



## FUND PERFORMANCE

The Republic Capital Growth Fund (RCGF) and the Republic Income Fund (RIF) recorded increases in net asset values for the last quarter of 2021, whilst the Republic Property Fund (RPF) declined marginally. The increase in the RCG resulted from some of the equities in its portfolio rebounding, whereas the increase in the RIF was as a result of favourable quarterly valuations of the fixed income instruments in its portfolio. The following table highlights the cumulative annual returns from 2017 - 2021.

FUND	2017	2018	2019	2020	2021
Capital Growth Fund	0.17%	-10.00%	-13.22%	-5.62%	14.73%
Income Fund	2.52%	-20.84%	-2.55%	6.11%	-2.15%
Property Fund	-1.21%	-27.21%	-16.91%	-3.28%	-1.71%

## ECONOMIC REVIEW

In early November, Canada’s High Commissioner to Barbados and the Eastern Caribbean, Lilian Chatterjee, indicated that Barbados remained among the top 5 jurisdictions in the world for Canadian investment. She shared that in 2020, the island had secured direct investment of more than CAN \$42.5 billion, primarily in wealth management, finance and insurance. On November 30<sup>th</sup>, 2021, its 55<sup>th</sup> Independence anniversary, Barbados became a Republic. Dame Sandra Mason was sworn in as the country’s first President, replacing the Queen of England as the Head of State.

On December 8<sup>th</sup>, Prime Minister Mia Mottley signed off on the establishment of a new digital bank expected to be operational next year. While details of the bank were not provided, she indicated that by the end of the first quarter of 2022 all of the major banking institutions are expected to upgrade their internal systems and to go live on a real-time automated clearing house, which will allow every person conducting business, no matter their scale, to be able to make and receive payments instantly. One week later, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Barbados, as well as the sixth review of Barbados’ economic reform programme supported by an arrangement under the Extended Fund Facility (EFF). The IMF found that the authorities continue to make good progress in implementing their comprehensive Barbados Economic Recovery and Transformation (BERT) plan, despite the challenges caused by the ongoing global pandemic and two recent natural disasters. Based on the progress shown by the review, US\$24 million was released to Barbados from the IMF.

Also in December, regional credit rating agency Caribbean Information and Credit Rating Services Limited (CariCRIS) reaffirmed Barbados’ credit rating of CariBB for local currency and CariBB- for foreign currency, with a stable outlook. CariCRIS indicated that the expected performance of the BERT programme going forward, contributed to the stable outlook, though it warned of sustained economic challenges to a post-COVID recovery. On December 27<sup>th</sup>, the population was jolted, as the Prime Minister announced that a snap general election will be held on January 19<sup>th</sup>, 2022. On election day, the incumbent held sway as Mia Mottley led the Barbados Labour Party to a landslide victory, repeating her 2018 feat of winning all 30 seats.



## **FUND OUTLOOK**

Notwithstanding the ongoing challenges presented by COVID-19, this latest outlook is more favourable than those in the recent past. In Government's inaugural Pre-election Economic and Fiscal Update Report, Barbados' economy is forecast to grow by 14.2 percent in 2022, a scenario that is expected to reclaim the near \$2 billion in output lost during the pandemic and create jobs for 11,000 citizens.

### **Quarterly Updates:**

- 1. The Directors of Republic Funds (Barbados) Inc. maintains the decision to restrict subscriptions to the Income Fund and increase the current limit on redemptions from 20% to 50% of the shares held by each shareholder as at June 30, 2018, with effect from July 1, 2021.*
- 2. Ms. Simone Brathwaite was appointed as a Director of Republic Funds (Barbados) Inc. on December 17, 2021 following the resignation of Mr. Gerald King. Ms. Brathwaite is a Director of RBBB and a Principal in the Barbados office of the management consulting firm, Oliver Wyman.*
- 3. A dividend of \$0.01 per share will be paid to all Republic Income Fund shareholders on record as at December 31<sup>st</sup> 2021.*
- 4. The updated prospectus can be reviewed using the following link: [www.republicbarbados.com/publications](http://www.republicbarbados.com/publications)*

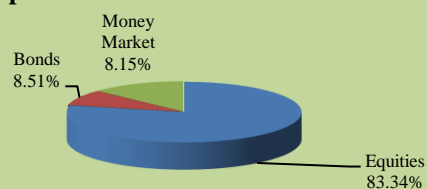


## QUARTERLY NEWSLETTER – DECEMBER 31, 2021

### Republic Capital Growth Fund

Dec-20	Mar-21	Jun-21	Sept-21	Dec-21
1.901	1.2384	1.3214	1.2824	1.3654

#### Capital Growth Fund - Asset Allocation



#### Top Five Holdings

Rank	Company/Issuer	Security Type
1	Royal Bank of Canada	Equity
2	Massy Holdings Inc.	Equity
3	Goddard Enterprises Ltd.	Equity
4	Government of Barbados Series D Bond	Fixed Income
5	Ansa McCal	Equity

#### Fund Size

\$ 7,579,399

#### Net Asset Value

\$1.3654

#### Minimum Initial Investment

\$500

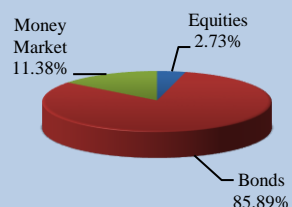
#### Subsequent Investment

\$100

### Republic Income Fund

Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
1.2661	1.2646	1.2693	1.2185	1.2388

#### Income Fund - Asset Allocation



#### Top Five Holdings

Rank	Company/Issuer	Security Type
1	Government of Barbados Series D Bond	Fixed Income
2	NSR Bond	Fixed Income
3	Barbados Port Inc.	Fixed Income
4	UWI - Clarendon Bond	Fixed Income
5	Goddard Enterprises Ltd.	Equities

#### Fund Size

\$13,197,825

#### Net Asset Value

\$1.2388

#### Minimum Initial Investment

\$2,000

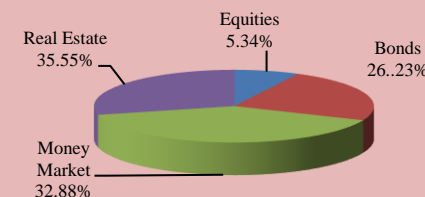
#### Subsequent Investment

\$500

### Republic Property Fund

Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
0.6746	0.6771	0.6758	0.6638	0.6631

#### Property Fund - Asset Allocation



#### Top Five Holdings

Rank	Company/Issuer	Security Type
1	Apes Hill Development	Real Estate
2	Government of Barbados Series D Bond	Fixed Income
3	Barbados Port Inc.	Fixed Income
4	One Caribbean Media	Equity

#### Fund Size

\$1,516,481

#### Net Asset Value

\$0.6631