# CFAL BALANCED FUND LTD.

Q32025 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:** $54.020M
**Net Asset Value/ Share:** $5.697
**Currency:** BSD
**Fund Inception Date:** Oct-31-1994
**Management Fee:** 1.00%
**Subscription/Redemption Fee:** 0.00%
**Expense Ratio (2024):** 0.97%
**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 2025 Return (%) |
|---|---|---|
| FCL | 3.66 | +8.51 |
| CHL | 2.66 | +11.34 |
| JSJ | 1.87 | +4.89 |
| CBL | 1.67 | -9.18 |
| CIB | 1.45 | +14.54 |

## EQUITY SECTOR ALLOCATION

| Sector | (%) |
|---|---|
| Financials | 54.57 |
| Energy | 20.71 |
| Utilities | 18.00 |
| Consumer Staples | 4.92 |
| Industrials | 1.14 |
| Consumer Discretionary | 0.62 |
| Health Care | 0.03 |

## PERFORMANCE SUMMARY (%)

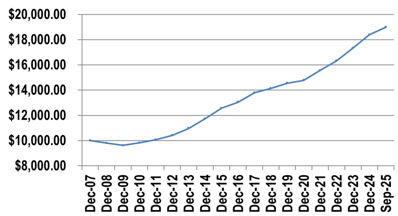
As at September 30, 2025

| | Cumulative | | Annualized | | | | | |
|---|---|---|---|---|---|---|---|---|
| | QTR3 | YTD | 1 Year | 3 Year | 5 Year | 7 Year | 10 Year | Incept. |
| Fund | +1.47 | +3.29 | +4.87 | +5.38 | +5.14 | +4.61 | +4.32 | +5.79 |
| Benchmark | +0.86 | +2.38 | +3.25 | +4.58 | +5.95 | +5.28 | +4.77 | n/a |
| +/- Benchmark | +0.61 | +0.91 | +1.62 | +0.80 | -0.81 | -0.67 | -0.45 | n/a |

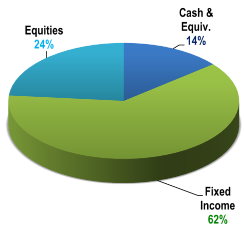
## CALENDAR YEAR PERFORMANCE (%)

| | YTD 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| Fund | +3.29 | +6.06 | +6.18 | +4.87 | +5.32 | +1.58 | +2.93 | +2.49 |
| Benchmark | +2.38 | +4.69 | +5.97 | +11.18 | +5.28 | -1.28 | +4.88 | +3.20 |
| +/- Benchmark | +0.91 | +1.37 | +0.21 | -6.31 | +0.04 | +2.86 | -1.95 | -0.71 |

### GROWTH OF $10,000




### ASSET ALLOCATION




## PERFORMANCE REVIEW:

The CFAL Balanced Fund, Ltd. returned +1.47 percent in Q3-2025 to end the quarter with a Net Asset Value of $5.697 per share. Year to date, the Fund rose +3.29 percent. The Fund outperformed its blended benchmark index by 0.61 percentage points for the quarter and 0.91 percentage points year to date. The local stock index, BISX, gained +0.77 percent in Q3 2025, and +1.81 percent year to date.

Returns were positive across asset classes during the quarter. Equities saw the largest gains, increasing by +3.46 percent while fixed income holdings added +0.88 percent. Cash and equivalent investments rose +0.14 percent. During the quarter, the best common stock performers inclusive of dividends were Bank of the Bahamas (+20.31%), FOCOL (+13.03%) and AML Foods (+12.57%). Commonwealth Bank (-7.04%), Doctor's Hospital (-6.36%), and Bahamas Waste (-4.67%) were the largest decliners. The common stock portfolio gained +4.44 percent for the quarter, outperforming BISX.

The Bahamian economy sustained a moderate pace of growth through the third quarter, driven primarily by tourism activity. Preliminary data as of August 2025 showed total visitor arrivals at 8.405 million year-to-date, up 9.3% from the same period in 2024. While overall numbers remained strong, the higher-value air arrivals segment declined by 1.8% to 1.266 million, whereas sea arrivals dominated with 7.139 million visitors, reflecting 11.6% growth. The cruise sector continued to attract foreign investment as major cruise lines developed onshore private destinations, though stopover visitor growth was constrained by limited accommodations. On the fiscal front, preliminary data for the first eleven months of FY2024/25 indicated an overall deficit of $141.5 million, a 6.4% reduction from FY2023/24, as revenues grew 8.6% to $3.086 billion, outpacing expenditure growth of 7.9% to $3.228 billion. Revenue gains were led by higher tax receipts, while increased recurrent outlays drove expenditure growth. Data as of June 30 showed that in the second quarter, the Direct Charge on the Government rose by $50.4 million to $11.769 billion (73.4% of GDP), and the national debt, including contingent liabilities, increased by $30.7 million to $12.079 billion (75.4% of GDP). At the end of September, S&P upgraded The Bahamas' credit rating from B+ to BB-, citing stronger economic performance, large-scale investment projects on the Family Islands, and improved tax compliance efforts that helped reduce the fiscal deficit and ease the debt burden. The IMF revised its 2025 growth forecast for The Bahamas to 2.2%, up from 1.8% earlier in the year. However, the country continues to face fiscal vulnerabilities and external risks, particularly in light of global trade tensions. The CFAL Balanced Fund will strategically focus on cash and fixed income investments, while selectively adding equities to optimize performance.