

Sagicor International Balanced Fund



ASSET MANAGEMENT

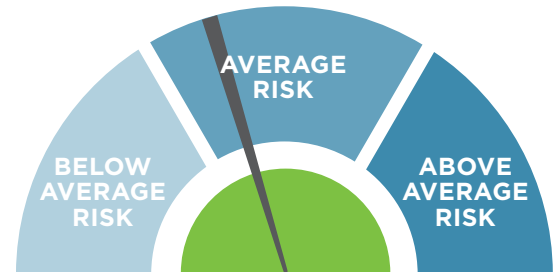
Q4

Inception Date: January 14, 2000
Fund Manager: Sagicor Asset Management Inc.
Quarterly Newsletter
December 31, 2024

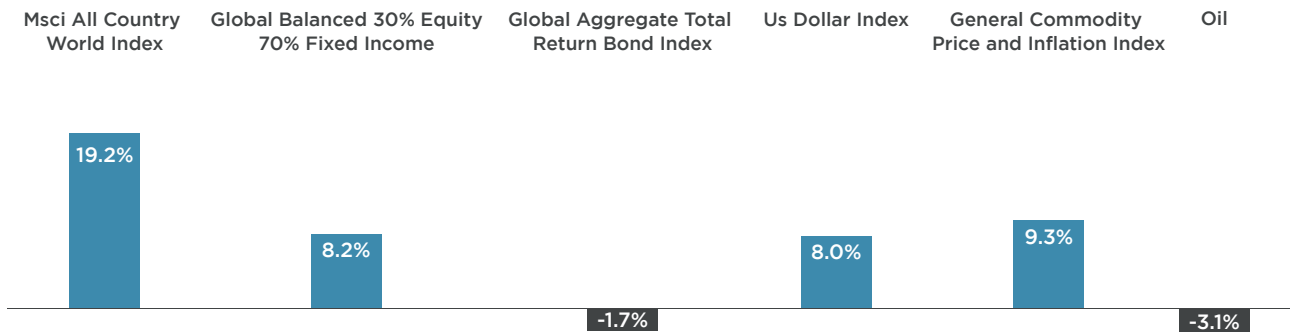
Investment Objective

The primary objective of the Scheme is to balance risk and return with the aim of achieving long-term growth to facilitate the payment of the pensions by occupational pension plans invested in the Scheme and the return of contributions to members of such plans where employment terminates before retirement age.

Investor Risk Tolerance Level



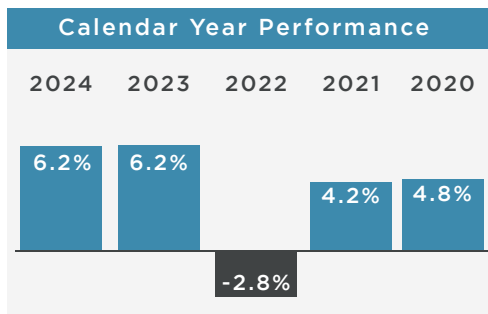
Asset Classes By Year-to-Date Total Return



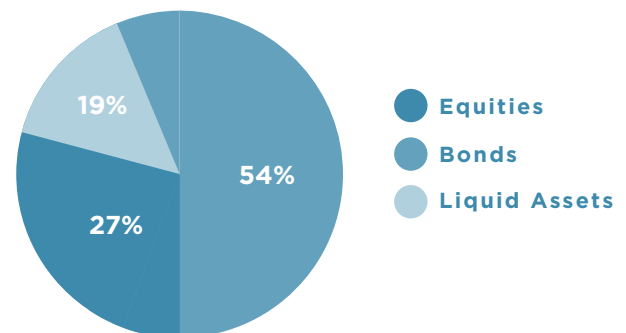
Annual Management Fee

0.75% p.a.

