Sagicor
ASSET MANAGEMENT

SAGICOR BARBADOS SEGREGATED PENSION FUNDS

QUARTERLY NEWSLETTER Q2 | JUNE 30, 2024

MARKET OVERVIEW

Macro-Economic Overview

During the second quarter of 2024 global equity markets experienced mixed performance with the S&P 500, Nasdaq and Dow Jones registering returns of 4%, 8% and -1%, respectively. Positive performance was largely influenced by the momentum of Artificial Intelligence (AI). US inflation rate measured by both the CPI and core CPI cooled in June but remained above the Fed's targeted 2% rate. The challenge for policymakers remains effectively managing inflation by adjusting monetary policy in response to underlying inflation dynamics.

US equities generated mixed results during the quarter. US large cap growth stocks outperformed the other equity styles driven by the performance of AI. Sector performance varied significantly during the period. Information Technology, Communication Services and Utilities were the top performing US sectors whereas Materials, Industrials and Energy were the weakest performers. All segments except Real Estate generated positive returns for the year to date. International developed markets declined slightly while emerging markets produced positive returns.

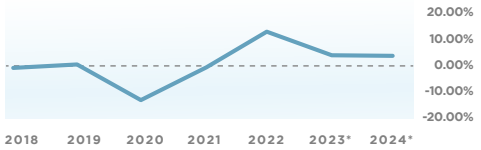
In fixed income markets, the US interest rate curve rose resulting in declining treasury prices. The US Federal Reserve held the Fed Funds rate steady as it continued to face the challenge of balancing the conflicting mandates of stable prices and maximum employment. Within fixed income, less rate-sensitive products continued to generate positive returns. The Bloomberg Global Aggregate Bond Index returned -1.1% during the second quarter of 2024.

Outlook

The IMF projects global growth of 3.2% in 2024 and expects it to remain stable with growth forecasted at 3.3% in 2025. Headline inflation is projected to return to targeted levels by the end of 2025 with the gradual cooling of labour markets and the expected decline in energy prices. Inflation is already near prepandemic levels for the median emerging markets and developing economies, partially due to falling energy prices. However, there are still some risks to inflation in the services sector, as well as from price pressures resulting from trade and geopolitical tensions.

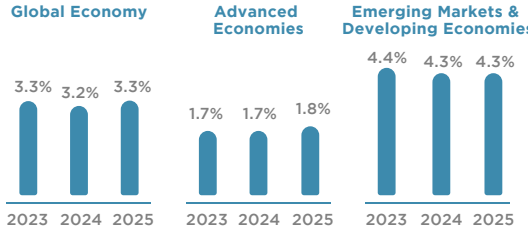
Key Indices (Quarterly Returns)	Sep-2023	Dec-2023	Mar-2024	Jun-2024
BSE Index	4.7%	3.3%	8.6%	↓ -2.9%
TTSE Composite Index	-0.6%	0.4%	-1.3%	↓ -5.9%
JSE Index	-1.5%	-0.4%	0.6%	↓ -2.7%
S&P 500 Index	-3.3%	11.7%	10.6%	↑ 4.3%
Dow Jones Index	-2.1%	13.1%	6.1%	↓ -1.3%
MSCI All Country World Index	-3.4%	11.0%	8.2%	↑ 2.9%

Barbados GDP Growth (Real)



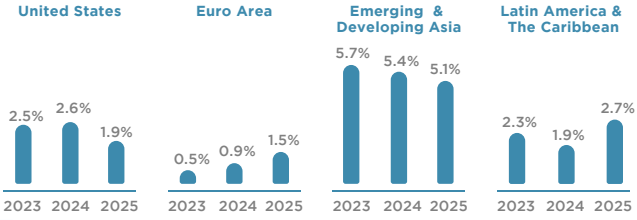
2023/2024* - Estimated Real GDP Growth
Source: Central Bank of Barbados

World Economic Outlook Update: July 2024 Growth Projections (% change)



Source: IMF WEO Update: July 2024

World Economic Outlook Update: July 2024 Regional Growth Projections (% change)



Source: IMF WEO Update: July 2024



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SAGICOR (EQUITY) FUND

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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 09th, 1969
Fund Manager: Sagicor Asset Management Inc.
Management Fee: 0.75% per annum

Fund Statistics:

