



CORAL BALANCED FUND

Q2 2023 Fund Managers Report

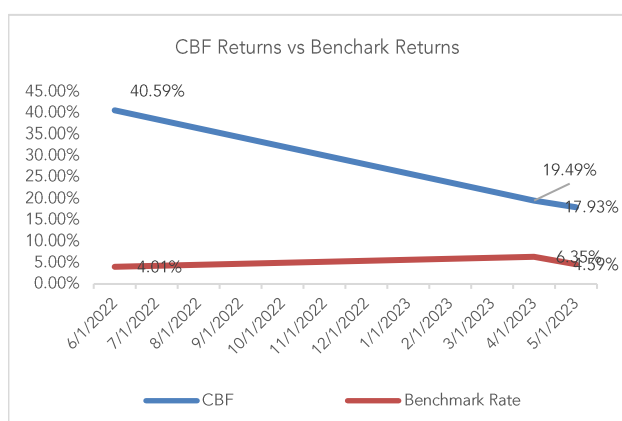
BACKGROUND INFORMATION

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



REVIEW OF THE FUND

Inception date:	February 2001
Net Asset Value:	N 2.75 billion
Opening price:	N 4,416.95
Closing price:	N 5,007.79
Management Fee:	1%
Expense Ratio:	
Investment Managers Rating:	BBB Long Term / A3 Short Term (GCR)
Current Asset Allocation:	41.21% in Equities, 15.29% in Fixed income Instruments, Fixed deposit 29.88%, and Call placement 13.61%
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 Q2 2023 increased 40.59% compared to 19.93% achieved in Q1 2023; outperforming the benchmark returns which stood at 13.63% at the end of Q2 2023. The Balanced fund positive performance was largely stimulated by the bullish momentum in the equity market as listed corporates on NGX released positive Q1 2023 unaudited financial results. Also, the fund return was better than what was recorded in Q1; despite electioneering uncertainty, depreciation of the Naira, and the hike in Monetary Policy Rate (MPR) witnessed in the review period.

Strategy

At the beginning of Q1, we rode on the back of expected appreciation of some share prices to invest in some stocks. We started selling down on some of these stocks towards the end of Q1. Our strategy in Q2, based on expected convergence of the exchange rate towards the end of Q2 which we believe will attract FPIs into the equity space and as such we intend to lock into equities at about the mid of Q2. We also expect to lock into bonds when we perceive yields to have gotten to a point of inflection as inflation continues to rise. Our overall strategy will also be to continue top cherry-pick stocks with sound fundamentals such as strong dividend yields and low-key ratios.

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

ASSET ALLOCATION (% OF TOTAL ASSETS)

