Sagicor

ASSET MANAGEMENT

SAGICOR BARBADOS SEGREGATED PENSION FUNDS

QUARTERLY NEWSLETTER Q3 | SEPTEMBER 30, 2024

MARKET OVERVIEW

Macro-Economic Overview

During the third quarter of 2024 global equity markets experienced positive performance with the S&P 500, Nasdaq and Dow Jones registering returns of 6%, 3% and 9%, respectively. This positive performance was influenced by interest rate cuts as the Federal Reserve joined the global rate-cutting cycle. The US inflation rate measured by both the CPI and core CPI had mixed readings in September as progress on reducing inflation slowed and rates remained above the Fed's target of 2%. Policymakers continue to face the challenge of managing inflation effectively by adjusting monetary policy in response to underlying inflation dynamics.

US equities generated positive results during the quarter. US small cap value stocks outperformed the other equity styles. Sector performance varied significantly during the period. Utilities, Real Estate, and Industrials were the top performing US sectors whereas Energy, Information Technology and Communication Services were the weakest performers. Energy was the only sector which had negative performance for the third quarter. All segments generated positive returns for the year to date. During the quarter emerging and international developed markets produced positive returns.

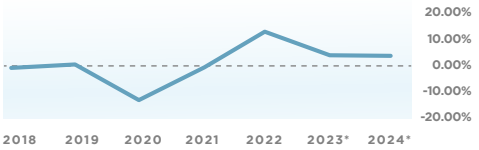
In fixed income markets, The US Federal Reserve cut interest rates by 50 basis points in September as the Fed prioritised employment over the conflicting mandate of stable prices. Within the US fixed income market long-maturity US Treasuries, investment grade and high yield credit generated positive returns and leveraged loans continued to appreciate. The Bloomberg Global Aggregate Bond Index returned 7.0% during the third quarter of 2024.

Outlook

The IMF projects global growth of 3.2% in 2024 and expects it to remain stable with growth forecasted at 3.2% in 2025. This represents a general decrease in core inflation, unlike 2023 which was a result of declining headline inflation from lower fuel prices. Headline inflation is projected to decline to 3.5% by the end of 2025. The global decline in inflation is a breakthrough, however, there are still risks to inflation recurring including delays in implementing a more relaxed monetary policy, a potential resurgence in financial market volatility, growth slowdown in China, as well as pressure resulting from protectionist policies, trade, and geopolitical tensions.

Key Indices (Quarterly Returns)	Dec-2023	Mar-2024	Jun-2024	Sep-2024
BSE Index	3.3%	8.6%	-2.9%	↑ 0.0%
TTSE Composite Index	0.4%	-1.3%	-5.9%	↓ -6.6%
JSE Index	-0.4%	0.6%	-2.7%	↓ -0.2%
S&P 500 Index	11.7%	10.6%	4.3%	↑ 5.9%
Dow Jones Index	13.1%	6.1%	-1.3%	↑ 8.7%
MSCI All Country World Index	11.0%	8.2%	2.9%	↑ 6.6%

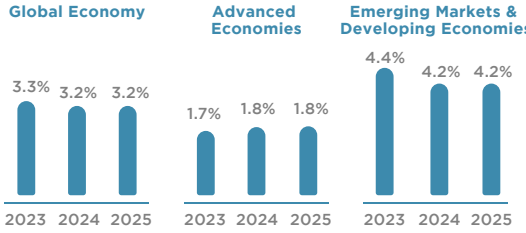
Barbados GDP Growth (Real)



2023/2024* - Estimated Real GDP Growth

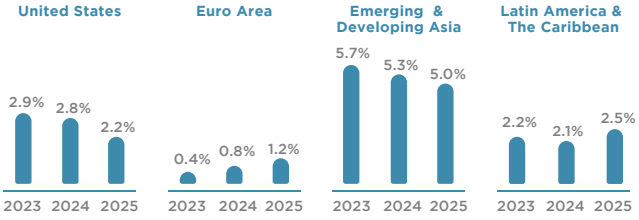
Source: Central Bank of Barbados

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



Source: IMF WEO Update: October 2024

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



Source: IMF WEO Update: October 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:

