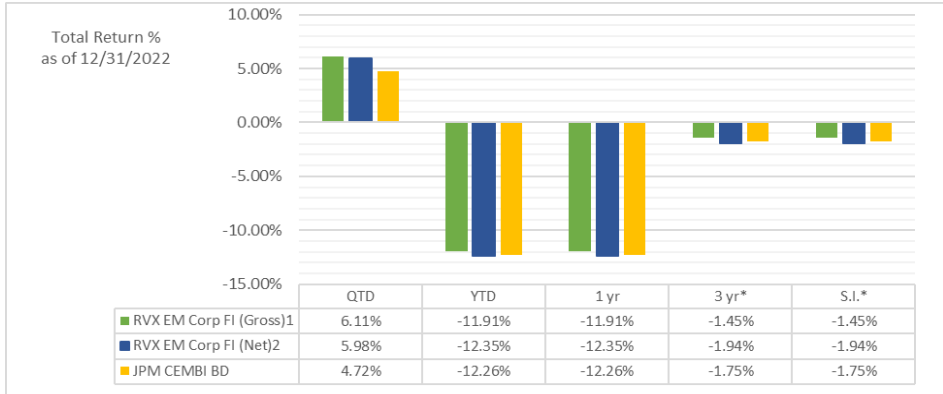


# Emerging Markets Debt

## PERFORMANCE:



Source: RVX Asset Management and JPM CEMBI Br Div Index  
\*Returns 1+ Years are Annualized, Inception Date: 1/1/2020

\* The performance data quoted represents past performance; Past performance does not guarantee future results  
\* Specific investments described herein do not represent all investment decisions made by [RVX]. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future. Please see DISCLOSURE at bottom of page 2 for further details.

## COMMENTARY:

During the fourth quarter of 2022, the RVX Emerging Market Corporate Fixed income strategy outperformed the JPM CEMBI index by 139 bps gross of fees with a return of 6.11% (5.98% Net). Coming into the final quarter of the year, the same themes continued to dominate market rhetoric – global inflation, global monetary tightening, war in Eastern Europe, and interest differentials between the U.S. and the rest of the world. A major new development taking place during the quarter came from China’s relaxation of their zero-COVID policy. This relaxation has given hope to investors that a more aggressive Chinese reopening is in the plans for 2023. Additionally, China has started to show more signs of economic stimulus with the hope that it will boost consumers and help the once booming property sector.

When disaggregating performance from a country perspective, the largest contributors to performance for the quarter were Brazil, Uzbekistan, and Bahamas. Brazilian assets performed well through the majority of 2022. However, over the last quarter of the year, on the back of presidential elections, the strategy started to harvest gains from Brazilian assets while shifting capital to China on the back of fears of fiscal deterioration in Brazil. Uzbekistan has benefited as creditors have been able to view them as a standalone country, not as part of Russia, and see the positive developments in macro terms. Bahamas performance for the quarter comes on the back of better than expected tourism numbers, in combination with a constructive refinancing with the IMF.

The largest detractors to performance were, Chile, Indonesia, and Jamaica. Chile’s performance was negatively affected by the moves in treasuries. Given Chinese reopening and increasing demand for commodities, Chile should benefit from the ongoing themes. Indonesia’s underperformance for the quarter stems from security selection. Jamaica’s underperformance for the quarter comes from weakness in Digicel (telecom) due to lower revenue numbers on the back of a weaker currency.

In terms of portfolio positioning, the big changes for the portfolio over the last month came in the form of a reduction in Latam, with the greatest reduction coming in Brazilian exposure and a small amount from Mexico. Unfortunately, Brazil’s investment thesis has been hurt by the results of the latest presidential election where Lula Da Silva, former President got elected again. As reflected by asset prices, the market worries that Lula will increase fiscal spending, potentially weakening the country’s credit profile. Simultaneously, the strategy increased its weigh to the middle east but made a more meaningful increase to Asia. Our view has shifted to include China as one of the biggest convictions due to the reversal on their zero-COVID policy.

