Global Balanced Fund

Quarterly Report, Q1 2023

Issue 38

March Net Asset Value:	$13.5937
Assets:	$1.07 million
Inception:	Aug-14

PEFORMANCE

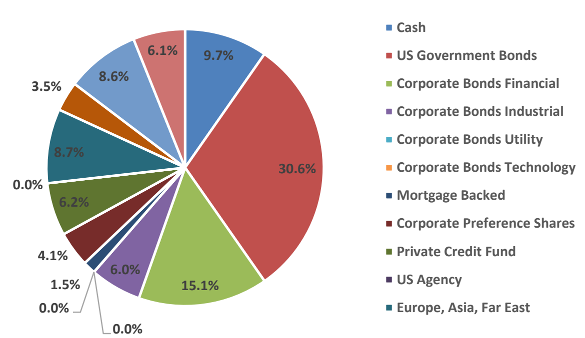
	Fund	Benchmark*
1 Month	0.88%	2.95%
3 Month	1.55%	4.90%
1Yr	-6.47%	-5.84%
3Yr	9.50%	6.08%
5Yr	4.09%	4.06%

* *Blended Index: 50% MSCI All-Country World Index (MXWD) and 50% Bloomberg Barclays Emerging Markets USD Sovereign Bond Index (BSSUTRUU))*

TOP FIVE ASSET CLASSES

US GOVERNMENT BONDS	30.6%
US CORPORATE BONDS	21.1%
STOCKS - EUROPE, ASIA, FAR EAST	8.7%
VALUE STOCKS—US	8.6%
GROWTH STOCKS—US	6.1%

ALLOCATION



The Global Balanced Fund is a sub fund of the RF International Investment Fund. The fund is new and has limited performance history. Performance shown is for Series 1, or retail, shares, which may differ from other Series offered in the fund. The asset allocation shown is subject to change without notice and at the discretion of the investment manager, subject to the restrictions outlined in the fund's offering documents. Past performance doesn't guarantee future success.

Inflation is Overstaying its Welcome

The Fund was up 0.88% in March and 1.55% in Q1, but underperformed versus the benchmark, but over the last three years the fund significantly outperformed.

The main reason for the short-term underperformance is because we a holding funds in short-term U.S. T-bills with the expectation of an equity market pullback. The plan is to allocate this cash during the anticipated market correction that we expect in Q2-Q3 of 2023.

During the COVID-19 induced recession when economies fell into deep recessions the thought of rising wages and prices sounded surreal. Some times you need to be careful what you wish for. The economies reflated at rates not seen since the 1980s but many experts expected the resulting inflation to be temporary. After all, disrupted supply chains were the culprit and once reopened prices would stabilize. When 12 months later and it is fair to say we all agree that inflation has overstayed its welcome.

The challenge is how do you "politely" get a disruptive guest to leave the party? We could physically throw them out, but many valuable items may get broken during the process. Another way is to close the bar, put away the food, and turn off the music and hope they get the hint.

Well, the U.S. government spent at least $5.2 trillion to combat the COVID-19 crisis. This combined with historically low interest rates resulted in one hell of an economic party and getting any guests to leave is proving challenging.

The U.S. Fed is using the Fed funds rate to motivate inflation to leave the party, but some would argue that the aggressive increase in rates by the Feb resulted in several banks being broken. We are of the view that poor management and poor regulatory oversight also played a role in these bank failures.

We feel the Fed is committed to reining in inflation which implies one of two more 25 bp hikes and then holding rates steady until inflation gets the hint and goes home until the next party.

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