

PRIVATE PENSIONS INDUSTRY STATISTICS

MARCH
2023

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OVERVIEW

The Jamaican private pension industry displayed ongoing signs of recovery as asset values recorded a sequential increase, consistent with the trend observed in Q4 2022. However, it is worth noting that the growth for the quarter was comparatively lower than the previous quarter due to a reduction in the number of plans reporting asset growth, with a difference of over 100 plans. A total of 499 or 62% of pension plans reported asset growth, with 482 of those plans reporting marginal changes in assets of less than 0.05%. Consequently, as at March 31, 2023, private pension assets reported growth of 0.62% to **\$707.56 billion**. Though marginal, this growth is consistent with interest rates being stabilized as well as the Jamaican economy's continued growth with real GDP projected to increase within the range of 1%-3% for FY2023-2024.

OVERVIEW (cont'd)

Key changes over the March 2023 quarter:

- ↑ **MEMBERSHIP¹ • 4.55%**
MAR 2023: **152,097**, DEC 2022: **145,478**
- **NUMBER OF PLANS²**
MAR 2023: **815**, DEC 2022: **815**
- ↑ **TOTAL PENSION COVERAGE • 5.82%**
MAR 2023: **11.99%**, DEC 2022: **11.33%**
- ↓ **NUMBER OF PLANS WITH ASSET GROWTH • -18.46%**
MAR 2023: **499**, DEC 2022: **612**
- ↑ **PRIVATE PENSION ASSETS • 0.62%**
MAR 2023: **\$707.56B**, DEC 2022: **\$703.20B**

By the end of Q1 2023 private pension coverage increased from 11.33% to 11.99% for all plans and 11.29% to 11.98% for active plans. It should be noted that the last measure of the employed labour force was in July 2022, therefore the jump in private pension coverage is primarily attributable to the 4.55% increase in membership within the Jamaican private pension industry. (See Fig 1.1 to 1.3)

Figure 1.1: Quarterly Returns Reported for Pension Plans

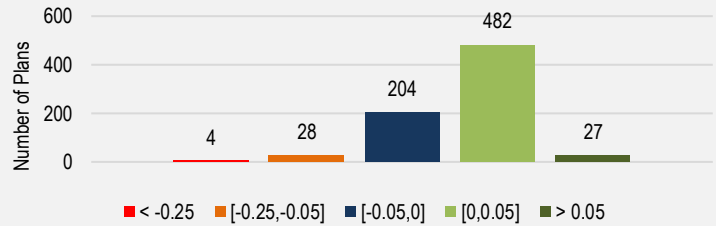


Figure 1.2: Pension Coverage in the Jamaican Private Pensions Industry

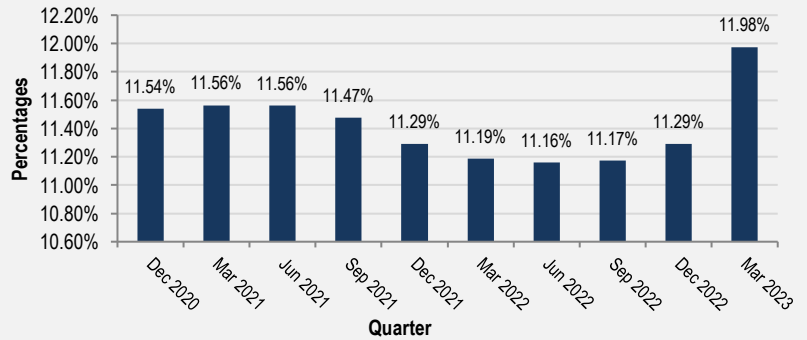
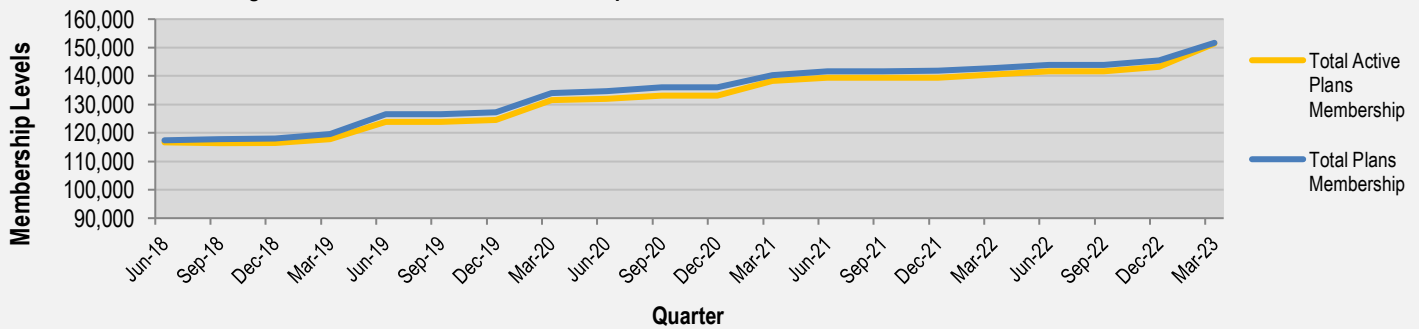


Figure 1.3: Growth Trends in Membership Levels of Active Pension Plans vs All Pension Plans



¹ This represents membership in all plans.

² This number includes pension plans which are active, terminating, and inactive.

