

Select Balanced Fund

Quarterly Report, Q1 2025
Issue 40



An Uncertain Market Environment

In Q1 the Fund was down –1.18% but edged out the benchmark by 0.18%. Global equity markets were down while US Bonds and local equities were up.

The Fund’s two largest exposures are US equities and USD fixed income via the RF US Int’l Opportunities Fund (IOF) and the RF Bahamas USD Targeted Income Fund (TIF), respectively. The performance of both funds steadily improved between 2022 and 2024. In Q1 2025 the TIF gains have been offset by losses in the IOF.

The uncertainty created by Trump’s approach to breaking what is fixed and then taking credit for partially mending what he broke makes for interesting viewing, but is detrimental to economic growth and geopolitical stability.

For the TIF, this “higher-for-longer” rate environment presents both challenges and opportunities. Elevated rates continue to pressure longer-duration bond prices, potentially leading to mark-to-market losses. However, the fund benefits from higher reinvestment yields and attractive income opportunities across shorter-duration and higher-quality securities. As rate volatility persists, the TIF is strategically positioned to manage duration risk while capturing enhanced yield in the front end of the curve. With 6-month yields at 4.35% versus 4.29% for 7-yr paper, why get too close to the edge.

His actions are undermining trust and confidence in the US as a trading partner and ally. The commitment of the EU to allocate \$800 billion in military spending and the determination of countries like Canada, U.K., and Australia to diversify trading relationships away from the U.S., demonstrate their reduced confidence in the U.S. as a reliable partner.

The country risk premium for the U.S. has increased and diversifying away from U.S. equities and the USD seems prudent. Granted, we still need to have a material exposure to U.S. equities.

Net Asset Value:	\$5.759
Assets:	\$7.27M
Inception:	Aug-86

PERFORMANCE

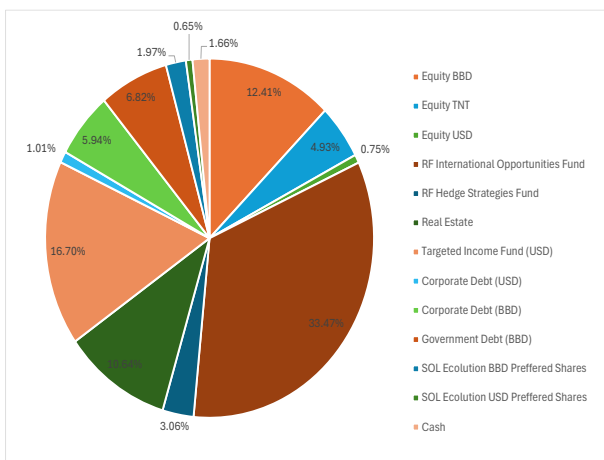
	Fund	Benchmark*
1 Month	-0.58%	0.14%
3 Month	-1.18%	-1.36%
1Yr	-0.40%	2.50%
3Yr	-1.48%	4.71%
5Yr	1.96%	3.41%

*Index 25% BSE Index, 25% MSCI All Country and 50% Barbados Discount Rate

TOP FIVE HOLDINGS

RF US INT’L OPPORTUNITIES FUND	33.47%
RF BAHAMAS USD TARGETED INCOME	16.70%
EQUITY-BBD	12.41%
REAL ESTATE (BBD)	10.64%
GOVERNMENT DEBT (BBD)	6.82%

ALLOCATION



The Select Balanced Fund is a sub fund of the RF 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.

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