

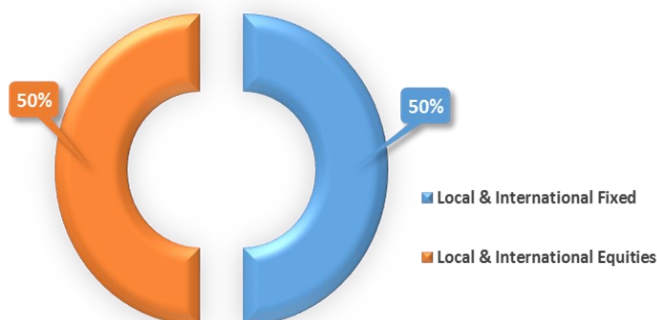


March Net Asset Value:	\$5.5575
Assets:	\$3.83M

Performance:

	Fund Return
Inception	4.65%
1 Month	0.32%
3 Month	1.09%
1 Yr	-1.33%
3 Yr	4.58%
5 Yr	3.94%

Allocation:



Top Holdings:

ROYAL FIDELITY INT’L OPPORTUNITIES USD EQUITY FUND
ROYAL FIDELITY TARGETED INCOME US DOLLAR FUND
NEEDHAM’S POINT HOLDINGS 6.75% 2021 BOND
N.S.R. LIMITED 5% SECURED BOND 2029
WILLIAMS INDUSTRY 5% 2023 BOND

The Select Balanced Fund - Series 3 is a pension-only pool of assets that invests in the pension-specific shares of other balanced funds. Performance may differ from other shares offered in the fund as a result of different fee structures. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to any restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

When Powell Speaks Markets Listen

On October 3rd, Fed Chairman Powell stated that “the central bank has a way to go yet before it gets interest rates to where they are neither restrictive nor accommodative. We may go past neutral, but we’re a long way from neutral at this point, probably.” Almost immediately financial markets made a rush to quality as the ten-year Treasury yield fell 86 basis points from 3.23% to and ultimately bottomed out in March. Corporate credit spreads soared with investment grade widening 47 basis points and high yield spreads shooting up 200 basis points. Simultaneously the stock market fell nearly 20%. When Powell speaks, markets listen.

Following this turmoil, Chairman Powell apologetically reversed his stance stating that “further gradual increases in the level of short-term interest rates are no longer necessary to prevent the economy from overheating”. As expected, equity markets reversed and stocks had their best month in three years and their best January in thirty years.

The first quarter also saw a reversal in fixed income markets as investment grade corporate spreads narrowed 34 basis points and high yield spreads narrowed by 132 basis points. The lower the credit quality the better the returns.

In December 2018 and the first quarter of 2019 both the equity and fixed income markets reacted aggressively to Chairman Powell’s pronouncements, but going forward we expect both markets to refocus on fundamental factors like GDP growth, corporate earnings, employment levels, inflationary expectations, geopolitical tensions, and trade wars. That said, everyone will still be listening to what chairman Powell has to say.

In January of 2019 a significant portion of our USD equity holdings was reallocated and currently includes six leading global portfolio managers. We feel this reallocation will enhance performance while also reducing risk. The fund ended Q1 with gains of 1.09% despite a 12 month loss of 1.33%

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