

## REPUBLIC CARIBBEAN EQUITY FUND

30<sup>th</sup> June 2021

### FUND SIZE      FUND STRATEGY

**TT\$ 145 Million**

The fund seeks to achieve long term capital appreciation by investing in a diversified portfolio of equity securities.

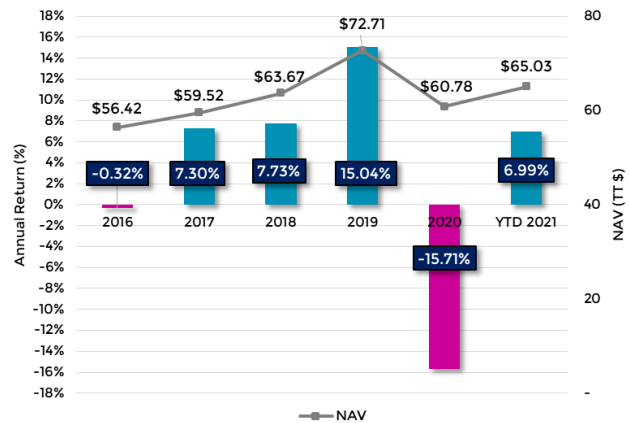
### FUND FACTS

Minimum Initial Investment	Subsequent Investment	Bid Price @ 30-June-2021	Offer Price @ 30-June-2021	Distribution 31-July-2020
\$2,000.00	\$200.00	\$65.0256	\$66.3261	\$0.5021

### TOP FIVE (5) SECURITIES

DESCRIPTION	FUND WEIGHT
Republic Financial Holdings Limited	14.05%
Vanguard FTSE All-World ETF UCITS	10.31%
National Commercial Bank Of Jamaica Ltd	9.95%
GraceKennedy Limited	9.88%
Scotiabank T&T Limited	7.86%

### ANNUAL RETURNS

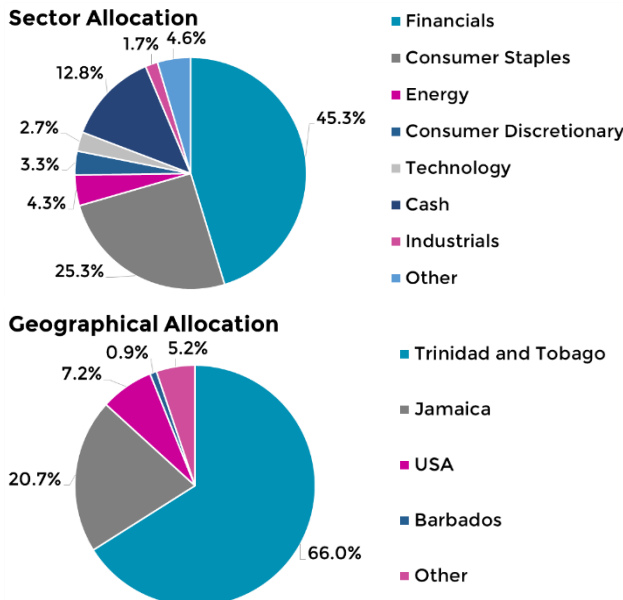


Year-to-date return and NAV to June 30<sup>th</sup> 2021.

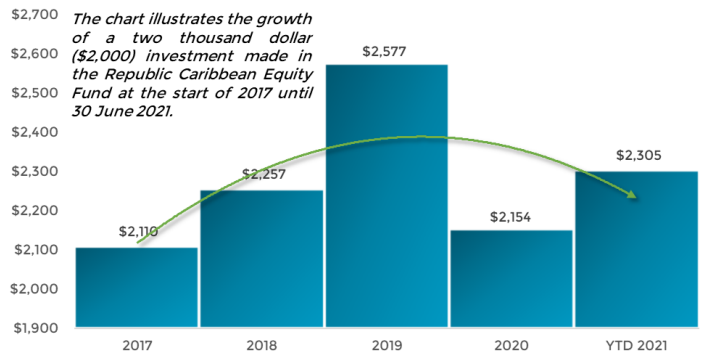
### PORTFOLIO PERFORMANCE

BID-BID RETURN (AS AT JUNE 2021) <i>*Annualized</i>				
QUARTER	YTD	3 YEAR*	5 YEAR*	INCEPTION*
3.86%	6.99%	4.76%	4.44%	7.81%

