

## MARKET OVERVIEW

### Macro-Economic Overview

The fourth quarter of 2023 was strong for financial markets with the S&P 500, Nasdaq and Dow Jones all registering solid gains of 12%, 14%, and 13%, respectively. All three indices reflected robust returns for the year boosted by the Q4 performance. The US Federal Reserve decided to keep rates fixed at year end. December year-over-year consumer inflation trended higher as both CPI and core CPI came in above expectations. The immediate test for policymakers is how to effectively manage inflation and close the gap to achieve the target 2% inflation rate, calibrate monetary policy in response to underlying inflation dynamics and adjust to a less restrictive stance.

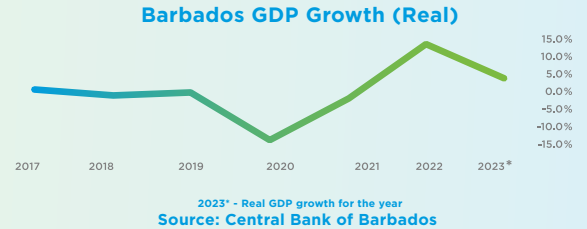
U.S. equities across all styles and market caps rose during the quarter and all segments generated positive returns. Real Estate, Information Technology and Financials were the top performing US sectors whereas Energy, Consumer Staples and Healthcare were the weakest performers with Energy the only negative performer during the quarter. REITs rebounded on the back of demand for data centers and hopes for lower long-term rates. Despite elevated geopolitical tensions, banking sector hiccups, heightened competition and economic uncertainty, all sectors except Utilities and Energy generated positive returns for the year.

Fixed income markets staged a fourth quarter recovery as the US Federal Reserve held the Fed Funds rate steady. The U.S. interest rate curve fell, with yields except for one-month maturities ending the quarter lower, resulting in increases in the price of Treasuries. The Bloomberg Global Aggregate Bond Index returned 9.4% over November and December (the best two month run based on data going back to 1990) and rose a total of 8.1% during the fourth quarter of 2023.

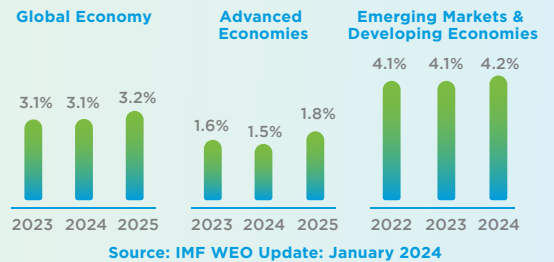
### Outlook

The IMF expects global growth, estimated at 3.1 percent in 2023 to remain at that level for 2024 before marginally increasing to 3.2 percent in 2025, well below the historical (20-year) average of 3.8 percent. The projections reflect restrictive monetary policy, reduced fiscal support, and low underlying productivity growth, which are expected to restrain economic activity.

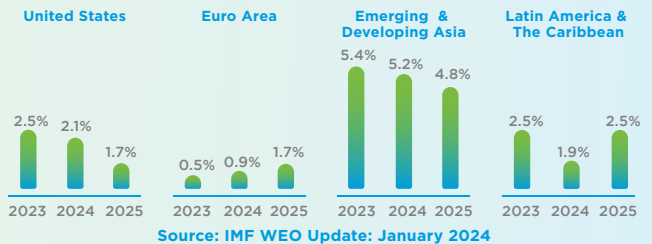
Key Indices (Quarterly Returns)	Mar-2023	Jun-2023	Sep-2023	Dec-2023
BSE Index	0.6%	0.5%	4.7%	↑ 3.3%
TTSE Composite Index	-1.5%	-7.3%	-0.6%	↑ 0.4%
JSE Index	-4.3%	-2.5%	-1.5%	↓ -0.4%
S&P 500 Index	7.5%	8.7%	-3.3%	↑ 11.7%
Dow Jones Index	0.9%	4.0%	-2.1%	↑ 13.1%
MSCI All Country World Index	7.3%	6.2%	-3.4%	↑ 11.0%