Looking forward, we expect the benchmark 10-year to remain in the 3.5-4.0% range while the push in shorter rates will adjust higher. We believe the outlook for the next 6-12 months for EM fixed income, from a fundamental standpoint is looking better. Given the rise in base rates year-to-date, our view is the Fed’s heavy lifting on interest rate adjustments is nearing the end of their cycle. We also continue to monitor ongoing global events, especially the Eurozone.

### 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. This target does not rely upon criteria or underlying assumptions, is purely aspirational, and there is no guarantee such such investment objective will be achieved.

“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  
Mauricio Kiblicky

### Economist/Strategist

Santiago Cuneo, CFA

### Director of Fixed Income Operations

Felix Wong

### Composite Inception Date

January 1, 2020

### Strategy Profile

Benchmark..... JPM CEMBI Brd Div Index  
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

**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.....	5.16%
Yield to Maturity.....	21.07%
Yield to Worst.....	21.09%
Avg. Maturity.....	9.45
Effective Duration.....	3.79
Average Quality.....	BB+
Number of Holdings.....	223
Number of Issuers.....	204
Portfolio Turnover (TTM).....	27.95%

**Contact Information**

RVX Asset Management, LLC  
20900 NE 30<sup>th</sup> Avenue, Suite 401  
Aventura, FL 33180

Todd S. Jessup, CFA  
Chief Operating Officer

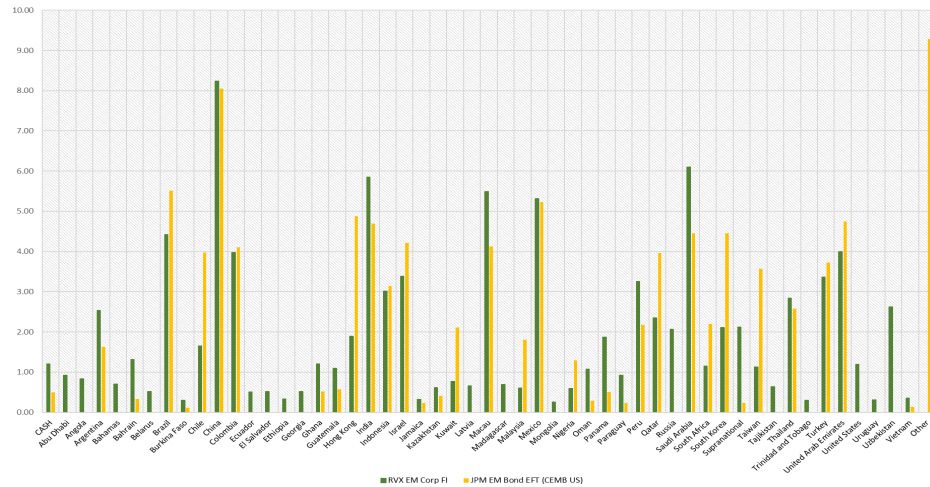
(305) 204-3020  
tjessup@rvx-am.com  
www.RVX-AM.com

**TOP TEN HOLDINGS:**

Security	MV%	Sector	Country	Eff. Duration	YTW	Rating
ARAMCO 2 1/4 11/24/30	3.89%	Energy	Saudi Arabia	6.96	5.00	A
BABA 3.6 11/28/24	2.00%	Communications	China	1.78	5.43	A+
PEMEX 6.35 02/12/48	1.39%	Energy	Mexico	9.00	10.90	B+
B 03/23/23	1.19%	Government	United States of America	0.22	4.13	AAA
STCITY 6 1/2 01/15/28	1.18%	Consumer, Cyclical	Macao	3.87	12.62	B+
SDBC 0 5/8 09/09/24	1.12%	Financial	China	1.64	4.67	A+
SANLTD 3 1/4 08/08/31	1.10%	Consumer, Cyclical	Macao	6.85	7.10	BB+
TENCNT 3.28 04/11/24	1.10%	Communications	China	1.22	5.24	A+
OMAN 6 1/4 01/25/31	1.07%	Government	Oman	6.08	6.10	BB-
MPEL 5 5/8 07/17/27	1.05%	Consumer, Cyclical	Macao	3.72	9.76	BB-
	<b>15.09%</b>					

