

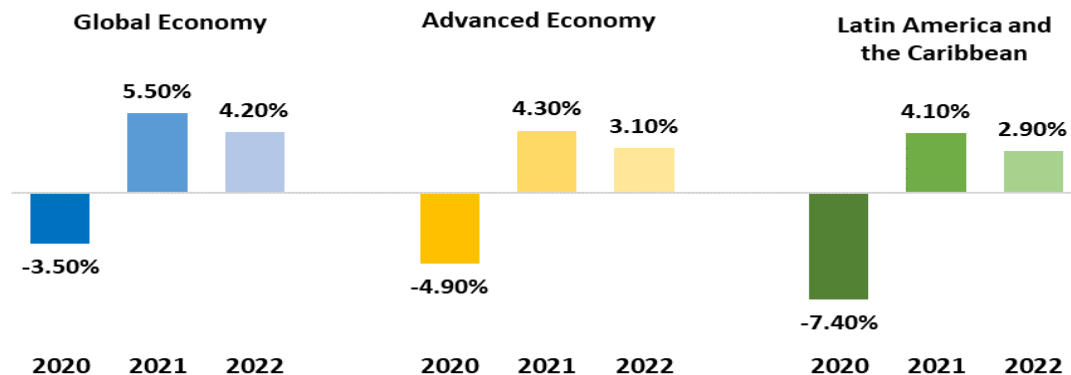
# The Fund Managers' Update @ March 31, 2021

Q1 2021 was dominated by a value driven equity rally amidst improving economic growth and vaccine distribution progress. The equity market, measured by the Dow Jones and SPX Indices, soared to new highs with a higher than anticipated corporate earnings forecast. Within the fixed income market, 10-year treasury yields ended the first quarter with a rate of 1.74%, a notable increase from 0.91% at the end of 2020 and the highest yield recorded since the pandemic began.

High yield (HY) markets posted positive total returns as credit spreads tightened due to growing optimism while Investment Grade (IG) markets were relatively flat owing to higher treasury yields. Market volatility, measured by Volatility Index (VIX), ended the quarter at 19.40, significantly lower when compared to the high recorded at the start of the pandemic (Mar-16-2020: 82.69).

Due to the growing optimism on global activity, updated growth projections from the International Monetary Fund now stands at 5.5% in 2021 (projected 2022: 4.2%); approximately 0.3% higher than previously forecasted. The U.S. Federal Reserve and other world central banks are committed to remain accommodative to support growth.

## World Economic Outlook Update: January 2021 Growth Projections



Source: IMF WEO Update: Jan 2021

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Regionally, the 2020 growth estimate for Latin America and the Caribbean was revised from -8.1%, to -7.4%, according to the January 2021 World Economic Outlook Update. This estimate is fueled by the anticipation that the negative effect of the pandemic on tourism-dependent economies will be substantial, with recovery to 2019 levels, probable by 2023. 2021 growth projections for the region stood at 4.1%.

Domestically, the IMF anticipates an economic contraction of 5.6% for 2020 and forecasts a growth of 2.6% in 2021. Net Official Reserves declined to US\$6.70 billion at March 2021, the equivalent to 8.2 months of import cover, compared to US\$6.95 billion, or 8.5 months of import cover, in December 2020. Liquidity remains elevated at TT \$8.4 billion. Treasury yields remain suppressed on the shorter end of the yield curve but has improved marginally on the longer end encouraging investment in longer term assets.

Overall, 2021 is expected to be a year of recovery, driven by the acceleration of global distribution of the vaccine and governments continued response to stimulate economic activity and improve investor confidence while returning to some levels of normalcy.

Key	Dec-20	Mar-21	Variance
Crude Oil - Brent	US \$51.80	US \$63.54	↑ 22.7%
Crude Oil - WTI	US \$48.52	US \$59.16	↑ 21.9%
Natural Gas – Henry Hub	US \$2.378	US \$2.608	↑ 7.7%
CBTT 365-day Rate	0.22%	0.54%	↑ 0.3%
US Federal Reserve Bank	0.0% - 0.25%	0.0% - 0.25%	→ 0%
TT Headline Inflation (Feb 2021)	0.90%	0.80%	↓ -0.1%
YOY US Inflation (Feb 2021)	1.40%	1.70%	↑ 21.4%
BSE	632.28	598.79	↓ -5.3%
TT COMP	1,321.60	1,343.49	↑ 1.7%
JSE	393,601.30	384,426.00	↓ -2.3%
S&P 500	3,732.04	3,972.89	↑ 6.5%
DOW	30,409.56	32,981.55	↑ 8.5%
MSCI All Country World Index	645.29	673.29	↑ 4.3%

