

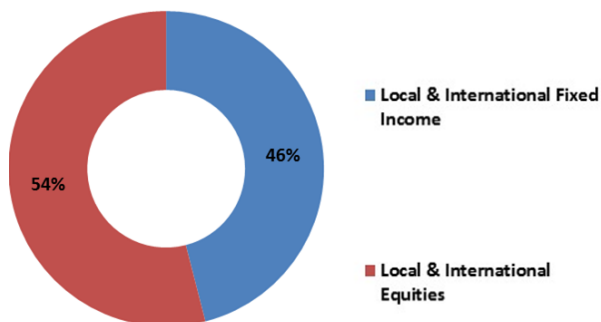
<b>Dec Net Asset Value:</b>	\$5.3972
<b>Assets:</b>	\$27.36M
<b>Inception:</b>	Aug-86

**Performance:**

	<b>Fund</b>	<b>Benchmark*</b>
<b>1 Month</b>	0.18%	0.458%
<b>3 Month</b>	0.66%	1.374%
<b>1 Yr</b>	8.84%	5.5%
<b>5 Yr</b>	18.22%	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
B'DOS AG MGMT 6.5% 2019 BOND

*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.*

# Stocks rise, while Central Bank tightens the reigns

Every major international stock index ended the year solidly in the black, most posting double-digit returns through December.

The MSCI Emerging Market Index took top prize with a 34.59% return, more than 25% better than 2016, while the S&P 500 and Russell 1000 posted gains just north of 19% (19.42% and 19.40%, respectively). The MSCI Europe, Asia and Far East (EAFE) Index also out-paced last year's loss of -1.69%, with a whopping gain of 21.79%.

On the home front, the Central Bank of Barbados continued to tighten its monetary policy. By the end of December, commercial banks were required to increase their holdings in government securities (for a second time!) to 18% of their domestic deposits. And, just as one year ended, another began, with another requirement for banks to increase that to 20% of domestic deposits!



The triple-whammy literally doubled the requirement from 10-20%, certainly an indication that there are precious few lenders in the market.

According the latest Central Bank report, the debt outstanding at the end of December, including borrowings from the Central Bank and the NIS, stood at approximately 145.9% of GDP .

In the meantime, the fund posted a respectable 8.84% return for 2017, and we hope to continue the trend in 2018!



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