

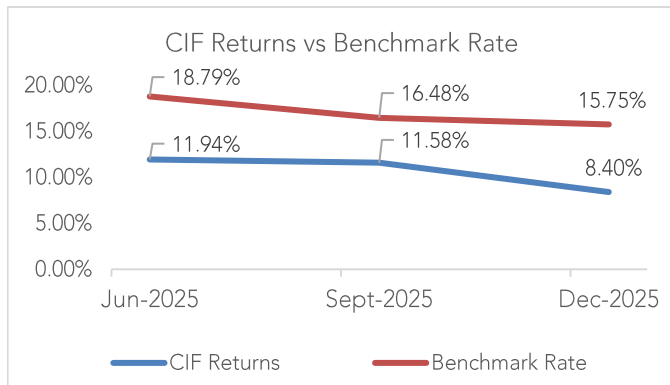
BACKGROUND INFORMATION

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.

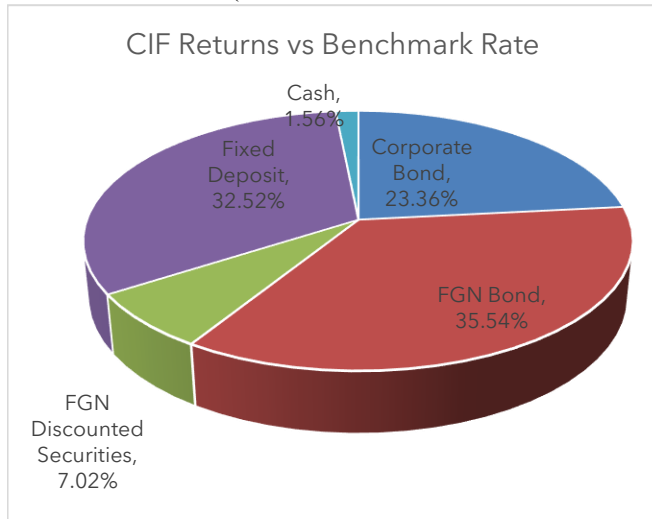
INVESTMENT OBJECTIVE

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.

REVIEW OF THE FUND

Inception date:	May 2006
Net Asset Value:	N2.02bn
Base Currency	Naira
Management Fee	1.50%
Minimum Investment	N5,000.00
Opening Price	4,765.33
Closing Price	4,751.05

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

Current Asset Allocation: 58.90% in Bond%, 32.52% in Fixed deposit, 7.02% in FGN discounted securities and Cash 1.56%

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
Registrars:	Coronation Registrars Limited

Fund Manager’s Comment

The CIF’s return for Q4 2025 was 8.40%. In the review period, bond yields for the short to mid-end tenors decreased amid stable macro-economic environment. To hedge against the lower rate, we took position in long tenor T-bills to lock-in high rate (particularly at the point of inflection). Also, we took position in the bond space, taking advantage of the high rate. The macro-economic variables appeared stable across all fronts. Foreign exchange rate was stable as external reserves continue to increase. We observed high system liquidity which also suppressed yields on securities.

Expectation & Strategy

In 2026 we expect bond yields for the short to mid-end tenors to decrease marginally amid expectation of lower inflation figures and further cut in Policy Rate; hence, our strategy would be to go a little long on the asset-side to lock-in high rate (particularly at the point of inflection) in that space.

Also, we expect to cautiously trade our position in short to medium bonds to annex capital gains when rate further moderates. We will also consider only high-quality mid-tenor CPs as interest rate environment becomes less risky for corporates. We would trade actively on T-bills to boost returns too.

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. Follow us on twitter and Instagram via @Fsdhcoralfunds and like our Facebook page; FSDH Coral Funds www.facebook.com/coralfunds.