

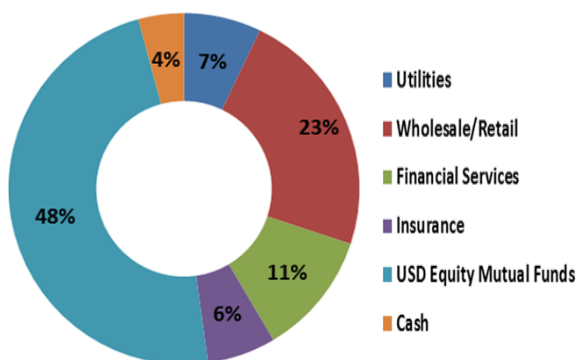
<b>March Net Asset Value:</b>	\$0.9467
<b>Assets:</b>	\$1.7M
<b>Inception:</b>	Dec 08

**Performance:**

	<b>Fund</b>	<b>Benchmark*</b>
<b>1 Month</b>	-1.48%	0.542%
<b>3 Month</b>	-1.14%	1.625%
<b>1 Yr</b>	4.52%	6.5%
<b>5 Yr</b>	10.58%	37.0%

\* Annual rate of return, 6.5%

**Allocation:**



**Top Holdings:**

RF USD INT'L OPPORTUNITIES FUND
GODDARD ENTERPRISES LIMITED
FIRSTCARIBBEAN INTERNATIONAL
EMERA INCORPORATED
MASSY HOLDINGS LTD

*The Strategic Growth 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.*

## Promising start turns into bumpy quarter for equities

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%.



(Ironically, the main indicator of US business confidence levels reached the highest mark recorded in several decades in March.)

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%.

Emerging Markets equities were one of the few areas to register positive performance, despite taking a beating in February (-5.90%). The MSCI Emerging Markets Index gained 2.46% for the quarter.



The fund showed a negative return of 1.14% for Q1 following last year's blistering return of 11.92%. Yet, the recent extreme level of down-side market volatility has not really been felt for some time. (Last year, in fact, US equities

posted 12 straight monthly gains, some-thing not done since 1958!)

Nonetheless, current pricey US equity levels has prompted us to begin to pare the fund's USD allocation in favor of the fund's core value positions focused on Europe and Asia.

In the meantime, we're hopeful that all this trade war talk quickly and quietly transforms into a simple careless whisper! ♦

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