US Fixed Income PPP Fund (USD)

Quarterly Report, Q2 2024
Issue 16—103045

Net Asset Value:	$0.94
Assets:	$23K
Inception:	May-18

PEFORMANCE

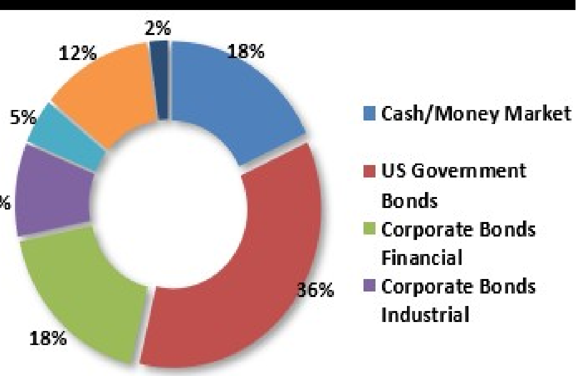
	Fund	Benchmark*
1 Month	0.65%	1.10%
3 Month	0.05%	0.41%
1Yr	2.97%	3.12%
3Yr	-4.98%	-2.50%
5Yr	-1.00%	0.22%

** Bank of America/Merrill Lynch B310 U.S. Corp. & Govt. 5-7 year AAA-A Rated Index*

TOP FIVE HOLDINGS

U.S. GOVERNMENT BONDS	35.63%
U.S. CORPORATE BONDS—FIN	18.07%
CASH/MONEY MARKET	18.07%
CORPORATE PREFERENCE	12.15%
U.S. CORPORATE BONDS—IND	9.50%

ALLOCATION



The US Fixed Income PPP 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.

Is the Fed Late to Party…Again!

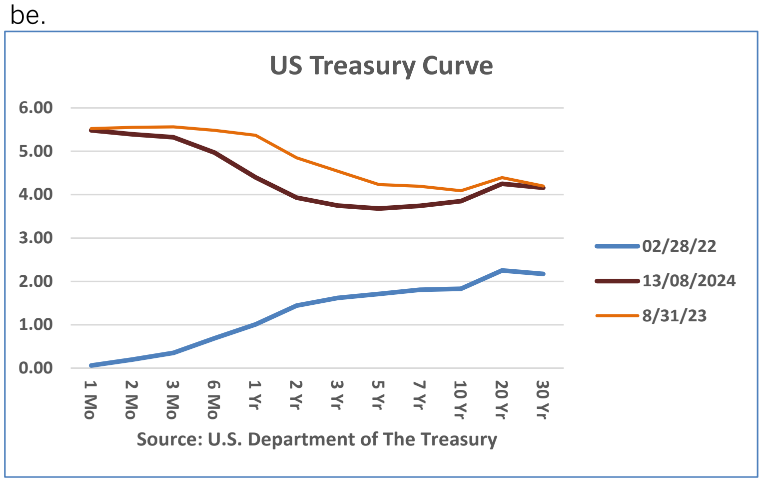
The Fund returned 0.65%, 0.05%, and 2.97% in June, Q2 and over the last 12 months, respectively. The Fund underperformed the benchmark over the 1 –5 year periods.

The allocation chart at bottom left shows that the Fund is 35.63% allocated to US Government Bonds and primarily in short to medium duration paper. The second largest exposure is investment grade financial sector corporate paper, with investment grade industrial corporate paper being the third largest exposure. Together these three allocations account for over 70% of the total portfolio.

In 2021 the Fed position was that inflation was transitory and maintained the Fed Funds Rate (FFR) at 0.25%. In February 2022 the Fed realized they were incorrect and initiated a series of rate increases totaling 5.25% over the next 18 months. The result was an upward shift in the US Treasury yield curve (See Chart Below). In 2022 both equity and bond investors realized double digit loses due to the policy mistake by the Fed.

We are of the view that the Fed should have started the rate reduction cycle already and that delaying it will equate to another policy mistake, granted not as significant as in 2022. US inflation has come down significantly and continues to ease, while US unemployment continues to edge upward.

Subsequent to quarter end, US interest rates have decreased across the entire curve as shown below. This bodes well for the Fund's performance in Q3. The longer the Fed waits, the more aggressive the rate cutting cycle will most likely need to be.



RF House, East Hill Street | Phone: 603-6000 | info@rfgroup.com
www.rfgroup.com