

# Strategic Growth Fund

Quarterly Report, Q2 2022



June Net Asset Value:	\$1.005
Assets:	\$6.27M
Inception:	Dec-08

## PERFORMANCE

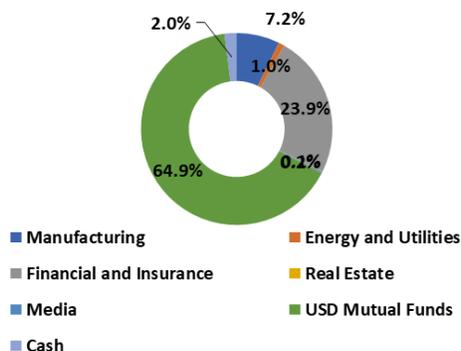
	Fund	Benchmark*
1 Month	-3.52%	-1.74%
3 Month	-7.64%	1.19%
1Yr	-10.99%	-1.14%
3Yr	0.78%	-7.91%
5Yr	2.46%	-1.56%

\* Index 50% MSCI All Country Index and 50% BSE Composite

## TOP FIVE HOLDINGS

RF US INT'L OPPORTUNITIES FUND	57.21%
MASSY HOLDINGS LIIMITED	10.43%
GODDARD ENTERPRISE LIMITED	6.42%
RF USD HEDGE FUND	4.97%
FIRST CARIBBEAN BANK	4.67%

## ALLOCATION



The Strategic Growth 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.

## The "Perfect" Storm

The Fund and global equity markets had a disappointing June and Q2. The Fund underperformed the benchmark by 1.78% in June but outperformed 8.83% in June and Q2, respectively.

In the second quarter, developed market equities fell significantly, with the S&P 500 falling -16.1% in Q2 2022, the worst quarterly decline since the beginning of the pandemic. Investor's remained bearish on the economy as inflation concerns grew, monetary tightening by the Fed began, and the Russia/Ukrainian war dragged into its sixth month.

Concerns about a cooling economy caused market volatility throughout Q2 2022. The Fed began their fight against inflation, hiking interest rates by 50bps in May and 75bps in June 2022, the largest increase since 1994. These hikes led to increases in Treasury yields, which led the U.S. Aggregate Bond Index to fall -4.69%.

Concerns about the Fed's ability to control inflation without causing a recession remain high. All eyes will be on them during the second half of this year, and as a result it is likely the market will remain volatile until investor's see signs of cooling inflation. Investors will continue to price in the increased interest rates and risk of recession throughout the remained of this year.

All sectors of the U.S. equity market declined this year, with Communication Services and Consumer Discretionary declining the most. Consumer Staples and Utilities were the best performers in Q2 2022, only declining by -4.6% and -5.1% respectively. As inflation continues to trouble consumers, we expect a decline in consumer spending over the next two quarters of this year. This, along with increasing borrowing costs, could pose significant financial trouble for many companies. Consumer Staples, Utilities, and Health Care should remain safer investments .

The Q2 report from Overseas Asset Management (OAM) reminded investors that time in the market rather than timing the market is the recipe to investment success.

Fed isn't very aggressive in their rate increase we should see markets be a bit more positive.

RF Merchant Bank & Trust (Barbados) Limited  
435-1955 info@rfgroup.com

Phone: