

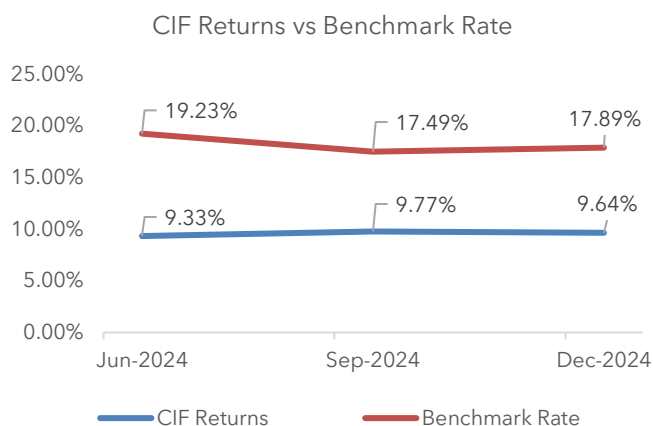
## BACKGROUND INFORMATION

The Coral Income Fund ("CIF") was established in May 2006 as an open-ended income based collective investment scheme. The Fund invests a minimum of 70% and a maximum of 100% of its assets in investment grade fixed income investments.

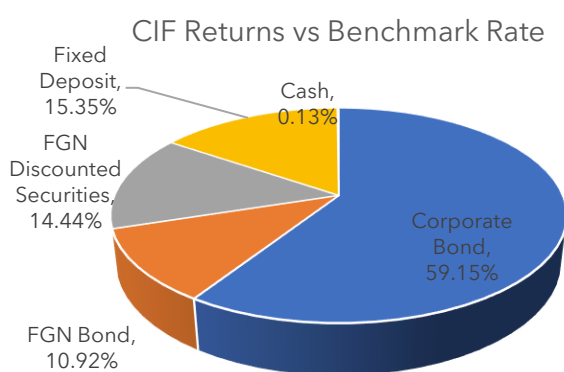
## INVESTMENT OBJECTIVE

The objective of the CIF is to enable investors to earn income, while preserving their capital over the medium term. In particular, the CIF is designed to enable investors to satisfy a broad variety of financial needs as it can be used as a private investment plan towards children's educational, housing plan, retirement plan etc.

## Fund Performance vs. Benchmark



## ASSET ALLOCATION (% OF TOTAL ASSETS)



## UPDATE ON THE CIF

You can now monitor your investment online by viewing your statement on our website [www.fsdhaml.com](http://www.fsdhaml.com).

## REVIEW OF THE FUND

Inception date:	May 2006
Net Asset Value:	N1.99bn
Base Currency	Naira
Management Fee	1.50%
Minimum Investment	N5,000.00
Opening Price	4,293.23
Closing Price	4,291.14

Investment Managers Rating: BBB Long Term / A3 Short Term (GCR)

Current Asset Allocation: 70.07% in Bond%, 15.35% in Fixed deposit, 14.44% in FGN discounted securities and Cash 0.13%

Benchmark: (70% of 3Y Federal Government of Nigeria Bond Yield and 30% of 12M Nigerian Inter-bank Treasury Bill's True Yield)

Risk Profile:	Medium
Fund Custodian:	Stanbic IBTC
Fund Trustee:	UTL Trust Management Service
Auditors:	KPMG Towers

## Fund Manager's Comment

The CIF's return for Q4 2024 was 9.64% from 9.77% performance level 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. In the review year, the focus was more on FGN discounted securities amid sustained hawkish stance by CBN. The increased allocation to the asset type boosted the return. Meanwhile, the bond market yield rose slightly to a comfortable entry point as the possibility of further increase in policy rate wanes.

## 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. Thus, we plan to quickly key into long-tenured T-bills securities and some short to mid-tenured bonds to lock in rate and for possible capital gains as we trade away those bonds.

On the fixed-income side, we would be very cautious purchasing 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 Income Fund just got easier!

- From the comfort of your space, you can increase your investment in the CIF 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; we will process it on your behalf.
- Transfer the investment sum to the funds' custodian.
- Issue a cheque/ bank draft in favor of "Coral Income Fund."

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