

# RF International Fixed Income Fund



Quarterly Report, Q3 2023  
Issue 38-104344-USD

Sept. Net Asset Value:	1.143243
Assets:	\$1250
Inception:	Sep-23

## PERFORMANCE

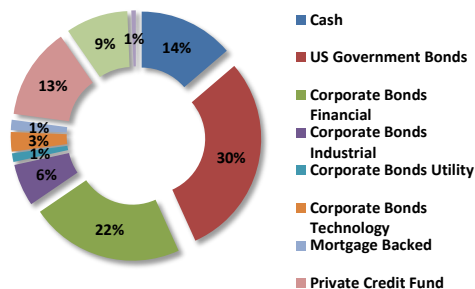
	Fund	Benchmark*
1 Month	0.00%	-1.83%
3 Month	0.00%	-2.03%
1Yr	0.00%	0.99%
3Yr	0.00%	-4.65%
5Yr	0.00%	1.09%

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

## TOP FIVE HOLDINGS

CASH	97.77%
U.S. GOVERNMENT BONDS	0.81%
U.S. CORPORATE BONDS—FIN	0.40%
U.S. CORPORATE BONDS—IND	0.36%
PRIVATE CREDIT FUND	0.31%

## 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.*

## Is the Bond Bear Market Over?

The Fund returned 0.00%, 0.00%, and 0.00% in September, Q3 and over the last 12 months, respectively.

The allocation chart at bottom left shows that the Fund is Primarily invested in cash amounting to 97.77% and the remaining 2.23% in the High Yield Fixed income.

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.

