



**First Citizens**  
Investment Services

# Portfolio Strategy: Where to Invest?

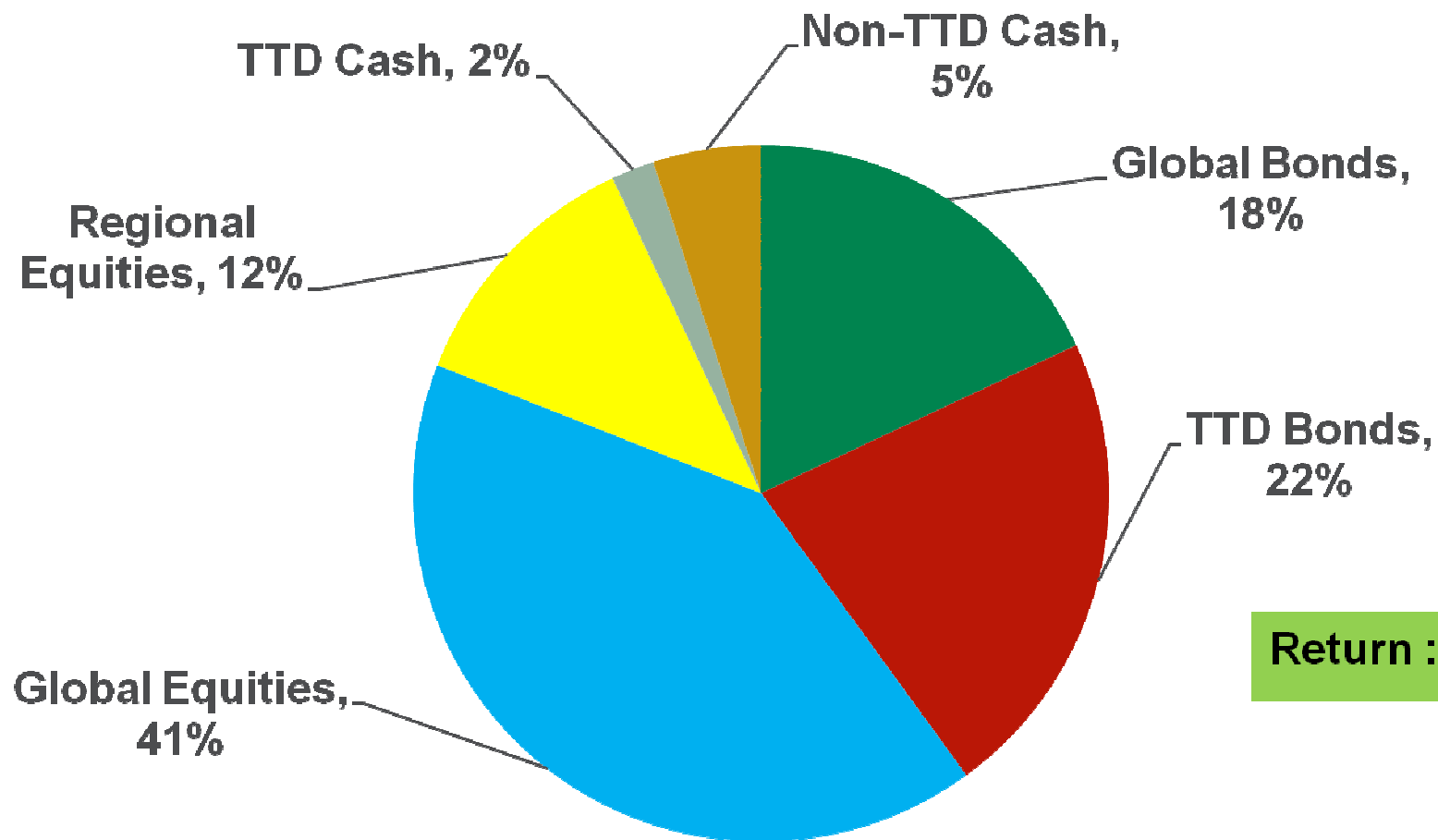
Sherma Mahabirsingh

Trader II, Proprietary Portfolio Management

First Citizens Investment Services

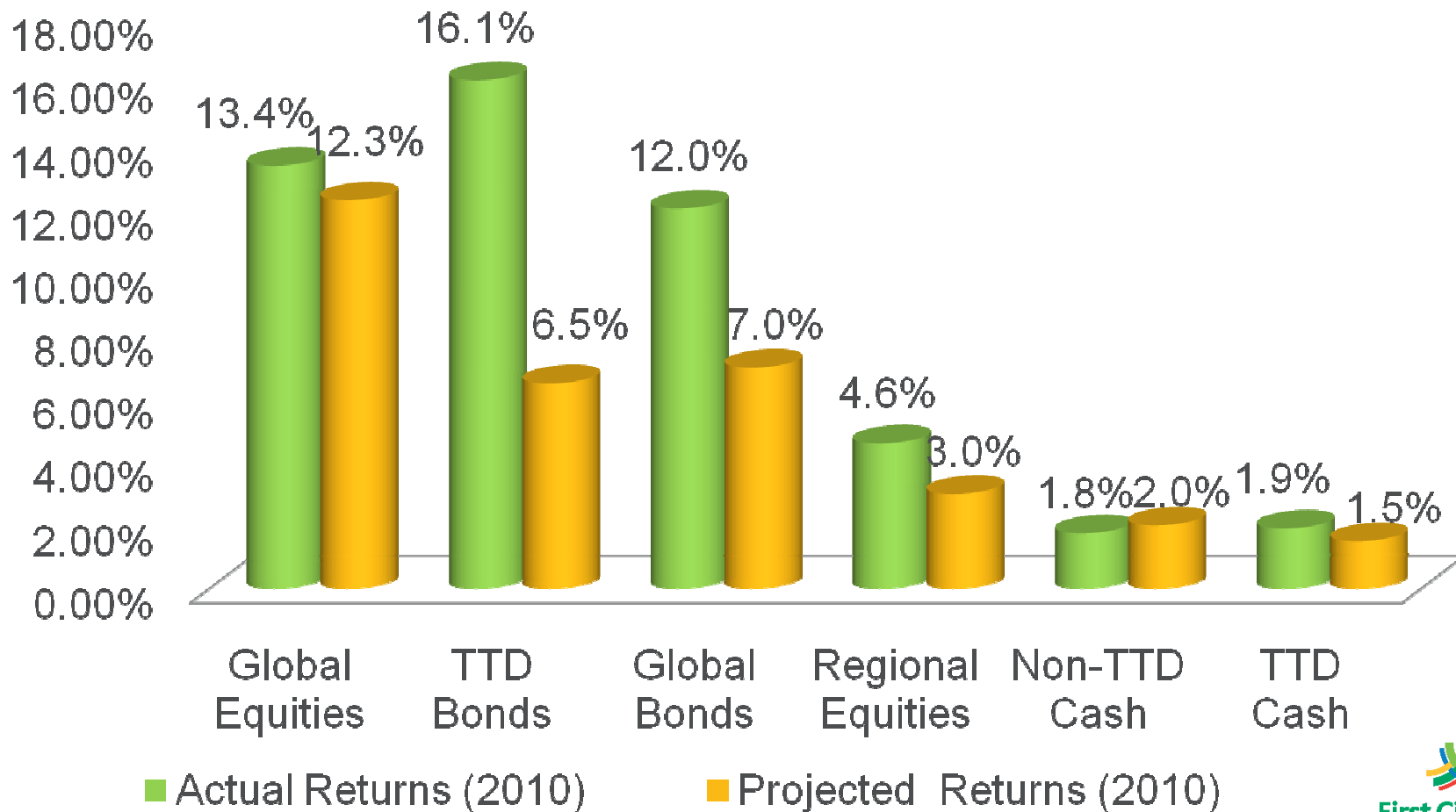
# Recommended Portfolio 2010

## Portfolio Outperforms



# What accounted for 2010 Portfolio Performance?

## Actual vs Projected Returns 2010



# Major Themes for 2011 – Developed Markets

Developed market growth to slow



