



Emerging Markets Equity

Objective

The Emerging Markets Equity Strategy objective is to outperform the MSCI Emerging Markets Index over the long term by utilizing a concentrated, low turnover, fundamental, bottom-up, relative value approach. By focusing on companies whose stocks sell at a discount to an estimate of their underlying business values, portfolios are constructed with a buffer that should shield investors from protracted stock price declines while offering significant appreciation potential.

"We believe having in-house equity and debt expertise, augmented by the macroeconomic research of a classically trained economist on staff, gives us a competitive advantage in today's investing landscape."

Portfolio Managers

Cindy A. New, CFA
Robin R. Kollannur, CFA

Inception Date

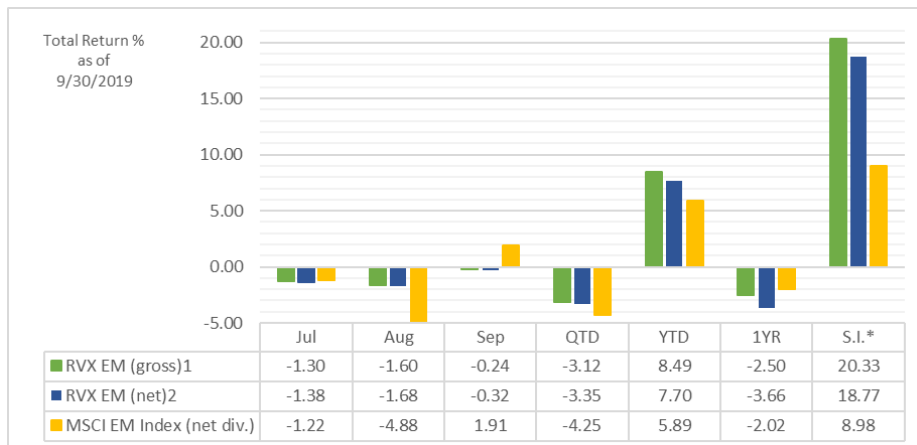
December 31, 2015

Strategy Profile

Perf. Benchmark.....MSCI EM Index
Style.....Relative Value
Market Cap.....All-Cap
Range of Markets.....10 - 20
Range of Holdings.....25 - 50
Cash Position.....0 - 5%
Name Turnover.....20-60%

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PERFORMANCE:



SOURCE: RVX ASSET MANAGEMENT, BLOOMBERG AND MSCI
*RETURNS 1 YEAR + ARE ANNUALIZED

1. RESULTS PORTRAYED FOR THE RVX EM EQUITY STRATEGY PRIOR TO JANUARY1, 2019 ARE BASED ON HYPOTHETICAL PERFORMANCE DERIVED FROM A MODEL PORTFOLIO. AS SUCH, RESULTS PORTRAYED POST JANUARY 1, 2019 ARE BASED ON ACTUAL PERFORMANCE FROM A LIVE REPRESENTATIVE ACCOUNT.
2. NET PERFORMANCE IS NET OF HYPOTHETICAL MANAGEMENT FEES AND TRADING COSTS.

COMMENTARY:

The 3rd quarter of 2019 was negative for emerging market equities, as the asset class relatively underperformed both U.S. and international developed markets. The MSCI Emerging Market Index (net) was down -4.25% for the quarter vs. the S&P 500 return of +1.70% and the MSCI EAFE (net) return of -1.07%.

Our portfolio outperformed the MSCI EM Index with a return of -3.12% for the quarter and continued to maintain its overall YTD outperformance on both relative and absolute terms. Of the +1.13% of outperformance against the MSCI EM, the main drivers by sector were our underweight to Financials and Materials. While from a country standpoint our overweight to Thailand and South Africa were key drivers of performance.

From a stock-specific standpoint, the key outperformers were Harmony Gold (+25.1%), China Oilfield Services (+20.8%), and Taiwan Semiconductor (+19.5%). Underperformers were China-based Anton Oilfield Services (-24.6%), China-based iQiyi (-21.9%), and South Africa-based Sasol (-20.5%).

