

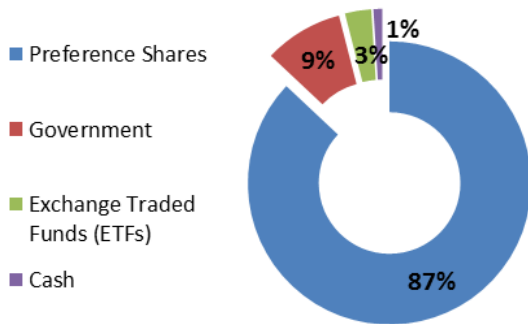
<b>Mar Net Asset Value:</b>	\$10.5381
<b>Assets:</b>	\$10.37M
<b>Inception:</b>	Nov-11

**Performance:**

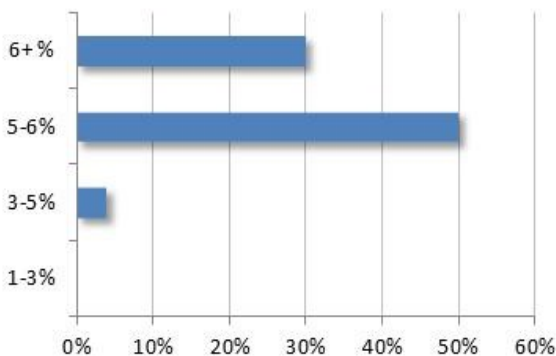
	<b>Fund</b>	<b>Benchmark*</b>
<b>1 Month</b>	0.41%	0.47%
<b>3 Month</b>	0.93%	2.09%
<b>1 Yr</b>	5.00%	4.71%
<b>3 Yr</b>	n/a	15.36%

\* Bloomberg USD Emerging Market Composite Bond Index (BEM)

**Allocation:**



**Portfolio Current Yield:**



\*The Targeted Income Fund is a sub fund of the Royal Fidelity International investment fund. Performance shown is for Class C, Series 1 shares and may be different for other series within the class. Past performance doesn't guarantee future success. The components of the Bloomberg USD Emerging Market Composite Bond Index include the USD EM Sovereign Bond Index, the USD EM Corporate Bond Index, the USD EM Investment Grade Index and the USD High Yield EM Bond Index.

# Anxiety and anticipation rule the day in global fixed income

And the beat goes on. The ongoing drama of the US Fed and a potential interest rate hike continues to pepper financial news stories, leaving interested onlookers out-of-breath and exhausted from muscle-tensing anticipation.



While the decision a few years ago to make Fed decisions more transparent may have been noble in intention, it has also turned fixed income analysts into the financial version of Pavlov's salivating dogs. The bell has rung, and these poor souls have devoured every syllable of every Fed report in the hopes of gleaning the insight they need to avoid being whipped in their portfolios by a rapid rise in rates. And what appeared to be a sure thing—a rise in rates in the face of an improving US economy—has now become . . . well . . . not so sure.

A recently released US jobs report indicated that recovery in the US is not as robust as earlier thought. So, the Fed kicks the hike-interest-rates can down the road even further.



And sales figures for Tums and Maalox have never been better.

And then there's Europe, which has begun its own version of Quantitative Easing, sending bond yields through the floor. Nearly a quarter of Euro area bonds these days have a "negative yield," meaning investors will receive less than they paid for the bond when it matures.

(And some people complain about low fixed deposit rates!)

Due to its relative concentration in corporate preference shares of companies we know and understand, the fund's portfolio is less sensitive to such global interest rate concerns. It has managed to maintain a 12-month return of 5.00% through March.

And that's certainly better than a negative yield! ☐

**Royal Fidelity Merchant Bank & Trust**

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# Fund Fact Sheet

## Royal Fidelity International Investment Fund Targeted Income Fund

as of 31 Mar 2015

### Investment Objective

The primary objective of the fund is to provide exposure to USD-denominated fixed income both in developed and emerging markets, through selective individual securities and broad-based Exchange Traded Funds (ETFs).

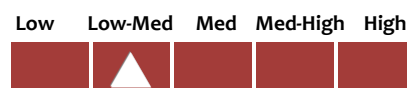
### Strategy

The fund targets a diversified portfolio of higher-yielding USD-denominated fixed income investments that also provide consistency of return with the safety of shorter durations. The fund will seek an overall net yield greater than 5%, but within acceptable risk parameters.

### Fund Features

- ◆ Diversified across countries and industries;
- ◆ Higher yielding USD exposure;
- ◆ An investment should be considered long-term, generally at least five years.

### Risk Profile



### Key Facts

Investment Manager: Royal Fidelity Merchant Bank & Trust

Portfolio Manager: Committee

Inception: 2011  
Fund Currency: USD  
Fund Assets: USD \$9.50 M  
Fund Type: Global Fixed Income

Min Investment: \$5,000  
Min Additional: \$1,000

Dealing Frequency: Monthly

Share Classes:  
Series 1 Retail  
Series 2 Institutional  
Series 3 Pension

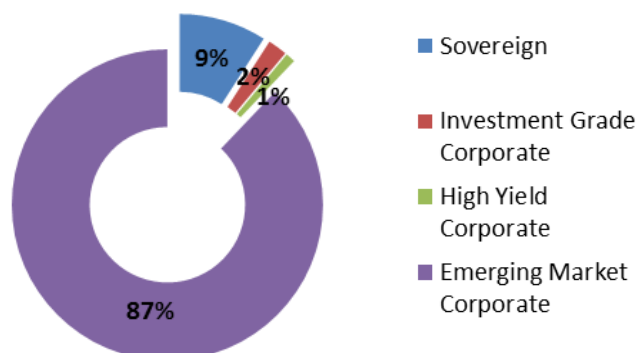
Initial Sales Charge: up to 1%  
Management Fee: 1.00%

Redemption Fee: 2% of initial investment if within 6 months. 0% thereafter.

### Monthly Performance since 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Ann.
2011											-0.66%	-1.11%	-1.77%
2012	-0.02%	-0.34%	-0.32%	-0.22%	-0.20%	-0.22%	-0.05%	-0.14%	0.50%	-0.09%	0.31%	0.49%	-0.31%
2013	-1.19%	-0.34%	-0.07%	0.79%	-2.24%	-1.75%	0.28%	-0.97%	0.85%	0.27%	-0.49%	0.71%	-4.16%
2014	-0.13%	1.46%	0.36%	0.62%	0.78%	0.47%	0.36%	0.39%	0.28%	0.38%	0.47%	0.24%	4.41%
2015	0.46%	0.06%	0.41%										0.93%

### Fixed Income Allocation



### Contact Details

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To find out more about this and our other funds, visit our website at [www.royalfidelity.com](http://www.royalfidelity.com)

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Money at Work

*The Targeted Income Fund was established November 2011 as a sub fund of the Royal Fidelity International Investment Fund. The performance shown above includes management fee, but optional sales fee and other fund charges are not included in the calculations. Specific portfolio composition is subject to change without notice. The fund's benchmark is the Bloomberg Emerging Markets Composite Index (BEM). Past performance is not a guarantee of future results and all potential investors should consult with an advisor before investing.*