



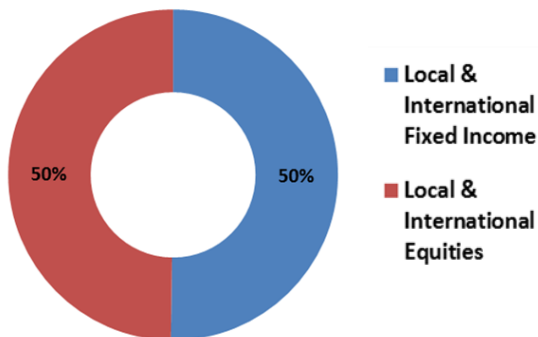
<b>Mar Net Asset Value:</b>	\$5.4132
<b>Assets:</b>	\$26.63M
<b>Inception:</b>	Aug-86

## Performance:

	Fund	Benchmark*
<b>1 Month</b>	0.08%	0.458%
<b>3 Month</b>	3.10%	1.374%
<b>1 Yr</b>	0.73%	5.5%
<b>5 Yr</b>	13.79%	30.69%

\* Annual rate of return, 5.5%

## Allocation:



## Top Holdings:

RF BAHAMAS INT'L OPPS USD EQUITY FUND
RF BAHAMAS USD TARGETED INCOME FUND
NEEDHAM'S POINT HOLDINGS 6.75% 2021
N.S.R. LIMITED 5% 2029 BOND
GODDARD'S ENTERPRISES LIMITED

The Select Balanced 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.

## V shaped recovery

The exogenous shock to the global economy caused by the Covid-19 pandemic initially resulted in the prices of global stocks, credit, commodities and currencies dropping sharply. Deflationary risk was now the pressing concern for central banks.

Since the collapse of stock and bond prices in March, and oil prices in May, the "Shock-and-Awe" global fiscal and monetary response have global stocks, credit, commodities and currencies signalling reflation. US Treasuries are the exception.

US Treasury real yields are at all-time lows, which implies economic weakness ahead and inflation is not expected. The global economic data however, suggests a v-shaped recovery is underway, supported by manufacturing, US housing and consumer durables data. We support the view that reflation will result in increasing Treasury yields. Our overseas holdings are actively managed and has non-US exposure, and such we expect those assets to outperform the S&P 500 during the second half of 2020 .

Locally the government launched its BOSS program whereby bonds are to be issued to public servants as a portion of their net salary , this will allow Government the fiscal space to invest in its capital program to generate jobs. Boss bonds will be a 4-year bond with a 5% interest per annum. As interest rates currently remain quite low these securities offering a 5% return on investment with a shorty maturity of 4 years are indeed attractive.

The Fund has remained consistent with a focus on diversification across geographies, industries, and strategies. For Q2 2020 the fund was able to record a positive return of 3.1%.

### Royal Fidelity Merchant Bank & Trust

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

[www.royalfidelity.com](http://www.royalfidelity.com)  
[info@royalfidelity.com](mailto:info@royalfidelity.com)