

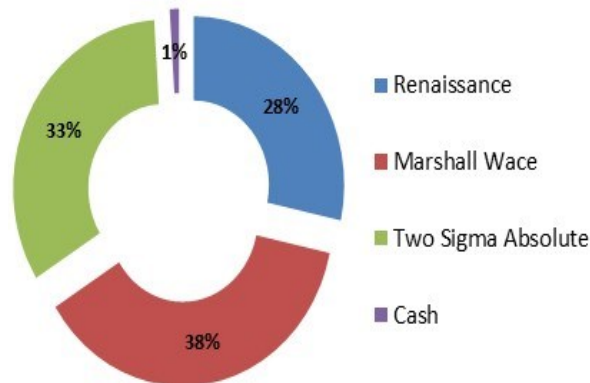
Net Asset Value:	\$10.5944
Assets:	\$5.51M
Inception:	Jul-14

Performance:

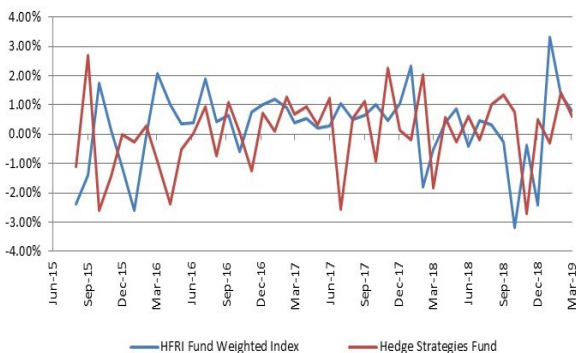
	Fund	Benchmark*
1 Month	0.63%	0.80%
3 Month	1.75%	5.53%
1 Yr	3.33%	0.73%

* HFRI Fund Weighted Comp Index

Allocation:



Volatility:



The Hedge Strategies Fund is a sub fund of the Royal Fidelity International umbrella investment fund. Performance shown above is for Class D1 shares. The graph above compares actual fund performance for the month shown versus the benchmark, and may not correspond with the other performance data shown due to underlying NAV reporting delays. 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.

Time to Hedge Your Bets?

The Fund underperformed the benchmark in March and this first quarter, but is ahead of the benchmark over the last 12 months. Given the strong recovery in the global equity markets in Q1, the Fund posted a healthy gain of 1.75%. The Fund is intended to provide investors with upside during up markets and limited downside during down markets. In the end, the Fund's performance should be more stable than the global equity markets.

Global equity markets turned 180-degrees in 1Q of 2019 and after a brutal December 2018, the S&P 500 Index was up 16.7%; the NASDAQ Composite was up 20.7%; and the MSCI All Country World Index was up 14.7%. One of the key reasons the markets are willing to take on risk is the 180-degree shift in the Fed policy. Please note that 100% of these gains have been fueled by an expansion in stock valuation multiples and not corporate fundamentals. This makes this rally susceptible to negative news like trade wars and hot wars.

The table below shows the performance of several major equity markets over the last 10, 20, 30 and 40 years. In addition the returns for 2018 and the 1Q2019 are noted.

These returns stress the importance of being invested in a diversified equity portfolio over the long-term, but also the short-term volatility the investor is exposed to as was the case in 2018.

Global Equity Market Returns						
Stock Exchange	Ann Rtn (40 years)	Ann Rtn (30 years)	Ann Rtn (20 years)	Ann Rtn (10 years)	2018	1Q19
USA (SPX)	11.8%	10.7%	7.2%	8.5%	-6.2%	13.1%
Germany (DAX)	8.9%	8.8%	6.2%	2.7%	-18.3%	9.2%
Japan (NKY)	6.7%	1.5%	4.2%	6.0%	-12.1%	6.0%
Canada (SPTSX)	8.2%	7.8%	7.7%	2.2%	-11.6%	12.4%
Gold (XAU)	11.7%	7.1%	17.2%	4.5%	-1.6%	0.8%

Notes: 1) All returns are in USD; 2) Data was sourced from Bloomberg;

Royal Fidelity Merchant Bank & Trust

East Hill Street
PO Box N 4853
Nassau, Bahamas
(242) 603-6000

www.royalfidelity.com
info@royalfidelity.com