

# Select Balanced Fund

Quarterly Report, Q3 2024  
Issue 39



<b>Net Asset Value:</b>	\$5.80
<b>Assets:</b>	\$25.32M
<b>Inception:</b>	Aug-86

## PERFORMANCE

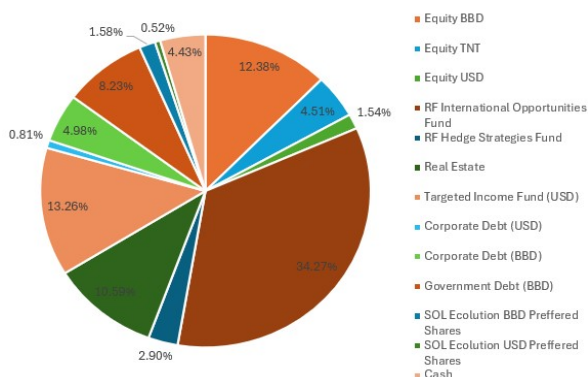
	Fund	Benchmark*
<b>1 Month</b>	0.32%	0.54%
<b>3 Month</b>	1.07%	0.95%
<b>1Yr</b>	4.11%	10.57%
<b>3Yr</b>	-0.61%	4.43%
<b>5Yr</b>	1.53%	3.31%

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

## TOP FIVE HOLDINGS

RF US INT'L OPPORTUNITIES FUND	34.27%
RF BAHAMAS USD TARGETED INCOME	13.26%
EQUITY-BBD	12.38%
REAL ESTATE	10.59%
GOVERNMENT DEBT	8.23%

## ALLOCATION



## Republicans return to the Oval Office

The Fund was up 0.32% and 1.07% in September and Q3 respectively. Over the last five years the fund average 1.53%, which is lower than the benchmark. In early 2023 the decision was made to reduce downside exposure to equity markets based on expectations of a US recession. This tactical decision was made to reduce downside exposure and provide liquidity to take advantage of an expected equity market correction. While our decision was premature, we have reduced downside risk and the recent decrease in US interest rates is benefiting the fund.

With the 2024 U.S. election nearing its conclusion, we anticipate increased volatility in equities in the short term, when Donald Trump takes office. He holds strong views on cutting corporate taxes and implementing tariffs on foreign imports. The tax cuts are likely to boost corporate profits and theoretically stimulate economic growth. However, the downside is that this could lead to higher inflation, similar to what we saw during the COVID-19 pandemic. Additionally, the tariffs could raise prices across the U.S., as the country is the world's largest importer—unless the Trump administration develops an effective plan for their implementation.

In the third quarter of 2023, the Fed finally began the process of reducing interest rates by 50 basis points, which led to a significant increase in bond yields. The Fed is expected to make another rate cut, potentially two, in 2024. While the Fed has begun cutting rates, the U.S. economy remains strong, which raises concerns that inflation could resurface.

The Fund is positioned to benefit from upside in both markets and is partially hedged against potential equity market corrections through fixed income.

*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.*

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