CFAL BALANCED FUND LTD. | Q1 2020 REPORT

FUND INFORMATION

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.

Net Assets: $18.342M
Currency: BSD
Fund Inception Date: Oct-31-1994
Management Fee: 1.00%
Subscription/ Redemption Fee: 0.00%
Expense Ratio (2018): 1.12%
Early Withdrawal Fee: No early withdrawals permitted

Investment Manager: CFAL

Bloomberg Ticker: COLMSIP BM

Benchmark: Blended Index (BISX/ Local Prime Rate/ Weighted Avg. Deposits)

*Benchmark changed December 31, 2019

TOP 5 COMMON STOCK HOLDINGS

Holdings	(%)	2020 YTD Return (%)
FCL	6.59	+20.12
JSJ	4.66	+9.82
CBL	4.34	-15.11
CHL	3.29	-2.60
CIB	3.13	+1.81

TOP SECTOR HOLDINGS

Sector	(%)
Financials	63.07
Energy	24.05
Consumer Staples	6.90
Utilities	3.64
Industrials	1.35
Consumer Discretionary	0.93
Real Estate	0.04

PERFORMANCE SUMMARY (%)

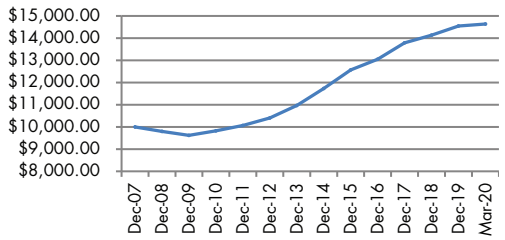
As at March 31, 2020

	Cumulative		Annualized					
	QTR1	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+0.61	+0.61	+2.93	+3.77	+4.28	+4.80	+4.39	+5.99
Benchmark	-2.10	-2.10	+1.93	+3.86	+4.52	+5.20	+4.19	n/a
+/- Benchmark	+2.71	+2.71	-1.00	-0.09	-0.24	-0.40	-0.20	n/a

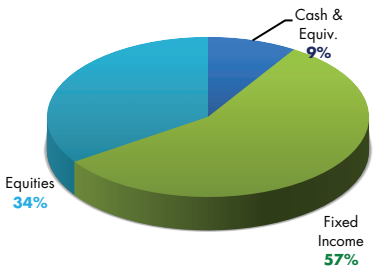
CALENDAR YEAR PERFORMANCE (%)

	2020 YTD	2019	2018	2017	2016	2015	2014	2013
Fund	+0.61	+2.93	+2.49	+5.68	+3.82	+7.13	+6.96	+5.40
Benchmark	-2.10	+4.88	+3.20	+6.59	+7.04	+12.17	+9.52	+6.73
+/- Benchmark	+2.71	-1.95	-0.71	-0.91	-3.22	-5.04	-2.56	-1.33

GROWTH OF $10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Balanced Fund, Ltd. ended Q1 2020 at a Net Asset Value of $4.392 per share, representing a gain of 0.61 percent for the quarter or 2.93 percent year over year. The Fund outperformed its benchmark by 2.71 percentage points for the quarter and underperformed by 1.00 percentage point year over year. The local stock market, BISX, was down 5.13 percent year to date.

Asset allocation remained similar to last quarter as cash stood at 9.00 percent, fixed income was 56.60 percent and equities ended at 34.50 percent. Fixed income provided a return of 1.15 percent for the quarter while equities gained 0.62 percent. The best common stock performers inclusive of dividends were Focol Holdings (+20.12%), JS Johnson (+9.82%), and Bahamas Waste (+9.51%). Detractors to performance included Cable Bahamas (-32.50%), Commonwealth Brewery (-24.97%), and Commonwealth Bank (-15.11%). The Fund's common stock allocation outperformed BISX at 0.68 percent.

By the end of Q1 2020, the COVID-19 pandemic spread to many countries around the world. The Bahamas was not spared, as the first reported case entered our shores in mid-March leading to a government implemented lockdown by end of month. We expect that the country will experience heightened debt levels, high unemployment and a large contraction in GDP over the coming months due to the COVID-19 pandemic. In addition, we anticipate that many of the BISX listed companies may realize decreased earnings due to the halt in economic activity. As we navigate this time of uncertainty, the CFAL Balanced Fund will continue to overweight fixed income to preserve capital for its investors.

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

For more information, email ***info@cfal.com****.*