INVESTMENT MIX

Private Pension Assets

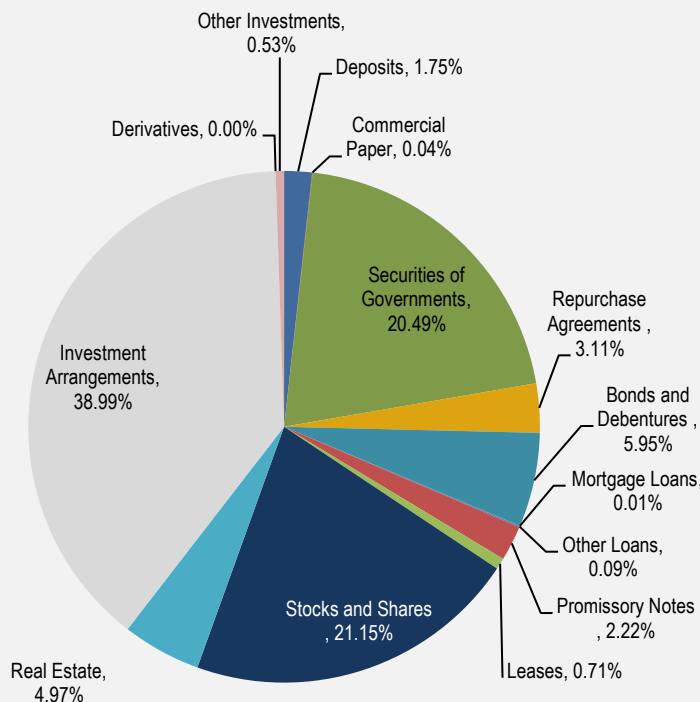
For the quarter ended March 31, 2023, the total funds under management (“FUM”) were largely invested in pooled investment arrangements (\$274.79 billion or 38.99%), stocks and shares (\$149.07 billion or 21.15%), and government securities (“GOJ securities”) (\$144.40 billion or 20.49%). Together, these assets accounted for more than 80% of the aggregate investment mix, and collectively recorded a 1.27% decline when compared to the previous quarter. Of the three (3) named asset classes, both stocks and shares, and government securities experienced the largest value declines with the former experiencing the larger reduction of \$2.13 billion or 1.41%. This is commensurate with the movement seen in the equities market as the JSE Combined Index declined by 15,703.10 points or 4.41% over the same period.

Similarly, there were also value declines in three (3) other asset classes during the period with mortgages experiencing the largest reduction of 1.78%. Notwithstanding the aforementioned declines, the overall increase of 0.62% in the aggregate value of assets was mainly attributable to the increases recorded for promissory notes (38.38% or \$4.33 billion) and repurchase agreements (8.05% or \$1.63 billion). The growth in the value of promissory notes seen over the period was the highest to ever be recorded for this asset class and was a result of an Investment Manager (“IM”) focusing on increasing its interest income amidst rising interest rates and reallocating pension portfolios to have a higher proportion of fixed income assets instead of equities.

Comparable with the movement observed for promissory notes, other asset classes such as deposits, leases, real estate, and investment arrangements recorded their largest asset value ever. Notably, the rise in the value of deposits was primarily due to two (2) IM’s slow reinvestment in higher yielding alternatives. Conversely, leases and real estate remained a reliable diversification option, safeguarding against market fluctuations.

In addition, despite the negative effects of the current macroeconomic environment on interest sensitive assets, bonds and debentures recorded its second highest value ever during the quarter ended March 31, 2023, only exceeded by the December 2021 quarter.

Figure 2.0: Allocation of Total Private Pension Assets as at March 31, 2023



Key changes over the quarter:

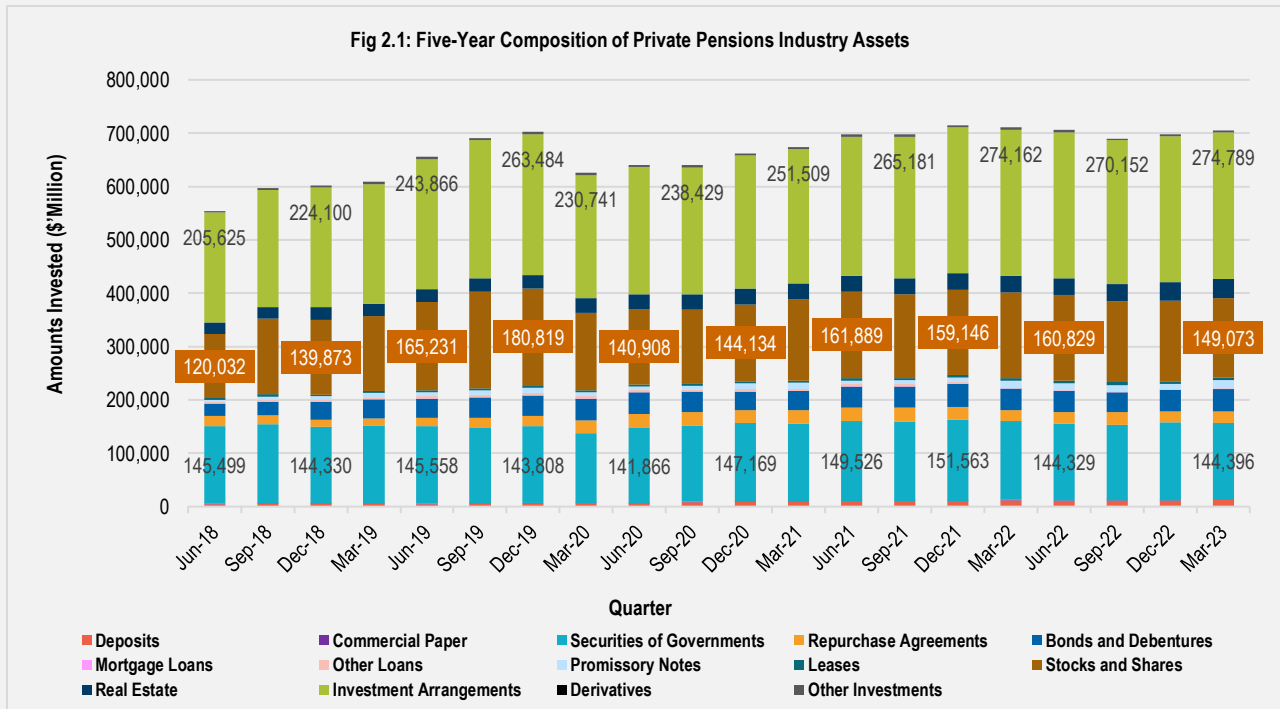
- ↑
TOTAL INVESTMENTS IN PROMISSORY NOTES • 38.38%
MAR 2023: \$15.61B, DEC 2022: \$11.28B
- ↑
TOTAL INVESTMENTS IN REPURCHASE AGREEMENTS • 8.05%
MAR 2023: \$21.91M, DEC 2022: \$20.28B
- ↑
TOTAL DEPOSITS • 5.13%
MAR 2023: \$12.32B, DEC 2022: \$11.72B
- ↑
TOTAL INVESTMENTS IN BONDS AND DEBENTURES • 5.01%
MAR 2023: \$41.94B, DEC 2022: \$39.94B

