



VM Wealth Funds
Ltd.

Quarterly Newsletter

as at June 30, 2026

Fund Performance

For the quarter ended June 30, 2026, the VM Wealth Capital Growth Fund (VMCGF) reported a Net Asset Value (NAV) per share of B\$1.4604, up 5.89% from B\$1.3791 as at March 2026, while still slightly down 0.95% YTD following a decline in equities in Q1 driven by uncertainty around the conflict in Western Asia.

During the same period, the VM Wealth Income Fund (VMIF) recorded a NAV per share of B\$1.5834, an increased performance of 0.87% for the quarter, while still down YTD following the repricing of bonds held within the fund. The fund is expected to continue to recover from this Q1 dip through price accruals and further diversity of the underlying assets by the fund manager.

The VM Wealth Property Fund posted a NAV per share of B\$0.5772 as at June 30, 2026, down -0.28% for the quarter, a continued downturn for the year, also impacted by bond price adjustments in January 2026. The fund manager has commenced the rebalancing of this portfolio for improved performance and diversity.

The table below summarizes the annual performance of the VM Wealth Funds over the period 2020–2025, along with comparative results for Q2 2025 and Q2 2026. This provides context for assessing the Funds’ recent trends relative to their longer-term performance:

Name of Fund	2020	2021	2022	2023	2024	2025	Q2 2025	Q2 2026
VM Wealth Capital Growth Fund	5.62%	14.73%	-1.29%	4.32%	6.50%	2.71%	2.77%	5.89%
VM Wealth Income Fund	6.11%	-2.15%	6.91%	7.51%	6.58%	6.98%	0.58%	0.87%
VM Wealth Property Fund	-3.28%	-1.71%	-1.91%	-3.47%	1.00%	-5.47%	-1.02%	-0.28%

- ▶ **Capital Growth Fund**
Increased its upward trajectory in Q2 2026 with a 5.89% increase over the previous quarter compared to a 2.77% increase in Q2 2025.
- ▶ **Income Fund**
Delivered a modest return of 0.87% in Q2 2026, a slight improvement over its 2025 Q2 performance of 0.58%.
- ▶ **Property Fund**
The performance continues to be negative (-0.28%), however was an improvement on the (-1.02%) decline the prior year. The team is actively seeking to rebalance the fund in Q1 for stronger performance for 2026 and beyond.



Economic Review

Barbados appears set for another year of moderate economic expansion, with tourism, construction, and business services continuing to provide the foundation for growth. Economic activity gained momentum in the opening months of the year, with real GDP increasing by 1.7% during the first quarter, and growth is expected to remain steady through 2026.

A significant contributor to this outlook is ongoing investment across both the public and private sectors. Major infrastructure works, renewable energy projects, and tourism developments are helping to modernise the economy while creating employment opportunities. At the same time, new fiscal measures are expected to encourage entrepreneurship and investment, particularly in emerging industries such as digital services, green technology, and higher-value manufacturing.

The tourism industry remains central to Barbados' economic performance and should continue benefiting from policies designed to improve regional travel and support investment in tourism-related properties and services. Beyond tourism, the authorities are seeking to strengthen domestic production through targeted assistance to the agricultural sector. Incentives aimed at improving energy efficiency and promoting climate-resilient farming practices could help lower production costs while reducing the country's reliance on imported food.

Price pressures have remained relatively contained so far, with inflation averaging 1.1% in the first quarter of 2026. Although rising global commodity and energy prices could place upward pressure on domestic costs during the year, government measures are expected to help cushion consumers and businesses from some of the effects. As a result, inflation is projected to stay within manageable levels, supporting household purchasing power and business confidence.

One of Barbados' strongest economic safeguards continues to be its external position. Foreign reserves stood at approximately US\$3 billion at the end of March, giving the country a comfortable buffer against potential international shocks. While the economy recorded a small current account deficit of US\$6.3 million, healthy tourism receipts and foreign inflows are expected to keep external accounts broadly stable.

Fiscal management also remains a key pillar of the country's economic strategy. The Government generated a primary surplus equivalent to 4.0% of GDP during the fiscal year, keeping it broadly on track with its medium-term debt reduction objectives. Although overall public debt remains elevated at

94.6% of GDP, continued fiscal discipline is expected to support gradual improvements in debt sustainability while allowing critical investments in economic development and social programmes.

Labour market conditions remain encouraging, with unemployment standing at 7.2% during the first quarter. Meanwhile, strong liquidity and healthy capital levels within the banking system should enable financial institutions to continue extending credit to businesses and households, supporting investment and consumption.

