

Sagicor International Balanced Fund



ASSET MANAGEMENT

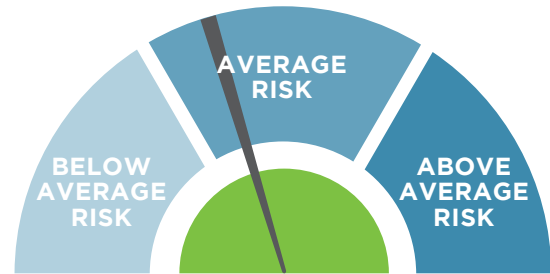
Q4

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

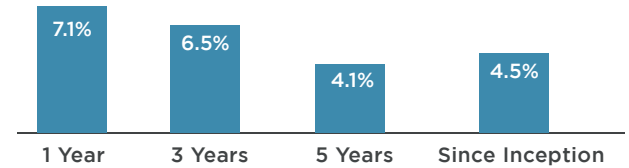
Investor Risk Tolerance Level



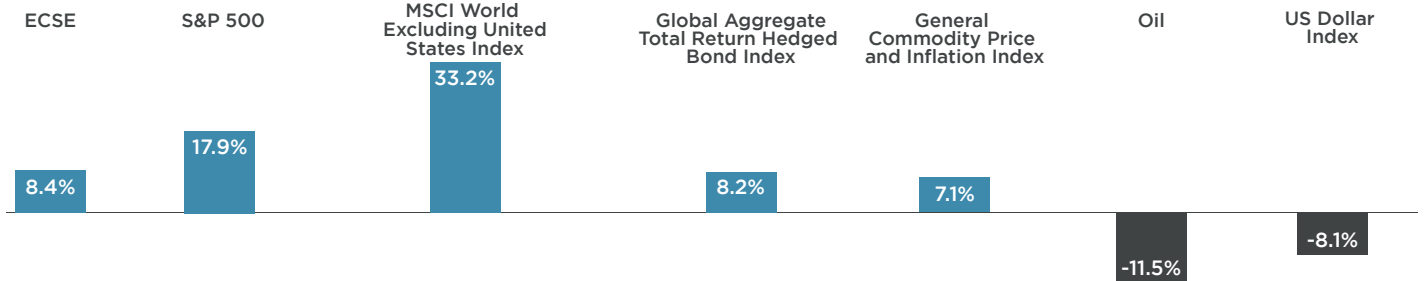
Fund Statistics

Total net assets (in millions)	\$324,746,906.9
NAV/Unit	\$2.93
Percentage of top ten (5) holdings	28%
Yield to Maturity	4.2%
Duration in Years	4.1

Fund Performance (%)



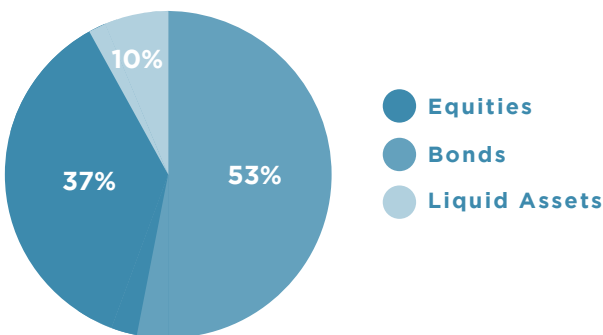
Asset Classes By Year-to-Date Total Return



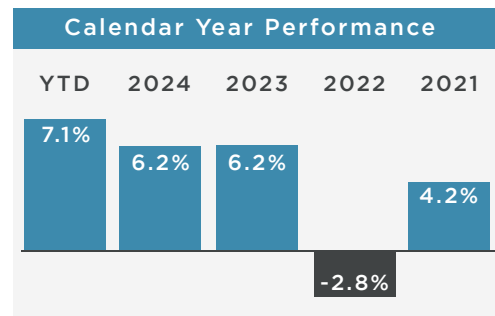
Annual Management Fee

0.75% p.a.

Asset Class Allocation (%)



Performance History (%)



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Commentary

Performance Overview

For the year-to-date (YTD) period ending Q4 2025, the Sagicor International Balanced Fund generated a return of 7.1%, while the quarter-to-date (QTD) return was 1.1%. Total Net Asset Value (NAV) \$324,746,907 and NAV/Share stood at \$2.93 at quarter end.

