Monthly Newsletter

June 2018

Activity Indicators Are Comforting; Rising Trade Tensions Are Not

Please note that as of June 2018, our Newsletter will be quarterly.

The following chart depicts the performance of RVX related funds and/or model portfolios during the referenced period.

Fund or Model Name	June Net Return	2018 YTD Net Return
Global Opportunity Fund, Ltd. – Class C*	-0.37%	0.38%
Emerging Markets Equity Model Portfolio**	-3.61%	-0.61%
Frontier Markets Equity Model Portfolio**	0.28%	4.51%
Emerging Markets Small Cap Equity Model Portfolio**	-3.86%	0.43%

Please note, "Important Disclaimers & Disclosures" related to results and information outlined at the end of the materials.

Macroeconomic Developments

- As the global expansion enters its 10th year, it is also at a crossroads. Signs of firming economic activity contrast with rising risks related to trade policy. Global GDP growth looks to have accelerated. What has been a surprise is the absence of a rebound in Western Europe and the loss of finished goods pricing power. Indeed, global core CPI goods prices appear to have dropped last quarter.
- The tightening in global financial conditions remains modest and does not pose a significant challenge yet. The concern reflected in more cautious markets – that a more serious shock could materialize – is real.
- G3 labor market reports confirm that labor income continues to grow at a healthy pace and should support continued solid consumer demand. As output gains align with solid demand growth, industry reports from the U.S., Germany and EM Asia ex-China show that this acceleration is already underway.
- Global trade war continues to be of concern. Specifically, between the U.S. and China, who have both responded with retaliatory measures. For America's trading partners, the effect on the global economy from the current set of tariff proposals is that it is relatively minor. For the U.S. and China, the costs are not insignificant. The U.S. imports over USD 500 billion per year from China, four times what China imports from the U.S. President Trump presumably takes the view that China will soon

Important Disclosures:

*****The net performance does not factor expenses, as RVX Asset Management, LLC ("RVX"), the investment manager of RVXGO, has reimbursed or paid all of RVXGO's non-investment expenses (i.e. legal fees, third party administration fees, etc.) and will continue to do so until such time as RVXGO has AUM in excess of US$25,000,000. Please see **"Important Disclosures and Disclaimers"** section for the net performance upon RVX assessing customary expenses.

******The returns represent Hypothetical Model Portfolio performance, see **"Important Disclosures and Disclaimers"** section of newsletter for further details and considerations.

run out of U.S. imports to put tariffs on. U.S. consumers will face higher prices from imported goods and both economies could experience a dent in GDP growth. China can respond in other ways and the immediate evidence of that is in the recent depreciation in the yuan against the dollar, which might well be designed to offset U.S. tariffs. China would prefer to avoid a trade war; Chinese equities have plunged.

- Dollar rise looks like a net negative. The rise in the trade-weighted USD can be explained by a mix of U.S. acceleration and a more dovish ECB reflecting European growth disappointments and vulnerabilities in EM high yielders. President Mario Draghi re-iterated that ECB monetary policy will remain accommodative "patient, persistent and prudent," with the first interest rate increase not until later in 2019.
- With the U.S. Treasury yield curve flatter than it has been in more than a decade, investors are focused on the prospect of yield curve inversion – historically a signal of recession.
- EM central banks remain under pressure to respond to capital outflows and weakening exchange rates with rate hikes.

Global Drivers

Trade tensions mount, but global growth continues.

Global Growth

In the aggregate, global GDP growth looks to have accelerated last quarter on the back of a rebound in a resilient service sector and a bounce in consumer goods spending. Global retail spending is tracking faster than 5% last quarter. This impulse has not yet turned the tide in global manufacturing.

U.S. Monetary Policy

The Fed is hawkish and now looks for four 25bp rate hikes for the remainder of this year, on the way to a fed funds rate of 3.4% by the end of 2020. A trajectory of gradual tightening implicitly assumes that, during that period, the U.S. will not end up in recession and that the Fed will not have a market crisis to deal with. Previously Jerome Powell has dismissed concerns that U.S. monetary tightening will have adverse effects on EM economies (or at least that effects are "manageable"). EM policy-makers will beg to differ. Investors are mindful of the Governor of the Bank of India recent comments that the Fed's unwinding of its balance sheet (which equals an annualized withdrawal of liquidity of USD 600 billion by October this year) combines with an increase in U.S. debt issuance of nearly USD 1 trillion to create a dollar liquidity shortage.

