

MARKET OVERVIEW

Marco-Economic Overview

Global financial markets saw steep declines at the halfway point for the calendar year 2022, with volatility in equity and bond markets being driven by the undercurrent of high inflation readings and the unanticipated but necessary acceleration of interest rate hikes by Central Banks across the globe. Trading volatility was compounded by the persistence of the Russia/Ukraine conflict and city closures in China which dampened the efficiency of the global supply chain.

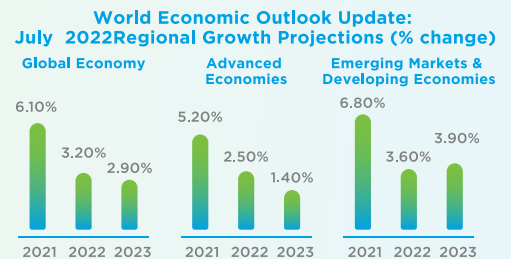
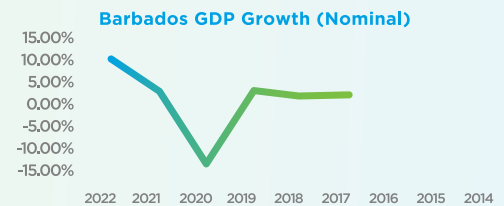
The decline in stocks were led by equities in Cyclical, Technology, and Energy while commodities including, oil and natural gas came under pressure, declining from peak prices earlier this year. The main US indices reported sharp declines with the S&P 500, Dow Jones Industrial, Nasdaq all reporting quarterly losses of -16.1%, -10.8% and -22.2% respectively. For global equity context, the MSCI All Country World Index was down 15.7% in Q2 as no one was spared from market volatility during the period. Barbados & Guyana were the only regional exchanges to advance in Q2 with a reported growth of 6.4% and 7.1% respectively, with the former advancing from a rebounding Goddard's Enterprises Limited stock which increased in share value by 26% for the quarter. 10-year US Treasuries saw its yield climb as high as 3.5% during the period before tapering off below 3% to end the second quarter of 2022, as recession fears began to creep into markets. The Bloomberg Global Aggregate Bond Index declined by 13.9%, underscoring the systemic risks presented to the fixed income asset class, whether through corporate or sovereign exposure.

The US Federal Reserve increased its Federal Fund's rate to an elevated range of 1.50%-1.75%, as the Central Bank accelerated its policy stance against inflation, by applying a 75-basis points rate hike in June. We expect volatility to remain elevated with investor's focus being placed on inflation readings and other key economic data to assess the effectiveness of monetary policy adjustments.

Outlook

Regional economies have shown moderate signs of recovery from the pandemic with tourism-focused markets feeling an economic boost from the return of pre-pandemic airlift from key source markets and the reintegration of carnival celebrations since the start of the pandemic in some island states. Notwithstanding this, we caution that persistent inflation or stagflation can be key detractors to our small island states with the latter carrying the greatest potential for a deep damaging effect if not structurally planned for. As portfolio managers, we continue to exercise patience on the deployment of capital and carefully manage liquidity with the expectation of volatility remaining elevated in the near term. We remain optimistic of a rebound in global markets as history has already shown us that time in the market can carefully see investors through such periods.

Key Indices (Quarterly Returns)	Dec-2021	Mar-2022	Jun-2022	YTD
BSE Index	-3.31%	0.38%	5.99%	↑ 6.39%
TTSE Composite Index	4.63%	-2.79%	-5.06%	↑ -7.71%
JSE Index	-4.52%	-1.24%	-1.80%	↑ -3.02%
S&P 500 Index	11.03%	-4.60%	-16.10%	↑ -19.96%
Dow Jones Index	7.87%	-4.10%	-10.78%	↑ -14.44%
MSCI All Country World Index	6.68%	-5.36%	-15.66%	↑ -20.18%



"A diverse investment portfolio offers the greatest chance to maintain a strong financial position throughout retirement and fund the lifestyle you want. It's why we consider mutual funds to be the perfect financial vehicle for accumulating retirement income."



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% p.a.

