

QUARTERLY NEWSLETTER



VM Wealth Funds
Limited

FUND PERFORMANCE

For the first quarter ending March 31, 2024, the VM Wealth Capital Growth Fund's (VMCGF) Net Asset Value (NAV) per share was \$1.4142 increasing from \$1.4058 at December 31, 2023; a change of \$0.0084 per share or 0.60%. This increase in the NAV was driven by favorable movement in market values of the equities in the portfolio. Over the same period, the NAV of the VM Wealth Income Fund (VMIF) declined, from \$1.4240 to \$1.4132; while the NAV for VM Wealth Property Fund (VMPF) fell from \$0.6278 to \$0.6040. The withdrawal of the dividend paid to shareholders in February 2024, \$0.02 per share drove the decline in the VMIF.

The following table highlights the cumulative annual returns from 2020-2024.

Cumulative Annual Returns					
FUND	2020	2021	2022	2023	2024
Capital Growth Fund	-5.62%	14.73%	-1.29%	4.32%	0.60%
Income Fund	6.11%	-2.15%	6.91%	7.51%	** -0.76%
Property Fund	-3.28%	-1.71%	-1.91%	-3.47%	-3.79%

*Returns for Q1 2024 **Ex-dividend return

recorded in the same period in 2023. The construction sector also expanded (4.9%) in the first quarter of 2024, driven by both private and public sector projects. However, the agriculture sector registered a 6.8% decline in output, largely because of unfavourable weather conditions.

The government recorded a fiscal deficit of 1.7% of GDP in the first three months of this year compared to a fiscal deficit of 2.4% of GDP in the same period in 2023. Total revenue increased by 10.2%, from \$927 million to \$1,022 million. Although non-tax revenue and grants contracted by 40.4%, direct and indirect taxes increased by 20.1% and 10.4%, respectively. In the first three months of 2024, total expenditure increased to \$1,240.2 million from \$1,224.7 million in the same period in 2023, mainly driven by current expenditure, which grew by 3.6%. Public debt remains on a downward trajectory from 143.7% of GDP in 2020, to 114.3% of GDP at the end of March 2024.

Barbados' financial system remains stable as the Capital Adequacy Ratio (CAR) increased from 17.6% at the end of March 2023 to 21.3% at the end of March 2024. Foreign reserves stood at \$3,250.4 million, equivalent to 33.3 weeks of import cover at the end of March 2024. On February 23rd, Barbados welcomed the news of its removal from the Financial Action Task Force, (FATF) gray list of countries that do not take full measures to combat money laundering and terrorism financing and will no longer be subject to the FATF's increased monitoring process.

ECONOMIC REVIEW

In the first quarter of 2024, Barbados' economy expanded by 4.1%, which was mainly attributed to growth in the tourism sector. Long-stay arrivals grew by 14.8% due to increased airlift in key markets and robust marketing initiatives. With respect to the main tourism source markets, CARICOM (26.3%), Canada (21%) and the US (47.6%) all recorded increases, while visitors from the UK and Europe contracted by 0.2% and 11.2%, respectively. The cruise sector performed well, as Barbados welcomed 281,172 cruise ship passengers, 15.9 % higher than the 242,657 passengers

FUND OUTLOOK

In its April 2024 World Economic Outlook, the IMF forecasts that global economic growth will remain at 3.2% in 2024, which is the same pace as in 2023. Growth is expected to accelerate for advanced economies while emerging market and developing economies will most likely register a modest slowdown in economic activity. According to the IMF, tourism-dependent economies in the Caribbean are projected to experience slower growth in 2024, with real GDP growth expected to reach 2.5% compared to 3.5% in 2023.

Fund Outlook cont'd

Barbados' hosting of the finals of the ICC T20 Cricket World Cup in June should provide a major boost to its tourism sector as it will give the country major exposure in, and visitors from a number of non-traditional markets. Tourism-led construction activity will be strong in the first half of this year in the lead up to the Cricket tournament. In light of these ongoing and future developments, the EIU-RBL agrees with IMF's real GDP growth forecast of 3.7% for 2024.

The Barbados economy is said to be recovering and positive growth is predicted for the remainder of 2024. Rebalancing the portfolio remains a priority and will allow VM Wealth to take advantage of any opportunities within the global space. The Fund Manager remains optimistic that the underlying portfolios will remain strong and should serve to close the financial year with positive returns.

Quarterly Updates:

- 1

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

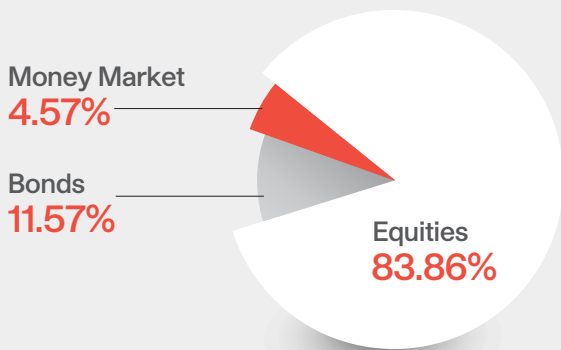
- 2

A dividend of \$0.02 was paid to all VM Wealth Income Fund shareholders on February 21, 2024, to all 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.

Capital Growth Fund

Capital Growth Fund -Asset Allocation



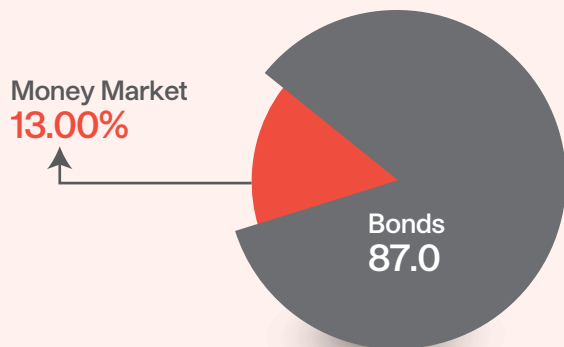
Top Holdings

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 - \$6,797,775
Net Asset Value - \$1.4142
Minimum Initial Investment - \$500
Subsequent Investment - \$100

Income Fund

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

Fund Size - **\$11,855,517**

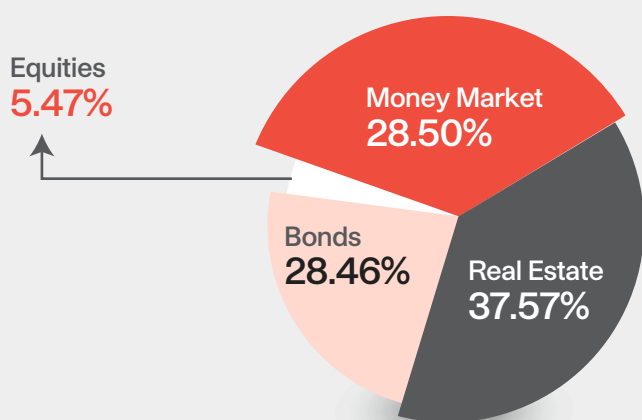
Net Asset Value - **\$1.4132**

Minimum Initial Investment - **\$2,000**

Subsequent Investment - **\$500**

Property Fund

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 - **\$1,350,540**

Net Asset Value - **\$0.6040**