

MARKET OVERVIEW

Macro-Economic Overview

Global financial markets saw a rebound in some asset classes to close out an otherwise tumultuous 2022 for investors. Recent inflation prints have pointed towards a downward trajectory of inflation and investors observed weaker economic trends starting to filter in. This provided optimism that Central Bank policy will moderate in 2023 and ease volatility in capital markets, ultimately boosting valuations relative to the performance observed up to the end of Q3. This year we observed similar constraints for both bonds and equities, as uncommon as it is, both asset classes suffered from an unprecedented pace of global quantitative tightening, signaling the end of multi-decade period of low rates (i.e., cheap money) and accommodative measures which support economic activity. Volatility in assets prices were further compounded by flare ups of geopolitical tensions amongst some developed nations.

In 2022 we saw the outperformance of value stocks over growth equities, as investors transitioned into 'tried and proven' segments of the market that were not as sensitive to interest rate increases such as the growthier technology stocks, which experienced declines more than 28%. Other detracting sectors during the year included real estate, consumer discretionary and the communication sectors which all posted large drawdowns. Despite a steady fall in oil prices from its midyear peak, energy stocks outperformed (60%) and were the most resilient as valuations were boosted by elevated prices tied to a suppressed global supply.

The S&P 500 closed 2022 with a decline of 18.11%, its largest since 2008, while the Nasdaq moved deep into bear territory, declining 32.5%, as tech companies experienced a historic slide in their valuations, ultimately returning all gains that were captured during the early pandemic years. While emerging market equities experienced similar 12-month drawdown to other equity indices, EM stocks observed a strong year-end rally, as the MSCI EM index reported a return of 9.7% against the backdrop of the Chinese Government's relaxation of Covid protocols, ultimately giving investors' confidence of a rebound and growth for the Chinese economy moving into 2023.

US treasury yields bumped higher towards the end of the year as reiteration of hawkish tones and the absence of clarity to the end of the rate cycle added volatility to markets with prices moving downwards. Early year hopes of a soft economic landing dissipated as the US yield curve maintained its inversion to close out 2022, a typical precursor of a recession. While there are some headwinds for bonds, it is felt that the worst is behind and intriguing opportunities for yield pick-up is accessible for bond investors going into 2023.

Outlook

The IMF estimates that global growth will further slow from 3.2% in 2022 to 2.7% in 2023, against a backdrop of stifling monetary policy, and elevated inflation levels which presented cost-of-living pressure on the world population. Aggressive policy action in 2022 have set in and cooled some price pressure but at the expense of growth. We encourage our shareholders to look beyond the short-term volatility and remain focused on their long-term strategic pension goals. Our management and staff will continue to remain committed to driving unitholder value through careful and prudent investment strategies.

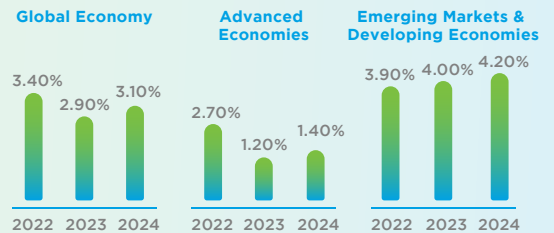
Key Indices (Quarterly Returns)	Jun-2022	Sep-2022	Dec-2022	YTD
BSE Index	5.99%	-0.20%	0.39%	↑ 6.69%
TTSE Composite Index	-5.06%	-2.78%	-0.82%	↑ -11.01%
JSE Index	-1.80%	-5.86%	-1.60%	↑ -10.16%
S&P 500 Index	-16.10%	-4.88%	7.56%	↑ -18.11%
Dow Jones Index	-10.7%	-6.17%	16.01%	↑ -6.86%
MSCI All Country World Index	-15.66%	-6.82%	9.76%	↓ -18.36%

Barbados GDP Growth (Real)



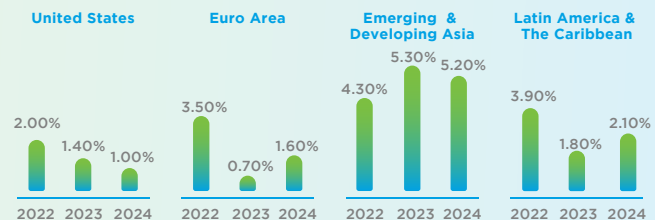
Source: Central Bank of Barbados

World Economic Outlook Update: December 2022 Growth Projections (% change)



Source: International Monetary Fund

World Economic Outlook Update: December 2022 Regional Growth Projections (% change)



Source: International Monetary Fund

ASSET MANAGEMENT

INVESTMENT OBJECTIVE

This Fund seeks to balance risk and return with the aim of maximizing long-term capital appreciation through investing in a diversified portfolio mix of local, regional and international equities, domestic real estate, mortgages and fixed income instruments.

Fund Inception Date: April 09, 1969

Fund Manager: Sagicor Asset Management Inc.

