



CFAL

BOND FUND LTD.

Q1 2025 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: \$553.594M

Net Asset Value/ Share: \$2.824

Currency: BSD

Fund Inception Date: Aug-31-03

Management Fee: 0.50%

Subscription/ Redemption Fee: 0.00%

Expense Ratio (2023): 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	4.18%
Weighted Avg. Maturity	8.32 years
Average Duration	5.31

RATE EXPOSURE (%)

Variable Rate	14.04
Fixed Rate	85.96

TOP 5 SECURITY HOLDINGS (%)

Nassau Cruise Port 6.00% Fixed Rate Bond due 06-30-40	7.23
Bahamas Grid 8.00% Senior Unsecured Bonds due 07-31-44	4.18
BGRS 3.31% due 10-31-25	3.91
Bahamas Govt. T-Bill due 04-17-25	3.20
Bahamas Govt. T-Bill due 08-12-25	3.15

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at March 31, 2025

	Cumulative		Annualized					
	QTR1	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+0.96	+0.96	+3.85	+3.88	+4.09	+4.04	+4.11	+4.92
Benchmark	+1.06	+1.06	+4.25	+4.25	+4.25	+4.25	+4.34	n/a
+/- Benchmark	-0.10	-0.10	-0.40	-0.37	-0.16	-0.21	-0.23	n/a

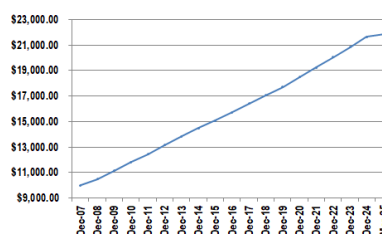
CALENDAR YEAR PERFORMANCE (%)

	YTD	2025	2024	2023	2022	2021	2020	2019	2018
Fund	+0.96	+3.85	+3.95	+3.87	+4.35	+4.55	+3.73	+3.97	
Benchmark	+1.06	+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	

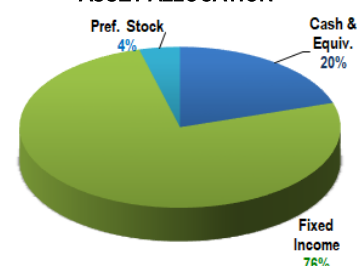
PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	32.60	1.90	0.30
1 – 3 years	7.20	4.00	2.00
3 – 5 years	10.50	4.80	3.70
5 – 7 years	6.40	4.60	6.00
7 – 10 years	32.60	5.80	9.20
Over 10 years	10.60	5.60	12.60

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +0.96 percent in the first quarter of 2025 and +3.85 percent year over year to end at a Net Asset Value of \$2.824 per share. The Fund underperformed its benchmark, the Local Prime Rate Index, by 0.10 percentage points for the quarter or 0.40 percentage points year over year. Cash allocation increased over the quarter as the Fund had net subscriptions of \$17.49M. At the end of the quarter, portfolio holdings included: cash and equivalents at 20.10 percent, fixed income holdings at 75.80 percent and perpetual preference shares at 4.10 percent. Cash and equivalent holdings comprised of Government of the Bahamas Treasury Bills (11.20 percent), cash at bank (6.50 percent), and term deposits (2.40 percent). The average yields on Treasury Bills and term deposits were 2.97 and 2.20 percent, respectively. The local fixed income market remains dominated by Bahamas Government bond offerings. The Central Bank conducted several securities offerings over the quarter, with benchmark rates ranging from 3.70% to 6.65%. At the end of Q1 2025, Bahamas Government Bond issues accounted for 54.70 percent of the portfolio. Sector returns were positive over the quarter. Fixed income holdings earned +0.94 percent while perpetual preference shares returned +1.71 percent. Cash and equivalent holdings gained +0.39 percent.

The Bahamian economy maintained its growth momentum, driven by a robust tourism sector and steady fiscal activity. As of December 2024, the total value of goods and services produced was estimated at \$14.826 billion in nominal prices, reflecting continued economic expansion. The IMF projects real GDP growth to slow slightly to 1.7% in 2025, down from 1.9% in 2024. The tourism sector continues to thrive, with total visitor arrivals reaching 2.05 million year to date as of February 2025, marking a 10.13% increase from the same period last year.

On the fiscal side, preliminary data for the first half of FY2024/25 indicates that the overall deficit widened by \$139.4 million to \$398.1 million, driven by increased expenditure which overshadowed revenue growth. Total revenues grew by 10.7% to \$1.441 billion, while total expenditure rose by 17.8% to \$1.839 billion. As of December 2024, the national debt stood at \$12.084 billion (81.5% of GDP) while the Direct Charge was \$11.75B (79.2% of GDP). Despite the growth, fiscal deficits and high national debt pose challenges, with the government needing to address these issues while fostering economic development. In this challenging economic environment, the CFAL Bond Fund will continue to purchase short to medium-term instruments to minimize risk. The Fund remains 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.



Contact CFAL today to discuss your financial goals
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