

Sagicor International Balanced Fund



ASSET MANAGEMENT

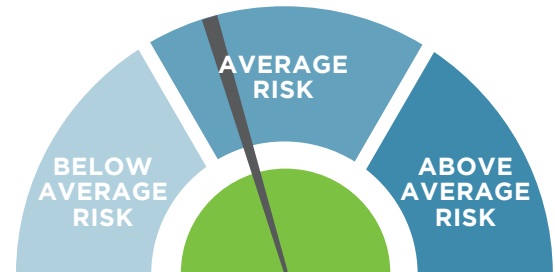
Q1

Inception Date: January 14, 2000
Fund Manager: Sagicor Asset Management Inc.
Quarterly Newsletter
March 31, 2025

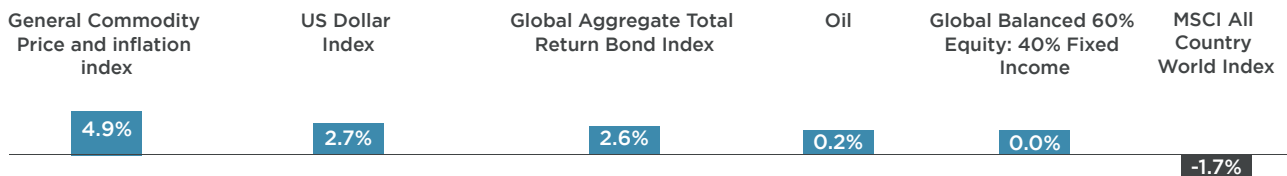
Investment Objective

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



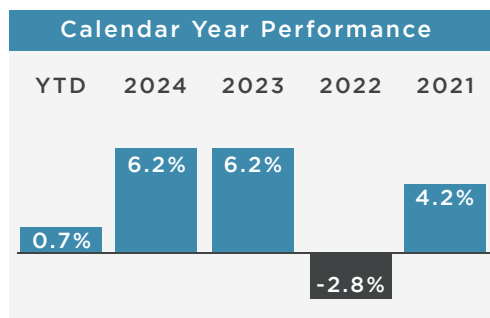
Asset Classes By Year-to-Date Total Return



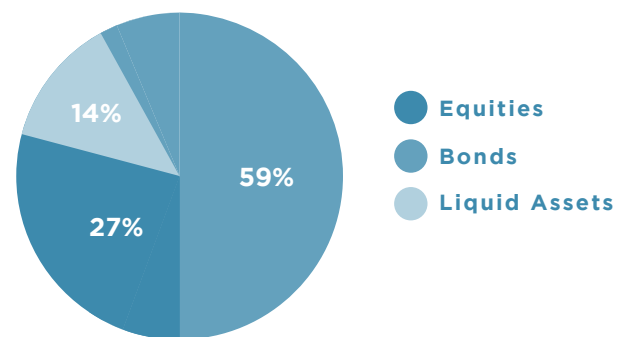
Annual Management Fee

0.75% p.a.

Performance History (%)



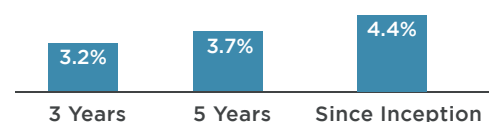
Asset Class Allocation (%)



Fund Statistics

Total net assets (in millions)	\$275,612,785
NAV/Unit	\$2.75
Percentage of top ten (5) holdings	29%
Yield to Maturity	5.3%
Duration in Years	4.9

Fund Performance (%)



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Commentary

What a Difference Three Months Can Make in Financial Markets

At the start of 2025, investor sentiment was overwhelmingly bullish on U.S. equities and bearish on the rest of the world, driven by optimism around AI advancements, deregulation, and pro-growth policies. However, the first quarter of the year delivered significant surprises, reshaping capital market dynamics.