# Asset Description - TT Fixed Income Fund

Portfolio Name	Profile & Objectives
<b>TT Fixed Income (TTD)</b>	<p>This is a fixed income Portfolio invested mainly in corporate and sovereign debt securities and is suitable for investors who would have a conservative investment style and low risk tolerance.</p> <p>These investors would have a short-term horizon with limited liquidity needs in the first year.</p> <p>This fund invests mainly in GORTT securities and corporates with average portfolio maturity ranging 4 to 10 years.</p>
<b>Inception Date</b>	2008
<b>Asset Class/ NAV Type</b>	Fixed Income/ Fixed
<b>Benchmark</b>	1-year GORTT Bond yield plus 50bps (Current Equivalent 1.04%)
<b>Fund Strategy</b>	GORTT Securities and Corporates
<b>Geographical Focus</b>	Caribbean
<b>Number of Holdings</b>	8
<b>Distribution Yield</b>	2.00% (increased to 2.50% from March 1 <sup>st</sup> )
<b>Net Asset Value - TT\$M</b>	29.4

## TTFIF Top Three Asset Holdings

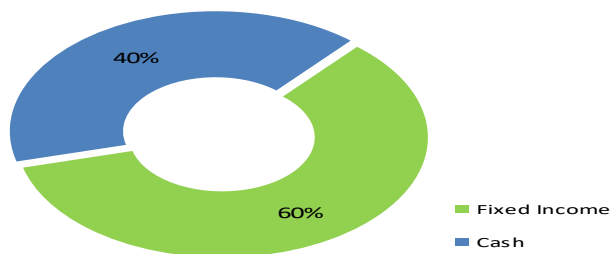
Government of Trinidad & Tobago (GORTT)	96.7%
Massy Holdings Limited	3.2%
Government of St. Lucia	0.1%

## Fixed Income Securities Breakdown

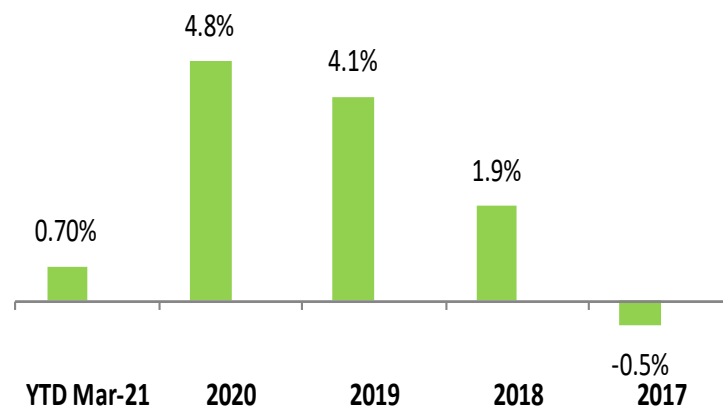
Direct Government	37%
Government Agency	60%
Corporate	3%

<b>Total</b>	<b>100%</b>
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## Invested Asset Allocation



## Average Annual Fund Returns



# Asset Description - US Global Balanced Fund

Portfolio Name	Profile & Objectives
<b>US Global Balanced (USD)</b>	<p>This is a balanced asset Portfolio invested mainly in global and regional corporate and sovereign debt securities as well as global equities and is suitable for investors who would have a moderate investment style.</p> <p>These investors would have a medium to long term horizon with limited liquidity needs in the first year.</p>

Inception Date	2008
Asset Class / NAV Type	Blended / Floating
Benchmark	50% S&P 500 Index/ 50% Bloomberg Barclays Global Aggregate Index = 0.65%
Fund Strategy	Sovereign & Corporate Bonds, Global ETFs
Geographical Focus	Global
Number of Securities	13
Net Asset Value - US\$M	1.43

## USGBF Top Five Asset Holdings

ISHARES CORE MSCI EAFE ETF	27%
ISHARES RUSSELL 1000 VALUE ETF	21%
ISHARES RUSSELL 1000 GRW ETF	13%
ISHARES CORE MSCI EMERGING	13%
VANGUARD TOTAL BOND MARKET	6%

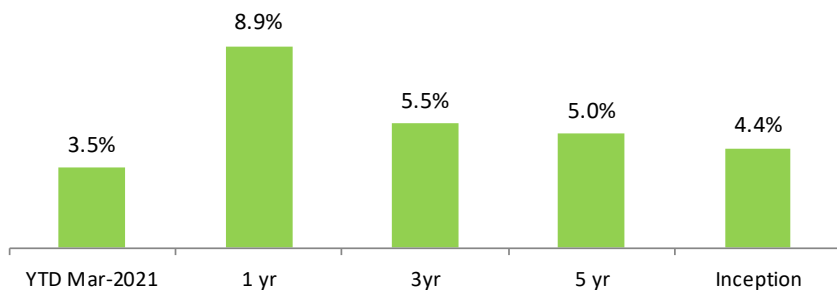
**% of Net Asset Value** **80%**

## Sector Breakdown

High Yield Corporate Bond ETF	5.2%
Developed Markets excluding US & Canada ETFs	26.5%
Emerging Markets ETFs	13.1%
Fixed Income ETFs	9.7%
Value ETFs	28.4%
Growth ETFs	15.6%
Regional Sovereign Bond	1.7%

**Total** **100%**

## Average Annual Fund Returns



## Invested Asset Allocation