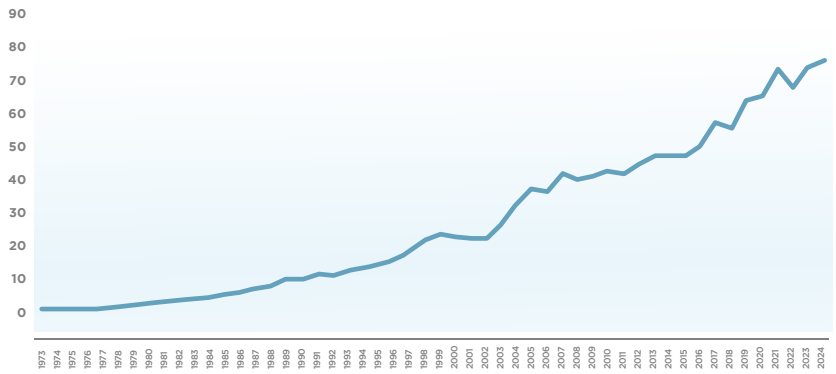
Total AUM (in millions)	$660.5 *BDS*
N.A.V	$76 *BDS*

Fund Performance (%)

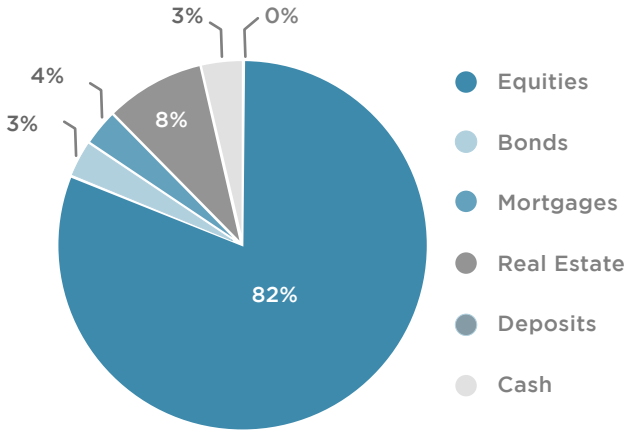
1-YR	5-YR	10-YR	20-YR	30-YR
8.0%	5.6%	4.5%	5.1%	5.9%

**Average annual calendar year performance*

Fund Inception Return as at June 30, 2024



Portfolio Asset Allocation



The Sagicor (Equity) Fund closed the second quarter up 2.4% on a year-to-date basis. The net asset value was $76.00 as at June 30, 2024. Total net assets were reported at $660.5 million.

Artificial Intelligence enthusiasm continued to boost tech stock valuations and portfolio performance was impacted by the relative exposure of the international equity funds to the sector. US large cap growth stocks and emerging market funds had varied portfolio performance. The strategic allocation to Information Technology and Healthcare benefitted the portfolio during the quarter, whereas Energy faced volatility and was a detractor.

The Fund's regional equity holdings experienced mixed performance with key holdings in Massy Holdings Ltd., Goddard Enterprises Ltd. and FirstCaribbean International Bank experiencing price declines during the quarter.

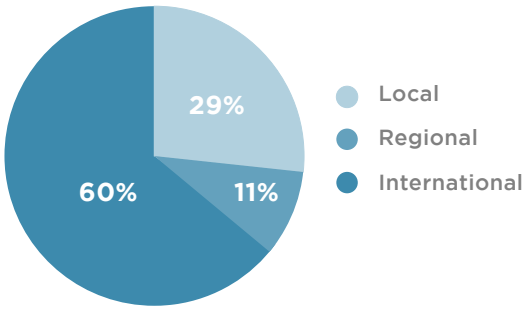
Top 10 Holdings (%)

Goddard Enterprises Ltd	10%
Massy Holdings Ltd	8%
FirstCaribbean International Bank	4%
Morgan Stanley	3%
Pictet - PTR Atlas Fund	3%
Royal Bank of Canada	2%
Merian Global Equity Absolute Return	2%
Investec Global Franchise Fund	2%
Man AHL Target Fund	2%
Aspect Diversified Trends USD Fund	2%
Total of Top 10 Holdings	38%

Sector Analysis of International Holdings

Information Technology	25%
Financials	15%
Consumper Staples	6%
Health Care	16%
Communication Services	5%
Consumer Discretionary	10%
Energy	5%
Industrials	13%
Materials	3%
Real Estate	1%
Utilities	1%
Total International Equity Holdings	100%

Geographic Breakdown



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SAGICOR (BONDS) FUND

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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 09th, 1969

Fund Manager: Sagicor Asset Management Inc.

