



VM Wealth Funds
Ltd.

Quarterly Newsletter

as at March 31, 2026

Fund Performance

For the quarter ended March 31, 2026, the VM Wealth Capital Growth Fund (VMCGF) recorded a Net Asset Value (NAV) per share of B\$1.3791, compared with B\$1.4744 at the end of December 2025. This represents a year-to-date decline of 6.46%. The downward movement in NAV was primarily driven by unfavorable revaluation adjustments in the market prices of Barbados government debt held within the portfolio and negative performance in equities as markets continued to grapple with the conflict in West Asia. Price stability of the government bond is expected moving forward, we continue to monitor volatility driven by the conflict in West Asia and seek opportunities to improve the performance of the fund by rebalancing if necessary.

Over the same period, the VM Wealth Income Fund (VMIF) reported a NAV per share of B\$1.5696, down from B\$1.6237 at December 2025, translating to a year-to-date decrease of 3.33%. The fund remains the strongest-performing fund in its class for 2025, once again. This robust performance underscores the fund's resilience and ability to generate consistent returns in a challenging interest rate environment. However, the negative performance in Q1 was driven by revaluations in bond prices of assets held within the fund. Looking

ahead, pricing stability for these assets is expected and the return to positive NAV returns have commenced from February 2026. Additionally, the team continues to seek to improve the performance of the fund through diversification, assets will be added to this portfolio throughout 2026, inclusive of USD denominated securities to increase performance and liquidity of the fund.

Meanwhile, the VM Wealth Property Fund (VWPF) posted a NAV per share of B\$0.5788 as at March 31, 2026, compared with B\$0.5994 a quarter earlier, reflecting a 3.43% year-to-date decline. The associated fees and expenses related to the underlying real estate assets, which outpaced appreciation and earnings, continue to be a drag on performance. However, the fund manager has divested from the high expense accruing real estate asset and therefore this drag on performance has been removed, as the team seeks opportunities to redeploy funds into more efficient income generating assets for the portfolio.

The table below summarizes the annual performance of the VM Wealth Funds over the period 2020–2025, along with comparative results for Q1 2025 and Q1 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	Q1 2025	Q1 2026
VM Wealth Capital Growth Fund	5.62%	14.73%	-1.29%	4.32%	6.50%	2.71%	-1.25%	-6.46%
VM Wealth Income Fund	6.11%	-2.15%	6.91%	7.51%	6.58%	6.98%	0.60%	-3.33%
VM Wealth Property Fund	-3.28%	-1.71%	-1.91%	-3.47%	1.00%	-5.47%	-1.07%	-3.43%

- ▶ **Capital Growth Fund**
Weakened during the first quarter of 2026, recording a 6.46% decline, compared with a more modest 1.25% decline in the corresponding period of 2025. As noted, this was negatively impacted by bond price revaluation and volatility in equity markets driven by the conflict in West Asia. Consistency of bond pricing moving forward is not expected to impact the performance of the portfolio, while reduced volatility and continued diversity of equity assets into US markets are expected to be positive for the fund from Q2 onward.
- ▶ **Income Fund**
Posted a 3.33% decline in Q1 2026, reversing the 0.60% gain recorded in the first quarter of 2025, this was driven largely by bond price revaluation. The fund has been the top performer in its class for four calendar and is expected to continue to show improved performance as 2026 continues.
- ▶ **Property Fund**
Recorded a 3.43% decline during Q1 2026, compared with a 1.07% decline in the corresponding period of 2025, driven mainly by fees and expenses from real estate assets, the largest and highest expense driving property has been divested from the portfolio for more efficient and income driven portfolio balance.

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.

Economic Review

Barbados entered 2026 on a relatively strong economic footing, with the economy expanding by an estimated 1.7% in the first quarter following growth of 2.7% in 2025. Economic activity remained broad-based, supported by expansion in both traded and non-traded sectors. Tourism continued to be the primary driver of growth, benefiting from higher long-stay visitor arrivals and a significant increase in cruise passenger traffic. Construction also remained a key pillar of economic activity, supported by major public and private sector developments, while growth in business, financial and real estate services reflected sustained private investment and domestic demand. Agriculture recorded another quarter of expansion, aided by stronger output in fisheries, livestock and dairy production, although manufacturing activity softened due to declines across several subsectors.

Labour market conditions remained favourable, reflecting the resilience of the economy. Unemployment stood at 7.2% at the end of 2025, while unemployment benefit claims continued to trend downward during the first quarter of 2026. Strong activity in tourism, construction and business services supported job creation and helped maintain stable household incomes. The relatively low unemployment rate continues to signal that economic growth is translating into broadly positive labour market outcomes, although labour shortages in some sectors remain an emerging challenge.

Inflation remained subdued by both regional and international standards. The twelve-month moving average inflation rate rose modestly to 1.1%, while point-to-point inflation increased to 1.3%. Price pressures were concentrated mainly within services, including restaurants, recreation, education, healthcare and transportation. However, lower freight costs, stable global commodity prices and government interventions to moderate energy costs helped contain broader inflationary pressures. Looking ahead, inflation is expected to rise gradually but remain manageable within a range of approximately 2.0% to 2.6%, preserving consumers' purchasing power and supporting overall economic stability.

Fiscal policy remained focused on balancing economic growth with debt reduction. During FY2025/26, the government achieved a primary surplus equivalent to 4.0% of GDP, while the overall fiscal deficit narrowed to just 0.4% of GDP. Revenue performance benefited from stronger VAT collections, increased income tax receipts and improving economic activity. At the same time, government expenditure rose due to significant investments in infrastructure, public sector development projects and support for state-owned enterprises. The authorities have indicated that fiscal policy will continue to incorporate targeted cost-of-living relief measures while maintaining commitment to medium-term fiscal sustainability.