Commodity Prices (OW Oilers)

Oil is 31% higher y-o-y and around a four-year high. We think oil is topping. There are policy options to prevent an oil price surge above $80/bbl. Oil prices rallied on U.S. sanctions looming over Iran and conflict disrupting oil supply in Libya, and the recent OPEC decision to raise oil output. Oil production growth from the U.S. and Canada may not be enough to offset supply shortfalls in Venezuela, Iran, and growing global demand.

EM Investment Outlook

Trade War fears.

Even after this year's correction in valuations, stocks in mature markets still look relatively expensive.

Emerging markets are at the intersection of this mix of risk and lift. Indeed, the expected pickup in global industrial activity should provide important support to EM growth. In this regard, the upbeat Asian activity readings from Taiwan, Korea, Singapore, and Japan send the signal that a pickup in the regional manufacturing sector is taking hold, despite slowing Chinese domestic demand. EM economies, and particularly China, would prove highly sensitive to a DM business sentiment shock related to intensifying trade conflicts that slowed DM capex spending.

Non-resident portfolio outflows from emerging markets rose in June. However, net capital flows to emerging markets remained solid. EM equity funds had the highest monthly outflow since August 2015. GEM funds accounted for most of the outflow.

Risks

- The end of the Goldilocks era could be hastened by trade wars, an inflation shock that prompts more aggressive interest rate rises from central banks, geopolitical threats, or slower-than-expected growth in China.
- In addition, central bank action, and markets' possible reaction to it, may be less benign than the Goldilocks scenario foresees. Crucially, by late 2019, the major central banks will effectively be engaged in "quantitative tightening," reversing the program of monetary support that has helped underpin markets since the 2008 financial crisis.
- Trade tensions are on the rise: risk aversion - flight to quality.
- USD strength might be here to stay in the months ahead: Commodities, EM negative. A flight of capital out of the Eurozone (potentially into the U.S.) could easily push the dollar higher. The U.S. has a surplus on its balance of payments' capital account (i.e. capital inflows) reflected in the latest TIC capital flow data. A dollar rise would place pressure on EM central banks to tighten without a likely offset of a Fed pause anytime soon. The significant rise in EM private sector dollar credit in recent years also increases the risk of funding market stress and for renewed Chinese capital outflows.
- EM currencies that experienced the most currency depreciation share the following vulnerabilities: a current account deficit, a high level of liability dollarization, limited FX reserves, relatively little trade exposure to the U.S. and lack of credibility in meeting inflation targets. A combination of growing CAD and large external funding needs are warning signals.
- Early this year we warned of large FX overvaluations in Argentina and Turkey.

With both currencies having fallen significantly, we have updated our EM FX valuation model. The Peso has moderated its overvaluation. The Lira seems cheap, having more than offset the current account widening. The currencies of South Africa, India, Uruguay, Kenya and Indonesia look expensive. Undervaluation persists for Singapore, Taiwan, Thailand, Korea and Malaysia.
- Correlation among EM equities is on the rise, signaling growing contagion risks.

- Political Risks on the rise across several Emerging Markets and Developed Markets amid a busy electoral calendar.

Equity Investment Outlook

Emerging Markets

Currency volatility led by a strengthening U.S. dollar, political upheavals, and fears of a global trade war weighed heavily on emerging markets in 2Q. Emerging market equities showed a negative return for 2Q, underperforming both U.S. and international developed markets. The MSCI Emerging Market Index (gross) was down -7.86% for the quarter vs. the S&P 500 return of -2.93% and the MSCI EAFE (gross) return of -0.97%.

From a country standpoint, Brazil and Turkey were the worst performers for the quarter. Brazil faced a crippling national strike of truckers and oil workers that led to a devaluation of the currency and forced the country to cut GDP forecasts for the year. Significant currency volatility and high inflation impacted Turkey's equity markets; political uncertainty around upcoming elections also hurt sentiment. Top performers included the smaller countries of Colombia and Qatar, both beneficiaries of higher oil prices. In Qatar's case, a lowering of foreign ownership limits also led to market inflows.

From a sector standpoint, Information technology and Health Care were the strongest performers while Financials and Industrials were the worst. The MSCI EM Value Index (gross) underperformed the MSCI EM Growth Index (gross) for the quarter with a -8.83% return vs. -6.92%.

