



Select Balanced Fund

Q4 2019
Issue 29.1

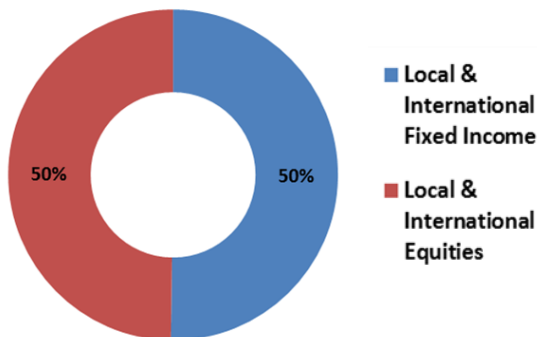
Dec Net Asset Value:	\$5.6891
Assets:	\$28.50M
Inception:	Aug-86

Performance:

	Fund	Benchmark*
1 Month	0.96%	0.458%
3 Month	2.59%	1.374%
1 Yr	6.35%	5.5%
5 Yr	18.91%	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.

Trade tensions and monetary policy easing at the same time

According to Morgan Stanley we should expect a modest recovery in the global economy in 2020. This view is predicated on the trade and monetary policies of the key economic players.

Renewed trade talks between the USA and China have "staved off further tariff increases." If the announced "phase one" deal is signed, this would reduce the risk of further tariff increases.

In 2020, 2021 and 2022-2024 real GDP growth in Emerging Markets is expected to grow from 3.90% in 2019 to 4.60% in 2022-2024. over this period the G10, US, and China are expected to see slowing real GDP growth. According to Morgan Stanley, equity investor should increase exposure to Emerging Markets.

Central banks have picked up the pace of easing in the third quarter of 2019 and over the last year, 20 central banks have eased monetary policy. Morgan Stanley expects additional easing in 2020.

During the first half of 2020 they see yield yields increasing across the entire yield curve, but decreasing across the entire yield curve during the second half of 2020. If these forecasts are realized, then we should see prices of most fixed USD bonds decreasing slightly during the first half of 2020, but then increasing during the second half

They also note that this is the first time on seven quarters that both trade tensions and monetary policy are easing at the same time.

Currently the fund is has an almost equal 50/50 equity and fixed income allocation and ended the year 2019 with a strong return of 6.35% ahead of its benchmark.

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