

Sagicor International Balanced Fund



ASSET MANAGEMENT

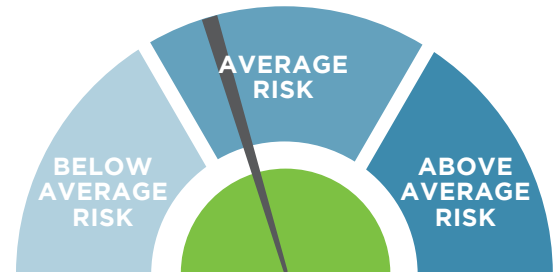
Q2

Inception Date: January 14, 2000
Fund Manager: Sagicor Asset Management Inc.
Quarterly Newsletter
June 30, 2025

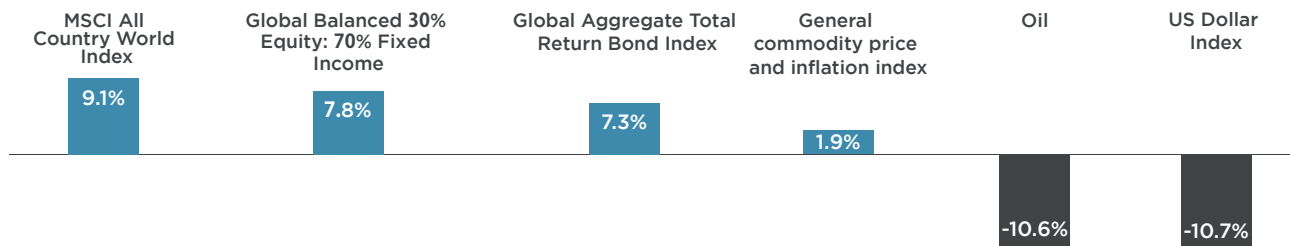
Investment Objective

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



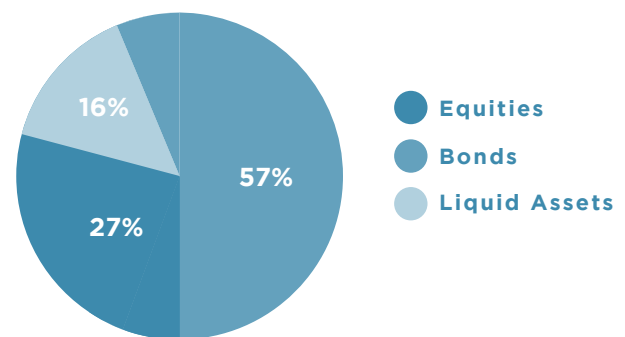
Asset Classes By Year-to-Date Total Return



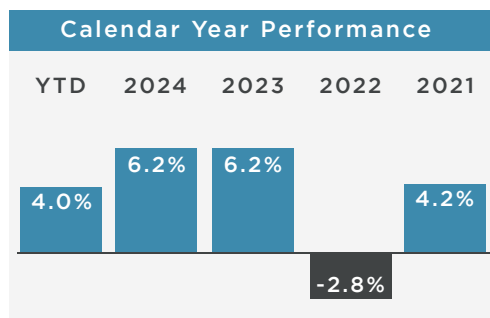
Annual Management Fee

0.75% p.a.

Asset Class Allocation (%)



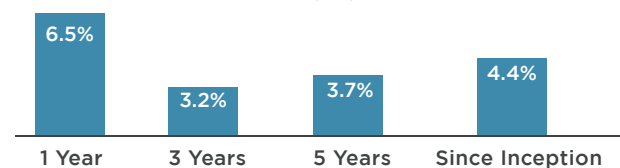
Performance History (%)



Fund Statistics

Total net assets (in millions)	\$284,617,297.4
NAV/Unit	\$2.84
Percentage of top ten (5) holdings	29%
Yield to Maturity	4.8%
Duration in Years	4.2

Fund Performance (%)



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Commentary

The moderately conservative Sagicor International Balanced Fund delivered solid quarter-to-date and year-to-date returns of +3.3% and +4.0% respectively. The equity segment of the portfolio was a key driver of performance, underpinned by key local and global equity benchmarks most notably the ECSE +6.9%, S&P 500 +5.5% and MSCI EAFE +17.4%. The Bloomberg Global Aggregate Bond Index also advanced +7.3% highlighting cross asset class performance. In contrast, the Barbados and Trinidad equities indexes declined by -1.2% and -4.2%, underscoring continued underperformance in regional markets. The U.S. dollar's broad decline -10.7% also had cross-asset implications across portfolio exposures.

