

# QUARTERLY NEWSLETTER



VM Wealth Funds  
Ltd.

# FUND PERFORMANCE

For the quarter ended June 30, 2025, the VM Wealth Capital Growth Fund (VMCGF) reported a Net Asset Value (NAV) per share of B\$1.4568, up from B\$1.4187 in June 2024. This reflects a year-over-year (YoY) growth of 2.69%. On a quarter-over-quarter (QoQ) basis, the NAV increased from B\$1.4175 as at March 2025, representing a gain of B\$0.0393 per share. The upward movement in NAV was primarily driven by favorable revaluations in the market prices of equities held within the portfolio.

During the same period, the VM Wealth Income Fund (VMIF) recorded a NAV per share of B\$1.5357, compared to B\$1.4251 in June 2024, an increase of 7.76% YoY. On a QoQ basis, the NAV advanced by B\$0.0088 from B\$1.5269 at March 2025, supported by continued income accruals and stable performance across core fixed income holdings.

In contrast, the VM Wealth Property Fund posted a NAV per share of B\$0.6209 as at June 30, 2025, down from B\$0.7039 a year earlier, representing an 11.79% YoY decline. Quarter-over-quarter, the NAV declined from B\$0.6273 in March 2025, a reduction of B\$0.0064 per share. The decline reflects downward adjustments in the valuation of underlying real estate assets, amid softer market conditions in the property sector.

The table below summarizes the annual performance of the VM Wealth Funds over the period 2020–2024, along with comparative results for Q2 2024 and Q2 2025. This provides context for assessing the Funds' recent trends relative to their longer-term performance:

FUND	2020	2021	2022	2023	2024	Q2 2024	Q2 2025
VM Wealth Capital Growth Fund	-5.62%	14.73%	-1.29%	4.32%	6.50%	0.32%	2.77%
VM Wealth Income Fund	6.11%	-2.15%	6.91%	7.51%	6.58%	0.84%	0.58%
VM Wealth Property Fund	-3.28%	-1.71%	-1.91%	-3.47%	1.00%	16.54%	-1.02%

## ► Capital Growth Fund:

Continued its upward trajectory into Q2 2025, posting a quarterly return of 2.77% versus 0.32% in Q2 2024. This reflects positive equity market movements and successful sector rotation strategies.

## ► Income Fund:

Delivered a modest return of 0.58% in Q2 2025, slightly

lower than Q2 2024. The Fund maintained steady income distributions amid a flatter yield curve environment.

## ► Property Fund:

After a strong Q2 2024 (16.54%) driven by revaluation gains, Q2 2025 saw a reversal (-1.02%) as property market conditions softened.

# ECONOMIC REVIEW

Barbados sustained moderate growth in the first quarter of 2025, with real GDP expanding by an estimated 2.6 percent year-on-year. Growth was led by tourism, business services, and construction. The government's fiscal position strengthened further. For FY2024/25, the primary surplus reached BDS \$662.8 million (4.6 percent of GDP), while the fiscal deficit narrowed to BDS \$87.1 million (0.6 percent of GDP). Public debt fell below 105 percent of GDP, advancing toward the medium-term target of 60 percent. On the external side, strong private capital inflows and robust tourism receipts supported a rise in international reserves to BDS \$3.38 billion, equivalent to 32.4 weeks of import cover, despite a widening current account deficit.

The labour market showed signs of improvement, with the unemployment rate falling to 7.1 percent as of September 2024 from 8.3 percent a year earlier. Net job creation totalled around 9,000 positions, largely in tourism, construction, and transport. However, temporary hotel closures for renovations in March caused a slight uptick in jobless claims for the quarter. Inflationary pressures eased, with the 12-month moving average inflation rate declining to 0.9 percent in February 2025 and point-to-point prices recording mild deflation at -0.3 percent. Lower international oil and food prices, as well as reduced freight costs, contributed to this trend.

Tourism remained the cornerstone of economic activity. Long-stay arrivals grew by 2.4 percent, with notable gains from the United States and Europe offsetting a 7.2 percent decline in UK arrivals. Hotels posted their strongest quarterly revenues since Q1 2008, supported



## Economic Review cont'd

by higher occupancy rates and increased daily rates. Cruise tourism reached a record 385,468 in-transit passengers, up 37.1 percent year-on-year. Outside of tourism, foreign currency permit issuances rose 22.7 percent, underscoring confidence in the global business sector despite marginal declines in employment and average wages. Construction expanded by 6.4 percent, bolstered by major tourism and residential projects, while agricultural and manufacturing outputs were mixed.

The financial system remained stable, with banks maintaining strong capital buffers, declining non-performing loans, and robust liquidity to support credit growth. Looking ahead, Barbados' near-term prospects are underpinned by fiscal discipline and healthy reserves. However, the economy remains exposed to external risks, particularly global volatility in tourism and trade. Continued diversification, structural reforms, and investment in renewable energy and climate-resilient agriculture will be critical to sustaining medium-term growth and resilience.

