

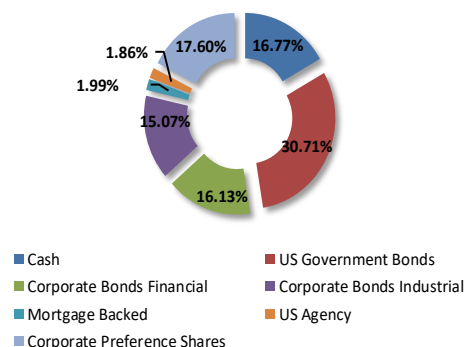
June Net Asset Value:	\$1.1899
Assets:	\$523K
Inception:	May-18

### Performance:

	Fund	Benchmark*
1 Month	0.53%	1.23%
3 Month	1.93%	2.51%
1 Yr	4.18%	8.19%
3 Yr Ann Ave	3.23%	3.50%

\* Bloomberg Barclays Inter A+ U.S. Govt/Credit Total Rtn Index

### Allocation:



### Top Holdings:

U.S. CORPORATE BONDS	31.2%
U.S. TREASURIES	30.7%
CORPORATE PREFERENCE SHARES	17.6%
CASH	16.8%
MORTGAGE BACKED SECURITIES	2.0%

The International Fixed Income Fund is a pension-only pool of assets that invests in the USD Targeted Income Fund. Performance shown does not include any fees associated with the administration of a pension plan and may differ from other shares offered in the fund as a result of different fee structures. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to any restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

## Reflation vs. Inflation

Central banks for decades have considered inflation the top villain against stable economic growth. If central banks are setting monetary policy with the primary objective of controlling inflation, then it is rational for economic agents to consider inflationary risk under control.

The exogenous shock to the global economy caused by the Covid-19 pandemic initially resulted in the prices of global stocks, credit, commodities and currencies dropping sharply. Deflationary risk was now the pressing concern for central banks.

Since the collapse of stock and bond prices in March, and oil prices in May, the "Shock-and-Awe" global fiscal and monetary response have global stocks, credit, commodities and currencies signaling reflation. US Treasuries are the exception.

US Treasury real yields are at all-time lows, which implies economic weakness ahead and inflation is not expected. In a recent report from the Morgan Stanley Global Investment Committee, they acknowledge near-term risks in public health and politics, but they don't think the Treasury market is sending valid signals about the US economy.

The global economic data suggests a v-shaped recovery is underway, supported by manufacturing, US housing and consumer durables data. We support the view that reflation will result in increasing Treasury yields and the Fund will focus short to intermediate duration non Treasury credit.

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