

# The Financial Planner

QUARTERLY NEWSLETTER

Q2 | 2022

## understanding today to secure tomorrow | The Fund Managers' Update @ March 31, 2022

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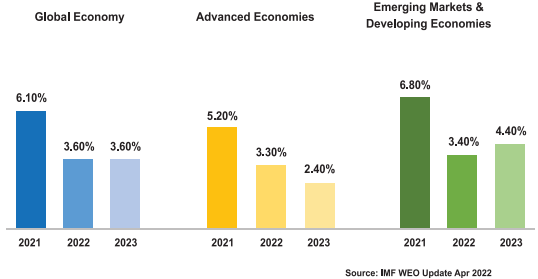
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About Sagikor's US Global Balanced Fund

### The first quarter of 2022 saw an acceleration in global economic uncertainty due to Russia's invasion of Ukraine causing a worldwide spiral of inflation rates and market volatility.

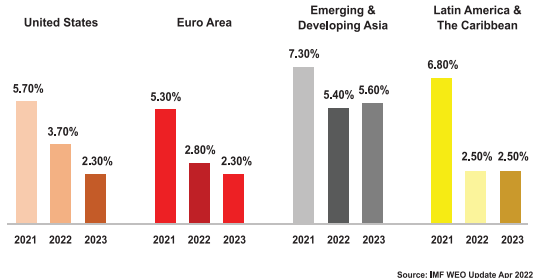
In response, the International Monetary Fund slashed its projection for global economic growth to 3.6% in 2022 and 2023, a drop of 0.8% and 0.20% from its January 2022 forecast, in its latest World Economic Outlook Update in April 2022. With concern of further sanctions on Russian energy, the growing war and new COVID lockdowns in China disrupting supply chains, inflation is now projected to remain persistently higher leading to higher interest rates and lower economic growth.

Implications from the global shock were felt throughout the financial markets, with equities declining and bond yields rising causing a decline in asset values at the end of the quarter. The US equity market, measured by the Dow Jones and SPX Indices, registered its first quarterly loss in two years as uncertainty spiked. Within the fixed income space, 10-year treasury yields ended the first quarter at a 2.32% rate, a notable increase from 0.80% at the end of 2020 while Government bond yields also saw a

World Economic Outlook Update: April 2022  
GROWTH PROJECTIONS (% change)



World Economic Outlook Update: April 2022  
REGIONAL GROWTH PROJECTIONS (% change)



sharp increase. Volatility continued as Central banks turned hawkish during the quarter with the implementation of rate hikes. Investors anticipate several more hikes in 2022. Market volatility, measured by Volatility Index (VIX), hit a high of 36.45 over the last 12 months to end the quarter at 20.56.



## The Fund Managers' Update @ March 31, 2022 (continued)

Net official reserves in Trinidad and Tobago declined to US\$6.70 billion at March 2022, equivalent to 8.1 months of import cover, compared to US\$6.88 billion, or 8.4 months of import cover, in December 2021. Excess liquidity stood at TT \$5.8 billion in March 2022, averaging at TT \$5.1 billion for the first quarter. Compared to December 2021, treasury yields on the shorter end of the yield curve have increased as at March 2022, with greater movements seen at the 1-year, 3-year and 4-year tenors.

Global shocks resulting from increasing inflation, the Russia-Ukraine war and supply disruptions in China, are expected to have further spillover effects during Q2 2022. As a result, the US Global Balanced Fund generated negative returns, however, we remain vigilant to position this Mutual Fund to take advantage of any

opportunities in the market and position the portfolio in line with its mandate to smoothen market volatility and preserve capital. Investors are reminded that spending time in the market versus trying to time the market, can be more effective during turbulent times.

Sagicor Investments Trinidad and Tobago Ltd launched its new suite of funds in November 2021. We continue to build out the Funds' assets under management as viable securities become available in the market.

*Global shocks resulting from increasing inflation, the Russia-Ukraine war and supply disruptions in China, are expected to have further spillover effects during Q2 2022*

Key	Dec-2021	Dec-2022	Variance
Crude Oil - Brent	US \$77.78	US \$107.91	↑ 38.74%
Crude Oil - WTI	US \$75.21	US \$100.28	↑ 38.33%
Natural Gas - Henry Hub	US \$3.730	US \$5.642	↑ 51.26%
CBTT 365-day Rate	0.40%	0.71%	↑ 0.31%
US Federal Reserve Bank	0.0% - 0.25%	0.25% - 0.50%	↑ 100%
TT Headline Inflation (Jan 2022)	2.40%	3.80%	↑ 1.4%
YOY US Inflation	6.80%	8.50%	↑ 21.4%
BSE Index	578.56	580.68	↑ 0.37%
TTCOMP Index	1,496.93	1,455.18	↓ -2.79%
JSE Index	396,155.60	391,232.00	↓ -1.24%
S&P 500 Index	4,766.18	4,530.41	↓ -4.95%
Dow Jones Index	36,338.30	34,678.35	↓ -4.57%
MSCI All Country World Index	754.83	711.56	↓ -5.73%

Data as of March 31st 2022:



Data has been sourced from Bloomberg: BSE Index represents Barbados Stock Exchange Index price return, TTCOMP Index represents Trinidad and Tobago composite Index price return, JSE Index represents Jamaica Stock Exchange Index price return, S&P 500 Index represents S&P 500 price return, Dow Jones Index represents Dow Jones Industrial Index price return, MSCI All Country World Index represents MSCI All Country World Index price return.

