

Key Information

Net Asset Value	1.07
Fund Assets	1,511,914
Inception	Nov-13

Performance Statistics

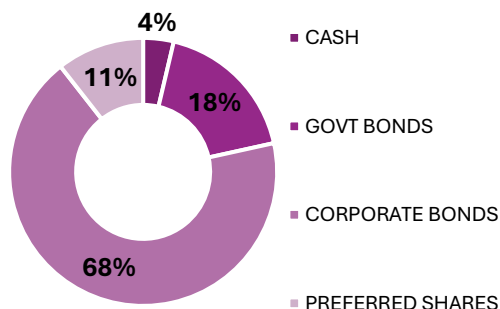
	RF Fund	Benchmark
1 Month	0.0%	-0.3%
3 Months	1.0%	1.1%
Year to Date	3.6%	8.1%
1 Year	3.6%	8.1%
3 Years	3.8%	4.9%
5 Years	0.5%	0.2%

Returns greater than 1 year are annualized.

Top 5 Holdings

Position	Weight
SOL ECOLUTION FND LP CLS A PRF SH9%	6.1%
FBL LICENSING LTD 8.50% 12/31/25	6.0%
Current Account	4.2%
eCapital Bond Corp 25/02/27	3.7%
US Treasury Note 3.875% 08/15/2033	3.6%

Fund Allocation



Spreads Compress, Returns Expand

In Q4 2025, the fund returned 1.0%, bringing full-year performance to 3.6%. This compares to benchmark returns of 1.1% and 8.1% over the same periods. The 2025 return shortfall versus the benchmark is due to the funds weighted duration being skewed to the shorter end. This was done to reduce duration risk.

Fixed income markets posted strong returns in 2025 as borrowing costs fell and investors moved into riskier bonds seeking higher yields. Emerging market debt led the way with a 13.5% return, benefiting from solid economic growth and a weaker US dollar. Latin American bonds were particularly strong as currencies rallied, with the Brazilian real and Mexican peso each gaining over 11% against the dollar. Corporate bonds returned 10.3%, with currency moves adding 3.2 percentage points to returns for US investors holding unhedged international bonds. US high yield bonds delivered 8.6%, their third straight year of strong gains.

Government bonds showed mixed performance as concerns about rising debt levels pushed long-term interest rates higher in most countries. US Treasuries gained 6.3% as the Federal Reserve cut rates by 75 basis points in the second half of the year, responding to a softer job market and the absence of expected inflation from tariffs. UK bonds returned 5.0% as the Bank of England cut rates by 100 basis points. In Europe, bonds from countries like Spain and Italy outperformed, while German bonds posted losses as the government shifted to increased spending on defense and infrastructure. Japanese bonds also fell as the Bank of Japan raised rates and markets anticipated more government stimulus, pushing 10-year yields up nearly 1 percentage point to 2.1%.

The fund remains invested across fixed income markets to benefit from opportunities as interest rates, credit quality differences, and currency movements continue driving returns.

*The Targeted Income Fund is a sub fund of the RF Bank & Trust International investment fund. Performance shown is for Series 1 shares and may be different for other series within the class. Sales charges and other commissions are not included in calculations. Past performance is not a guarantee of future results and all potential investors should consult with a trusted advisor before investing.