



Merry Christmas and a Happy New Year from your Republic Funds (Barbados) Inc. family! We are pleased to present to you this early edition of the quarterly newsletter in order to notify you of important updates and advise that the regular scheduled quarterly newsletters will resume in 2020.

FUND PERFORMANCE

As at December 13, 2019 all three funds recorded decreases in their Net Asset Values. Whilst improvements were seen in the returns of some of the Funds when compared to last year, the year-end returns continue to be impacted by the performance of equities in the respective portfolios. The following table highlights the cumulative annual returns from 2015 to 2019.

FUND	2015	2016	2017	2018	2019*
Capital Growth Fund	-0.09%	7.07%	0.17%	-10.00%	-14.11%
Income Fund	5.96%	4.83%	2.52%	-20.84%	-2.29%
Property Fund	1.05%	-8.96%	-1.21%	-27.21%	-16.74%

* Calendar year-to-date return as at 13th December 2019

ECONOMIC REVIEW

In just over one year after implementing the Barbados Economic Recovery and Transformation (BERT) plan, Barbados has received another positive sign of improvement amid reports of a recessionary trend, another credit rating upgrade. At the end of the third quarter 2019, the economy continued to be impacted by a lack of growth, which according to reports, was mirrored in the private sector with declines registered in the performance of the agricultural, manufacturing and construction sectors. However, the GoB maintained its unwavering commitment to reformation and tightening of fiscal policies which it embarked on since October 2018, the implementation of the BERT Plan. On December 11, 2019, International rating agency Standard and Poor’s raised its long and short-term foreign currency ratings six notches up from “Selective Default” to B- with a stable outlook for its foreign currency. This follows the conclusion of the external debt restructuring some 18 months after defaulting and is now better positioned to capitalize on funding from international agencies.

Amidst the ongoing US-China trade war and impeachment proceedings against the US President, the US economy continued moving slowly toward its long-run potential growth rate of between 1.5 percent and 2.0 percent by year’s end. This confidence was reflected in the performance of the international markets and as at the close of trading on December 13, 2019, the Dow Jones Industrial Average, the broader S&P 500 Index, and the NASDAQ were all solidly higher than in previous years, establishing record highs in the process. In the UK, plans to move ahead with Brexit have been confirmed, January 31, 2020, in light of the December 12, 2019 victory at the polls for the Prime Minister Boris Johnson. This augurs well for the international markets.

FUND OUTLOOK

The finalization of Barbados’ external debt restructuring and improvement in Barbados’ credit rating has been well received by investors and financial agencies alike. It is expected that investors’ confidence will continue to build and will positively impact market activity in the upcoming months. Although a complete recovery is a way off, it is projected that the uncertainties which overshadowed an anxious market may finally begin to subside in the anticipation of revival in investment activity.

Quarterly Updates:

The Fund holders are hereby advised that the Boards of Directors of Republic Bank (Barbados) Limited, the Bank, and of Republic Finance and Trust (Barbados) Corporation (RFTC) have taken the decision to amalgamate the operations of RFTC with the Bank, its parent company, as part of the Bank’s strategic objectives. The amalgamation takes effect on December 27, 2019. The newly amalgamated company continues under the name Republic Bank (Barbados) Limited. The amalgamation will not change the operation of Republic Funds (Barbados) Inc. (RFI) nor its long-standing business relationship with fund holders. However, fund holders can utilize any of the Republic Bank branches to conduct business or visit the Corporate Accounting department at Independence Square. All existing terms and conditions will remain unchanged.

RFTC, the sole holder of the common shares in RFI, performed the roles of investment manager and mutual fund administrator. These roles will now be performed by the Bank.

The Prospectus for the Republic mutual funds has been updated to reflect this change and will be posted online.

The Directors of Republic Funds (Barbados) Inc. maintains the decision on the restriction of subscriptions to the Income Fund and limited redemptions to 20% of holdings per unit holder.

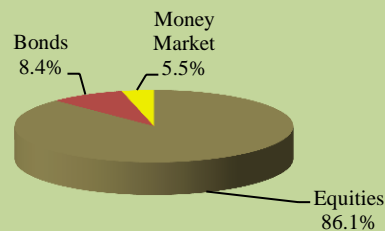


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Republic Capital Growth Fund

Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
1.4531	1.2829	1.3017	1.2560	1.2481

Capital Growth Fund - Asset Allocation



Top Five Holdings

Rank	Company/Issuer	Security Type
1	Goddard Enterprises Ltd	Equity
2	Royal Bank of Canada	Equity
3	Insurance Corporation of Barbados	Equity
4	Massy Holdings Inc.	Equity
5	Government of Barbados Series D Bond	Fixed Income

Fund Size

\$7,264,175

Net Asset Value

\$1.2481

Minimum Initial Investment

\$500

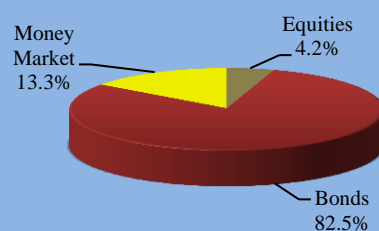
Subsequent Investment

\$100

Republic Income Fund

Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
1.2244	1.1956	1.2010	1.1924	1.1964

Income Fund - Asset Allocation



Top Five Holdings

Rank	Company/Issuer	Security Type
1	Government of Barbados Series D Bond	Fixed Income
2	NSR Bond	Fixed Income
3	Barbados Port Inc.	Fixed Income
4	UWI - Clarendon Bond	Fixed Income
5	Goddard's Enterprises Ltd.	Equities

Fund Size

\$13,473,782

Net Asset Value

\$1.1964

Minimum Initial Investment

\$2,000

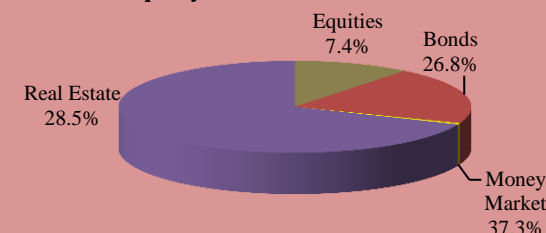
Subsequent Investment

\$500

Republic Property Fund

Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
0.8395	0.8379	0.8200	0.7007	0.6989

Property Fund - Asset Allocation



Top Five Holdings

Rank	Company/Issuer	Security Type
1	Apes Hill Long Term Development	Real Estate
2	Government of Barbados Series D Bond	Fixed Income
3	Barbados Port Inc.	Fixed Income
4	One Caribbean Media	Equity

Fund Size

\$1,629,708

Net Asset Value

\$0.6989