Fund Statistics:

Total AUM (in millions) - \$622.7 BDS

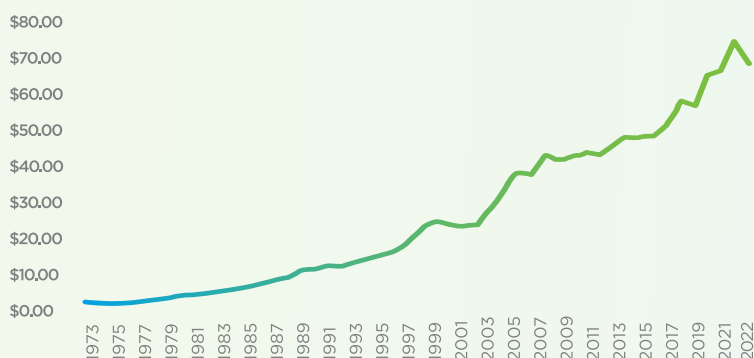
N.A.V - \$68.22 BDS

Fund Performance (%)

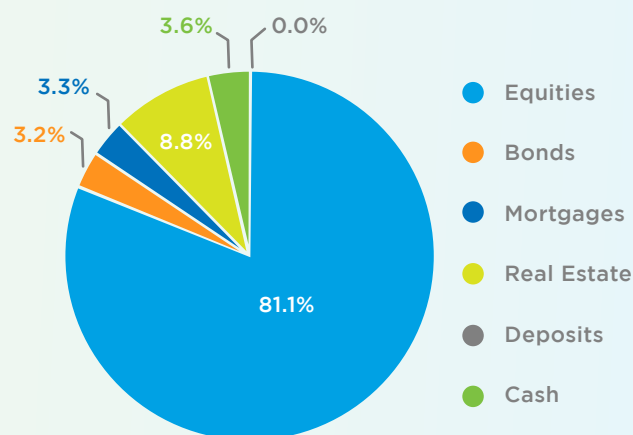
YTD	1-YR	3-YR	5-YR	10-YR
-8.2%	12.7%	9.8%	8.0%	5.9%

*Average annual calendar year performance

Fund Inception Return as at June 30, 2022



Portfolio Asset Allocation



The Sagicor (Equity) Fund was down 8.2% as at June 30, 2022, as its net asset value reduced to \$68.22 and is down from net asset value of \$74.32 observed at the beginning of the year. The Fund's 6.2% decline in Q2 was mainly attributable to its exposure in North American equities with large cap growth stocks being the biggest detractor. US equities were heavily affected during the period by aggressive central bank policy and persistently high inflation readings. Moderate exposure to Emerging markets weighed on performance as pandemic induced supply disruptions continue to hinder the Asian markets.

The Fund remains broadly diversified with effective hedges in alternative investment strategies, private equity, real estate, mortgages and other strategic equity exposures, including tactical allocations to oil & gas & global healthcare which has supported the portfolio.

Our intention in volatile periods such as this, is to preserve capital and limit the drawdown of the portfolio relative to the performance of the wider market which has transitioned into bear market territory with declines in the 20%-30% range of key market indices.

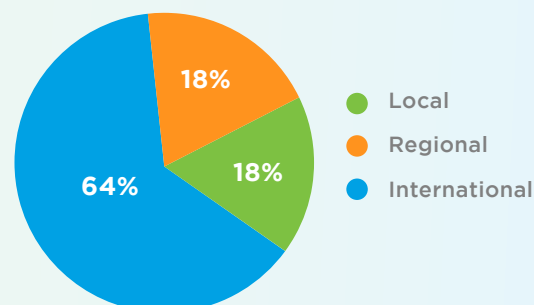
Top 10 Holdings (%)

Goddard Enterprises Ltd	10%
Massy Holdings Ltd	10%
Royal Bank of Canada	6%
First Caribbean International Bank	4%
Morgan Stanley	3%
Neuberger Berman	3%
Ninety One Global Franchise Fund	2%
Franklin Templeton	2%
MFS Meridian	2%
JPM Global Funds	2%

Sector Analysis of International Holdings

Information Technology	24%
Financials	13%
Consumer Staples	7%
Health Care	13%
Communication Services	6%
Consumer Discretionary	9%
Energy	7%
Industrials	10%
Materials	3%
Real Estate	6%
Utilities	2%
Total International Equity Holdings	100%

