USD Fixed Income PPP

Quarterly Report, Q2 2023
Issue 3

MUTUAL FUNDS

Opportunities Arise in Unstable Times

June Net Asset Value:	$0.91
Assets:	$32.99K
Inception:	Nov-13

PEFORMANCE

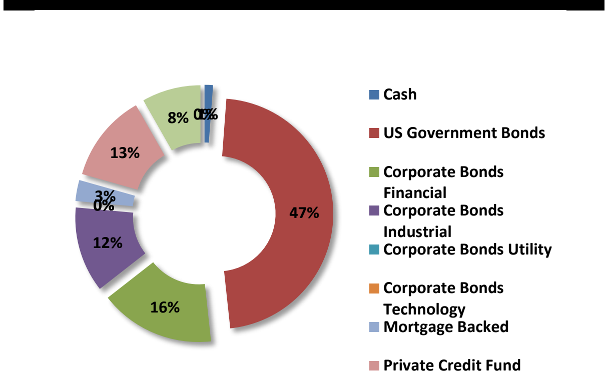
	Fund	Benchmark*
1 Month	-1.70%	-1.18%
3 Month	-0.99%	-1.43%
1Yr	-6.47%	-1.60%
3Yr	-6.19%	-3.84%
5Yr	-2.53%	1.14%

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

TOP FIVE HOLDINGS

U.S. GOVERNMENT BONDS	47.10%
U.S. CORPORATE BONDS	28.16%
PRIVATE CREDIT FUND	12.37%
CORPORATE PREFERENCE SHARES	8.24%
MORTGAGE BACKED OBLIGATIONS	2.95%

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. The Bloomberg Barclays Emerging Markets USD Sovereign Bond Index tracks fixed and floating-rate US dollar-denominated debt issued by EM governments.

The Fund returned –1.70%, -0.99%, and –6.47% in June, Q2 and over the last 12 months, respectively. The Fund undreperformed over these periods. The rapid rise in the Fed Funds Rate over the last year depressed USD fixed income prices and the Fund was not immune.

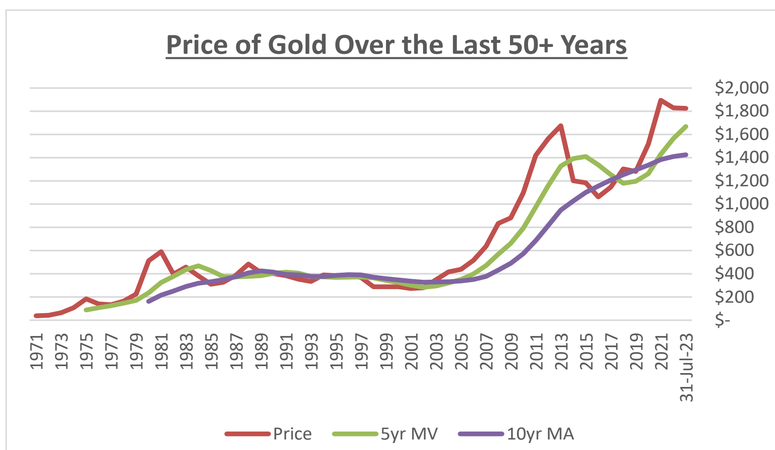
The allocation chart at bottom left shows that the Fund is 47% allocated to US Government Bonds and primarily in short-term paper. The second largest exposure is investment grade financial sector corporate paper, with investment grade industrial corporate paper being the third largest exposure. Together these three allocations account for 75% of the total portfolio.

Regarding U.S. interest rates, the fed funds rate was raised by 0.25% in July as inflation remains above the target rate of 2%. We expect that the FED will likely hold interest rates steady into 2024 until inflation nears their inflation target.

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 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.

Another currency that we are considering adding to the Fund's portfolio is gold. The chart below shows the movement of the price of gold since 1970. In addition to potential gains, gold offers a good hedge against inflation and a weakening US dollar.



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