

QUARTERLY NEWSLETTER



VM Wealth Funds
Ltd.

FUND PERFORMANCE

For the quarter ended September 30, 2025, the VM Wealth Capital Growth Fund (VMCGF) reported a Net Asset Value (NAV) per share of B\$1.4727, up from B\$1.3776 in September 2024. This reflects a year-over-year (YoY) growth of 6.90%. On a quarter-over-quarter (QoQ) basis, the NAV increased from B\$1.4568 as at June 2025, representing a gain of B\$0.0159 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\$1.6137, compared to B\$1.4344 in September 2024, an increase of 12.50% YoY. On a QoQ basis, the NAV advanced by B\$0.078 from B\$1.5357 at June 2025, supported by continued income accruals and stable performance across core fixed income holdings. The fund remains the strongest performer among income-oriented funds in the market, delivering a 6.55% year-to-date return as of October 2025. This robust performance underscores the fund's resilience and ability to generate consistent returns in a challenging interest rate environment. Looking ahead, we are actively seeking additional interest-bearing assets to further enhance income generation and sustain competitive returns for our investors.

In contrast, the VM Wealth Property Fund posted a NAV per share of B\$0.6276 as at September 30, 2025, down from B\$0.6974 a year earlier, representing a 10.01% YoY decline. Quarter-over-quarter, the NAV increased from B\$0.6209 in June 2025, an increase of B\$0.0067 per share. This is associated with fees and expenses related to the 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 Q3 2024 and Q3 2025. This provides context for assessing the Funds' recent trends relative to their longer-term performance:

FUND	2020	2021	2022	2023	2024	Q3 2024	Q3 2025
VM Wealth Capital Growth Fund	-5.62	14.73	-1.29	4.32	6.50	-2.90	1.09
VM Wealth Income Fund	6.11	-2.15	6.91	7.51	6.58	0.65	5.08
VM Wealth Property Fund	-3.28	-1.71	-1.91	-3.47	1.00	-0.92	1.08

► Capital Growth Fund:

Continued its upward trajectory into Q3 2025, posting a quarterly return of 1.09% versus a 2.90% decline in Q3 2024. This reflects positive equity market movements and successful sector rotation strategies.

► Income Fund:

Delivered a commendable return of 5.08% in Q3 2025, much improved over Q3 2024.

► Property Fund:

After weak Q3 2024 (-0.92%), Q3 2025 saw a slight improvement of 1.08%.

ECONOMIC REVIEW

Barbados' economy in 2025 continues the path of moderate growth and resilience, supported by strong tourism, business services, and construction sectors. The Central Bank of Barbados reported real GDP growth of approximately 2.5% in the first half of 2025 and projects full-year growth at around 2.7%. This was slightly revised downward from earlier forecasts due to global economic pressures, including slowing growth in key source markets like the United States and trade uncertainties. Despite these external headwinds, the country's domestic fundamentals remain solid, with fiscal discipline remaining evident. The debt-to-GDP ratio has continued its decline, reaching approximately 102%, moving steadily toward the medium-term target of 60%.

The labour market has improved with unemployment falling to historic lows near 6.3% by early 2025. Inflation remains low and stable but has been revised upward to an expected range between 1.7% and 3.5% due to imported inflation pressures, particularly through food and fuel, amid global commodity price fluctuations and potential tariff impacts. Gross international reserves increased to a record BDS \$3.879 billion, providing over 37 weeks of import cover, supported by robust tourism earnings and sustained net capital inflows.

Economic Review cont'd

Tourism continues to be a critical driver in the economy. Stay-over and cruise arrivals increased by around 20% in the first four months of 2025 compared to the previous year, surpassing pre-pandemic levels. The government is investing in diversification and resilience through its Barbados 2035 plan, which allocates up to BDS \$11.6 billion over 10 years for priorities including tourism development, blue economy, renewable energy, and climate-resilient infrastructure.

From a credit perspective, Moody's reaffirms Barbados' B2 stable rating, recognizing the steady progress in fiscal consolidation and debt reduction since the 2019 restructuring. The sovereign benefits from access to concessional financing, relatively low foreign-currency debt exposure, and a stable political environment with strong governance reforms. However, challenges remain from the relatively high debt and interest burden, external vulnerabilities linked to tourism dependence, and environmental risks related to climate change. Moody's also notes the issuance of a bond with provisions for natural disaster and pandemic contingencies, reflecting prudent fiscal management.

Looking ahead, Barbados faces risks from global economic uncertainty, trade tensions, and potential climate shocks, but ongoing reforms, fiscal prudence, and investments in sustainability are expected to support continued moderate growth. Inflation is expected to remain manageable, and the government aims to maintain fiscal surpluses to further reduce debt and bolster resilience, positioning Barbados for sustainable, inclusive development over the medium term.

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



Global growth outlook for 2025 has been revised downward by major institutions

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.

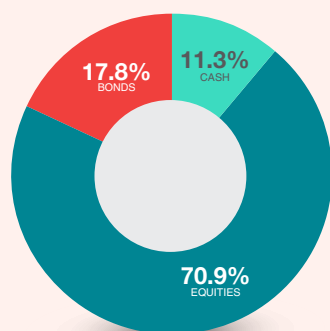
Against this challenging global backdrop, Barbados' economy is expected to sustain moderate growth in 2025, with real GDP projected to expand by approximately 2.7%. While this reflects a slight downward revision from earlier forecasts, the economy continues to benefit from strong performances in tourism, 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	Government Series D Bond	Fixed Income
3	Goddard Enterprises Ltd	Equity
4	Insurance Corporation of Barbados Ltd	Equity

Fund Size - **B\$7,067,322.86**

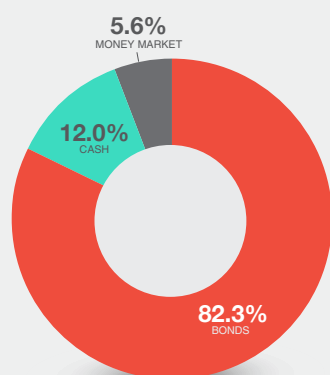
Net Asset Value - **B\$1.4727**

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
3	UWI - Clarendon Bond	Market
4	Barbados Port Inc Bond	Fixed Income

Fund Size - **B \$14,028,987.007**

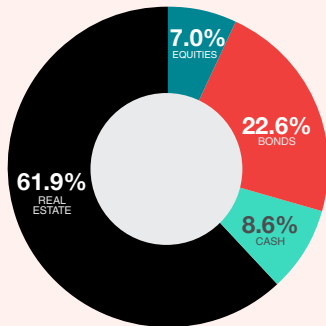
Net Asset Value - **B\$1.6137**

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	Southern Golf & Recreation	Equity
4	One Caribbean Media Corporation	Equity

Fund Size - B \$1,398,106.09

Net Asset Value - B\$1.4727

Minimum Initial Investment - B\$5,000

Subsequent Investment - B\$1,000

