

USD International Balanced Fund

Quarterly Report, Q3 2021
Issue 37



Sept. Net Asset Value:	\$2.032
Assets:	\$7.06M
Inception:	Nov-11

PERFORMANCE

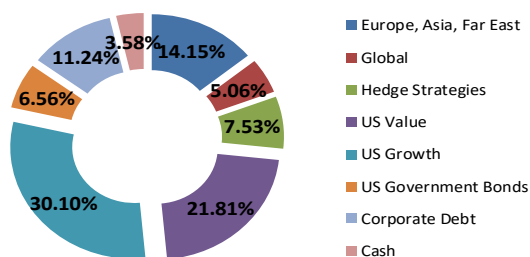
	Fund	Benchmark*
1 Month	-1.88%	-2.44%
3 Month	0.96%	-0.71%
1Yr	17.03%	11.80%
3Yr	9.02%	7.94%

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

TOP FIVE HOLDINGS

GROWTH STOCKS—US	30.1%
VALUE STOCKS—US	21.8%
STOCKS - EUROPE, ASIA, FAR EAST	14.2%
CORPORATE DEBT—US	11.2%
ALTERNATIVE INVESTMENTS	7.5%

ALLOCATION



Risk-Reward - The Question for 2022

The Fund had a down September and slightly positive Q3, and significantly outperformed the benchmark. The Fund returned -1.88% and 0.96% in September and Q3, respectively versus -2.44% and -0.71% for the benchmark.

Volatility increase dramatically and sentiment turned negative, driving market returns lower. The main issues the market was focused on were inflation, the delta variant and potential debt ceiling issues. Notwithstanding all the negative headlines in September, all major stock indices are still strongly positive for the year.

The Fed indicated that tapering of bond purchases could begin this year and rate hikes may begin in 2022, earlier than had been previously predicted. The fed funds rate projections now show a faster rate hiking schedule than they did in June. Fed officials were evenly split 9-9 on a rate hike in 2022.

The Fund's diverse portfolio positions it well to defend from raising interest rates and, if the strategy calls for it, it can shift into fixed income to generate returns if the equity market is lagging behind.

The major questions for the rest of 2021 for fixed income is whether the Fed starts to taper QE sooner than expected, or the pace of reductions is faster than the market expects.

For equities the main point to watch is how the economy preformed as a result of the Delta variant and how inflation will affect consumer spending, the major driver of U.S. economic growth.

As fiscal and monetary stimulus is reduced, will the economy have the strength to support current market valuations?

The International Opportunities Fund is a sub fund of the RF International Investment fund. Performance shown is for Series 1 shares, and the asset allocation 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.

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