**LOW INTEREST RATES** will persist, but **ATTENTION** will shift to **MONETARY POLICY EXPECTATIONS**



**HEDGE** interest rate risk and **REDUCE DURATION** of debt portfolio denominated in major currencies

Unhealthy Public Sector Balance Sheet vs. Healthier Corporate Balance Sheets

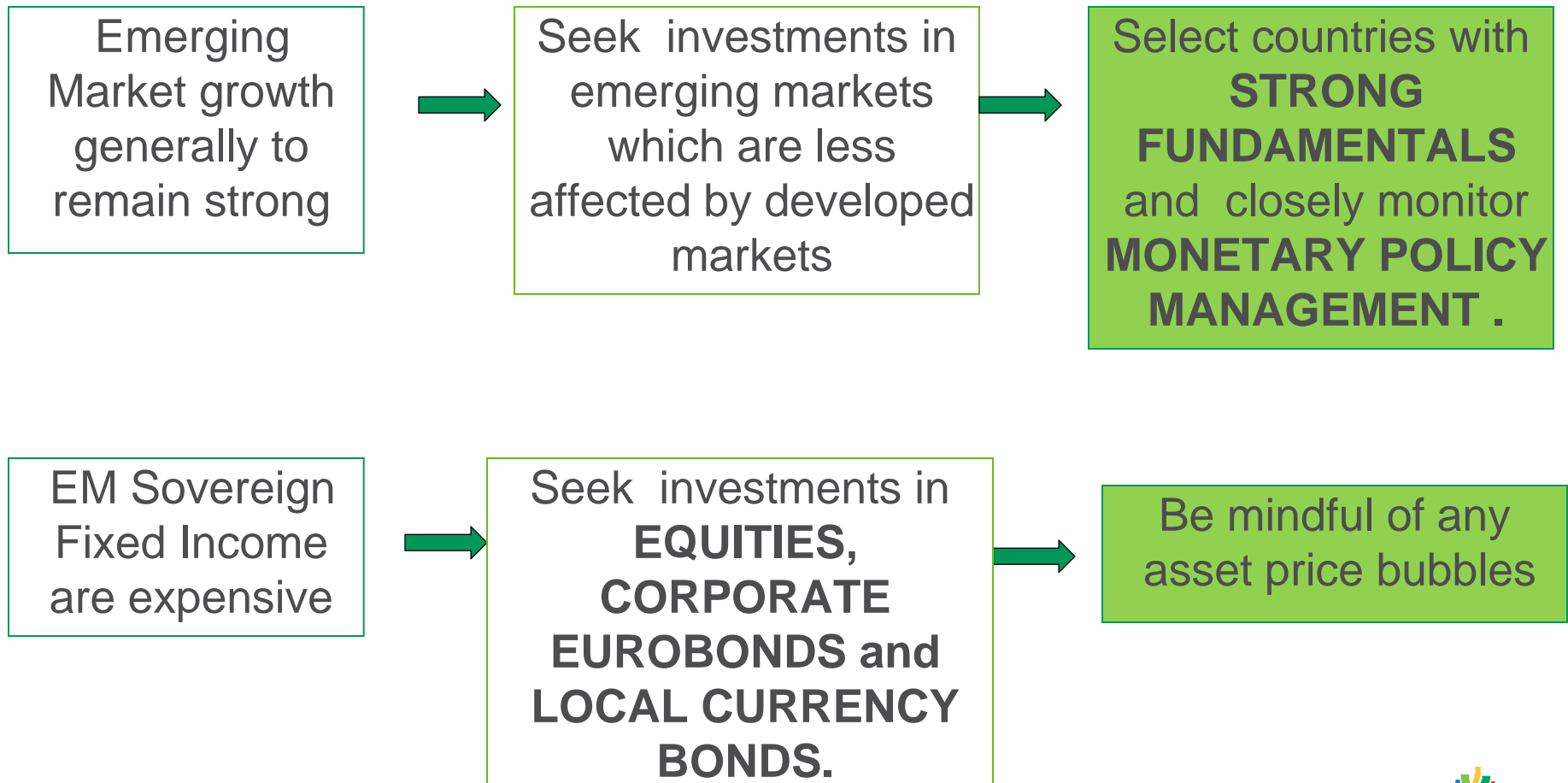


Seek investments in **CORPORATE DEBT** and **EQUITY** in developed markets



Choose **SECTORS** and **SPECIFIC COMPANIES** wisely

# Major Themes for 2011 – Emerging Markets



# Major Themes for 2011 – Local Market

Weak economic growth for T&T; food price inflation to persist



Poor outlook for the local stock market; low levels of interest rates to persist



- Low returns expected
- Seek investments internationally
- Adopt innovative ways to combat inflation and reduce expenses

