



## FUND INFORMATION

**Investment Objective:** CFAL Bond Fund, Ltd. ("the Fund") seeks to preserve the principal value of the investment while returning a yield approximately equal to the local prime rate (currently 4.25%).

**Investment Strategy:** The Fund will pursue its objective by investing primarily in a diversified mix of high yield, high quality short-term and long-term fixed income securities. These investments may include corporate bonds and commercial papers, mortgage-related and asset backed securities, government registered stocks and preferred stock investments.

**Net Assets:** \$520.653M

**Net Asset Value/ Share:** \$2.745

**Currency:** BSD

**Fund Inception Date:** Aug-31-03

**Management Fee:** 0.50%

**Subscription/ Redemption Fee:** 0.00%

**Expense Ratio (2023):** 0.53%

**Early Withdrawal Fee:** No early withdrawals permitted

**Investment Manager:** CFAL

**Bloomberg Ticker:** COLBOND BM

**Benchmark:** CFAL Local Prime Rate Index

## FUND DATA

Avg. Current Yield	3.97%
Weighted Avg. Maturity	8.25 years
Average Duration	5.47

## RATE EXPOSURE

	(%)
Variable Rate	16.01
Fixed Rate	83.99

## TOP 5 SECURITY HOLDINGS (%)

Nassau Cruise Port 6.00% Fixed Rate Bond due 06-30-40	6.37
Bahamas Govt. T-Bill due 08-13-24	4.83
BGRS 3.20% due 10-31-24	3.27
Bahamas Govt. T-Bill due 08-13-24	3.22
BGRS 4.09% due 10-16-28	2.97

\*BGRS: Bahamas Government Registered Stock

## PERFORMANCE SUMMARY (%)

As at June 30, 2024

	Cumulative		Annualized					Incept.
	QTR2	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	
Fund	+0.94	+1.90	+3.91	+3.95	+4.10	+4.06	+4.13	+4.96
Benchmark	+1.05	+2.12	+4.25	+4.25	+4.25	+4.25	+4.37	n/a
+/- Benchmark	-0.11	-0.22	-0.34	-0.30	-0.15	-0.19	-0.24	n/a

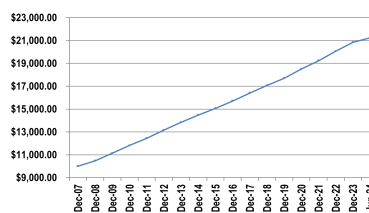
## CALENDAR YEAR PERFORMANCE (%)

	YTD							
	2024	2023	2022	2021	2020	2019	2018	2017
Fund	+1.90	+3.95	+3.87	+4.35	+4.55	+3.73	+3.97	+4.46
Benchmark	+2.12	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25
+/- Benchmark	-0.22	-0.30	-0.38	+0.10	+0.30	-0.52	-0.28	+0.21

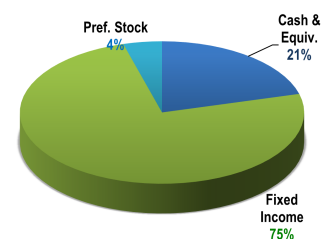
## PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	30.30	1.60	0.40
1 – 3 years	10.70	3.90	2.00
3 – 5 years	11.00	4.70	3.90
5 – 7 years	6.80	4.80	6.10
7 – 10 years	12.80	5.00	8.80
Over 10 years	28.40	5.60	11.20

## GROWTH OF \$10,000



## ASSET ALLOCATION



## PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +0.94 percent in Q2 2024 to end at a Net Asset Value of \$2.745 per share. The Fund underperformed its benchmark, the Local Prime Rate Index, by 0.11 percentage points for the quarter. Asset allocation changed little from the previous quarter. Portfolio holdings included: cash and equivalents at 20.80 percent, fixed income holdings at 74.80 percent and perpetual preference shares at 4.40 percent. Cash and equivalent holdings comprised of cash at bank (6.5 percent), Government of the Bahamas Treasury Bills (12.00 percent) and term deposits (2.40 percent). The average yields on Treasury Bills and term deposits were 2.95 and 2.20 percent, respectively. The local fixed income market remains dominated by Bahamas Government bond issues however, during the quarter the Fund participated in a non-perpetual preference share offering of a local company. At the end of the quarter, Bahamas Government Bond issues accounted for 57.80 percent of the portfolio. Sector returns were positive over the quarter. Fixed income holdings gained +1.16 percent while perpetual preference shares returned +0.87 percent. Cash and equivalent holdings earned +0.45 percent.

The Bahamian economy maintained its growth trajectory in the second quarter, albeit at a more moderate pace. The tourism sector continued to post strong growth, with visitor arrivals totaling 4.8M as of May 2024, a 13.47% increase from the previous year. Preliminary data for the first nine months of FY2023/24 indicates that the overall deficit declined by \$35.5M (14.2%) to \$214.2M compared to the same period of FY2022/23. Over the period, total revenues increased by \$112.4M (or 5.4%) to \$2.19B, representing 66.0% of the budgeted revenues. Tax revenues experienced growth of 7.5% or \$136.97M, while non-tax revenues declined 8.9% to \$235.4M. Meanwhile, total recurrent expenditure increased by \$76.9M (or 3.3%) to \$2.41B or 70.3% of the budgeted spend. As of March 2024, the Direct Charge saw an increase of \$257.2M to \$11.51B and the National Debt, inclusive of contingent liabilities, stood at \$11.85B. Direct Charge to GDP was estimated at 79.9% while National Debt to GDP was estimated at 82.3%. Inflation remains a concern, according to the most recent statistics, the CPI rose 1.7% in April 2024, from the same period last year. Liquidity continued to build up in the banking sector, as deposits expanded and credit declined. While the Bahamas is expected to continue its moderate growth trend this year, inflation and elevated debt levels remain detractors to growth. Amidst this environment of slowing economic growth, the CFAL Bond Fund will continue to maintain a strategy of purchasing instruments with short to medium-term duration with the view of minimizing overall risk. The Fund will remain focused on capital preservation while pursuing high quality, attractive, income generating investments.

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 Bond Fund, Ltd. Past performance is not necessarily indicative of future results. For more information, email [info@cfal.com](mailto:info@cfal.com).