

**REPUBLIC CARIBBEAN EQUITY FUND**

30<sup>th</sup> June 2022

**FUND SIZE** **FUND STRATEGY**

**TT\$ 156 Million**

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

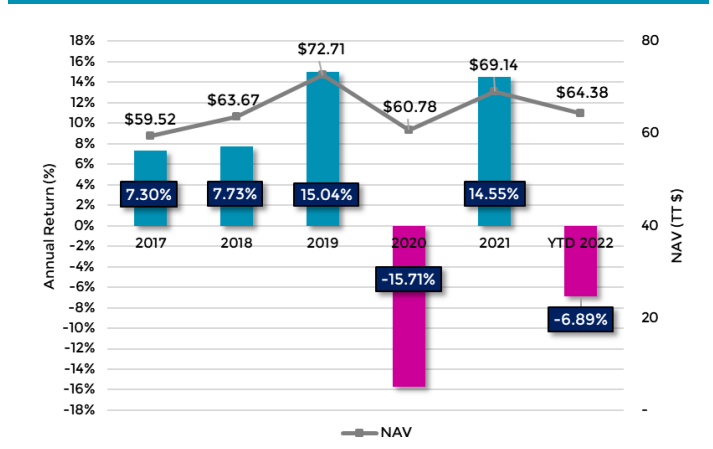
**FUND FACTS**

Minimum Initial Investment	Subsequent Investment	Bid Price @ 30-June-2022	Offer Price @ 30-June-2022	Distribution 31-July-2021
\$2,000.00	\$200.00	\$64.3819	\$65.6695	\$0.4556

**TOP FIVE (5) SECURITIES**

DESCRIPTION	FUND WEIGHT
Republic Financial Holdings Limited	15.40%
Scotiabank Trinidad & Tobago Limited	10.18%
GraceKennedy Limited	9.35%
ANSA McAL Limited	7.08%
First Citizens Group Financial Group Ltd	6.48%

**ANNUAL RETURNS**



**PORTFOLIO PERFORMANCE**

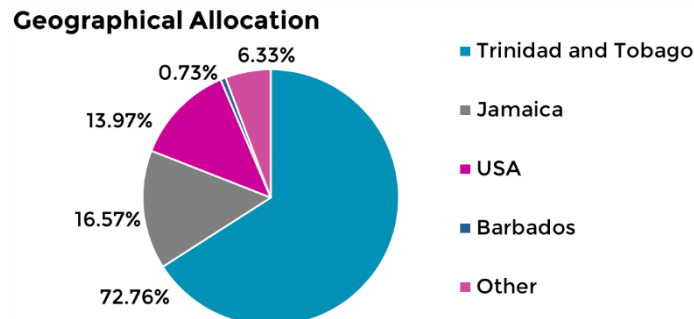
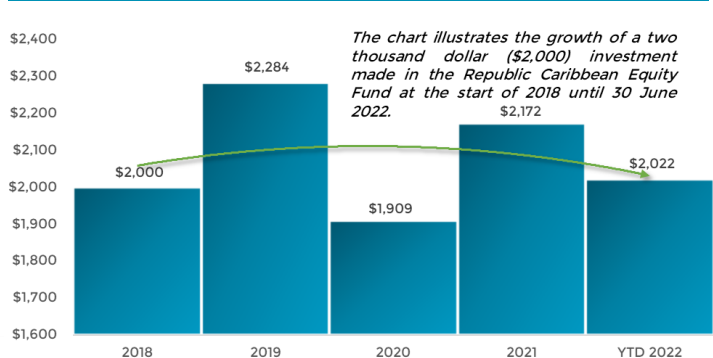
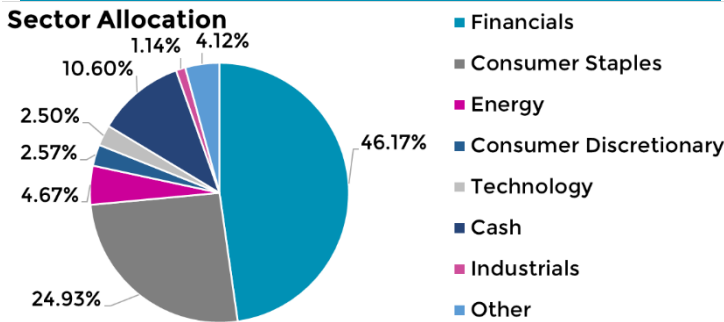
**BID-BID RETURN (AS AT JUNE 2022)** *\*Annualized*

QUARTER	FY 2021	3 YEAR*	5 YEAR*	INCEPTION*
-4.81%	14.55%	-1.36%	3.06%	7.45%

Annual return and NAV to June 30<sup>th</sup> 2022.

**EXPOSURES AS AT JUNE 2022**

**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 declined  $\downarrow$ -5.06% on a price return basis for the quarter ended June 30<sup>th</sup>, 2022.

