



First Citizens

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First Citizens Asset Management  
Fund Allocation Report June 30<sup>th</sup> 2016

# The Paria USD Monthly Fixed Income Fund

Fund Size: US \$227,627,468

Investment Objective: This Fund invests in US dollar denominated bonds and other US Dollar debt securities.

## Fund Facts

Minimum Investment	NAV Type	Fund Type	Earnings	Earnings Frequency	Pay Out Rate
US\$100	Fixed	Open-Ended	Interest Rate Applied	Calculated Daily & Credited Monthly	0.80%

## Market Update

The second quarter of 2016 can be classified as volatile with a BREXIT surprise closer to the end of the quarter. At the beginning of the quarter, bond investors were relatively cautious balancing positive developments in the U.S macroeconomic data with several reminders that the U.S Federal Reserve Bank (U.S Fed) was mulling its next rate rise. Then, as the month of June came around, the U.S Fed decided to keep interest rates unchanged and signalled its plans to raise rates only twice in 2016. Though it said slower economic growth would cramp the pace of monetary policy tightening in the future, a sharp slowdown in U.S hiring in May fuelled doubts about the strength of the labour market, further supporting the decision to not raise rates.

Over the quarter, the focus was on reducing the Fund's duration to minimise interest rate risk. To support this strategy, in the short to medium term, we are focused on the selection of shorter tenor instruments of good credit quality, while managing the portfolio through this transition. Looking ahead, the full implications of the UK's vote to leave the European Union will not be fully known for years. However, as the world looks on, the U.S Fed has adopted a more dovish approach and has reduced the number of forecasted interest rate rises for 2016. As such, the fund manager continues to closely monitor the interest rate environment and has made tactical adjustments to the fund's strategy.

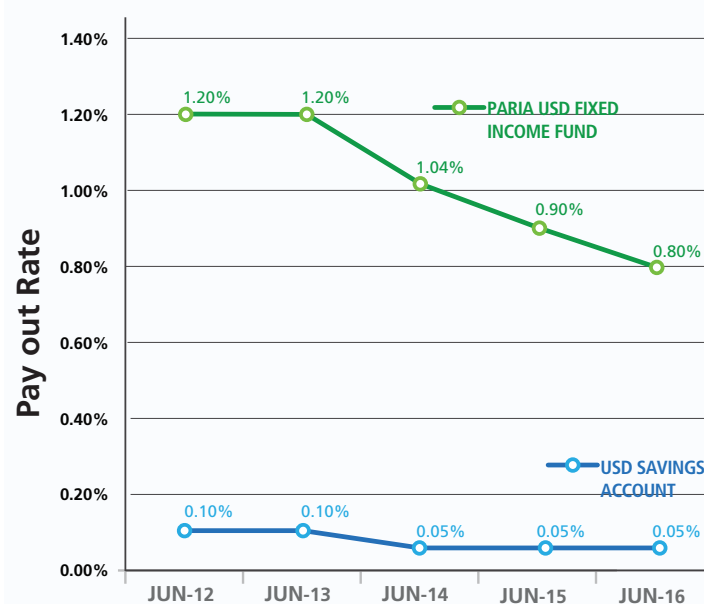
## Management Expenses Ratio (MER)

The Fund's MER as at the end of June 2015 was 1.97%. This means that for every \$1,000 dollars invested, \$19.70 went towards paying for the management of the Fund. The MER contains the investment management fee of no more than 2.5% per annum (p.a.), the trustee fee of 0.25% p.a., the distribution fee of 0.25% p.a. and fund administration fee of 0.2% p.a.

## Average Annualized Returns as of June 30<sup>th</sup> 2016

1 Year	3 Year	5 Year	Return from inception July 26 <sup>th</sup> 2004
0.81%	0.91%	1.05%	2.78%

## Historical Interest Rates



N.B. USS Savings Account Interest rates based on First Citizens USS Savings Account Interest rates for balances (\$500 - \$2,999.99)

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**Top 10 Credit Exposure**

	<b>Issuer</b>	<b>% of Fund</b>
	First Citizens Group	43.87%
	Government of Trinidad and Tobago	12.71%
	Ansa Merchant Bank Limited	6.96%
	Government of USA	6.24%
	Deutsche Bank (Bardados) SRL	4.49%
	Walt Disney	2.49%
	Oracle Corporation	2.42%
	Commonwealth Bank of Australia	2.21%
	Bank of Nova Scotia	2.20%
	The Goldman Sachs Group Inc.	2.14%

