



## 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:** \$422.896M

**Net Asset Value/ Share:** \$2.591

**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	4.07%
Weighted Avg. Maturity	9.69 years
Average Duration	6.02

## 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	6.45
Bahamas Govt. T-Bill due 03-29-23	5.82
BGRS 3.13% due 10-31-23	4.03
Bahamas Govt. T-Bill due 02-14-23	3.50
Bahamas Govt. T-Bill due 04-20-23	3.48

\*BGRS: Bahamas Government Registered Stock

## PERFORMANCE SUMMARY (%)

As at December 31, 2022

	Cumulative		Annualized					Incept.
	QTR4	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	
Fund	+0.98	+3.87	+3.87	+4.25	+4.09	+4.17	+4.31	+5.04
Benchmark	+1.06	+4.25	+4.25	+4.25	+4.25	+4.32	+4.53	n/a
+/- Benchmark	-0.08	-0.38	-0.38	0.00	-0.16	-0.15	-0.22	n/a

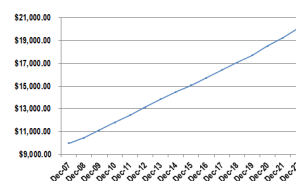
## CALENDAR YEAR PERFORMANCE (%)

	2022	2021	2020	2019	2018	2017	2016	2015
Fund	+3.87	+4.35	+4.55	+3.73	+3.97	+4.46	+4.30	+4.07
Benchmark	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.75	+4.75
+/- Benchmark	-0.38	+0.10	+0.30	-0.52	-0.28	+0.21	-0.45	-0.68

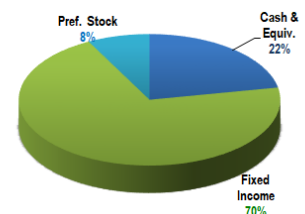
## PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	30.70	1.20	0.40
1 – 3 years	10.30	3.70	2.00
3 – 5 years	4.70	4.50	4.20
5 – 7 years	6.30	6.00	6.20
7 – 10 years	19.70	6.10	9.10
Over 10 years	28.20	5.40	11.90

## GROWTH OF \$10,000



## ASSET ALLOCATION



## PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +0.98 percent in Q4 2022 to end at a Net Asset Value of \$2.591 per share. Annual return on the Fund was +3.87 percent. The Fund underperformed its benchmark, the CFAL Local Prime Rate Index, by 0.08 percentage points for the quarter or 0.38 percentage points for the year. At the end of the fourth quarter, the portfolio holdings by asset class included: cash and equivalents at 22.00 percent, fixed income holdings at 70.20 percent and perpetual preference shares at 7.70 percent. Cash and equivalent holdings comprised of cash at bank (3.40 percent), Government of the Bahamas Treasury Bills (15.90 percent) and term deposits (2.80 percent). The average yields on Treasury Bills and term deposits were 2.88 and 2.30 percent, respectively. Bahamas Government Bond issues accounted for 57.50 percent of the portfolio. Sector returns remained positive over the quarter. Fixed income holdings rose +1.21 percent while perpetual preference shares gained +1.19 percent. Cash and equivalent holdings returned +0.50 percent.

Tourist activity continues to boost the local economy as pent-up demand for travel led to rebounds in air and sea arrivals year over year. Data from the Ministry of Tourism showed that year to date as at October 2022, tourist arrivals grew to 5.3M compared to 1.2M in the same period of 2021, representing a surge of nearly 342 percent. The increase in tourist arrivals had a positive effect on the country's finances for the first quarter of FY2022/23 as the fiscal deficit narrowed to \$20.6M compared to \$136.4M in the same period of FY2021/22. Debt levels remain elevated however, as the National Debt (inclusive of contingent liabilities) stood at \$11.167B or 89.3 percent of GDP at the end of September 2022. Inflation continues to persist as the Consumer Price Index rose 6.5 percent at the end of September from a year earlier. While the country experienced strong growth for 2022, the outlook for 2023 is uncertain as several global challenges remain: record high inflation, slowing global growth and the lingering COVID-19 pandemic. 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](mailto:info@cfal.com).*