



CORAL GROWTH FUND

2022 Fund Managers Report

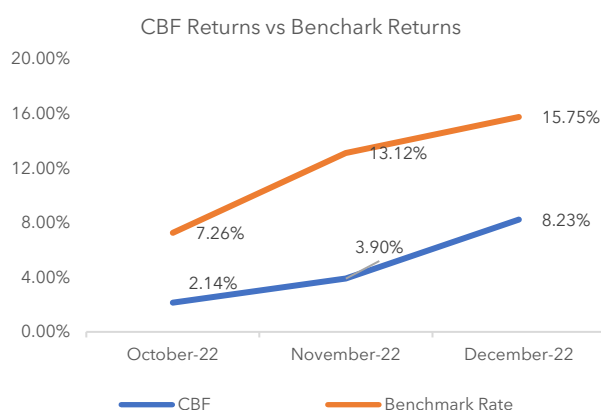
BACKGROUND INFORMATION

The Coral Balanced Fund "CBF", established in February 2001, is an actively managed open-ended unit trust scheme that invests a minimum of 40% and a maximum of 60% of its assets in equity securities quoted on the Nigerian Stock Exchange "NSE", and a minimum of 40% in investment grade fixed income investments.

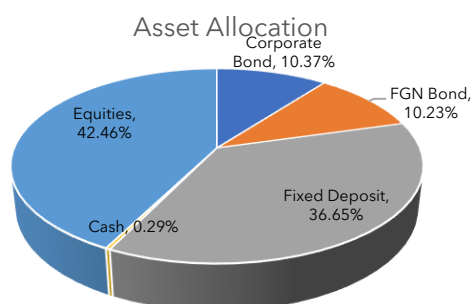
INVESTMENT OBJECTIVE

The objective of the Fund is to enable investors achieve capital growth over the long term. In particular, the CBF is designed to enable investors satisfy a broad range of financial needs as it can be used as a private pension/retirement plan, investments plan, or children's educational plan.

Fund Performance vs NGX ASI



ASSET ALLOCATION (% OF TOTAL ASSETS)



UPDATE ON THE CBF

You can now monitor your investment online by viewing your statement on our website www.fsdhaml.com.

REVIEW OF THE FUND

Inception date:	February 2001
Net Asset Value:	N 2.2 billion
Opening price:	N 3,894.84
Closing price:	N 4,232.63
Management Fee:	1%
Expense Ratio:	
Investment Managers Rating:	BBB+ Long Term / A2 Short Term (GCR)
Current Asset Allocation:	42.46% in Equities, 20.60% in Fixed income Instruments, Fixed deposit 36.65%, and Call placement 0.29%
Benchmark:	50% NGX ASI and 12M Nigerian Inter-Bank Treasury Bill's True Yield
Risk Profile:	Medium
Fund Custodian:	Stanbic IBTC bank
Fund Trustee:	United Capital Trustees
Auditors:	KPMG Towers
Registrars:	United Securities Limited

Fund Manager's Comment

The CBF's return for 2022 was 8.21% compared to 3.01% achieved in 2021. The Fund achieved 59.14% of the benchmark returns (13.88%). The Balanced fund return was largely impacted by volatile global macroeconomic, geo-politics and hike in interest rates by Global Central Banks. The fund returns which went above 30%pa in the first quarter of 2022 saw the dilapidating effect of Russia-Ukraine war drag the return to as low as 2%pa in the year. Strategic repositioning of the portfolio in Q4 by entering stocks that were perceived underpriced helped support a slight rebound of the performance of the overall fund.

Strategy

Given our expectation of commencement in the moderation of interest rate hikes and general level of market interest rate due to foreseen liquidity events in the market, our strategy for Q1 2023 is to go long in the money market segment of the portfolio (which we started in Q4 2022) so as to lock in high interest rate while we select stocks that we expect to turn out impressive full year result for 2022 as we generally expect performance of the stocks to be catalyzed by the results. Going beyond the first quarter, we expect election results and the swearing of a pro-market president (The three major candidates are seen as pro-market) would be stimulative for the economy. We expect a steady removal of the petroleum subsidy which should improve fiscal balance and stimulate the economy. A combined effect of this, with the expectation of a slight hike in interest rate towards the end of Q2 would spell positive for both our equity segment of the portfolio as the economic picks as well as the money market portion of our portfolio.

Increasing your investment in the Coral Balanced Fund just got easier!

- From the comfort of your space, you can increase your investment in the CBF with as little as N5,000 through any of the following:
- Automatic transfer sums from any Nigerian bank to the funds Custodian by issuing a direct debit instruction. You simply fill and execute the form while we will process on your behalf.
- Transfer the investment sum to the funds' custodian
- Issue a cheque/ bank draft in favour of "FSDH Coral Growth Fund/UCAT"

You can also reach out to us via email at coralfunds@fsdhgroup.com. Follow us on twitter and Instagram via @Fsdhcoralfunds and like our Facebook page; FSDH Coral Funds www.facebook.com/coralfunds