**Top 10 Individual Holdings**

	<b>Issuer</b>	<b>% of Fund</b>
	First Citizens USD Bank Account	39.45%
	Government Of The United States Of America Bond	3.17%
	Deutsche Bank (Barbados) Srl Bond	3.13%
	First Citizens Term Deposit	3.08%
	Government Of The United States Of America Treasury Bill	3.07%
	Commonwealth Bank Of Australia Bond	2.21%
	Bank Of Nova Scotia Bond	2.20%
	Government Of Cayman Islands Bond	2.14%
	Ansa Merchant Bank Limited Bond	1.96%
	Government Of Trinidad & Tobago Bond	1.96%

Percentages are rounded to 2 decimal points.

**Exposure**

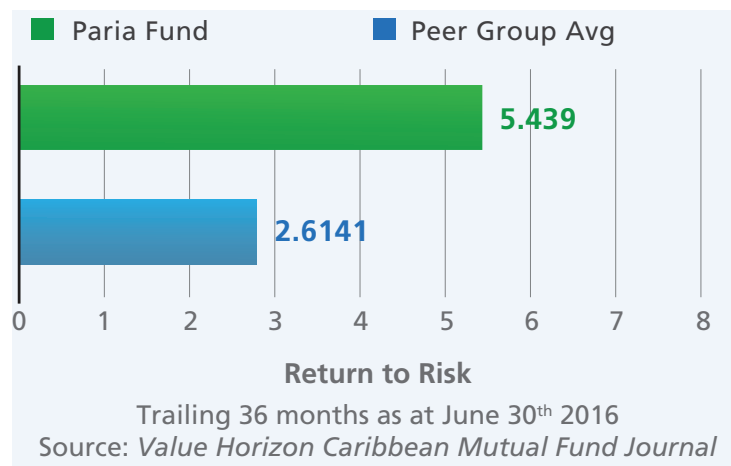
<b>Exposure By Assets</b>		<b>Exposure By Region</b>		<b>Exposure By Currency</b>	
47.09%	USD Bonds	67.66%	Trinidad & Tobago	100%	USD
39.45%	USD Cash	19.67%	North America		
11.10%	USD Cash Equivalents	5.34%	Australia		
2.36%	USD Money Market Funds	2.76%	Caribbean		
		2.45%	Europe		
		2.13%	Latin America		

Percentages are rounded to 2 decimal points.

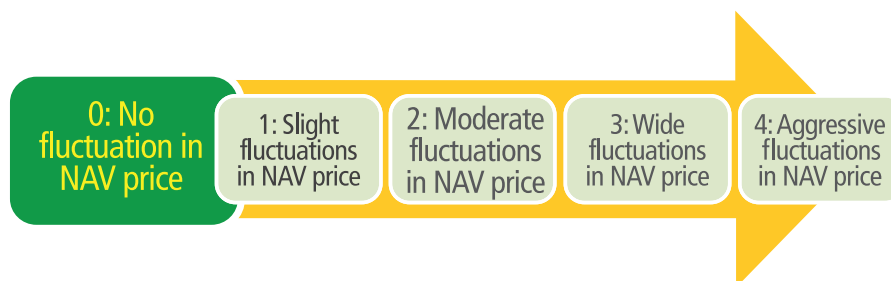


### Sharpe Ratio

The Sharpe Ratio is a measure of risk-adjusted performance and is often described as the reward per unit of variability or risk. It seeks to give a numerical representation of how well the return of an asset compensates an investor given the amount of risk taken. The higher the Sharpe Ratio relative to the peer group the better for the investor. Value Horizon has calculated the Sharpe Ratio of the Paria Fund to be as 5.439 versus the sub-peer group average ratio of 2.6141.



### Risk Level



The Paria USD Monthly Fixed Income Fund carries a low risk level with zero fluctuations in the Net Asset Value of the fund.

Past performance is not an indicator of future returns. The Prospectus should be read in its entirety before investing and is available upon request at all First Citizens Branches. Investments in the funds are not deposits and are not insured by the Deposit Insurance Corporation, nor guaranteed by the Central Bank of Trinidad and Tobago, First Citizens, any of its subsidiaries or any person or corporation.