High Yield Income Fund

Quarterly Report, Q4 2024
Issue 39

Net Asset Value:	$13.03
Assets:	$32.20M
Inception:	Nov-13

PEFORMANCE

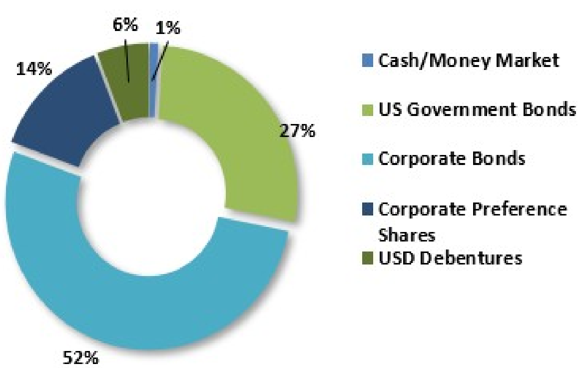
	Fund	Benchmark*
1 Month	-0.51%	-1.36%
3 Month	0.89%	-3.15%
1Yr	4.60%	1.60%
3Yr	1.20%	-1.54%
5Yr	1.14%	0.31%

** Bank of America/Merrill Lynch B310 U.S. Corp. & Govt. 5-7 year AAA-A*

TOP FIVE HOLDINGS

U.S. CORPORATE BONDS	52.44%
U.S. GOVERNMENT BONDS	27.21%
CORPORATE PREFERENCE SHARES	13.53%
USD DEBENTURES	5.89%
CASH/MONEY MARKET	0.93%

ALLOCATION



The High Yield Income Fund is a sub fund of the RF (Bahamas) International umbrella investment fund and invests substantially all of its assets into the USD Targeted Income Fund. The allocation shown is subject to change without notice and at the discretion of the investment manager. The Bloomberg Barclays Emerging Markets USD Sovereign Bond Index tracks fixed and floating-rate US dollar-denominated debt issued by EM governments.

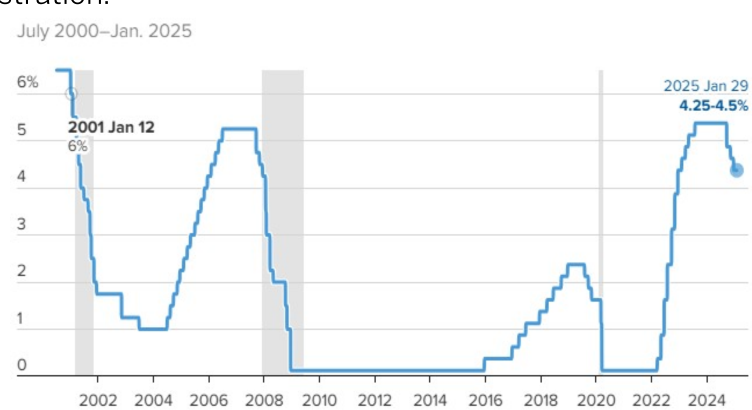
Navigating the Rate Cut Cycle

The Fund returned –0.51%, 0.89%, and 4.60% in December, Q4 and over the last 12 months, respectively. The Fund outperformed the benchmark in each period.

The allocation chart at the bottom left indicates that the Fund is 52% allocated to USD corporate bonds. The second-largest exposure is US government bonds, primarily in short- to medium-duration securities. The third-largest holding consists of corporate preference shares. Together, these three allocations account for over 93% of the total portfolio.

In the latter half of 2024 (as shown in the chart below), the U.S. Federal Reserve began implementing strategic measures to roll back the high interest rates that had been constraining the U.S. economy. These actions have significantly benefited the Fund. As the Fed cut rates, all of the Fund's bond holdings appreciated, leading to a strong finish to 2024.

Heading into 2025, the Fed has adopted a more cautious approach to rate cuts than initially planned in 2024. This shift is largely due to President Trump's tariff threats, which could potentially drive inflation higher at a rapid pace. In response, the Fed opted to maintain interest rates in its most recent meeting, waiting for clearer signs of economic stability and inflation projections that align with its long-term objectives under the current administration.



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