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



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





# SAGICOR (EQUITY) FUND

QUARTERLY NEWSLETTER Q4 | DECEMBER 31, 2023

## 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<sup>th</sup>, 1969

**Fund Manager:** Sagicor Asset Management Inc.

**Management Fee:** 0.75% per annum

#### Fund Statistics:

Total AUM (in millions) **\$653.7 BDS**

N.A.V

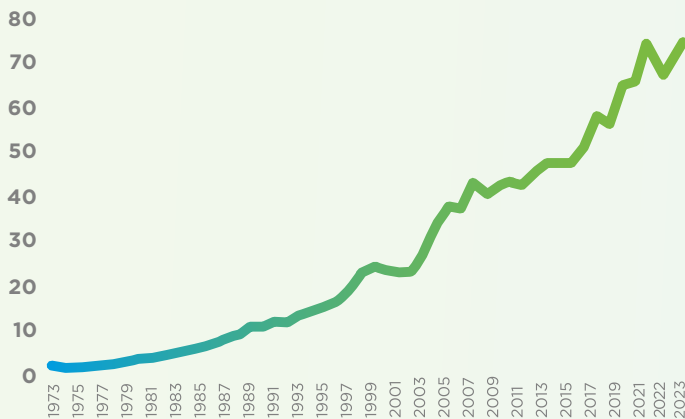
**\$74.25 BDS**

#### Fund Performance (%)

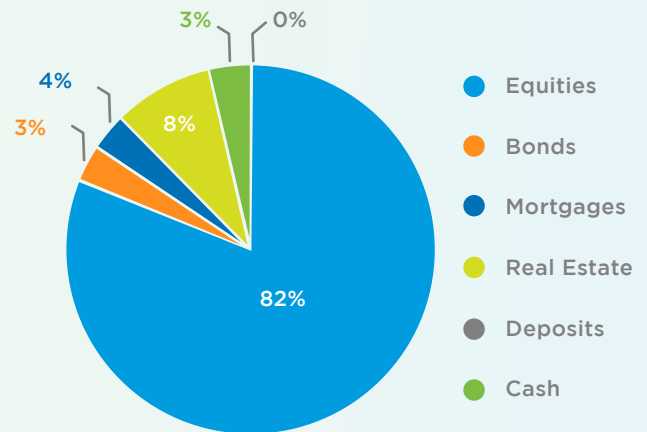
1-YR	5-YR	10-YR	20-YR	30-YR
8.1%	6.0%	4.8%	5.4%	6.1%

*\*Average annual calendar year performance*

#### Fund Inception Return as at December 31, 2023



#### Portfolio Asset Allocation



The Sagicor (Equity) Fund's net asset value increased to \$74.25 as at December 31, 2023 when compared to \$71.00 at the close of the third quarter of 2023. The Fund reported a return of 4.7% during the quarter and was up 8.1% year-to-date. Total net assets were reported at \$653.7 million.

International equities bolstered the performance of the Fund in the fourth quarter as exposure to large cap growth and small cap stocks benefitted the portfolio. U.S. large cap stocks led the rebound as AI enthusiasm propelled tech stock valuations while Small Cap stocks reflected resilient domestic consumption. The strategic allocation to energy and selective commodities faced price volatility during the period.

The Fund's regional equity holdings experienced mixed performances during the quarter. Goddard Enterprises Ltd. and FirstCaribbean International Bank shares were unchanged whereas Massy Holdings Ltd. and Scotiabank Trinidad & Tobago Limited declined and Republic Financial Holdings Limited advanced.

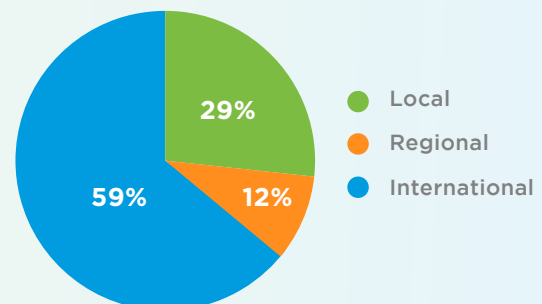
#### Top 10 Holdings (%)

Goddard Enterprises Ltd	10%
Massy Holdings Ltd	8%
FirstCaribbean International Bank	4%
Schwab US Dividend Equity Fund (ETF)	3%
Morgan Stanley	3%
Pictet - PTR Atlas Fund	3%
Royal Bank of Canada	3%
MFS Meridian European Research Fund	2%
Neuberger Berman	2%
Investec Global Franchise Fund	2%
Total of Top 10 Holdings	41%

#### Sector Analysis of International Holdings

Information Technology	22%
Financials	14%
Consumer Staples	6%
Health Care	15%
Communication Services	5%
Consumer Discretionary	10%
Energy	5%
Industrials	13%
Materials	3%
Real Estate	5%
Utilities	1%
Total International Equity Holdings	100%

