

## The Balanced-Growth Focus Portfolio

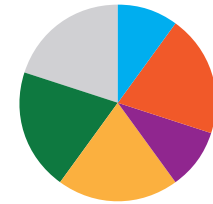
### Portfolio Objective:

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:

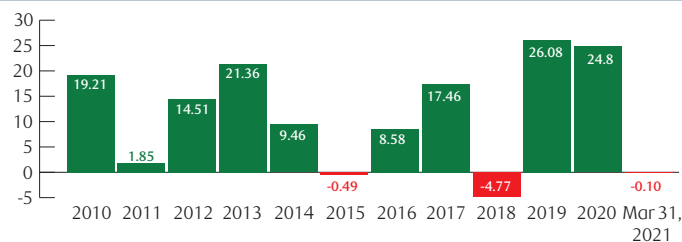
iShares iBoxx \$ High Yield Corporate Bond ETF	10%
iShares iBoxx \$ Investment Grade Corporate Bond ETF	20%
iShares JP Morgan USD Emerging Market Bond ETF	10%
Schwab US Large Cap Growth ETF	20%
Vanguard Mid-Cap Growth Index Fund ETF	20%
iShares Russel 2000 Growth ETF	20%

### Average Annualised Return:

Returns To Mar 31, 2021	1 Year	3 Year	5 Year	10 Year
Balanced - Growth Focus Portfolio	50.3%	14.1%	13.6%	10.6%
Benchmark	50.3%	13.4%	13.1%	10.5%

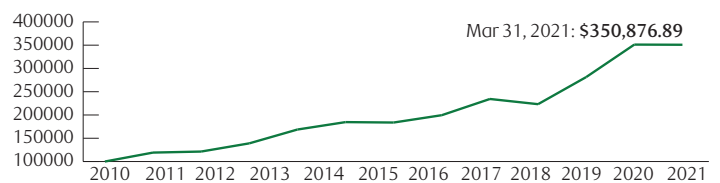
These returns do not include fees

### Historical Return to March 31, 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 US Federal Reserve remains accommodative, maintaining its target rate at 0%-0.25% and signaling a 2023 date for the resumption of interest rate hikes. With COVID-19 vaccine distribution well underway and a US\$1.9 Trillion stimulus bill passed (the “American Rescue Plan”), the U.S. looks set for a quick recovery, however, this has stoked fears of inflation, causing interest rates to rise over the quarter. The 10-year U.S. treasury rate has increased 81 bps, to end the quarter at 1.74%. Jobs data for February and March 2021 have been reflective of a recovery being

underway, with 468,000 and 916,000 jobs created respectively. The unemployment rate has dropped to 6% from a high of over 14% in April of 2020. We expect the recovery to remain strong for the remainder of 2021 but start to normalise as we enter 2022, with the permanent impact of the pandemic on jobs and compensation becoming more visible. Without the passage of another stimulus, such as the infrastructure plans now being contemplated (the “American Jobs Plan”), we expect U.S. growth will slow to pre-pandemic levels with inflation well contained.



# Customised Investment Portfolios

Quarterly Report as at March 31, 2021

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## Disclaimer:

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