Geographic Breakdown





ASSET MANAGEMENT

SAGICOR (BONDS) FUND

QUARTERLY NEWSLETTER Q2 | JUNE 30TH, 2022

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) - \$450.6 BDS

N.A.V - \$28.91 BDS

Number of Holdings - 125

Duration - 4.40

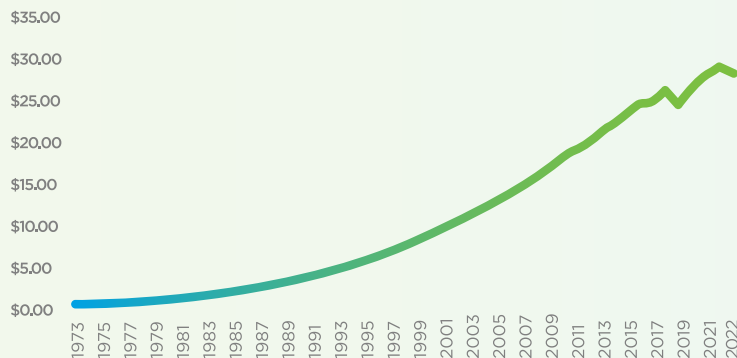
Yield to Maturity - 6.72%

Fund Performance (%)

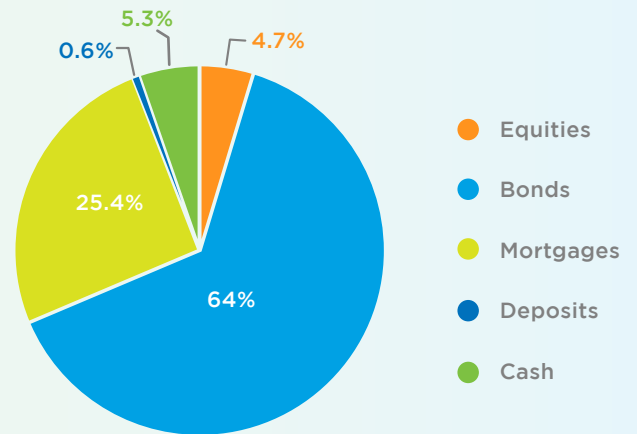
YTD	1-YR	3-YR	5-YR	10-YR
-1.84%	3.0%	5.7%	3.2%	3.9%

*Average annual calendar year performance

Fund Inception Return as at June 30, 2022



Portfolio Asset Allocation



The Sagikor (Bonds) Fund's reported a decline of -1.84% as at June 30, 2022 as its net asset value stood at \$28.91 at the end of Q2 2022.

The Fund's fixed income allocation felt downward pressure from the systemic risk of rising interest rates, a negative for bonds which due to its inverse relationship with rates, we tend to observe declining bond valuations. With this price pressure, certain segments of fixed income, more particularly short dated securities appear a lot more attractive when compared to a year ago. As a result, we've seen strategic opportunities for the portfolio to collect moderate yield in the near-term without exposing the portfolio to any significant duration risk and volatility, given the prevailing market conditions.

The fund's mortgage exposure continues to augment the performance of the portfolio and it's expected to be a key performing asset class for the Fund, with a stable pipeline of credit to be deployed within the local market.

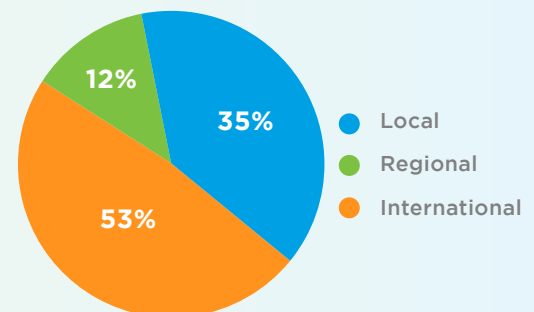
Top 10 Holdings (%)

Gov't of Barbados Series D 1.5%; 08/31/2053	10%
Gov't Of Bermuda 3.717% Due 01/25/27	10%
Gov't of Trinidad & Tobago 5.875% 05/17/2027	6%
Trinidad Generation Unlimited 5.25% Due 11/04/2027	4%
Gov't of Trinidad & Tobago 4.5% 08/04/26	3%
Natural Gas Co Trinidad 6.05% 01/15/36	3%
Gov't of Barbados 6.50% 10/01/2029	2%
Gov't of Aruba 4.625 Due 09/14/2023	2%
Gov't of St. Lucia 6.5%	2%
Legg Mason Brandywine Global Income Fund	2%

Credit Quality (%)

AAA,AA	0.10%
A	18.13%
BBB	34.82%
BB	13.86%
B	30.66%
CCC, CC	1.61%
C	0.12%
D	0.71%

Geographic Breakdown



INVESTMENT COMMENTARY

QUARTERLY NEWSLETTER

WWW.SAMI.BB



SAGICOR (BONDS) FUND