

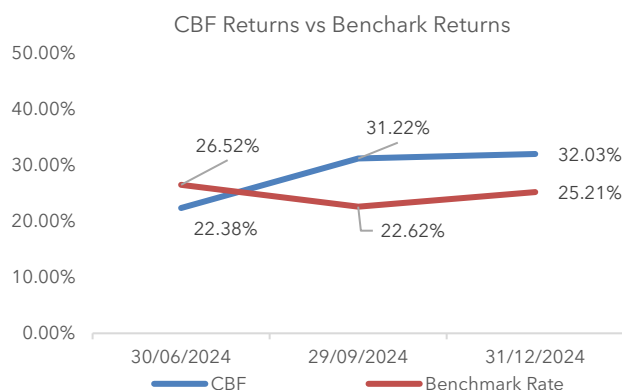
BACKGROUND INFORMATION

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.

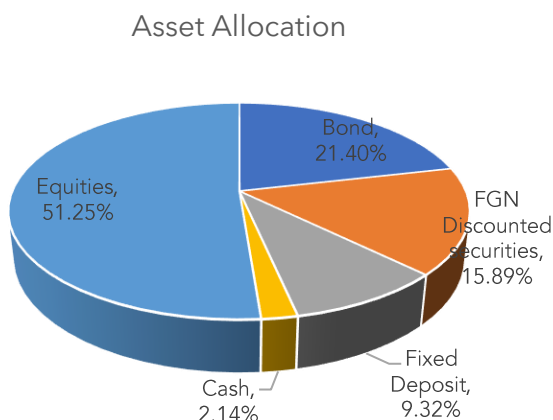
INVESTMENT OBJECTIVE

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 3.21 billion
Opening price:	N 7,112.51
Closing price:	N 7,189.08
Management Fee:	1%
Expense Ratio:	
Investment Managers Rating	BBB Long Term / A3 Short Term (GCR)
Current Asset Allocation:	51.25% in Equities, 21.40% in Bonds, 15.89% FGN Discounted Securities, Fixed deposit 9.32%, and Call placement 2.14%
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 Q4 2024 stood at 32.03% higher than 31.22% in Q3 2024. On the macro front, inflation rate was relatively high at 34.80% as at December 2024. Against this backdrop, we saw relatively high interest rate in the year as the Monetary Authority tried to rein in inflation and stabilize exchange rate. Nevertheless, equity market performance was positive at 37.65% in 2024. Hence, we purchased more shares with strong fundamental in the year amid positive financial results released on quarterly basis. Our focus was more on companies that announced payment of interim dividend and improved financial ratios. The increase in our exposure to equities boosted return on the fund in 2024. On the side of fixed-income asset, we increased our exposure to FGN Discounted Securities, particularly on the long end of the curve, to further lock-in high interest rate.

Expectation & Strategy

We expect monetary policy committee to have gotten to the peak of hawkish stance in Q1 2025 as pressure on the exchange rate and inflation rates cool amid rebasing of the Gross Domestic Products and Consumer Price Index. Hence, we expect gradual reduction of the interest rate across the yield curve. Nonetheless, the downside risks to lower interest rate include disruption to global disinflation and Trump's economic policies. On the back of lower interest rate, we expect the equity market to be slightly bullish in 2025; thus, our strategy would be to acquire more shares in Q1 2025. The ongoing recapitalization is positive for the banks in the medium to long term as they increase capacity to take on more business. We expect better performance in the real sector companies, particularly those in the industrial and oil and gas sectors.

On the fixed-income side, we will be very careful with CPs in the first half of 2025; however, we would consider only high-quality mid-tenor CPs in H2 2025 – when interest rate environment is expected to be less risky for corporates.

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.