Within our sector positioning, we remain comfortable with our overweight energy position and are even looking to increase our exposure to this space. As mentioned in prior commentaries, we continue to believe that we are in a long-term bull market for oil prices. We also expect prices to be volatile in the short-term, which gives us a great opportunity to increase our positioning during quick downturns. As seen in the past quarter, the market continues to underestimate how tight oil supply really is and how low spare capacity has gotten, and therefore how vulnerable prices are to unexpected disruptions. This is evidenced by the quick drop in prices last month after Saudi Arabia agreed to increase production, followed by a quick rise as the market realized that any increase would not significantly move supply/demand dynamics in the near-term. We expect this manic-depressive behavior to continue, as it really shows that many market participants are still holding onto the "lower for longer" mantra without adjusting that thesis for new information. This also may be a reason why the rise in energy stocks have lagged the rise in energy prices, a phenomenon we expect to be reversed in the coming quarters.

Because of worries around a looming trade war, the Chinese renminbi depreciated against the U.S. dollar last quarter, despite increased liquidity from the lowering of its reserve requirement ratio. This currency move, as well as a slowdown in domestic demand indicators, led to a downturn in Chinese equities. From a country standpoint, we remain comfortable with our China positioning, even with this short-term negative newsflow. A lot of our names in China are either domestic-demand driven stories or energy-linked i.e. we have very little exposure to companies with U.S. tariff issues. We also think China stands to benefit from the U.S. adopting a more nationalistic stance on the global stage. As the U.S. retreats from many longstanding alliances, China has been more than able to fill the void with new treaties and multi-lateral agreements capitalizing on its “One Belt One Road” initiative. Another policy, “Made in China 2025”, has been driving significant R&D spending in technology, infrastructure, and health care. Regardless of these positive developments, sentiment around a potential full-scale trade war may continue to drive down equity prices in the near term. If the trade war does escalate, there is a potential for the U.S. dollar to depreciate (in response to China’s recent depreciation), which would in turn be generally positive for the overall emerging markets asset class and especially oil prices.

The recent downturn has given us the opportunity to initiate positions in areas where we were significantly underweight, namely technology from a sector perspective and Russia from a country perspective. Having just come back from a productive country visit, we also added an additional name in Greece and remain excited about its risk/reward metrics.

Overall, emerging market equities are showing higher earnings growth with more favorable valuation metrics than developed market counterparts: MSCI EM trades at 11.28x forward P/E vs. 13.64x for MSCI EAFE. A lot of the catalysts for the strong dollar may have already played out (tax policy, repatriation of profits), and we would not be surprised if Europe and Japan begin to tighten monetary policy to negate the effects of rising U.S interest rates, which in turn could lead to a rally in emerging markets. Key risks will include a further strengthening dollar, rising interest rates, election uncertainty (Brazil elections and U.S. midterms), and geopolitical risk (escalation of U.S. – Iran tensions).

Frontier Markets

In 2Q, frontier equity markets as represented by the MSCI Frontier Markets Index, underperformed all major indices with a (gross) decline of 15.07%. Saudi Arabia and Kuwait were relative outperformers for the month, with both countries under consideration for a potential inclusion into the MSCI EM indices in the future. Both countries also benefitted from the move in oil prices. While the GCC region overall continues to show signs of stability during the recent market volatility, there is still higher-than-average geopolitical risk given increased rhetoric between the United States and Iran towards their nuclear deal.

Argentina and Vietnam, two key constituents that comprise over 33% of the index, were down -42% and -16% respectively. Argentina was forced to raise rates while also using forex reserves and IMF assistance to stop a free fall in its currency. While Vietnam is still relatively healthy from a macro standpoint, the equity markets declined during the quarter due a combination of overvaluation, worries about the impact of a global trade war, and changes in equity flows to newer IPOs.

Country Updates

China (UW)

China is poised to ease monetary and fiscal policy. RMB recent weakness is raising fears of competitive devaluation (USD/RMB potentially towards 7). China is hit by non-resident portfolio outflows in late June. Export orders are falling to the lowest level in two years.

We see recent RMB weakness as a reversal of excess strength, with perhaps a side-signal that recent trade tensions are unwelcome. The rather large and rapid drop in the CNY raises some concerns that a repeat of the August 2015 devaluation, which was followed by broad-based EM stress, may be in the offing. For China, the recent buildup in foreign borrowing by corporates, and continued large short-term outflows are vulnerabilities. In addition to these concerns, it is impossible to know how far trade tensions with the U.S. will escalate. Nevertheless, for now, this time does appear to be different from the 2015 turmoil.

