

# Strategic Growth Fund

Quarterly Report, Q3 2023  
Issue 39



## Buy Low/Sell High

Net Asset Value:	\$0.99146
Assets:	\$6.2M
Inception:	Dec-08

### PERFORMANCE

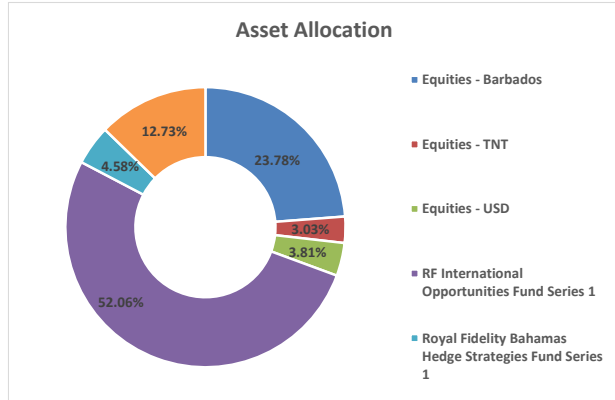
	Fund	Benchmark*
1 Month	-0.98%	-2.05%
3 Month	0.06%	-0.14%
1Yr	2.32%	11.98%
3Yr	1.18	2.62%
5Yr	0.61%	1.39%

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

### TOP FIVE HOLDINGS

RF US INT'L OPPORTUNITIES FUND	52.06%
MASSY HOLDINGS LIMITED	8.54%
GODDARD ENTERPRISE LIMITED	6.34%
RF USD HEDGE FUND	4.58%
FIRST CARIBBEAN BANK	3.96%

### 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 Fund had a fairly slow Q3 providing a return of -0.98%. The Fund overperformed in September and Q3 versus the benchmark due to the Fund having a reduced equity exposure which was a good hedge against the downturn in September. This tactical decision was made to reduce downside exposure and to provide liquidity to take advantage of an expected equity market pullback. While this pull back expected in early 2023 didn't occur, we feel it has only been delayed to the second half of 2023. We have seen the market start to pull back during September and into October. If this pullback continues into 2024 it would create a ideal opportunity to reinvest into equities.

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. Both equity and fixed income markets are focused on when they expect the Fed to start lowering the Fed funds rate.

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.

As we enter the fourth quarter, the global economy is expected to continue to slow, with some economies possibly entering a recession. The magnitude of this potential recession will partly depend on the effectiveness of measures deployed by policymakers. Central banks, continuing to deal with the biggest inflation shock since the 1970s, will likely continue to prioritize the fight against inflation over supporting growth through the first half of 2024, but we expect policy to ease in the second half of 2024.

We also expect fixed income to out perform equities in 2024, so maintaining some fixed income exposure remains prudent in our view.

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