#### TRINIDAD & TOBAGO:

Following a positive first quarter in 2022, the All TT Index posted price return of  $\downarrow$ -2.48% in the quarter ended June 30<sup>th</sup>, 2022, as the performance of stocks were mixed. This was driven by declines as the majority of stocks comprising the index weighed on its performance. Apart for Republic Financial Holdings Limited, which makes up the largest percentage (22.99%) of the index marginally advancing ( $\uparrow$ 0.01%), the other large components of the index including First Citizens Group Financial Holdings (12.54% of the index) and Massy Holdings Limited (10.05% of the index) declined  $\downarrow$ -5.64% and  $\downarrow$ -12.54% respectively. Within the first quarter of 2022, Massy Holdings Limited conducted a 20-for-1 stock split, resulting in the company's outstanding shares increasing to 1,979,384,540 from 98,969,227, and its share price decreasing to \$5.30/sh from \$106.00/sh. This split follows the company's listing on the Jamaica Stock Exchange ("JSE") in the prior quarter, and was geared towards increasing the stock's trading volumes on the JSE. For the quarter MASSY was down-12.54% on TTSE and -10.10% on the JSE.

The Government of Trinidad and Tobago continued to relax COVID-19 containment measures within the quarter, as the Government announced the country's transition from the COVID-19 pandemic phase to endemic phase. The shift came as 50% of the population became fully vaccinated, and cases declined. On the production front, energy output for the first quarter of 2022 has been mixed, crude oil rose by 2.2% while natural gas and petrochemicals declined by 5.6% and 6.2% YoY. Available non-energy sector indicators signal a gradual recovery in 2022, in the context of the lifting of all restrictions on business activity compared to most of 2021. Headline inflation in Trinidad and Tobago stood at 5.1% in April 2022 (YoY), compared to 3.80% in January 2022 whereas core inflation ticked up to 4.10% from 3.00% in January 2022.

#### CARIBBEAN EX TRINIDAD & TOBAGO:

For the quarter ended June 30<sup>th</sup>, 2022, the Trinidad and Tobago Cross Listed Index declined  $\downarrow$ 12.47%, on a price return basis. All the cross-listed equities all declined, led by NCB Financial Group Limited ( $\downarrow$ -14.35%) and GraceKennedy Limited ( $\downarrow$ -8.64%).

The JSE Market Index declined  $\downarrow$ -1.80% for the quarter ended June 30<sup>th</sup> 2022 as the stocks comprising the index declined for the quarter. Jamaica's economy is estimated to have grown in the range of 4.5% to 6.5% for the March 2022 quarter, a slower pace of growth relative to the expansion of 6.7% recorded for the December 2021 quarter, Jamaica's real GDP is projected to partially recover in the range of 7.00% to 10.00% with anticipated growth in the range of 2.00% to 4.00% for FY2022/23. In March 2022, the Central Bank of Jamaica (BOL) announced its decision to further increase the policy interest rate by 50bps to 4.50% p.a. effective 30<sup>th</sup> March 2022. The BOJ maintained other measures to contain the Jamaica dollar liquidity expansion and to ensure that further movements in the exchange rate do not threaten the target.

In Barbados, the economy continued on its path of recovery to pre-COVID levels of activity, with data indicating growth of 11.8% during the first quarter of 2022. This was primarily driven by the revival of the tourism sector which assisted to bolster private sector spendings. At the end of 2021, the unemployment rate recorded 10.9% compared to 17.6% a year earlier. This reflects the higher employment rate in both the private sector and public sector. Inflation measured on the 12-month moving average between March 2021 to March 2022 rose by 9.3%.

### INTERNATIONAL

The MSCI World Index (Ticker: NDDUWI) returned  $\downarrow$ -16.19% for the quarter ended June 30<sup>th</sup>, 2022. US stocks declined in Q2 2022 following the continued Russia-Ukraine geopolitical tensions, prompting risk-off activity, with equities declining and bond yields rising. Inflation fears also contributed to the rout in the market, as inflation levels in the US reached historic highs. The US Federal Open Market Committee raised interest rates within the range 1.50% - 1.75%, in an effort to tackle inflation, and anticipated that ongoing increases in the target range will be appropriate.

The sectors of the MSCI Index performed negatively this quarter, the weakest performing sectors for the quarter were Consumer Discretionary ( $\downarrow$ -23.77%), Technology ( $\downarrow$ -21.78%) and Materials ( $\downarrow$ -19.65%). Apart from the Energy ( $\uparrow$ 23.96%) sector, all other sectors were down YTD given the falling market. Emerging market equities were firmly down in Q2 as geopolitical tensions took center stage following Russia's launch of a full-scale invasion of Ukraine. The US and its Western allies responded with a number of sanctions coupled with raising concerns over the impact on inflation, policy tightening and the outlook for growth.

Commodity prices continue to increase, as the market braced for shortages from the Russia-Ukraine crisis, coupled with already disrupted global supply chains. In particular, energy prices surged, with Brent Crude ( $\uparrow$ 6.39%) and WTI Crude ( $\uparrow$ 5.46). However, Henry Hub natural gas ( $\downarrow$ -3.86) decreased due to an oversupplied market caused by the anticipated Russia-Ukraine invasion disruptions while gold prices ( $\downarrow$ -6.72%) decreased in the quarter primarily due to interest rate hikes.

*All data as at 30 June 2022.*

*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.