Management Fee: 0.75% per annum

Fund Statistics:

Total AUM (in millions) - \$624.5 BDS

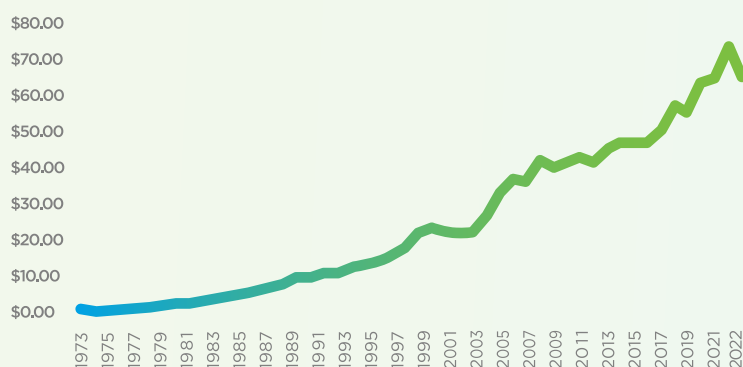
N.A.V - \$68.71 BDS

Fund Performance (%)

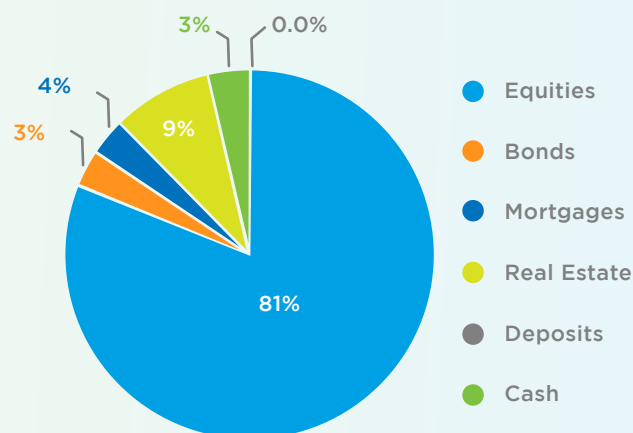
1-YR	5-YR	10-YR	20-YR	30-YR
-7.5%	3.8%	4.4%	5.8%	6.3%

*Average annual calendar year performance

Fund Inception Return as at December 31st, 2022



Portfolio Asset Allocation



The Sagicor (Equity) Fund gained 3.20% in the final quarter of 2022 to close the year with a net decline of 7.54%. When compared to a commonly used benchmark for global equities such as the MSCI ACWI, our fund outperformed this index by 10.8% as well as other key indices primarily due to its diversified construct. While our international equities felt sustained pressure on their values during 2022, key strategic allocations to energy, commodities and healthcare stocks helped offset other detractors in our portfolio such as REITs, Mega Cap US Technology stocks and emerging market equities.

Our long-term structured allocation of alternative investments adequately preserved capital during the year while the Fund's domestic real estate and mortgage portfolios were stable contributors of income and preserved capital during a highly volatile year.

The Fund closed the year 2022 with a unit value of \$68.71 vs. \$66.33 reported on September 30th 2022, but ultimately down from the \$74.32 peak on December 31, 2021. Net assets were reported at \$624.5 million with invested capital across equities, bonds, real estate and mortgages. The Sagicor (Equity) Fund started the new year positively and reported a return of 2.61% at the close of January 2023.

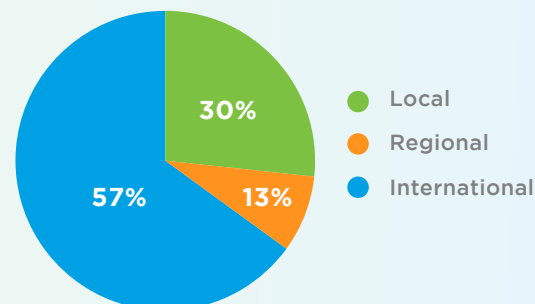
Top 10 Holdings (%)

Goddard Enterprises Ltd	11%
Massy Holdings Ltd	9%
Royal Bank of Canada	4%
Schwab US Dividend Equity Fund (ETF)	4%
First Caribbean International Bank	3%
Pictet - PTR Atlas Fund	3%
Morgan Stanley	3%
Neuberger Berman	2%
Energy Select Sector SPDR Fund (ETF)	2%
MFS Meridian European Research Fund	2%
Total of Top 10 Holdings	43%

Sector Analysis of International Holdings

Information Technology	21%
Financials	13%
Consumer Staples	7%
Health Care	16%
Communication Services	4%
Consumer Discretionary	9%
Energy	9%
Industrials	11%
Materials	3%
Real Estate	5%
Utilities	1%
Total Int'l Equity Holdings	100.00%

Geographic Breakdown





SAGICOR (BONDS) FUND

QUARTERLY NEWSLETTER Q4 | DECEMBER 31ST, 2022

ASSET MANAGEMENT

INVESTMENT OBJECTIVE

This Fund seeks to achieve consistent long-term returns primarily from its investment in a diverse mix of local, regional and international sovereign and corporate bonds. The Fund is further diversified through its domestic mortgage holdings, regional & international equities and term deposits.

