

The Fund Managers' Update as at June 30, 2020

Recent economic data releases suggest a deeper fallout from the COVID-19 pandemic, consequently the IMF has revised downward its global growth projection to -4.9% in 2020, 1.9 percentage points below the April 2020 World Economic Outlook forecast while growth for Latin America and the Caribbean is estimated to contract -9.4%. Global coronavirus cases at the end of June 2020 topped 10 million with a resurgence in cases after phased reopening across many developed economies. The steep decline in activity comes with a catastrophic hit to the global labor market. According to the International Labour Organization, the global decline in work hours in 2020:Q1 compared to 2019:Q4 was equivalent to a loss of 130 million full-time jobs. Adding to the grim outlook it is anticipated that global public debt is expected to reach an all-time high, exceeding 101% of GDP in 2020–21. Geopolitical tensions have once again flared between the US and its major trading partners China and Europe putting downward pressure on global trade projections. Fiscal and financial response measures to buffer the economic impact have been unprecedented with worldwide fiscal stimulus announcements estimated at \$11 trillion.

The US Federal Reserve bank left rates unchanged at a range of 0.0% to 0.25% to help prop up the US economy in the face of the escalating Covid-19 crisis. The Dow Jones Industrial average and the S&P 500 Index advanced 18.5% and 20.5% respectively in Q2.

The Jamaica stock exchange returned 1.1% during the second quarter while the Trinidad and Tobago Stock exchange returned -0.5%. Similarly, the Barbados stock exchange also underperformed returning -8.2% led by declines in Goddard Enterprises and FCIBC shares.

Economic activity in Trinidad and Tobago is gradually resuming, following several months of lockdown. Not unexpectedly, earlier stay-at-home requirements resulted in a lull in activity in most sectors and a reduction in disposable incomes. Despite the gloomy environment, the country's international reserves position remained strong at US\$6.8 billion on June 19, 2020 (around 8 months of import cover), boosted by a recent US\$400 million drawdown from the Heritage and Stabilization Fund.

The IMF states, "Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021, global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s".

Asset Description - US Global Balanced Fund

Portfolio Name Profile & Objectives

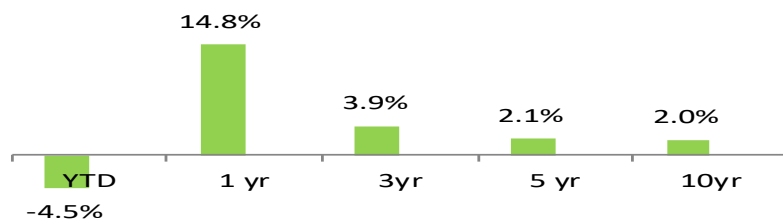
US Global Balanced (USD)

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.

These investors would have a medium to long term horizon with limited liquidity needs in the first year.

Inception Date	2008
Asset Class / NAV Type	Blended / Floating
Benchmark	50% Morgan Global Government Bond Index + 50% S&P Index
Fund Strategy	Sovereign & Corporate Bonds, Global ETFs
Geographical Focus	Global
Number of Securities	13
Net Asset Value - US\$M	1.3

Average Annual Fund Returns



USGBF Top Five Asset Holdings

ISHARES CORE MSCI EAFE ETF	25.5%
ISHARES RUSSELL 1000 VALUE ETF	19.6%
ISHARES RUSSELL 1000 GRW ETF	11.6%
ISHARES CORE MSCI EMERGING	11.4%
VANGUARD TOTAL BOND MARKET	7.6%

% of Net Asset Value

76%

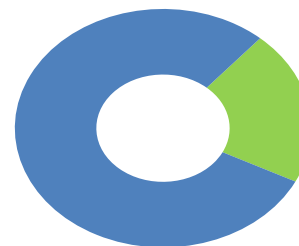
Sector Breakdown

High Yield Corporate Bond ETF	6%
Developed Markets excluding US & Canada ETFs	26%
Emerging Markets ETFs	11%
Fixed Income ETFs	12%
Value ETFs	26%
Growth ETFs	17%
Regional Sovereign Bond	3%

Total

100%

Invested Asset Allocation



Fixed Income	21%
Equities	79%