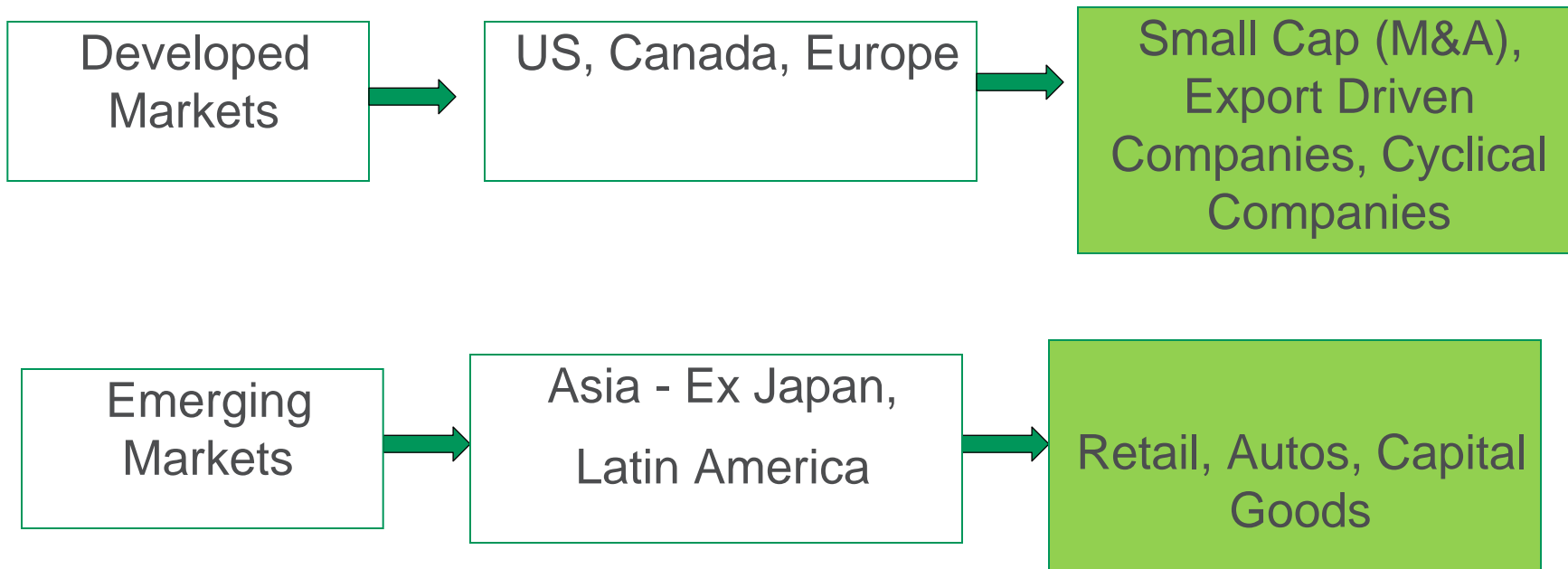
# Summary of Asset Classes

*Generally, financial investment opportunities exists outside the Caribbean region and in more “risky” assets*

