RF Inter. Fixed Income Pension Fund (USD)

Quarterly Report, Q3 2023
Issue 42 —102529 —USD

September Net Asset Value:	$1.07
Assets:	$429K
Inception:	Nov-13

PEFORMANCE

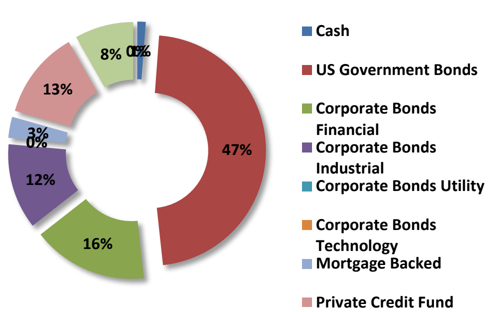
	Fund	Benchmark*
1 Month	-0.38%	-1.83%
3 Month	-0.20%	-2.03%
1Yr	-0.003%	0.99%
3Yr	-3.54%	-4.65%
5Yr	-0.69%	1.09%

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

TOP FIVE HOLDINGS

U.S. GOVERNMENT BONDS	35.27%
U.S. CORPORATE BONDS—FIN	17.30%
U.S. CORPORATE BONDS—IND	15.74%
PRIVATE CREDIT FUND	13.26%
CORPORATE PREFERENCE SHARES	8.18%

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.

Is the Bond Bear Market Over?

The Fund returned –0.38%, -0.10%, and -0.003% in September, Q3 and over the last 12 months, respectively. The Fund outperformed the benchmark in Q3.

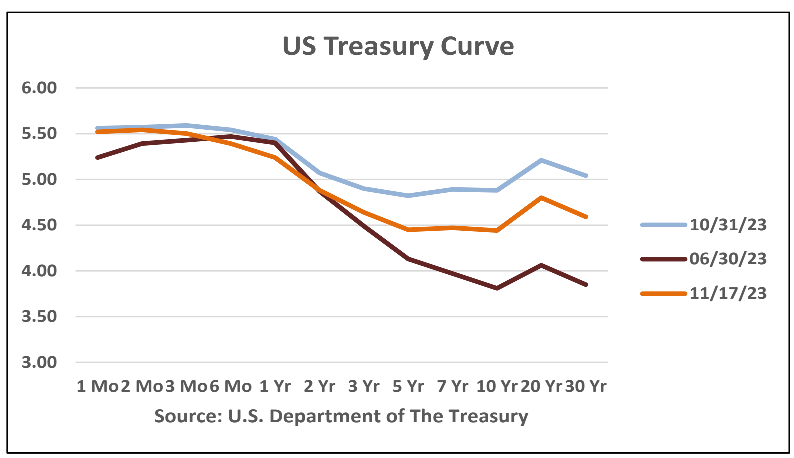
The allocation chart at bottom left shows that the Fund is 35% allocated to US Government Bonds and primarily in short to medium duration paper. The second largest exposure is investment grade financial sector corporate paper, with investment grade industrial corporate paper being the third largest exposure. Together these three allocations account for 68% of the total portfolio.

YTD excess cash has been invested primarily in U.S. T-bills which have been yielding between 4%-5% over the last six months. Over the balance of 2023 we anticipate rolling maturing T-Bills into new short-term T-Bills and medium-term treasuries and investment grade corporates where we feel the potential for capital gains in 2024 is highest.

Regarding U.S. interest rates, at the November meeting the FED held the fed funds rate at 5.25%-5.5%. This decision in addition to economic indicators implying that U.S. economic growth is slowing triggered a reduction in yields on the market's expectation the FED rate rising cycle is over and that it will lower rates in 2024.

The chart below details the changes in the U.S. treasury yield curves as at June 30th, October 31st, and November 17th. The yield-to-maturity (YTM) for the 10-yr treasury increased by 107 basis points (1.07%) between June 30th and October 31st, but pulled back 44 basis points during the first 17 days of November. This bodes well for the Fund's performance so far in November.

We anticipate 2024 being a strong year for fixed income and therefore the Targeted Income Fund.



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