Portfolio Positioning and Asset Allocation

The fund maintained a moderately conservative allocation with 27% in equities, 57% in fixed income, 8% in term-deposit, and 9% in cash. This diversified structure aims to cushion downside volatility while capturing upside opportunities across global markets. The cash allocation will decline over the second half of the year as the management team selectively deploys the capital to suitable securities.

Fixed Income: The portfolio's fixed income sleeve posted unrealized gains amid broad bond market strength, supported by expectations for Federal Reserve rate cuts. The portfolio maintains a duration of 4.2 years and a yield-to-maturity of 4.8%, positioning it to benefit from potential easing cycles while guarding against excessive interest rate risk.

Equities: Equity exposure remained tilted toward a mix of local, developed and regional markets. However, relative underweight to outperforming regions—particularly international developed markets (EAFE +17.4%)—acted as a performance drag. Furthermore, significant underperformance from Caribbean equities, particularly in Trinidad and Barbados, weighed on overall returns.

Alternatives: The fund's alternatives allocation continued to serve its role in diversification, contributing stability amid equity volatility and geopolitical uncertainty.

Market and Macroeconomic Backdrop

The first half of 2025 was marked by elevated geopolitical tension and shifting macroeconomic signals:

- Rising U.S. fiscal concerns and debate over Trump's "Big Beautiful Tax Bill" reignited deficit anxieties.
- Escalating trade rhetoric, including renewed tariff threats, reintroduced global uncertainty.
- A resilient U.S. consumer, solid corporate earnings, and stable economic fundamentals provided support for risk assets.
- Geopolitical conflict in the Middle East—notably between Iran and Israel—contributed to oil price volatility, challenging global risk sentiment.

Meanwhile, expectations for Federal Reserve rate cuts weighed on the U.S. Dollar currency but bolstered both equities and fixed income returns, particularly outside the U.S.

In this environment, non-U.S. markets significantly outperformed. The fund's regional allocation to Caribbean markets—particularly the Trinidad and Barbados exchanges—was the most material detractor, as these lagged broader global recovery trends.

Outlook and Strategy

Looking ahead, the fund remains focused on broad diversification, prudent risk management, and tactical asset allocation:

Within equities, we are evaluating opportunities to selectively increase exposure to international developed markets while reassessing underperforming regional positions.

In fixed income, we continue to maintain moderate duration to balance income generation with sensitivity to rate movements, while staying vigilant to inflation and deficit risks.

The alternatives sleeve remains key in hedging tail risks amid an evolving geopolitical and policy landscape.

We believe the fund is well positioned to navigate the second half of the year, supported by structural diversification, income resilience, and flexibility to respond to shifting global dynamics.

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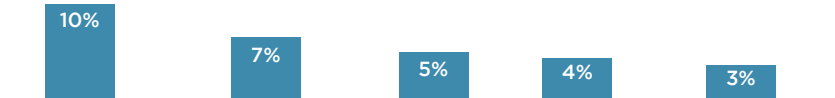
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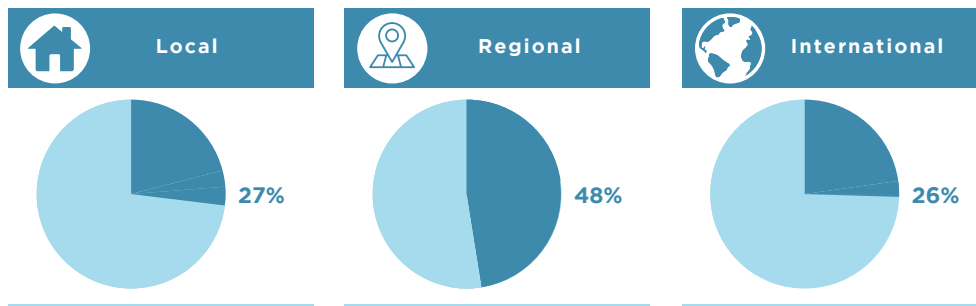
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Top 5 Holdings (%)

Government of Barbados Series D	St Lucia Electricity Services Limited	Government Of Bermuda 5% 2032	Government Of Bermuda 3.717% 2027	Bank of Montreal Term Deposit
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Geographical Breakdown (%)



International Equities Sector Breakdown (%)

