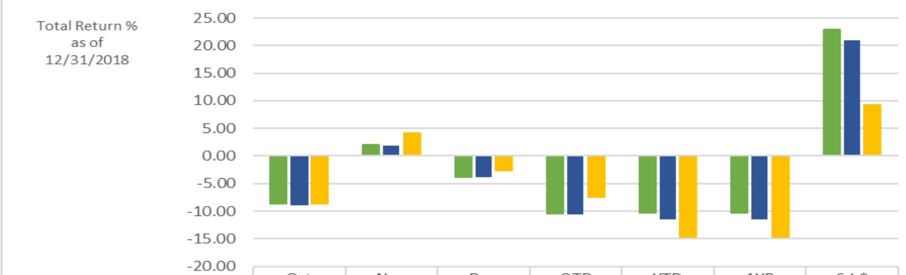
Q4| 2018

Emerging Markets Equity

PERFORMANCE:



	Oct	Nov	Dec	QTD	YTD	1YR	S.I.*
RVX EM (gross)1	-8.71	2.02	-3.79	-10.40	-10.34	-10.34	22.93
RVX EM (net)2	-8.81	1.92	-3.89	-10.67	-11.47	-11.47	20.88
MSCI EM Index (net div.)	-8.71	4.12	-2.66	-7.47	-14.58	-14.58	9.25

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

1. THE PERFORMANCE REFERENCED ABOVE IS FOR THE RVX EMERGING MARKETS 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.

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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COMMENTARY:

While the 4th quarter of 2018 was one of the most volatile for global equities in recent years, emerging market equities outperformed both U.S. and international developed markets. The MSCI Emerging Market Index (gross) was down -2.60% for the quarter vs. the S&P 500 return of -9.18% and the MSCI EAFE (gross) return of -4.83%.

From a country standpoint, China, South Korea, Taiwan were the worst performers for the quarter. China was hit by the double whammy of increased trade war rhetoric and worries over an economic slowdown. South Korea and Taiwan, two key countries in the global technology supply chain, were hit by similar worries. Top performers included Brazil, India, and Indonesia. Brazil was buoyed by the ascendance of a market-friendly candidate for President, while India was a key beneficiary of a marked downturn in oil prices. Indonesia showed early signs of economic stability after currency weakness earlier in the year.

From a sector standpoint, Information Technology, Consumer Discretionary, and Communication Services were the worst performers, while defensive areas such as Utilities and Real Estate outperformed. The MSCI EM Value Index outperformed the MSCI EM Growth Index for the quarter with a -6.66% (gross) return vs. -8.16% (gross).

While the 4th quarter and 2018 overall was negative for emerging market equities, we enter 2019 with a high degree of optimism around our portfolio positioning. With the return of volatility, we have always seen such environments as opportunities to improve the quality of our portfolio, as drawdowns are usually indiscriminate and sometimes irrational. As a by-product of our bottom-up process, we had become less cyclical and more defensive going into 2018: for example, we entered the year with roughly an 8% weight in Information Technology vs. the MSCI EM Index weight of 27.6% (before the sector splintered into Communication Services mid-year). While we were strong believers in the long-term prospects of many companies in this space, our adherence to our process and style led us to the conclusion that they were not worth buying and holding "at any price." We also felt that the massive flows into passive products in 2017 amplified this overvaluation. This positioning was the main reason for our outperformance in 2018. As the downturn we were anticipating in the sector began in 4Q 2018, we also began adding to our positions.

Because of buying into technology names that most market participants were selling, we did underperform in 4Q 2018. As fundamental-oriented managers, timing the bottom perfectly as we initiate a position can be difficult, so we can sometimes see initial underperformance. Yet, we are now able to go into 2019 significantly narrowing that technology underweight and improving the quality of our portfolio at much more attractive valuations.

Our Energy overweight entering 2018 was another major reason for our 2018 outperformance. We entered the year with the base scenario of oil prices continuing to gradually rise, given the drawdown of global inventories, a normalizing of shale projections, and further geopolitical tensions in the Middle East. This overweight was also another reason for our 4Q underperformance, as oil prices fell quickly from $75 to under $50. We have maintained our overweight and used the recent downturn to add to existing holdings and even buy a new name in the sector. We expect 2019 to show continued support for energy prices and a gradual resumption upwards: spare capacity remains tight, and the prolonged economic and humanitarian crisis in Venezuela as well as renewed volatility in Libya and Nigeria may continue to worry markets.

We remain confident in our China positioning, which is our largest country weight and as mentioned in prior commentaries, a lot of our names in China are either domestic-demand oriented companies or companies in the energy sector. We have very little exposure to companies that may be directly impacted in the short-term by increased trade rhetoric. We would expect China to continue fiscal stimulus that would mitigate the effects of any prolonged global slowdown. Our new idea flow is centered on beaten-up technology names, as well as the Latin American region (specifically Brazil and Mexico).

