

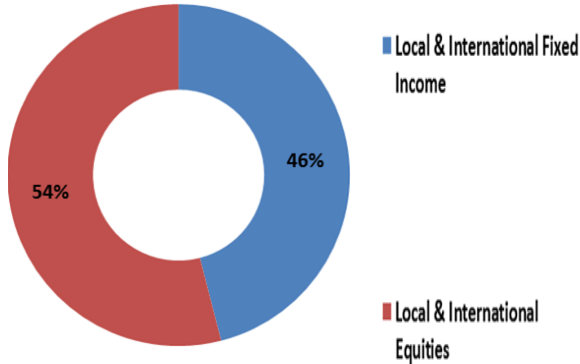
Mar Net Asset Value:	\$5.114
Assets:	\$25.31M
Inception:	Aug-86

Performance:

	Fund	Benchmark*
1 Month	0.57%	0.458%
3 Month	3.13%	1.374%
1 Yr	7.09%	5.5%
5 Yr	11.13%	30.69%

* Annual rate of return, 5.5%

Allocation:



Top Holdings:

ROYAL FIDELITY INT'L OPPORTUNITIES US DOLLAR EQUITY FUND
NEEDHAM'S POINT HOLDINGS 6.75% 2021
B'DOS AGRICULTURAL MANAGEMENT 6.5% 2019 BOND
CASH
ROYAL FIDELITY TARGETED INCOME US DOLLAR FUND

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.

Equities advance in Q1, while Barbados' rating downgraded

Returns on equities boosted performance of this fund resulting in a Q1 return on 3.13%. The S&P 500 posted a Q1 gain of 5.53%, while the MSCI All Country World Index (ACWI) rose by 6.91%. Even European and Asian equities benefitted, with the MSCI Europe, Asia and Far East (EAFE) and the Eurostoxx 50 Indices gaining 7.90% and 6.39%, respectively. The US elections at the end of 2016 seemed to signal a pro business-growth bias to the markets, and US equities surged more than 5% in the last two months.



Emerging Markets once again grabbed the spotlight amid this global equity rise, as the MSCI Emerging Markets index rocketed to a 12.51% return for the quarter. Although only a small allocation within the portfolio (6%), the advance helps regain some of the ground lost since 2015, when the Index lost more than 18%.

Meanwhile fixed income performance has been flat. Moody's once again downgraded Barbados' government bond and issuer ratings to Caa3 and maintained a stable outlook. In spite of this latest downgrade very little movement was seen in the local dollar yield curve while the Barbados USD securities saw investors looking



for yields in the region of 15%. We haven't introduced any new GOB to the portfolio since last year and as of February 2017 we are no longer rolling T-bills. Unfortunately it meant that at times over the last quarters we were holding a bit more cash than we would have liked.

The fund presently maintains a 54% Equity and 46% fixed Income exposure. We have recently experienced an influx of new investment in the fund and this cash will be allocated in a disciplined manner across existing positions as well as new securities that can help the fund's performance! ♦

Royal Fidelity Merchant Bank & Trust

27 Pine Road
St. Michael
Barbados
(246) 435-1955

www.royalfidelity.com
info@royalfidelity.bb