

Premium Income Fund

Quarterly Report, Q1 2025
Issue 40



The Risk Premium is Rising!

The Fund returned 0.36%, 0.96%, and 3.98% in March, Q1 and over the last 12 months, respectively. The Fund outperformed the benchmark over all periods.

The allocation chart at bottom left shows that the Fund is 49.5% allocated to Targeted Income Fund ("TIF"), while the chart bottom-right details the asset allocation of the Targeted Income Fund. The second largest exposure is Barbados Government debt and the third largest is Barbados Corporate Debt. Together these three allocations account for 87% of the total portfolio.

For the TIF, this "higher-for-longer" rate environment presents both challenges and opportunities. Elevated rates continue to pressure longer-duration bond prices, potentially leading to mark-to-market losses. However, the fund benefits from higher reinvestment yields and attractive income opportunities across shorter-duration and higher-quality securities. As rate volatility persists, the TIF is strategically positioned to manage duration risk while capturing enhanced yield in the front end of the curve. With 6-month yields at 4.35% versus 4.29% for 7-yr paper, why get too close to the edge.

Net Asset Value:	\$1.856
Assets:	\$7.64M
Inception:	Dec-08

PERFORMANCE

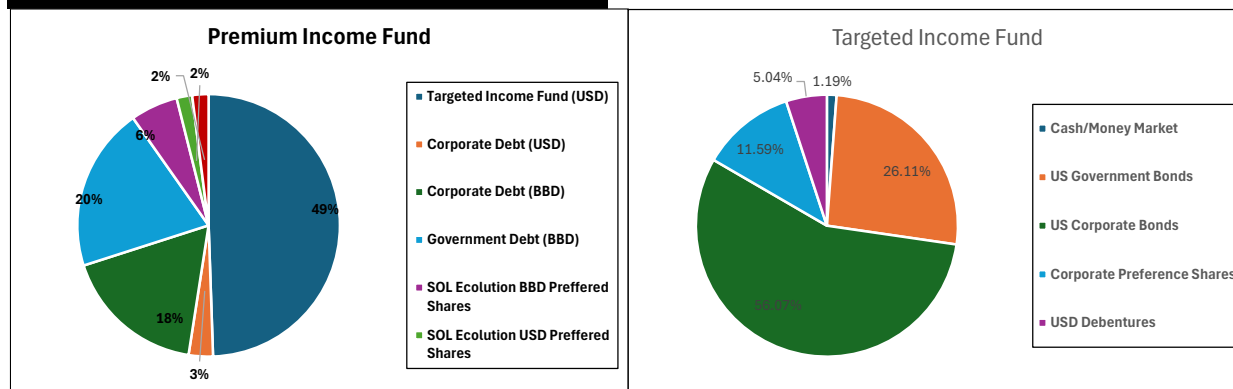
	Fund	Benchmark*
1 Month	0.357%	0.17%
3 Month	0.96%	0.50%
1Yr	3.98%	2.00%
3Yr	2.66%	2.00%
5Yr	2.64%	2.00%

*Barbados Discount Rate

TOP FIVE HOLDINGS

RF BAHAMAS USD TARGETED INCOME	49.46%
GOVERNMENT DEBT (BBD)	20.19%
CORPORATE DEBT (BBD)	17.60%
SOL Ecolution Class A 7% (BBD)	5.84%
CORPORATE DEBT (USD)	2.99%

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