ROYAL FIDELITY

Global Balanced Fund (USD)

Q4 2019
Issue 29

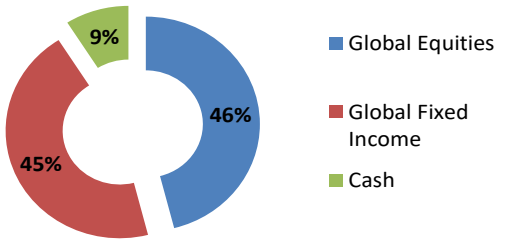
Dec. Net Asset Value:	$11.71
Assets:	$669K
Inception:	Aug-14

Performance:

	Fund	Benchmark*
1 Month	1.05%	2.87%
3 Month	3.33%	5.25%
1 Yr	6.99%	17.65%
5 Yr Ave Ann	4.55%	6.57%

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

Allocation:



Top 5 Asset Classes:

GROWTH STOCKS—US	19.0%
GOVERNMENT BONDS—US	14.5%
EQUITIES—EUROPE, ASIA, FAR EAST	11%
CORPORATE BONDS—FINANCIAL	9.4%
CASH	8.9%

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.

Rebalancing Expectations

In 2019 both fixed income and equity markets generated strong returns for investors, but in 2020 expectations should be tempered somewhat.

Based on research from leading global investment firms, returns for both fixed income and equities in 2020 are expected to be more in-line with long-term trends.

The table below details Morgan Stanley's forecast for US bonds yields as at mid-year and year-end 2020. During the first half of 2020 they see yields increasing across the entire yield curve, but decreasing across the entire yield curve during the second half of 2020.

US T-Bonds Yield Forecasts

Maturity	Two-Yr.	Five-Yr.	10-Yr.	30-Yr.
31/12/2019	1.58%	1.68%	1.90%	2.34%
2Q2020	1.65%	1.80%	2.00%	2.50%
4Q2020	1.55%	1.60%	1.75%	2.25%

According to Morgan Stanley we should expect a modest recovery in the global economy in 2020 and positive growth for the next five years, but at low levels.

Real GDP Forecasts	2019E	2020E	2021E	2022-2024E
Global	3.00%	3.20%	3.50%	3.30%
G10	1.70%	1.30%	1.50%	1.10%
US	2.30%	1.80%	1.90%	1.10%
Emerging Markets	3.90%	4.40%	4.70%	4.60%
China	6.10%	6.00%	5.90%	5.20%

Source: Margan Stanley, On The Markets, December 2019

The Fund's investment manager will look for buying opportunities based on value and during market corrections.

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