

Emerging Markets Debt

Objective

The Emerging Markets Corporate Fixed Income strategy objective is to outperform the JP Morgan CEMBI Broad Diversified Index over the long term by targeting long-only credit opportunities across global Emerging Market Corporate Bonds, Emerging and Frontier Sovereigns and Provincial Debt Markets. By utilizing an active, top-down, fundamental, relative value approach to evaluate countries, sectors and companies RVX believes it can exploit the opportunities created by the positive fundamental change occurring in emerging markets around the globe.

Investment Team

Raymond Zucaro, CFA
Mauricio Kiblisky

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

PERFORMANCE:

RVX Emerging Markets Debt					
Total Return %					
as of 12/31/2023	QTD	YTD	1 yr	3 yr*	S.I.*
RVX EM Corp FI (Gross)	7.19%	9.42%	9.42%	-0.79%	1.16%
RVX EM Corp FI (Net)	7.06%	8.88%	8.88%	-1.29%	0.66%
JPM CEMBI BD	5.52%	9.09%	9.09%	-1.15%	0.86%
Morningstar EM Corp Bond ³	6.52%	7.89%	7.89%	-3.57%	-0.82%

* Source: RVX Asset Mgmt, JPM CEMBI Br Div Index, and Morningstar EM Corp Bond 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 month of December, the RVX Fixed Income Long Only Strategy outperformed the JPM CEMBI index by 91 bps for a monthly aggregate return of 3.98%.

On a quarterly basis, the strategy returned 7.19% outperforming the index by 167 bps, bringing the yearly performance to 9.42%, beating the benchmark by 33bps.

When disaggregating performance from a country perspective, the largest contributors to performance for the month were Mexico, USA, and Macau. The outperformance from Mexico stems largely from the allocation in MEXCAT. During the month, the Mexican government executed a partial tender of MEXCAT bonds, removing 37% of the total outstanding. We continue to favor our positioning in the name, as we ultimately believe that the bonds will be called. USA's outperformance comes from our positioning in Treasuries, which we increased towards the end of October on the back of the dramatic rates sell-off. Macau has been a high conviction trade for the strategy since the beginning of 2023. Looking back, this allocation has served its purpose, given that Macau continues to show strong tourism numbers in the post-pandemic world.

The largest detractors to performance were Colombia, Chile, and Taiwan. All three of the underperformers for the month come on the back of the strategy's underweight in each country. In Colombia's case, we remain comfortable with our current allocation due to concerns of the government's political agenda, along with worries about fiscal deterioration. Although we remain underweight Chile, we believe that there should be opportunities as the constitution uncertainty is now behind us, and the central bank is poised to lower rates. Taiwan underweight stems from our concerns over elections, conflict with China, and their heavy concentration on Taiwan Semiconductor Manufacturing Company.

Year in Review: What Worked, What Did Not, Where Are We, and Where Are We Going.

The year 2023 marks the completion of the second of two of the most challenging fixed years on record. Interestingly, a superficial glance at where the 10-year closed compared to its starting point might suggest a calm year. However, this overlooks the tumultuous journey to 5% observed at the beginning of the fourth quarter.

Rates surged as concerns regarding US Debt/GDP and twin fiscal deficits propelled them to multi-year highs. As we hinted at in previous commentaries, our perspective was that rates had become overly exuberant. We went on record stating that we believed the 10-year should be in the 3.5% to 4% range. Despite the initial apprehension surrounding this assertion, we are pleased to note that rates did indeed conclude the year within our projected range.

During the year we had several large allocations based on credit fundamentals. MEXCAT in Mexico, the Mexico City airport and SAMMIN (Samarco) the Brazilian based iron ore producer, both did very well in 2023 and we continue to believe they have further upside going into 2024. On the other hand, the less favorable allocations for the year were Macau and China. Although from a valuation and credit fundamentals stand, the assets look attractive. The overhang of the pandemic, government intervention in the tech sector and the fragility of the property sector have contributed to their underperformance for the year. Nonetheless, we remain bullish in China due to its importance in the global economy and due to their low valuations, not seen in many years.

From a fundamental standpoint, the outlook for EM fixed income in the next 6-12 months is showing signs of improvement. 2024 is poised to be globally significant, with elections and the fiscal trajectories shaping valuations across many regions. For EM, a key focus lies on developments in China, the upcoming elections in Taiwan (January), and the US elections in November.

Our perspective is that as we approach US elections, markets will gradually recalibrate their assessment of Chinese risk. Examining fund flows, China has witnessed substantial capital flight. So, a shift in market sentiment, lowering perceived risks, may prompt a reversal of these outflows. Regardless of whether viewed through the lens of GDP or PPP, China remains a crucial and expanding economy, with its actions continuing to reverberate across the global economic landscape.

Currently, portfolio quality is at BB+, versus the benchmark BBB-. While the portfolio duration is at 4.52 versus the benchmark's 4.55, basically putting us in line with benchmark. In December we did begin to trim our holdings of UST, partially due to the rally but also in anticipation of new issuance in early 2024.

