



PRIVATE PENSIONS INDUSTRY STATISTICS

DECEMBER
2024

OVERVIEW

In this report:

- > Private Pensions Industry Overview
- > Investment Mix
- > Operating Statistics
- > Risk Outlook

As at December 31, 2024, the total value of assets invested in the Jamaican private pensions industry was **\$810.97 billion**, representing a year-over-year increase of 8.86%. This growth continues to fuel an upward trend in pension asset growth that has been observed for at least 14 years.

Overall, the Jamaican pension industry remained fairly resilient over the year ended December 2024, despite local and global economic challenges and geopolitical tensions. Amidst a decreasing interest rate environment and anticipated marginal growth in the real economic output, small growth potential is expected over the next quarter ended March 2025.

OVERVIEW (cont'd)

Key changes in the industry over the 2024 calendar year



PRIVATE PENSION ASSETS • 8.86%
2024: **\$810.97B**, 2023: **\$744.98B**



MEMBERSHIP¹ • 5.83%
2024: **165,008**, 2023: **155,919**



NUMBER OF PLANS² • 0.61%
2024: **819**, 2023: **814**



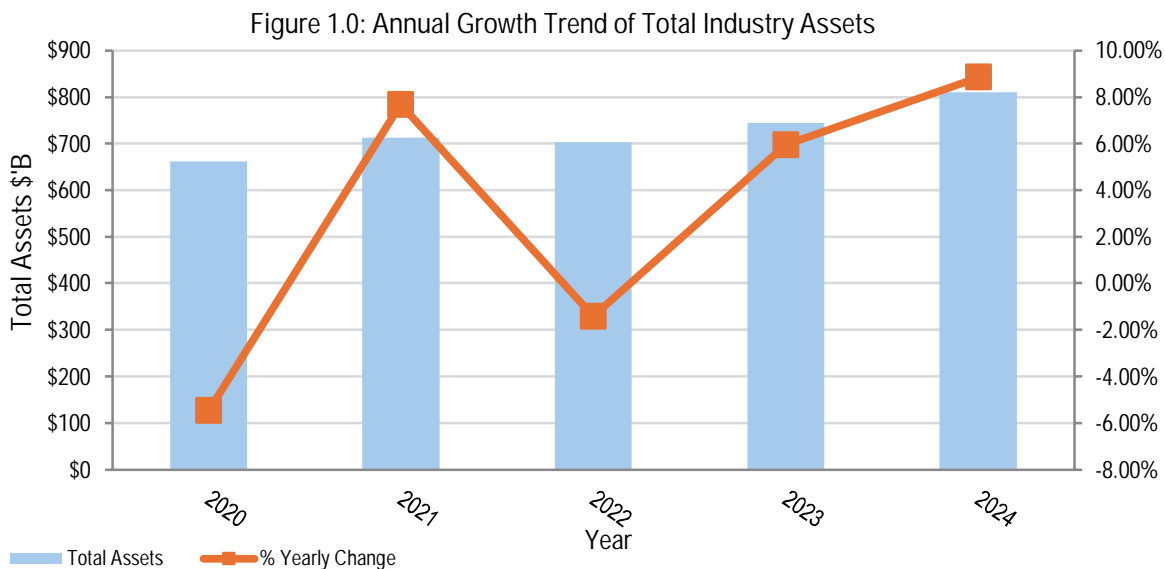
NUMBER OF ACTIVE PLANS • -0.56%
2024: **357**, 2023: **359**



PENSION COVERAGE³ • -0.16⁴
2024: **11.63%**, 2023: **11.79%**

At the end of December 2024, total and active pension coverage decreased from 11.81% and 11.79% to 11.64% and 11.63%, respectively. This nominal decrease was due to a higher rate of increase in employed persons in the labour force⁵ over the year when compared to the rate of increase in membership. (See figures 1.1 and 1.2)

The industry has recorded an average yearly growth of 3.12% in private pension assets over the past five (5) years. (See Figure 1.0). This represents a decline from the yearly average growth of the 5-year period ended for the previous year. In terms of total membership, the pension industry has seen steady increase over the last 5 years.



¹ This represents membership in all plans.

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

³ This represents pension coverage for active plans only.

⁴ Rounding error due to exact figure use. Percentage Points.

⁵ According to the Statistical Institute of Jamaica, the Jamaican employed labour force was 1,417,000 as at December 31, 2024. The latest figure of 1,320,000 for the December 31, 2023 period was used. (<https://statinja.gov.jm/>).

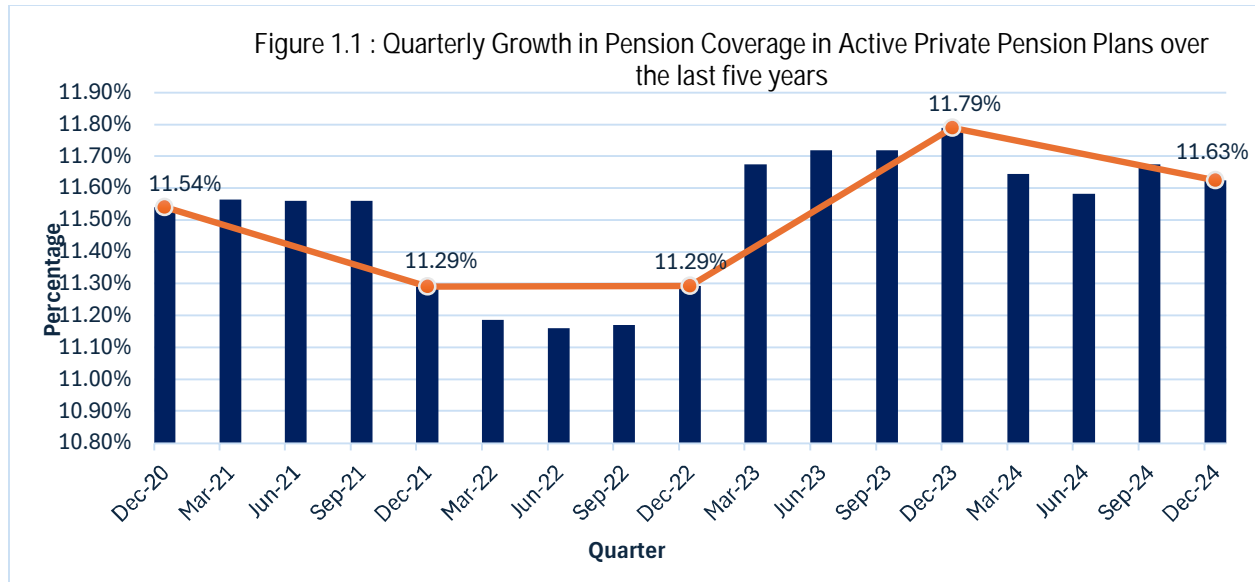
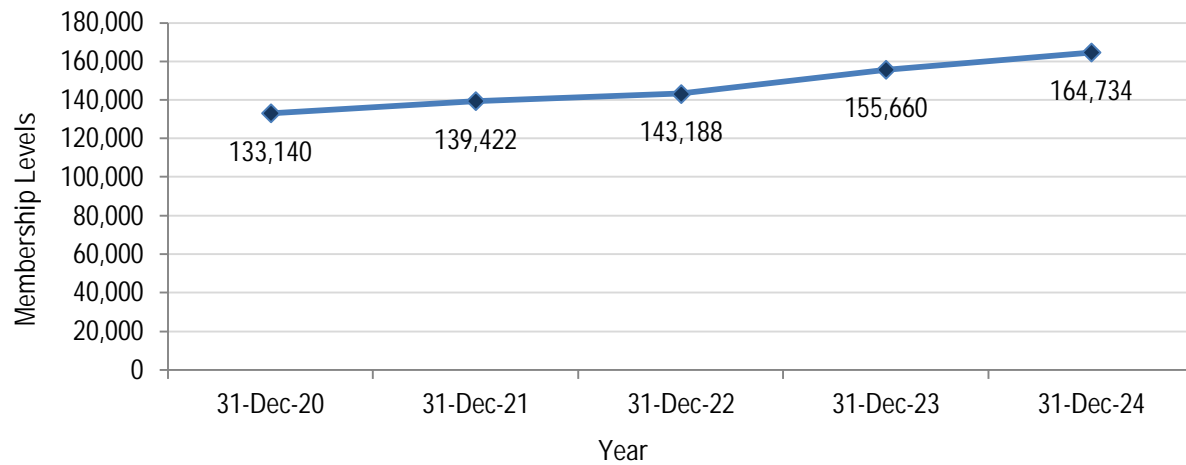


