



Wise Financial Thinking for Life

**Sagicor International Balanced Fund
Half-Yearly Report June 30, 2025**

Contents

Operators and Principals.....	4
Investment Objectives.....	4
Constitution of the Collective Investment Scheme	5
Fund Review.....	6
Financial Highlights	7

This half-yearly report is being issued by:

Sagicor Asset Management (Eastern Caribbean) Limited

Registered office address:

Cecil F de Caires Building
Wildey
St. Michael, BB15096
Barbados

Principal office in St. Lucia:

Sagicor Financial Centre
Choc Estate
Castries
Saint Lucia

Date of Incorporation: October 13th, 2010

Place of Incorporation: Barbados

The Eastern Caribbean Securities Regulatory Commission (ECSRC) has authorized the Scheme under Authorisation No. KN-CIS-002-16 issued December 21st, 2016.

Operators and Principals

Names and registered addresses

(a) Management Company
SAGICOR ASSET MANAGEMENT (EASTERN CARIBBEAN) LIMITED

<i>Registered office address:</i>	<i>Principal office in St. Lucia:</i>
Cecil F de Caires Building	Sagicor Financial Centre
Wildey	Choc Estate
St. Michael, BB15096	Castries
Barbados	Saint Lucia

Directors

Ian Carrington
Peter Ellis Clarke
Robert John Lionel Trestrail

Roger Paul Inniss
David Orlando Wright

(b) Custodian Eastern Caribbean Central Securities Depository

(c) Registrar and Transfer Agent (pending)

(d) Auditor
PRICEWATERHOUSECOOPERS EAST CARIBBEAN
Temple Chambers
36 Long Street
St. John's Antigua

Investment Objectives

Investment Objectives and Policy

The Scheme is authorised to invest in bonds, shares, stocks, notes, certificates of indebtedness, acceptance and interest and other negotiable securities and its investments are diversified in nature, geographical location and the lines of commercial activity they represent. (Trust Deed, Article 3.1.1 as restricted pursuant to Art. 3.1.14)

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. The most significant risks to Participants in the Scheme are default risk, interest rate risk and volatility across regional and international equity markets. These are however not abnormal risks.

Constitution of the Collective Investment Scheme

The Scheme is an open-ended unit trust registered under the Trusts Act, 1996 of the Federation of St. Christopher and Nevis and was established as an investment vehicle for pension plans in the Eastern Caribbean territories of Antigua and Barbuda; the Commonwealth of Dominica; Grenada; Saint Lucia; the Federation of Saint Christopher and Nevis; and Saint Vincent and the Grenadines.

Name of the Scheme: SAGICOR INTERNATIONAL BALANCED FUND

Registered addresses of the Scheme:

Sagicor Financial Centre
9 Factory Road
St. John's
Antigua

Willcher Services Inc
44 Hillsborough Street
Corner Hillsborough & Independence Streets
Roseau
Dominica

The Mutual/Trans Nemwil Office Complex
The Villa
St. George's
Grenada.

TDC Building,
Central Street
Basseterre
Saint Christopher

Sagicor Financial Centre
Choc Estate
Castries
St. Lucia

S. V. Browne Agency Limited
P.O. Box 2268
Frenches
Kingstown
St. Vincent

Place of creation: Federation of Saint Christopher and Nevis

Date of creation: 14 January 2000

Duration: 100 years or such other perpetuity period as may be prescribed by law

The Sagicor International Balanced Fund falls within the category of Balanced Funds where investment assets are allocated relatively proportionate across bonds and equities. However, the Sagicor International Balanced Fund represents a conservatively allocated fund which holds up to 30% of its allocation in equities with a residual tilt towards the fixed income asset class.

Fund Review

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 diversify exposure to international developed markets while reassessing underperforming regional positions.

In fixed income, we are considering increasing duration to balance yield 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.

The ECCB has recommended that in the medium-term member governments fiscal and debt sustainability strategies should remain paramount if they are to achieve the debt-to-GDP target of 60% by 2035. With emerging risks such as progressive declines in trade exports and unpredictable climate events, credible fiscal frameworks must be implemented as a matter of urgency. Against this backdrop, moderate regional economic expansion is likely to continue in the forecast period due to a more challenging external environment.

