



CFAL

BALANCED FUND LTD.

Q22023  
REPORT

## FUND INFORMATION

**Investment Objective:** CFAL Balanced Fund, Ltd. ("the Fund") seeks to achieve diversified above-average risk adjusted returns consistent with the Fund's risk tolerance.

**Investment Strategy:** The Fund will pursue its objective by investing primarily in a blend of equities which possess strong long-term value and growth and high-quality fixed income securities. These investments may include common stock, preference shares corporate and government bonds and cash equivalents.

**Net Assets:** \$23.869M

**Net Asset Value/ Share:** \$5.003

**Currency:** BSD

**Fund Inception Date:** Oct-31-1994

**Management Fee:** 1.00%

**Subscription/ Redemption Fee:** 0.00%

**Expense Ratio (2022):** 1.11%

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

**Investment Manager:** CFAL

**Bloomberg Ticker:** COLMSIP BM

**Benchmark:** Blended Index  
(BISX/ Local Prime Rate/ Weighted Avg.  
Deposits)

\*Benchmark changed December 31, 2019

## TOP 5 COMMON STOCK HOLDINGS

Holdings	(%)	YTD 2023 Return (%)
FCL	5.38	+14.45
CHL	3.84	+9.08
JSJ	3.71	+2.30
CBL	3.15	+2.53
CIB	2.80	-16.75

## EQUITY SECTOR ALLOCATION

Sector	(%)
Financials	63.06
Energy	22.13
Consumer Staples	8.46
Utilities	3.29
Industrials	1.86
Consumer Discretionary	1.13
Health Care	0.06

## PERFORMANCE SUMMARY (%)

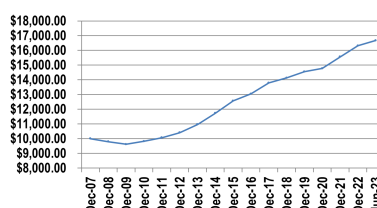
As at June 30, 2023

	Cumulative		Annualized					Incept.
	QTR2	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	
Fund	+2.18	+2.16	+3.79	+4.34	+3.96	+3.67	+4.56	+5.77
Benchmark	+3.79	-0.62	+1.52	+5.23	+4.70	+3.98	+5.18	n/a
+/- Benchmark	-1.61	+2.78	+2.27	-0.89	-0.74	-0.31	-0.62	n/a

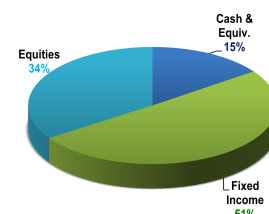
## CALENDAR YEAR PERFORMANCE (%)

	YTD							
	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+2.16	+4.87	+5.32	+1.58	+2.93	+2.49	+5.68	+3.82
Benchmark	-0.62	+11.18	+5.28	-1.28	+4.88	+3.20	+6.59	+7.04
+/- Benchmark	+2.78	-6.31	+0.04	+2.86	-1.95	-0.71	-0.91	-3.22

## GROWTH OF \$10,000



## ASSET ALLOCATION



## PERFORMANCE REVIEW:

The CFAL Balanced Fund, Ltd. gained +2.18 percent in the second quarter to end with a Net Asset Value of \$5.003 per share. Year to date the fund was up +2.16 percent. The Fund underperformed its blended benchmark index by 1.61 percentage points during the quarter but outperformed the benchmark by 2.78 percentage points for the first half of the year. The local stock index, BISX, saw positive performance of +6.67 percent in Q2-2023 but remained down -3.31 percent year to date.

All asset classes saw positive returns for the second quarter. Equities was the best performing asset class with gains of +4.15 percent while the fixed income portfolio returned 1.09 percent. Cash and equivalent holdings reported a slight gain of +0.06 percent. During the quarter, the best common stock performers inclusive of dividends were Bank of the Bahamas (+29.37%), CIBC FirstCaribbean Bank (+24.44%) and FOCOL Holdings (+11.66%). AML Foods (-13.09%), Cable Bahamas (-5.78%) and Fidelity Bank (-1.44%) were the largest decliners. Overall, the common stock portfolio rose 6.64 percent for the quarter, slightly underperforming BISX by 0.03 percentage points.

The Bahamian economy continued to progress in the second quarter as strong gains in the tourism sector benefited the wider economy. Year to date as of May, total visitor arrivals improved to 4.2 million, compared to 2.5 million in the same period in 2022. Meanwhile, the May 2023 labour force survey indicated that the unemployment rate fell to 8.8% compared to the previous reading of 9.5% in May 2019. However, the number of employed persons declined by 6.8%. Preliminary figures from the Ministry of Finance showed that the government collected revenues of \$2.113B for the first nine months for FY2022/23, an increase of 14.5%, while expenditures rose by 6.7% to \$2.329B in the same period. The country's debt levels remained elevated, the National Debt (inclusive of contingent liabilities) stood at \$11.495B or 90.2% of GDP as of March 2023, representing an increase of \$565.2M or 5.2% year over year. Inflation continued to trend downward; the Consumer Price Index rose 4.1% at the end of March from the previous year. The rate stood at 4.6% in February. While the Bahamian economy has rebounded well since the COVID-19 pandemic, growth is expected to fall in tandem with a projected slowdown in global output. At this time, the CFAL Balanced Fund will remain overweight in cash and fixed income investments due to the limited availability of attractive equity investments in the local market. In this environment, monitoring existing positions and divesting of underperformers remains key to protecting fund performance.

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



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