

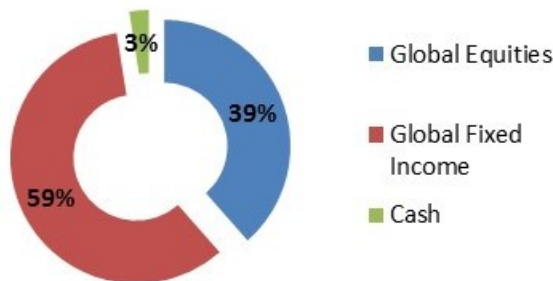
Dec Net Asset Value:	\$10.9455
Assets:	\$674K
Inception:	Aug-14

Performance:

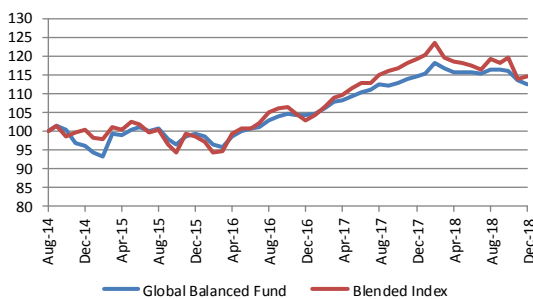
	Fund	Benchmark*
1 Month	-2.69%	-2.84%
3 Month	-5.87%	-7.08%
1 Yr	-5.23%	-6.51%
3 Yr Ave Ann	3.81%	5.13%

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

Allocation:



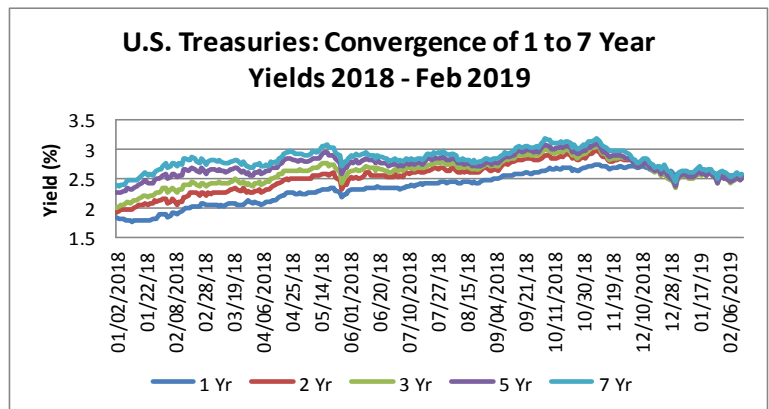
Performance:



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 Under Pressure

Normally when equities are under pressure investors can look to the fixed income market for respite, but this was not the case in 4Q 2018. Fed tightening combined with the market expecting slower future economic growth resulted in an inversion of the 1 to 7 year portion of the U.S. Treasuries yield curve (See the table below).



In 4Q the international equity markets experienced significant volatility; so much so that the equity portion of the Benchmark's December loss (-7.17%) was more than half its total 2018 loss (-11.18%). Fortunately, Royal Fidelity (RF) was able to avoid this loss in its equity portfolio. Based on internal discussions and analysis, RF successfully evaded the significant loss by actively reallocating the majority of the fund's international holdings to cash.

Morgan Stanley's base case as at 31 December 2018 for global equity markets in 2019 is noted in the table below.

Index	Base Case	Current Price	% Change
S&P 500	2,750	2,507	10%
MSCI Europe	1,540	1,405	10%
TOPIX	1,800	1,494	20%
MSCI Emg. Mkts	1,050	966	9%

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