Figure 1.2: Annual Growth Trend in Total Membership of Active Pension Plans



INVESTMENT MIX

Private Pension Assets⁶

Total private pension assets as at December 2024 have grown year-over-year for the second time since December 2022; 6.64% in December 2023 and 9.10%⁷ in December 2024. The growth for the year ended December 2024 was driven by an increase in the growth of investment asset values for the top three asset classes, repurchase agreements, and real estate when compared to the previous year. Since March 2015, Investment Arrangements ("IA"), Securities of Governments ("SOGs"), and Stocks and Shares (See figures 2.0 and 2.1) have been the top three investment classes for the pension industry and have all reported moderate levels of growth over the year as reflected in Table 1.

During the December 2024 quarter, eight (8) asset classes within the aggregate pension portfolio appreciated in value – Deposits (31.22%), Repurchase Agreements (23.09%), Real Estate (14.16%), Stocks and Shares (11.77%), IA (8.75%), Bonds and Debentures (6.84%), Leases (6.58%), and SOGs (5.59%). Notably, the Stocks and Shares asset class saw a moderate improvement, which was supported by rising JSE stock indices⁸ during the same period. For Deposits, its growth during that year noticeably improved from 21.96% for the same period last year. This may be indicative of combination of higher potential returns from heightened interest rates, liquidity needs for upcoming retirements, and limited alternative investment opportunities. Elevated interest rates, prior to and for most of the year hindered the potential pension plan asset growth. In August 20, 2024, there was a reduction in the policy rate which had lag effects on the overall economy. The Jamaican stock market, however, has started to experience some levels of recovery from its falling rates in the previous year.

Key Changes over the 2024 calendar year in the Aggregate Investment Portfolio Mix:

- ↑ **TOTAL DEPOSITS • 31.22%**
2024: **\$18.75B**, 2023: **\$14.29B**
- ↑ **TOTAL REPURCHASE AGREEMENTS • 23.09%**
2024: **\$32.57B**, 2023: **\$26.46B**
- ↓ **TOTAL OTHER LOANS • -17.83%**
2024: **\$382.70M**, 2023: **\$465.75M**
- ↓ **TOTAL PROMISSORY NOTES • -20.17%**
2024: **\$12.04B**, 2023: **\$15.09B**

Figure 2.0: Allocation of Total Private Pension Assets as at December 31, 2024

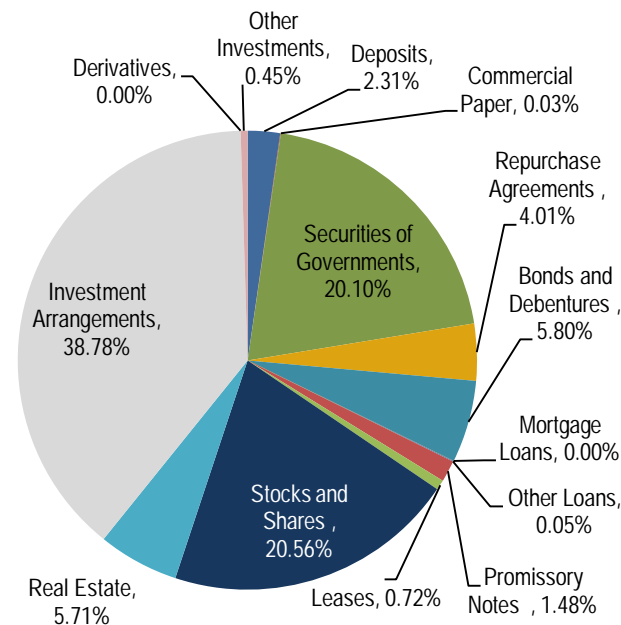
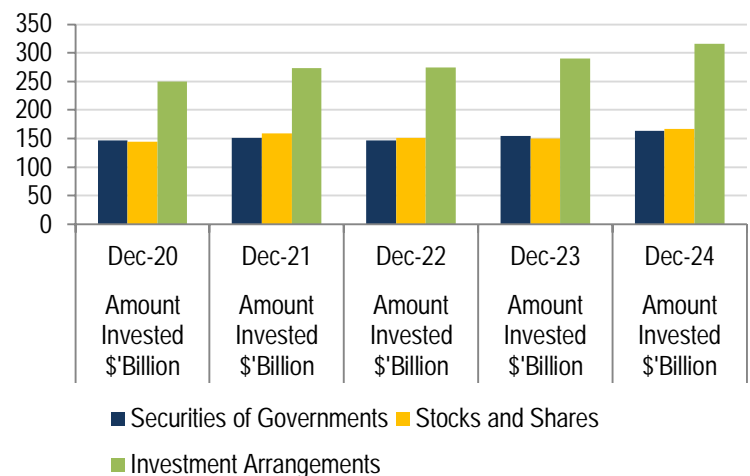


Figure 2.1: Five Year Growth of the Largest Asset Classes within the Aggregate Private Pension Portfolio



⁶ Figures from prior reports may have been revised. Also, there may be rounded errors due to exact figures used.

