



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: \$523.982M

Net Asset Value/ Share: \$2.770

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	4.26%
Weighted Avg. Maturity	8.94 years
Average Duration	5.67

RATE EXPOSURE

	(%)
Variable Rate	14.40
Fixed Rate	85.60

TOP 5 SECURITY HOLDINGS (%)

Nassau Cruise Port 6.00% Fixed Rate Bond due 06-30-40	7.77
Bahamas Grid 8.00% Senior Unsecured Bonds due 07-31-44	4.33
BGRS 3.20% due 10-31-24	3.28
Bahamas Govt. T-Bill due 02-11-25	3.18
BGRS 4.09% due 10-16-28	2.98

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at September 30, 2024

	Cumulative		Annualized					
	QTR3	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+0.91	+2.83	+3.88	+3.91	+4.10	+4.06	+4.12	+4.95
Benchmark	+1.04	+3.19	+4.25	+4.25	+4.25	+4.25	+4.36	n/a
+/- Benchmark	-0.13	-0.36	-0.37	-0.34	-0.15	-0.19	-0.24	n/a

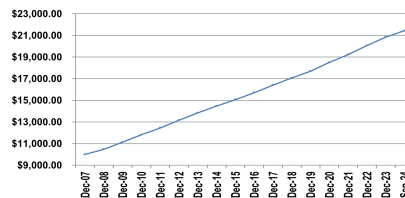
CALENDAR YEAR PERFORMANCE (%)

	YTD	2024	2023	2022	2021	2020	2019	2018	2017
Fund	+2.83	+3.95	+3.87	+4.35	+4.55	+3.73	+3.97	+4.46	
Benchmark	+3.19	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	
+/- Benchmark	-0.36	-0.30	-0.38	+0.10	+0.30	-0.52	-0.28	+0.21	

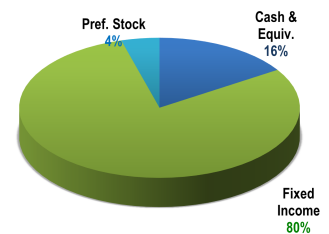
PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	29.30	1.80	0.30
1 – 3 years	9.00	4.00	2.10
3 – 5 years	9.40	4.80	3.80
5 – 7 years	6.60	4.80	6.00
7 – 10 years	29.70	5.80	9.20
Over 10 years	15.90	5.50	11.90

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +0.91 percent in the third quarter to end at a Net Asset Value of \$2.77 per share. The Fund underperformed its benchmark, the Local Prime Rate Index, by 0.13 percentage points for the quarter. Over the quarter, the Fund saw a decline in cash and equivalents allocation in favor of an increase in fixed income. At the end of the quarter, portfolio holdings included: cash and equivalents at 15.90 percent, fixed income holdings at 79.70 percent and perpetual preference shares at 4.40 percent. Cash and equivalent holdings comprised of Government of the Bahamas Treasury Bills (10.70 percent), cash at bank (2.80 percent), and term deposits (2.40 percent). The average yields on Treasury Bills and term deposits were 2.95 and 2.20 percent, respectively. The local fixed income market remains dominated by Bahamas Government bond offerings however, during the quarter the Fund participated in a corporate bond offering of a local company. At the end of Q3 2024, Bahamas Government Bond issues accounted for 57.10 percent of the portfolio. Sector returns were positive over the quarter. Fixed income holdings earned +0.98 percent while perpetual preference shares returned +1.70 percent. Cash and equivalent holdings gained +0.38 percent.

During the quarter, S&P affirmed the Bahamas' B+ rating with a stable outlook, citing a stable economy and fiscal consolidation. The IMF projects real GDP growth for 2024 of 2.3% while S&P projects growth of 1.8%. Tourist arrivals continue to boost the local economy, with visitor arrivals totaling 6.8M as of July 2024, a 15.3% increase from the previous year. Preliminary data for FY2023/24 indicates that the overall deficit declined by \$348M (or -65.1%) to \$186.6M compared to the same period of FY2022/23. Over the period, total revenues increased by \$220.1M or 7.7% to \$3.075B. Meanwhile, total expenditure decreased by \$127.8M (or 3.8%) to \$3.262B. As of June 2024, the Direct Charge saw an increase of \$201.2M (or 1.75%) to \$11.31B from the previous quarter and the National Debt, inclusive of contingent liabilities, grew \$196.1M (or 1.66%) to \$11.65B. The Direct Charge to GDP was estimated at 77.6% while National Debt to GDP was estimated at 79.9%. Meanwhile, inflation levels continued to subside, the Consumer Price Index declined by 0.5% in July from the same period last year. While the Bahamas is expected to continue its moderate growth trend for the remainder of the year, high debt servicing costs remain a detractor to growth. Amidst this environment of slowing economic growth, 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.