

# Pension Balanced Fund—PRA



Quarterly Report, Q4 2023  
Issue 38—104407—BSD

December Net Asset Value:	\$1.28
Assets:	\$4.18M
Inception:	Nov-12

## PERFORMANCE

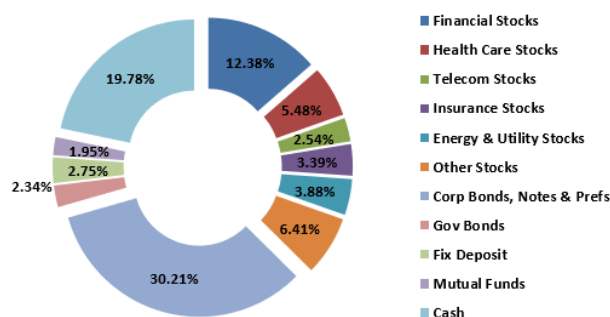
	Fund	Benchmark*
1 Month	0.70%	0.37%
3 Month	1.79%	3.09%
1Yr	3.87%	6.13%
3Yr	6.58%	7.04%
5Yr	5.36%	5.22%

\*BISX All share Index

## TOP FIVE HOLDINGS

CORP. BONDS, NOTES & PREFS.	30.21%
CASH	19.78%
FINANCIAL STOCKS	12.38%
HEALTH CARE STOCKS	5.48%
ENERGY & UTILITY STOCKS	3.88%

## 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.*

## Balancing for Optimal Outcomes

In Q4 2023 the Fund's NAV increased by 1.79% which underperformed against the benchmark at 0.37%. Over the last year the Fund returned 3.87% vs 6.13% for the benchmark. Over the last 5 years, the Fund has averaged 5.36% per annum versus 5.22% for the benchmark.

Currently 39.6% of the Fund's portfolio is invested in the Targeted Equity Fund, 59.4% 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 effective exposure of the Fund is noted in the allocation chart bottom left. The largest asset class is corporate bonds, notes, and preference shares accounting for 30.21% of the portfolio. The large cash position is primarily due to the excess cash in the Prime Income Fund. In total, equities account for 34.1% of the total portfolio.

The stars in Q4 were Consolidated Water, Commonwealth Bank, AML, and which increased by 30.57%, 29.76%, and 14.85% respectively. The underperformers in Q4 were Bank of The Bahamas, First Caribbean, and Bahamas First which declined by -19.81%, -7.96% and -6.98% respectively.

The Prime Income Fund ("PIF") is seeing enhanced performance as it begins investing its excess cash balances. In November 2022, the PIF allocated \$30 million of its excess cash into U.S. treasuries and investment-grade corporate bonds. This move aims to mitigate the cash drag on performance caused by the significant surplus of cash. Over the next two quarters into 2024, the PIF plans to actively explore additional investment opportunities for the remaining \$60 million in excess cash. We expect this initiative to lead to improved performance for the PIF, subsequently benefiting the Secure Balanced Fund.

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