RF International Fixed Income Fund

Quarterly Report, Q4 2023
Issue 38-104344-USD

December Net Asset Value:	1.07
Assets:	$1,437
Inception:	Sep-23

PEFORMANCE

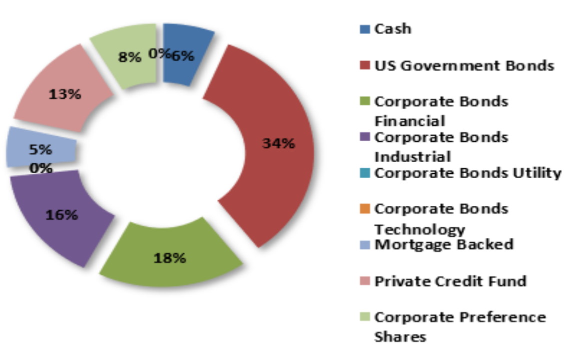
	Fund	Benchmark*
1 Month	0.05%	-1.83%
3 Month	-6.53%	-2.03%
1Yr	0.00%	0.99%
3Yr	0.00%	-4.65%
5Yr	0.00%	1.09%

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

TOP FIVE HOLDINGS

CASH	97.75%
U.S. GOVERNMENT BONDS	0.74%
U.S. CORPORATE BONDS—FIN	0.39%
U.S. CORPORATE BONDS—IND	0.34%
PRIVATE CREDIT FUND	0.29%

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 Resurgence of Bond Markets

The Fund returned 0.05%, -6.53%, and 0.00% in December, Q4 and over the last 12 months, respectively. The Fund underperformed the benchmark in Q4 and the last year. The fund outperformed the last three year, and five year periods.

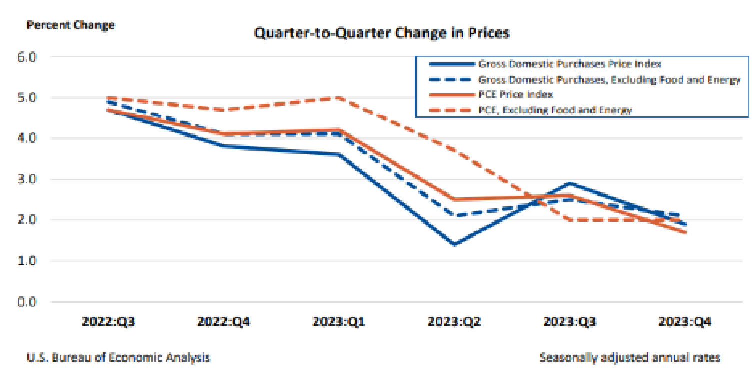
The allocation chart at bottom left shows that the Fund is 34% allocated to US Government Bonds and primarily in short to medium duration paper. The second largest exposure is investment grade financial sector corporate paper, with investment grade industrial corporate paper being the third largest exposure. Together these three allocations account for 67% 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 nine months. In the first Quarter of 2024 we are 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 end of 2023 the FED continues to hold 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 illustrates the changes in U.S. prices from the third quarter of 2022 to the fourth quarter of 2023. It displays quarterly changes in gross domestic purchase prices and consumer expenditure prices. Price increases have steadily declined from the 5% range to now hovering around 2%, with the most notable reductions occurring in food and energy costs. This trend strongly indicates that the Fed will lower rates as it persists.

We had a strong final quarter in 2023 and anticipate this momentum to carry into 2024 for fixed income, thereby benefiting the targeted income fund.



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