



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: \$618.571M

Net Asset Value/ Share: \$2.944

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	4.54%
Weighted Avg. Maturity	9.45 years
Average Duration	5.80

RATE EXPOSURE

	(%)
Variable Rate	12.46
Fixed Rate	87.54

TOP 5 SECURITY HOLDINGS (%)

Nassau Cruise Port 6.00% Fixed Rate Bond due 06-30-40	6.52
Island Power Producers 8.00% Bond due 11-30-45	5.68
Bahamas Gov't T-Bill due 06-22-26	4.69
EA Energy 8.00% Senior	4.49
Unsecured Bonds due 04-30-45	
Bahamas Gov't T-Bill due 08-11-26	3.90

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at March 31, 2026

	Cumulative		Annualized					Incept.
	QTR1	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	
Fund	+1.07	+1.07	+4.26	+4.01	+4.02	+4.09	+4.03	+4.89
Benchmark	+1.06	+1.06	+4.25	+4.25	+4.25	+4.25	+4.29	n/a
+/- Benchmark	+0.01	+0.01	+0.01	-0.24	-0.23	-0.16	-0.26	n/a

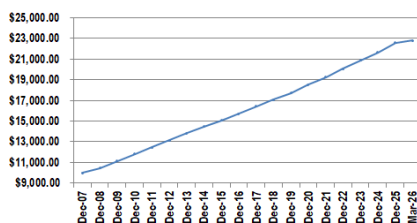
CALENDAR YEAR PERFORMANCE (%)

	YTD							
	2026	2025	2024	2023	2022	2021	2020	2019
Fund	+1.07	+4.15	+3.85	+3.95	+3.87	+4.35	+4.55	+3.73
Benchmark	+1.06	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25
+/- Benchmark	+0.01	-0.10	-0.40	-0.30	-0.38	+0.10	+0.30	-0.52

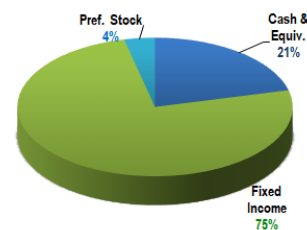
PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	23.00	0.70	0.40
1 – 3 years	10.60	4.20	2.10
3 – 5 years	8.00	4.80	4.30
5 – 7 years	9.80	5.20	5.80
7 – 10 years	40.50	6.40	8.80
Over 10 years	8.20	5.70	12.60

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +1.07% for the first quarter of 2026, bringing its Net Asset Value to \$2.944 per share. On a year-over-year basis, the Fund gained +4.26%. Performance was broadly in line with the Fund's benchmark, the Local Prime Rate Index, which the Fund marginally outperformed by 1 basis point for the quarter. Net subscriptions totalled \$11.9M over the period.

At quarter-end, the portfolio comprised 21.10% in cash and equivalents, 75.20% in fixed income holdings and 3.60% in perpetual preference shares. Cash and equivalent holdings included Government of the Bahamas Treasury Bills (15.00%), cash at bank (3.90%), and term deposits (2.20%). Average yields were 3.39% and 2.10% on Treasury bills and term deposits respectively. Bahamas Government Bond issues represented 46.50% of the overall portfolio. All sectors contributed positively to quarterly returns: fixed income holdings generated +1.12%, perpetual preference shares yielded +1.75%, and cash and equivalents earned +0.53%.

The Bahamian economy maintained moderate growth momentum in Q1 2026, underpinned by continued strength in tourism activity, even as geopolitical tensions and global trade uncertainty persisted. Through the first two months of 2026, The Bahamas welcomed approximately 2.05 million visitors, reflecting year-over-year growth of 18.4%. This expansion was driven predominantly by sea arrivals, which increased 20.6% year-over-year, while air arrivals posted more modest growth of 4.7% over the same period. On the fiscal front, the government's deficit narrowed by 6.9% in the first half of FY2025/26 relative to the prior-year period, coming in at \$342.4 million. Total revenues grew 4.6% to \$1.507 billion, supported largely by higher Value Added Tax collections, while expenditures rose 2.2% to \$1.85 billion, reflecting increased employee compensation, subsidies, and other current payments. Debt levels, however, remain elevated. The Direct Charge on the government stood at \$12.41 billion as of end-December 2025, up 5.4% year-over-year, representing 75.1% of GDP. Inclusive of contingent liabilities, National Debt rose 5.1% year-over-year to \$12.73 billion, or 77.1% of GDP. The near-term outlook remains cautious. The IMF projects real GDP growth of 2.2% for 2026, moderating to 1.9% in 2027, with a potential global slowdown representing a key downside risk to domestic growth. Against this backdrop, the CFAL Bond Fund will maintain a disciplined approach, focusing on acquiring short to medium-term instruments to preserve capital and deliver 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.