

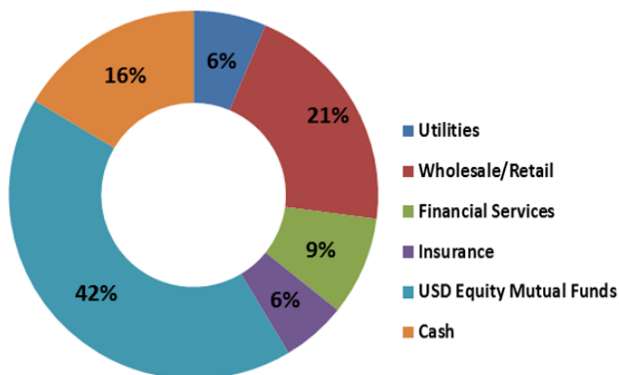
June Net Asset Value:	\$0.942
Assets:	\$4.54M
Inception:	Dec 08

Performance:

	Fund	Benchmark*
1 Month	0.94%	0.542%
3 Month	-0.50%	1.625%
1 Yr	3.12%	6.5%
5 Yr	9.96%	37.0%

* Annual rate of return, 6.5%

Allocation:



Top Holdings:

RF USD INT'L OPPORTUNITIES FUND
CASH
GODDARD ENTERPRISES LIMITED
EMERA INCORPORATED
FIRSTCARIBBEAN INTERNATIONAL

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.

Global markets provide little direction for investors in Q2

You may have hurt your head in Q2, while looking for direction in global markets amid the ubiquitous exploits (and Tweets) of the US President, a brewing global trade war with China, and Europe's ongoing Brexit/immigration/Italian elections coalition saga.



Against that backdrop, however, US retail sales grew and unemployment dropped to 3.8%, the lowest level since 1969. The S&P 500 posted a YTD return of nearly 3%. And strong economic signals led the US Fed to raise rates again in June. (In fact, US market gauges—such as the Russell 1000, the S&P 500 and the Vanguard Total Stock Market ETF—are the only major global indicators we track that have posted positive returns year-to-date.)

The local exchange, on the other hand, registered across-the-board losses during Q2, with the indices reporting -8.84% (local), -1.08% (cross listed) and -7.89% (composite). FirstCaribbean International—which is a larger local holding of the fund—declined -12.4% while Goddard Enterprises increased 6.4%.



The Fund declined -0.5% for the second quarter but actually gained 3.12% over the past year. Toward the end of Q2 we saw significant new investment into the fund, translating into a large cash holding at the end of the reporting period. However, we have identified additional investment opportunities and expect that our cash holding will fall back to its normal range by the next reporting period. Our fund is widely diversified across countries and industries, with a current exposure of 60% international and 40% domestic and regional equity. Naturally, as market volatility increases, many take wait-and-see approach.

In the long term, however, the markets will return to normalcy and we expect our investments to provide healthy returns ♦

Royal Fidelity Merchant Bank & Trust

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

www.royalfidelity.com
info@royalfidelity.bb