### EXPOSURES AS AT JUNE 2021



### INVESTMENT GROWTH



**For further information or to enquire about our other investment & retirement products, please contact us at:**  
**Tel:** (868) 625-4411 Ext. 69918/69903  
**Visit:** [republicwealthmanagement.com](http://republicwealthmanagement.com)  
**Email:** [invest@rfhl.com](mailto:invest@rfhl.com)

Important information concerning the investment goals, risks, charges and expenses is contained in the prospectus, copies of which are available from any branch of Republic Bank Limited or from our website and should be read carefully before investing. This investment is not insured or guaranteed by the Central Bank of Trinidad & Tobago, the Deposit Insurance Corporation of Trinidad and Tobago, The Trinidad and Tobago Securities and Exchange Commission, Republic Bank Limited, its parent company Republic Financial Holdings Limited, any affiliates or subsidiaries of the Republic Financial Group or any person or corporation. Performance is subject to variation and is likely to change over time. Past performance is not necessarily a guide to future performance.

## MARKET REVIEW & OUTLOOK

### CARIBBEAN BASIN

The Trinidad and Tobago Composite Index returned  $\uparrow 4.40\%$  on a price return basis for the quarter ending June 30<sup>th</sup> 2021.

#### TRINIDAD & TOBAGO:

The All TT Index grew by  $\uparrow 8.31\%$  on a price return basis for the quarter ended June 30<sup>th</sup> 2021. The largest contributors to the growth of the index were Guardian Holdings Limited ( $\uparrow 28.45\%$ ) and Massy Holdings Limited ( $\uparrow 25.82\%$ ), as the former was listed on the Jamaica Stock Exchange ("JSE") and the latter indicated its intent to do so. Cross-listing allows greater financing options for the companies in the future, and offers the opportunity for trading activity and price discovery in a new market. Banking sector stocks - the largest weight in the index - also rallied over the quarter, with growth in Republic Financial Holdings Limited ( $\uparrow 6.14\%$ ), Scotiabank Trinidad and Tobago Limited ( $\uparrow 10.02\%$ ) and First Citizens Bank Limited ( $\uparrow 6.95\%$ ). The largest detractors from return for the quarter were The West Indian Tobacco Company Limited ( $\downarrow -2.79\%$ ), Agostini's Limited ( $\downarrow -5.77\%$ ), and Prestige Holdings Limited ( $\downarrow -6.80\%$ ).

The majority of Trinidad and Tobago equities advanced over the quarter, as a combination of cross-listing announcements and optimism behind corporate earnings attracted investors. The International Monetary Fund (IMF) forecasts Trinidad and Tobago's Real GDP to recover 2.08% in 2021, following an estimated decline of -7.83% in 2020 due to the COVID-19 pandemic. However, growth may be subdued as Public Health Regulations and a State of Emergency aimed at containing the spread of COVID-19 stifle economic activity. Along with these measures, the Government's sustained fiscal deficit and the downward trend in foreign reserves are expected to weigh on economic growth, despite some relief from rising global energy prices. On the other hand, a successful vaccine campaign in Trinidad and Tobago alongside an easing of Public Health Regulations can positively impact economic growth and corporate performance.

#### CARIBBEAN EX TRINIDAD & TOBAGO:

The Trinidad and Tobago Cross Listed Index fell ( $\downarrow 4.03\%$ ) on a price return basis for the quarter ended June 30<sup>th</sup>, 2021. The decline was the result of corrections in the two largest components of the index, namely NCB Financial Group Limited ( $\downarrow -5.88\%$ ) and First Caribbean International Bank Limited ( $\downarrow -10.65\%$ ). These two stocks comprise approximately 75% of the Cross Listed Index. In contrast, the other two components of the index, GraceKennedy Limited ( $\uparrow 9.31\%$ ) and JMMB Group Limited ( $\uparrow 8.33\%$ ) rallied during the the quarter.

