

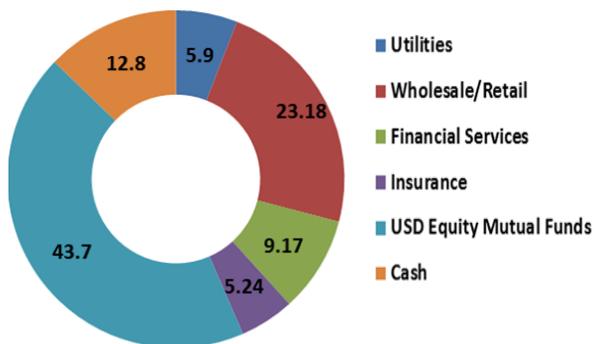
Sept Net Asset Value:	\$0.942
Assets:	\$4.77M
Inception:	Dec 08

Performance:

	Fund	Benchmark*
1 Month	-0.96%	0.542%
3 Month	4.33%	1.625%
1 Yr	3.71%	6.5%
5 Yr	13.36%	37.0%

* Annual rate of return, 6.5%

Allocation:



Top Holdings:

RF USD INT'L OPPORTUNITIES FUND
CASH
GODDARD ENTERPRISES LIMITED
FIRSTCARIBBEAN INTERNATIONAL
EMERA INCORPORATED

The Strategic Growth Fund is a sub fund of the Royal Fidelity 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.

3rd quarter returns driven by US equities

Growth in the equity portfolio was driven by our US exposure. The European, Asian and Emerging Market equity markets remain down YTD.



Going forward continued market volatility is expected.

There are numerous variables at play, each of which can move markets.

According to a recent report from Morgan Stanley, while they don't see any imminent sign of recession on the horizon, they do expect markets to remain range bound as better valuations encounter the headwind of potential peak-profit margins.

The US and European monetary policy is not stimulative with both the US Fed and European Central Bank taking liquidity out of the system. The Fed knows that at some point in the future they will need to lower rates in order to stimulate the US economy. If rates remain low, their ability to use monetary policy to stimulate growth is limited. Core inflation in the US is expected to increase, according to the Morgan Stanley report. If this occurs, then the expected three



remaining increases will likely occur.

The local exchange indices reported across the board gains—11.41% (local), 9.36% (cross listed) and 11.14% (composite). FirstCaribbean International—which is a larger local holding of the fund—increased 6.72% along with Sagikor that saw a 5.27%

The Fund increased by 4.33% for the third quarter with most of those gains recorded during the month of August. Our fund is widely diversified across countries and industries, with a current exposure of 60% international and 40% domestic and regional equity.

With expected volatility, diversification is important if investors are to secure their investment goals and this fund is structured to do just that! ♦

Royal Fidelity Merchant Bank & Trust

27 Pine Road
St. Michael
Barbados
(246) 435-1955

www.royalfidelity.com
info@royalfidelity.bb