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.....	5.35%
Yield to Maturity.....	8.05%
Yield to Worst.....	8.02%
Avg. Maturity.....	11.44
Effective Duration.....	4.52
Average Quality.....	BB+
Number of Holdings.....	193
Number of Issuers.....	167
Portfolio Turnover (TTM).....	22.71%

Contact Information

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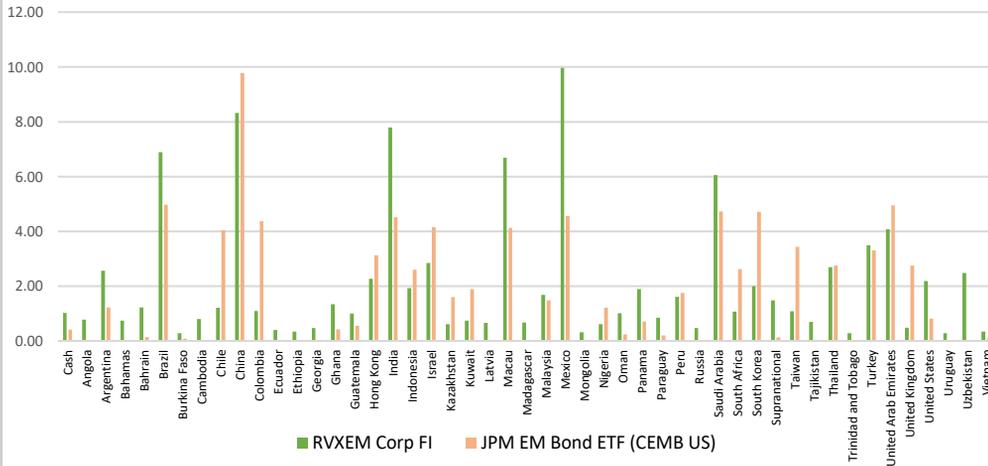
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TOP TEN HOLDINGS:

Security	MV%	Sector	Country	Eff. Dur	YTW	Rating
ARAMCO 2 1/4 11/24/30	4.66%	Energy	SAUDI ARABIA	6.19	4.67	A+
MEXCAT 5 1/2 07/31/47	3.46%	Industrial	MEXICO	11.94	6.69	BBB-
ADSEZ 4 3/8 07/03/29	2.11%	Consumer, Non-cyclical	INDIA	4.60	7.12	BBB-
SAMMIN 9 1/2 06/30/31	2.07%	Basic Materials	BRAZIL	3.79	12.15	NR
BABA 4 12/06/37	1.90%	Communications	CHINA	10.21	5.44	A+
ARGENT 3 5/8 07/09/35	1.58%	Government	ARGENTINA	5.30	18.43	CCC-
ADSEZ 3.1 02/02/31	1.46%	Consumer, Non-cyclical	INDIA	5.95	7.48	BBB-
T 4 1/8 08/15/53	1.46%	Government	UNITED STATES	16.70	4.03	AAA
STCITY 5 01/15/29	1.35%	Consumer, Cyclical	MACAU	4.14	9.02	B+
PEMEX 6.35 02/12/48	1.32%	Energy	MEXICO	8.96	10.57	B+
	21.36%					

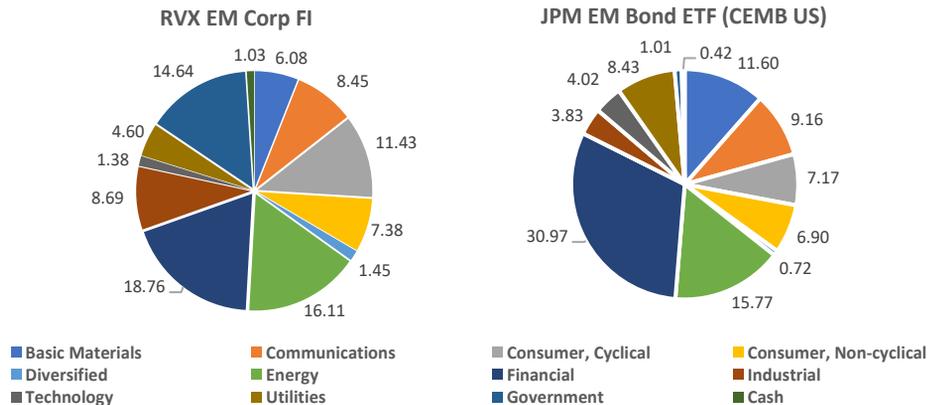
Source: RVX Asset Management Representative Account

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 2022. 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 Morningstar Emerging Markets Composite Bond Index measures the performance of USD denominated, fixed-rate, investment-grade and high-yield sovereign and corporate bonds issued by emerging market entities. It is market-capitalization weighted with capping constraints.
- 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 aspirational target 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. There is no guarantee such investment will be achieved.
- 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) is 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.