Table 1: Aggregate Investment Portfolio Mix

Types of Investment	Amount Invested \$' Millions	% of Total Investments	Amount Invested \$' Millions	% of Total Investments	Quarter over Quarter Growth in Asset	Year over Year Growth in Asset
	31-Mar-23		31-Dec-22			
Deposits	12,317.44	1.75%	11,716.61	1.68%	5.13%	0.79 %
Commercial Paper	252.89	0.04%	255.95	0.04%	-1.20%	-18.65%
Securities of Governments	144,396.28	20.49%	146,409.60	20.96%	-1.38%	-2.54%
Repurchase Agreements	21,908.26	3.11%	20,275.38	2.90%	8.05%	9.71%
Bonds and Debentures	41,939.97	5.95%	39,939.05	5.72%	5.01%	2.34%
Mortgage Loans	37.64	0.01%	38.32	0.01%	-1.78%	-6.86%
Other Loans	600.77	0.09%	576.64	0.08%	4.18%	28.27%
Promissory Notes	15,610.81	2.22%	11,280.76	1.62%	38.38%	16.29%
Leases	5,029.78	0.71%	4,843.84	0.69%	3.84%	5.49%
Stocks and Shares	149,072.62	21.15%	151,204.75	21.65%	-1.41%	-7.69%
Real Estate	35,029.33	4.97%	33,721.73	4.83%	3.88%	13.88%
Investment Arrangements	274,789.41	38.99%	274,420.47	39.29%	0.13%	0.23%
Derivatives	0.00	0.00%	0.00	0.00%	0.00%	0.00%
Other Investments	3,758.20	0.53%	3,799.81	0.54%	-1.09%	-18.23%
Total Investments	704,743.38	100.00%	698,482.90	100.00%	0.90%	-0.93%
Other Net Assets	2,815.39		4,715.35		-40.29%	209.18%
Total Assets	707,558.77		703,198.25		0.62%	-0.66%

The December 2022 quarter was restated.

Over the past five (5) years, Pooled Investment Arrangements, stocks and shares and securities of government have been the top three (3) asset classes. The similarity in the composition of the aggregate private pension portfolio of assets over the years is not unusual given the long-term nature of pension investments which typically sees pension plans buying and holding high quality long-term instruments. (See Fig. 2.1)



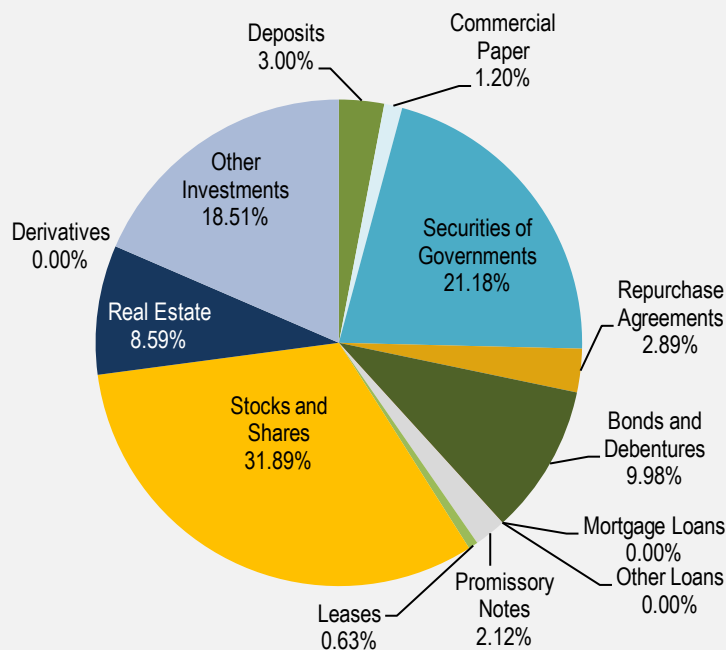
Pooled Investment Arrangements (“PIAs”)

PIAs within the Jamaican private pension industry reported an increase of 0.13% for the quarter ended March 31, 2023. Despite the ongoing expansion of the PIA portfolio, the growth as at Q1 has decelerated compared to the previous quarter, primarily due to the reduction in two of the largest asset classes, stocks and shares and other investments³. Notwithstanding, the portfolio composition remained the same with the three largest asset classes still being: stocks and shares (31.89%), GOJ securities (21.18%) and other investments (18.51%).

