

Emerging Markets Debt

Objective

The investment objective of the Emerging Markets Corporate Fixed Income strategy is to achieve 1.5 to 2% over the JP Morgan CEMBI Broad Diversified Index over a market cycle by targeting long-only credit opportunities across global Emerging Market Corporate Bonds, Emerging and Frontier Sovereigns and Provincial Debt Markets.

“RVX believes emerging markets are experiencing positive fundamental change and present attractive investment opportunities for investors.

RVX believes these opportunities are created by misunderstood and mispriced risks that lead to inefficiencies and anomalies that can be exploited.

RVX believes an active, top-down, fundamental, relative value approach to evaluate countries, sectors and companies is the best way to exploit these inefficiencies.

Investment Team

Raymond Zucaro, CFA
Nathan Sheinfeld
Mauricio Kiblisky

Economist/Strategist

Santiago Cuneo, CFA

Chief Risk Officer

Felix Wong

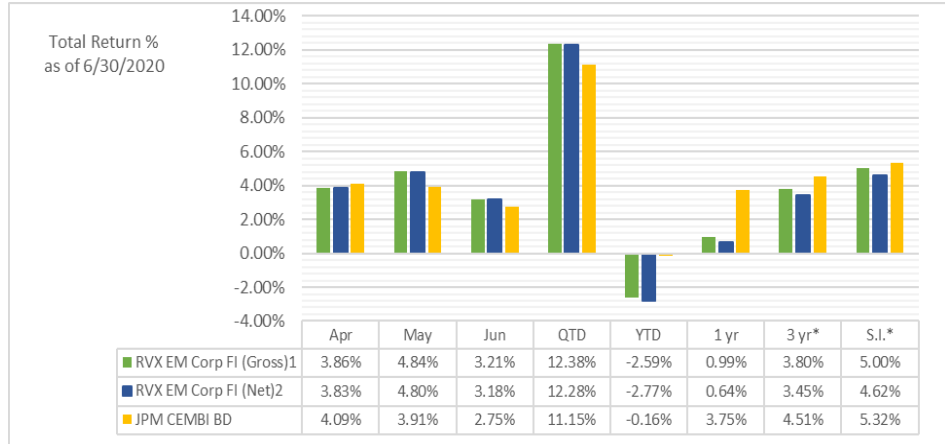
Inception Date

December 31, 2016

Strategy Profile

Perf. Benchmark..... JPM CEMBI BD
Style..... Relative Value
Credit Quality..... Ba2/BB min. avg.
Duration..... 85 to 115% of index
Security..... 5% max
Country..... 25% max
Industry..... 30% max
Currency..... USD only

PERFORMANCE:



SOURCE: RVX ASSET MANAGEMENT AND JPM CEMBI BRD DIV INDEX
*RETURNS 1 YEAR + ARE ANNUALIZED

- Results portrayed in the RVX EM Corp FI portfolio prior to January 1, 2020 are based on hypothetical performance derived from a model portfolio. As such, results portrayed post January 1, 2020 are based on actual performance. Please see disclosure for further details.
- Net performance is net of hypothetical Management Fees and Trading costs.

COMMENTARY:

In the second quarter of 2020 the RVX Fixed Income Long Only Strategy outperformed the JPM CEMBI index by 1.23% for a quarterly aggregate performance of 12.38%. During the quarter we continued to see a normalization of fixed income asset prices after the unprecedented first quarter global stoppage due to COVID-19. This recovery in asset values has been partly propelled by a closing of the gap between Wall Street and Main Street with continuous help from central banks around the world pushing unprecedented levels of liquidity through both stimulus and asset purchase programs.

When disaggregating quarterly performance from a country perspective the largest outperformance came from Brazil and Mexico; while the major detractors to performance were Latvia and Trinidad and Tobago. When analyzing major contributors, Brazil and Mexico had been the clear underperformers in an extremely challenging first quarter; given central bank and government support through the lowering of key benchmark rates and security purchase programs these two markets were well set for a re-pricing of fixed income instruments. Additionally, given the difficulty finding higher yielding instruments, these markets are well positioned to capture additional investment flows. Lastly, our long-term thesis continues to favor both markets, as global supply chains are being re-designed these countries are set to benefit from more trade activity. The underperformance in Latvia was due to a consumer finance company and concerns about individual’s ability to re-pay loans. Trinidad and Tobago’s underperformance was due to a new issue late in the month that focused mainly on refinancing maturing sovereign debt. However, holders of the older debt, did not have the appetite to add additional country risk until existing bonds were repaid.