Public debt dynamics continued to improve, reflecting the benefits of sustained fiscal discipline and economic growth. Gross public sector debt declined to 94.6% of GDP at the end of FY2025/26, representing a further reduction from the previous year. The decline was supported by strong primary surpluses, economic expansion, liability management operations and debt repayment initiatives. While the debt burden remains elevated, the government's ongoing objective is to reduce debt to 60% of GDP by FY2035/36, providing an important anchor for fiscal and macroeconomic policy.

External sector performance also strengthened during the quarter. The current account deficit narrowed substantially as stronger tourism receipts and improvements in the merchandise trade balance offset external spending pressures. Foreign exchange reserves remained robust at approximately BDS\$3.0 billion, providing import coverage of 25.5 weeks, well above internationally accepted adequacy benchmarks. These reserves continue to provide a significant buffer against external shocks, including potential disruptions arising from global economic uncertainty, geopolitical tensions or commodity price fluctuations.

The financial system remains stable and well-capitalised. Private sector credit and customer deposits both expanded during the quarter, while non-performing loans continued to decline. Commercial banks maintained strong capital adequacy levels, and liquidity conditions remained ample across the financial system. The Central Bank has highlighted the sector's resilience, noting improving asset quality and strong buffers against potential shocks. Given the relatively low inflation environment, policymakers have not faced the same pressures for aggressive monetary tightening experienced in several advanced economies. Instead, policy attention remains focused on safeguarding financial stability, supporting economic growth and preserving foreign reserve strength.

Looking ahead, economic prospects remain positive. The Central Bank projects GDP growth of between 2.0% and 3.0% in 2026, supported by continued expansion in tourism, ongoing construction and infrastructure projects, growth in business and professional services, renewable energy investments and measures aimed at stimulating private sector activity. Nevertheless, risks remain tilted to the external environment, including slower global growth, geopolitical uncertainty, higher energy costs and potential disruptions to trade and tourism flows. Despite these challenges, Barbados appears well-positioned to sustain moderate growth, supported by sound macroeconomic management, improving fiscal metrics, declining debt levels and strong external buffers.

Fund Outlook

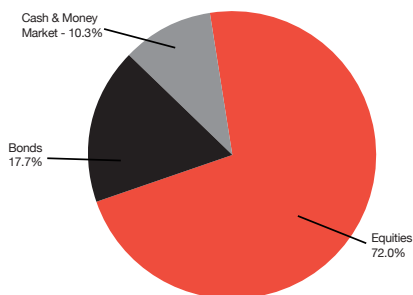
Barbados' economic prospects for 2026 remain favourable. Real GDP growth is projected at between 2.5% and 3.0%, supported by continued strength in tourism, construction, business and professional services, and ongoing investment activity. Medium-term growth is expected to strengthen further as major public and private sector projects progress and generate broader economic spillovers. Continued policy reforms and development initiatives are also expected to support economic activity and enhance competitiveness. While external risks remain, the overall outlook suggests a relatively stable operating environment that should continue to support long-term investment opportunities, while underscoring the importance of maintaining a disciplined and diversified portfolio strategy.

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. Within this framework, 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 longterm return profile. Meanwhile, for the Income Fund, which has been the leader in its class in Barbados, we continue to diversify around its largest holding to preserve resilience and maintain consistent income generation, while providing further exposures to non-local markets and US currency. Together, these actions position our portfolios to navigate near-term uncertainty while participating in the medium-term opportunities created by Barbados' investment pipeline and broader economic recovery.

Quarterly Update as of March 31, 2026

VM Wealth Capital Growth Fund
Capital Growth Fund - Asset Allocation

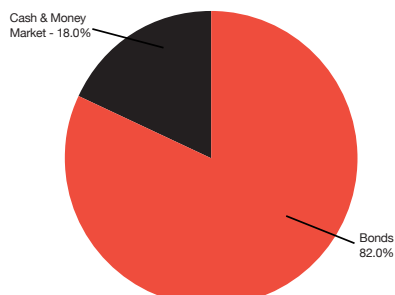


Top Holdings

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
5	Sagcor Financial Corporation	Equity

Fund Size - 6,570,143
Net Asset Value - BS1.3791
Minimum Initial Investment - BS500
Subsequent Investment - BS100

VM Wealth Income Fund
Income Fund - Asset Allocation

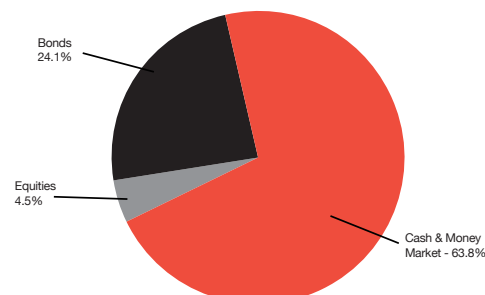


Top Holdings

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

Fund Size - 13,312,322
Net Asset Value - BS1.5696
Minimum Initial Investment - BS500
Subsequent Investment - BS100

VM Wealth Property Fund
Property Fund - Asset Allocation



Top Holdings

Rank	Company/Issuer	Security Type
1	Government of Barbados Series D	Fixed Income
2	Southern Golf & Recreation	Equity
3	One Caribbean Media Corporation	Equity

Fund Size - 1,285,796
Net Asset Value - BS0.5788
Minimum Initial Investment - BS5,000
Subsequent Investment - BS1,000

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