



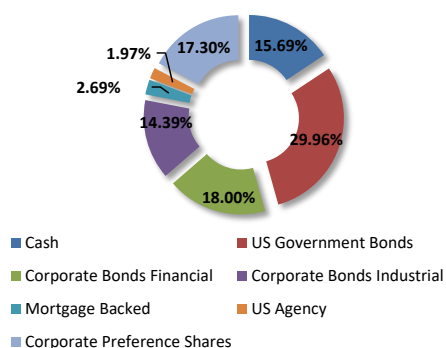
Sept. Net Asset Value:	\$1.1556
Assets:	\$32K
Inception:	May-18

**Performance:**

	Fund	Benchmark*
1 Month	-0.05%	0.01%
3 Month	0.21%	0.36%
1 Yr	4.14%	6.26%
3 Yr Ann Ave	3.53%	2.65%

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

**Allocation:**



**Top Holdings:**

U.S. CORPORATE BONDS	32.4%
U.S. TREASURIES	30.0%
CORPORATE PREFERENCE SHARES	17.3%
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.

**Stability During Turbulent Times**

In September the risks connected with the resurgence of Covid-19 and the uncertainty around the US election resulted in hard currency outflows from emerging markets as the markets appetite for risk decreased.

Meanwhile, US market returns declined to breakeven levels in treasuries, corporates and mortgage backed securities.

The Plan was down 0.05% in Q3 versus the benchmark's return of 0.36%. Over the last year the benchmark outperformed the Plan by 2.12%, but over the last three year period the Plan outperformed by 0.88% annually.

The Covid-19 pandemic will be characterized by waves of infections, with infection rates accelerating and then decelerating, which will cause the economic recovery to come in waves also. That said, the economic recovery has started and is expected to continue through 2021. Also, if Biden wins the US presidential election, further fiscal stimulus of the US economy can be expected.

The above factors support the position that In 2021 the possibility of reflation needs to be considered. With reflation we should expect higher interest rates and a steeper US yield curve.

The Fund is actively managed and decisions around asset allocation, duration, credit risk, and interest rate risk will be made to reduce overall risk and best position for the portfolio for the medium and long term.

**Royal Fidelity Merchant Bank & Trust**

Providence House, East Hill Street  
PO Box N 4853  
Nassau, Bahamas  
(242) 603-6000

[www.royalfidelity.com](http://www.royalfidelity.com)  
[info@royalfidelity.com](mailto:info@royalfidelity.com)