



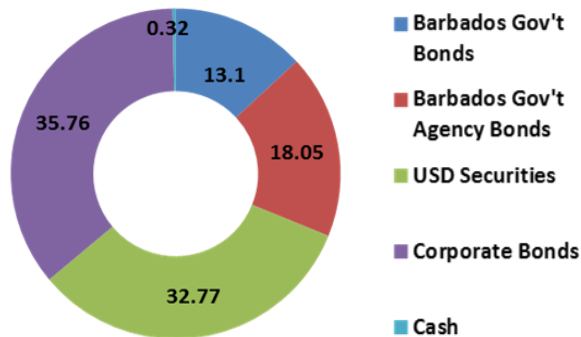
<b>Mar Net Asset Value:</b>	\$1.5355
<b>Assets:</b>	\$22.29M
<b>Inception:</b>	Dec-08

## Performance:

	Fund	Benchmark*
<b>1 Month</b>	0.79%	0.375%
<b>3 Month</b>	1.72%	1.13%
<b>1 Yr</b>	-6.19%	4.5%
<b>5 Yr</b>	11.30%	24.62%

\*4.5% flat rate

## Allocation:



## Top Holdings:

RF BAHAMAS USD TARGETED INCOME FUND
NEEDHAM'S POINT HOLDINGS 6.75% 2021
N.S.R. LIMITED 5% 2029 BOND
WILLIAMS INDUSTRY 5.25% 2023 BOND
GOV'T OF BARBADOS SERIES D BOND

*The Premium Income 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.*

## Still no deal with USD bond holders

As we approach the 1 year anniversary of the Government debt default negotiations continue with the GoB and the Barbados Bondholder Committee that represents holders of USD GOB debt. The Government remains adamant that it reach its 60% debt-to-GDP target by 2033.

With the government not paying interest over the last 9 months to service external bond holders along with other measures the Central Bank has seen a steady increase in international reserves and has reported that the import reserve cover to almost 14 weeks of imports.

In the interim the BSE and CBB are working to start the trading of the new local securities and have indicated that despite being issued as strips the "structure" does not allow for the separation of strips. "Any portion sold would be sold pro-rata across all strips with the remaining balance having the identical characteristics of the portion sold". We believe that once trading begins there would be a very active secondary market in these securities.

The first quarter of 2019 also saw a reversal in US fixed income markets as investment grade corporate spreads narrowed 34 basis points and high yield spreads narrowed by 132 basis points. The lower the credit quality the better the returns., just under 33% of our holdings are now is USD denominated securities.

We are happy to report that the fund has started its recovery and ended Q1 2019 with a return of 1.72% ahead of its benchmark. As market interest rates continue at an all time low and with the debt restructure behind us we believe our fund will once again be the more attractive option available to local investors. □

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