



CORAL BALANCED FUND

Q1 2024 Fund Managers Report

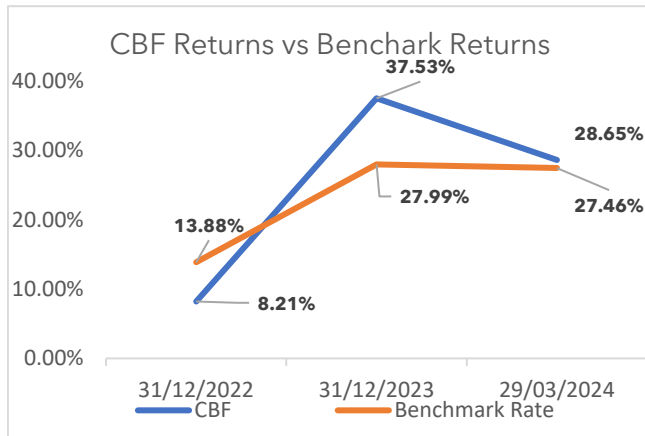
BACKGROUND INFORMATION

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.

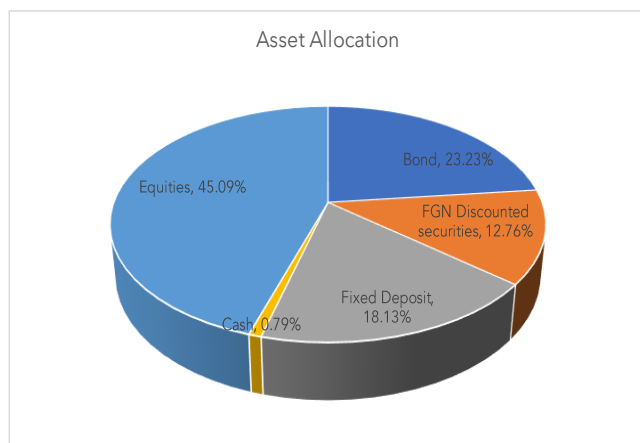
INVESTMENT OBJECTIVE

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.fsdham.com.

REVIEW OF THE FUND

Inception date:	February 2001
Net Asset Value:	N 3.37 billion
Opening price:	N 5,007.79
Closing price:	N 5,831.71
Management Fee:	1%
Expense Ratio:	
Investment Managers Rating	BBB Long Term / A3 Short Term (GCR)

Current Asset Allocation: 45.09% in Equities, 23.23% in Bonds, 12.76% FGN Discounted Securities, Fixed deposit 18.13%, and Call placement 0.79%

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 Q1 2024 stood at 28.64% above the benchmark of 27.46%. We saw bond yields on the mid to long end tenors marginally increase as government continues to battle with the pressure on the Naira against foreign currency. So, we locked-in high rate in that space. We were also active in the T-Bills space, especially purchases from the primary market as the Central Bank of Nigeria hiked stop rates. In the equities space, we rode on the bullish momentum amid releases of financial results and declaration of dividend to sell some of the over-valued shares in our position.

Strategy

Given our expectation of a quiet market in Q2 2024, we intend to commence bargain hunting for stocks with strong fundamental in Q2 2024 – we will be very cautious as fixed-income rates is still expected to be high; later in H2-2024 we will aggressively position in the equity space as monetary authority is expected to have set to go expansionary. We will be very selective by limiting our picks to fundamentally sound stocks.

We will continue to follow closely likely new public offerings amid fresh mandate to banks to recapitalize – to position in few banks. We intend to remain highly opportunistic in the equity market as we expect performance of non-bank stock to improve this year having booked heavy exceptional FX losses in 2023.

We will continue to be active in the treasury bills space (particularly at the primary market) for trading purpose. Also, in the bond space, we would be looking more at locking-in yields at the mid-end of the curve as we expect rate, on the belly of the yield curve, to be relatively high in Q2 2024.

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