Target allocation is 40% equities and 60% fixed income, so the fund is effectively in line with the target.

The effective exposure of the Fund is noted in the allocation chart bottom left. The largest asset class is corporate rate bonds, notes and preference shares accounting for 31.1% of the portfolio. The large cash position is primarily due to the excess cash in the Prime Income Fund. In total, equities account for 38.4% of the total portfolio

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 all AML, Bahamas First and Emera which declined by 17.90%, 12.60% and 12.00% respectively.

The Prime Income Fund's (PIF) performance is improving as excess cash balances are invested. In November 2022 the PIF invested \$30 million of the excess cash in U.S. treasuries and investment grade corporate bonds. This investment is necessary to reduce the cash drag on performance due to the large amount of excess cash. The PIF is actively seeking additional opportunities to invest the remaining \$60 million in excess cash over the next two quarters into 2024. We anticipate improved performance by the PIF which in turn will benefit the Secure Balance Fund.

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