

USD Fixed Pension Fund

Quarterly Report, Q1 2025
Issue 5 —2600028/102536 —USD

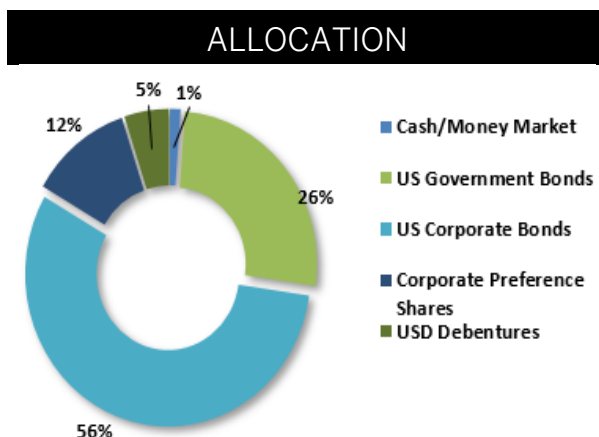


| | |
|------------------|---------|
| Net Asset Value: | \$1.04 |
| Assets: | \$1.74M |
| Inception: | Nov-13 |

| PERFORMANCE | | |
|-------------|-------|------------|
| | Fund | Benchmark* |
| 1 Month | 0.05% | 0.53% |
| 3 Month | 0.78% | 3.28% |
| 1Yr | 4.70% | 5.60% |
| 3Yr | 2.11% | 1.25% |
| 5Yr | 0.21% | -0.30% |

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

| TOP FIVE HOLDINGS | |
|-----------------------------|--------|
| U.S. CORPORATE BONDS | 56.07% |
| U.S. GOVERNMENT BONDS | 26.11% |
| CORPORATE PREFERENCE SHARES | 11.59% |
| USD DEBENTURES | 5.04% |
| CASH/MONEY MARKET | 1.19% |



RF Inter. Fixed Income Pension Fund (USD) is a sub fund of the RF (Bahamas) International umbrella investment fund. The allocation shown is subject to change without notice and at the discretion of the investment manager.

Inflation, Tariffs, and Opportunity

The Fund returned 0.05%, 0.78%, and 4.70% in March, Q1 and over the last 12 months, respectively. Over the last 3 years and 5 years the Fund returned 2.11% and 0.21%, respectively. The Fund outperformed the benchmark over both periods.

The allocation chart at the bottom left indicates that the Fund is 56% allocated to USD corporate bonds. The second-largest exposure is US government bonds, primarily in short- to medium-duration securities. The third-largest holding consists of corporate preference shares. Together, these three allocations account for over 93% of the total portfolio.

President Trump's renewed tariffs, particularly on Chinese goods, are contributing to inflationary pressures by raising the cost of imports. This complicates the Federal Reserve's path toward rate cuts. Chair Jerome Powell has reiterated the need for sustained progress toward the 2% inflation target before easing policy, and these tariffs act as a supply-side shock that keeps inflation elevated even as broader economic activity slows.

For the fund, 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 fund is strategically positioned to manage duration risk while capturing enhanced yield in the front end of the curve.

The tariffs reinforce a more complex investment landscape, where active management and nimble allocation are essential. The fund will continue to focus on balancing income generation with capital preservation amid uncertain monetary policy and persistent inflation risks.

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