



Mar. Net Asset Value:	\$2.3533
Assets:	\$17.96M
Inception:	Jul-98

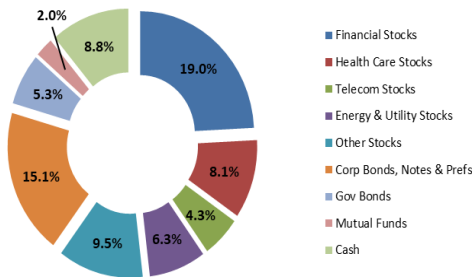
Performance:

	Fund	Benchmark*
1 Month	1.87%	0.23%
3 Month	1.25%	0.62%
1 Yr	4.63%	0.99%
3 Yr Ave Ann	6.79%	3.99%

* Blended Index: 60% current Bahamas Prime Rate and 40% BISX All Share Index

Allocation:

Asset Allocation



To

CABLE BAHAMAS PREF SHARES 6.25%	
NAD PARTICIPATING DEBT NOTES 7.5%	
BE ALIV FIXED RATE NOTES 8.5%	
FIDELITY BANK (BAHAMAS)	
DOCTORS HOSPITAL	
FINCO	

The Balanced Fund is a pension-only pool of assets that invests in the pension-specific shares of other equity and fixed income funds. Performance shown does not include any fees associated with the administration of a pension plan and may differ from other shares offered in the fund as a result of different fee structures. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to any restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

Reason for Cautious Optimism

The Fund's performance versus the benchmark has been strong since inception. In March the Fund was up 1.87% versus 0.23% for the benchmark. Over the last twelve months the Fund was up 4.63% versus 0.99% for the benchmark. Over the last three years, the Fund has averaged 6.79% per annum versus 3.99% for the benchmark.

Currently 51.3% of the Fund's portfolio is invested in equities, with the balance invested in fixed income. The target allocation is 40% equities and 60% fixed income, in 2021 reducing equity exposure and increasing fixed income holdings will be a priority. Granted this is dependent on attractive fixed income securities coming to market. Fortunately there several potential investments expected to come to market during the second half of 2021.

The Fund's largest sector exposure is the financial services sector, with 19% of the total portfolio investing local banks. During the pandemic banks have taking significant loan loss provisions. This was the prudent thing to do, but as the economy re-opens and many of the non-performing loans become regularized, we feel a significant portion of these provisions will be reversed. Any assessment of bank stocks today needs to factor in these expected write-backs.

In the US approximately 46% of the population has received at least one dose and 33% are fully vaccinated. This supports the view of several contacts in the tourism sector who expect a gradual improvement in tourism numbers with a strong Winter season kicking off during the US Thanksgiving holiday. Let's hope their insight is accurate.

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