



## FUND PERFORMANCE

The Republic Family of Funds had mixed returns for the first quarter of 2023. Republic Capital Growth Fund (RCGF) recorded marginal increases in both its Net asset Value (NAV) per share and Fund Size as a result of the performance of equities in the portfolio. Whilst the NAV per share of the Republic Income Fund (RIF) increased during the first quarter of 2023, its Fund size recorded a decline as a result of the payment of dividends and other expenses. The Republic Property Fund once again recorded a negative return in both its NAV and Fund Size. The decrease for the quarter was as a result of the payment of yearly expenses.

The following table highlights the cumulative annual returns from 2019-2023.

FUND	2019	2020	2021	2022	*2023
Capital Growth Fund	-13.22%	-5.62%	14.73%	-1.29%	1.84%
Income Fund	-2.55%	6.11%	-2.15%	6.91%	0.08%
Property Fund	-16.91%	-3.28%	-1.71%	-1.91%	-3.13%

\*Returns for Q1 2023

## ECONOMIC REVIEW

On January 10th, the World Bank approved US\$100 million in financing to support Barbados' development of a low-carbon economy and its resilience to climate change. The funds are being provided as a Barbados Green and Resilient Development Policy Loan, which has two pillars. The first focuses on green and blue resilient development, which includes a new law on water reuse, the adoption of a climate change policy and an agriculture policy. The second pillar facilitates low-carbon and resilient infrastructure development through the implementation of new standards for agency-level disaster management plans, and institutional reviews of national emergency management agencies.

According to the latest Central Bank estimates, Barbados' fuel import bill almost doubled to \$1.122 billion last year, increasing sharply from a provisional \$685.8 million in 2021 and around \$700 million in 2019. At the same time, the food and beverage import bill rose by more than \$160 million, to \$817 million in 2022, up from the estimated \$653.6 million in 2021. The island typically spends just over \$600 million on food imports annually. Central Bank Governor Cleviston Haynes, was concerned about the food import bill, however, he expressed very little hope of it being lowered significantly anytime soon, in the face of low domestic agricultural production. High prices for food and fuel, along with other commodities, were a major factor in Barbados recording a 29.8% increase in imports in 2022, which precipitated a fall in gross international reserves from \$3,058.8 million to \$2,7712 million (29 weeks of import cover), over the course of the year.

Barbadians will continue paying a lower value-added tax (VAT) rate on electricity until the end of September, as on February 7th, Minister in the Ministry of Finance and Economic Affairs Ryan Straughn announced that, as was the case from August 1, 2022, to January 31, 2023, Barbados Light and Power Company's domestic customers will pay 7.5% VAT on the first 250 kilowatt-hours (kWh) rather than the usual 17.5% rate, for another eight months. In some more encouraging news,



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on March 7th, the Barbados government reached an agreement with public sector trade unions resulting in workers getting a one-off payment of BDS \$1,500 as well as a 6% salary increase over the next two years and a 16% increase in allowances up to 2025.

Dr. Kevin Greenidge was appointed Governor of the Central Bank of Barbados, effective March 1, 2023. Prior to his appointment, Mr. Alwyn Jordan, who has been the Deputy Governor since October 2019, served as Acting Governor from February 1st, following the departure of Mr. Cleviston Haynes, who demitted office on January 31st.

On March 14th, Prime Minister Mia Mottley presented Barbados' Budget for the 2023/2024 fiscal year. She announced plans to create a National Growth Council, a Fiscal Council and a National Strategic Council, which are geared toward creating and driving growth. The absence of any new taxes is expected to maintain consumer demand at current levels. The recent public sector wage increases, along with plans to expand infrastructure and facilitate access to loans and financing, are expected to increase expenditure. The Prime Minister also stated that an improved business facilitation climate would be achieved through the creation of a Barbados Ex-Im Bank, the Sustainable Industrial Development Bill, Start Wise, and a Unit Trust Corporation.