Market Environment and Key Volatility Drivers:

Global markets experienced multiple periods of heightened volatility during 2025, driven by a combination of macroeconomic, geopolitical, and central bank policy-related factors:

- Technology and AI Volatility: Early in the year, a sharp selloff linked to concerns surrounding AI valuations—most notably the DeepSeek-related episode—led to increased dispersion within equity markets.
- U.S. Political Developments: President Trump’s “Liberation Day” speech introduced renewed uncertainty around trade, fiscal policy and deregulation, contributing to a sudden downward correction in equity markets.
- Geopolitical Risks: Ongoing instability in the Middle East periodically weighed on global risk sentiment and supported demand for real assets.
- Monetary Policy Shifts: Central banks continued to signal gradual monetary easing, even as sticky inflation—particularly in services—kept policy expectations volatile.
- U.S. Treasury Market Movements: Fluctuations in Treasury yields and spreads reflected evolving expectations for growth, inflation, and fiscal dynamics.
- Resilient Earnings Fundamentals: Despite these headwinds, strong corporate earnings and sustained optimism around artificial intelligence adoption provided underlying support for equity markets.

Performance was delivered amid a challenging and volatile global market environment, underscoring the benefits of diversification across asset classes and regions. Portfolio Allocation (as at Q4 2025)

The Fund maintained a balanced and diversified asset mix:

- Equities: 34%

Core exposure to Local, Regional, U.S. and international equities, benefiting from strong earnings growth and improving market sentiment.

- Fixed Income & Preferreds: 53%

Designed to provide income generation and capital stability amid interest rate and market volatility.

- Alternatives: 3%

Liquid alternative strategies delivered solid performance, with this sleeve generating approximately 9% capital appreciation during the period.

- Cash Equivalents: 10%

Maintained for liquidity, tactical flexibility, and risk management. Performance Attribution and Portfolio Impact

The Fund benefited from its diversified construction:

- Equity exposures, particularly in U.S. and international markets, were key contributors to returns amid resilient earnings and AI-driven growth themes.
- The fixed income sleeve played an important defensive role, providing income preservation and helping to moderate portfolio volatility.
- Liquid alternatives enhanced overall returns through strong capital appreciation and low correlation to traditional assets.

Outlook and Investment Strategy

Looking ahead, the investment outlook remains constructive:

- S&P 500 corporate earnings are expected to grow at double-digit rates, supported by productivity gains, AI adoption, and healthy balance sheets.
- Equities should continue to benefit from fiscal stimulus, deregulation initiatives, and further monetary easing, particularly as inflation pressures gradually moderate.
- While episodic volatility is likely to persist, underlying fundamentals remain supportive of risk assets like equities over the medium term.

The Fund remains focused on:

- Maintaining a core allocation to high-quality, dividend-paying global equities
- Investing in quality bonds to support income and downside protection
- Selectively allocating to alternatives and real assets to enhance diversification and risk-adjusted returns

This disciplined, balanced approach is designed to navigate evolving market conditions while pursuing sustainable long-term returns for investors.

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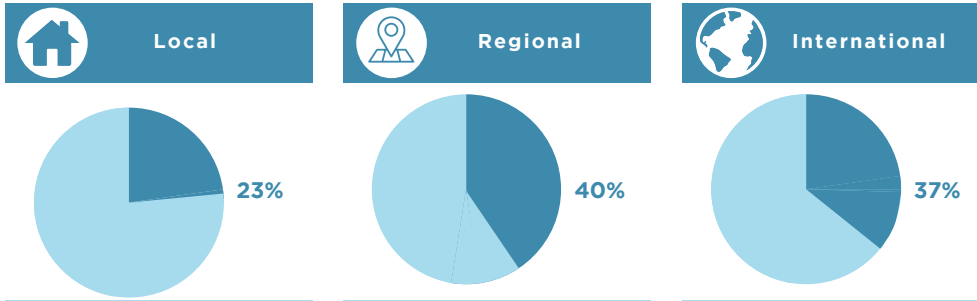


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Geographical Breakdown (%)



International Equities Sector Breakdown (%)

