



Quarterly Newsletter



VM Wealth Funds
Limited

FUND PERFORMANCE

The Republic Family of Funds, now VM Wealth Funds Limited, ended the year with mixed returns. In the final quarter for 2023, the Republic Income Fund (RIF), now VM Wealth Income Fund, increased by 3.64% resulting in a final year return of 7.51%, the highest when compared to similar local income funds. The Republic Capital Growth Fund (RCGF), now VM Wealth Capital Growth Fund, ended the quarter up 2.63% and 4.32% at the end of 2023. The Republic Property Fund (RPF)'s, now VM Wealth Property Fund, increased by 0.18% for the quarter but ended the year down 3.47%.

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

Cumulative Annual Returns					
FUND	2019	2020	2021	2022	2023
Capital Growth Fund	-13.22%	-5.62%	14.73%	-1.29%	4.32%
Income Fund	-2.55%	6.11%	-2.15%	6.91%	7.51%
Property Fund	-16.91%	-3.28%	-1.71%	-1.91%	-3.47%

ECONOMIC REVIEW

In mid-October, Fitch Ratings affirmed Barbados' Long-Term Foreign Currency Issuer Default Rating (IDR) at 'B' and revised the Rating Outlook to Positive from Stable. The 'B' rating was supported by high GDP per capita and governance scores, a strengthened external liquidity position and a more favourable debt repayment profile. The improved outlook position reflected the return to large primary surpluses, a declining public debt trajectory, a strengthening economic recovery, and structural reform efforts.

The fourth quarter of 2023 saw the strongest arrivals performance in four years. Stay-over arrivals in the quarter were 16.2% higher than the same period in 2022 and just 3.7% shy of the 2019 figure. The 185,049 arrivals in the fourth quarter, were dominated by 75,804 United Kingdom (UK) visitors, which represented a 19.3% increase over the pre-pandemic figure.

Interestingly, notwithstanding increased economic activity, the unemployment rate reached 8.3% in September, up from 7.1% a year earlier. Despite easing external price pressures, domestic factors such as higher demand for dining, alcoholic beverages, clothing, and household furnishings primarily contributed to a rise in inflation rates, with the 12-month moving average inflation rate increasing to 5.2% in October 2023 from 4.4% the previous year.

In November, representatives from the International Monetary Fund (IMF) conducted Article IV consultations, as well as the second review of Barbados' performance under the Extended Fund Facility (EFF) and the Resilience and Sustainability Facility (RSF). The officials found that all quantitative programme targets and structural benchmarks set for the second review under the EFF have been met and all reform measures set for the second review under the RSF have been implemented. The successful completion of the review allowed approximately US\$19 million under the EFF arrangement and approximately US\$56 million under the RSF arrangement to be made available to the government. Multilateral institutions were the main sources of foreign financing for the Government.

On December 14th, regional credit rating agency, Caribbean Information and Credit Rating Services Limited (CariCRIS) announced that it had upgraded by two notches the sovereign issuer credit ratings assigned to the Government of Barbados to CariBBB- (regional scale local currency) and changed the outlook from stable to positive. Additionally, the rating agency aligned the local currency and foreign currency ratings as the country now has significant foreign currency reserves and it has assessed the risk of the Government of Barbados' discrimination between local currency and foreign currency debt repayment to be low.

FUND OUTLOOK

In its October 2023 World Economic Outlook, the IMF anticipates a global economic slowdown in 2024, driven by monetary policy tightening in advanced economies, while conflicts in the Middle East and Europe are expected to impact international travel demand.

Barbados's hosting of the finals of the ICC T20 Cricket World Cup in June is a major boon to its tourism sector as it will give the country major exposure in, and visitors from, several non-traditional markets. While the 2024 Paris Olympics in July/August could siphon off some potential visitors, we believe the net effect will be positive, with a strong tourism sector performance expected, driven by arrivals that could reach or surpass pre-pandemic levels this year. As it traditionally does, the impetus from increased tourism sector activity will positively impact several sectors.

We are cautiously optimistic that improvements in the tourism sector and credit ratings will be a positive signal for investors despite the concerns of volatility due to the Middle East's concerns. We hope that the government implements policies over the next 12-18 months that gradually achieve fiscal consolidation and institutional safeguards, while slowly strengthening macroeconomic stability.



