



FUND PERFORMANCE

For the quarter ended September 30, 2021, all of the Republic Mutual Funds experienced declines in Net Asset Value. The Republic Capital Growth Fund (RCGF), Republic Income Fund (RIF) and the Republic Property Fund (RPF) declined by 2.95%, 4.00% and 1.77% respectively. Whilst returns for the RCGF remained positive despite increased volatility of its equities at the end of September, the RIF and the RPF recorded further declines. The declines in the RIF and RPF were as a result of the revaluation of the fixed income securities in their respective portfolios. The following table highlights the cumulative annual returns from 2017 to 2020 and third quarter returns for 2021.

FUND	2017	2018	2019	2020	*2021
Capital Growth Fund	0.17%	-10.00%	-13.22%	-5.62%	7.75%
Income Fund	2.52%	-20.84%	-2.55%	6.11%	-3.76%
Property Fund	-1.21%	-27.21%	-16.91%	-3.28%	-1.61%

* Cumulative nine month returns

ECONOMIC REVIEW

The access to COVID-19 vaccines in key source markets, together with the gradual ease in travel restrictions, contributed to a strengthening of activity in the tourism sector during the third quarter of 2021. This period saw 43,019 arrivals, compared to 13,247 in the third quarter of 2020, with their length of stay above pre-pandemic levels. These gains, however, were not enough to overcome the significant first-quarter contractions; consequently, for the first nine months of 2021 arrivals were 64.5 percent lower than in 2020 with an almost identical decline in tourism output (65 percent) over the same period. Manufacturing output rose by an estimated 4.7 percent over the January to September period with the main contributors to the expansion in production being food and beverages.

Following growth estimated at 5.5 percent in the second quarter, the stronger recovery in the tourism sector and as well as greater private spending, drove a 10 percent increase in economic activity in the third quarter compared to the same period in 2020. However, according to the Central Bank of Barbados (CBB), economic activity for the first nine months of 2021 contracted by approximately 3.2 percent compared to that of 2020. The unemployment rate of 17.2 percent in the first quarter, declined to 15.9 percent in the second quarter, with the recovery of 8,700 jobs. Barbados received an allocation of US\$129 million as part of the global allocation of IMF Special Drawing Rights (SDR) which, along with borrowing from multilateral lending agencies, boosted its international reserves to more than US\$1.4 billion by September. The country's debt to GDP ratio stood at 146.1 percent at this same time.

The financial system remained stable during the first nine months of the year. Banks continued to maintain large cash balances with the Central Bank while registering improved capital buffers. Deposit-taking institutions continued to experience elevated credit risk associated with the pandemic. In September the loan delinquency ratio stood at 7.5 percent as non-performing loans declined from the previous quarter. Credit to the non-financial private sector during the first three quarters of 2021 fell by 1.4 percent.



COVID-19 continues to be a challenge, with Barbados currently grappling with its strongest and longest surge yet. From the start of September through to November 18, total COVID-19 cases have risen from 5,038 to 23,175, with the number of deaths increasing from 50 to 206 over the same period. As of November 18, 2021, 58.4 percent of the eligible population was fully vaccinated.

FUND OUTLOOK

The growth in tourist arrivals in the third quarter is encouraging. Based on increased airlift negotiated, forward bookings for long-stay visitors and the resumption of cruise ship calls, it is anticipated that the economic recovery will continue into the fourth quarter. The forecast for growth over the short-term hinges significantly on the performance of the tourism sector. The CBB forecasts economic growth of 1–2 percent for Barbados in 2021. However, the downside risks to this forecast presented by COVID-19 are real and significant.

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. The updated prospectus can be reviewed using the following link: www.republicbarbados.com/publications***

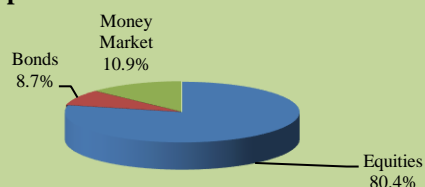


QUARTERLY NEWSLETTER – SEPTEMBER 30, 2021

Republic Capital Growth Fund

Sept-20	Dec-20	Mar-21	Jun-21	Sept-21
1.2299	1.901	1.2384	1.3214	1.2824

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	Insurance Corporation of Barbados	Equity

Fund Size

\$ 7,253,299

Net Asset Value

\$1.2824

Minimum Initial Investment

\$500

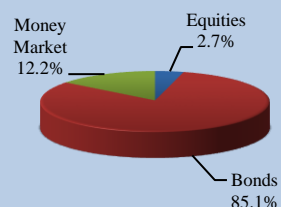
Subsequent Investment

\$100

Republic Income Fund

Sept-20	Dec-20	Mar-21	Jun-21	Sep-21
1.2497	1.2661	1.2646	1.2693	1.2185

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

\$13,093,076

Net Asset Value

\$1.2185

Minimum Initial Investment

\$2,000

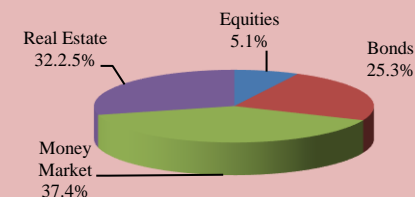
Subsequent Investment

\$500

Republic Property Fund

Jun-20	Sept-20	Dec-20	Mar-21	Jun-21
0.6929	0.6876	0.6746	0.6771	0.6638

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

\$1,538,123

Net Asset Value

\$0.6638