



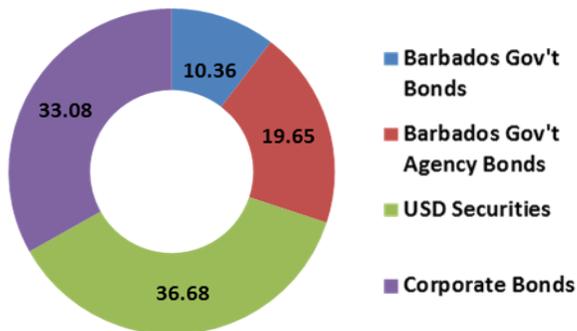
Jun Net Asset Value:	\$1.5563
Assets:	\$22.03M
Inception:	Dec-08

Performance:

	Fund	Benchmark*
1 Month	0.50%	0.375%
3 Month	1.35%	1.13%
1 Yr	-3.98%	4.5%
5 Yr	13.02%	24.62%

*4.5% flat rate

Allocation:



Top Holdings:

RF BAHAMAS USD TARGETED INCOME FUND
NEEDHAM'S POINT HOLDINGS 6.75% 2021
N.S.R. LIMITED 5% 2029 BOND
WILLIAMS INDUSTRY 5.25% 2023 BOND
GOV'T OF BARBADOS SERIES D BOND

The Premium Income 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.

Progress acknowledged by IMF

The Federal Reserve's recent rate cut pushed total debt with sub-zero yields over the \$14 trillion mark. Globally, nearly 26% of all investment grade debt has negative yields. Investments that investors previously looked to for wealth preservation are now eroding wealth. In fact, the entire yield curve of Germany is near negative territory.

Investors with access to the global debt markets have assessed the risk/return profiles of issuers and for many of them negative yields on low risk issuers are optimal. These investors feel that accepting negative yields from issuers like Switzerland and Germany are preferential to positive yields from riskier issuers. This is also a reflection on exchange rate expectations.

Is the market pricing bonds for slow growth and deflation? Negative yields could be more destructive if inflation were to ramp-up.

Gold has rallied roughly 10% in the last month and the price of gold is usually inversely related to real interest rates. The increase in the demand for gold and securities linked to gold may indicate that investors are beginning to shift their investment objective to capital preservation until we have greater visibility of future economic activity.

At home base the IMF completed its first review of Barbados' progress in implementing the BERT programme in May and reported good progress. Following this review an additional US \$48.7M was approved for disbursement bringing the total money received so far to US \$97.40M. The new BBD denominated government securities have now been listed on the BSE with only 1 reported traded to date.

We are happy to report that the fund ended Q2 2019 with a return of 1.35% ahead of its benchmark.

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