⁷ This growth of 9.10%, which focuses on the investment mix portion that excludes Other Net Assets (payables, receivables, etc) should not be confused with the growth of 8.86% for the overall movement.

⁸ JSE Combined Index (2.58%), JSE All Jamaican Index (5.78%), JSE US Equities Index (9.02%), JSE Main Index (3.10%), JSE Junior Index (-2.94%)

Table 1: Aggregate Investment Portfolio Mix⁹

Types of Investment	Amount Invested \$'Millions	% of Total Investments	Amount Invested \$' Millions	% of Total Investments	Amount Invested \$'Millions	% of Total Investments	Quarterly Growth in Asset Classes	Annual Growth in Asset Classes
	Dec-24		Sep-24	Dec-23				
Deposits	18,750.51	2.31%	18,305.48	2.34%	14,289.27	1.92%	2.43%	31.22%
Commercial Paper	229.04	0.03%	231.24	0.03%	233.88	0.03%	-0.95%	-2.07%
Securities of Governments	163,358.18	20.10%	166,030.70	21.25%	154,704.82	20.77%	-1.61%	5.59%
Repurchase Agreements	32,565.52	4.01%	26,760.93	3.43%	26,457.08	3.55%	21.69%	23.09%
Bonds and Debentures	47,153.06	5.80%	44,737.61	5.73%	44,134.34	5.93%	5.40%	6.84%
Mortgage	33.09	0.00%	33.64	0.00%	35.59	0.00%	-1.63%	-7.02%
Other Loans	382.70	0.05%	454.21	0.06%	465.75	0.06%	-15.74%	-17.83%
Promissory Notes	12,044.59	1.48%	12,868.28	1.65%	15,088.52	2.03%	-6.40%	-20.17%
Leases	5,880.06	0.72%	5,547.21	0.71%	5,517.12	0.74%	6.00%	6.58%
Stocks and Shares	167,071.91	20.56%	156,737.85	20.06%	149,475.50	20.07%	6.59%	11.77%
Real Estate	46,384.09	5.71%	43,981.73	5.63%	40,630.63	5.45%	5.46%	14.16%
Investment Arrangements	315,191.76	38.78%	301,307.48	38.57%	289,834.79	38.91%	4.61%	8.75%
Derivatives	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00%	0.00%
Other Investments	3,636.80	0.45%	4,162.93	0.53%	3,995.35	0.54%	-12.64%	-8.97%
Total Investments	812,681.32	100.00%	781,159.29	100.00%	744,862.64	100.00%	4.04%	9.10%
Other Net Assets	-1,714.39		1,252.94		117.05		-236.83%	-1564.71%
Total Assets	810,966.92		782,412.23		744,979.68		3.65%	8.86%

⁹ Note: Total figures and growth rates may not be exact due to rounding errors.

Investment Arrangements ("IAs")¹⁰

IAs experienced a marginal gain of \$25.36 billion, or 8.75%, for the year ended December 31, 2024. The IA¹¹ portfolio, consisting of Type I Pooled Funds, Type II Pooled Funds and Deposit Administration Funds, marginally improved over the same period from the year-over-year growth of 5.23% in December 2023 to 8.29% for the year ended December 2024. This movement is primarily driven by increases in assets within the IAs portfolios with respect to SOGs, Stocks and Shares, and Repurchase Agreements.

Figure 2.2 illustrates the asset allocation within the IAs portfolio. The top three IA classes¹² for the current year had mixed experiences as seen in Table 2. For yearly growth, SOGs improved significantly from 3.95% to 21.43%; Stocks and Shares improved from -6.00% to 11.99%; and Other Investments declined from 2.61% to -3.30%. The five largest asset classes over a five-year period have almost consistently grown (See Figure 2.3). The largest year-over-year increase in assets within the IAs portfolios was reported for Repurchase Agreements and Securities of Governments, 62.53% and 21.43%, respectively. In contrast, the value of investments in Bonds & Debentures and Deposits experienced a yearly decline of -11.88% and -50.31%, respectively. (See Figure 2.3 and Table 2).

Figure 2.2: Allocation of Pension Assets in Pooled Investment Arrangements as at December 30, 2024

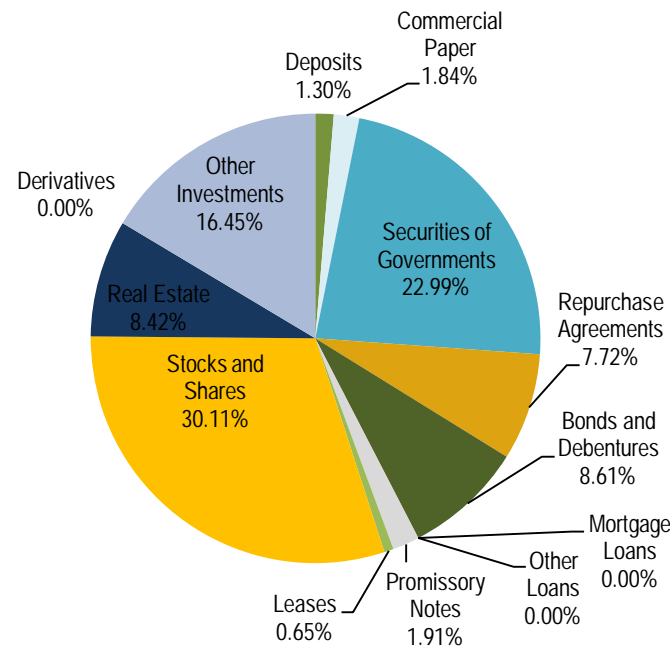
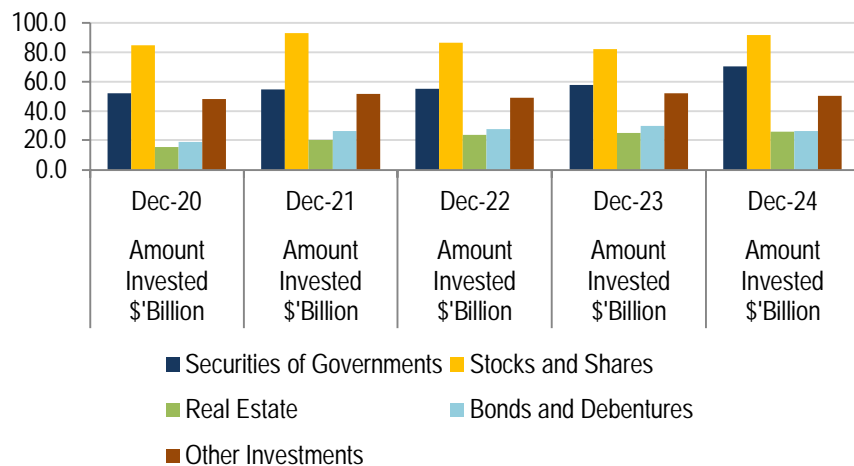


Figure 2.3: Five Year Growth of the Largest Asset Classes within the Pooled Investment Arrangements Portfolio



Key changes in the IA over the year:

- ↑ **REPURCHASE AGREEMENTS** • 62.53%
2024: **\$23.55B**, 2023: **\$14.49B**
- ↑ **SECURITIES OF GOVERNMENTS** • 21.43%
2024: **\$70.12B**, 2023: **\$57.75B**
- ↓ **BONDS & DEBENTURES** • -11.88%
2024: **\$26.26B**, 2023: **\$29.80B**
- ↓ **DEPOSITS** • -50.31%
2024: **\$3.96B**, 2023: **\$7.97B**

¹⁰ Figures from prior reports may have been revised. Also, there may be rounded errors due to exact figures used.

¹¹ This exclusively consists of Type I Pooled Funds, Type II Pooled Funds and Deposit Administration Funds and other investments but excludes Other Net Assets (payables, receivables, etc).

¹² Securities of Government, Stocks and Shares, Other Investments

Table 2: Investment Arrangement Portfolio Mix¹³

Types of Investment	Amount Invested \$' Millions	% Of Total Investments	Amount Invested \$' Millions	% Of Total Investments	Amount Invested \$' Millions	% Of Total Investments	Quarterly Growth in IAs	Annual Growth in IAs
	Dec-24		Sep-24		Dec-23			
Deposits	3,958.39	1.30%	6,835.87	2.31%	7,966.26	2.83%	-42.09%	-50.31%
Commercial Paper	5,602.93	1.84%	4,688.19	1.58%	5,375.25	1.91%	19.51%	4.24%
Securities of Governments	70,122.86	22.99%	68,068.98	23.00%	57,748.00	20.50%	3.02%	21.43%
Repurchase Agreements	23,546.01	7.72%	21,520.16	7.27%	14,487.37	5.14%	9.41%	62.53%
Bonds and Debentures	26,257.02	8.61%	28,043.87	9.48%	29,796.31	10.58%	-6.37%	-11.88%
Mortgage Loans	0.81	0.00%	0.83	0.00%	0.90	0.00%	-2.67%	-9.68%
Other Loans	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00%	0.00%
Promissory Notes	5,836.89	1.91%	5,933.65	2.01%	5,779.37	2.05%	-1.63%	1.00%
Leases	1,988.78	0.65%	1,771.66	0.60%	1,703.41	0.60%	12.26%	16.75%
Stocks and Shares	91,827.83	30.11%	84,563.62	28.58%	81,996.43	29.11%	8.59%	11.99%
Real Estate	25,674.51	8.42%	25,507.68	8.62%	24,905.36	8.84%	0.65%	3.09%
Derivatives	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00%	0.00%
Other Investments	50,165.50	16.45%	48,962.31	16.55%	51,878.31	18.42%	2.46%	-3.30%
Total Investments Arrangements ¹⁴	304,981.52	100.00%	295,896.84	100.00%	281,636.97	100.00%	3.07%	8.29%
Other Net Assets	2,948.93		-382.49		2,264.51		-870.98%	30.22%
Other Investment Arrangements	7,261.31		5,793.13		5,933.31		25.34%	22.38%
Total Assets	315,191.76		301,307.48		289,834.79		4.61%	8.75%

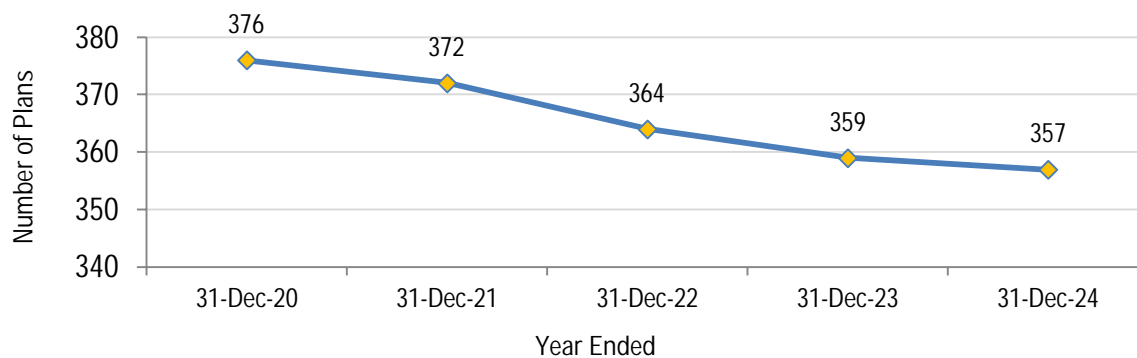
¹³ Note: Total figures and growth rates may not be exact due to rounding errors.¹⁴ Total Investments Arrangements includes Type I Pooled Funds, Type II Pooled Funds, and Deposit Administration Funds.

OPERATING STATISTICS

Active Pension Plans

As at December 31, 2024, the number of active pension plans decreased from 359 to 357, as there were five (5) new entries to and seven (7) terminations from the pension industry during the year. Active plan membership rose by 5.85% from 155,637 to 164,112. Further, active pension plan assets experienced an 8.24% growth from \$736.94 billion as at December 2023 to \$797.65 billion as at December 31, 2024. Active pension plans decreased from 99.82% to 99.46% of total membership of the entire pensions industry, whereas there was a decrease in asset value from 98.82% to 98.36% of the pension industry's assets. Over the last five years, the number of active pension plans has experienced a decreasing trend. (See Figure 3.0 and Table 3)

Figure 3.0: Growth Trend - Number of Active Pension Plans



Active Plans by Type¹⁵

Defined Contribution, Traditional Defined Benefit, Hybrid Defined Benefit, Mixed Defined Benefit

The number of Defined Contribution ("DC") plans increased to 250, welcoming five (5) new DC pension plans, despite two terminations and one inactive DC pension plans during the year (See Table 3). DC plans accounted for 70.03% of the total active pension plans in the industry. Additionally, active DC plan assets grew by 17.86% over the year, increasing from \$248.40 billion to \$292.77 billion. In terms of total assets, active DC plans ranked second, accounting for 36.70%. In addition, active DC plans' substantial hold on total active membership increased to 75.03% (73.64% in the previous year). Membership improved by 7.43% to 123,127 from 114,616.