Fixed-asset investment and retail sales growth slowed to their lowest levels in over a decade. Non-resident portfolio flows to China turned negative amidst trade fears. Inflows to Chinese equities came to an abrupt halt as U.S. – China trade tensions intensified.

Mexico (MW)

Andres Manuel Lopez Obrador will be the next president, with congressional majority in both chambers. There is a risk of a radical shift in policy, but initial signals are calming these fears.

Abiding by an orthodox economic policy framework will be paramount for markets to remain at ease with AMLO's victory, particularly given the power he will wield at both the federal and local levels.

AMLO delivered a conciliatory orthodox victory speech, stressing his commitment to central bank independence and fiscal discipline, while also mentioning the importance of supporting and respecting private investment to boost growth. AMLO's team expects to maintain a primary surplus, currently at 0.9% of GDP, and is happy with BANXICO and the flexible exchange rate system. No tax hikes, new taxes or changes in tax policy are expected under AMLO for the first three years. Carlos Ursua will become finance minister. AMLO's NAFTA chief negotiator allayed concerns by committing to maintain the current government's negotiating strategy. No bilateral trade agreement with the USA. Pemex: AMLO is happy with agreements related to the distribution of oil royalties. He wants to continue working with foreign enterprises to enable development of deep water fields.

Colombia (MW)

Higher oil prices will allow the incoming President to get off to a good start.

Colombia's positive economic story was reaffirmed with the election of market-friendly Iván Duque as President. Duque's economic policy agenda of enforcing fiscal discipline through the reduction of current expenditure should help investor sentiment. Social concerns, such as income inequality and security risks, will continue to raise questions about Duque's ability to govern. Duque, who will take office on August 7th, will have to deal with a manifold of challenges. For example, the need for fiscal consolidation, the implementation of the peace deal with former rebel group FARC, and bringing Colombia back to potential growth. Duque spoke during the campaign in favor of cutting corporate taxes to boost growth, but fiscal constraints might keep the offer on the shelf for the time being. On the other hand, Mr. Petro will remain a relevant political actor as he heads to the Senate for the next four years.

The fiscal deficit target for 2018 (3.1%) is achievable on the back of higher oil prices. Relaxing short-term fiscal deficit goals (a strategy considered during the campaign) would likely be read negatively by rating agencies, risking Colombia's investment grade status.

Brazil (UW)

Trucker's strike drove IP plunge and hit business confidence.

Electoral uncertainty persists on whether Lula would be allowed to run, and who could be a feasible market friendly candidate in his absence.

Consumer and business confidence levels continue to dip. Weaker economic activity cloud the H2 fiscal outlook. Over 12 months, the trade surplus shrank to $61 billion, while the seasonally-adjusted annualized quarterly moving average fell to $55 billion from $61 billion.

The Selic rate will remain stable at 6.5% until the end of the year. The scenario has become increasingly challenging. As for the recent BRL depreciation, the committee stressed that monetary policy will not automatically react to the evolution of the exchange rate. Yet, we understand that the stance of monetary policy will remain dependent on BRL dynamics.

Argentina (UW)

Currency depreciation and capital outflow. The IMF agreed to lend Argentina USD 50 billion.

Recent bouts of significant market volatility are pushing President Macri's administration to make bold decisions. Alas, monetary policy interventions and coordinated statements will not stabilize the market without a sound plan to address long-standing macroeconomic imbalances. Inflation expectations continue to rise, year-end 2018 up to 30%.

The main challenge is to regain market confidence, but domestic political constraints ahead of the electoral cycle will heighten risks. Fiscal discipline, a likely prerequisite for an IMF credit line, will weigh negatively on Macri's already falling approval ratings.

Peru (MW)

Growth is accelerating.

Growth has strengthened, driven by fiscal stimulus and favorable terms of trade. Fiscal consolidation remains a challenge amid increased global volatility.

The monthly GDP expanded 7.8% year-over-year in April, the highest print in five years. We expect GDP to accelerate to 3.6% in 2018 driven by the increase of metal prices and expansionary macroeconomic policies (mainly fiscal, but also monetary). More supportive domestic political conditions are also playing in favor of growth, which are at least partly explaining the improvement in consumer and business confidence indicators.

Turkey (UW)

Focus on new cabinet and policy.