From a sector view, our largest contributors were in Government, consumer non-cyclicals and energy. With detractors being; basic materials, communications and utilities. Focusing on sector performance, sovereign instruments gradually improved through the quarter after indiscriminate selling in the first quarter of 2020. The repricing followed the historic pattern in which corporates follow the price action of the sovereign with some lag. As global economies are flooded with liquidity, basic material were the largest detractors to performance with risk appetite gradually reappearing.

The overall portfolio quality is now at a BB as we have been able to take profits on some of our higher quality holdings. That said our overall view remains intact, we are still weary of lower quality stand-alone names. Given the FED’s activity in purchasing fixed income assets our view is that rates will be capped in the medium term and have the potential to go lower. Based on this view we will continue to run similar quality as the benchmark and are more comfortable running a longer duration portfolio.

Investment Process

Macro View

- The team begins with an analysis of the global macroeconomic environment, the corresponding impact on Emerging Markets, and the market's overall risk appetite.

Sovereign View

- The team's objective is to analyze credit opportunities in countries benefitting from the global macroeconomic environment, identified as those exhibiting positive rates of change in their economic, political, and social outlook.

Industry & Company View

- The team reviews an assortment of measurements to assess the credit worthiness of particular issuers within the framework of the team's sovereign perspectives and also, the issuers industry outlook.
- Each potential security is analyzed through a variety of credit and valuation metrics.

Portfolio Construction & Risk Management

- The team seeks to identify potential mispricing and alpha opportunities.
- Broad Diversification across countries, sectors, and credits.
- Risk management is integrated throughout the team's investment process. A designated Chief Risk Officer monitors portfolio adherence to guidelines, overall risk levels, and portfolio composition.

Portfolio Characteristics

Average Coupon.....	5.76%
Yield to Maturity.....	6.63%
Yield to Worst.....	6.56%
Years to Maturity.....	15.40
Effective Duration.....	4.92
Average Quality.....	BB
Number of Issues.....	198
Number of Issuers.....	178
Portfolio Turnover (TTM).....	34.34%

Contact Information

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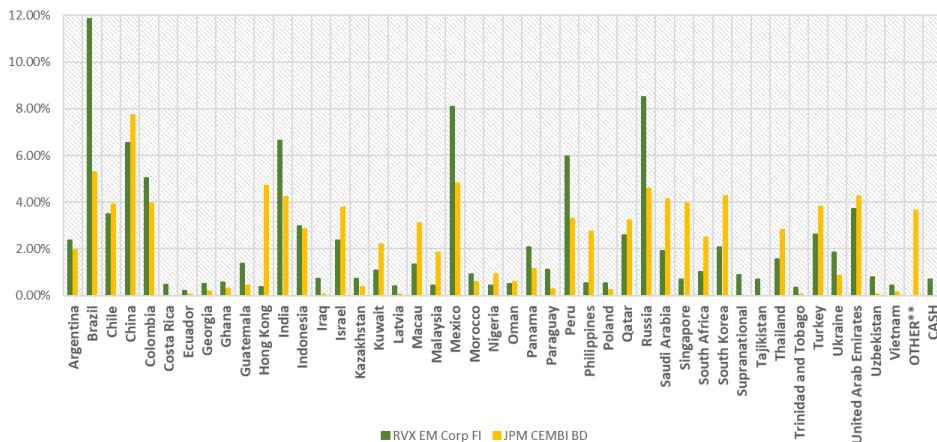
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TOP TEN HOLDINGS:

Security	MV%	Sector	Country	Eff. Duration	YTW	Rating
PEMEX 6.35 02/12/48	1.62	Energy	MEXICO	10.66	8.62	BB
SDBC 4 01/24/37 EMTN	1.42	Financial	CHINA	12.50	2.67	A
COMENG 6 ? 04/24/35 REGS	1.35	Utilities	MEXICO	6.29	6.01	BBB
BANBRA 9 PERP REGS	1.23	Financial	BRAZIL		7.28	CCC
UKRAIN 9 ¼ 11/01/28 REGS	0.98	Government	UKRAINE	5.80	7.21	B
SECO 4.723 09/27/28	0.97	Utilities	SAUDI ARABIA	6.89	2.66	A
BBLTB 4.45 09/19/28 REGS	0.97	Financial	THAILAND	6.92	2.65	BBB
BCHINA 5 11/13/24 REGS	0.95	Financial	CHINA	3.93	2.26	BBB
BIDU 4 ? 05/14/24	0.93	Communications	CHINA	2.36	1.96	A
OCPMR 5 ? 04/25/24 REGS	0.92	Basic Materials	MOROCCO	3.40	3.29	BB

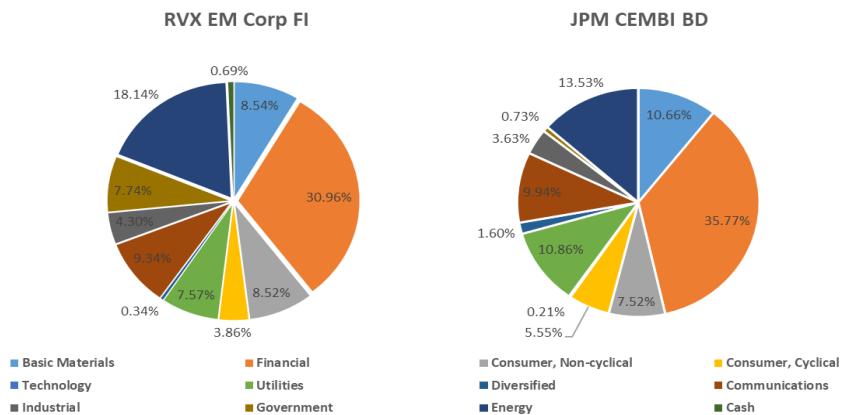
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A MODEL PORTFOLIO

COUNTRY WEIGHTINGS:



SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A MODEL PORTFOLIO

SECTOR WEIGHTINGS:



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RVX Model Portfolio Hypothetical Performance/Gross of Fee Returns: This material includes information related to the gross and net performance of the RVX Emerging Markets Corporate Fixed Income strategy. The performance results of the Emerging Markets Corp FI portfolio reflect actual returns post January 1, 2020. The performance results included in this material prior to January 1, 2020 are from a model portfolio and are hypothetical returns which have been compiled by RVX. The model performance results do not represent actual trading and that they do not reflect the impact that material economic and market factors contributed to the Adviser's decision making if RVX were actually managing clients' money pursuant to the depicted model.

The hypothetical model performance shown herein is based on simulated or hypothetical trades made by RVX for the referenced hypothetical model containing investments of the type RVX generally expects to purchase for accounts utilizing its emerging markets and frontier markets strategies (although there may be potentially significant differences which may affect performance). The assets which formed the basis for the hypothetical performance were invested in a style currently expected to be so similar to the fund or a real portfolio utilizing RVX's strategy that RVX believes this information to be relevant to prospective clients. The U.S. dollar is the currency used to express hypothetical model performance. All hypothetical model performance shown herein is not necessarily based on the same types of gains. Hypothetical model performance figures shown herein include reinvestment of all dividends, interest, and capital gains, are pre-tax averages of individual year's results (unless otherwise indicated), are based on end-of-day data, and are presented gross of advisory fees and estimated commission fees. All hypothetical model results are estimated, unaudited, subject to adjustment, and not intended to comply with AIMR-PPS™ or GIPS guidelines. Furthermore, hypothetical model results may not reflect the correct impact, if any, that certain market or economic factors might have had on RVX's decision making if RVX were actually managing a client's money. No hypothetical model performance is a guarantee of future results, and no representation is being made that any fund or account of RVX will or is likely to achieve profits or losses similar to those shown or described herein. Bear in mind that if hypothetical model performance results were for the funds or a client's actual portfolio, RVX's advisory fees and fund trading costs, fees and expenses (including custody, third party administration fees, audit fees, legal fees, etc.) would materially decrease such returns.