Quarterly Updates:

1

The sale of Republic Funds (Barbados) Incorporated (RFI) to VM Investments Limited was completed on January 19, 2024. The name of RFI was changed to VM Wealth Funds Limited and VM Wealth Management Ltd. was appointed as Fund Administrator and Investment Manager. For additional updates please visit our website at: vmwealthfunds.myvmgroup.com

2

The updated prospectus and newsletters can be reviewed using the following link: vmwealthfunds.myvmgroup.com

3

The Directors of RFI approved a dividend of \$0.02 to be paid to all Republic Income Fund shareholders as at December 31, 2023.

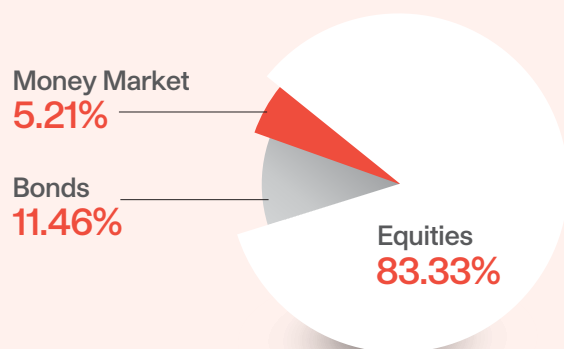
Past performance is not indicative of future performance. Investors should be aware of the risks associated with investments in Mutual Funds, including, but not limited to fluctuations in share price.

Republic Capital Growth Fund

Nav Movement

Mar-23	Jun-23	Sep-23	Dec-23
1.3727	1.3787	1.3701	1.4061

Capital Growth Fund -Asset Allocation



Top 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 Mcal	Equity

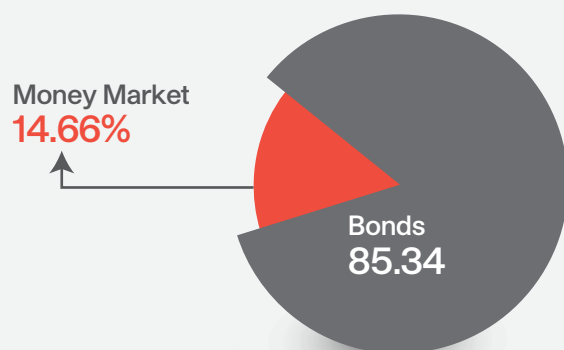
Fund Size - **\$6,819,150**
 Net Asset Value - **\$1.4061**
 Minimum Initial Investment - **\$500**

Republic Income Fund

Nav Movement

Mar-23	Jun-23	Sep-23	Dec-23
1.3255	1.3446	1.3740	1.4240

Income Fund -Asset Allocation



Top 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
4	First Citizens Investment services	Money Market

Fund Size - **\$12,144,169**
 Net Asset Value - **\$1.4240**
 Minimum Initial Investment - **\$500**
 Subsequent Investment - **\$100**

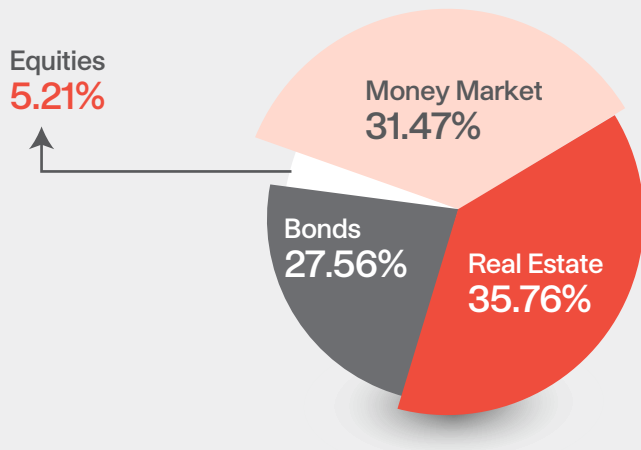


Republic Property Fund

Nav Movement

Mar-23	Jun-23	Sep-23	Dec-23
0.6301	0.6268	0.6263	0.6278

Property Fund -Asset Allocation



Top 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 - **\$1,415,367**
 Net Asset Value - **\$0.6278**