The Sagicor International Balanced Fund NAV increased to \$2.84 as of June 30, 2025 up 6.4% from \$2.67 as of June 30, 2024, while net assets totalled XCD 284.6 million. The Fund is tilted towards moderate, to low-risk assets such as the fixed income and cash asset classes accounting for 57% and 9% of net assets respectively. To hedge inflation 27% was allocated towards equities.

Relative to December 2024, outstanding unitholders' units increased to XCD 100.2 million up from XCD 94.4 million. Net Investment gains totalled XCD 7.0 million driven by unrealized gains on securities during the first half of the year. This is in comparison to a gain of XCD 5.1 million as of June 30, 2024. Interest and dividend income on debt and equity securities contributed XCD 5.3 million to revenue.

Financial Highlights

The Sagicor International Balanced Fund started in 2001 with net assets of XCD 30 million and consistently grew to reach XCD 271.1 million for the year ended December 31, 2024. The Scheme's net assets recorded a compounded annual growth rate of 10.5% since inception.

At the Fund's inception, the unit value was XCD 1.00. The unit value at the end June of 2025 was XCD 2.84 up from XCD 2.67 at the end of December 2024. This is computed by dividing the total net asset value of the Fund by the total number of units in the Fund.

The Sagicor International Balanced Fund realized an average annualized yield of 4.4% since inception. The Scheme's net value increased every year apart from 2008, 2018 and 2022 when it declined -1.3%, -4.6% and -2.8%, respectively. These returns were in line with the international financial crisis which negatively impacted equity markets and the Government of Barbados debt restructure which adversely impacted our bond holdings, respectively. In both occurrences the Scheme subsequently rebounded. The 2022 drawdown was attributed to the US federal Reserve Bank increasing interest rates at a blistering pace that led to unprecedented losses in global bonds.

The table below provides key financial highlights from the audited financials for 2024, 2023 and 2022.

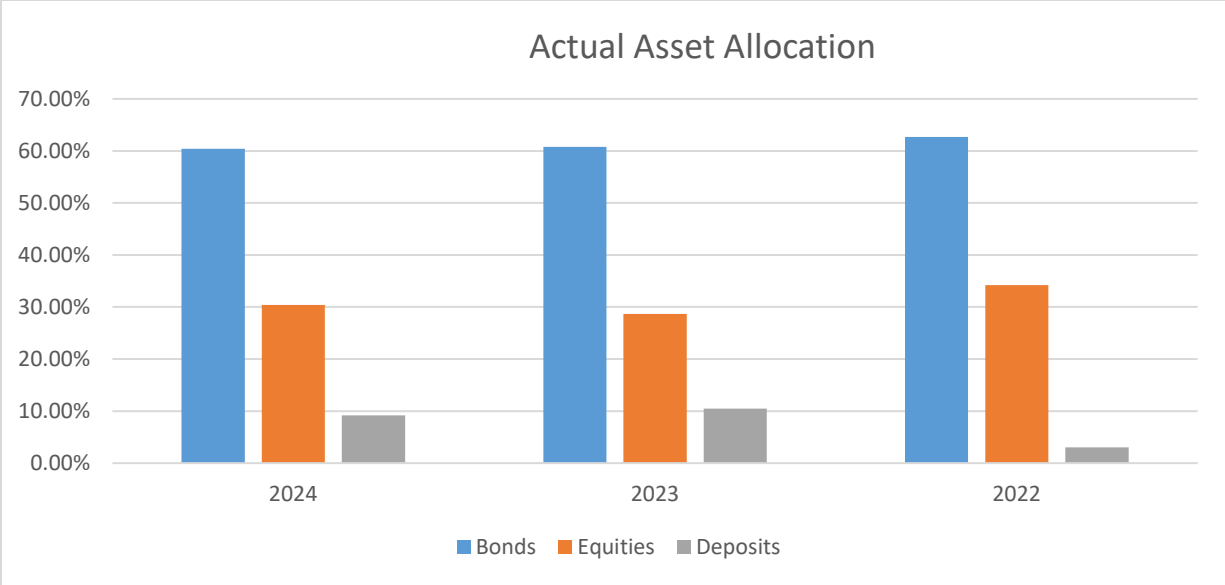
	2024	2023	2022
Statement of Income and Expenditure			
Total Investment Income	17,772,522	16,709,080	(4,566,724)
Total Expenses	2,320,447	2,092,223	2,011,335
Net Income before tax	15,452,075	14,616,857	(6,578,059)
Net Income after tax	15,298,443	14,484,404	(6,672,937)
Statement of Assets and Liabilities			
Total Financial Investments	237,222,559	223,855,963	207,041,533
Total Assets	271,089,939	239,867,468	224,011,750
Total Liabilities	650,522	1,835,154	772,380
Unit holders' equity	270,439,417	238,032,314	223,239,370