From a country standpoint, Brazil has been quietly pushing through much-needed pension reform through its notoriously difficult legislative process, and we expect its equity market to respond accordingly. Greece has been emerging from a decade-long recession and has attracted high-than-expected foreign capital flows into its debt and equity markets. The Philippines and Vietnam both show some of the highest GDP growth rates in the world, which should continue given recent changes to the global supply chain.

From a sector standpoint, we continue to overweight Energy. It has been our long-held thesis that the markets are under-appreciating the geopolitical risks around industry spare capacity, and the recent attack on Saudi Aramco's facility has confirmed this fear. We do not see a de-escalation here, especially as the U.S. has been maintaining a hawkish stance against Iran. We are also maintaining our increased exposure to technology stocks (both in the Communication Services and Information Technology sector), as valuations continue to be attractive relative to the companies' fundamentals and earnings power. The underperformance of Chinese technology names relative to its U.S. peers has especially been striking; we believe this is due to correct given strong earnings growth from the former and increased regulatory worries around the latter. We continue to be generally underweight more defensive sectors such as Consumer Staples and Utilities, which is a byproduct of our fundamental, bottom-up process. We would expect further relative underperformance in these areas, especially as trade war concerns abate over time.

From a risk standpoint, we are monitoring the news that the U.S. administration is looking into potential capital controls on Chinese equities listed in the U.S., either through a forced delisting of Chinese ADRs from U.S. exchanges and indices or limits on how much U.S. investors are able to own of these securities. While the timing and magnitude of these potential actions are unknown, the threat itself adds an extra layer of uncertainty to U.S.-listed Chinese ADRs. We believe such actions could be extremely harmful to U.S. investors, as they would lose access to many innovative companies that are at the leading edge of many important global trends: artificial intelligence, quantum computing, autonomous driving, and the convergence of 5G technology with IOT (Internet of Things), to name a few. Chinese companies have significantly outspent global peers in research and development, and we are seeing the fruits of it in recent company results. Chinese tech companies, for example, have some of the highest earnings growth rates in our investment universe. It would be difficult to find global replacements for this growth, especially given the increased risk of a slowdown in developed markets.

Investment Process

Identify Stocks

- Value characteristics
- No illiquid, highly leveraged, or distressed securities

Proprietary Database

- Ranks undervalued stocks using multi-factor model
- Approximately 650 stocks by decile monthly
- Model inputs validated by team
- Broad industry and country representation

Fundamental Analysis

- Top 30% of Database are research candidates
- Focus on sustainable cash flow and dividends
- Identifiable catalysts for appreciation
- Analyst recommendation on intrinsic value

Decisions

- Systematic process
- Portfolio construction
- Risk management
- Weekly investment meetings

Execution

- Timing
- Goal is to minimize trading costs

Portfolio Characteristics

Dividend Yield.....	3.0%
(P/E) Ratio (trailing).....	13.9
(P/E) Ratio (forward).....	11.2
(P/CF) Ratio.....	6.2
(P/B) Ratio.....	1.4
Holdings.....	47
Countries.....	16
Top 10 Weight.....	32.3%
Name Turnover (Trail 12-mth).....	29.2%

