International Fixed Income Pension Fund

Quarterly Report, Q2 2022
Issue 19

Looking for Elusive Yield

June Net Asset Value:	1.0819
Assets:	$0.409M
Inception:	Mar-16

PEFORMANCE

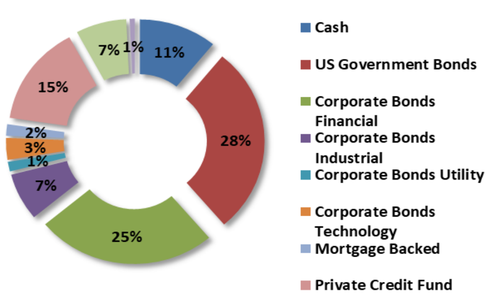
	Fund	Benchmark*
1 Month	-0.61%	-0.90%
3 Month	-1.54%	-1.95%
1Yr	-7.43%	-6.74%
3Yr	-1.73%	-0.05%

** Bloomberg Barclays Intermediate A+ U.S. Government/Credit Total Return*

TOP FIVE HOLDINGS

U.S. CORPORATE BONDS	36.88%
US GOVERNMENT BONDS	27.83%
PRIVATE CREDIT FUND	14.83%
CASH	10.92%
CORPORATE PREFERENCE SHARES	7.10%

ALLOCATION



The High Yield Income Fund is a sub fund of the RF (Bahamas) International umbrella investment fund and invests substantially all of its assets into the USD Targeted Income Fund. The allocation shown is subject to change without notice and at the discretion of the investment manager.

Yields rose and remained volatile throughout Q2 and bond prices fell accordingly. The Fund returned -0.61% in June and –1.54% in Q2, outperforming the index slightly as the index return was slightly negative .

Throughout Q2 2022, we saw inflation continue to rise, large hikes in interest rates, and a continued Russia/Ukrainian war. In bond markets, yields continued to rise from Q1, with the 10-year treasury yields rising to 3.0129% from 2.338% in Q1 2022.

Policy interest rates also increased dramatically with two large hikes by the Feds, rising to 1.75% from 0.5% in Q1 2022. These hikes came as the US Federal Reserve began their fight against inflation, despite admitting that it will be difficult to slow inflation without causing a recession.

The US 10-year Treasury yield increased greatly for the quarter, from 2.338% to 3.0129%. It reached 3.4980% in June amid the Fed's announcement of a 75bps hike in interest rates. Since then yields have fallen to close the quarter at 3.013% as investor's begin to fear the possibility of a recession more than inflation, thus viewing treasury bonds as a safer investment than US equities. The US 2-year yield increased from 2.286% to 3.248% Corporate bonds lagged government bonds for the quarter. High yield bonds experienced the largest losses amidst growing concerns of inflation and a recession.

It is expected that the Fed will continue their fight against inflation by issuing a few more hikes in interest rates throughout the end of the year. There are growing concerns of the Fed's ability to create 'soft landing' from inflation without triggering a recession.

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