



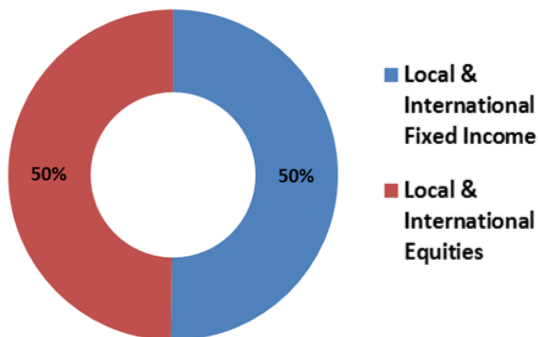
Dec Net Asset Value:	\$5.5718
Assets:	\$27.41M
Inception:	Aug-86

Performance:

	Fund	Benchmark*
1 Month	2.65%	0.458%
3 Month	3.22%	1.374%
1 Yr	1.26%	5.5%
5 Yr	23.68%	30.69%

* Annual rate of return, 5.5%

Allocation:



Top Holdings:

RF BAHAMAS INT'L OPPS USD EQUITY FUND
RF BAHAMAS USD TARGETED INCOME FUND
NEEDHAM'S POINT HOLDINGS 6.75% 2021
N.S.R. LIMITED 5% 2029 BOND
GODDARD'S ENTERPRISES LIMITED

The Select Balanced 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.

The Year Of Recovery

In Q4 US interest rates increased and the yield curve steepened meanwhile the opposite was seen for the Barbados denominated curve, where rates dropped and prices increased. In 2020 the Fund return was flat at 0.25%, being impacted largely by local developments.

Within our fixed income assets we saw the revaluation of the impaired asset of Needham's point. A resolution to the Needham's issue in 2021 will likely return some of losses provided for. In addition, 2020 saw large declines of many of our local equity positions such as Goddard Enterprises (-34%), ICBL which was subject to an attempted takeover bid (-45%) and First Caribbean (-24%) saw double digit negative returns.

With significant exposure to US equity markets it is interesting to note that Morgan Stanley expects the US economy is to grow by 7.6% in 2021 and 2.9% in 2022. MS also expects the Chinese economy to grow by 9.0% in 2021 and 5.4% in 2022. Regarding emerging markets, MS forecasts GDP growth in 2021 and 2022 of 7.4% and 4.7%, respectively.

Locally the Governor of the Central Bank has estimated the economic decline as a result of the pandemic stands at 16 percent for the nine months ending September.

Luckily the Government entered an IMF program back in 2018 which has provided somewhat of a safety net throughout the pandemic. Following the fourth review of the BERT program the IMF reached a staff level agreement (subject to approval by the IMF Executive Board) to augment the Extended Fund Facility in the amount of approximately US\$66 million to help finance the emerging fiscal deficit.

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