

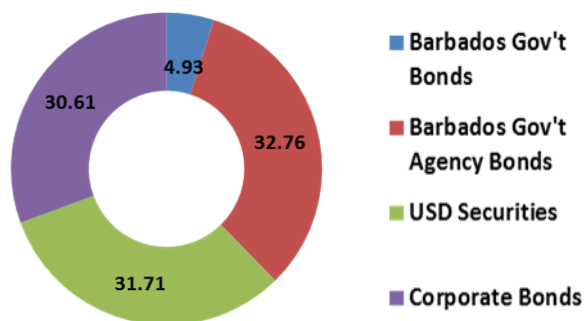
Mar Net Asset Value:	\$1.6369
Assets:	\$25.34M
Inception:	Dec-08

Performance:

	Fund	Benchmark*
1 Month	0.29%	0.375%
3 Month	0.99%	1.13%
1 Yr	4.10%	4.5%
5 Yr	25.53%	24.62%

*4.5% flat rate

Allocation:



Top Holdings:

RF BAHAMAS USD TARGETED INCOME FUND
NEEDHAM'S POINT HOLDINGS 6.75% 2021
N.S.R. LIMITED 5% 2029 BOND
B'DOS AGRICULTURAL MGMT 6.5% 2019 BOND
WILLIAMS INDUSTRY 5.25% 2023 BOND

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.

**Breathe . . . just breathe . . .
(but not until after election!)**

Many investors continue to hold their breath to see what the elections will bring (and its ultimate impact on their pockets!) Over in the US, inflation is on the rise and the Fed will likely be faced with more calls to reconsider the frequency of its increases, projected to be three in 2018. While certainly not immune from the effects of wider interest rate changes or inflation, the fund's portfolio remains locally top heavy.



The fund posted positive performance for Q1 slightly behind its benchmark, but we expect improvement in the returns throughout the remainder of 2018.

The two main local issues that continue to plague the local economy are the level of foreign reserves, which—according to the last Central Bank report—indicates a fall by 44% y/y to USD \$241 million in November 2017, an estimate of 1.5 months of import coverage.



Our other concern remains the high debt-to-GDP ratio that the CBB estimates at 157%, a level even higher than the 140% Jamaica recorded just prior to entering an IMF programme. We have managed to reduce our exposure to direct GOB debt to a level of under 5%, most of which will mature this year.

And we continue to diversify remaining holdings away from government/quasi government into local corporate or overseas investments. Like many, we're holding our breath until we know who will lead us for the next 5 years! □

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