Performance History (%)



Asset Class Allocation (%)



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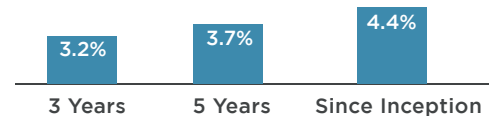
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Fund Statistics

Total net assets (in millions)	\$270.4
NAV/Unit	\$2.73
Percentage of top ten (5) holdings	29%
Yield to Maturity	5.3%
Duration in Years	4.9

Fund Performance (%)



Commentary

A Stellar Year for US Stocks Ends with a Pullback

The year concluded with a notable pullback in large technology companies, extending a stretch of losses that began after US Federal Reserve policymakers tempered expectations for interest rate cuts in 2025. Lingering inflation and the resilience of the US economy, as evidenced by December data did little to shift market sentiment regarding the outlook for monetary policy. Adding to the uncertainty, the prospect of "Trump 2.0" and the anticipated increase in tariffs on imported goods raised concerns about a potential resurgence in inflation.

Global and Regional Market Performance

The MSCI All Country World Index declined by -0.4% for the quarter but posted an impressive 19.2% gain for the year. Regionally, the ECSE, Barbados, Jamaica, and Trinidad & Tobago stock markets returned 5.6%, 2.4%, 3.1%, and -11.6%, respectively, over the same period.

Bond Market and Currency Movements

Global bonds experienced a significant decline of -5.1% quarter-to-date (QTD) following the Federal Reserve's decision to cut interest rates by 0.25%. However, the Fed signalled caution, noting that persistent inflation might necessitate a more restrained approach to monetary policy. Higher bond market yields and the threat of Trump-era tariffs bolstered the US dollar against a basket of hard currencies, including the Euro, Pound Sterling, and Yen.

Sagicor International Balanced Fund Performance

Against this backdrop, the Sagicor International Balanced Fund advanced by 6.2% year-to-date (YTD), driven by its exposures to local equities and bonds. International equities also contributed positively to the Fund's performance. For the QTD period, the return was flat at 0.0%.

Outlook and Key Considerations

We maintain a positive outlook for both local bonds and international equities, supported by GDP in the Eastern Caribbean Currency Union (ECCU) returning to pre-pandemic levels, the absence of an imminent recession in the US, and a shift by major central banks toward monetary stabilization policies. Recent data indicates that inflation is gradually dissipating, while the IMF forecasts global GDP to remain stable at 3.2% for 2025.

Downside Risks

In the short to medium term, downside risks to the outlook include unpredictable climate events and heightened global trade instability following Trump's return to office. However, it is worth noting that US equity markets have historically performed well under a Trump administration, despite periods of volatility.

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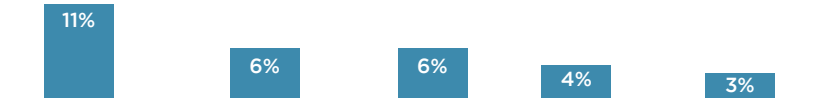
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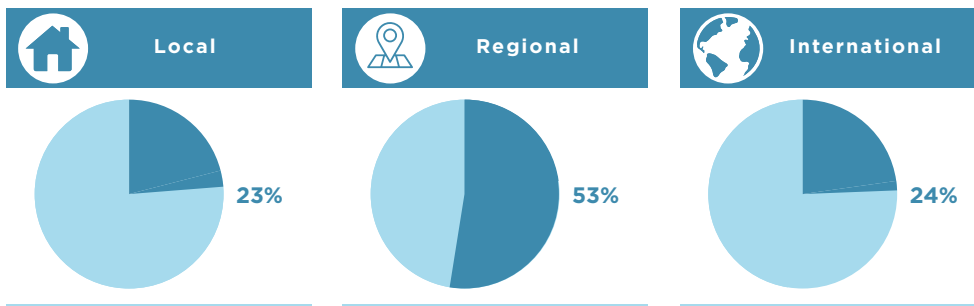
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Top 5 Holdings (%)

Government of Barbados Series D	St Lucia Electricity Services Limited	Gov't Of Bermuda 5% 2032	Gov't Of Bermuda 3.717% 2027	Bank of Montreal Term Deposit
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Geographical Breakdown (%)



International Equities Sector Breakdown (%)