#### Geographic Breakdown





# SAGICOR (BONDS) FUND

QUARTERLY NEWSLETTER Q4 | DECEMBER 31, 2023

## ASSET MANAGEMENT

### 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<sup>th</sup>, 1969

**Fund Manager:** Sagicor Asset Management Inc.

**Management Fee:** 0.50% per annum

#### Fund Statistics:

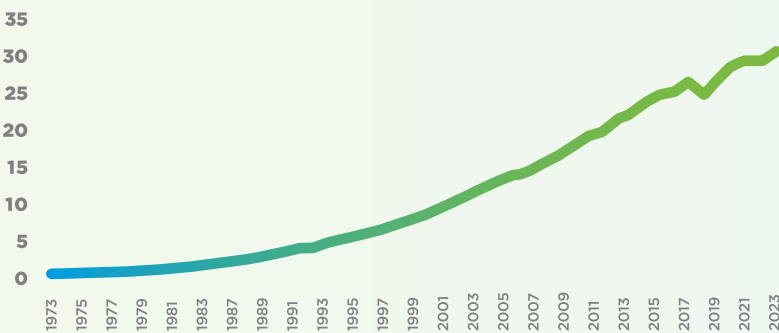
Total AUM (in millions) **\$458.4 BDS**  
 N.A.V **\$31.00 BDS**  
 Number of Holdings **254**  
 Yield to Maturity **6.74%**

#### Fund Performance (%)

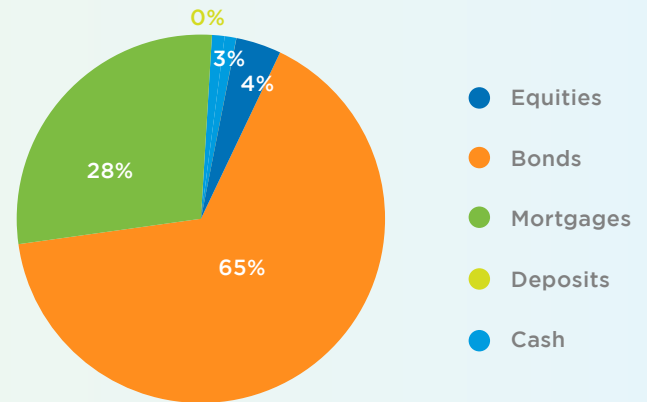
1-YR	3-YR	5-YR	10-YR	20-YR
5.2%	2.7%	4.4%	3.3%	4.7%

*\*Average annual calendar year performance*

#### Fund Inception Return as at December 31, 2023



#### Portfolio Asset Allocation



The Sagicor (Bonds) Fund net asset value increased to \$31.00 as at December 31, 2023 when compared to \$30.35 at the end of September 2023. The Fund was up 2.2% for the fourth quarter and closed the year up 5.24%. Net assets grew to \$458.4 million, an increase of \$2.7 million from the prior quarter. The broader bond market rallied late in the year as the Fed's dovish shift comforted investors. The portfolio continues to benefit from stability in regional fixed income holdings and an increase in the valuation of the portfolio's local currency debt.

The portfolio team deployed short-term capital into Treasuries at yields above 5.2% and a managed fixed income strategy.

Economic data continues to exhibit resilience, especially within the US market. The primary driver of volatility in fixed income markets remains with interest rate policy. The US Federal Reserve maintained its Federal Funds range of 5.25% to 5.50%. 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	22%
Gov't of Bermuda 3.717% Due 01/25/27	9%
Trinidad Generation Unlimited 5.25% 11/04/27	3%
United States of America Treasury Bill	3%
Gov't of Trinidad & Tobago 5.875% Due 05/17/27	3%
Gov't of Barbados 6.50% Due 10/01/2029	2%
Gov't of Trinidad & Tobago 4.5% Due 08/04/26	2%
Natural Gas Co. Trinidad 6.05% Due 01/15/36	2%
Gov't of St. Lucia 6.5%	2%
Legg Mason Brandywine	2%
<b>Total of Top 10 Holdings</b>	<b>49%</b>

#### Credit Quality (%)

AAA,AA	5%
A	19%
BBB	28%
BB	16%
B	30%
CCC, CC	1%
C	0%
D	1%

#### Geographic Breakdown

