

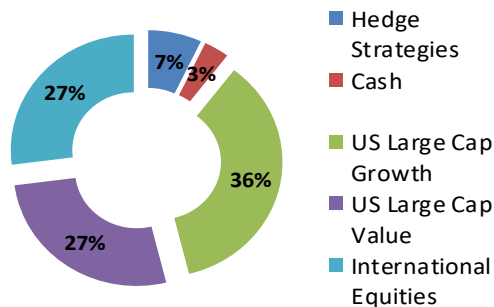
Sept. Net Asset Value:	\$11.24
Assets:	\$10.69M
Inception:	May-08

Performance:

	Fund	Benchmark*
1 Month	-0.51%	1.92%
3 Month	-0.07%	-1.43%
1 Yr	-0.73%	-0.68%
3 Yr Ave Ann	4.86%	7.78%
5 Yr Ave Ann	2.97%	4.91%

* MSCI All Country World Index (MXWD)

Allocation:



Top Five Holdings:

POLEN FOCUS GROWTH STRATEGY	31%
ARISTOTLE VALUE EQUITY	27%
OAM ASIAN RECOVERY FUND	11%
OAM EUROPEAN VALUE FUND	10%
HEDGE STRATEGIES FUND	7%

The International Equities Sub Fund is a sub fund of the Royal Fidelity (Bahamas) umbrella investment fund and allocates substantially all of its assets in the USD International Opportunities 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.

Let's Talk About the World ex USA

Value investors are concerned about metrics like the price-to-earning (P/E) ratio and the price-to-book (P/BV) ratio versus historic averages or between investments. Currently US equities, as measured by the S&P 500 Index, are trading at high valuations versus non-US equities.

This view is supported by the valuation of the MSCI ACWI Index (World) versus the MSCI ACWI ex USA Index (World ex USA). The table below compares the two indices as at the end of September. All four valuation metrics favour the World ex USA.

INDEX FUNDAMENTALS (SEP 30, 2019)

INDEX	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI ACWI ex USA	3.23	14.76	13.18	1.62
MSCI ACWI	2.52	17.73	15.19	2.29

According to Morgan Stanley, there are a number of potential catalysts that may favour non-US markets versus US markets. Corporate share repurchases are surging, private equity capital is being invested, and we have seen a massive global central bank easing cycle. Also, the resolution of the US-China trade war and the decision on Brexit should disproportionately benefit non-US markets. Also, the economic pain in Germany may push the German government to use fiscal stimulus, which they have resisted against in the past.

The Fund currently has 27% of the portfolio invested in international securities and will look to increase this allocation in Q4. This appears to be the prudent course of action to better position the Fund over the medium to long term.

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