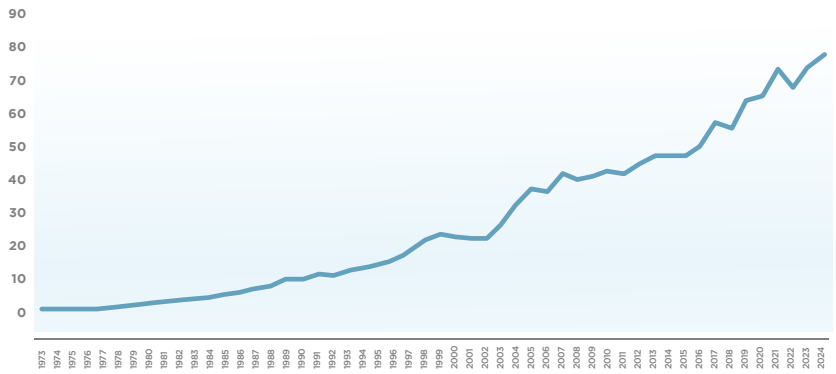
Total AUM (in millions)	$671.0 *BDS*
N.A.V	$77.59 *BDS*

Fund Performance (%)

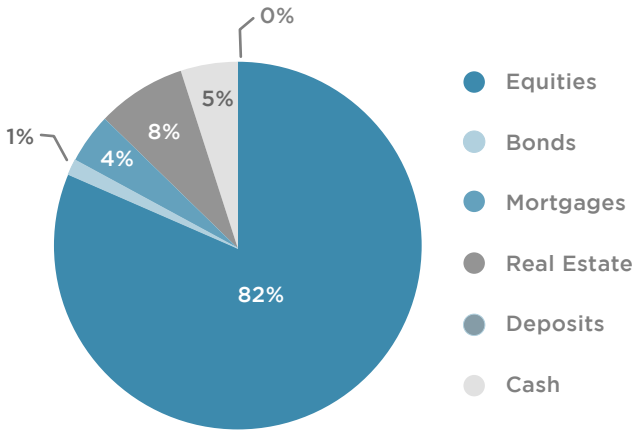
1-YR	5-YR	10-YR	20-YR	30-YR
8.0%	5.6%	4.5%	5.1%	5.9%

**Average annual calendar year performance*

Fund Inception Return as at September 30, 2024



Portfolio Asset Allocation



The Sagicor (Equity) Fund closed the third quarter up 2.1% and returned 4.6% on a year-to-date basis. The net asset value was $77.59 as at September 30, 2024. Total net assets were reported at $671.0 million.

International equities boosted the Fund performance during the period as exposure to international value, small cap and emerging market stocks benefitted the portfolio. For US equities, value outperformed growth styles across all market caps with large cap growth stocks exhibiting the weakest performance. The strategic allocation to Industrials, Financials and Healthcare benefitted the portfolio during the quarter, whereas the Energy sector faced volatility and was a detractor.

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

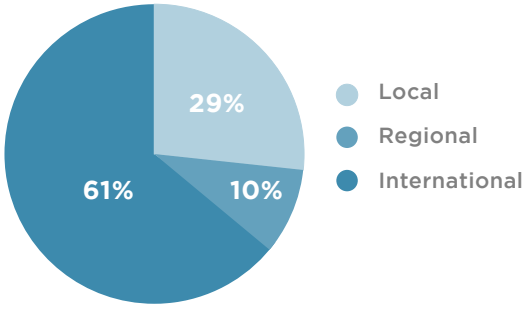
Top 10 Holdings (%)

Goddard Enterprises Ltd	9%
Massy Holdings Ltd	6%
FirstCaribbean International Bank	4%
Pictet - PTR Atlas Fund	3%
Morgan Stanley	3%
Royal Bank of Canada	3%
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	**36%**

Sector Analysis of International Holdings

Information Technology	26%
Financials	16%
Consumper Staples	5%
Health Care	15%
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:

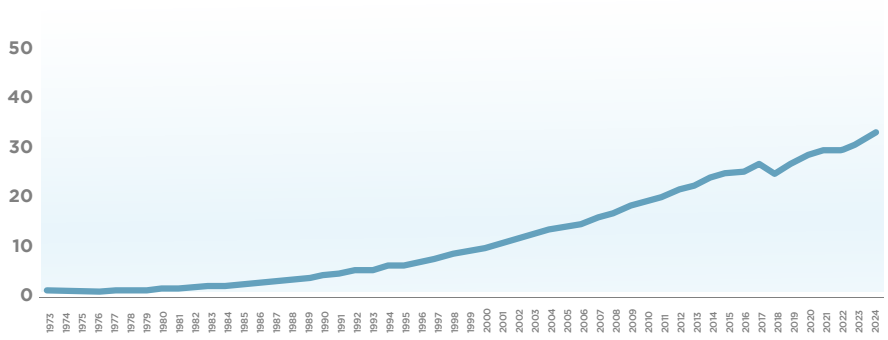
Total AUM (in millions)	$466.3 *BDS*
N.A.V	$32.09 *BDS*
Number of Holdings	275
Yield to Maturity	6.06%

Fund Performance (%)

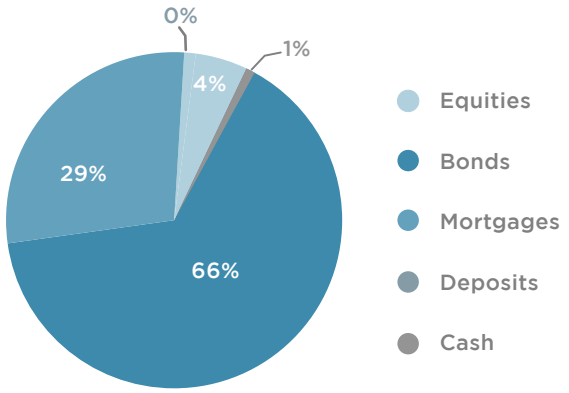
1-YR	5-YR	10-YR	20-YR	30-YR
4.5%	4.2%	3.2%	4.6%	5.9%

**Average annual calendar year performance*

Fund Inception Return as at September 30, 2024



Portfolio Asset Allocation



At September 30, 2024 the Sagicor (Bonds) Fund net asset value increased to $32.09, compared to $31.42 at the end of June 2024. The Fund returned 2.1% during the third quarter of 2024 and 4.2% for the year-to-date. Net assets stood at $466.3 million at the end of September 2024. International fixed income holdings experienced gains during the period. The portfolio also continued 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 4.5%.

Interest rate policy remained the primary driver of volatility in fixed income markets. After maintaining its Federal Funds target range of 5.25% to 5.50% since July 2023, the US Federal Reserve finally cut interest rates by 0.5% on September 18, 2024, representing the first rate cut since the pandemic. Investors expect that smaller, additional rate cuts are probable before year-end. The US interest rate curve returned to its historically positive slope during the quarter with yields on all maturities falling during the period and resulting in increasing prices for Treasuries. The 10-year Treasury yield fell by 0.55% to 3.81%.

This portfolio has historically 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	22%
Gov't of Bermuda 3.717% Due 01/25/27	8%
Gov't of Trinidad & Tobago 4.5% Due 08/04/26	4%
Trinidad Generation Unlimited 5.25% 11/04/27	4%
Gov't of Trinidad & Tobago 5.875% Due 05/17/27	3%
Gov't of Barbados 6.50% Due 10/01/2029	2%
United States of America Treasury Bill	2%
Natural Gas Co. Trinidad 6.05% Due 01/15/36	2%
Gov't of St. Lucia 6.5% Bond	2%
Legg Mason Brandywine	2%
Total of Top 10 Holdings	**51%**

Credit Quality (%)

AAA,AA	5%
A	17%
BBB	30%
BB	17%
B	30%
CCC, CC	0%
C	1%
D	0%

Geographic Breakdown

