



CFAL

BALANCED FUND LTD.

Q2 2021
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: \$19.683M

Net Asset Value/ Share: \$4.466

Currency: BSD

Fund Inception Date: Oct-31-1994

Management Fee: 1.00%

Subscription/ Redemption Fee: 0.00%

Expense Ratio (2020): 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	(%)	YTD 2021 Return (%)
FCL	5.41	-5.48
JSJ	4.46	+3.23
CHL	3.06	+0.23
CBL	2.94	-23.77
CIB	2.66	-6.89

TOP SECTOR HOLDINGS

Sector	(%)
Financials	62.95
Energy	23.04
Consumer Staples	6.38
Utilities	4.59
Industrials	1.84
Consumer Discretionary	1.21

PERFORMANCE SUMMARY (%)

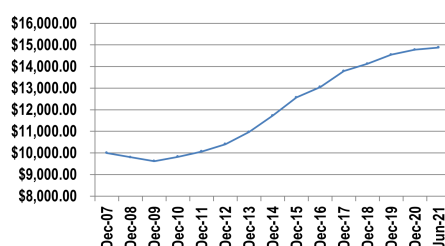
As at June 30, 2021

	Cumulative		Annualized					
	QTR2	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+0.79	+0.70	+1.38	+2.72	+2.82	+3.97	+4.00	+5.77
Benchmark	+0.71	-1.92	-1.74	+1.99	+2.07	+3.81	+4.18	n/a
+/- Benchmark	+0.08	+2.62	+3.12	+0.73	+0.75	+0.16	-0.18	n/a

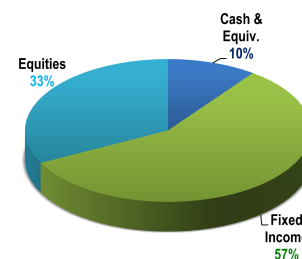
CALENDAR YEAR PERFORMANCE (%)

	2021							
	YTD	2020	2019	2018	2017	2016	2015	2014
Fund	+0.70	+1.58	+2.93	+2.49	+5.68	+3.82	+7.13	+6.96
Benchmark	-1.92	-1.28	+4.88	+3.20	+6.59	+7.04	+12.17	+9.52
+/- Benchmark	+2.62	+2.86	-1.95	-0.71	-0.91	-3.22	-5.04	-2.56

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Balanced Fund, Ltd. closed the second quarter of 2021 with a positive return of +0.79 percent and a Net Asset Value of \$4.466 per share. Year to date, the Fund was up +0.70 percent. In Q22021, the Fund slightly outperformed its blended index benchmark by 0.08 percentage points. The local stock index, BISX, managed to produce a positive return of +0.46 percent for the second quarter but remained down -5.72 percent year to date.

All assets classes saw positive returns for the second quarter. As with the previous quarter, fixed income was the top performing asset class with a return of +1.14 percent. Equities were up +0.18 percent while cash investments returned +0.08 percent. The best common stock performers inclusive of dividends were AML Foods Limited (+32.11%), Arawak Port Development (+24.11%), and CIBC FirstCaribbean International Bank (+7.21%). The top decliners included Bank of the Bahamas (-9.70%), Commonwealth Bank Limited (-8.30%) and FOCOL Holdings Limited (-5.88%). The Fund's common stock portfolio was up 0.15 percent for the quarter, under performing BISX by 31 percentage points.

The Bahamian economy is showing some signs of recovery, however, the outlook remains uncertain and the country continues to face pandemic related challenges. A successful vaccination rollout in major countries, including the United States, has helped to fuel a rebound a global travel and as a result, the Bahamas has seen an upward trend in visitor arrivals although figures remain well below pre-pandemic levels. As well, despite a return to work for many in the hospitality industry, unemployment appears to remain at elevated levels and the country is facing a historically large external debt burden. According to the Department of Statistics, the Bahamian economy contracted by -14.50% in 2020, albeit the largest economic decline in decades, and it will likely be a long path to a full recovery. During this time, we expect that company earnings will remain constrained and share prices depressed even as business activity picks up. Amidst this uncertainty, the CFAL Balanced Fund will continue to remain overweight in cash and fixed income investments due to limited attractive equity investment opportunities in the local market. In this environment, monitoring existing positions and divesting of underperformers remains key to protecting fund performance.

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.



Contact CFAL today to discuss your financial goals
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