



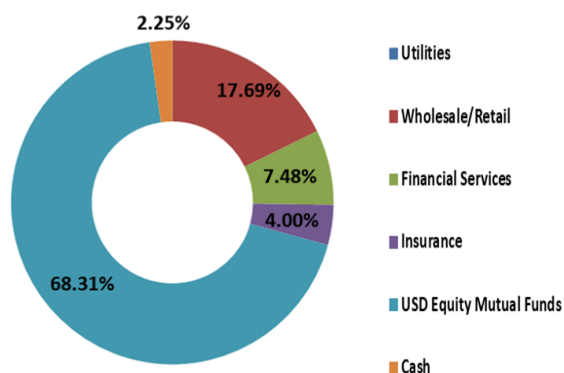
Mar Net Asset Value:	\$1.0516
Assets:	\$4.64M
Inception:	Dec 08

Performance:

	Fund	Benchmark*
1 Month	1.46%	0.542%
3 Month	2.82%	1.625%
1 Yr	16.48%	6.5%
5 Yr	31.45%	37.0%

* Annual rate of return, 6.5%

Allocation:



Top Holdings:

RF USD INT'L OPPORTUNITIES FUND
MASSY HOLDINGS LIMITED
RF USD HEDGE FUND
GODDARD ENTERPRISES LIMITED
FIRST CARIBBEAN INTERNATIONAL BANK

The Strategic Growth Fund is a sub fund of the Royal Fidelity Investment Fund the umbrella company. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to the restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

Great Recovery...Tempered Expectations

The Fund and global equity markets had a good March and Q1. The Fund returned 1.42% in March and 2.69% in Q1, outperforming the benchmark in Q1 by 106 basis points.

According to Morgan Stanley (MS), ample liquidity and strong macroeconomic data continue to propel stock indices to all-time highs. MS also notes that GDP, retail sales and new home sales reports are at "best in decades" levels.

The US economy expanded at a 6.4% annualized rate in 1Q21. MS expects 2Q21, 3Q21, and 4Q21 GDP to grow at an annualized rate of 9.6%, 7.4% and 5.8%, respectively.

First quarter corporate earnings have been stunning. At the current pace, the quarter may end with S&P 500 company profits up 49% year-over-year versus expectations of 32% growth. The economic data and the earnings data are both positive, but much of this positive data is already priced into market values.

There are several factors that point to a possible correction. These include forward 12-month P/E for the S&P 500 of 22.0 versus the 20-year average of 15.4. Also, inflationary pressures are mounting which may force the hand of the Fed necessitating a rate increase in 2022 versus the Fed's stating plan to hold the Fed funds rate constant till 2023. Finally, margin debt is up 72% year over year, a level that over the past 25 years has preceded market pull-backs.

Timing the market is very difficult to do. Fortunately the Fund's current asset managers have a strong track record of out performing their respective benchmarks through effective stock picking. According to MS, holding the exposure to the entire index is not advisable, but selective stock picking is.

A spike in Covid-19 cases in Barbados, as well as our major tourists' markets at the start of 2021 caused a Government imposed lockdown dashing any hopes of tourism kickstarting the local economy. As a result, local companies continue to feel the economic impact of this deadly virus. The local equities market index declined in this quarter as demand for equities declined. Local equities prices have yet to rebound from the impact of the first major lockdown in March 2020.

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