NAV	2.84	2.57	2.42
Annual Expenses			
Management Fee	1,896,466	1,718,832	1,649,041
Bank and interest charges	13,371	10,529	11,935
Broker fees	410,610	362,862	350,359
Management Expense Ratio	0.75%	0.75%	0.75%

The historical performance of the fund is highlighted below and reflects the annual audited performance up to December 31, 2024.

	Sagicor International Balanced Fund
1-year	6.2%
3-year	3.1%
5-year	3.7%
Since Inception in 2001	4.4%

The fund remained aligned with its strategic balanced mandate. The asset allocation is based on audited financial information for 2024, 2023 and 2022.



	2024	2023	2022
Bonds	60.4%	62.9%	60.8%
Equities	30.4%	29.1%	28.7%
Deposits	9.2%	8.0%	10.5%

SAGICOR INTERNATIONAL BALANCED FUND
STATEMENT OF FINANCIAL POSITION
As of June 30, 2025

UNAUDITED

Amounts expressed in Eastern Caribbean Dollars

	June 2025	December 2024
ASSETS		
Due from Sagicor Life Inc	4,909,356	2,937,688
Interest and other receivables	15,024,788	1,844,856
Financial investments	254,955,551	237,222,559
Cash resources	24,512,411	29,084,836
Total assets	299,402,106	271,089,939
LIABILITIES		
Due to Sagicor Asset Management (EC) Inc	2,782,651	-
Due to Sagicor (Bonds) Fund	78,286	3,286
Due to Sagicor (Equity) Fund	91,254	40,184
Bank overdraft	11,345,144	-
Accounts payable	487,474	607,052
Total liabilities	14,784,809	650,522
Net assets attributable to unit holders	284,617,297	270,439,417
Represented by:		
UNIT HOLDERS' EQUITY	284,617,297	270,439,417
No. of units outstanding at end of period/year	100,220,674	98,973,853
Net asset value per unit at end of period/year	\$ 2.84	\$ 2.73
Increase in net asset value per unit for period/year	4.03%	6.23%

SAGICOR INTERNATIONAL BALANCED FUND
STATEMENT OF INCOME AND COMPREHENSIVE INCOME
For the Period ended June 30, 2025

UNAUDITED

Amounts expressed in Eastern Caribbean Dollars

	June 2025	June 2024
REVENUE		
Interest income	4,298,015	4,059,381
Dividend income	974,303	899,202
Investment income	79,017	51,238
Net investment gains	6,977,053	5,064,932
Credit impairment losses	(591)	(1,713)
	<u>12,327,797</u>	<u>10,073,040</u>
EXPENSES		
Management fee	1,035,487	916,360
Bank and interest charges	5,967	8,483
Broker fees	542,616	102,427
	<u>1,584,070</u>	<u>1,027,270</u>
INCOME BEFORE TAXES	10,743,727	9,045,770
Withholding taxes	(50,361)	(99,743)
NET INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO UNIT HOLDERS	<u>10,693,366</u>	<u>8,946,027</u>



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