## FUND OUTLOOK

Average energy prices in 2023 are expected to be lower than in 2022, however, oil prices are likely to remain relatively high over the next six months, due to current demand/supply conditions which were further tightened due to production cuts in Organisation of Petroleum Exporting Countries (OPEC) member countries. While global food commodity prices have steadily declined over the last 12 months, the effects of this may only now be trickling down to domestic food importers. In this scenario, Barbados' food and fuel import bill will likely remain high in 2023, but not as high as the previous year. The sharp reduction in growth in leading economies expected this year, could negatively impact Barbados' growth prospects. Further, concerns over the impact of inflation in Barbados, have informed the World Bank's forecast of economic growth of 4.8% for the island in 2023. This lines up with the Barbados Central Bank's 2023 growth projection of 4-5%, made in January.

### Quarterly Updates:

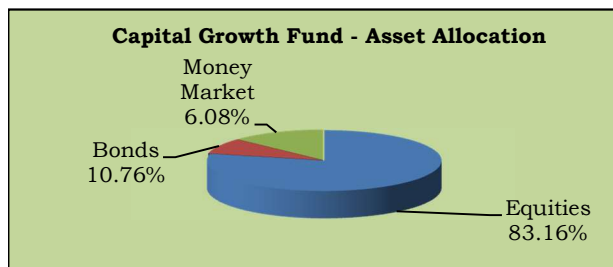
1. A dividend of \$0.01 per share was paid to all Republic Income Fund shareholders on February 22, 2023
2. The updated prospectus and newsletters can be reviewed using the following link: [www.republicbarbados.com/publications](http://www.republicbarbados.com/publications)
3. The Republic Funds Inc. 2022 Annual Report is available online at [Republic Funds \(Barbados\) Inc. Annual Report 2022](#)
4. Information from the prospective acquirer of the funds Victoria Mutual Investments Limited (VMIL) can be reviewed using the following links:
  - [VM-Investments-Limited-Audited-Financial-Statements-31-December-2022-1.pdf](#)
  - [VMIL-Press-Release-Q4-2022](#)



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### Republic Capital Growth Fund

Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
1.4098	1.3679	1.3409	1.3479	1.3727



#### 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	Insurance Corporation of Barbados Ltd.	Equity

#### Fund Size

\$ 6,770,874

#### Net Asset Value

\$1.3727

#### Minimum Initial Investment

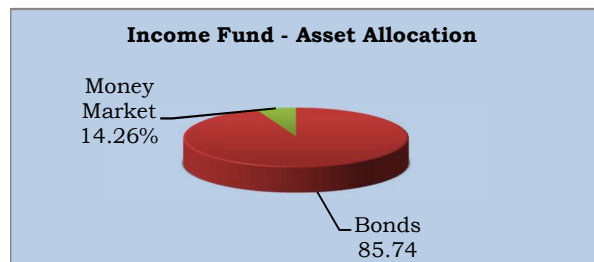
\$500

#### Subsequent Investment

\$100

### Republic Income Fund

Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
1.2322	1.2546	1.2524	1.3245	1.3255



#### Top Five Holdings

Rank	Company/Issuer	Security Type
1	Government of Barbados Series D Bond	Fixed Income
2	Barbados Port Inc.	Fixed Income
3	UWI - Clarendon Bond	Fixed Income

#### Fund Size

\$11,553,322

#### Net Asset Value

\$1.3255

#### Minimum Initial Investment

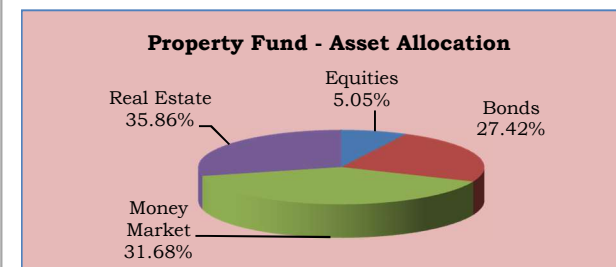
\$2,000

#### Subsequent Investment

\$500

### Republic Property Fund

Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
0.6568	0.6541	0.6498	0.6504	0.6301



#### Top Five Holdings

Rank	Company/Issuer	Security Type
1	Lot at 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

\$1,420,473

#### Net Asset Value

\$0.6301