Contact Information

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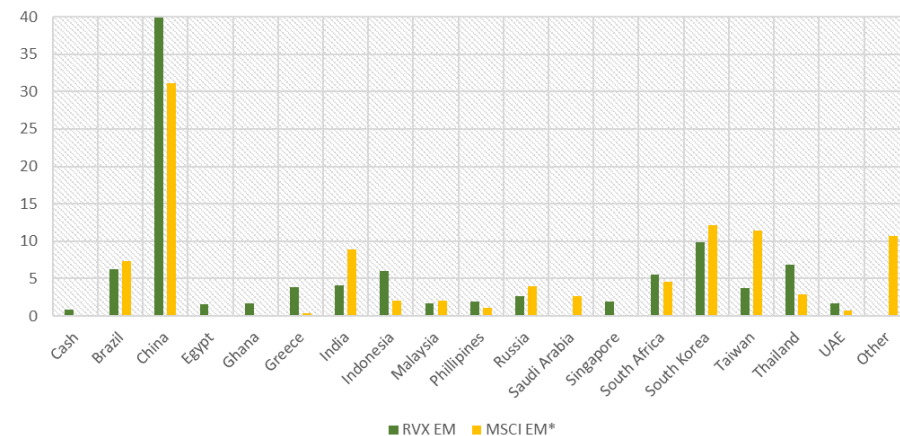
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TOP TEN HOLDINGS:

Security	Country	Sector	Mkt Cap (US\$ Mil)	% Wgt
ALIBABA GROUP HOLDING-SP ADR	China	Consumer Discretionary	435,395	4.13
SAMSUNG ELECTR-GDR REG S	South Korea	Information Technology	244,202	4.05
TAIWAN SEMICONDUCTOR-SP ADR	Taiwan	Information Technology	227,152	3.75
THAI BEVERAGE PCL	Thailand	Consumer Staples	16,083	3.63
AMATA CORP PUBLIC CO LTD-FOR	Thailand	Real Estate	872	3.17
PING AN INSURANCE GROUP CO-H	China	Financials	217,464	3.05
NETEASE INC-ADR	China	Communication Services	34,061	3.05
QIWI PLC-SPONSORED ADR	Russia	Information Technology	1,377	2.63
SANDS CHINA LTD	China	Consumer Discretionary	36,624	2.47
CHINA OILFIELD SERVICES-H	China	Energy	7,238	2.36

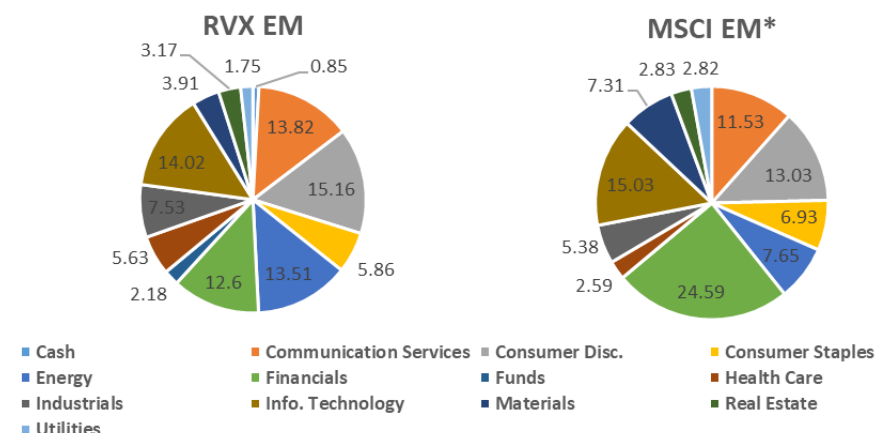
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A REPRESENTATIVE ACCOUNT

COUNTRY WEIGHTINGS:



*Ishares MSCI Emerging Markets ETF used as a proxy for the MSCI Emerging Markets Index
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A REPRESENTATIVE ACCOUNT

SECTOR WEIGHTINGS:



*Ishares MSCI Emerging Markets ETF used as a proxy for the MSCI Emerging Markets Index
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A REPRESENTATIVE ACCOUNT

RVX Model Portfolio Hypothetical Performance/Gross of Fee Returns: This material includes information related to the net (hypothetical) performance of a model portfolio established by RVX (the Emerging Markets Portfolios). The performance results of the Emerging Markets portfolio reflect actual returns post January 1, 2019. The performance results included in this material related to RVX's model are hypothetical returns 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.