



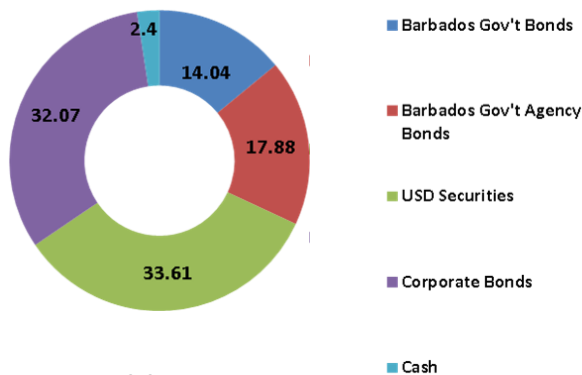
Sept Net Asset Value:	\$1.6179
Assets:	\$24.61M
Inception:	Dec-08

Performance:

	Fund	Benchmark*
1 Month	0.23%	0.375%
3 Month	-3.02%	1.13%
1 Yr	1.99%	4.5%
5 Yr	8.83%	24.62%

*4.5% flat rate

Allocation:



Top Holdings:

RF BAHAMAS USD TARGETED INCOME FUND
NEEDHAM'S POINT HOLDINGS 6.75% 2021
N.S.R. LIMITED 5% 2029 BOND
WILLIAMS INDUSTRIES 5.25% 2023 BOND
GOV'T OF BARBADOS SERIES D BOND

The Premium Income 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.

Stability During Turbulent Times

In September the risks connected with the resurgence of Covid-19 and the uncertainty around the US election resulted in hard currency outflows from emerging markets as the markets appetite for risk decreased. Meanwhile, US market returns declined to breakeven levels in treasuries, corporates and mortgage backed securities.

The pandemic had a direct impact on one of the fund's holdings as Needham's Point Holdings Ltd, owners of the local Hilton property, defaulted on their July coupon payment. The value of the holding was therefore written down at the end of August pending a restructuring of the bond. Given this write down the Q3 return for the fund was -3.02% with the 1 year return falling to 1.99%.

The Covid-19 pandemic will be characterized by waves of infections, with infection rates accelerating and then decelerating, which will cause the economic recovery to come in waves also. That said, the economic recovery has started and is expected to continue through 2021. Also, if Biden wins the US presidential election, further fiscal stimulus of the US economy can be expected.

The above factors support the position that In 2021 the possibility of reflation needs to be considered. With reflation we should expect higher interest rates and a steeper US yield curve.

The Fund is actively managed and decisions around asset allocation, duration, credit risk, and interest rate risk will be made to reduce overall risk and best position for the portfolio for the medium and long term.

RF Merchant Bank & Trust (Barbados) Limited

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

www.rfgroup.com
Info-bb@rfgroup.com