For 2019, key risks will include ripple effects from a potential further devaluation of the Chinese renminbi, especially if U.S. – China tensions continue rising, election uncertainty (India and Indonesia both have key elections), and geopolitical risk. We would expect EM to continue its recent outperformance vs. U.S. and developed markets. Valuations are attractive, currency issues seem to be in the rear-view mirror, and a weakening of the U.S. dollar due to a deteriorating fiscal situation could provide further tailwinds.

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..................................3.5%
(P/E) Ratio (trailing)...........................12.8
(P/E) Ratio (forward)...........................10.6
(P/CF) Ratio..5.1
(P/B) Ratio..1.2
Holdings..50
Countries..19
Top 10 Weight...............................29.0%
Name Turnover (Trail 12-mth)......35.0%

Contact Information

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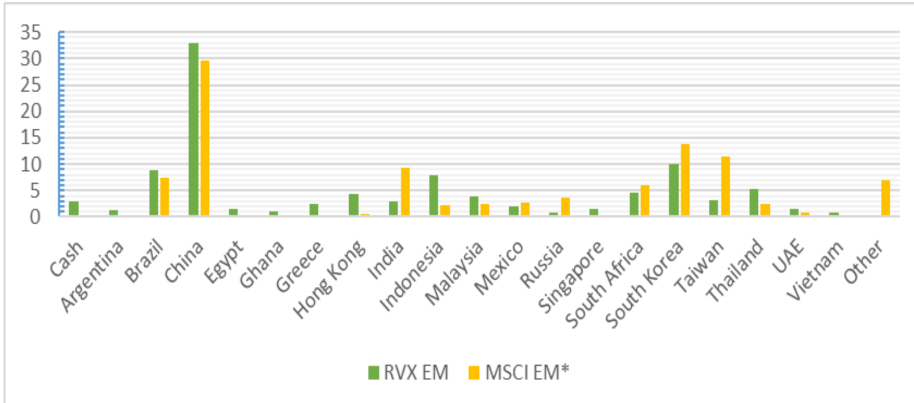
TOP TEN HOLDINGS:

Security	Country	Sector	Mkt Cap (US$ MM)	%Wgt
TAIWAN SEMICONDUCTOR MANUFAC	*Taiwan*	*Information Technology*	191,370	3.15
EMBRAER SA-SPON ADR	*Brazil*	*Industrials*	4,136	3.13
SAMSUNG ELECTR-GDR	*South Korea*	*Information Technology*	207,937	3.10
DR. REDDY'S LABORATORIES-ADR	*India*	*Health Care*	6,221	2.97
SANDS CHINA LTD	*China*	*Consumer Discretionary*	35,399	2.90
NETEASE INC-ADR	*China*	*Communication Services*	30,911	2.83
ALIBABA GROUP HOLDING-SP ADR	*China*	*Consumer Discretionary*	355,311	2.78
AMATA CORP PUBLIC CO LTD	*Thailand*	*Real Estate*	680	2.73
INDOFOOD SUKSES MAKMUR TBK P	*Indonesia*	*Consumer Staples*	4,545	2.71
NASPERS LTD-N SHS SPON ADR	*South Africa*	*Communication Services*	88,403	2.70

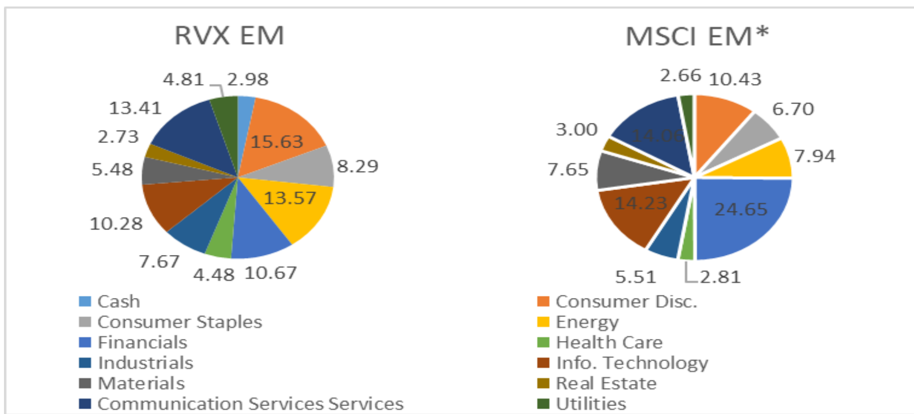
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG,
INFORMATION BASED ON A MODEL PORTFOLIO

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 MODEL PORTFOLIO

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 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 Equity 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