Commercial paper emerged as the asset class with the most significant growth during the quarter (53.36%), marking a stark contrast to the previous quarter where it experienced the largest reduction (53.27%) among all asset classes. This fluctuation in indirect commercial paper investments resulted from one IM redirecting the funds managed.

Indirect investments in other loans reflected the largest reduction over the quarter, with a 100% reduction in asset value which was due to one IM receiving repayment of funds loaned by the plans they manage. (See: Table 2)

Figure 2.2: Allocation of Pension Assets in Pooled Investment Arrangements as at March 31, 2023



Key changes over the quarter:

- ↑ **TOTAL INVESTMENTS IN PIA • 0.13%**
MAR 2023: \$274.79B, DEC 2022: \$274.42B
- ↑ **INDIRECT INVESTMENTS IN COMMERCIAL PAPER • 53.36%**
MAR 2023: \$3.22B, DEC 2022: \$2.10B
- ↓ **INDIRECT INVESTMENTS IN OTHER LOANS • -100%**
MAR 2023: \$0.00, DEC 2022: \$52.04M
- ↓ **INDIRECT INVESTMENTS IN REPURCHASE AGREEMENTS • -20.90%**
MAR 2023: \$7.76B, DEC 2022: \$9.81B

³ This primarily consists of investments in collective investment schemes.

Table 2: Pooled Investment Arrangement Portfolio Mix

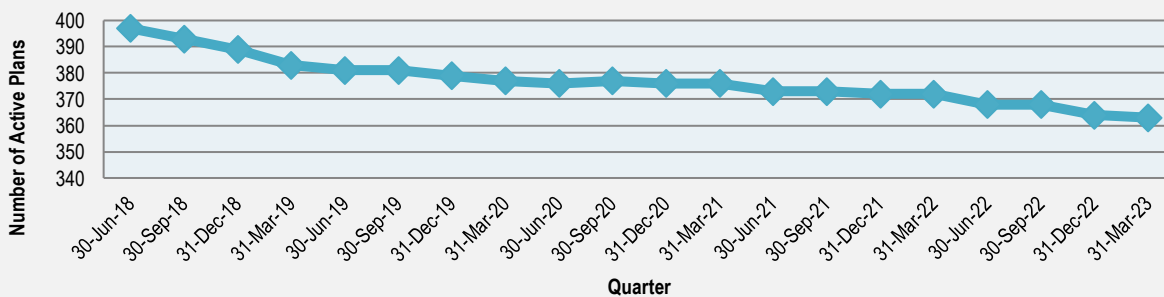
Types of Investment	Amount Invested \$' Millions	% of Total Investments	Amount Invested \$' Millions	% of Total Investments	Quarter over Quarter Growth in PIAs	Year over Year Growth in PIAs
	Mar-23		Dec-22			
Deposits	8,039.89	3.00%	8,430.20	3.15%	-4.63%	25.87%
Commercial Paper	3,226.83	1.20%	2,104.13	0.79%	53.36%	72.59%
Securities of Governments	56,844.13	21.18%	55,552.91	20.76%	2.32%	2.19%
Repurchase Agreements	7,759.10	2.89%	9,809.66	3.67%	-20.90%	-9.46%
Bonds and Debentures	26,770.91	9.98%	24,681.80	9.22%	8.46%	19.03%
Mortgage	1.03	0.00%	1.05	0.00%	-1.91%	-6.81%
Other Loans	0.00	0.00%	52.04	0.02%	-100.00%	-100.00%
Promissory Notes	5,680.38	2.12%	5,052.66	1.89%	12.42%	0.45%
Leases	1,700.67	0.63%	1,505.42	0.56%	12.97%	45.34%
Stocks and Shares	85,578.10	31.89%	87,234.54	32.60%	-1.90%	-7.93%
Real Estate	23,056.79	8.59%	22,647.15	8.46%	1.81%	11.54%
Derivatives	0.00	0.00%	0.00	0.00%	0.00%	0.00%
Other Investments	49,669.92	18.51%	50,556.92	18.89%	-1.75%	-5.65%
Total Pooled Investments⁴	268,327.74	100.00%	267,628.48	100.00%	0.26%	0.09%
Other Net Assets	875.14		1,066.67		-17.96%	53.93%
Other Investment Arrangements	5,586.52		5,725.31		-2.42%	1.41%
Total Assets	274,789.41		274,420.47		0.13%	0.23%

OPERATING STATISTICS

Active Pension Plans

The number of active plans as at March 31, 2023, declined to 363 when compared to the December 2022 quarter; one (1) plan was newly introduced to the industry, and two (2) plans initiated wind-up proceedings⁵. Notwithstanding, membership within the existing plans recorded an increase of approximately 6%, moving from 143,188 to 152,097. Continuing the growth trend, asset value for active plans increased marginally by 0.64% from \$694.43 billion to \$698.85 billion.

Figure 3.0: Growth Trend in Number of Active Pension Plans



⁴ Total Pooled Investments describes Type I Pooled Funds and some Deposit Administration Funds.

