



Emerging Markets Small Cap Equity

Objective

The Emerging Markets Small Cap Equity Strategy objective is to outperform the MSCI Emerging Markets Small Cap 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

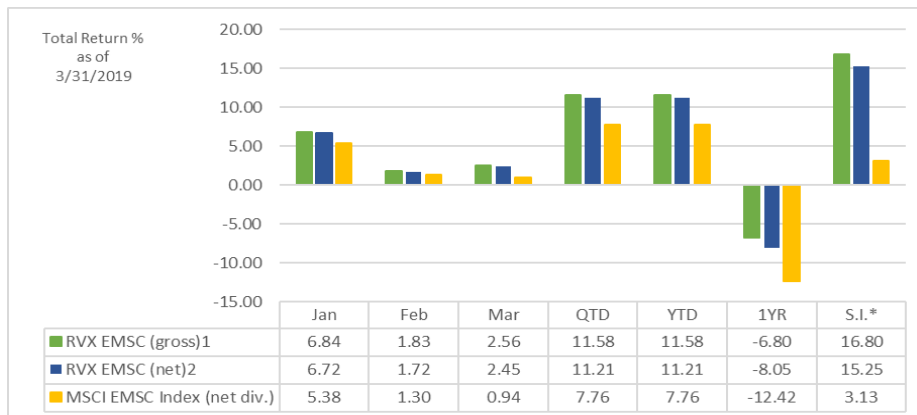
Inception Date

February 28, 2017

Strategy Profile

Perf. Benchmark.....MSCI EMSC Index
Style.....Relative Value
Market Cap.....Small-cap
Range of Markets.....20 - 40
Range of Holdings.....50 - 100
Cash Position.....0 - 5%
Name Turnover.....50 - 100%

PERFORMANCE:



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

1. THE PERFORMANCE REFERENCED ABOVE IS FOR THE RVX EMERGING MARKETS SMALL CAP 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 first quarter was a solid one for the RVX Emerging Markets Small Cap Equity strategy outpacing the MSCI Emerging Small Cap Index 11.58% vs 7.76%.

In our model portfolio, our overweight to China and underweight to India were the primary drivers of outperformance from a country standpoint. By sector, our overweight to Energy positively impacted results, but our positive stock selection was the overwhelming driver of our outperformance during the quarter. Top performers for the quarter included China based Hisense Home Appliances and Anton Oilfield Services, as well as, MyEG Services which is a technology company based in Malaysia

While the 4th quarter and 2018 overall was negative for emerging market small cap equities, we entered 2019 with a high degree of optimism around our portfolio positioning. While the return of volatility was the key event of 2018, we have always seen such environments as opportunities to improve the quality of our portfolio, as drawdowns are usually indiscriminate and sometimes irrational.

For example, we added to our Energy overweight during a period of heightened volatility in 4Q 2018. We had entered 2018 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. Energy prices have rebounded in 2019 given recent OPEC and Russia compliance on production cuts, and political instability around key producers Venezuela, Libya, and Nigeria. We expect the next few quarters to show continued support for energy prices and a gradual resumption upwards, especially as spare capacity remains tight. Another factor that would create upside risk include slower US shale growth and the unwinding of hedging activity that impacted the sector in 4Q 2018. Stock performance within the sector has lagged the underlying commodity’s price performance, which we have also encountered in prior rallies. Market participants are generally underweight the sector and given the magnitude of the price drop in 4Q 2018, consensus has not formed yet that the recent rally has staying power. Regardless, nothing has changed our fundamental view and we are maintaining our overweight.

We are encouraged by the healthy rebound in EM Small Cap YTD and would expect this outperformance to continue for 2Q. Worries about a protracted trade battle between the US and China seems to have abated, and our base scenario is an agreement amenable to both sides. We would expect the Chinese equity rally to continue, as recent economic data has been positive. While market participants are discussing the ramifications of the inverted yield curve in the US for emerging markets, we believe it is too early to call for a potential EM slowdown. EM had already been underperforming the US since the aftermath of the global financial crisis in 2009, while fundamentals in EM have been relatively improving over the last few years. Our model portfolio sports a healthy 4.2% dividend yield and valuations remain attractive. In summary, EM Small Cap continues to hold favorable characteristics vs. developed counterparts, currency issues generally seem to be in the rear-view mirror, new areas of opportunity include India post-elections and South Korea, and upside risks appear to outweigh downside risks going into 2Q.

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.....	4.2%
(P/E) Ratio (trailing).....	11.9
(P/E) Ratio (forward).....	11.3
(P/CF) Ratio.....	6.6
(P/B) Ratio.....	1.4
Holdings.....	59
Countries.....	25
Top 10 Weight.....	25.8%
Name Turnover (Trail 12-mth).....	14.0%

Contact Information

RVX Asset Management, LLC
 20900 NE 30th Avenue, Suite 401
 Aventura, FL 33180

Todd S. Jessup, CFA
 Dir. of Institutional Client Services

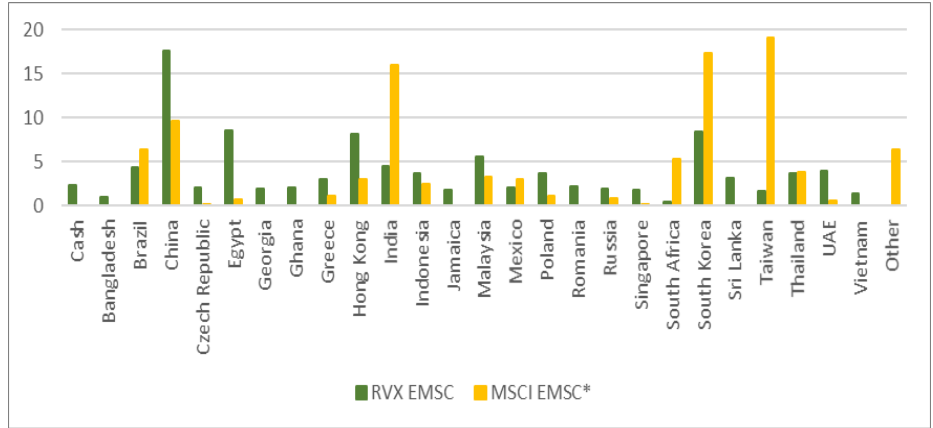
(305) 204-3020
tjessup@rvx-am.com
www.RVX-AM.com

TOP TEN HOLDINGS:

Security	Country	Sector	Mkt Cap (US\$ Mil)	% Wgt
STELLA INTERNATIONAL	Hong Kong	Consumer Discretionary	1,194	3.78
HISENSE HOME APPLIANCES GR-H	China	Consumer Discretionary	2,457	2.71
MY EG SERVICES BHD	Malaysia	Information Technology	1,204	2.71
IBNSINA PHARMA SAE	Egypt	Health Care	530	2.65
ARAMEX PJSC	United Arab Emirates	Industrials	1,897	2.43
EASTERN CO	Egypt	Consumer Staples	2,363	2.40
ARWANA CITRAMULIA TBK PT	Indonesia	Industrials	260	2.38
CREDIT AGRICOLE EGYPT	Egypt	Financials	825	2.34
ANTON OILFIELD SERVICES GP	China	Energy	474	2.26
SOCIETATEA NATIONALA DE GAZE	Romania	Energy	2,930	2.17

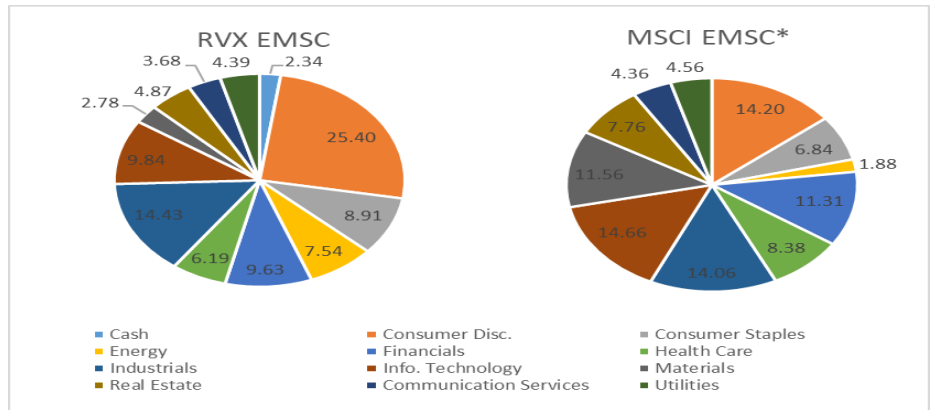
SOURCE : RVX ASSET MANAGEMENT AND BLOOMBERG, INFORMATION BASED ON A MODEL PORTFOLIO

COUNTRY WEIGHTINGS:



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

SECTOR WEIGHTINGS:



*Ishares MSCI Emerging Markets Small Cap ETF used as a proxy for the MSCI Emerging Markets Small Cap 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 Small Cap 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