



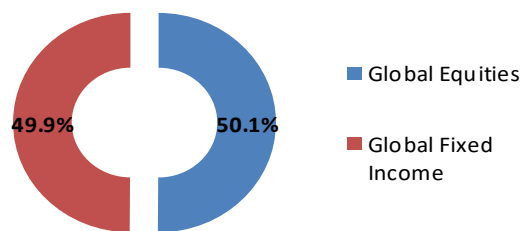
<b>Sept. Net Asset Value:</b>	\$11.33
<b>Assets:</b>	\$502K
<b>Inception:</b>	Aug-14

## Performance:

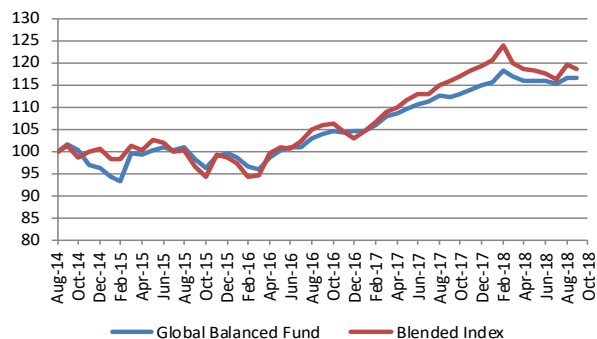
	Fund	Benchmark*
<b>1 Month</b>	-0.48%	0.81%
<b>3 Month</b>	3.54%	-0.63%
<b>1 Yr</b>	-2.54%	6.48%
<b>5 Yr Ave Ann</b>	2.60	5.13%

\* Blended Index: 50% MSCI All-Country World Index (MXWD) and 50% Bloomberg Barclays Emerging Markets USD Sovereign Bond Index (BSSUTRUU)

## Allocation:



## Performance:



The Global Balanced Fund is a sub fund of the Royal Fidelity International Investment Fund. The fund is new and has limited performance history. 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.

## Have U.S. Securities Peaked?

According to Morgan Stanley, there are a number of potential catalysts that may favour non-US markets versus US markets. Corporate share repurchases are surging, private equity capital is being invested, and we have seen a massive global central bank easing cycle.

This view is supported by the valuation of the MSCI ACWI Index (World) versus the MSCI ACWI ex USA Index (World ex USA). The table below compares the two indices as at the end of September. All four valuation metrics favour the World ex USA.

### INDEX FUNDAMENTALS (SEP 30, 2019)

INDEX	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI ACWI ex USA	3.23	14.76	13.18	1.62
MSCI ACWI	2.52	17.73	15.19	2.29

During the third quarter, sixteen central banks lowered interest rates, including the U.S. Federal Reserve. One notable standout was Canada which keep its benchmark rate unchanged.

Slowing U.S. economic growth combined with a relatively overvalued U.S. equity market, support the view of some currency strategists that the U.S. dollar should weaken. Investors in non-U.S. equity markets would benefit from a weakening US dollar.

The Fund is a USD based fund, but the through its equity investments, the fund has approximately 13% exposure to equity investments outside of the U.S. Adding to this exposure may be the prudent action in the 4Q.

### Royal Fidelity Merchant Bank & Trust

East Hill Street  
PO Box N 4853  
Nassau, Bahamas  
(242) 603-6000

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