Q2| 2019

Emerging Markets Debt

Objective

The investment objective of the Emerging Markets Corporate Fixed Income strategy is to achieve 1.5 to 2% over the Bloomberg Emerging Markets Corporate Bond 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

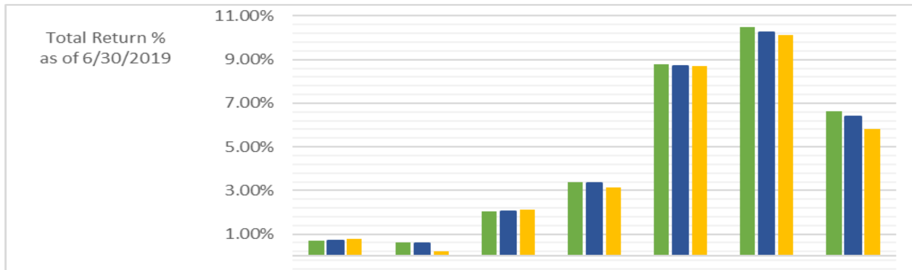
Inception Date

December 31, 2016

Strategy Profile

Perf. Benchmark……………….BB EM Corp
Style……………………………Relative Value
Credit Quality…………………BB min. avg.
Duration……………….85 to 115% of index
Security……………………………....5% max
Country…………………………….25% max
Sector……………………………….20% max
Currency…………………………….USD only

PERFORMANCE:



	Apr	May	Jun	QTD	YTD	1 yr	S.I.*
RVX EM Corp FI (Gross)	0.70%	0.60%	2.06%	3.39%	8.80%	10.47%	6.62%
RVX EM Corp FI (Net)	0.68%	0.58%	2.04%	3.34%	8.69%	10.25%	6.40%
BB EM Corp Bond Index	0.80%	0.21%	2.11%	3.14%	8.69%	10.12%	5.81%

SOURCE: RVX ASSET MANAGEMENT, BLOOMBRG
**RETURNS 1 YEAR + ARE ANNUALIZED*

1. THE PERFORMANCE REFERENCED ABOVE IS FOR THE RVX EMERGING MARKETS CORPORATE BOND HYPOTHETICAL MODEL PORTFOLIO, NOT A LIVE INVESTED PORTFOLIO. PLEASE REFER TO THE BACK PAGE FOR FURTHER VALUABLE INFORMATION REGARDING THE LIMITATIONS OF HYPOTHETICAL MODEL PERFORMANCE.
2. NET PERFORMANCE IS NET OF HYPOTHETICAL MANAGEMENT FEES AND TRADING COSTS.

COMMENTARY:

The RVX Long-Only Fixed Income Strategy closed the second quarter of 2019 with an 8.69% return matching the Bloomberg Barclays Emerging Market Corporate Index. When disaggregating performance from a sector perspective, our performance was driven by allocation in the communications, energy, and financials sectors. More specifically, we saw a normalization in the energy sector after a strong correction in the second half of 2018. Additionally, continued unrest and lack of production growth in Libya and Venezuela have created tailwinds driving oil prices higher for the quarter. Similarly, financials saw a positive quarter on the back of lower interest rates pushing higher yields in the sector creating a valuable investment opportunity.

Through a country view, the primary drivers of our performance were Mexico and Russia. Mexican securities have been under pressure over the last year due to the political risk president AMLO presents to the country and its economy. However, we find Mexican securities to be undervalued given Mexico's proximity to the U.S. and the intrinsic value of its blue-chip companies. Similarly, we find value in Russian credits due to their large international reserves, low public debt, stable current account, net international surpluses, and flexible exchange rates.

In contrast, we have remained underweight in Brazil and China. We find Brazilian securities to be overvalued since Jair Bolsonaro assumed the presidency in January 2019. We believe Bolsonaro's election has already been priced into the market. Moreover, based on the flow of funds to Brazilian securities, we also find that most are taking pension reform as a given, forgetting how politically costly and unsuccessful past administrations have been in the attempt to push reforms forward. Additionally, we find that normalization in Mexico will cause a severe outflow of funds from Brazilian securities thus, we remain cautious on Brazil. On the other hand, China is our most significant underweight country when compared to the Bloomberg Barclays Emerging Markets Corporate Index. We remain cautious on China because of the trade conflict with the U.S., economic stimulus concerns, and a pick-up in domestic corporate defaults.

Given the hawkish stands of the U.S. Federal Reserve during 2018, trade conflicts between U.S. and China, and a slowdown in global growth during 2019 the U.S. Federal Reserve is starting to take a more dovish stance. Taking into consideration the combination of factors slowing down global growth, the Federal Reserve is likely to cut interest rates at least once during 2019. Generally, with the U.S. Fed lowering interest rates and the greenback currency devaluing, emerging market securities and currencies are poised to be the big winners.