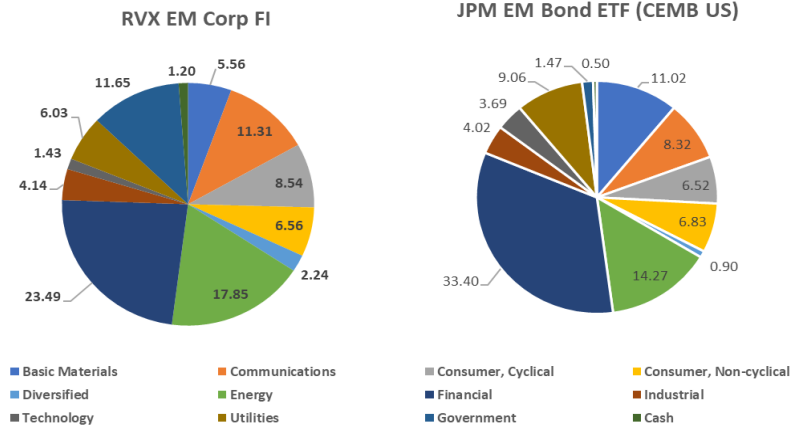
Source: RVX Asset Management Representative Account

**COUNTRY WEIGHTINGS:**



\*Source: RVX Asset Management Representative Account and \*JPM EM Bond ETF (CEMB US) used as a proxy for the JPM CEMBI Brd Div

**SECTOR WEIGHTINGS:**



\*Source: RVX Asset Management Representative Account and \*JPM EM Bond ETF (CEMB US) used as a proxy for the JPM CEMBI Brd Div

**DISCLOSURES:**

- RVX Asset Management, LLC ("RVX" or the "Firm") claims compliance with the Global Investment Performance Standards ("GIPS®"), and has prepared and presented this report in compliance with the GIPS standards. RVX has been independently verified for the periods 1 November 2018 to 31 December 2021. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards.
- RVX is an investment advisor registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940. The Firm was founded in 2015, and initially registered with the SEC in 2016. RVX provides asset management services to institutions and other investment advisors (excluding pooled funds as a distinct business). The Firm invests client assets ("Accounts") primarily in emerging and frontier market equities, government and corporate debt, and currencies which are allocated among asset classes based on the client's risk and return requirements. RVX is an independent investment management firm that is not affiliated with any parent organization.
- The RVX Emerging Markets Corporate Debt Composite ("EMCorp Composite") consists of fully discretionary Accounts invested in its related investment strategy ("Strategy"). Accounts consist primarily of emerging market corporate bonds across a variety of durations and credit qualities. The investment objective of the Strategy is to outperform the index 1.5 to 2% annualized over a market cycle by targeting credit opportunities across global emerging market corporate bonds, and emerging and frontier sovereign and provincial debt markets. Key material risks include the risks that bond prices will decline, foreign currency prices will decline, available liquidity will decline, rule of law will decline, and the composite will underperform its benchmark.
- The composite was created in January 2022, and the inception date is 1 January 2020.
- The benchmark is the J.P. Morgan CEMBI (Corporate Emerging Markets Bond Index) Broad Diversified Index, which tracks the performance of U.S. dollar-denominated bonds issued by emerging market corporate entities. JPM EM Bond ETF (CEMB US) used as a proxy for comparison purposes due to relative availability of data.
- Returns presented are time-weighted returns. Valuations are computed and performance is reported in U.S. dollars.
- Gross-of-fee returns are presented before management and custodial fees, but after all trading expenses. Composite and benchmark returns are presented net of non-reclaimable withholding taxes. Net-of-fee returns are calculated by deducting a monthly model management fee of 0.0417%, 1/12th of the highest annual management fee of 0.50%, from the monthly gross-of-fee composite return. The management fee schedule for Accounts is as follows: 0.50% on the first \$50 million; 0.40% on the subsequent \$50 million; 0.25% thereafter.
- The representative account was selected based on objective criteria including but not limited to, the nature of the client, the client's benchmark, and the ability for the mandate to be implemented without material restrictions or limitations