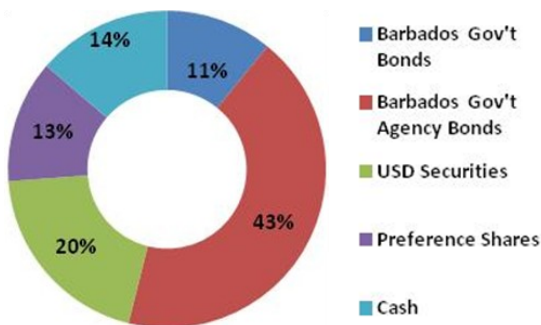


March Net Asset Value:	\$1.5193
Assets:	\$19.29M
Inception:	Dec-08

Performance:

	Fund	Benchmark*
1 Month	0.72%	0.375%
3 Month	1.53%	1.13%
1 Yr	4.94%	4.5%
5 Yr	32.16%	24.62%

Allocation:



Top Holdings:

NEEDHAM'S POINT HOLDINGS 6.75%	
CASH	
B'DOS AGRICULTURAL 6.5% 2019	
SAGICOR 6.5% PREFERENCE	
RF BAHAMAS TARGETED INCOME FUND	

The Premium Income 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.

Barbados gets downgraded; Moody's cites elevated risk

Barbados was hit with another ratings downgrade by Moody's from B3 to Caa1 with a stable outlook, two notches lower than Standard & Poor's assessment, which stands at B with a negative outlook.

Moody's noted that although there has been a lessening of Barbados' government fiscal deficit and restriction of pressures on foreign exchange reserves, elevated levels of macro-economic and credit risk remain. The debt burden remains very high, requiring additional fiscal consolidation to reverse the rising trend. The stable outlook reflects authorities' effort in reducing the fiscal deficit, but also considers the risk of further deterioration in debt dynamics. Despite this, the pace of progress towards achieving fiscal consolidation remains a concern along with the low levels of foreign exchange reserves and weak funding conditions.

The fund continues to provide attractive returns (despite the challenging market we operate in), reporting a 1.53% return for Q1 2016 and a one-year return of 4.94%.



Government interest payments as a percentage of revenue edged up to 26.4% in FY 2014/15 - a significant burden on the budget (and tax payer.) Each dollar spent servicing government debt is money unavailable for public services such as health care, education, infrastructure, or for reducing the tax burden

We anticipate Q2 will provide opportunities to participate in issues coming to market outside of Government paper that would help further diversify the fund. ♦



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