Our overall portfolio allocation largely reflects our view on interest rates but also considers strong fundamentals across the asset class that allow for our risks to be spread amongst the highest yielding blue chip companies. Additionally, due to trade conflicts, we have based our allocation on picking countries in their respective cycles allowing us to capture upside, eliminating some of the noise concerning trade disputes and global growth.

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..........................6.21%
Yield to Maturity..........................5.93%
Yield to Worst..............................5.78%
Effective Duration...........................4.31
Average Quality.................................BB
Number of Issues.............................363
Number of Issuers............................269
Portfolio Turnover (TTM)...........13.53%

Contact Information

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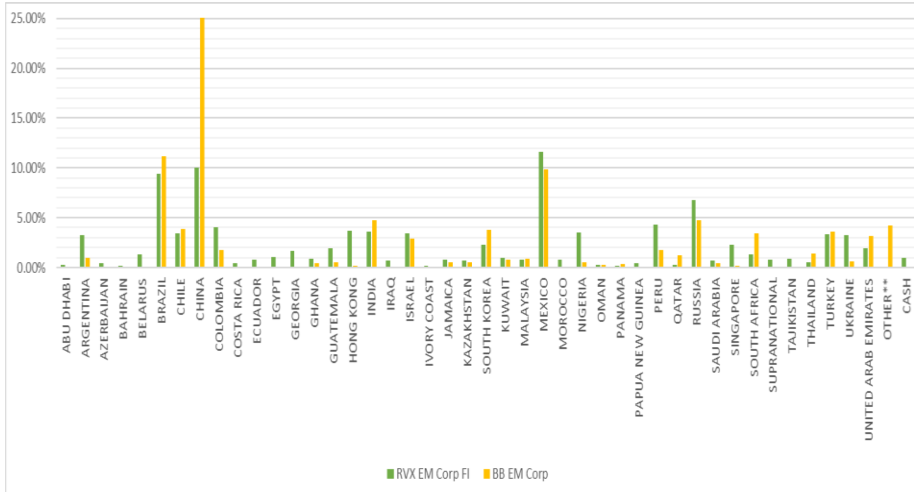
TOP HOLDINGS:

Security	MV%	Sector	Country	Coupon	YTW	Rating
ALPHSA 10 12/19/22 REGS	1.68%	Financial	MEXICO	10.00	11.50	B+
PEMEX 4.5 01/23/26	1.63%	Energy	MEXICO	4.50	6.15	BB+
SIRINT 4.6 11/01/26 REGS	1.29%	Financial	CHINA	4.60	4.97	BBB-
DBBYRB 6.75 05/02/24 REGS	1.10%	Financial	BELARUS	6.75	6.78	B
FIDBAN 10.5 10/16/22 REGS	0.98%	Financial	NIGERIA	10.50	7.20	B-

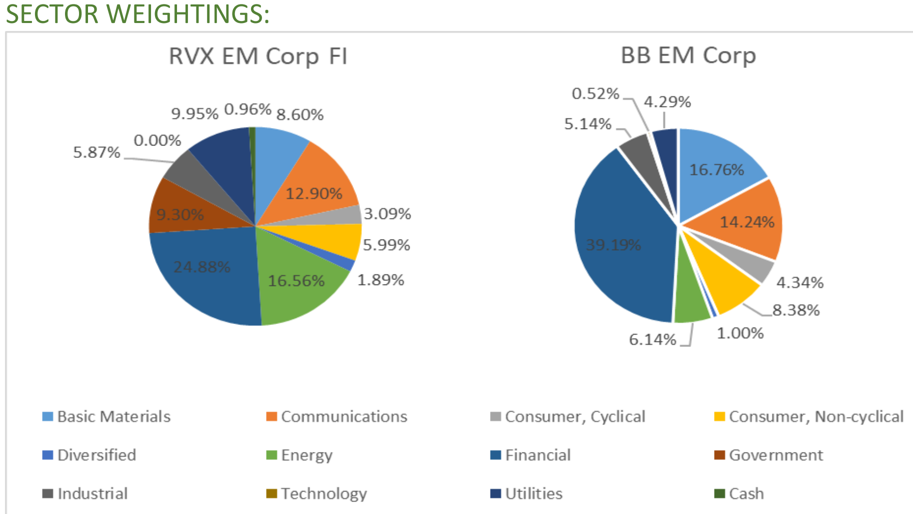
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A MODEL PORTFOLIO

COUNTRY WEIGHTINGS:



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

SECTOR WEIGHTINGS:



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

***RVX Model Portfolio Hypothetical Performance/Gross of Fee Returns*:** This material includes information related to the gross and net (hypothetical) performance of the RVX Emerging Markets Corporate Fixed Income strategy. The performance results included in this material related to RVX's model 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