

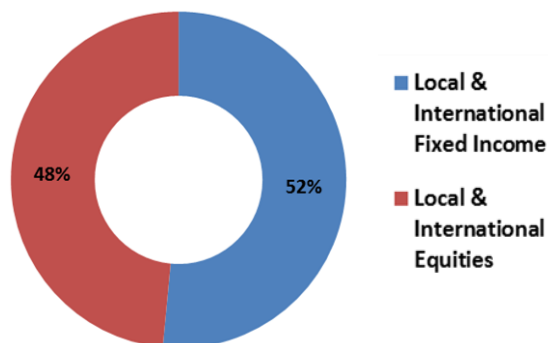
Sept Net Asset Value:	\$5.2925
Assets:	\$28.83M
Inception:	Aug-86

Performance:

	Fund	Benchmark*
1 Month	-0.43%	0.458%
3 Month	-0.91%	1.374%
1 Yr	-1.29%	5.5%
5 Yr	14.58%	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
WILLIAMS INDUSTRY 5.25% 2023 BOND

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.

A balance between equity gains and fixed income losses

The fund had a small negative return of -0.91% for the quarter and an overall -1.29% return over the last 12 months.

Our Balanced fund sits in the middle of the risk spectrum and is equally impacted by fixed income and equity markets.

On the positive side of things the portfolio saw gains driven by our US equity exposure as the European, Asian and Emerging Market equity markets remain down YTD. Smaller gains were seen in local equity holdings such as FirstCaribbean International—which is a larger local holding of the fund and increased by 6.72% along with Sagikor that saw a 5.27% increase.

Trouble in the local fixed income space however wiped out the gains derived in the equity space. The government exchange program resulted in the fund recognizing an impairment of its securities issued by Government and certain Sate Owned Enterprises.

The impact of this impairment was seen in our August valuation the same month that the US equity markets had a good return, during the month of August our fund recorded a loss of 1.08%.

Going forward continued market volatility is expected. There are numerous variables at play, each of which can move markets. If investors are to secure their investment goals the key is to stay diversified and remember that investing is a longer term goal! ♦



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