The total number of Traditional Defined Benefit ("TDB") plans remained declined from 82 to 79 when compared to the previous year and represented 22.13% of the total active private pensions in the industry (See Table 3). TDB plans continued to account for the largest asset

¹⁵ DC plans are arrangements, whereby benefits for a member are determined solely as a function of the amount that can be provided by (a) contributions made by the employer on behalf of the member and (b) interest earned and other gains and losses allocated to the member's account in the fund. DB plans are arrangements that are not DC plans (Source: Definitions of the Pensions (Superannuation Funds and Retirement Schemes) Act). Traditional DB plans are those that benefits are derived from a formula; Hybrid DB plans are DB plans with DC characteristics; Mixed DB plans are single plans that consist of two separate components – one DB and one DC.

base among all benefit types of active plans, despite a decline to 52.94% of total active pension assets (from 55.16% as at December 2023). Active TDB plans saw a year-over-year asset increase of 3.90%, while membership decreased by 3.11% to 18,488 (from 19,082).

Total assets for Mixed Defined Benefit ("MDB") plans increased by 8.30% to \$9.53 billion (from \$8.80 billion as at December 2023), whereas Hybrid Defined Benefit ("HDB") plans marginally decreased by 0.32% to \$73.04 billion (from \$73.27 billion as at December 2023). (See Table 3) Active MDB and HDB represent 1.20% (1.19% in the previous year) and 9.16% (from 9.94% in the previous year) of the total active pension assets, respectively. For total active membership, both active MDB and active HDB members increased to 737 (from 733 by 0.55%) and 21,760 (from 21,206 by 2.61%), respectively. Active MDB and active HDB experienced declines in their proportion of total active membership to 0.45% (from 0.47%) and 13.26% (from 13.63%) over the year. (See Table 3)

Table 3: Active Pension Plans by Benefit Type

	Dec 2024	Sep 2024	Dec 2023
Number of Plans			
Traditional Defined Benefit	79	82	82
Mixed Defined Benefit	4	4	4
Hybrid Defined Benefit	24	25	25
Defined Contribution	250	253	248
Total Active Plans	357	364	359
Membership			
Traditional Defined Benefit	18,488	18,985	19,082
Mixed Defined Benefit	737	737	733
Hybrid Defined Benefit	21,760	21,775	21,206
Defined Contribution	123,127	123,004	114,616
Total Membership	164,112	164,501	155,637
Asset Values			
Traditional Defined Benefit (\$' Millions)	422,313	414,740	406,459
Mixed Defined Benefit (\$' Millions)	9,532	9,112	8,802
Hybrid Defined Benefit (\$' Millions)	73,035	70,257	73,273
Defined Contribution (\$' Millions)	292,768	280,332	248,402
Total Asset Values (\$' Millions)	797,649	774,440	736,936

Superannuation Funds ("SF") vs. Retirement Schemes ("RS")

For the year ended December 2024, the number of pension plans rose to include five (5) new SF more than that of the previous year. That is, there were 349 SF and 15 RS which represented the active pension industry. In terms of total assets, SF and RS saw increases of 8.15% and 17.78%, respectively. The membership for the SF and RS plan types grew by 8.11% and 3.77%, respectively for the year ended December 31, 2024. (See Figures 3.1 to 3.6).

Figure 3.1: Number of Superannuation Funds vs Retirement Schemes

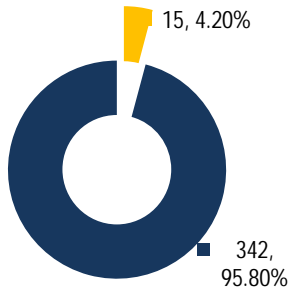


Figure 3.2: Number of Members in Superannuation Funds and Retirement Schemes

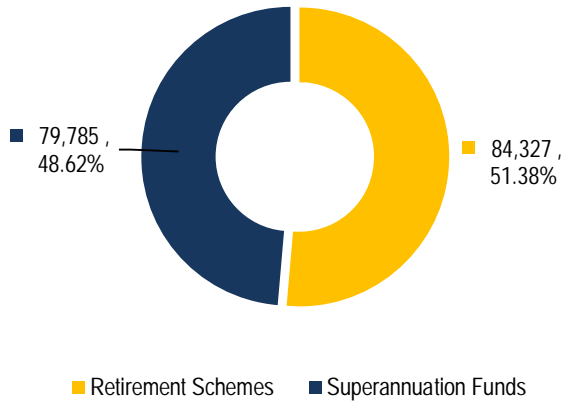


Figure 3.3: Assets in Superannuation Funds vs Retirement Schemes (\$'Millions)