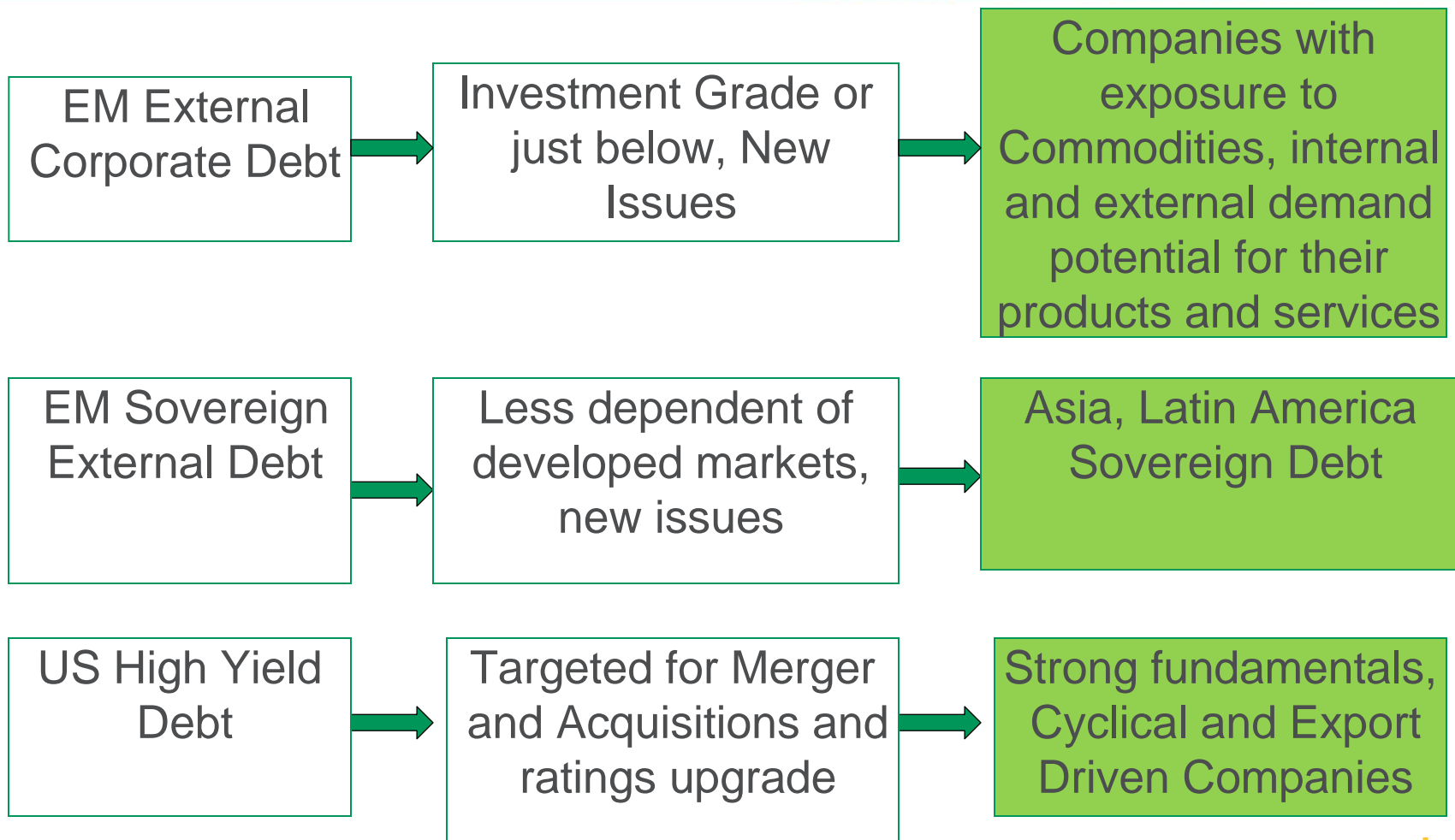
## **Attractive Asset Classes**

- ➔ International Equities
- ➔ International Fixed Income
- ➔ Commodities

# International Equities 2011



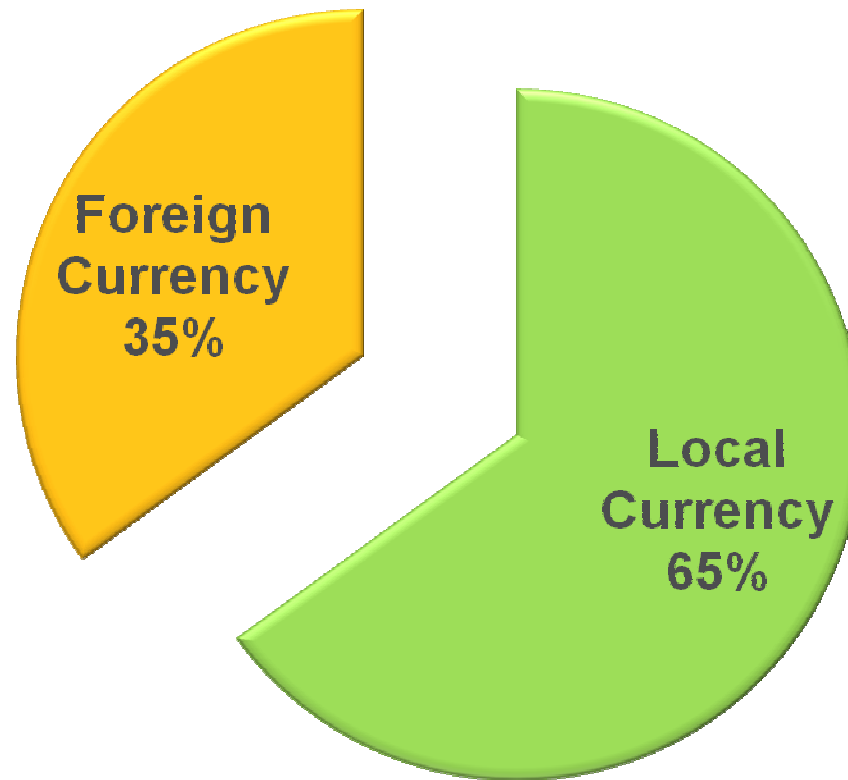
# International Fixed Income 2011



# International Commodities 2011

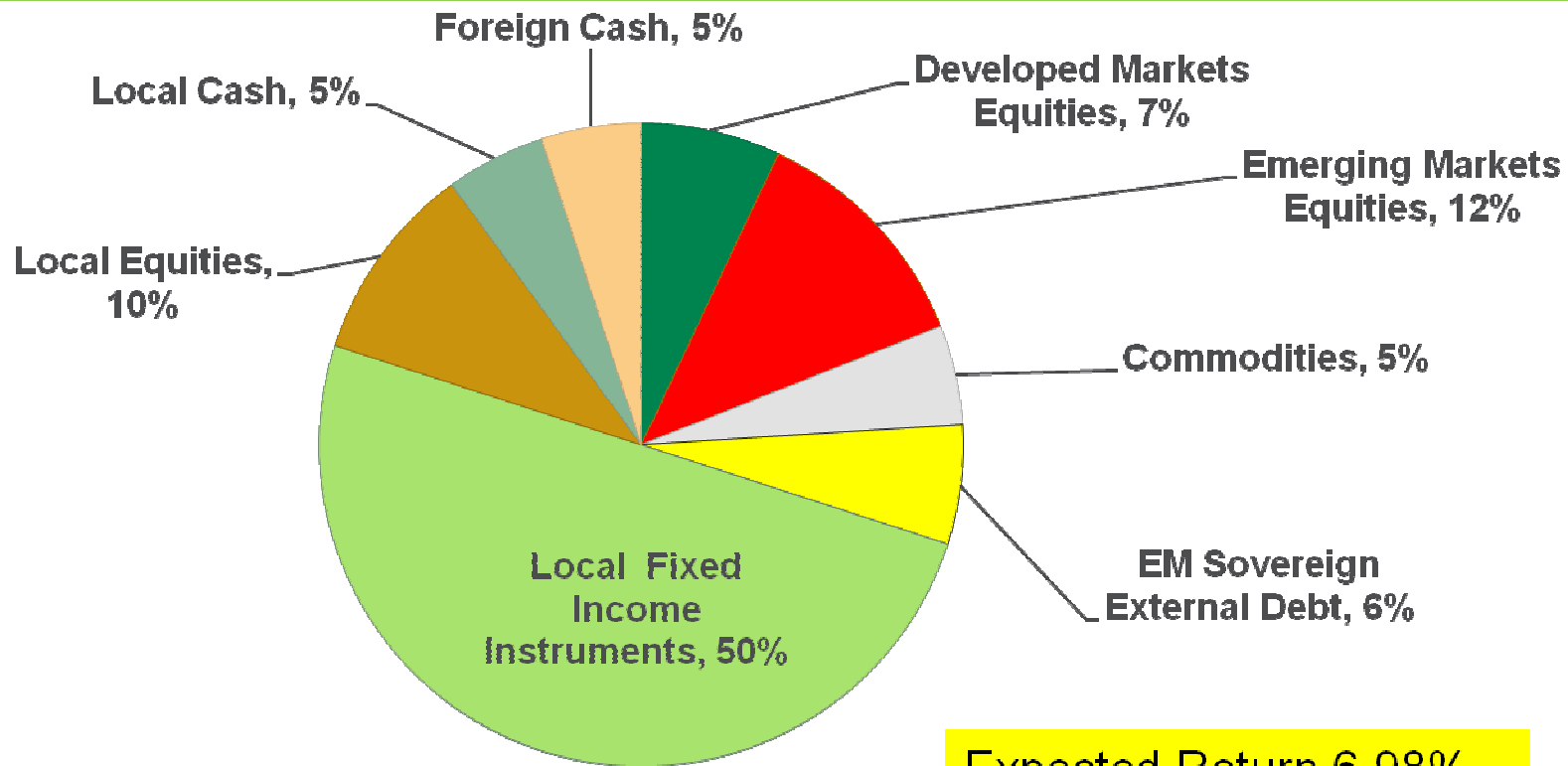