Looking ahead, Barbados' economic prospects remain favourable, but not without challenges. Uncertainty surrounding global growth, geopolitical tensions, and volatile energy markets could create headwinds for small tourism-dependent economies. Nevertheless, with solid reserve buffers, a stable financial system, sustained investment activity, and a commitment to prudent fiscal management, Barbados is well positioned to navigate external risks while maintaining steady economic progress in 2026.

Fund Outlook

The latest IMF outlook shows the global economy holding steady at about 3.3% growth in 2026, supported by resilient demand, easing inflation, and strong investment in technology, even as risks remain tilted to the downside due to trade policy uncertainty and ongoing geopolitical tensions. Against this backdrop, Barbados' outlook for 2026 remains favourable. Real GDP is expected to grow between 2.5% and 3.0%, supported by continued strength in tourism, construction, and business services. Meanwhile medium-term growth is projected to rise toward 3.5% as major public and private investment projects advance. Ongoing reforms under Barbados Economic Recovery and Transformation (BERT) 2026 should continue to support activity, even as global conditions soften. Together, these developments create an operating environment that is broadly supportive but still requires thoughtful, disciplined portfolio management.

In this environment, our investment strategy remains anchored on quality, diversification, and liquidity. We continue to favour assets with reliable cash flows and diversified currency exposure, while maintaining flexibility to respond to shifts in global conditions.

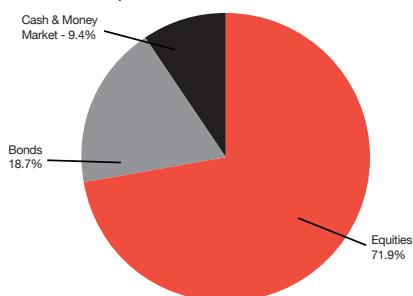
Past performance is not indicative of future performance. Investors should be aware of the risks associated with investments in Mutual Funds, including, but not limited to fluctuations in share price.

Fund Outlook (continued)

Within this framework, for the Income Fund, which is the leader in its class in Barbados, we continue to diversify around its largest holding to preserve resilience and maintain consistent income generation, increasing the number of assets, along with greater geographic and sector distribution where feasible. The Capital Growth Fund is increasing exposure to US equities to enhance performance potential and improve liquidity. The Property Fund is being rebalanced away from higher-expense holdings and toward stronger, income-generating assets to lift its long-term return profile. Together, these actions position our portfolios to navigate near-term uncertainty while participating in the medium-term opportunities created by Barbados' and regional investment pipeline and broader economic recovery.

Quarterly Update as of June 30, 2026

VM Wealth Capital Growth Fund
Capital Growth Fund - Asset Allocation

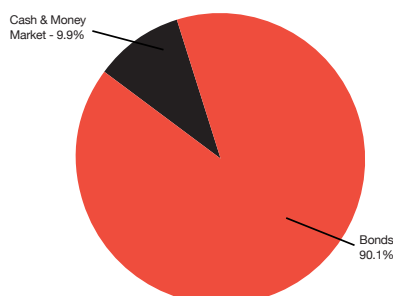


Top Holdings

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
5	US Treasury Notes 3.875% 08/15/2034	Fixed Income

Fund Size - 6,960,299.03
Net Asset Value - BS1.4604
Minimum Initial Investment - BS500
Subsequent Investment - BS100

VM Wealth Income Fund
Income Fund - Asset Allocation

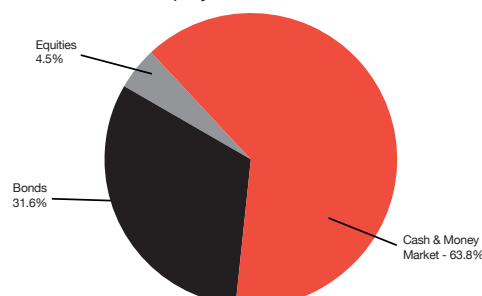


Top Holdings

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

Fund Size - 13,446,189.49
Net Asset Value - BS1.5834
Minimum Initial Investment - BS500
Subsequent Investment - BS100

VM Wealth Income Fund
Property 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	JMMB International	Fixed Income
4	Southern Golf & Recreation	Equity
5	One Caribbean Media Corporation	Equity

Fund Size - 1,281,143.07
Net Asset Value - BS0.5772
Minimum Initial Investment - BS5,000
Subsequent Investment - BS1,000

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