RF Bank & Trust

Premium Income Fund

Fund Quarterly Report | Q3 2025

Key Information

Net Asset Value	1.89
Fund Type	Barbados Fixed Income
Benchmark	Barbados Discount Rate

Performance Statistics

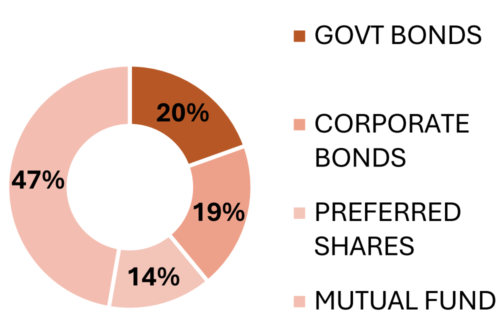
	RF Fund	Benchmark
1 Month	0.7%	0.2%
3 Months	1.4%	0.5%
Year to Date	3.0%	1.5%
1 Year	4.9%	2.0%
3 Years	3.7%	2.0%
5 Years	3.2%	2.0%

Returns greater than 1 year are annualized.

Top 5 Holdings

Position	Weight
Targeted Income Fund S3	49.2%
Government of Barbados Debt Exchange	14.6%
Williams Industries-Tranche 4	14.5%
SOL Ecolution Class B	12.5%
Government of Barbados Debt Exchange	3.2%

Fund Allocation



US Rates A Tailwind... For Now

In Q3 2025, the fund returned 1.4% in a period marked by renewed trade tension, bringing year-to-date performance to 3.0%. This compares to benchmark returns of 0.5% and 1.5% over the same periods.

International government bond markets delivered mixed performance in the third quarter. US Treasury yields ended lower as early steepening of the yield curve—driven by rate cut expectations and concerns over Fed independence—gave way to reversal following the Federal Open Market Committee's 25 basis point cut to 4.0%-4.25% in September. Signs of softening labour markets combined with sticky inflation may limit the Fed's ability to lower rates as aggressively as expected.

In contrast, eurozone yields rose as tariff uncertainty eased with the agreement of a 15% baseline rate on EU goods entering the US, and optimism grew around Germany's fiscal stimulus plans. French bonds underperformed amid political upheaval following Prime Minister Bayrou's resignation and Fitch's downgrade of France's sovereign rating to A+. Markets now expect the ECB's rate-cutting cycle has ended, with policy rates unchanged and inflation forecasts revised below the 2% target.

Barbados' economy delivered steady 2.7% real GDP growth through Q3, underpinned by tourism momentum, construction activity, and record-low 6.1% unemployment. The fiscal position strengthened materially—primary surplus reached 3.8% of GDP while debt-to-GDP declined 2.9 percentage points to 100.1%. International reserves stood at $3.3 billion (31.6 weeks import cover), supported by robust tourism receipts and capital inflows. Inflation remained benign at 0.5% (12-month moving average).