

## The Balanced-Income Focus Portfolio

### Portfolio Objective:

The primary objective of the Balanced-Income Focus portfolio is to invest in a portfolio of both bonds and equities with an emphasis on returns earned through income generation via interest and dividends. There will be some risk to capital.

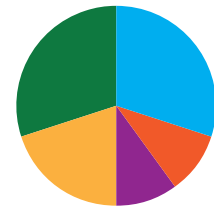
### Investment Advisor:

The Investment Advisor is RBC Investment Management (Caribbean) Limited. The Investment Advisor provides advice on portfolio allocation, ETF selection and portfolio rebalancing.

### Portfolio Strategy:

The strategy provides a diversified and balanced exposure to USD-denominated bonds and equities using Exchange Traded Funds (ETFs). The selection of ETFs will be based on the instrument's income generation: such as for bonds, the focus will be on high yielding securities that may not be Investment Grade. Securities that are not Investment Grade are referred to as "junk" bonds because they are considered lower in credit quality. This lower credit quality is compensated by higher yields. Equities will focus on securities that have consistently paid above average dividends.

### Target Portfolio Allocation:



High Yield Bonds	30%
LT US Corporate Bonds	10%
Emerging Market Bonds	10%
US REITS	20%
US Equities - Dividend Focus	30%

### Target Portfolio Holdings:

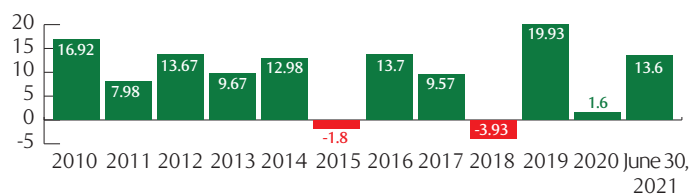
ETF Name	Allocation
SPDR Bloomberg Barclays High Yield Bond	30%
Vanguard Long Term Corporate Bond	10%
iShares JP Morgan USD Emerging Market Bond	10%
SPDR Dow Jones REIT	20%
SPDR S&P Dividend	30%

### Average Annualised Return:

Returns to June 30, 2021	1 Year	3 Year	5 Year	10 Year
Balanced - Income Focus Portfolio	24.7%	9.2%	7.4%	8.3%
Benchmark	25.0%	9.5%	7.8%	8.7%

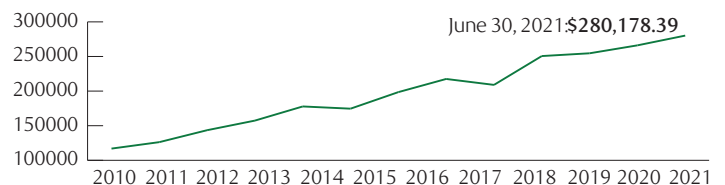
These returns do not include fees

### Historical Return to June 30, 2021:



These returns do not include fees

### The Value of a US\$100,000 Investment:



These returns do not include fees

### Who should invest?

Investors seeking higher returns and those who can withstand a moderate level of risk. There is risk to capital, however, over the long-term this portfolio should outperform deposits and other short-term instruments. It is recommended investors have an investment time horizon of at least 5 years.

### Market Outlook:

The U.S. economy grew at an annualized pace of 6.4% in Q1 2021, as vaccine distribution allowed for the re-opening of establishments and resumption of work. The US Federal Reserve maintained its target rate at 0%-0.25%, signaling a 2023 date for the resumption of interest rate hikes. Inflation data continues to come in well above trend as demand has increased and supply has been slow to catch up. Despite the rise in inflation, the 10-year U.S. treasury rate has declined 20 bps over the quarter to 1.47% as the market was reassured that the Fed is sticking to its 2023 timeframe as they believe inflation to be transitory. Job creation remains strong with 559,000 and 850,000

jobs created in May and June respectively. A multi-trillion dollar infrastructure package remains on the table as the U.S. House passed a US\$715 billion surface transportation and water infrastructure bill on July 1. The bill now heads to the Senate for approval. Additional infrastructure spending continues to be negotiated and we expect to see additional packages being approved, albeit slowly. This spending will keep the U.S. recovery strong for longer and support the job creation needed to get back to pre-pandemic levels. Risks remain with the Delta variant spreading rapidly, albeit with seemingly fewer hospitalizations and deaths in vaccinated populations.



# Customised Investment Portfolios

Quarterly Report as at June 30, 2021

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## Disclaimer:

The preceding information displays historical market performance of certain securities which would fall within the investment strategy of the portfolio and is for illustrative and education purposes only. Please remember that past performance of the securities identified is not indicative of future performance and there can be no assurance that the future performance of the securities referred to will meet the historical performance levels, or that the identified securities are the specific securities that will comprise the portfolio. Due to various factors, including changing market conditions, the content of the portfolio may be different.

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