



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: \$315.987M

Net Asset Value/ Share: \$2.417

Currency: BSD

Fund Inception Date: Aug-31-03

Management Fee: 0.50%

Subscription/ Redemption Fee: 0.00%

Expense Ratio (2019): 0.52%

Early Withdrawal Fee: No early withdrawals permitted

Investment Manager: CFAL

Bloomberg Ticker: COLBOND BM

FUND DATA

| | |
|------------------------|-------------|
| Avg. Current Yield | 5.05% |
| Weighted Avg. Maturity | 13.93 years |
| Average Duration | 8.19 |

RATE EXPOSURE

| | |
|---------------|-------|
| | (%) |
| Variable Rate | 29.19 |
| Fixed Rate | 70.81 |

TOP 5 SECURITY HOLDINGS

| | |
|-----------------------------|------|
| | (%) |
| Nassau Cruise Port 8.00% | 9.03 |
| Fixed Bond due 06-30-40 | |
| Colina Holdings Pref. 1.50% | 4.29 |
| APR (currently 5.75%) | |
| BGRS 5.65% due 10-15-49 | 3.77 |
| BGRS 5.29% due 10-15-39 | 3.57 |
| BGRS 5.00% due 10-15-38 | 3.25 |

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at March 31, 2021

| | Cumulative | | Annualized | | | | | Incept. |
|---------------|------------|-------|------------|--------|--------|--------|---------|---------|
| | QTR1 | YTD | 1 Year | 3 Year | 5 Year | 7 Year | 10 Year | |
| Fund | +1.11 | +1.11 | +4.62 | +4.15 | +4.22 | +4.22 | +4.55 | +5.14 |
| Benchmark | +1.06 | +1.06 | +4.25 | +4.25 | +4.25 | +4.41 | +4.64 | n/a |
| +/- Benchmark | +0.05 | +0.05 | +0.37 | -0.10 | -0.03 | -0.19 | -0.09 | n/a |

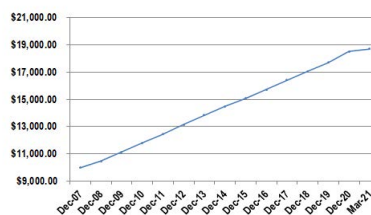
CALENDAR YEAR PERFORMANCE (%)

| | 2021 YTD | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------|----------|-------|-------|-------|-------|-------|-------|-------|
| Fund | +1.11 | +4.55 | +3.73 | +3.97 | +4.46 | +4.30 | +4.07 | +4.61 |
| Benchmark | +1.06 | +4.25 | +4.25 | +4.25 | +4.25 | +4.75 | +4.75 | +5.12 |
| +/- Benchmark | +0.05 | +0.30 | -0.52 | -0.28 | +0.21 | -0.45 | -0.68 | -0.51 |

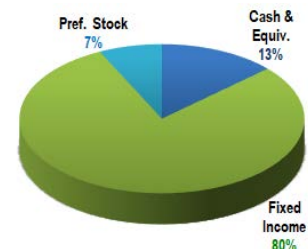
PORTFOLIO DURATION ALLOCATION

| Duration | % of Bond Holdings | YTM | Avg. Duration |
|---------------|--------------------|------|---------------|
| Under 1 year | 14.80 | 2.10 | 0.30 |
| 1 – 3 years | 7.10 | 4.50 | 1.80 |
| 3 – 5 years | 3.10 | 5.10 | 4.00 |
| 5 – 7 years | 6.20 | 6.20 | 6.10 |
| 7 – 10 years | 22.30 | 6.30 | 8.80 |
| Over 10 years | 46.50 | 5.30 | 12.00 |

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. gained 1.11 percent in Q1 2021 to end at a Net Asset Value of \$2.417 per share. Year over year, the Fund generated a return of 4.62 percent. The CFAL Bond Fund outperformed its benchmark, the Local Prime Rate by 0.05 percentage points for the quarter and 0.37 percentage points year over year. At the end of the quarter, the portfolio allocation by asset class comprised of: cash and equivalents at 13.30 percent, fixed income at 79.50 percent and perpetual preference shares at 7.20 percent. Cash and equivalents allocation increased over the quarter due to net additions of \$18.507 million. Term deposits ended the quarter with an allocation of 3.30 percent of the Fund and had an average yield of 2.50 percent. Government issues including Bahamas Government Registered Stock (BGRS) and Bahamas Government Treasury Bills accounted for 65.70 percent of the Fund. Sector returns were positive over the quarter as fixed income holdings returned 1.11 percent and perpetual preference shares allocation gained 1.66 percent. Cash and equivalents generated returns of 0.23 percent.

The COVID-19 pandemic continues to take a toll on the local economy as unemployment remains elevated and tourist arrivals remain low. However, the vaccine roll out over the quarter, while slow, provided some hope for a return to normalcy. In its April 2021 World Economic Outlook, the IMF indicated that the Bahamas' real GDP contracted by -16.30 percent in 2020. GDP is forecast to rebound by 2.00 percent in 2021 and 8.50 percent in 2022. The economic outlook remains uncertain as the slow vaccine roll out along with new strains of COVID-19 pose a threat to recovery. The Fund will continue to invest in cash and short term investments to minimize risk. As we continue to navigate this pandemic, the Fund will continue to focus 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.

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