

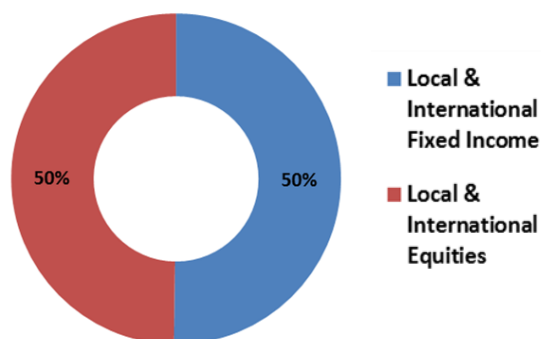
<b>Dec Net Asset Value:</b>	\$5.2259
<b>Assets:</b>	\$27.76M
<b>Inception:</b>	Aug-86

## Performance:

	Fund	Benchmark*
<b>1 Month</b>	0.99%	0.458%
<b>3 Month</b>	-1.26%	1.374%
<b>1 Yr</b>	-3.17%	5.5%
<b>5 Yr</b>	12.0%	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
GODDARD'S ENTERPRISES LIMITED

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.

## Positive outlook heading into

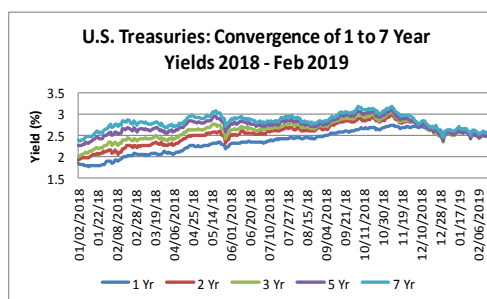
Q4 2018 saw the finalization of the Government of Barbados debt exchange as well as significant market volatility in the international markets making it a quarter that we gladly would put behind us.



The fund had a negative return of 1.26% for the quarter and an overall -3.17% return over the last 12 months attributed mainly to the impairment of the government debt as we were able to escape the losses of the international equities recorded in December. We expect now that the one off impairment was recognized on the local Government debt that the fund would see positive returns going forward as it pertains to our fixed income exposure.

As we look ahead for 2019 China is expected to be the key to global economic growth. Earnings growth in international economies should exceed the US; the Japanese and European market valuation also look compelling versus the US to and the focus would be on value stocks vs. growth stocks.

The US yield curve flattened in late 2018 and over the 1 to 7 year range has inverted slightly. It is not surprising that the Fed has stated it will be "patient" on rate hikes. This is a material change from the market expectation of two to three Fed rate hikes in 2019 and improves the Fund's outlook in 2019.



## Royal Fidelity Merchant Bank & Trust

27 Pine Road

St. Michael

Barbados

(246) 435-1955

[www.royalfidelity.com](http://www.royalfidelity.com)

[info@royalfidelity.bb](mailto:info@royalfidelity.bb)