

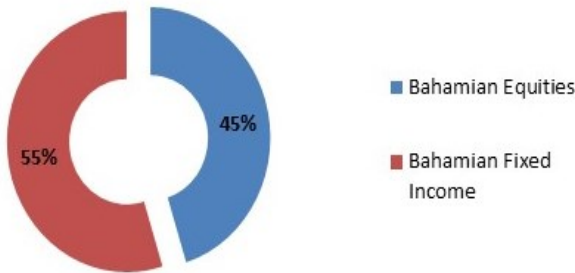
Dec Net Asset Value:	\$7.4734
Assets:	\$70.78M
Inception:	Nov-12

Performance:

	Fund	Benchmark*
1 Month	0.59%	1.84%
3 Month	1.58%	3.54%
1 Yr	4.61%	3.62%
3 Yr Ave Ann	3.85%	5.25%

* Blended Index: 60% current Bahamas Prime Rate and 40% BISX All Share Index

Allocation:



Investment Exposure:

CABLE BAHAMAS PEF SHARES	6.25%
NAD PARTICIPATING DEBT NOTES	7.5%
BE ALIV FIXED RATE NOTES	8.5%
FIDELITY BANK (BAHAMAS)	
COMMONWEALTH BANK	
FINCO	

The Secure Balanced Fund is a sub fund of the Bahamas Opportunities umbrella investment fund, which began in November 2012. Performance shown is for Series 1, or retail, shares, which may differ from other Series offered in the fund. 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.

Good Balance Drives 4Q Results

The Secure Balanced Fund (the "Fund") is allocated between fixed income and equities at 55% and 45% respectively. The key development in the 4Q was the investment in the Airport Development Company (NAD) 7.5% fixed participating debt notes. This investment is expected to boost the performance of the fixed income portfolio over time.

During Q4 nine the Fund's equity positions gained, while six declined. The advancers were Bank of The Bahamas (44.55%), AML Foods (26.50%), Commonwealth Bank (20.64%), First Caribbean (10.63%), FINCO (9.92%), Bahamas Waste (9.87%), Emera (4.39%), Doctors Hospital (1.71%), and FamGuard (1.45%). Declines in Bahamas Property Fund (-22.99%), Consolidated Water (-14.96%), Commonwealth Brewery (-9.42%), Fidelity Bank (-2.65%), FOCOL (-0.55%), and Cable Bahamas (-0.43%) offset some of the gains. Also, during Q4 fourteen companies declared ordinary dividends.

During December and Q4, the Fund underperformed versus the Benchmark, but exceeded it for the full year. The Fund's equity portfolio performance is measured versus BISX. The performance of BISX is skewed towards the performance of Commonwealth Bank and FirstCaribbean Bank, which combined account for over 55% of the total index. It would not be prudent for the Fund to have such large exposures to only two stocks, so performance discrepancies will occur.

The key challenge for the fixed income portfolio is finding appropriate investments for the large net subscriptions received monthly. In 2019 rates are expected to remain low and demand for higher yielding paper high. The table below shows the latest deposit rate data issued by the Central Bank of The Bahamas.

Q3 2018			
Savings Deposits	3-month Deposit	Over 12-Months	Wt. Average
0.68%	0.68%	1.32%	0.99%

Royal Fidelity Merchant Bank & Trust
51 Frederick Street
PO Box N 4853

www.royalfidelity.com
info@royalfidelity.com