⁵ One of these plans were closed out and have therefore not been counted in the number of terminating plans.

Active Plans by Type

Defined Benefit (DB) vs. Defined Contribution (DC)

Continuing on trend, active Defined Contribution (“DC”) plans continued to account for the majority of the members within the Jamaican private pension industry, following an 8.74% increase in membership. While DC plan membership has been steadily increasing over the years, the opposite has been true for Traditional Defined Benefit (“TDB”⁶) plans, which is partly due to some TDB plans being closed to new members. Notwithstanding, active TDB plans still account for the majority (56.41% or \$394.21 billion) of total private pension assets followed by DC plans with \$228.22 billion or 32.66%. Furthermore, there was a 5.08% increase in membership for active Mixed Defined Benefit (“MDB”⁷) plans and a 1.24% decrease in active Hybrid Defined Benefit (“HDB”⁸) plans. Additionally, HDB and MDB plans accounted for 9.71% and 1.23% of total private pension assets respectively for the quarter. (See Table 3)

Table 3: Active Pension Plans by Benefit Type

	Mar 2023	Dec 2022	Sep 2022
Number of Plans			
Traditional Defined Benefit	82	82	84
Mixed Defined Benefit	4	4	4
Hybrid Defined Benefit	25	25	25
Defined Contribution	252	253	255
Total Active Plans	363	364	368
Membership			
Traditional Defined Benefit	19,140	19,226	19,312
Mixed Defined Benefit	745	709	723
Hybrid Defined Benefit	20,425	20,681	20,685
Defined Contribution	111,536	102,572	100,930
Total Membership	151,846	143,188	141,650
Asset Values			
Traditional Defined Benefit (\$' Millions)	394,213	395,023	391,526
Mixed Defined Benefit (\$' Millions)	8,581	8,550	8,454
Hybrid Defined Benefit (\$' Millions)	67,835	68,355	65,654
Defined Contribution (\$' Millions)	228,219	222,717	217,491
Total Asset Values (\$' Millions)	698,849	694,646	683,125

December 2022 was restated.

Superannuation Funds (“SF”) vs. Retirement Schemes (“RS”)

There was a slight change in the market composition of the number of RS vs SF as at March 31, 2023, with the introduction of a new RS, and the termination of two SF. This is the first new RS since 2016, consequently there are now 349 SF and 14 RS. Both SF and RS recorded an increase in plan membership; however, SF grew at a faster rate (6.41%) than RS (5.71%).

⁶ TDB - A DB plan where benefits are linked through a formula to the members' wages or salaries, length of employment, or other factors.

⁷ MDB - A DB plan that has two separate DB and DC components, but which are treated as part of the same plan.

⁸ HDB - A DB plan where benefits depend on a rate of return credited to contributions, where this rate of return is either specified in the plan rules, independently of the actual return on any supporting assets (e.g. fixed, index to a market benchmark, tied to salary or profit growth, etc.) or is calculated with reference to the actual return of any supporting assets and minimum return guarantee specified in the plan rules. HDB plans also refer to DC plans which guarantee pension payments from the fund.

Both SF and RS reported an increase in asset values by the end of Q1 2023 however RS witnessed a more substantial overall growth as SF reported growth of 0.47% while RS reported 2.35%. Notwithstanding, SF continued to account for the majority (90.80%) of total asset values within the industry. (See Figures 3.1 to 3.5)

Figure 3.1: Number of Superannuation Funds vs Retirement Schemes

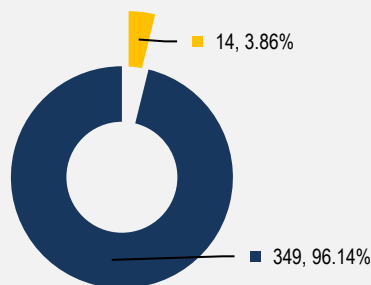


Figure 3.2: Number of Members in Superannuation Funds and Retirement Schemes

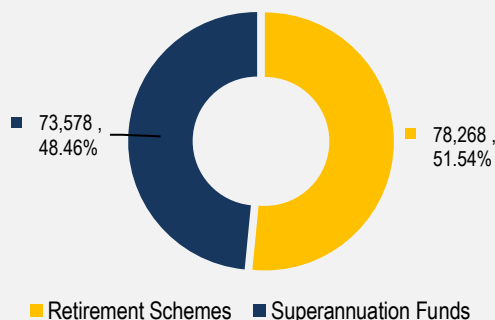


Figure 3.3: Assets in Superannuation Funds vs Retirement Schemes (\$'Millions)

