



CFAL

BALANCED FUND LTD.

Q42025
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: \$59.319M

Net Asset Value/ Share: \$5.773

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	(%)	2025 Total Return (%)
FCL	3.47	+9.48
CHL	2.82	+25.18
JSJ	1.77	+6.28
CBL	1.51	-11.65
CIB	1.39	+16.95

EQUITY SECTOR ALLOCATION

Sector	(%)
Financials	55.57
Energy	20.13
Utilities	17.55
Consumer Staples	4.92
Industrials	1.18
Consumer Discretionary	0.61
Health Care	0.03

PERFORMANCE SUMMARY (%)

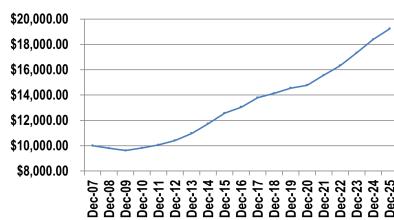
As at December 31, 2025

	Cumulative		Annualized					
	QTR4	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+1.33	+4.66	+4.66	+5.63	+5.42	+4.50	+4.35	+5.78
Benchmark	+1.24	+3.66	+3.66	+4.77	+6.12	+4.86	+4.78	n/a
+/- Benchmark	+0.09	+1.00	+1.00	+0.86	-0.70	-0.36	-0.43	n/a

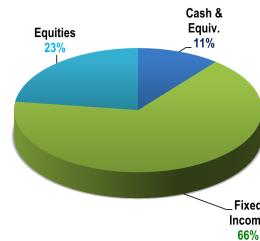
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018
Fund	+4.66	+6.06	+6.18	+4.87	+5.32	+1.58	+2.93	+2.49
Benchmark	+3.66	+4.69	+5.97	+11.18	+5.28	-1.28	+4.88	+3.20
+/- Benchmark	+1.00	+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. rose +1.33% in the final quarter of 2025 to end the year with a Net Asset Value of \$5.773 per share. Year to date, the Fund returned +4.66%. The Fund outperformed its blended benchmark index by 0.09 percentage points for the quarter and 1.00 percentage points year to date. The local stock index, BISX, gained +1.54% in the fourth quarter 2025, and +3.37% year to date.

All portfolio segments recorded positive returns during the fourth quarter. Equity holdings delivered the strongest performance, rising +3.16%, while fixed-income investments increased +1.18%. Cash and cash equivalent investments contributed a modest gain of +0.28%. During the quarter, the best-performing common stocks, inclusive of dividends, were Bahamas First (+21.83%), Arawak Port Development (+16.64%), and FINCO (+13.02%). Commonwealth Bank (-2.70%) was the sole decliner. Overall, the common stock portfolio advanced +4.83% for the quarter, outperforming BISX.

The Bahamian economy maintained a positive, though moderating, pace of growth in the fourth quarter, supported largely by continued strength in tourism activity. Total visitor arrivals remained robust, although high-value stopover tourism continued to face headwinds as demand softened and accommodation capacity remained constrained. Preliminary data for November 2025 indicate that year-to-date visitor arrivals reached 11.112 million, representing a 10.4% increase over the prior year. Growth was driven by sea arrivals, which expanded by 12.6%, while air arrivals declined marginally by 1.9%. On the fiscal side, estimates for FY2024/25 indicate that total revenues increased by 10.7% year-over-year to \$3.396 billion, supported primarily by stronger tax collections, including Taxes on International Trade and Transactions and Value-Added Tax receipts. Meanwhile, total expenditures grew by 6.5% to \$3.475 billion, largely reflecting higher recurrent spending. As at September 2025, national debt remained elevated at \$12.385 billion; however, the debt-to-GDP ratio showed some improvement, easing to 75.3% from 77.0% in the previous year. Labour market conditions improved in the second quarter of 2025, with the unemployment rate declining to 9.3%; however, youth unemployment remains in the double digits at 20.3%. The International Monetary Fund projects real GDP growth of 2.2% in 2025 and 2.1% in 2026. While growth projections remain steady, The Bahamas continues to face vulnerabilities as a small island economy, particularly from weakening global demand and geopolitical uncertainty. At the same time, elevated debt levels continue to constrain fiscal flexibility. Against this backdrop, the CFAL Balanced Fund will continue to emphasize cash and fixed-income investments, while selectively allocating to equities to enhance returns and manage risk.

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.