The Jamaica Stock Exchange (JSE) Market Index grew  $\uparrow 10.70\%$  in the second quarter of 2021. The growth in the index came as most of the stocks comprising the index rallied over the quarter, most in excess of five percent. The top contributors to the performance of the index were Caribbean Cement Co Limited ( $\uparrow 39.68\%$ ), Sagicor Group Jamaica Limited ( $\uparrow 10.16\%$ ) and Supreme Ventures Limited ( $\uparrow 35.06\%$ ). The major detractors from the return of the index were Barita Investments Limited ( $\downarrow -2.47\%$ ), TransJamaican Highway Limited ( $\downarrow -9.42\%$ ), and the Jamaica Stock Exchange Limited ( $\downarrow -9.16\%$ ). Jamaica's economy is estimated to have contracted in the range of -5.0% to -7.0% for the quarter ended March 2021. This follows an expected decline in real GDP of -10.00% to -12.00% in 2020. The IMF projects that the Jamaican economy will recover a modest 1.5% in 2021. The subdued growth reflects the continued impact of the COVID-19 pandemic on Jamaica's economy and contractions in income and demand. The Bank of Jamaica has continued with its initiatives to support Jamaican and US dollar liquidity in the economy, with substantive measures equivalent to more than 13.8% of GDP. The BoJ's policy rate of 0.50% was also maintained in order to keep inflation within the target range of 4.0% to 6.0%

The IMF projects Real GDP in Barbados to recover by 4.1% in 2021, after an expected contraction of -17.6% in 2020. The economy recorded its fourth successive quarterly double-digit decline in activity during the first quarter of 2021, as tourist arrivals plummeted due to an unfavorable travel environment. The weakened tourism sector, together with decreased economic activity and depressed private sector spending contributed to an estimated 19.8% decrease in output. Gross International foreign reserves decreased from \$2.7 billion in December 2020 to \$2.6 billion in March 2021 due to the reduced tourism earnings, debt repayments, and the purchase of goods and services, including Covid-19 vaccines.

### INTERNATIONAL

The MSCI World Index grew  $\uparrow 7.31\%$  for the quarter ended June 30, 2021, as all sectors returned positively on a price return basis, except for Utilities ( $\downarrow -1.51\%$ ). Markets were bolstered by a recovery in global economic activity and the continued rollout of COVID-19 vaccines.

The strongest performers for the quarter were the Technology ( $\uparrow 11.34\%$ ), Real Estate ( $\uparrow 9.40\%$ ) and Communications ( $\uparrow 8.89\%$ ) Sectors. Technology and Communications benefited from a rotation back to growth stocks, while the performance of Real Estate was buoyed by 'reopening' trade. Stocks in the Energy ( $\uparrow 7.79\%$ ) sector also produced strong results, as Brent Crude Oil, WTI Crude Oil and Henry Hub Natural Gas were up 12.80%, 13.82% and 9.08% respectively over the quarter. Robust corporate earnings for the quarter ended March 2021, particularly in large-cap US Equities, also provided some fundamental support for the rally, however continued growth is critical in sustaining the bull-market.

All data as at 30 June, 2021.

Sources: The Trinidad and Tobago Stock Exchange (TTSE), Bloomberg LP, The Central Bank of Trinidad and Tobago (CBTT), The International Monetary Fund (IMF), Schroders.

Important information concerning the investment goals, risks, charges and expenses is contained in the prospectus, copies of which are available from any branch of Republic Bank Limited or from our website and should be read carefully before investing. This investment is not insured or guaranteed by the Central Bank of Trinidad & Tobago, the Deposit Insurance Corporation of Trinidad and Tobago, The Trinidad and Tobago Securities and Exchange Commission, Republic Bank Limited, its parent company Republic Financial Holdings Limited, any affiliates or subsidiaries of the Republic Financial Group or any person or corporation. Performance is subject to variation and is likely to change over time. Past performance is not necessarily a guide to future performance.