



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.”

Portfolio Manager

Raymond Zucaro, CFA

Economist/Strategist

Santiago Cuneo, CFA

Chief Risk Officer

Felix Wong

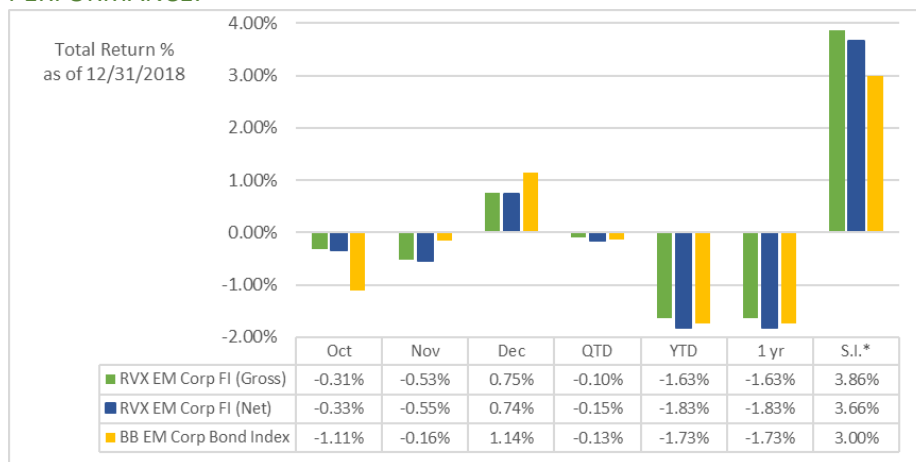
Inception Date

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:



SOURCE: RVX ASSET MANAGEMENT, BLOOMBERG 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 fourth quarter of 2018 saw the RVX EM Corporate Fixed Income strategy with a -0.10% (gross) return narrowly outpace the Bloomberg Barclays Emerging Markets Corporate Index that returned -0.13%. When disaggregating performance from a sector perspective our performance was drive by allocation over security selection specifically in the Materials and Real Estate sectors. In both cases we allocated well by underweighting underperforming sectors.

Through the country lens the opposite was true as security selection was the primary driver of our alpha compared to country allocation. In particular, security selection in Argentina, Brazil and Hong Kong was strong even though in the case of Argentina and Hong Kong we over-weighted underperforming countries. While in Brazil we were unfortunately underweight an outperformer.

Emerging-market bonds generally weakened during 2018, and the fourth quarter was no different even with the rebound in December, but less so than other asset classes. However, economic growth in emerging markets has continued to beat developed-market growth. That leaves EM debt well-placed for the coming year. Going into 2019, valuations have improved, and we expect a modest tightening in EM Credit spreads on an index level, driven by a slight improvement in EM growth. While our estimates point to positive total returns for the asset class, we continue to take a cautious stance and recommend quality over beta given the large share of countries with high external vulnerabilities in the index. Looking at the technical backdrop in 2019, gross issuance should be broadly unchanged relative to this year, skewed to the upside in the oil-exporting GCC region.

This year’s EM sell-off underscored the importance of FX valuation, with investors going after meaningful FX overvaluations in dramatic fashion. For much of EMFX, valuations are neutral or cheap now, so that currency misalignments are less of a risk factor in 2019. By November, for example, the Indonesian rupiah traded at its lowest exchange rate versus the U.S. dollar in over a decade, despite the country’s solid economic outlook

Investors will start looking at emerging markets as a major source of yield, which should allow flows to return and asset prices to recover. Therefore, 2019 may prove to be a vast improvement from the EM turmoil of last year. We remain modestly pro-risk in our asset allocation. Equities have undershot growth expectations and a bear market remains unlikely.

