Premium Income Pension Fund

Quarterly Report, Q1 2023
Issue 39

Net Asset Value:	$1.7286
Assets:	$6.867M
Inception:	Dec-08

PEFORMANCE

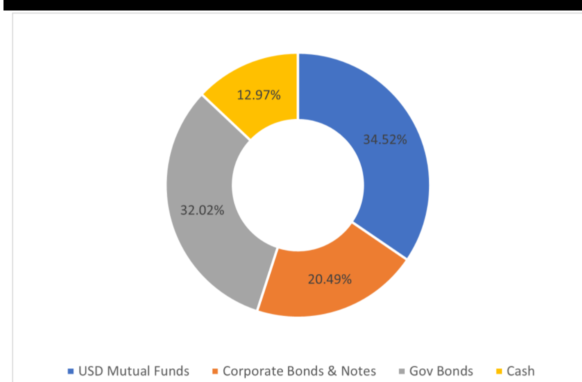
	Fund	Benchmark*
1 Month	0.38%	0.17%
3 Month	0.64%	0.50%
1Yr	1.26%	2.00%
3Yr	2.01%	2.00%
5Yr	1.11%	2.00%

**Barbados Discount Rate*

TOP FIVE HOLDINGS

RF BAHAMAS USD TARGETED INCOME	34.52%
GOVERMENT OF BARBADOS SERIES B	19.47%
CASH	12.97%
WILLIAM INDUSTRIES TRANCE 4 5.25%	11.36%
GOVERMENT OF BARBADOS SERIES D	10.30%

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.

Mild Recession or Soft Landing?

The Fund returned 0.38.%, 0.64%, and 1.26% in March, Q1, and over the last 12 months, respectively. The Fund outperformed the benchmark in Q1 and March. The Fund's portfolio has USD investments that are subject to interest rate risk, while the benchmark is not. Over the next two years we expect materially higher returns as the US Fed Funds Rate peaks in the first half of 2023 and remains elevated into 2024.

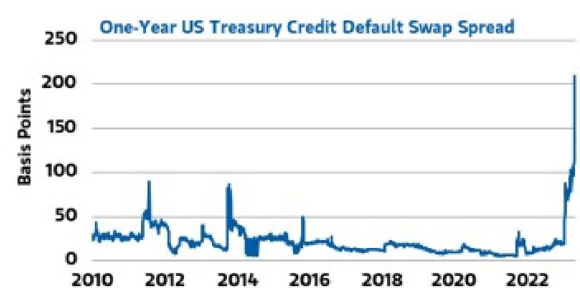
The allocation chart at bottom left shows that the Fund is 34% allocated to USD Targeted income fund Government Bonds and primarily in short-term paper. The second largest exposure is investment grade financial sector corporate paper, with investment grade industrial corporate paper being the third largest exposure.

Regarding U.S. interest rates, we expect the Fed will raise the Fed Funds Rate 0.25% in May and then hold the Fed Funds Rate steady until early 2024. We see the deceleration in the rate of inflation being slower than expected.

Currently economists are debating whether the U.S. economy will have a mild recession are a soft landing. In either case, the U.S. economy is expected to slow significantly, but not sufficiently to reduce inflation to a level that would trigger a rate reduction in 2023 by the Fed.

YTD excess cash has been invested in 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 until spreads on medium-term investment grade corporates widen.

Markets are getting more nervous about the ongoing U.S. debt ceiling debate and the polarization in Washington. The chart below tracks the price of the one-year US Treasury credit default swap spread and at the current level, the spread suggests the risk of default being a t least twice the levels during the



Source: Bloomberg as of April 27, 2023

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