

Premium Income Fund

Quarterly Report, Q1 2024
Issue 39



Bond Markets are Making a Comeback

The Fund returned 0.47%, 0.93%, and 3.27% in March, Q1 and over the last 12 months, respectively. The Fund overperformed the benchmark in Q1 and overperformed the benchmark in all other periods.

The allocation chart at the bottom left shows that the Fund is 39% allocated in the RF Targeted Income USD Fund and USD Corporate debt, which makes US fixed income the fund's largest exposure. The main factor that affects the fund currently is interest rate risk in the US.

In the first quarter of 2024, we rolled over 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 Q1 2024, the Fed continues to hold the fed funds rate at 5.25%-5.5%. This decision is the result of persistent inflation and a resilient US economy. Rates are now expected to remain at this level until September with a potential of 2 rate cuts in 2024.

The chart below illustrates the changes in U.S. prices and inflation-adjusted spending from 2021 to February 2024. In the first quarter, we see that spending decreased sharply at the start of the year but has been increasing into February. As long as levels of spending remain high, so will inflation, and as a result, so will interest rates.

We had a strong first quarter in 2024 with the Premium Income fund, and we anticipate that this should only be the start of what's to come for the year.

Net Asset Value:	\$1.78
Assets:	\$25.08M
Inception:	Dec-08

PERFORMANCE

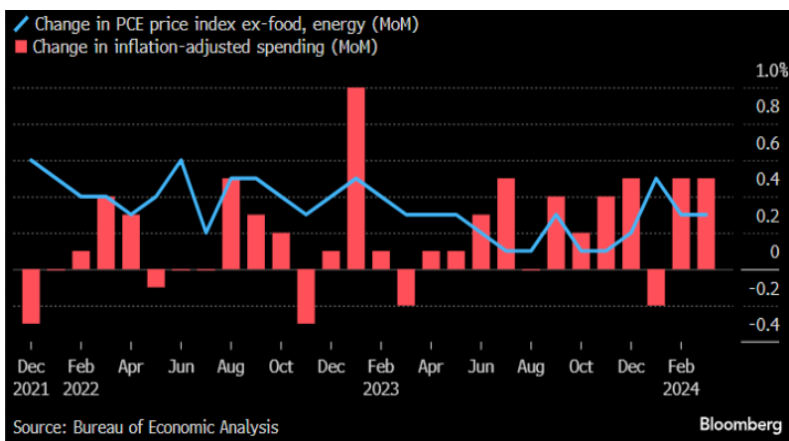
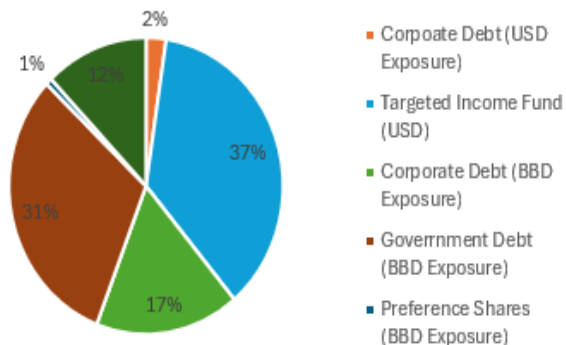
	Fund	Benchmark*
1 Month	0.47%	0.17%
3 Month	0.93%	0.50%
1Yr	3.27%	2.00%
3Yr	2.77%	2.00%
5Yr	3.07%	2.00%

*Barbados Discount Rate

TOP FIVE HOLDINGS

RF BAHAMAS USD TARGETED INCOME	36.5%
GOVERNMENT OF BARBADOS SERIES B	14.12%
CASH	12.18%
WILLIAM INDUSTRIES TRANCE 4 5.25%	11.54%
GOVERNMENT OF BARBADOS SERIES D	11.18%

ALLOCATION



The Premium Income Fund is a sub fund of the RF 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.

RF Merchant Bank & Trust (Barbados) Limited
Phone: 435-1955 info@rfgroup.com