



CFAL

BOND FUND LTD.

Q42025
REPORT

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: \$602.231M

Net Asset Value/ Share: \$2.913

Currency: BSD

Fund Inception Date: Aug-31-03

Management Fee: 0.50%

Subscription/ Redemption Fee: 0.00%

Expense Ratio (2024): 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	4.43%
Weighted Avg. Maturity	9.59 years
Average Duration	5.79

RATE EXPOSURE

(%)

Variable Rate	13.33
Fixed Rate	86.67

TOP 5 SECURITY HOLDINGS

(%)

Nassau Cruise Port 6.00% Fixed Rate Bond due 06-30-40	6.61
Island Power Producers 8.00% Bond due 11-30-45	5.74
Bahamas Gov't T-Bill due 03-23-26	4.69
EA Energy 8.00% Senior Unsecured Bonds due 04-30-45	4.54
Bahamas Grid 8.00% Senior Unsecured Bonds due 07-31-44	4.09

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at December 31, 2025

	Cumulative		Annualized					
	QTR4	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+1.06	+4.15	+4.15	+3.98	+4.03	+4.06	+4.12	+4.90
Benchmark	+1.03	+4.25	+4.25	+4.25	+4.25	+4.25	+4.30	n/a
+/- Benchmark	+0.03	-0.10	-0.10	-0.27	-0.22	-0.19	-0.18	n/a

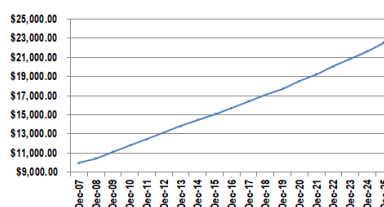
CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021	2020	2019	2018
Fund	+4.15	+3.85	+3.95	+3.87	+4.35	+4.55	+3.73	+3.97
Benchmark	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25
+/- Benchmark	-0.10	-0.40	-0.30	-0.38	+0.10	+0.30	-0.52	-0.28

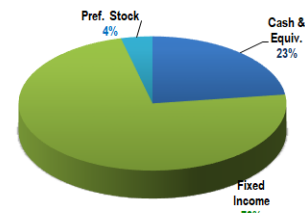
PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	25.30	0.70	0.30
1 – 3 years	11.90	4.10	2.20
3 – 5 years	5.30	4.90	4.30
5 – 7 years	7.30	5.10	6.00
7 – 10 years	41.90	6.40	8.90
Over 10 years	8.40	5.70	12.70

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. achieved a return of +1.06% for the fourth quarter of 2025, closing the year with a Net Asset Value of \$2.913 per share. For the entire year, the Fund delivered a gain of +4.15%. During the quarter, the Fund outperformed its benchmark, the Local Prime Rate Index, by 0.03 percentage points, but underperformed by 0.10 percentage points year over year. The Fund's performance was bolstered by participation in several Bahamas Government Registered Stock and corporate bond offerings.

As of quarter end, the portfolio allocation consisted of: 22.90% in cash and equivalents, 73.40% in fixed income holdings and 3.80% in perpetual preference shares. Cash and equivalents included Government of the Bahamas Treasury Bills (16.80%), cash at bank (3.80%), and term deposits (2.20%), with average yields of 3.30% on Treasury Bills and 2.20% on term deposits. At the end of Q4 2025, Bahamas Government Bond issues represented 43.70% of the overall portfolio. All sectors contributed positively to quarterly returns, with fixed income holdings generating +1.40%, perpetual preference shares yielding +0.97%, and cash and equivalents earning +0.59%.

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. 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. The CFAL Bond Fund will maintain a cautious investment strategy, focusing on acquiring short to medium-term instruments for capital preservation and delivery of stable returns.

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.



Contact CFAL today to discuss your financial goals
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