

## The Balanced-Growth Focus Portfolio

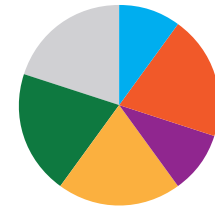
### Portfolio Objective:

The primary objective of the Balanced – Growth Focus portfolio is to invest in a portfolio of both bonds and equities with an emphasis on returns earned primarily through capital appreciation as well as via interest and dividend income. There will be some risk to capital.

### Portfolio Strategy:

The strategy provides a diversified exposure to USD-denominated bonds and equities using Exchange Traded Funds (ETFs). The selection of ETFs will be weighted more towards equities than bonds with a focus on capital appreciation, balanced by some more stable income generation. The equity ETFs held will include small and mid-sized companies that are expected to grow faster than average over time, albeit with a higher level of volatility than large companies. Small and medium-sized companies generally do not pay much by way of dividends and as such most of the return achieved will be via price appreciation. The bond ETFs will be concentrated in Investment Grade credit although there will be some exposure to High Yield and Emerging Markets.

### Target Portfolio Allocation:



- High Yield Bonds 10%
- Investment Grade Bonds 20%
- Emerging Market Bonds 10%
- Large Cap Growth Equities 20%
- Mid-Cap Growth Equities 20%
- Small-Cap Growth Equities 20%

### Investment Advisor:

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

### Target Portfolio Holdings:

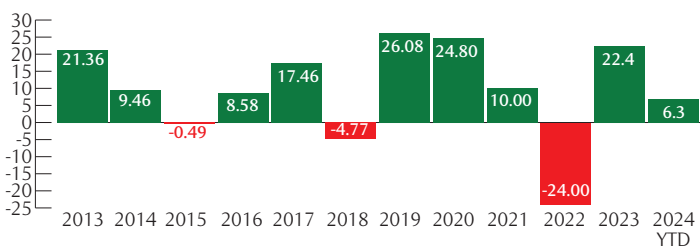
iShares iBoxx \$ High Yield Corporate Bond ETF	10%
iShares iBoxx \$ Investment Grade Corporate Bond ETF	20%
iShares JP Morgan USD Emerging Market Bond ETF	10%
Schwab US Large Cap Growth ETF	20%
Vanguard Mid-Cap Growth Index Fund ETF	20%
iShares Russel 2000 Growth ETF	20%

### Average Annualised Return:

Returns to June 30, 2024	1 Year	3 Year	5 Year	10 Year
Balanced - Growth Focus Portfolio	13.6%	0.3%	7.4%	7.7%
Benchmark	11.7%	-0.4%	6.4%	7.0%

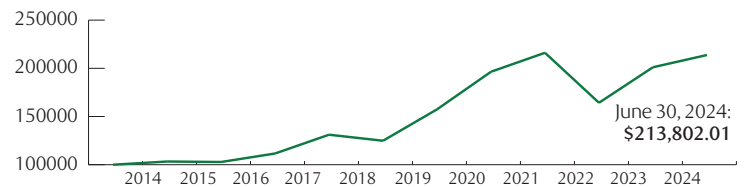
These returns do not include fees.

### Calendar Returns %



These returns do not include fees.

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



These returns do not include fees.

\*Based on investment returns from June 2014 to June 2024

### 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:

As of the end of Q2 2024, the U.S. Federal Reserve (the “Fed”) has maintained the policy interest rate at the same level for almost a year, having last hiked the interest rate in July 2023. At 5.25% - 5.50%, the federal funds rate remains at the highest target range in 23 years. This course of action has been undertaken as recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have remained strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated. In recent months, there has been modest further progress towards the Committee’s 2% inflation objective. According to the U.S. Bureau of Labour Statistics, the Consumer Price Index (CPI) for All Urban Consumers declined 0.1% on a seasonally adjusted basis in June, after

being unchanged in May 2024. Over the last 12 months, the all items index increased 3.0% before seasonal adjustment. With respect to longer-term yields, 10-year and 30-year Treasury yields remained mostly consolidated for the first two fiscal quarters of 2024. However the 2-year traded above the 10- and 30-year, closing the second quarter at 4.75%. The 10-year moved from 4.20% to 4.39% and the 30-year moved from 4.34% to 4.55%. With high interest rates, retreating inflation and low unemployment, the Federal Open Market Committee (FOMC) will continue to be data dependent with respect to further rate moves. The second quarter of 2024 saw the S&P 500 up by 3.92%. AI stocks and chipmakers continue to lead the pack and U.S. CPI data appears to be back on track after a period of stubborn inflationary pressures.



# Customised Investment Portfolios

Quarterly Report as at June 30, 2024

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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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