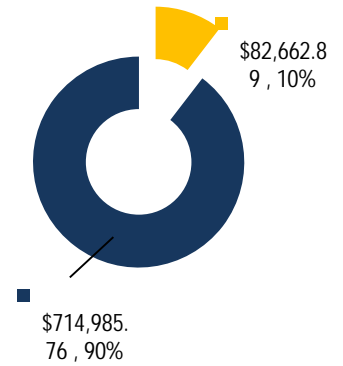


Figure 3.4: Five Year Growth in Asset Values for Superannuation Funds

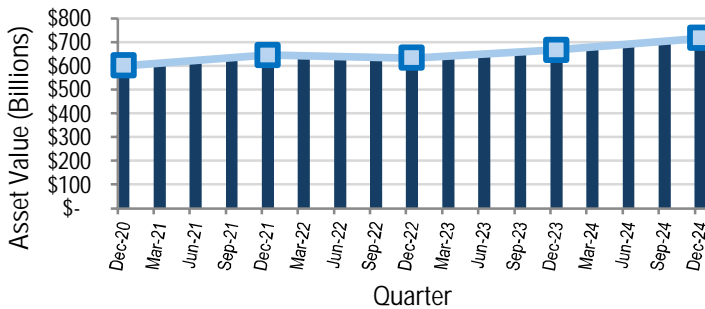


Figure 3.5: Five Year Growth in Asset Values for Retirement Schemes

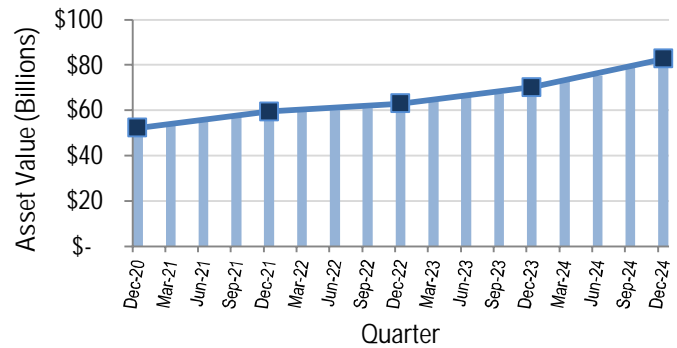
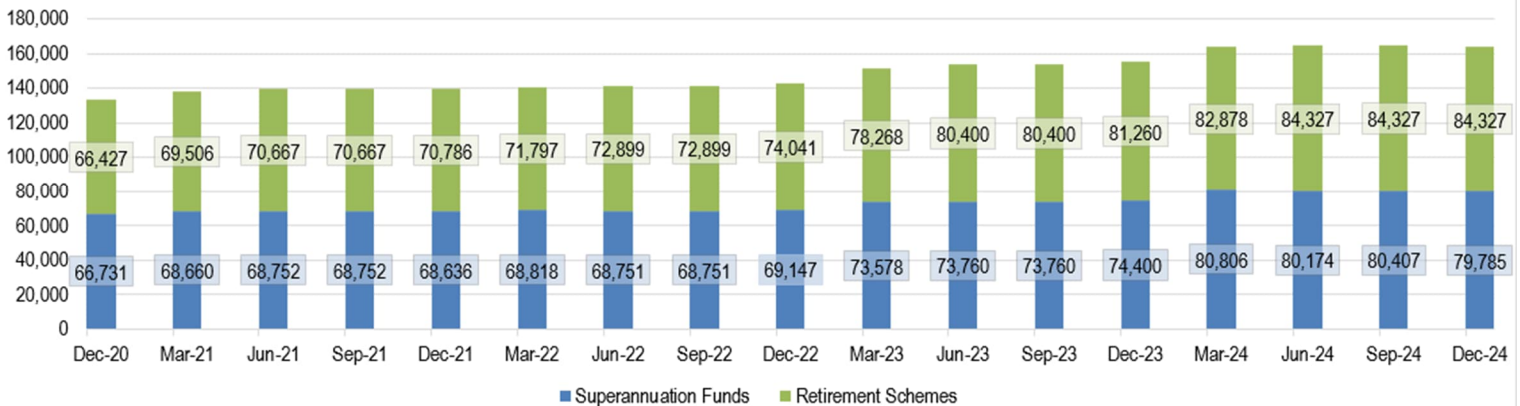


Figure 3.6: Five Year Change in Membership for Superannuation Funds and Retirement Schemes



Active Superannuation Funds by Industry

For the year ended December 31, 2024, Services, Commerce/Finance, and Sales and Distribution were the top three in the number of active superannuation funds, representing 61.11% of funds (See Figure 3.7).

For the reporting period all active superannuation fund industry segments experienced a year-over-year asset growth. Similar to the previous year, the Services industry segment had the highest nominal increase in asset size of \$14.07 billion, increasing from \$110.60 billion to \$124.66 billion). This was also the case for Commerce/Finance that represented the second largest increase, \$10.32 billion. Despite its market size, the Agriculture industry had the highest percentage increase of 14.47%. Additionally, the top three industry segments¹⁶ accounted for 65.00% (or \$464.72 billion) of the total asset size for active SF. (See Figure 3.9)

As it relates to total membership in active SF, the top three industry segments¹⁷ accounted for 63.95% or 51,026 members. (See Figure 3.8).

Figure 3.7: Percentage of Active Funds by Industry

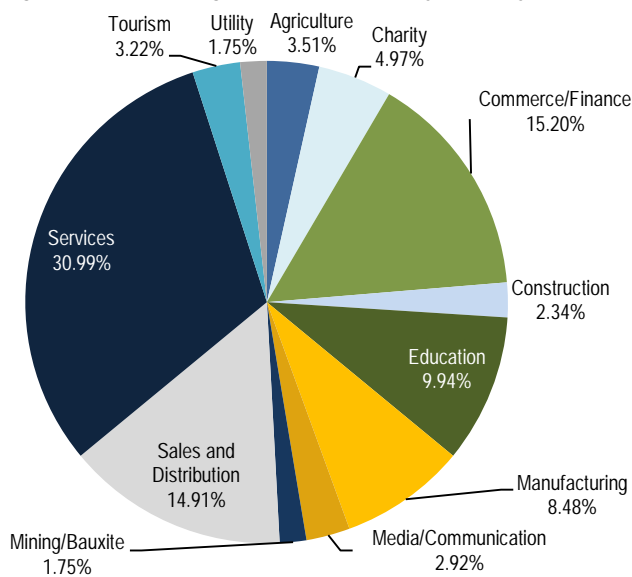
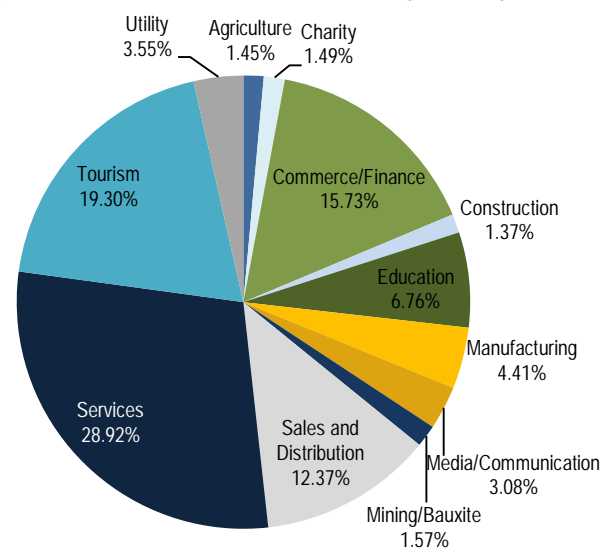


