ROYAL FIDELITY

Personal Pension Plan

International Fixed Income Fund

Q1 2020
Issue 16

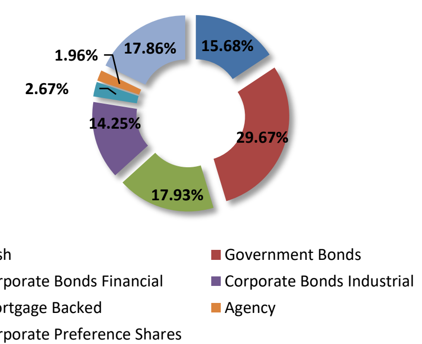
Dec Net Asset Value:	$1.1328
Assets:	$51K
Inception:	May-18

Performance:

	Fund	Benchmark*
1 Month	-0.36%	1.08%
3 Month	1.49%	4.05%
1 Yr	5.23%	8.11%
3 Yr Ann Ave	n/a	2.85%

** Bloomberg Barclays Inter A+ U.S. Govt/Credit Total Rtn Index*

Allocation:



Top Holdings:

U.S. CORPORATE BONDS	32.2%
U.S. TREASURIES	29.7%
CORPORATE PREFERENCE SHARES	17.9%
CASH	15.7%
MORTGAGE BACKED SECURITIES	2.7%

The International Fixed Income Fund is a pension-only pool of assets that invests in the USD Targeted Income Fund. Performance shown does not include any fees associated with the administration of a pension plan and may differ from other shares offered in the fund as a result of different fee structures. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to any restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

Recession by Pandemic

Coverage of the COVID-19 pandemic (COVID-19) dominates mainstream media and social media. The constant flow of statistics and analysis is required to make informed decisions, but can be overwhelming at times. Well, as with all analysis one needs to step back and see the big picture.

Unfortunately we have a global recession on our hands the likes of which we haven't seen since the great depression over 90 years ago. While the event that triggers a recession is unique, the factor that usually determines its scale, leverage, is not.

The great recession of 2008-2009 was a function of excessive consumer leverage exacerbated by poor mortgage lending practices and flawed CDO investment products. Since then, the US consumer has significantly delevered and the current recession is more a function of corporate leverage.

According to Morgan Stanley, with the US consumer accounting for 70 percent of the economy and the banking sector unimpaired, this recession may end up being much less disruptive than 2008-2009.

The unprecedented fiscal response to COVID-19 is expected to stimulate inflation as economies recover. With inflation expected to increase, investors need to factor in increasing interest rate risk into their investment strategies. This can be done by purchasing debt instruments linked to inflation and also reducing duration.

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