Market Performance Highlights

U.S. Equities: Large-cap technology stocks faced steep selloffs in January after Chinese startup DeepSeek launched a cost-effective AI model, raising concerns about overstretched valuations. The S&P 500 Index fell -4.6%, marking its worst first quarter since 2022.

- **Global Equities:** The MSCI All Country World Index declined -1.7%, but performance varied widely across regions.
- **Europe:** The Stoxx 600 rose 5.2%, supported by Germany's fiscal stimulus reforms and relatively attractive valuations relative to US market stocks.
- **China:** The MSCI China All Shares Index surged 9.2%, fuelled by fiscal expansion policies, AI advancements, and efforts to stabilize the beleaguered real estate sector.
- **Caribbean Region:** Mixed results were observed, with TTSE and JSE down -2.2% -1.7% respectively, while the ECSE and BSE posted gains of 5.5% and 1.7%.

Key Drivers of Volatility

1. **Trade Policy Uncertainty:** The U.S. rattled global markets with unexpectedly aggressive reciprocal tariffs, prompting swift retaliation from China and potential countermeasures from others. The aggressive moves raised fears of slower growth, higher inflation, and job losses, overshadowing otherwise positive economic data.
2. **Safe Haven Demand:** Investors flocked to bonds and commodities amid the turmoil. The global aggregate bond index returned 2.6%, while gold soared by 18.6%, emerging as the top-performing asset in Q1.

Portfolio Impact and Strategy

The Sagicor International Balanced Fund advanced 0.7% (QTD), unrealized losses from international equity exposure was offset by gains in the fixed-income segment of the portfolio as bond prices increased.

Near-Term Outlook

- **Equities:** Our outlook has turned cautious due to the burgeoning trade war expected to slow global growth, increase inflation, and curtail corporate earnings growth. Equity markets are repricing to reflect these headwinds.
- **Fixed Income & Alternatives:** Bonds and cash equivalents are expected to outperform stocks, offering stability amid volatility, while uncorrelated equity market alternative investments can provide further diversification.
- **Central Bank Watch:** Policymakers may intervene with rate cuts (100-125 basis points) if economic conditions materially deteriorate, potentially offering relief to equities.

Strategic Positioning

While we remain invested in equities for potential recovery opportunities, we emphasize a balanced approach, favouring fixed income and alternatives to navigate near-term uncertainty.

Sagicor International Balanced Fund

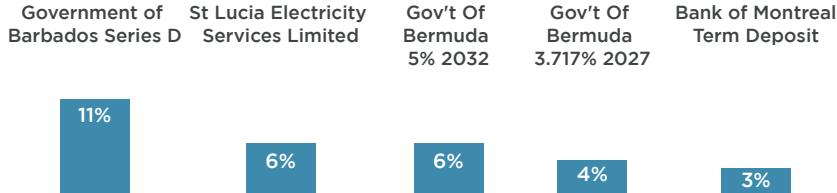


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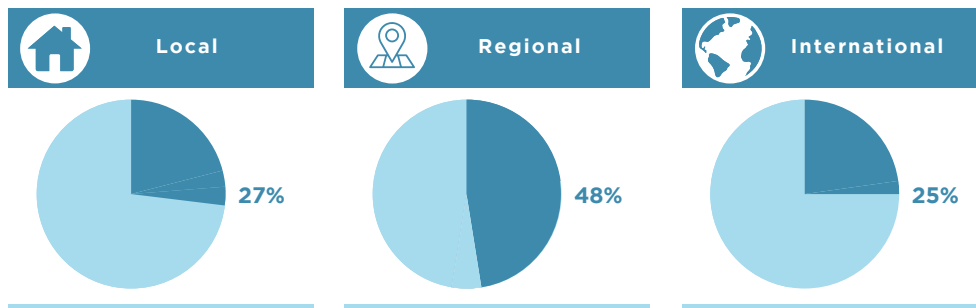
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Top 5 Holdings (%)



Geographical Breakdown (%)



International Equities Sector Breakdown (%)

