



CFAL

BOND FUND LTD.

Q2 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: \$576.790M

Net Asset Value/ Share: \$2.852

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	8.79 years
Average Duration	5.44

RATE EXPOSURE (%)

Variable Rate	13.24
Fixed Rate	86.76

TOP 5 SECURITY HOLDINGS (%)

Nassau Cruise Port 6.00% Fixed Rate Bond due 06-30-40	6.97
EA Energy 8.00% Senior Unsecured Bonds due 04-30-45	4.60
Bahamas Grid 8.00% Senior Unsecured Bonds due 07-31-44	4.15
BGRS 3.31% due 10-31-25	3.78
Island Power Producers Ltd. Bridge Bonds 5.50% due 12-31-25	3.45

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at June 30, 2025

	Cumulative		Annualized					
	QTR2	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+1.00	+1.97	+3.92	+3.90	+4.08	+4.05	+4.10	+4.91
Benchmark	+1.06	+2.12	+4.25	+4.25	+4.25	+4.25	+4.32	n/a
+/- Benchmark	-0.06	-0.15	-0.33	-0.35	-0.17	-0.20	-0.22	n/a

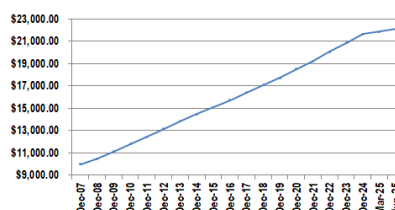
CALENDAR YEAR PERFORMANCE (%)

	YTD							
	2025	2024	2023	2022	2021	2020	2019	2018
Fund	+1.97	+3.85	+3.95	+3.87	+4.35	+4.55	+3.73	+3.97
Benchmark	+2.12	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25
+/- Benchmark	-0.15	-0.40	-0.30	-0.38	+0.10	+0.30	-0.52	-0.28

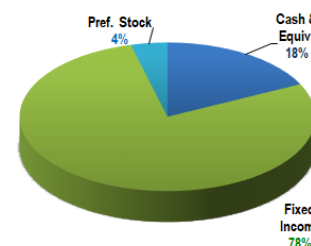
PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	30.10	1.90	0.30
1 – 3 years	8.60	4.00	2.00
3 – 5 years	8.30	4.90	3.70
5 – 7 years	7.50	4.70	5.90
7 – 10 years	36.40	6.10	9.00
Over 10 years	9.10	5.70	12.80

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +1.00 percent in the second quarter of 2025 to end at a Net Asset Value of \$2.852 per share. The Fund ended the first half of the year up +1.97 percent. The Fund underperformed its benchmark, the Local Prime Rate Index, by 0.06 percentage points for the quarter or 0.15 percentage points year to date. Cash allocation increased over the quarter as the Fund had net subscriptions of \$7.93M. At the end of the quarter, portfolio holdings included: cash and equivalents at 17.80 percent, fixed income holdings at 78.30 percent and perpetual preference shares at 4.00 percent. Cash and equivalent holdings comprised of Government of the Bahamas Treasury Bills (12.70 percent), cash at bank (2.70 percent), and term deposits (2.30 percent). The average yields on Treasury Bills and term deposits were 3.11 and 2.20 percent, respectively. The local fixed income market remains dominated by Bahamas Government bond offerings. The Central Bank conducted three bond re-openings over the quarter, with benchmark rates ranging from 4.09% for three years to 6.59% for 30 years. At the end of Q2 2025, Bahamas Government Bond issues accounted for 49.60 percent of the portfolio. Sector returns were positive over the quarter. Fixed income holdings earned +1.31 percent while perpetual preference shares returned +0.94 percent. Cash and equivalent holdings gained +0.38 percent.

The Bahamian economy continued to expand, though at a moderated pace compared to the prior year. Economic activity was supported by sustained growth in the tourism sector, primarily from the cruise industry, and steady foreign direct investment, which boosted construction. Preliminary data as of May 2025 indicated total visitor arrivals reached 5.327 million year to date, a 10.7% increase from the previous year. On the fiscal front, data for the first nine months of FY2024/25 showed total revenue rose by 12.2% to \$2.46 billion, driven by higher tax collections. Total expenditure increased by 9.6% to \$2.64 billion, reflecting greater outlays on goods, services, and capital projects. Consequently, the overall deficit narrowed to \$178.9 million, down from \$214.4 million in the previous year. Debt levels remains elevated, as of March 2025, the national debt (inclusive of contingent liabilities) stood at \$12.039 billion or 78.4% of GDP, while the Direct Charge on the Government was \$11.709 billion or 74.0% of GDP. Despite global uncertainties, the IMF raised its 2025 growth forecast for The Bahamas to 1.8%, underscoring the resilience of the tourism-led recovery, though fiscal vulnerabilities remain.

For the remainder of the year, the CFAL Bond Fund will closely monitor the country's fiscal performance. The Fund will maintain a prudent approach, prioritizing the acquisition of short to medium-term instruments to effectively manage 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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