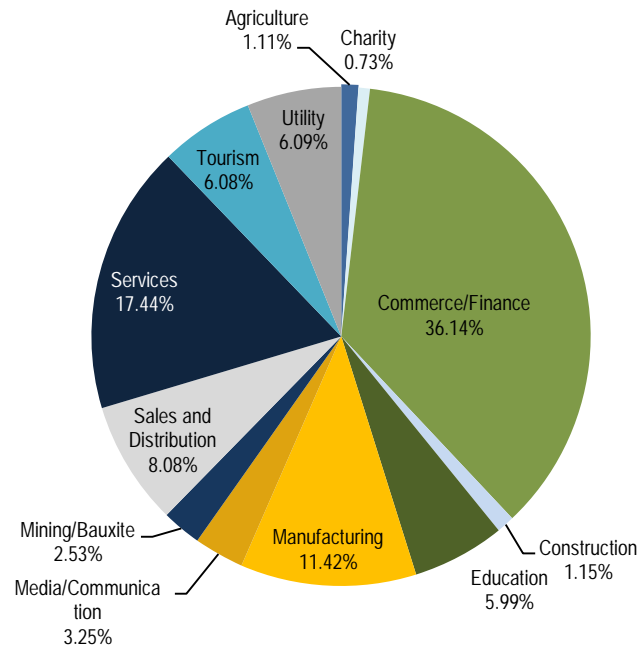
Figure 3.8: Active Membership in Funds by Industry



¹⁶ Commerce/Finance (36.14% or \$258.40 billion), Services (17.44% or \$124.66 billion) and Manufacturing (11.42% or \$81.65 billion)

¹⁷ Services (28.92% or 23,076 members), Tourism (19.30% or 15,399 members), Commerce/Finance (15.73% or 12,551 members)

Figure 3.9: Asset Values for Funds by Industry



Solvency of Active Pension Plans

As of December 31, 2024, the FSC received information on the solvency position of 350¹⁸ active pension plans. This includes four (4) MDB plans, nine (9) HDB, 82 TDB, and 255 DC plans. Of the 350, 95.71% or 335 of pension plans were solvent.

Of the 335 solvent plans, 229 (68.36%) reported solvency levels between 100% and 120%, higher than the 216 reported as at December 2023. The number of plans with solvency levels above 120% decreased from 119 to 106. Of the solvent plans, DC plans accounted for 74.63% of solvent plans, continuing its trend, whereas TDB plans accounted for the second largest proportion, which stood at 22.09% (See Table 4).

Whilst the number of insolvent DC plans decreased from nine (9) to five (5) over the year, trustees are being reminded that, theoretically, true DC plans, where pension benefits rely on contributions and investment gains and for which members assume all investment risk, should not be insolvent. To prevent further decline in members' benefits and the emergence of additional insolvent plans, Trustees must place a high priority on having strong governance over the asset-liability management of these DC pension plans. Ensuring that the interest credited to members' accounts corresponds with the net yield obtained on the assets obtained from their contributions as well as the proper remittance of contributions to increase and maintain the assets available for members' benefits.

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%	
2024	DC	1	0	1	0	0	100.00%
	TDB	2	2	0	0	0	0.00%
	Total	3	2	1	0	0	33.33%
2023	DC	63	1	50	8	4	98.41%
	HDB	1	0	1	0	0	100.00%
	TDB	7	1	3	1	2	85.71%
	MDB	2	0	1	1	0	100.00%
	Total	73	2	55	10	6	97.26%
2022	DC	74	3	55	10	6	95.95%
	HDB	1	0	1	0	0	100.00%
	TDB	28	3	7	10	8	89.29%
	MDB	1	0	1	0	0	100.00%
	Total	104	6	64	20	14	94.23%
2021 and earlier	DC	117	1	94	15	7	99.15%
	HDB	7	1	5	0	1	85.71%
	TDB	45	2	10	15	18	95.56%
	MDB	1	1	0	0	0	0.00%
	Total	170	5	109	30	26	97.06%
OVERALL		350	15	229	60	46	95.71%

¹⁸ Valuation reports are due 16 months after each plan year end. Plan year ends vary widely.

Inactive and Terminating Pension Plans

At the end of the December 2024 year, the number of inactive and terminating plans increased from 16 and 439 to 18 and 444, respectively. Assets for inactive plans increased by 10.17% from \$240.55 billion to \$265.01 billion, whereas assets for terminating plans increased by 52.11% from \$8.58 billion to \$13.05 billion, mainly due to the five (5) pension plan terminations.

Terminating plans continue to make up the largest proportion of plans in the private pension industry (54.21%), despite accounting for only a small part of overall assets and membership (1.61% and 0.47%, respectively). On the other hand, inactive plans, which represent 2.20% of all pension plans, represented 0.03% and 0.07% for total assets and total membership, respectively. (See Tables 5 and 6).

Figure 4.0: Growth Trend of Assets in Inactive Plans

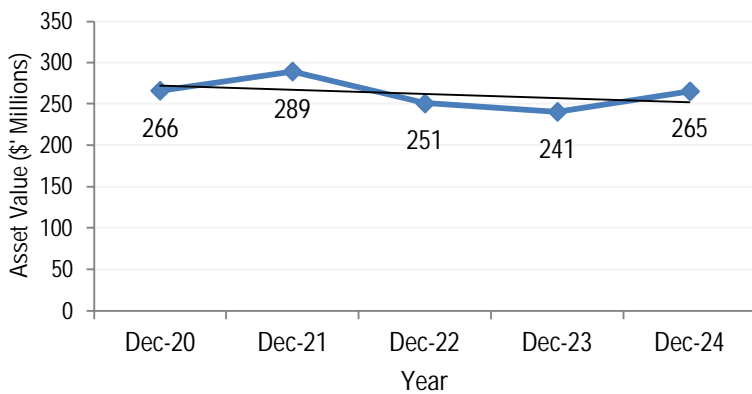


Figure 4.1: Growth Trend of Assets in Terminating Plans

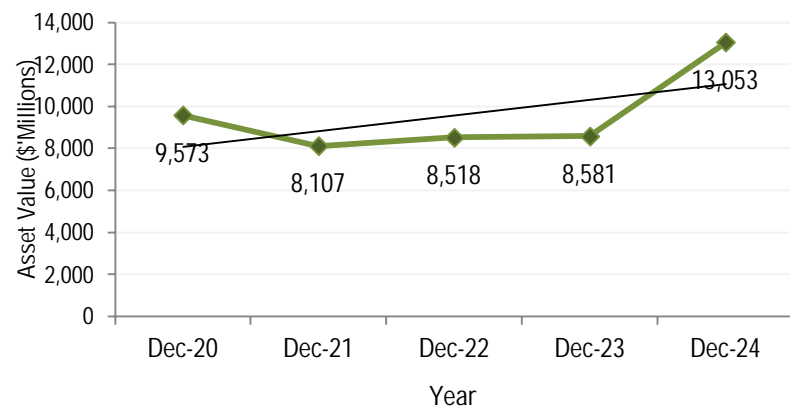


Table 5: Inactive Pension Plans by Benefit Type

	Dec-24	Sep-24	Dec-23
Number of Plans			
Defined Benefit	3	3	3
Defined Contribution	15	13	13
Total Inactive Plans	18	16	16
Membership			
Defined Benefit	0	0	0
Defined Contribution	123	53	53
Total Membership	123	53	53
Asset Values			
Defined Benefit (\$' Mil)	197	179	176
Defined Contribution (\$' Mil)	68	66	65
Total Asset Values (\$' Mil)	265	245	241

