

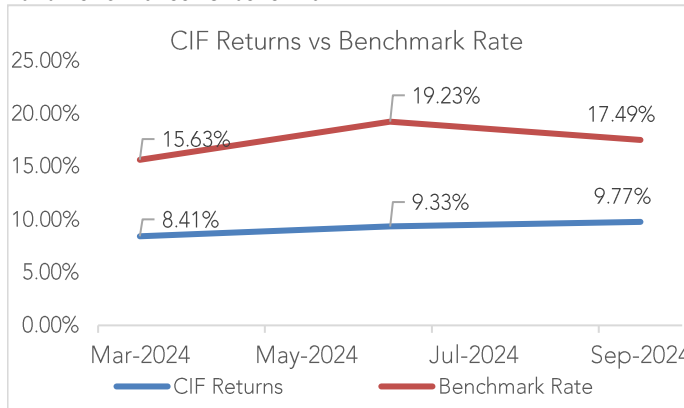
BACKGROUND INFORMATION

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.

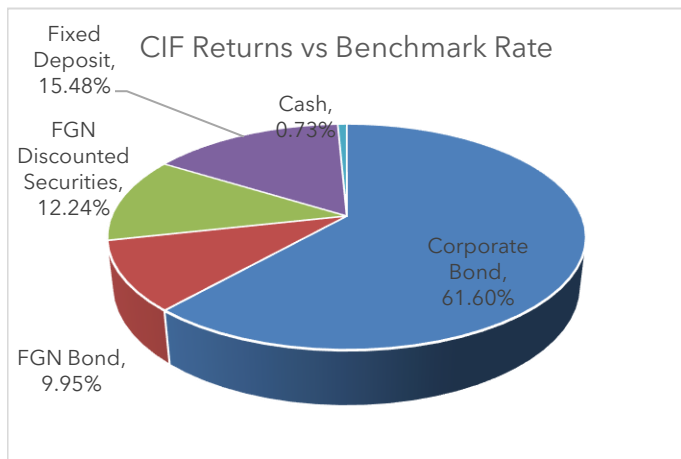
INVESTMENT OBJECTIVE

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:	N2.15bn
Base Currency	Naira
Management Fee	1.50%
Minimum Investment	N5,000.00
Opening Price	4,188.23
Closing Price	4,290.09

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

Current Asset Allocation: 71.55% in Bond%, 15.48% in Fixed deposit, 12.24% in FGN discounted securities and Cash 0.73%

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 Q3 2024 rose to 9.77% from 9.33% in Q2 2024. In Q3 2024, bond yields for the short to mid-end tenors remained relatively high amid sustained hawkish stance by CBN, hence, we locked-in high rate in that space. We also positioned more in T-bills in our chase for capital gains to further boost the return than CPs and FGN Bonds in the bid to manage the liquidity challenge of the Fund. Inflation rate was relatively high at above 30% - as at August 2024, inflation rate was 32.15%. We saw relatively high interest rate in the quarter as the Monetary Authority tried to rein in inflation and stabilize exchange rate.

Strategy

In Q4 2024 we expect bond yields for the short to mid-end tenors to remain relatively high amid sustained hawkish stance by CBN, hence, our strategy would be to lock-in high rate in that space, especially for CIF portfolio. Also, we expect money market rate and yield on various T-bills maturities to be stable at current levels in Q4 2024.

We will continue to be active in the treasury bills space (particularly in the secondary market) as the curve has become inverted – this presents higher yield opportunity in the belly of 364-day bills curve.

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