

Select Balanced Fund

Quarterly Report, Q3 2023
Issue 39



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|------------------|-----------|
| Net Asset Value: | \$5.57188 |
| Assets: | \$26.4M |
| Inception: | Aug-86 |

PERFORMANCE

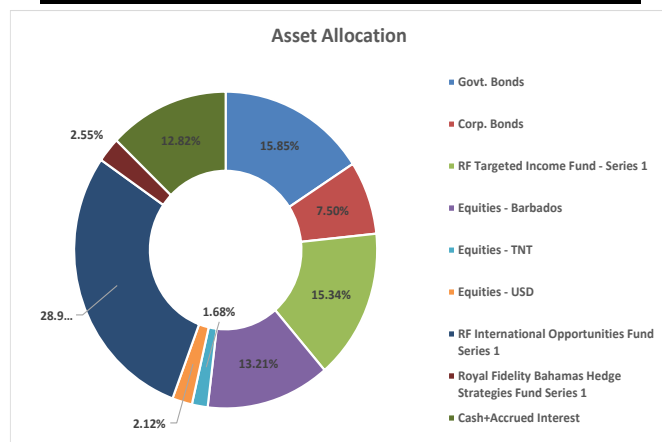
| | Fund | Benchmark* |
|---------|--------|------------|
| 1 Month | -0.85% | -0.94% |
| 3 Month | -0.20% | 0.19% |
| 1Yr | 1.66% | 6.99% |
| 3Yr | 1.23% | 2.30% |
| 5Yr | 1.19% | 1.73% |

*Index 25% BSE Index, 25% MSCI All Country and 50% Barbados Discount Rate

TOP FIVE HOLDINGS

| | |
|--------------------------------|-------|
| RF US INT'L OPPORTUNITIES FUND | 28.9% |
| RF BAHAMAS USD TARGETED INCOME | 15.4% |
| CASH | 13.7% |
| GOB SERIES B | 7.1% |
| GOB SERIES D | 5.1% |

ALLOCATION



The Select Balanced 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.

Strategic Balance is the Key to Success

The Fund had a fairly slow Q3 providing a return of -0.85%. The Fund Overperformed in September versus the benchmark due to the Fund having greater exposure to value managers versus the benchmark. Underperformance for the quarter and year are due to a tactical decision to reduce U.S. equity exposure and place these funds in fixed income investments. This tactical decision was made to reduce downside exposure and to provide liquidity to take advantage of an expected equity market pullback. This pullback is still expected to take place at the end of this year into 2024.

In Q3 global equity markets, as measured by the MSCI All Country World Index (MXWD), were down -5.28% in Q3 2023. Additionally, USD fixed income, as measured by the Bank of America/Merrill Lynch B310 U.S. Corporate & Government 5-7 year AAA-A Rated Index, was down -2.03% in Q3 2023. But in November to date both equities and fixed income rallied based on the view that inflation has been tamed and the Fed's tightening cycle is over. This is by no means certain.

In addition to uncertainty around inflation and central bank policy, markets have to contend with growing geopolitical risk, dysfunction in Washington D.C., a ballooning U.S. fiscal deficit, a slowing Chinese economy, and disruptive impact of supply chain decoupling from China.

Regarding U.S. interest rates, at the November meeting the FED held the fed funds rate at 5.25%-5.5%. This decision in addition to economic indicators implying that U.S. economic growth is slowing triggered a reduction in yields on the market's expectation the FED rate rising cycle is over and that it will lower rates in 2024.

The yield-to-maturity (YTM) for the 10-yr treasury increased by 107 basis points (1.07%) between June 30th and October 31st, but pulled back 44 basis points during the first 17 days of November. This bodes well for the Fund's performance so far in November.

We anticipate 2024 being a strong year for fixed income which should benefit the Global Balanced Fund.

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