Fund Inception Date: April 09, 1969

Fund Manager: Sagikor Asset Management Inc.

Management Fee: 0.50% per annum

Fund Statistics:

Total AUM (in millions) - \$454.7 BDS

N.A.V - \$29.46 BDS

Number of Holdings - 130

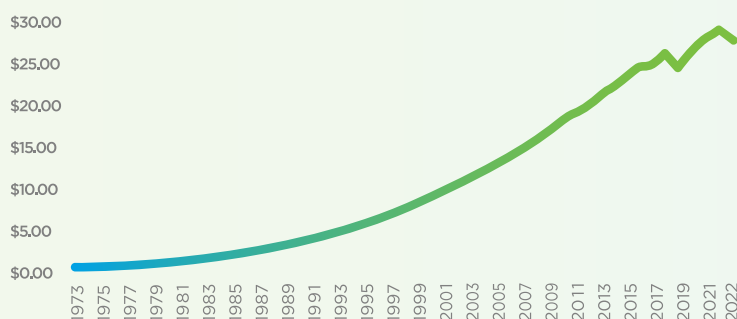
Yield to Maturity - 3.95%

Fund Performance (%)

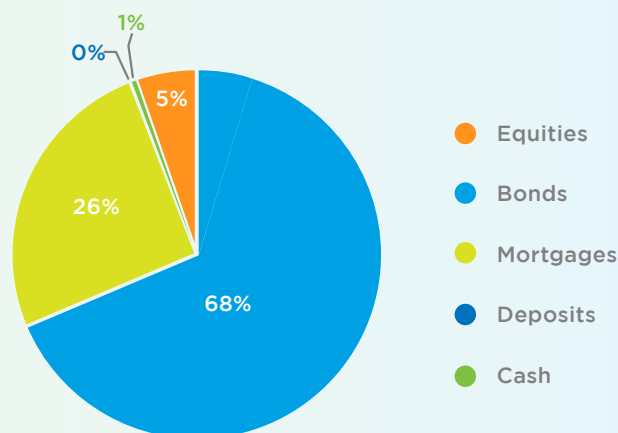
1-YR	5-YR	10-YR	20-YR	30-YR
0.02%	2.1%	3.2%	4.8%	6.0%

**Average annual calendar year performance*

Fund Inception Return as at December 31st, 2022



Portfolio Asset Allocation



Our Bonds Fund showed absolute resilience during the year 2022 as it mustered a 2 basis points (0.02%) return or an otherwise flat performance in 2022, reflective of outperformance when compared to global bond benchmarks such as the Bloomberg Global Aggregate Index which declined above 16% in 2022. The Fund reported a net unit value of \$29.46 to close the year with total net assets of \$454.7 million.

Our early year sentiment of “cash is king” aided the portfolio’s performance as the US dollar outperformed in 2022. Moreover, our portfolio which maintains a relatively low duration on bonds, was able to withstand the sustained pressure of interest rate hikes as typically, greater pressure is placed on longer dated securities. The mortgage portfolio remained a key contributor of income to the Fund against a robust pipeline of local credit within a competitive market space.

In 2023, inflation is still at a historically high level and the trajectory of global quantitative tightening is expected to present challenges, however, we think the worst is now behind us. We continue to place great emphasis on credit fundamentals as we see viable opportunities along the yield curve to add new instruments to the portfolio at attractive yield levels to strengthen our holdings. At the end of January 2023, the Fund continued its positive momentum and posted a return of 0.67%.

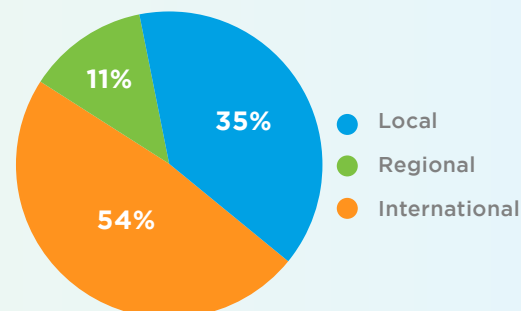
Top 10 Holdings (%)

Gov't of Barbados Series D 1.5% Due 08/31/2053	22%
Gov't Of Bermuda 3.717% Due 01/25/27	9%
Gov't of Trinidad & Tobago 5.875% Due 05/17/2027	3%
Trinidad Generation Unlimited 5.25% Due 11/04/2027	3%
Gov't of Trinidad & Tobago 4.5% Due 08/04/26	2%
United States Treasury Bill	2%
Natural Gas Co. Trinidad 6.05% Due 01/15/36	2%
Gov't of Barbados 6.50% Due 10/01/2029	2%
Gov't of St. Lucia 6.5%	2%
Legg Mason Brandywine Global Income	2%
Total of Top 10 Holdings	50%

Credit Quality (%)

AAA,AA	6.2%
A	13.7%
BBB	32.6%
BB	13.7%
B	31.5%
CCC, CC	1.3%
C	0.2%
D	0.7%

Geographic Breakdown



INVESTMENT COMMENTARY

QUARTERLY NEWSLETTER

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SAGICOR (BONDS) FUND