

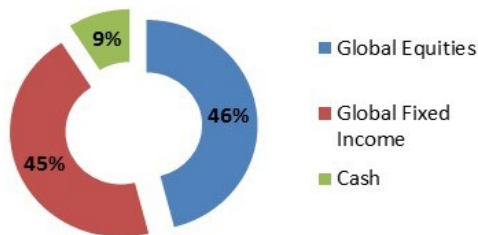
Mar Net Asset Value:	\$11.1340
Assets:	\$818K
Inception:	Aug-14

Performance:

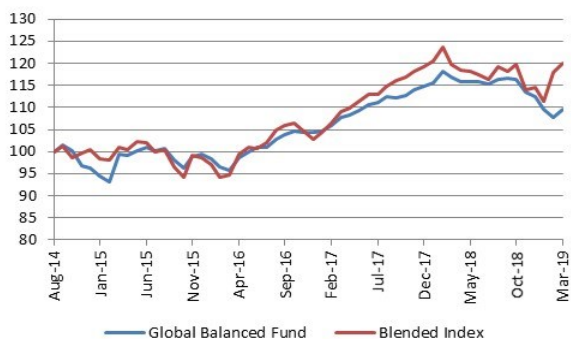
	Fund	Benchmark*
1 Month	1.66%	1.04%
3 Month	1.72%	8.64%
1 Yr	-3.84%	1.57%
3 Yr Ave Ann	4.31%	6.89%

* Blended Index: 50% MSCI All-Country World Index (MXWD) and 50% Bloomberg Barclays Emerging Markets USD Sovereign Bond Index (BSSUTRUU)

Allocation:



Performance:



The Global Balanced Fund is a sub fund of the Royal Fidelity International Investment Fund. The fund is new and has limited performance history. 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.

Fixed Income and Equities Rebound in Q1

On October 3rd, Fed Chairman Powell stated that “the central bank has a way to go yet before it gets interest rates to where they are neither restrictive nor accommodative. We may go past neutral, but we’re a long way from neutral at this point, probably.” Almost immediately financial markets made a rush to quality as the ten-year Treasury yield fell 86 basis points from 3.23% to and ultimately bottomed out in March. Corporate credit spreads soared with investment grade widening 47 basis points and high yield spreads shooting up 200 basis points. Simultaneously the stock market fell nearly 20%. When Powell speaks, markets listen.

Following this turmoil, Chairman Powell apologetically reversed his stance stating that “further gradual increases in the level of short-term interest rates are no longer necessary to prevent the economy from overheating”. As expected, equity markets reversed and stocks had their best month in three years and their best January in thirty years.

Global equity markets turned 180-degrees in 1Q of 2019 and after a brutal December 2018, the S&P 500 Index was up 16.7%; the NASDAQ Composite was up 20.7%; and the MSCI All Country World Index was up 14.7%. One of the key reasons the markets are willing to take on risk is the 180-degree shift in the Fed policy. Please note that 100% of these gains have been fueled by an expansion in stock valuation multiples and not corporate fundamentals. This makes this rally susceptible to negative news like trade wars and hot wars.

The first quarter also saw a reversal in 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.

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