



## LENO FINANCIAL SAC BALANCED FUND

### Quarterly Report for the period ended March 31, 2024

Investment Objective	Investment Strategy
Leno Financial Balanced Fund (the "Fund") aims to provide moderate risk-adjusted returns over a mid to long investment time horizon. Balanced funds are generally "middle of the road" investments that seek to provide a combination of growth and conservation of capital by investing in a mix of stocks, bonds, and cash equivalent securities.	The Fund invests in a combination of Bahamian equities and fixed income securities. The Fund may also invest in term deposits, publicly traded, or privately issued preference shares, and corporate bonds.

#### 1<sup>st</sup> Quarter Review

The economic and fixed-income market update for the quarter under review is as follows:

- Total visitor arrivals were 1.6 million, a 12% increase driven by sea travel.
- Excess liquidity rose by \$337.8 million, while excess reserves grew by \$305.9 million.
- Commercial, Consumer credit, and Residential mortgages had a cumulative increase of \$33.9 million, while private sector arrears decreased 1.7%.
- Discount rates for 91-day Treasury Bills remained flat, while the discount rate for 182 Treasury Bills increased by 16 basis points. Three- to 10-year bond prices rose, while 20- and 30-year bond valuations remained unchanged.
- The Central Bank of The Bahamas held three benchmark offers amongst the introduction of competitive bidding as an option for Bahamas Registered Securities (BRS).
- The BISX All Share Index increased by 3.00% for the quarter. Double-digit contributors were FOCOL (14.74%), Family Guardian (11.90%), and Bahamas First Holdings (10.00%). The leading detractors were Consolidated Water (-17.70%), Emera (-7.21%), and Bank of The Bahamas (-2.59%).
- FOCOL had a 20-for-1 common share rights offer issued on 22nd March 2024 and announced a \$40 million preferred share @6.25% offer for settlement on 30th April 2024.

During Q1, the Fund's Net Asset Value (NAV) per Share rose to \$1.9824. The top five preference and common shareholdings in the portfolio include 1) Cable Bahamas (6.7%); 2) Commonwealth Bank (3.1%); 3) FOCOL Holdings (2.4%); 4) Commonwealth Brewery Limited (1.3%); 5) AML (1.2%).

Net Asset Value Performance	Fund Composition

Investment Manager			Analysis Period		
Leno Asset Management Ltd.			Jan 1, 2024 – March 31, 2024		
Benchmark					
50% WEIGHTED AVERAGE DEPOSIT INTEREST RATE (Source: Central Bank Statistical Digest) + 50% BISX RETURN					
Performance	Qtr-1	YTD	1 YR	3 YR	Since Inception
Fund	+0.50%	+0.50%	+4.10%	+4.15%	+4.39%
Benchmark	+1.56%	+1.56%	+11.55%	+7.45%	+1.97%
+/- Benchmark	-1.06%	-1.06%	-7.45%	-3.30%	2.42%