



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: \$477.256M

Net Asset Value/ Share: \$2.693

Currency: BSD

Fund Inception Date: Aug-31-03

Management Fee: 0.50%

Subscription/ Redemption Fee: 0.00%

Expense Ratio (2022): 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	3.95%
Weighted Avg. Maturity	8.64 years
Average Duration	5.67

RATE EXPOSURE

	(%)
Variable Rate	18.07
Fixed Rate	81.93

TOP 5 SECURITY HOLDINGS (%)

Nassau Cruise Port 6.00% Fixed Rate Bond due 06-30-40	6.76
Bahamas Govt. T-Bill due 03-27-24	4.37
Bahamas Govt. T-Bill due 02-13-24	3.55
BGRS 3.20% due 10-31-24	3.50
BGRS 4.09% due 10-16-28	3.19

*BGRS: Bahamas Government Registered Stock

PERFORMANCE SUMMARY (%)

As at December 31, 2023

	Cumulative		Annualized					
	QTR4	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Incept.
Fund	+1.02	+3.95	+3.95	+4.06	+4.09	+4.12	+4.18	+4.99
Benchmark	+1.03	+4.25	+4.25	+4.25	+4.25	+4.25	+4.40	n/a
+/- Benchmark	-0.01	-0.30	-0.30	-0.19	-0.16	-0.13	-0.22	n/a

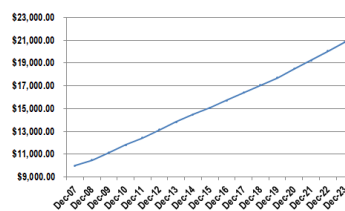
CALENDAR YEAR PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016
Fund	+3.95	+3.87	+4.35	+4.55	+3.73	+3.97	+4.46	+4.30
Benchmark	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.25	+4.75
+/- Benchmark	-0.30	-0.38	+0.10	+0.30	-0.52	-0.28	+0.21	-0.45

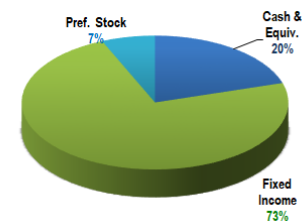
PORTFOLIO DURATION ALLOCATION

Duration	% of Bond Holdings	YTM	Avg. Duration
Under 1 year	28.80	1.40	0.30
1 – 3 years	10.10	3.70	1.80
3 – 5 years	11.20	4.20	4.00
5 – 7 years	6.50	5.60	5.90
7 – 10 years	14.70	5.00	8.80
Over 10 years	28.70	5.60	11.40

GROWTH OF \$10,000



ASSET ALLOCATION



PERFORMANCE REVIEW:

The CFAL Bond Fund, Ltd. returned +1.02 percent in Q4 2023 to end at a Net Asset Value of \$2.693 per share. The annual return on the fund was +3.95 percent. The Fund underperformed its benchmark, the Local Prime Rate Index, by 0.01 percentage points for the quarter or 0.30 percentage points for the year. At the end of the fourth quarter, the portfolio holdings by asset class included: cash and equivalents at 20.30 percent, fixed income holdings at 73.20 percent and perpetual preference shares at 6.50 percent. Cash and equivalent holdings comprised of cash at bank (4.10 percent), Government of the Bahamas Treasury Bills (13.60 percent) and term deposits (2.60 percent). The average yields on Treasury Bills and term deposits were 2.91 and 2.20 percent, respectively. Investment opportunities remain limited to Bahamas Government Registered Stock. Over the quarter, the Fund reduced excess cash by participating in several BGRS issues. At the end of the quarter, Bahamas Government Bond issues accounted for 60.00 percent of the portfolio. Sector returns remained positive over the quarter. Fixed income holdings rose +1.21 percent while perpetual preference shares gained +1.63 percent. Cash and equivalent holdings returned +0.52 percent.

The Bahamas National Statistical Institute reported that year over year, the Bahamian economy grew by 8.6% in the first half of 2023. The IMF projects that real GDP will expand by 4.3% in 2023 and 1.8% in 2024. Ongoing gains in the tourism sector continued to support the economy, for the first nine months of the year tourist arrivals stood at 7.21M, a 50.4% increase from the same period in 2022. Notably, this figure was just under the pre-pandemic record of 7.25M for the full year 2019. Preliminary data for FY2022/23 indicates that the overall deficit declined by \$183.9M (or 25.6%) to \$533.5M compared to FY2021/22. Total revenues stood at \$2.86B, representing an increase of 9.4% or \$246.4M from the previous year. Meanwhile, total expenditure grew by \$62.5M (or 1.9%), to end the fiscal year at \$3.39B. Debt levels remained elevated, at the end of September 2023, the national debt stood at \$11.57B, increasing \$404.2M or 3.62% from the same period in 2022. This comprised of Direct Charge of \$11.21B, which grew by \$427.8M (or 4.06%) and Contingent Liabilities of \$358.4M which decreased \$33.6M (or 8.6%). The National Debt to GDP stood at 80.1% compared to 89.1% in September 2022 while the Direct Charge to GDP stood at 80.4% compared to 85.9% in the previous year. While the Bahamian economy continues to improve, it is expected that growth will slow in tandem with the global economy. 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.