

# Select Balanced Fund

Quarterly Report, Q4 2023  
Issue 39



## Rising Momentum: The Path Ahead

<b>Net Asset Value:</b>	\$5.68
<b>Assets:</b>	\$26.63M
<b>Inception:</b>	Aug-86

### PERFORMANCE

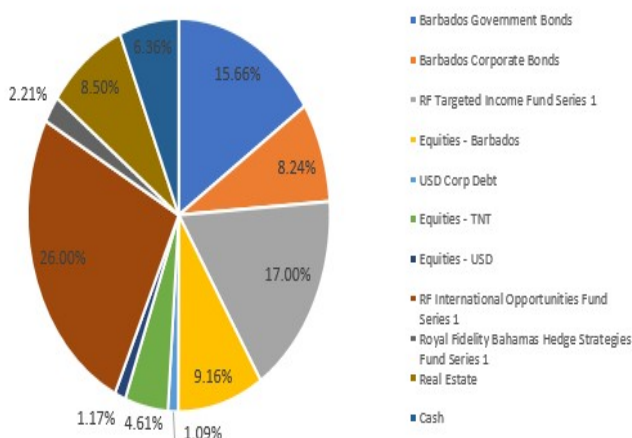
	Fund	Benchmark*
<b>1 Month</b>	1.14%	1.17%
<b>3 Month</b>	1.92%	4.10%
<b>1Yr</b>	2.51%	6.48%
<b>3Yr</b>	0.88%	3.42%
<b>5Yr</b>	1.89%	2.73%

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

### TOP FIVE HOLDINGS

RF US INT'L OPPORTUNITIES FUND	26.0%
RF BAHAMAS USD TARGETED INCOME	17.0%
BARBADOS GOVT BONDS	15.66%
EQUITIES - BBD	9.16%
Real Estate	8.50%

### 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.

The Fund underperformed in 2024 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 which didn't materialize. Excess cash is being invested as per the Fund's mandate.

In Q4 global equity markets, as measured by the MSCI All Country World Index (MXWD), were up 12.40% in Q4 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 5.50% in Q4 2023. Both equity and fixed income markets are recovering as interest rates are expected to decrease in 2024.

The chart below illustrates the changes in U.S. prices from the third quarter of 2022 to the fourth quarter of 2023. It displays quarterly changes in gross domestic purchase prices and consumer expenditure prices. Price increases have steadily declined from the 5% range to now hovering around 2%, with the most notable reductions occurring in food and energy costs. This trend strongly indicates that the Fed will lower rates as it persists.

We had a strong final quarter in 2023 and anticipate this momentum to carry into 2024 for fixed income, thereby benefiting the Premium Income Fund.



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