

International Equity Fund (USD)

Quarterly Report, Q4 2022
Issue 13



Dec. Net Asset Value:	1.3830
Assets:	\$0.933M
Inception:	May-18

PERFORMANCE

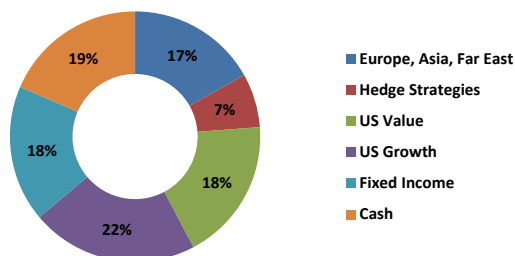
	Fund	Benchmark*
1 Month	-1.01%	-4.05%
3 Month	1.66%	9.40%
1Yr	-23.38%	-19.80%
3Yr	3.98%	4.91%
5Yr	3.06%	5.52%

*MSCI All Country World Index (MXWD)

TOP FIVE HOLDINGS

POLEN FOCUS GROWTH STRATEGY	21.57%
ARISTOTLE VALUE EQUITY	18.47%
MS FIXED INCOME STRATEGY	17.65%
OAM EUROPEAN VALUE FUND	8.51%
OAM ASIAN RECOVERY FUND	8.31%

ALLOCATION



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.

Value Investing in Vogue

The Fund and global equity markets had a good Q4 despite some of October and November's gains being given back in December. The Fund outperformed in December by 3.04%, but the benchmark outperformed by 7.78% in Q4 given its greater exposure to non-US equities. Over the last three years the Fund's average annual return of 3.98% was 0.97% lower than the benchmark.

At the end of November we decided to reduce the Fund's exposure to Polen and Aristotle (U.S. large cap equities) and invest the proceeds in short-term U.S. T-bills returning over 4%. Based on our research and analysis, we are of the view that excess cash be allocated to the OAM funds and also a U.S. small-cap value fund. Please see the table below. The equity class trading at the greatest discount to its 20-year average P/E multiple is US Small-cap Value.

As we enter the first half of 2023, inflation remains a challenge and central banks are expected to raise rates further in their effort to force inflation back to long-term targets. We don't see the U.S. Fed reducing rates until Q1 2024.

Currently the S&P 500 is trading at a P/E that implies an equity risk premium of 1.75%. This is based on a forward P/E multiple of 18 or an earnings yield of 5.56% (Inverse of 18) and the yield on the US 10-year of 3.81%. So, currently the market feels an extra 1.75% premium (5.56% - 3.81%) over the risk-free 10-Year yield is sufficient to compensate for the risk of holding the S&P 500. We don't agree.

We feel value lies in European, Asian, and US Small-cap equities. This is where excess cash will be allocated over the next few months.

Global Equities - Mar. 3 2023	Current Div. Yld.	Current P/E ¹	Avg. P/E ²	Premium (Discount)
US Large-Cap Growth	0.64	25.50	19.60	5.90
US Large-Cap Value	2.77	14.40	13.50	0.90
US Mid-Cap Growth	0.48	24.80	21.30	3.50
US Mid-Cap Value	2.43	13.70	14.50	(0.80)
US Small-Cap Growth	0.52	30.40	24.50	5.90
US Small-Cap Value	2.57	13.40	17.50	(4.10)
Europe Equity	3.11	12.80	13.10	(0.30)
Japan Equity	2.53	13.20	15.70	(2.50)
Asia Pacific ex Jap. Eq.	4.25	14.40	14.50	(0.10)
Emerging Markets	3.32	12.20	11.40	0.80
1. Forward P/E using next 12-month earnings				
2. 20-year average as of Feb. 28, 2023				

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