

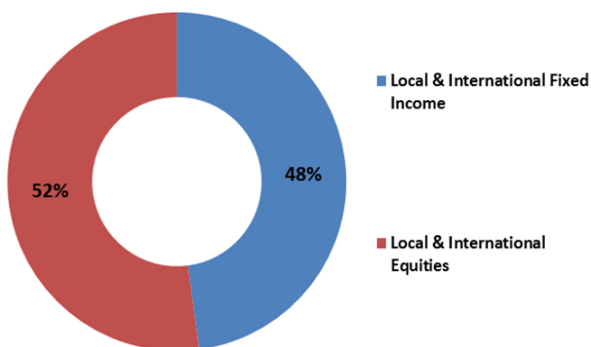
Mar Net Asset Value:	\$5.3972
Assets:	\$27.33M
Inception:	Aug-86

Performance:

	Fund	Benchmark*
1 Month	-0.70%	0.458%
3 Month	-0.04%	1.374%
1 Yr	5.49%	5.5%
5 Yr	15.30%	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.

Tough trade talk tanks global equity markets

Global trade proved to be a pretty important subject in the first quarter of the new year.

In fact, the mere suggestion of a potential trade war between the US and China sent equity investors scurrying for cover during the quarter. The S&P 500—which had registered a clear



positive gain of 5.62% in January—turned right around and gave it all back (and more) in February (-3.89%) and March (-2.69%) to end the quarter down -1.22%. The fund had a flat Q1 return of -0.04%.

And because misery loves company (or something like that!), other equity indicators followed suit across the globe: Eurostoxx 50 -4.07% for the quarter, MSCI Europe, Asia and Far East (EAFE) -0.90%, the Nikkei -5.76%.

Locally, many investors continue to hold their breath to see what the elections will bring, and the ultimate impact on their pockets. The two main local issues that continue to plague us are the level of foreign reserves, which—according to the last Central Bank report—indicates a decline of 44% y/y to USD \$241 million in November 2017, or about 1.5 months of import coverage.



Our other concern remains the high debt-to-GDP ratio which the CBB estimates at 157%, which has been compared to the 140% level Jamaica recorded just prior to

entering an IMF programme.

The fund's performance for Q1 was flat, but we expect improvement in the returns throughout the remainder of 2018! ♦

Royal Fidelity Merchant Bank & Trust

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

www.royalfidelity.com
info@royalfidelity.bb