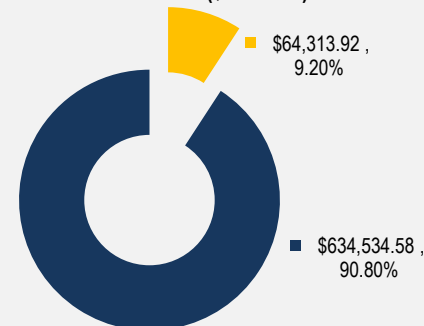


Figure 3.4: Asset Values for Superannuation Funds

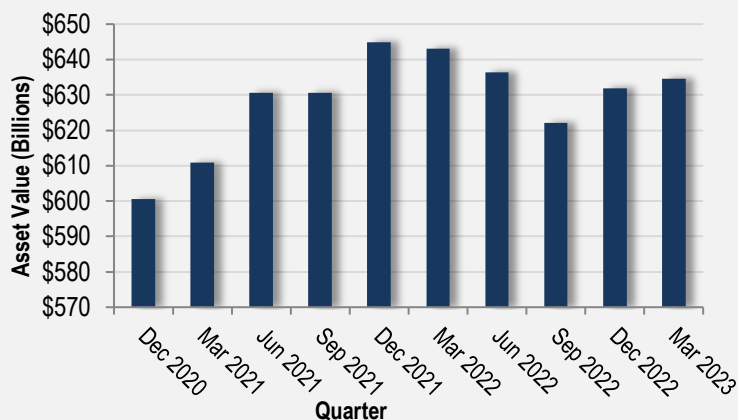
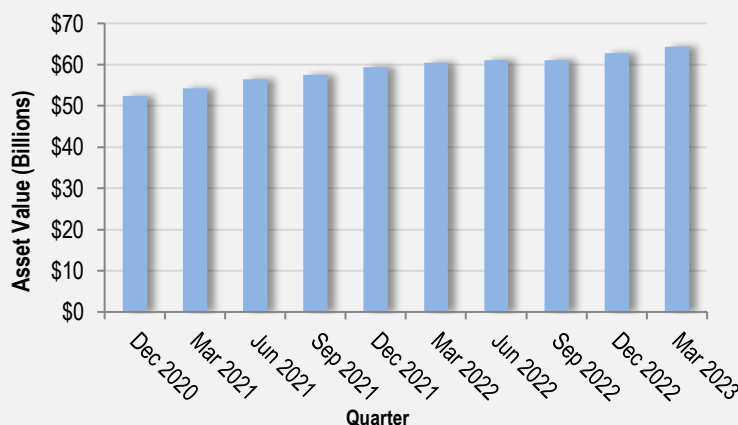


Figure 3.5: Asset Values for Retirement Schemes



Active Superannuation Funds by Industry

The value of private pension assets exhibited growth across all industries except Commerce/Finance and Mining/Bauxite which saw a decrease of 0.33% and 0.43%, respectively. Among the industries that experienced growth for the quarter, both the Agriculture and Charity industries achieved asset growth exceeding 2%, with the former attaining the highest of 2.31%. The Services industry maintained its position as the industry with the highest number of SFs and plan membership across the various sectors, with a total of 108 SFs and 22,295 members. The Tourism industry saw the largest increase (77.49%) for plan membership in SFs, which was attributed to the onboarding of the Tourism Workers Pension Scheme. The Education industry observed the largest decrease of 13.27% in membership for the period, mainly due to one (1) pension plan. (See Figures 3.6 to 3.8)

Figure 3.6: Percentage of Active Funds by Industry

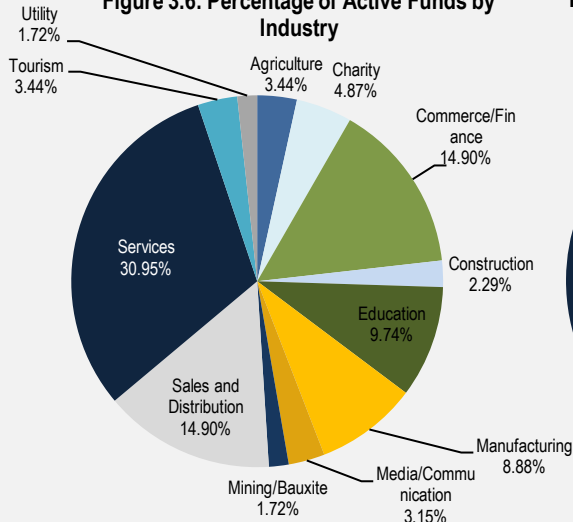


Figure 3.7: Active Membership in Funds by Industry

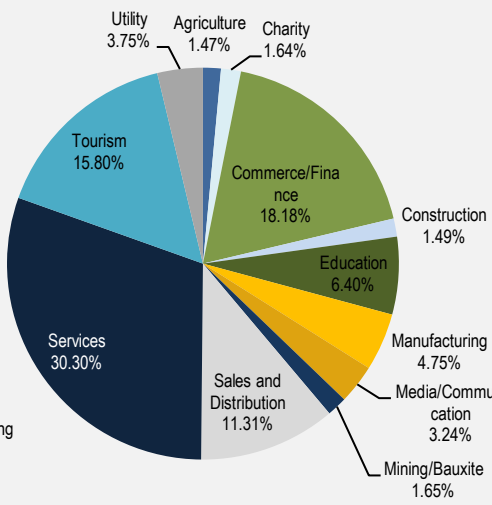
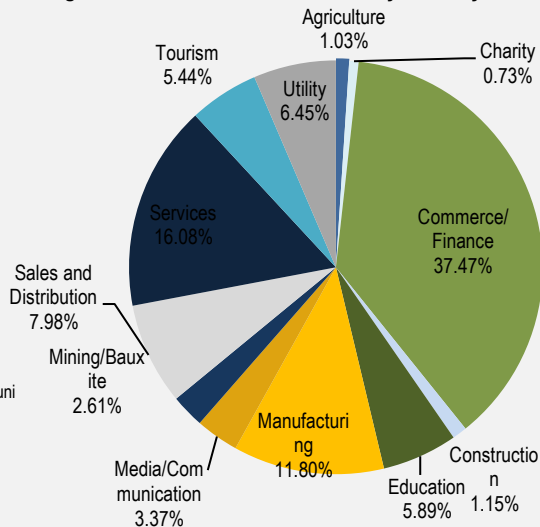


Figure 3.8: Asset Values for Funds by Industry



Solvency of Active Pension Plans

As at the quarter ended March 31, 2023, the FSC had solvency data for 348 plans which consisted of 253 DC plans, nine (9) HDB plans, 82 TDB plans and four (4) MDB plans. Of the 337 solvent plans, 214 (63.50%) reported solvency levels between 100% and 120%, three (3) more plans than was reported for the previous quarter. DC plans which continued to account for majority of solvent plans, represented approximately 73%, while TDB, HDB and MDB plans accounted for 23.51%, 2.39% and 0.90%, respectively. (See Table 4).

