



## FUND PERFORMANCE

All of the Republic Mutual Funds recorded positive returns for the quarter ending June 30th 2021. The Republic Capital Growth Fund (RCGF) was the best performer of the funds recording a notable year-to-date return of 11.03%. Returns for the Republic Income Fund (RIF) and the Republic Property Fund (RPF) for the same period were 0.26% and 0.17% respectively. The following table highlights the cumulative annual returns from 2017 to 2021.

FUND	2017	2018	2019	2020	*2021
Capital Growth Fund	0.17%	-10.00%	-13.22%	-5.62%	11.03%
Income Fund	2.52%	-20.84%	-2.55%	6.11%	0.26%
Property Fund	-1.21%	-27.21%	-16.91%	-3.28%	0.17%

\* Returns for period ended June 30, 2021

## ECONOMIC REVIEW

As with all other countries, the challenges and difficult conditions Barbados has been grappling with, manifest themselves more and more in the form of worsening indicators. For the 2020/2021 fiscal year which ended in March, Barbados registered a fiscal deficit equivalent to 4.6 percent of GDP and a debt to GDP ratio of 152.5 percent, significant deteriorations from the fiscal surplus of 0.6 percent of GDP and a debt to GDP ratio of 117 percent for the previous fiscal year. Following the challenges of the first quarter, in April, economic activity was unexpectedly set back further, as the island was blanketed by ash from the eruption of St. Vincent’s La Soufriere volcano. Beside the direct damage to crops and livestock, the ash also affected houses, vehicles, equipment and other assets. The agriculture sector suffered significant losses. However, there were also losses in manufacturing, transportation, wholesale and retail trade, accommodation and food services, and even electricity, as generation from solar panels was stymied by the ash. A damage and loss assessment carried out by the Ministry of Economic Affairs and Investment revealed that the disaster cost Barbados at least \$87.1 million. This figure covers the previously mentioned losses, the clean-up itself, as well as the impact on the water sector, as the unprecedented draw on resources resulted in the need for Barbados to import water.

In June, Barbados underwent the fifth review of its Economic Recovery and Transformation programme which is supported by the IMF’s Extended Fund Facility (EFF). While the IMF indicated that the country’s economy remains severely depressed by the pandemic, the country achieved all but one of its quantitative targets for the end of March and will gain access to US\$24 million. In some more positive developments, in June, the World Bank approved a US\$100 million COVID-19 Response and Recovery Development Policy Loan for Barbados, to help with relief efforts and support recovery. The country’s COVID-19 numbers have moderated considerably from the first quarter. The number of daily new cases has been in single digits for the latter half of May and all of June, with active cases at 35 as of June 30<sup>th</sup>.



## **FUND OUTLOOK**

The challenges that have arisen for the year thus far, have undoubtedly muted / delayed the economic recovery that was anticipated, and lowered Barbados' growth prospects for 2021. Nonetheless, steady, tourism-led economic activity is possible in the second half of this year, however, this seems largely contingent on the level of COVID-19 activity in Barbados' main source markets and in Barbados itself. At this time, things look hopeful, however, a resurgence in cases at home and abroad, fuelled by new COVID-19 variants is a real threat. Barbados can tip the scales in its favour if the authorities remain disciplined and resolute and continue to move the population closer to what can be considered herd immunity. As of June 29<sup>th</sup> 24.7 percent of Barbados' population was vaccinated.

### Quarterly Updates:

*Republic Funds (Barbados) Incorporated wishes to advise of key changes to the Prospectus for the Republic Family of Mutual Funds (the "Prospectus").*

- I. in unusual circumstances, allow the Directors to limit redemptions to as low as 20%; and*
- II. to require the Directors to review that limitation periodically no less than twice per year*

*The Directors have taken the decision to amend the Prospectus to provide that on the advice of the Investment Manager, the Directors shall review the suspension of subscriptions periodically, no less than twice per year. On each review, the Directors will determine whether based on prevailing circumstances, subscriptions should be solicited from investors.*

*The updated prospectus can be reviewed using the following link: [www.republicbarbados.com/publications](http://www.republicbarbados.com/publications)*

*The Directors of Republic Funds (Barbados) Inc. maintains the decision to restrict subscriptions to the Income Fund and increase the current limit on redemptions from 20% to 50% of the shares held by each shareholder as at June 30, 2018, with effect from July 1, 2021.*

*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.*

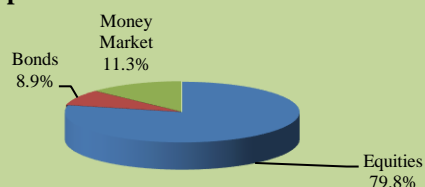


# QUARTERLY NEWSLETTER – JUNE 30 2021

## Republic Capital Growth Fund

Jun-20	Sept-20	Dec-20	Mar-21	Jun-21
1.2474	1.2299	1.901	1.2384	1.3214

### Capital Growth Fund - Asset Allocation



### Top Five Holdings

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

### Fund Size

\$ 7,551,120

### Net Asset Value

\$1.3214

### Minimum Initial Investment

\$500

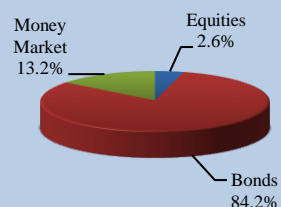
### Subsequent Investment

\$100

## Republic Income Fund

Jun-20	Sept-20	Dec-20	Mar-21	Jun-21
1.2340	1.2497	1.2661	1.2646	1.2693

### 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 Enterprises Ltd.	Equities

### Fund Size

\$13,901,610

### Net Asset Value

\$1.2693

### Minimum Initial Investment

\$2,000

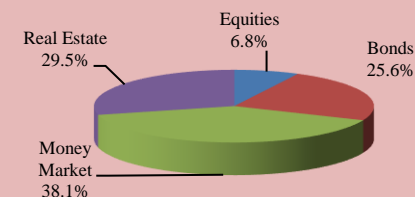
### Subsequent Investment

\$500

## Republic Property Fund

Jun-20	Sept-20	Dec-20	Mar-21	Jun-21
0.6929	0.6876	0.6746	0.6771	0.6758

### Property Fund - Asset Allocation



### Top Five Holdings

Rank	Company/Issuer	Security Type
1	Apes Hill 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

\$1,571,534

### Net Asset Value

\$0.6758