Management Fee: 0.50% per annum

Fund Statistics:

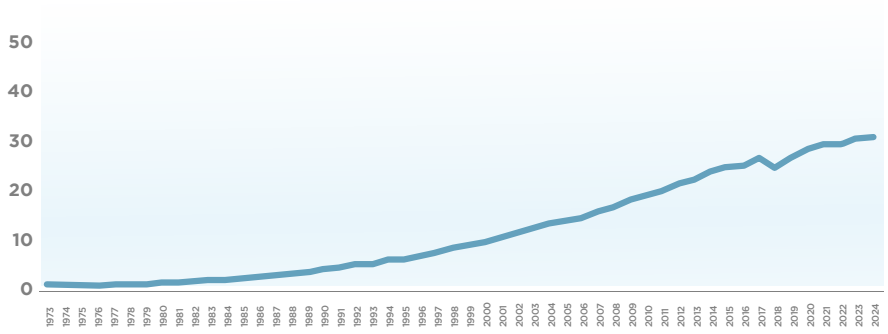
Total AUM (in millions)	$458.1 *BDS*
N.A.V	$31.42 *BDS*
Number of Holdings	270
Yield to Maturity	6.47%

Fund Performance (%)

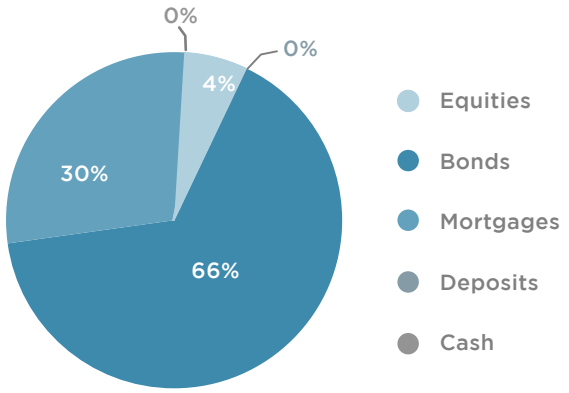
1-YR	5-YR	10-YR	20-YR	30-YR
4.5%	4.2%	3.2%	4.6%	5.9%

**Average annual calendar year performance*

Fund Inception Return as at June 30, 2024



Portfolio Asset Allocation



The Sagicor (Bonds) Fund net asset value increased to $31.42 as at June 30, 2024 when compared to $31.09 at the end of March 2024. The Fund returned 1.1% during the second quarter of 2024 and 2.1% for the year-to-date. Net assets stood at $458.1 million at the end of June 2024. The portfolio continues to benefit from an increase in valuation of the portfolio's local currency debt and stability in regional fixed income holdings.

The portfolio team continued to invest short term capital in treasuries at yields above 5.2%.

Interest rate policy remained the primary driver of volatility in fixed income markets. The US Federal Reserve maintained its Federal Funds range of 5.25% to 5.50%. However, fixed income investors expect that rate cuts are probable in the latter part of 2024. The US interest rate curve rose and slightly narrowed its inversion during the quarter with yields on all maturities from two years and longer ending the period higher and resulting in falling prices for treasuries. The 10-year treasury yield rose by 0.16% to 4.36%. Historically, this portfolio has shown resistance to market shocks and remains strategically positioned for long term growth.

Top 10 Holdings (%)

Gov't of Barbados Series D 4.25% Due 08/31/2053	23%
Gov't of Bermuda 3.717% Due 01/25/27	8%
United States of America Treasury Bill	3%
Trinidad Generation Unlimited 5.25% 11/04/27	3%
Gov't of Trinidad & Tobago 5.875% Due 05/17/27	3%
Gov't of Trinidad & Tobago 4.5% Due 08/04/26	2%
Gov't of Barbados 6.50% Due 10/01/2029	2%
Gov't of St. Lucia 6.5% Bond	2%
Natural Gas Co. Trinidad 6.05% Due 01/15/36	2%
Legg Mason Brandywine	2%
Total of Top 10 Holdings	**50%**

Credit Quality (%)

AAA,AA	6%
A	16%
BBB	28%
BB	18%
B	31%
CCC, CC	1%
C	0%
D	0%

Geographic Breakdown