# Currency Allocation for Conservative Portfolio

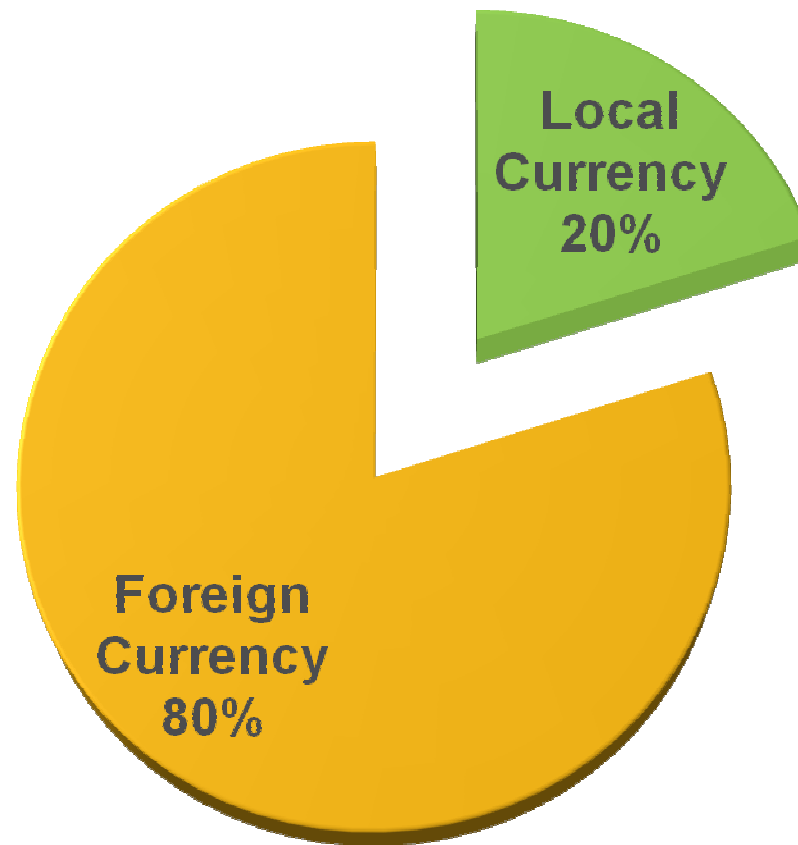


# Conservative Portfolio Recommendation

## Conservative Portfolio - Low Risk Appetite, Little Appetite for Currency Risks

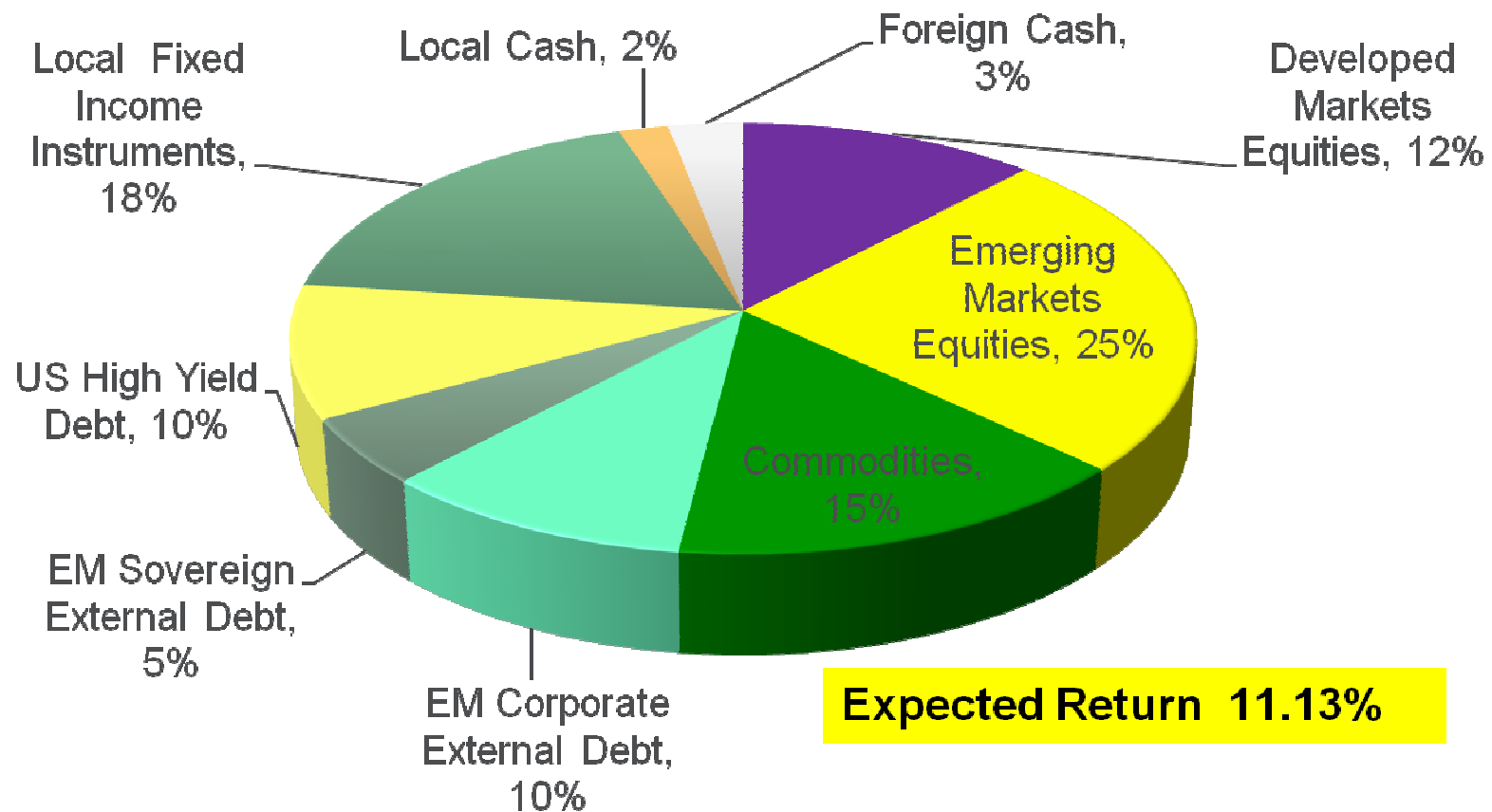


# Currency Allocation for Aggressive Portfolio



# Aggressive Portfolio Recommendation

Aggressive Portfolio - High Risk Appetite, Monitor Investments, Appetite for Foreign Currency Risks



# Closing Remarks

- Treasury rates are low both locally and in developed markets
- A conservative investor would have to settle for moderate returns
- For the investor seeking returns in excess of 10% will seek
  - greater exposure to equity
  - Commodity investments
  - Corporate fixed income

***These are all volatile asset classes, we therefore advise investors to be cautious.***

# THANK YOU

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