

# International Equity Sub Fund

Quarterly Report, Q4 2024  
Issue 39



<b>Net Asset Value:</b>	\$15.12
<b>Assets:</b>	\$25.62M
<b>Inception:</b>	Nov-11

## PERFORMANCE

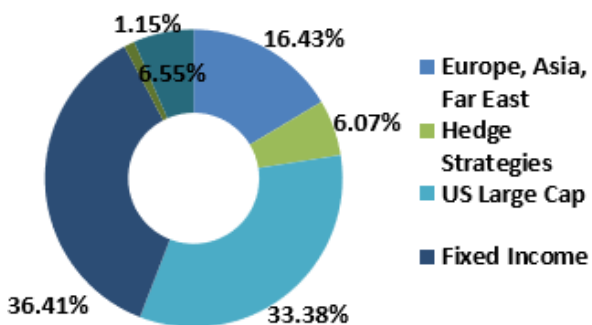
	Fund	Benchmark*
1 Month	-2.18%	-2.45%
3 Month	-0.52%	-1.23%
1Yr	7.94%	15.73%
3Yr	-2.06%	5.34%
5Yr	5.77%	9.43%

\*MSCI All Country World Index (MXWD)

## TOP FIVE HOLDINGS

Fixed Income	37.35%
US Large Cap	34.12%
Europe, Asia, Far East	16.35%
Hedge Strategies	6.41%
Cash	1.10%

## 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.*

## Adapting to a Changing Market Environment

The Fund and the benchmark were down in December and Q4. The Fund returned -2.18% and -0.52% in December and Q4 respectively. Over the last 12 months the fund was up 7.94% which underperformed the benchmark. In early 2023 the decision was made to reduce downside exposure to equity markets based on expectations of a US recession. This tactical decision was made to reduce downside exposure and provide liquidity to take advantage of an expected equity market correction. While our decision was premature, we have reduced downside risk and the recent decrease in US interest rates is benefiting the fund.

We believe that risk levels have increased and continue to prioritize mitigating downside risk. Additionally, diversifying beyond U.S. equity markets remains a key strategic focus.

The U.S. equity markets remain as volatile as ever due to various factors. A significant portion of market movement is driven by tech companies, which offer substantial returns but also carry considerable downside risk. This was evident when DeepSeek, a Chinese competitor, entered the AI market, triggering a \$1 trillion sell-off in U.S. equities. Furthermore, the tariffs imposed and threatened by President Trump have the potential to disrupt international trade and global supply chains, adding to market uncertainty.

To navigate these fluctuations through 2025, it is essential to position our portfolio strategically. By diversifying across multiple markets, we can reduce exposure to risks tied to any single country and enhance long-term resilience.

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against inflation over supporting growth.