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.....	6.14%
Yield to Maturity.....	7.29%
Yield to Worst.....	7.25%
Effective Duration.....	4.41
Average Quality.....	BB
Number of Issues.....	373
Number of Issuers.....	276
Portfolio Turnover (TTM).....	11.16%

Contact Information

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Dir. of Institutional Client Services

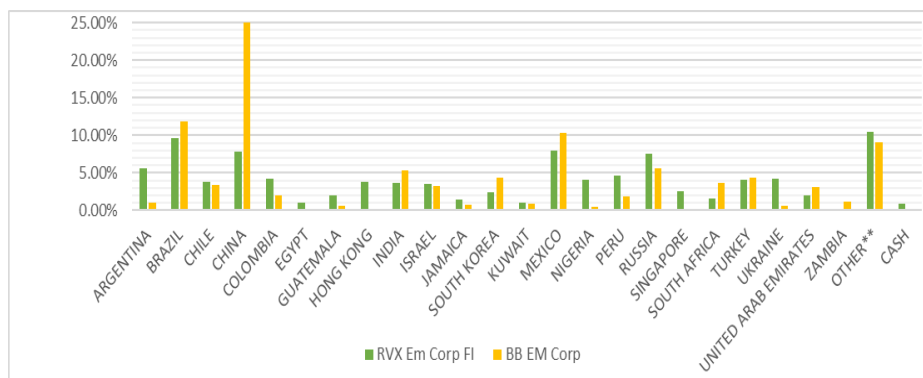
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TOP TEN HOLDINGS:

Security	MV%	Sector	Country	Coupon	YTM	Rating
RUSSIA 5.25 06/23/47 REGS	1.33%	Government	RUSSIA	5.25	5.74	BBB-
PETKM 5.875 01/26/23 REGS	1.11%	Basic Materials	TURKEY	5.88	8.41	B
ALFARU 7.75 04/28/21 REGS	1.01%	Financial	RUSSIA	7.75	5.09	BB+
FBNNL 8 07/23/21 REGS	0.97%	Financial	NIGERIA	8.00	9.24	CCC
FIDBAN 10.5 10/16/22 REGS	0.96%	Financial	NIGERIA	10.50	10.69	B-
MEX 3.5 01/21/21 GMTN	0.96%	Government	MEXICO	3.50	3.77	BBB+
RAILUA 9.875 09/15/21 REGS	0.95%	Industrial	UKRAINE	9.88	10.76	CCC+
TZA 8.25 08/09/24	0.94%	Communications	MEXICO	8.25	9.20	B+
BPCLIN 4 05/08/25 EMTN	0.90%	Energy	INDIA	4.00	4.98	BBB-
NEUQUE 8.625 05/12/28 REGS	0.90%	Government	ARGENTINA	8.63	9.70	B

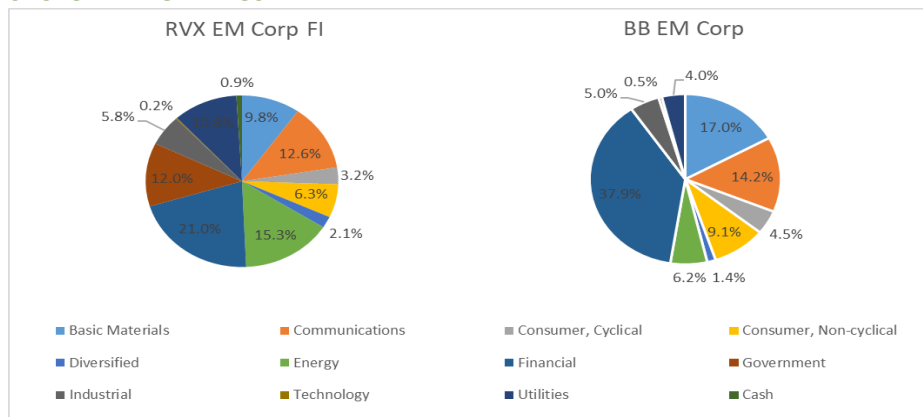
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A MODEL PORTFOLIO

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