

CFAL BALANCED FUND, LTD. (formerly CFAL MSI Preferred Inv. Fund)

QUARTERLY REPORT: JUNE 2017

PERFORMANCE ANALYSIS

All returns longer than 1 year are annualized

* YTD Return

	QTR2	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception
Fund	+0.51%	+0.90%	+1.64%	+5.12%	+5.36%	+4.67%	+3.92%	+6.25%
Benchmark	-0.63%	-1.64%	-2.28%	+5.70%	+5.72%	+3.90%	+3.28%	n/a
+/- Benchmark	+1.14%	+2.54%	+3.92%	-0.58%	-0.36%	+0.77%	+0.64%	n/a
	2017*	2016	2015	2014	2013	2012	2011	2010
Fund	+0.90%	+3.82%	+7.13%	+6.95%	+5.40%	+3.37%	+3.62%	+2.92%
Benchmark	-1.64%	+4.20%	+9.78%	+8.24%	+5.64%	+2.18%	-1.57%	-0.19%
+/- Benchmark	+2.54%	-0.38%	-2.65%	-1.29%	-0.24%	+1.19%	+5.19%	+3.11%

Investment Objective: CFAL Balanced Fund, Ltd. ("the Fund") seeks to achieve diversified above-average risk adjusted returns consistent with the Fund's risk tolerance.

Investment Strategy: The Fund will pursue its objective by investing primarily in a blend of equities which possess strong long-term value and growth and high-quality fixed income securities. These investments may include common stock, preference shares corporate and government bonds and cash equivalents.

June 2017 Performance Review: The CFAL Balanced Fund, Ltd. generated a return of 0.51 percent this quarter, outperforming its benchmark, the CFAL Balanced Strategy Index by 1.14 percent. The Fund ended at a Net Asset Value of \$3.951 per share. Sector returns were positive for the quarter as fixed income gained 1.48 percent and equities increased 0.56 percent. The best common stock performers inclusive of dividends this quarter were FOCOL Holdings Limited (+6.08%), J.S. Johnson (+5.27%), and Bahamas Waste Limited (+4.28%). The Fund was affected by double digit declines in several companies including Bank of the Bahamas (-16.95%), Commonwealth Brewery (-11.90%), and Cable Bahamas (-11.11%).

The local stock market experienced its fourth consecutive quarter of losses as BISX fell 1.99 percent for the quarter or 3.78 percent year to date. Due to these declines and a limited number of undervalued stocks, the CFAL Balanced Fund maintains a higher allocation to fixed income and cash to preserve capital. The Fund's focus remains on selecting income producing investments with attractive intrinsic values, strong fundamentals and long-term growth potential.

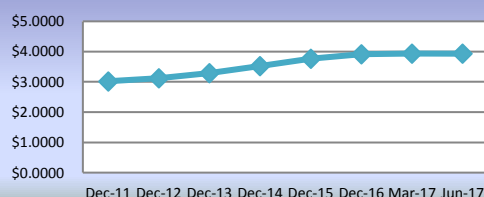
QUARTERLY TRACK RECORD

Year	Mar	Jun	Sep	Dec	Ann. Return
2017	+0.38%	+0.51%	n/a	n/a	+0.90%*
2016	+1.35%	+1.69%	+0.21%	0.52%	+3.82%
2015	+1.18%	+2.30%	+2.45%	+1.03%	+7.13%
2014	+1.73%	+1.57%	+1.08%	+2.39%	+6.95%

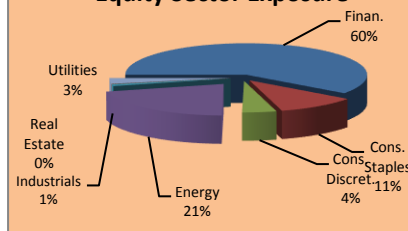
TOP COMMON STOCK POSITIONS

Stock Holdings	Dividend Yield	2016 Return	YTD 2017 Return
FOCOL Holdings Limited	3.49%	+39.26%	+13.02%
Commonwealth Bank	3.43%	+36.20%	+1.63%
J.S. Johnson	4.96%	+6.58%	+7.37%
Colina Holdings	3.67%	+6.26%	+5.70%
CIBC FirstCaribbean	3.49%	+9.55%	+2.99%

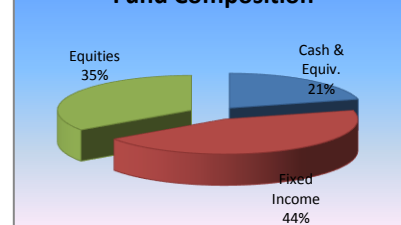
Net Asset Value Price Performance



Equity Sector Exposure



Fund Composition



Investment Manager	CFAL
Analysis Period	Start: 31-Oct-94 End: 30-Jun-17
Benchmark	CFAL Balanced Strategy Index

This performance report is for informational purposes only. Only the Offering Memorandum, of which present document is not a part, should be relied upon for the purpose of considering an investment in the CFAL Balanced Fund Ltd. (formerly CFAL MSI Preferred Investment Fund, Ltd.). Past performance is not necessarily indicative of future results.

For more information, email info@cfal.com or visit <http://cfal.com/>

CFAL BALANCED FUND, LTD FUND SNAPSHOT

Investment Manager: **CFAL**
Sub-Advisors: **None**
Inception Date: **1994**
Net Assets: **BSD\$16.755 Mil**
Bloomberg Ticker: **COLMSIP BM**
Currency: **BSD**

Expense Ratio*: **1.10%**
Front Load Fee: **0.00%**
Manager Fee: **1.00%**
Backload Fee: **0.00%**
Distribution Rate: **0.00%**
Early Withdrawal Fee: **No early withdrawals allowed**

*2016



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In every direction, every day.