

INVESTMENT COMMENTARY

Sagicor International Balanced Fund

March 2022

It was a losing first quarter of 2022 in both global equity and bond markets due to the twin threats of less accommodative central banks bent on tamping down runaway inflation and the war in Ukraine. Commodities were the only key asset class to deliver major gains so far in 2022. The MSCI All Country World Index (MSCI ACWI) and Dow Jones Industrial Average (DJIA) declined -5.3% and -4.1%, respectively for the quarter. While on the fixed income side the Global Aggregate Treasury Bond Index returned -6.2% for the quarter.

Emerging market equities were dragged down by European regions that are most dependent on Russian energy, grains and tourism. In contrast Latin American markets have benefited from higher commodity prices. The MSCI Emerging Markets Index declined -7.0% for the quarter.

Across the region, equity markets recorded mostly negative returns for the first quarter Barbados being the exception. The Jamaica Stock Exchange and Trinidad and Tobago Stock Exchange decreased -1.2% and -2.8%. While Barbados Stock Exchange advanced by 0.4% for the quarter.

The US Federal Reserve raised key interest rates to a range of 0.25% to 0.50% and commented Indicators of economic activity and employment have continued to strengthen. Job gains have been strong in recent months, and the unemployment rate has declined substantially. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures.

Against this backdrop the Sagicor International Balanced Fund returned -2.5% for the quarter ended March 31, 2022. The Net Asset Value was \$2.43 while net assets totaled \$220.9 million. Bond valuation prices globally were negatively impacted by rising interest rates and persistent inflation fueled by supply constraints and government spending to support firms and households during the pandemic. The Fund maintained its primary balanced mandate, with a diversified bond portfolio with a blend of international and regional holdings.

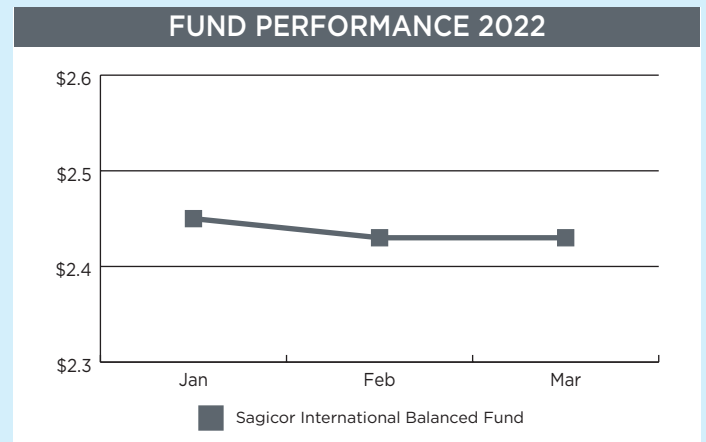
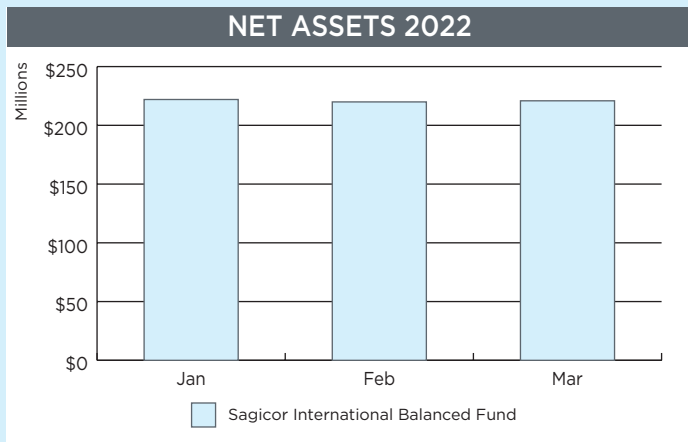
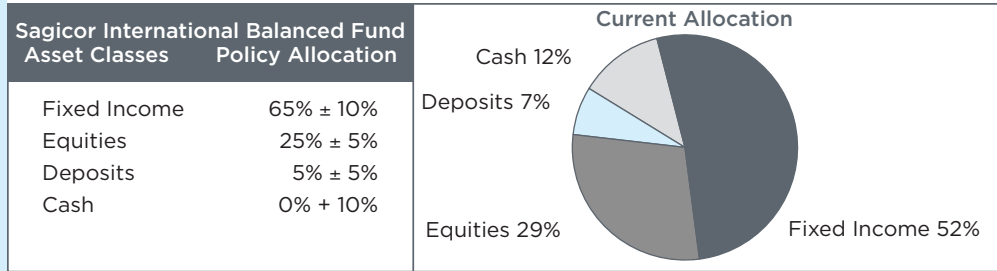
In the short-term investment environment remains tenuous given the Russian invasion of Ukraine has boosted commodities costs stoking expectations of higher inflation and more aggressive central bank interest rate hikes. Wage inflation is another headwind that threatens corporate profit margins and downward revisions to earnings expectations are likely.

As some of the short-term repricing of bonds and equities clears the market over the coming months markets still have room to move higher given the resilience of North American markets and strong labor markets. We encourage investors to spend time in the market which is so much more effective than trying to time the market.

TOP 5 HOLDINGS		
	Holding	Country/Region
1	Government of Barbados Series D Bond	Barbados
2	St Lucia Electricity Services Limited	St. Lucia
3	Government of Bermuda 2027 Bond	Bermuda
4	Sagicor Bank Jamaica Ltd 1 year Term Deposit	Jamaica
5	Trinidad & Tobago 2026	Bahamas

*as at March 31, 2022

**Policy Asset Allocation
Sagikor International Balanced Fund**



FINANCIAL HIGHLIGHTS AS AT MARCH 31, 2022

	SAGIKOR INTERNATIONAL BALANCED FUND
Financial Investments	\$ 193,601,470.55
Total Assets	\$ 220,708,711.18
Total Liabilities	\$ (163,980.37)
Net Assets	\$ 220,872,691.55
Net Investment Income/(Loss)	\$ (5,638,664.15)
No. of Units Outstanding as at March 31, 2022	90,992,311
Net Asset Value per Unit as at March 31, 2022	\$ 2.43
Increase/(decrease) in Net Asset Value per Unit for year	-2.5%

INDEX	ASSET CLASS	COUNTRY	JAN 2022 - MAR 2022
ECSE	Domestic Equity	St. Kitts	-0.4%
MSCI ACWI	Global Equity	International Developed & Emerging	-5.3%
Dow Jones	Global Equity	US	-4.1%
Global Aggregate Treasuries Bond Index	Global Fixed Income	International	-6.2%

*as at March 31, 2022