Table 6: Terminating Pension Plans by Benefit Type

	Dec-24	Sep-24	Dec-23
Number of Plans			
Defined Benefit	109	105	105
Defined Contribution	335	334	334
Total Terminating Plans	444	439	439
Membership			
Defined Benefit	576	79	79
Defined Contribution	182	142	150
Total Membership	773	221	229
Asset Values			
Defined Benefit (\$' Mil)	8,782	3,639	4,110
Defined Contribution (\$' Mil)	4,221	4,088	4,472
Total Asset Values (\$' Mil)	13,053	7,727	8,581

Investment Managers

The number of investment managers increased from 25 to 26, with the introduction of a new securities dealer the year ended December 2024.

Securities dealers continued to account for the majority of private pension assets. The Funds Under Management ("FUM") of Securities Dealers represented 55.47% or \$449.82 billion of pension assets (from 55.16% or \$411.32 billion as at December 2023), which experienced a 9.36% growth. Life insurance companies' FUM holdings accounted for 36.58% of pension assets or \$296.68 billion) and had experienced a 7.99% increase. (See Figure 4.0 and Table 7).

Figure 4.2: Investment Managers' Share of Market Assets

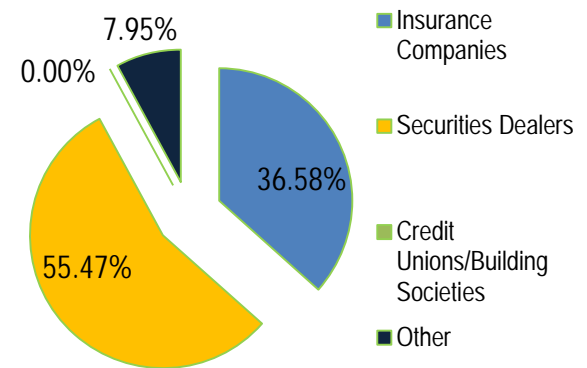


Table 7: Total Funds under Management of Investment Managers¹⁹

Investment Managers	Number of Entities Dec 2024	Asset Values Dec 2024 (\$'Millions)	Number of Entities Sep 2024	Asset Values Sep 2024 (\$'Millions)	Number of Entities Dec 2023	Asset Values Dec 2023 (\$'Millions)
Life Insurance Companies	2	\$296,676.36	2	\$288,131.95	2	\$274,722.14
Securities Dealers	16	\$449,815.11	16	\$431,539.78	15	\$411,324.82
Credit Unions	2	\$-	2	\$-	2	\$-
Other	6	\$64,475.47	6	\$62,740.50	6	\$59,710.48
Total	26	\$810,966.93	26	\$782,412.23	25	\$745,757.45

RISK OUTLOOK



The Planning Institute of Jamaica ("PIOJ") estimated a -0.9% decline in the real GDP for the period of January to December 2024, relative to the same period in 2023. Goods-producing industry declined by 2.3%, whereas the services industry declined by 0.3%. The PIOJ has projected that GDP in the short term will improve between 0.1% and 1.0% for the quarter ended March 2025. Policy changes made by the US administration is expected to impact Jamaica's economy as the US, a major trading partner of Jamaica, may roll back foreign aid programs that play a role in supporting Jamaica's development efforts, and change trade and immigration policies. Over the next year, marginal growth

¹⁹ Note: Total figures and growth rates may not be exact due to rounding errors.

may be experienced in the asset value of the private pensions industry as sectoral growth prospects are impacted. However, uncertainties remain for the medium term.



In December 2024, the Bank of Jamaica (BOJ) reported a point-to-point inflation rate of 4.99%, within their target range of 4% to 6%. This is a decline from 6.87% for the previous year. The Monetary Policy Committee ("MPC") highlighted the stability in key drivers such as the exchange rate and reduced imported inflation due to lower commodity prices. Private sector expectations of future inflation have stabilized, and wage pressures have moderated. Despite adverse weather impacting agricultural supplies in the second half of 2024, headline inflation reverted to target after a brief breach in August 2024. The MPC projects that inflation will remain within the BOJ's target range over the next two years, barring any new shocks, although potential upside risks remain due to uncertainties associated with changes in economic policies among Jamaica's main trading partners.



Since the BOJ rose its policy rate in October 2021 from 0.5% to 1.50%, which peaked at 7% in November 2022, the year of December 2024 was the first year that saw a reduction. Four 25 basis point reductions were done between August and December. While the stock market has shown some level of recovery, the heightened interest rates of the past continue to dampen growth potential for businesses. Notwithstanding, marginal economic growth in the March 2025 quarter is anticipated. Further, at the MPC meeting in March 2025, the BOJ decided to hold its policy rate at 6%. Pension plan trustees and investment managers are encouraged to continue to conduct due diligence in market monitoring and rebalancing of portfolios where necessary. This proactive approach is essential for securing preservation of the value of members' retirement income, thus safeguarding their financial well-being upon retirement.



MESSAGE

As at December 31, 2024, the Jamaican private pensions sector has continued to experienced growth in assets, reaching \$810.97 billion in FUM with growth of 8.86% or \$65.99 billion during the year. Amidst a steady policy rate of 6.00%, future inflation expectations have stabilized. Marginal growth is expected for the short term despite uncertainty with policy changes of Jamaica's major trading partners. Trustees are urged to sustain their active oversight in monitoring, diversifying, and rebalancing plan portfolios, bearing in mind the critical role these efforts play in aligning investments with current market conditions. This tactical approach is essential for protecting members' accrued benefits. The FSC's unwavering dedication to cultivating a resilient environment is demonstrated by its ongoing collaboration with industry stakeholders. This endeavour seeks to improve protective measures and guarantee the welfare of each member and beneficiary in the Jamaican private pension sector.