## FUND OUTLOOK

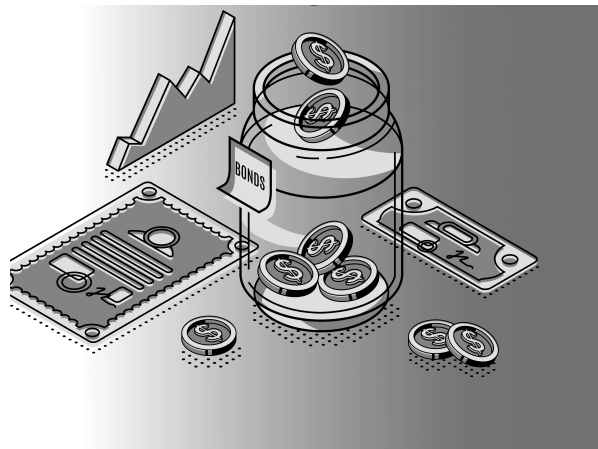
The global growth outlook for 2025 has been revised downward by major institutions amid rising risks and uncertainties. The IMF's April 2025 World Economic Outlook projects global growth at approximately 3.2%, slightly below its January forecast of 3.3%. The OECD's June 2025 Economic Outlook presents a more cautious view, with growth in the range of 2.6% to 2.9%, reflecting slower expansion in key economies such as the U.S. (1.6%), Eurozone (around 1%), and China (4.7%). The World Bank offers a more pessimistic forecast, anticipating global growth of only 2.3% in 2025, with a modest recovery expected over 2026 and 2027. Taken together, these forecasts highlight an increasingly challenging global environment marked by slower growth and elevated uncertainties that require prudent risk management and strategic portfolio positioning.

Against this challenging global backdrop, Barbados' economy is expected to sustain moderate growth in 2025, with real GDP projected to expand by approximately 2.7%. While this reflects a slight downward revision from earlier forecasts, the

economy continues to benefit from strong performances in tourism, construction, and business services. Inflation is expected to rise modestly during the year, driven mainly by increased costs for non-fuel imports and domestic agricultural products, though overall price pressures remain manageable. Fiscal discipline remains a cornerstone of Barbados' economic resilience, supported by a primary surplus of 4.6% of GDP and a declining public debt ratio currently below 105%.

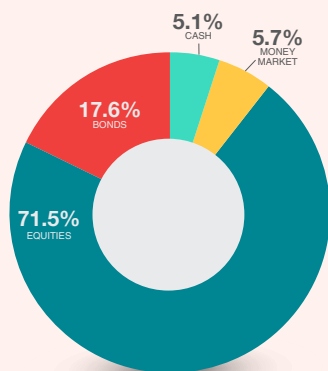
VM Wealth maintains a cautiously optimistic outlook for Barbados-focused portfolios in 2025. The Fund Manager is focused on balancing opportunities for growth with prudent risk management amid ongoing global uncertainties and trade challenges. Continued fiscal discipline, supportive government policies, and structural reforms provide a solid foundation for portfolio resilience. Rebalancing remains a priority to capture evolving opportunities both locally and globally while safeguarding against potential risks. We remain committed to navigating this dynamic environment with vigilance and flexibility to deliver sustainable long-term value for our investors.

Starting in Q3, VM Wealth will update mark-to-market pricing monthly, allowing bond values — particularly in the Income Fund — to be adjusted more regularly. This is expected to enhance returns, and the Fund Manager will also look to diversify by adding more USD-denominated securities to the Capital Growth and Income Fund where opportunities arise.



## VM Wealth Capital Growth Fund

### Capital Growth Fund - Asset Allocation



### Top Holdings

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

Fund Size - **B\$6,846,861.79**

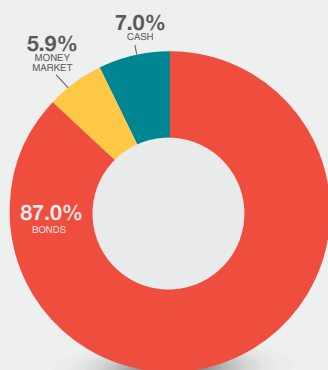
Net Asset Value - **B\$1.4229**

Minimum Initial Investment - **B\$500**

Subsequent Investment - **B\$100**

## VM Wealth Income Fund

### Income Fund - Asset Allocation



### Top Holdings

Rank	Company/Issuer	Security Type
1	Government of Barbados Series D	Fixed Income
2	Proven Wealth Barbados Ltd	Money Market
3	UWI - Clarendon Bond	Fixed Income
4	Barbados Port Inc Bond	Fixed Income

Fund Size - **B\$12,564,128.13**

Net Asset Value - **B\$1.4456**

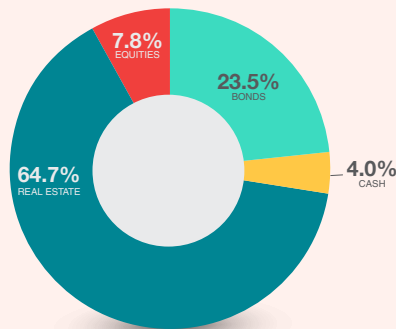
Minimum Initial Investment - **B\$500**

Subsequent Investment - **B\$100**



# VM Wealth Property Fund

## Property Fund - Asset Allocation



## Top Holdings

Rank	Company/Issuer	Security Type
1	Apes Hill SRL Development	Real Estate
2	Government of Barbados Series D	Fixed Income
3	Barbados Port Inc Bond	Money Market
4	Southern Golf & Recreation	Equity

Fund Size - **B \$1,383,858.94**  
Net Asset Value - **B\$0.5615**  
Minimum Initial Investment - **B\$5,000**  
Subsequent Investment - **B\$1,000**

