

**FUND PERFORMANCE**

Marginal improvements were seen in the Net Asset Values (NAVS) of the Republic Income Fund and the Republic Property Fund for the period ended June 30th 2020. This was driven the fixed income securities in the respective portfolios. Conversely, the Republic Capital Growth Fund recorded a decline as equities continued to be negatively impacted by the effects of the Coronavirus (COVID-19). The following table highlights the cumulative annual returns from 2016 to 2020.

FUND	2016	2017	2018	2019	2020*
Capital Growth Fund	7.07%	0.17%	-10.00%	-13.22%	-1.07%
Income Fund	4.83%	2.52%	-20.84%	-2.55%	3.42%
Property Fund	-8.96%	-1.21%	-27.21%	-16.91%	-0.66%

* Returns for Quarter 2 2020

ECONOMIC REVIEW

The trend of flat private sector credit growth of 2019 broadly persisted in the first three months of 2020, while there was also a 0.3 percent increase in the non-performing loans (NPL) ratio to 6.9 percent during the period. With the decline and eventual cessation of tourism activity in mid-March, the IMF in its Third Review of Barbados under the Extended Arrangement under the Extended Funds Facility, indicated that the country's economy contracted by 3 percent in the first quarter of 2020 compared to the first quarter of 2019. Not surprisingly, the unemployment situation continued to deteriorate. After unemployment claims jumped to 7,793 in March, they shot up to over 20,000 in April, with the unemployment rate climbing to 24 percent by early May. Notwithstanding these negatives, the country's international reserves have grown sharply, following loans by international financial institutions. Reserves increased to more than US\$850 million by April 2020, following the disbursement of a US\$80 million policy loan from the Inter-American Development Bank (IDB) and a US\$75 million policy-based loan from the Caribbean Development Bank (CDB).

FUND OUTLOOK

The COVID-19 pandemic is expected to cause a sharp decline in private foreign direct investment. In response, International Financial Institutions (IFIs) are expected to increase official financing. In particular, the IDB disbursed US\$80 million in April and a US\$100 million budget loan from the Development Bank of Latin America (CAF) is expected later in the year. The recent completion of the Third Review of Barbados under the Extended Arrangement under the IMF's Extended Funds Facility allows the Barbados authorities to draw US\$139 million.

Barbados began reopening for tourism on July 12th, allowing tourists from all countries to visit. Based on current trends and developments, Barbados' economy is projected to start recovering in the fourth quarter of this year. In a scenario where tourism starts to recover gradually to pre-pandemic levels in the last quarter of 2020, total annual tourist arrivals would still be likely to contract by around 40 percent. The economy is projected to contract by 11-12 percent in 2020, with the exact size of the downturn largely dependent on the duration of the epidemic.

Quarterly Updates:

The Directors of Republic Funds (Barbados) Inc. maintains the decision on the restriction of subscriptions to the Income Fund and limited *redemptions* to 20% of holdings per unit holder.

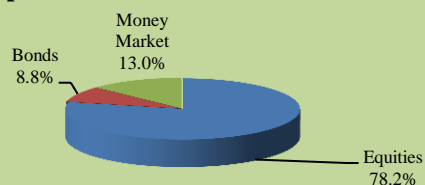


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Republic Capital Growth Fund

Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
1.3017	1.2560	1.2481	1.2530	1.2474

Capital Growth Fund - Asset Allocation



Top Five Holdings

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

Fund Size

\$ 7,212,471

Net Asset Value

\$1.2474

Minimum Initial Investment

\$500

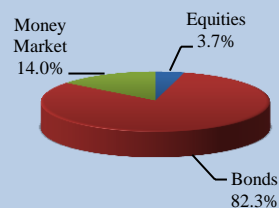
Subsequent Investment

\$100

Republic Income Fund

Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
1.2010	1.1924	1.1964	1.2053	1.2340

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

\$13,700,568

Net Asset Value

\$1.2340

Minimum Initial Investment

\$2,000

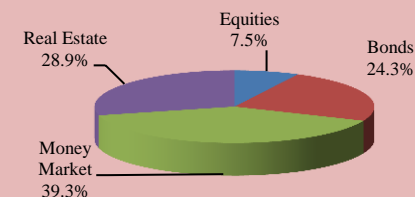
Subsequent Investment

\$500

Republic Property Fund

Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
0.8200	0.7007	0.6989	0.6918	0.6929

Property Fund - Asset Allocation



Top Five Holdings

Rank	Company/Issuer	Security Type
1	Apes Hill Long Term 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

\$1,609,777

Net Asset Value

\$0.6929