



## QUARTERLY NEWSLETTER – MARCH 2019

### FUND PERFORMANCE

The Net Asset Values (NAV) of all three Funds: the Capital Growth Fund, the Income Fund and the Property Fund decreased over the first quarter of 2019 by 11.71%, 2.36% and 0.19% respectively. All three Funds were affected by decline in the values of the equity portfolio; however, the Income and Capital Funds were further adversely impacted by increased provisioning on one of the local Bonds in the portfolio.

The following table highlights the cumulative annual returns from 2015 to 2018 and returns for the first quarter of 2019.

FUND	2015	2016	2017	2018	2019 Q1
Capital Growth Fund	-0.09%	7.07%	0.17%	-10.00%	-11.97%
Income Fund	5.96%	4.83%	2.52%	-20.84%	-2.36%
Property Fund	1.05%	-8.96%	-1.21%	-27.21%	-0.19%

### ECONOMIC/MARKET REVIEW

As expected, Barbados' economic activity contracted by 0.2% over the last three months when compared to the same period of the previous year. Although strong performances were experienced in sectors such as Tourism (2.2%), the impact of the Barbados Economic Recovery and Transformation Programme was evident as the economy continued its journey towards recovery. On the upside, Barbados was able to meet its fiscal targets for the end of March 2019 as agreed with the International Monetary Fund.

A recent report written by the Caribbean Development Bank predicted that a number of Caribbean islands would achieve economic growth for 2019 with the exception of Barbados' real domestic product (GDP) is expected to be flat in 2019 unless planned private sector projects materialize within the first half of 2019. It is expected that Grenada will again lead the way because of its increased activity in construction, tourism, agriculture and private education programs. The greatest risk to the region's performance continues to be the weakening financial conditions facing emerging economies. A review of the regional stock exchanges showed that both the Jamaica and Trinidad & Tobago recorded increases in their local indices whilst the Barbados Stock Exchange recorded a decline.

On the global front, stocks and by extension major indices were able to regain some of the gains lost in the last quarter of 2018. Positive feedback from ongoing negotiations between the United States and China, coupled with strong job growth, low inflation, and stable interest rates, helped fuel investor confidence that pushed the major benchmark indexes to post notable first quarter gains. In January 2019, the International Monetary Fund (IMF) revised their 2019 and 2020 projections for global growth and reduced it 3.5%. IMF's Managing Director stated that the world economy was at a delicate moment where global growth has been slowing because of rising trade tensions and vulnerabilities related to Brexit, high debt in some sectors and countries and unease in financial markets.

### FUND OUTLOOK

The Fund Manager aims to capitalize on targeted measures to increase the efficiency of the local business sector in light of the challenges experienced under the current investment climate. It is anticipated that the 2019 to 2020 Statement of Budgetary Proposal would help to redirect the economy back to a path of growth. The Fund Manager remains optimistic as Barbados navigates through its path to full economic recovery.

#### Quarterly Updates:

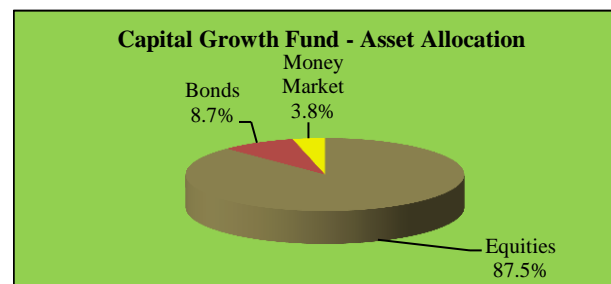
**1) The Directors of Republic Funds (Barbados) Inc., maintains the decision on the restriction of subscriptions to the Income Fund and limited redemptions to 20% of holdings per unit holder.**



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### Republic Capital Growth Fund

Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
1.5715	1.6227	1.4510	1.4531	1.2829



#### Top Five Holdings

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

#### Fund Size

\$7,558,670

#### Net Asset Value

\$1.2829

#### Minimum Initial Investment

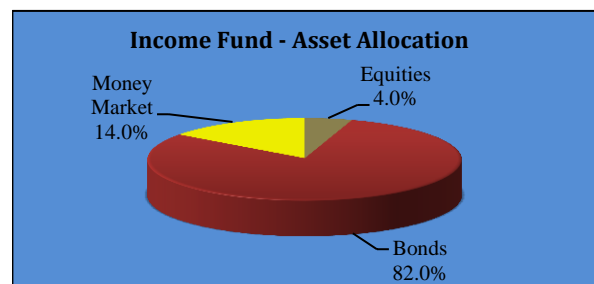
\$500

#### Subsequent Investment

\$100

### Republic Income Fund

Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
1.5446	1.5577	1.1860	1.2244	1.1956



#### 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's Enterprises Ltd.	Equities

#### Fund Size

\$13,932,167

#### Net Asset Value

\$1.1956

#### Minimum Initial Investment

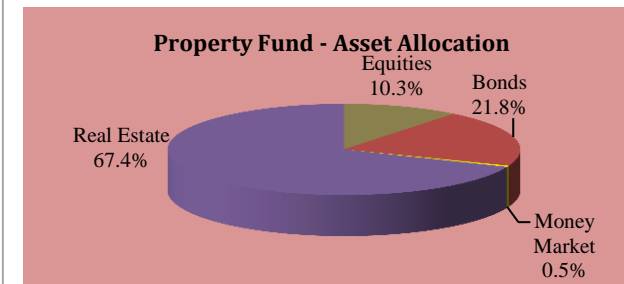
\$2,000

#### Subsequent Investment

\$500

### Republic Property Fund

Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
1.1406	1.1649	0.8145	0.8395	0.8379



#### Top Five Holdings

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

#### Fund Size

\$2,034,549

#### Net Asset Value

\$0.8379