



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: \$432.319M

Net Asset Value/ Share: \$2.617

Currency: BSD

Fund Inception Date: Aug-31-03

Management Fee: 0.50%

Subscription/ Redemption Fee: 0.00%

Expense Ratio (2021): 0.52%

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	4.06%
Weighted Avg. Maturity	9.37 years
Average Duration	5.85

RATE EXPOSURE

	(%)
Variable Rate	21.42
Fixed Rate	78.58

TOP 5 SECURITY HOLDINGS (%)

Nassau Cruise Port 8.00% Fixed Rate Bond due 06-30-40	6.40
Bahamas Govt. T-Bill due 06-28-23	4.52
Bahamas Govt. T-Bill due 05-16-23	4.37
BGRS 3.13% due 10-31-23	3.95
Bahamas Govt. T-Bill due 04-20-23	3.43

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at March 31, 2023

	Cumulative		Annualized					Incept.
	QTR1	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	
Fund	+0.99	+0.99	+3.87	+4.23	+4.10	+4.17	+4.27	+5.03
Benchmark	+1.06	+1.06	+4.25	+4.25	+4.25	+4.30	+4.45	n/a
+/- Benchmark	-0.07	-0.07	-0.38	-0.02	-0.15	-0.13	-0.18	n/a

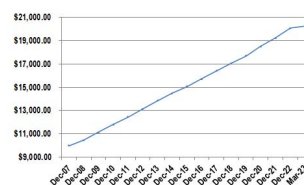
CALENDAR YEAR PERFORMANCE (%)

	2023							
	YTD	2022	2021	2020	2019	2018	2017	2016
Fund	+0.99	+3.87	+4.35	+4.55	+3.73	+3.97	+4.46	+4.30
Benchmark	+1.06	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.75
+/- Benchmark	-0.07	-0.38	+0.10	+0.30	-0.52	-0.28	+0.21	-0.45

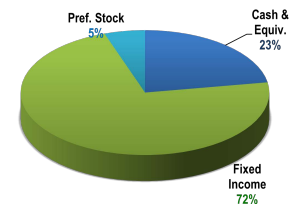
PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	30.90	1.30	0.30
1 – 3 years	10.30	3.70	2.00
3 – 5 years	6.20	4.50	4.20
5 – 7 years	5.60	6.10	6.10
7 – 10 years	20.30	6.10	9.00
Over 10 years	26.80	5.40	11.80

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +0.99 percent in Q1 2023 to end at a Net Asset Value of \$2.617 per share. The Fund underperformed its benchmark, the CFAL Local Prime Rate Index, by 0.07 percentage points for the quarter. At the end of the first quarter, the portfolio holdings by asset class included: cash and equivalents at 22.40 percent, fixed income holdings at 72.40 percent and perpetual preference shares at 5.30 percent. The Fund continues to attract a high level of subscriptions as net additions to the Fund over the quarter totaled \$7.885M. Cash and equivalent holdings comprised of cash at bank (4.20 percent), Government of the Bahamas Treasury Bills (15.30 percent) and term deposits (2.90 percent). The average yields on Treasury Bills and term deposits were 2.91 and 2.20 percent, respectively. Bahamas Government Bond issues accounted for 57.80 percent of the portfolio. Sector returns remained positive over the quarter. Fixed income holdings rose +1.01 percent while perpetual preference shares gained +1.75 percent. Cash and equivalent holdings returned +0.40 percent.

Bahamian economic activity remained strong, boosted by ongoing gains in the tourism sector which led to higher employment and better economic conditions. For 2022, tourist arrivals were reported as 7.00M, just below the pre-pandemic record breaking arrivals of 7.25M in 2019. The positive trend continued in 2023, with total arrivals of 846.6K in January, an increase of 166 percent over the same period in 2022. Preliminary data from the Ministry of Finance showed that for the first half of FY2022/23, the government collected \$1.258B in revenues, a gain of 11 percent over the prior year. Revenues were led by a 13.5 percent increase in tax receipts, including Value Added Tax, which was reported as \$598.8M. Total expenditures also rose to \$1.534B during the same period, an increase of 8.4 percent over the previous year, owing to increases in recurrent spending including personal emoluments and interest payments. The fiscal deficit narrowed slightly by 1.9 percent to \$276.0M. The National Debt (inclusive of contingent liabilities) ended 2022 at 11.426B or 90.0 percent of GDP. The Bahamian economy was estimated to have grown by 14.4 percent in real terms in 2022, however, the IMF expects growth to slow to 4.3 percent this year. The CFAL Bond Fund will continue to maintain a strategy of purchasing instruments with short to medium-term duration with the view of minimizing overall risk. The Fund will remain focused 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. For more information, email info@cfal.com.