As expected, Erdogan won the presidency while the ruling AKP, with the support of its alliance partner MHP, maintained a majority in parliament. With inflation still on an upward trend, premature monetary easing could put the lira under pressure. The more meaningful risk is fiscal easing later this year in response to an expected slowdown in economic activity. With the elections out of the way and with Erdogan having a strong mandate, conditions for structural reform are favorable.

Indonesia (UW)

Local election. Further tightening.

Bank Indonesia has clearly signaled its focus on financial stability by preemptively raising rates in an off-schedule meeting in late May. Policymakers have couched their macroeconomic stability objectives to ensure that the current account deficit does not exceed 3% of GDP. However, further capital outflows are likely, feeding pressures on the IDR and warranting more hikes by BI in 2018. The trade deficit should narrow, which should reduce the current account deficit, reflecting in part a lagged response to the weaker currency. Net FX reserves fell by U.S. $36.8 billion (35%) in the year.

We foresee the risk of the 10-year IDR government bond yield reaching 9% this year.

Bahrain (UW)

FX reserves decline while waiting for the GCC aid package.

Investors' concerns over rising public debt and large twin deficits pushed Bahraini dinar to a 17-year low. The cost of insuring Bahrain debt against default for five years jumped 170 bps to 609 bps, the most since 2008. Yields on Bahrain ten-year dollar-denominated sovereign bond surged to over 9%.

The focus is now on the GCC (Saudi Arabia, Kuwait, and the UAE) aid package, which is likely to be announced together with a five-year fiscal reform plan. According to J.P.Morgan, with ongoing deficits, FX reserves fell to $1.8 billion (0.7 months of imports of goods and services and 4.6% of GDP). Key vulnerabilities as per Renaissance Capital are:

- The dire fiscal situation: fiscal deficit widened from 2014 = -3.4% GDP to 2017 = -15%
- Public debt 2017: 90% GDP, up from 44.4% in 2014
- Low reserves: fell to $776 million in 2018 from $2.4 billion in 2016 and $6 billion in 2014)
- Pressure on the dinar's peg
- Sluggish growth

However, there is the prospect of a bail-out from neighbors, new oil reserves, and tapping financing from their sovereign wealth fund. The ability to draw on its Sovereign Wealth Fund ($10 billion with $5 billion) could be accessed fairly quickly if needed.

RVXGO Contributors and Detractors to Performance***
June 2018

Rank	Contributors	Contribution
1	PROSHARES ULTRASHORT MSCI BR	1.05%
2	RUSSIA 5.25% 23 JUN 2047 REGS	0.37%
3	IBNSINA PHARMA SAE	0.19%
4	PROSHARES SHORT MSCI EMR MKT	0.18%
5	VOSTOK MULT 11 MAR 2019 REGS	0.14%

Rank	Detractors	Contribution
1	CHUBUT 7.75% 26 JUL 2026 REGS	-0.35%
2	COMENG 6.375% 24 APR 2035 REGS	-0.33%
3	BRF SA-ADR	-0.31%
4	OPRORU 8.25% 27 SEP 2021 REGS	-0.21%
5	SISTEMA PJSC-REG S SPONS GDR	-0.16%

<u>Important Disclosure</u>*:** The information outlined represents the Top 5 "Contributors and Detractors" to the RVXGO performance during the specified period based upon total return (the actual rate of return of a pool of investments over a given period of time, which includes including interest, capital gains, dividends and distributions realized over a given period of time). In addition to the ten (10) holdings depicted based upon aforementioned criteria, a list showing all holding's contributing and detracting to the overall Fund's performance during the measurement period is available upon request. **Past performance of any kind is not necessarily indicative of future results and future accuracy and profitable results cannot be guaranteed.** See **"Important Disclosures and Disclaimers"** section of the newsletter for RVXGO – "Contributors and Detractors" – Performance holdings information.

We thank you for your continued support.

The RVX Team
RVX Asset Management LLC
20900 NW 30th Avenue, Suite 401
Aventura, FL 33180
www.RVX-AM.com | Phone: +1-305-363-6890
Fax: +1-305-675-0394

Important Additional Disclaimers and Other Legal Information

This material is distributed for informational purposes only. The discussions and opinions in this newsletter are for general information only, and are not intended to provide investment advice. While taken from sources deemed to be accurate and reliable, RVX Asset Management, LLC ("RVX") makes no representations concerning the accuracy of the information in the letter or its appropriateness for any given situation. Any statements regarding future events constitute only subjective views or beliefs, are not guarantees or projections of performance, should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond our control. Future results could differ materially and no assurance is given that these statements are now or will prove to be accurate or complete in any way. RVX shall not be responsible for the consequences of reliance upon any opinion or statements contained herein, and expressly disclaim any liability, including incidental or consequential damages, arising from any errors or omissions. Information and references to RVX's Global Opportunity Fund ("RVXGO" or the "Fund") pertain to RVX's investments and customer allocations in the related Fund. RVX provides investment management services primarily to the Fund, as such it shares common ownership with RVX Clients of RVX who pay RVX a fee for all assets under management and who also invest in the Funds are not charged additional fees directly by the Fund.