# solutions to fit your investment needs.



## Diversifying Your Portfolio with

## Sagicor's Mutual Fund Offerings

Fund Profile & Objective	Fund Strategy	Launch Date	Positioning Strategy	YTD Return March 2022
<p><b>Go-Mutual Bond Fund (TTD)</b></p> <p>This is a Trinidad and Tobago Dollar fixed income portfolio largely invested in sovereign debt and is suitable for investors who have a conservative investment style and are seeking returns in line with established short duration government instruments. These investors may have a short-term horizon and may need liquidity from time to time.</p>	<p>Invested in GORTT and Corporate Securities and other regional debt instruments.</p>	<p>Nov-21</p>	<p>The Fund is heavily invested in GORTT agency assets. We remain vigilant for new TTD Government and Corporate securities to further diversify the portfolio and build out the Fund's asset under management.</p>	<p> 0.02%</p>
<p><b>Go-Mutual Balanced Fund (TTD)</b></p> <p>This is a Trinidad and Tobago Dollar balanced asset portfolio invested in a mix of other Sagicor Go-Mutual Funds as determined by the Managers. This portfolio is suitable for investors with a low to moderate risk tolerance and are seeking stable investments producing a competitive return. These investors would have a long-term horizon with limited liquidity needs in the first year. The portfolio provides exposure to stocks, bonds and other securities both local and global.</p>	<p>Invested in a mix of other funds and securities of varying asset classes as determined by the Managers.</p>	<p>Nov-21</p>	<p>The Fund is heavily invested in GORTT agency assets. We remain vigilant for new TTD Government and Corporate securities as well as local and regional equity opportunities to further diversify the portfolio and build out the Fund's asset under management.</p>	<p> 0.81%</p>

## Sagicor's Mutual Fund Offerings (continued)

Fund Profile & Objective	Fund Strategy	Launch Date	Positioning Strategy	YTD Return March 2022
<p><b>Go-Mutual Bond Fund (USD)</b></p> <p>This is a United States Dollar fixed income portfolio invested mainly in global corporate and sovereign debt securities, and is suitable for investors who have a moderate investment style and are seeking a competitive return. These investors would have a medium to long term horizon with limited liquidity needs in the first year. Sagicor Go-Mutual Funds are marketed as a medium-risk corporate and sovereign debt portfolio; therefore, investments are in the acquisition of debt with the following attributes:</p> <ul style="list-style-type: none"> <li>(1) Investment Grade;</li> <li>(2) Corporate/Sovereign;</li> <li>(3) Highly Liquid; and</li> <li>(4) Global.</li> </ul>	<p>Invested in regional and global corporate and sovereign debt securities.</p>	<p>Nov-21</p>	<p>The Fund is heavily invested Corporate USD assets. Given the current market volatility within the USD space, we remain vigilant for high quality USD securities to further diversify the portfolio and build out the Fund's asset under management.</p>	<p> 0.10%</p>



About Sagicor's

**US Global Balanced Fund**

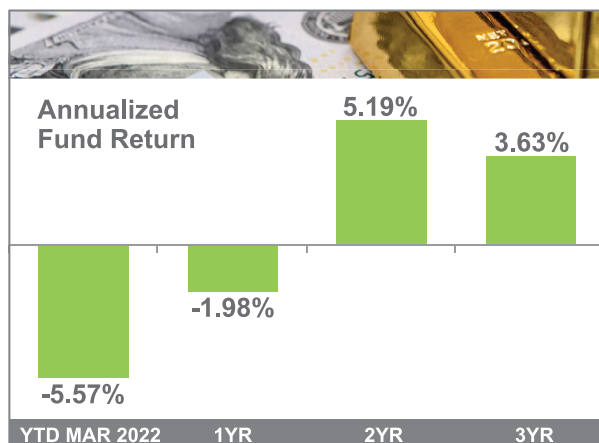
Give **your portfolio** a competitive edge

**US Global Balanced Fund (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.

<b>Inception Date</b>	<b>2008</b>
<b>Asset Class / NAV Type</b>	<b>Blended / Floating</b>
<b>Benchmark</b>	<b>50% S&amp;P 500 Index/ 50% Bloomberg Barclays Global</b>
<b>Aggregate Index</b>	<b>-5.56%</b>
<b>Fund Strategy</b>	<b>Sovereign &amp; Corporate Bonds, Global ETFs</b>
<b>Geographical Focus</b>	<b>Global</b>
<b>Number of Securities</b>	<b>13</b>
<b>Net Asset Value</b>	<b>US\$M 1.42</b>



USGBF Top Five Asset Holdings

<b>ISHARES CORE MSCI EAFE ETF</b>	<b>20%</b>
<b>ISHARES RUSSELL 1000 VALUE ETF</b>	<b>15%</b>
<b>NCB GLOBAL HOLDINGS</b>	<b>14%</b>
<b>ISHARES RUSSELL 1000 GRW ETF</b>	<b>12%</b>
<b>VANGUARD TOTAL BOND MARKET</b>	<b>12%</b>
<b>% of Net Asset Value</b>	<b>73%</b>

**Sector Breakdown & Asset Allocation**

<b>Developed Markets excluding US &amp; Canada ETFs</b>	<b>20.9%</b>
<b>Emerging Markets ETFs</b>	<b>9.6%</b>
<b>Fixed Income ETFs</b>	<b>21.5%</b>
<b>Value ETFs</b>	<b>0.1%</b>
<b>Growth ETFs</b>	<b>13.5%</b>
<b>Regional Sovereign Bond</b>	<b>14.4%</b>
<b>Total</b>	<b>100%</b>