The FSC continues to communicate with trustees and administrators regarding the development of effective strategies suitable for improving the solvency positions of insolvent plans as well as those at risk of becoming insolvent. However, to steer clear of the peril of insolvency, the trustees and sponsors bear a critical fiduciary duty to remain vigilant in monitoring the financial health of their plans. This encompasses the meticulous review of investment strategies and portfolio allocations, striving to strike the right balance for optimal growth and risk mitigation. Equally paramount is the unwavering commitment to timely remittance of contributions, thereby safeguarding the interests and securing the hard-earned benefits of plan members at the crucial juncture of retirement. By diligently fulfilling these responsibilities, they fortify the foundation of the pension system, fostering a secure and prosperous future for all stakeholders involved.

Table 4: Solvency of Active Pension Plans

Plan Year End	Benefit Type	Solvency Level based on AVR & CFR					% of plans which are solvent
		Number of plans	Less than 100%	Between 100% and 120%	Between 120% and 150%	Greater than 150%	
2022	DC	11	0	11	0	0	100.00%
	HDB	0	0	0	0	0	0.00%
	TDB	5	0	0	2	3	0.00%
	MDB	0	0	0	0	0	0.00%
	Total	16	0	11	2	3	100.00%
2021	DC	60	0	49	8	3	100.00%
	HDB	3	0	3	0	0	100.00%
	TDB	22	1	5	7	9	95.45%
	MDB	1	1	0	0	0	0.00%
	Total	86	2	56	15	12	97.67%
2020	DC	83	2	58	20	3	97.59%
	HDB	3	1	2	0	0	66.67%
	TDB	25	0	8	8	9	100.00%

	MDB	2	0	1	1	0	100.00%
	Total	113	3	69	29	12	97.35%
2019 and earlier	DC	99	5	67	17	10	94.95%
	HDB	3	0	2	0	1	100.00%
	TDB	30	1	8	9	12	96.67%
	MDB	1	0	1	0	0	0.00%
	Total	133	6	78	26	23	95.49%
OVERALL		348	11	214	72	50	96.84%

Inactive and Terminating Pension Plans

The number of inactive pension plans remained unchanged, however the number of terminating plans increased by one as at March 31, 2023. Inactive plan membership was reduced by almost 100%, solely due to one (1) plan reporting a significant reduction in its members. A similar trend was observed for terminating plans, with multiple plans reporting a decrease in membership. Comparatively, there was a decrease in asset values for both plan categories. Inactive plans saw a reduction of 1.62%, ending the period at \$246.85 million while terminating plans saw a 0.20% reduction to \$8.46 billion. The reduction in plan membership and asset values is a direct result of members leaving the plans upon receiving their benefit payments. (See: Tables 5 and 6)

Table 5: Inactive Pension Plans by Benefit Type

	Mar-23	Dec-22	Sep-22
Number of Plans			
Defined Benefit	3	3	3
Defined Contribution	13	13	13
Total Inactive Plans	16	16	16
Membership			
Defined Benefit	0	1,655	1,655
Defined Contribution	53	53	53
Total Membership	53	1,708	1,708
Asset Values			
Defined Benefit (\$' Mil)	182	186	184
Defined Contribution (\$' Mil)	64	65	64
Total Asset Values (\$' Mil)	247	251	248

Table 6: Terminating Pension Plans by Benefit Type

	Mar-23	Dec-22	Sept-22
Number of Plans			
Defined Benefit	105	105	103
Defined Contribution	331	330	328
Total Terminating Plans	436	435	431
Membership			
Defined Benefit	79	200	129
Defined Contribution	119	382	335
Total Membership	198	582	464
Asset Values			
Defined Benefit (\$' Mil)	4,207	4,259	4,471
Defined Contribution (\$' Mil)	4,256	4,041	3,636
Total Asset Values (\$' Mil)	8,463	8,300	8,107

Investment Managers

As at March 31, 2023, there were no new entrants to the market. Consequently, there remained 25 IMs that consisted of fifteen (15) Securities Dealers (“SDs”), two (2) Life Insurance Companies (“LICs”) and six (6) other IMs. SDs accounted for approximately 55% of FUM or \$391.66 billion during the period while LICs managed 37% of industry assets or \$260.33 billion for the quarter. Notably, FUM for all categories of IMs increased over the period with the exception of Other IMs, which accounts for 7.85% of the market. Other IMs recorded a decrease in FUM of 2.18%, largely due to a reduction in asset values for one (1) plan. SDs accounted for the largest growth in asset value during the period which amounted to 0.98%. (See: Table 7)