RVXGO Performance and Fees: The net performance of Class C shares of the Fund is considered net of management and performance Fees. RVX, the investment manager of RVXGO, has reimbursed or paid all of RVXGO's non-investment expenses (i.e. legal fees, third party administration fees, etc.) and will continue to do so until such time as RVXGO has assets of under management (AUM) in excess of U.S. $25,000,000. Had the Adviser not reimbursed the above mentioned expenses the net performance after deducting Advisory, Performance and Operational Expenses would have been: -0.48% for the month and and -0.23% year-to-date.

RVX Model Portfolio Performance and Fees: The following material include information related to the net (hypothetical) performance of three (3) model portfolios established by RVX. The performance results included in this newsletter 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.

Model Portfolio Name	*Net Performance*		
	June 2018	*Year-to-Date*	*Advisory Fee & Est. Commissions*
Emerging Markets Portfolio	-3.61	-0.61	1.0%/20bp
Frontier Markets Portfolio	0.28	4.51	1.0%/20bp
Emerging Markets Small Cap Portfolio	-3.86	0.43	1.25%/20bp

The hypothetical model performance shown herein is based on simulated or hypothetical trades made by RVX for the three (3) hypothetical models containing investments of the type RVX generally expects to purchase for accounts utilizing its emerging, frontier and small cap 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 net of advisory fees and estimated commission fees. All hypothetical models are estimated, unaudited, subject to adjustment, and not intended to comply with AIMR-PPS™ or GIPS guidelines.

RVXGO – "Contributors and Detractors" – Performance: The information outlines represents the Top 5 "Contributors and Detractors" in the RVXGO during the specified period. The collective ten (10) holdings referenced do not represent all of the securities purchased, sold, or recommended in the Fund during the specified period. The referenced holdings are not recommendations to buy or sell any particular security. Such advice is given to each RVX client individually based on, inter alia, their particular goals and objectives and risk tolerances. You should not view the referenced holdings as necessarily being indicative of RVX's preferred holdings. The holdings referenced are provided on an "as is" basis. RVX makes no express or implied warranties or representations with respect to the accuracy, completeness, reliability, or fitness of the holdings or any financial results you may achieve from their use; in no event shall RVX or its affiliates have any liability relating to the use of the referenced holdings. There is no guarantee any of collective ten (10) holdings will be held by the Fund (or held with similar weightings) on any date hereafter; they are subject to change without notice. RVX has elected to disclose this information on a quarterly basis to provide certain insight into holdings that impacted performance during the respective period. The contributors/detractors do not represent all of the securities purchased, sold, or recommended. Upon request, RVX will make available both: (i) a list showing every holding's contribution to the Fund's overall performance during the measuring period.

RVX utilizes alternative investment strategies subject to a number of risks that are not suitable for all investors. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risk associated with such an investment. Investors should carefully review and consider potential risks before investing. RVX's asset allocations may involve various alternative investments, funds, among several underlying funds, that represent different alternative asset classes and strategies, which seek to limit risk and exposure to any one asset class or strategy; however, an asset class or strategy selected by any respective fund or RVX may perform poorly relative to other asset classes and strategies not selected. Certain risks may include the following: loss of all or a substantial portion of the investment due to leveraging, short selling or other speculative practices; lack of liquidity in that there may be no secondary market for the fund or the securities that make-up the fund, and non may develop or expected to develop; volatility of returns; restrictions on transferring interests in the fund; absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; adviser risk; and less regulation and potentially higher fees than traditional mutual fund strategies. **Past performance is not indicative of future results**.

There is no guarantee that the opinions expressed herein will be valid beyond the date of this newsletter. Certain information included in this newsletter was based on third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed. This information is highly confidential and intended for review by the recipient only. The information should not be disseminated or be made available for public use or to any other source without the express written authorization of RVX. Such distribution is prohibited in any jurisdiction dissemination may be unlawful.