

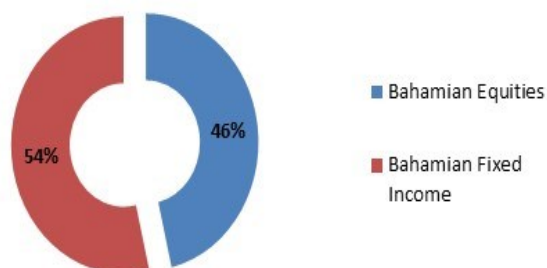
Jun Net Asset Value:	\$7.7166
Assets:	\$73.21M
Inception:	Nov-12

Performance:

	Fund	Benchmark*
1 Month	0.74%	0.04%
3 Month	0.85%	1.41%
1 Yr	6.65%	6.76%
3 Yr Ave Ann	6.86%	4.03%

* Blended Index: 60% current Bahamas Prime Rate and 40% BISX All Share Index

Allocation:



Investment Exposure:

CABLE BAHAMAS PREF SHARES	6.25%
NAD PARTICIPATING DEBT NOTES	7.5%
BE ALIV FIXED RATE NOTES	8.5%
FIDELITY BANK (BAHAMAS)	
FINCO	
COMMONWEALTH BANK	

The Secure Balanced Fund is a sub fund of the Bahamas Opportunities umbrella investment fund, which began in November 2012. Performance shown is for Series 1, or retail, shares, which may differ from other Series offered in the fund. 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.

A Team Effort

Over the last 12 months the Fund generated a net return for investors of 6.65%. This return has been supported by both the equity and fixed income investments of the Fund.

The Fund's equity and fixed income investments have produced returns of approximately 8.4% and 4.9% respectively. In both cases, the 2Q was an improvement over the 1Q.

The table below shows that the banking sector is the key driver of the local equity market returns. The Fund has benefited from its investments in CIB, FBB and FIN which are up 8.33%, 12.45% and 14.33% YTD respectively.

Bank	Price 2018 Y/E	Price 2Q2019	Change
BOB	\$1.46	\$2.51	71.92%
CBL	\$4.50	\$4.49	-0.22%
CIB	\$10.20	\$11.05	8.33%
FBB	\$12.85	\$14.45	12.45%
FIN	\$6.98	\$7.98	14.33%

Interest rates have been decreasing for years in The Bahamas. According to the Central Bank of The Bahamas (CBOB) the weighted average deposit rate decreased 1.49% to 0.64% between 2014 and 1Q2019. Over this same period, the weighted average loan rate decreased from 12.11% to 10.00% and the residential mortgage rate decreased from 6.94% to 5.11%.

Subsequent to the end of the 2Q2019, the CBOB offered for sale two government bonds for sale on the secondary market at a premium to the par value which reduces the yield earned on these bonds. This sets a precedent for the government to lower the interest rate offered on new issues. Another example of decreasing interest rate.

Despite the steady decrease in interest rates, the Fund's fixed income portfolio has performed well due to its investing in both government debt and corporate fixed income.

It appears that investors will need to operate within a low interest rate environment in the foreseeable future. This will make fixed rate debt securities and higher dividend payment equities more attractive.

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