Figure 3.9: Investment Managers' Share of Market Assets

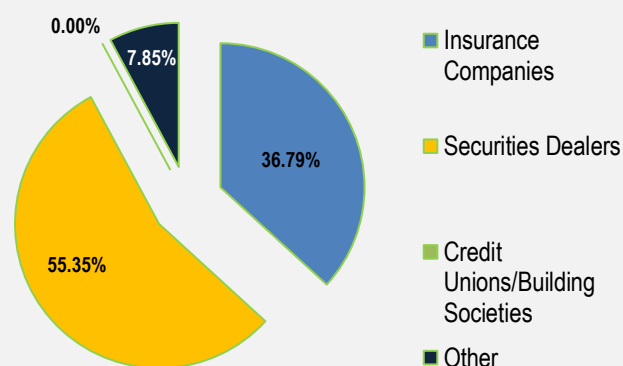


Table 7: Total Assets under Management of Investment Managers

Investment Managers	Number of Entities Mar 2023	Asset Values Mar 2023 (\$'Millions)	Number of Entities Dec 2022	Asset Values Dec 2022 (\$'Millions)	Number of Entities Sep 2022	Asset Values Sep 2022 (\$'Millions)
Life Insurance Companies	2	260,333.51	2	258,543.19	2	253,333.91
Securities Dealers	15	391,661.36	15	387,877.67	15	382,827.88
Credit Unions	2	-	2	-	2	-
Other	6	55,563.90	6	56,781.18	6	54,725.57
Total	25	707,558.77	25	703,202.04	25	690,887.37

OECD – PENSIONS MARKETS IN FOCUS

The Organization for Economic Cooperation and Development (“OECD”) compiled preliminary data for the year 2022 depicting the performance of the pensions industry and pensions investments for OECD countries, while making a comparison with a select number of countries from other jurisdictions of which Jamaica was included. It was reported that the value of pension assets decreased in most OECD countries in 2022, owing to the negative nominal investment rates of return. In contrast, pension assets grew in 24 out of 32 reporting jurisdictions from outside the OECD area. Jamaica reported a 1.4% decrease in the value of pension assets whereas its Caribbean counterparts listed in the report, namely Guyana and Suriname both had an increase of 24.5% and 12% respectively in value of pension assets. The increase in pension asset values amongst the countries from other jurisdictions was as a result of asset-backed pension arrangements being introduced relatively recently.

RISK OUTLOOK



As at March 2023, real Gross Domestic Product (“GDP”) in the Jamaican economy increased by 2.7% when compared with the corresponding quarter of 2022 and represented growth for the eighth (8th) consecutive quarter according to the Planning Institute of Jamaica (PIOJ). This outcome was mainly due to the increased domestic and external demand in industries such as Hotels and Restaurants and Transport. Further, growth in real GDP was influenced by an improvement in the Other Services Industries and the resumption of operations at the Jamalco Alumina plant. The ongoing quarter-to-quarter growth trend in real GDP could continue to have a positive effect on the pensions industry through increased plan membership and pension coverage.



The Bank of Jamaica (“BOJ”) estimated annual point-to-point inflation to be 6.19% as at March 2023. This figure continued the downward trend in monthly inflation since November 2022, but this narrowly fell outside the Bank’s target range of 4% to 6%. STATIN stated that the rise in prices for the period was mainly influenced by the rise in point-to-point inflation rate for the Food and Non-Alcoholic Beverages (10.1%) and Restaurants and Accommodations Services (16.9%) divisions within the economy. Furthermore, the nation’s price level has continued to feel the lingering effects of the global supply chain issues and the Eastern European conflict. Despite inflation level being above the target level, the continual decline is expected to create a more favourable macroeconomic environment for businesses to operate in, thereby improving the real returns for pension plans and if coupled with decreasing policy rates could have a positive effect on asset prices.



Given the current macroeconomic environment comprising of high interest rates and inflation as at March 2023, this has led to higher cost of funding for many businesses which has had a negative impact on their profitability. Also, the current environment has led to a decline in local consumer and business confidence which may have been a contributing factor in the lower share price reflected for some companies. With some of these companies being listed on the local exchange, it is not surprising, that the JSE Combined index declined in value from 368,560.59 points to 352,487.53 points over the quarter ended March 2023. Similarly, there was a decrease in the value of equities within the aggregate private pension investment mix over the quarter which amounted to 1.41%. As stocks and shares continue to represent the second largest asset class for the private pensions industry, it is crucial that trustees and investment managers continue to actively track market movements and execute appropriate portfolio rebalancing strategies where necessary to navigate potential risks and optimize investment strategies, ultimately ensuring that member benefits are properly secured for retirement.

SUMMARY

The commencement of the 2023 financial year embarked on a promising path as the total value of private pension assets increased by 0.62%, with assets valuing \$707.56 billion as at March 31, 2023. In parallel, total private pension coverage exhibited an expansion of 5.82%, and the overall membership experienced a notable increase of 4.55%, signifying a growing awareness and participation in private pension plans, bolstering the industry's vitality.

The Jamaican economy has been slowly recovering from the effects of the conflicts in Eastern Europe and the lingering effects of the pandemic. This is evidenced by the reduction in inflation and stable policy rates. As the economy continues to recover, it is foreseen that pension plans will continue to grow, benefiting from economic recovery. The FSC encourages pension trustees and agents to continue to monitor the economic environment and take advantage of the opportunities presented for acquiring high value assets at discounted values. The FSC emphasizes the importance of prioritizing the best interests of plan members, ensuring the security of their future benefits. In its unwavering commitment to safeguarding all members and beneficiaries within the Jamaican private pension industry, the FSC will continue to maintain collaborative partnerships with all industry stakeholders.