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QUARTERLY MARKET & INVESTMENT STRATEGY COMMENTARY

Market Overview

- Hard currency assets performed well with sovereign spreads ending the quarter 34 basis points tighter from where they began.
- Emerging market corporates also ended the quarter tighter, though to a lesser degree, compressing 16 basis points versus U.S. Treasuries.
- Local currency assets continued their second quarter underperformance, driven by an August sell-off that outweighed rallies in July and September.

Strategy Performance

- The Emerging Market Debt strategy returned 0.80% (gross of fees) for the third quarter of 2018, outperforming the Logan Circle Blended Index by 23 basis points (0.57%).
- The strategy's exposure to local currency assets attributed to almost all the underperformance over the third quarter.
- The strategy's exposure to special situation corporate assets aided returns and offset a drag created by exposure in Turkish corporates.

Outlook

- We believe that the sell-off in emerging markets has created numerous pockets of value when we consider the underlying fundamentals.
- We view Chinese willingness to stimulate their economy to offset the growth impacts of trade related headwinds as a net positive.
- While we have maintained positivity throughout a challenging market (and have paid for it), we are constantly evaluating the logic of this decision and remain optimistic despite the resounding uptick in negativity surrounding the asset class.

Market Overview

The third quarter of 2018 could be best compared to that of a whipsaw. After a challenging second quarter, markets rebounded in July only to give-way to a hectic and disorderly sell-off in August, due in large part to the high beta space. A strong rebound during the month of September would help to ease some of the pain experienced within hard currency assets in August, but local currency assets still lagged behind as the underperformer.

Despite the volatility, hard currency assets performed well. Sovereign spreads ended the quarter 34 basis points tighter from where they began, as the news of Middle Eastern inclusion in the EMBI fueled a late quarter spread rally in Qatar, Saudi Arabia and Abu Dhabi. At the index level, all regions experienced decent performance to tighter spreads across the board. At the country level, almost every country ended the quarter tighter with the exception of Argentina, Turkey and Venezuela (all high profile underperformers). When considering the local currency volatility and the late quarter sell-off in U.S. interest rates, it was still an impressive performance.

In addition, emerging market corporates also ended the quarter tighter, though to a lesser degree, compressing 16 basis points versus U.S. Treasuries. The tightening was fairly uniform across both high grade and high yield assets with most sectors, except financials, ending tighter quarter over quarter. Interestingly, some of the larger markets, such as Brazil, lagged the rally due to worries about the upcoming election. In addition, the August sell-off focused on credits more reliant on capital market access.

Local currency assets continued their second quarter underperformance, driven by an August sell-off that outweighed rallies in July and September. Argentina and Turkey dominated the negative headlines but Philippines and Russia also added to the negative total

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returns at the country level. Unlike the hard currency markets, local currency performance was very idiosyncratic. Markets such as Brazil and Chile generated decent positive total returns and South Africa managed to make a late quarter run into positive territory.

Strategy Performance

The Emerging Market Debt strategy returned 0.80% (gross of fees) for the third quarter of 2018, outperforming the Logan Circle Blended Index by 23 basis points (0.57%).

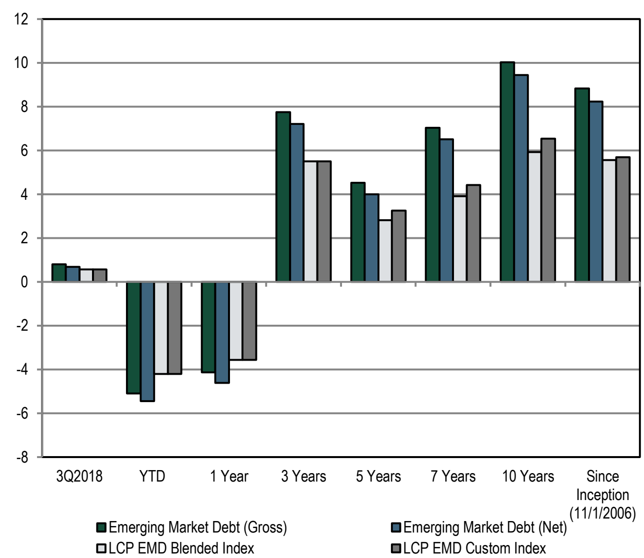
The strategy's exposure to local currency assets attributed to almost all the underperformance over the third quarter. The two largest detractors from returns resulted from the strategy's early quarter exposure to Turkey and Argentinian local assets. Despite a slightly short exposure to Turkish Lira, it was not enough to offset the whole move lower. On the positive side, Mexican local currency assets performed well on the back of NAFTA agreement optimism and early selling of Russian local assets missed almost all of their downside.

Despite what felt like an otherwise challenging quarter, the late rally helped recoup a significant portion of downward momentum in August and the second quarter for emerging market assets. Exposure in Ecuador, Indonesia, Angola, and Ukraine were all significant positives. Balancing out some of the good stories was a reduced exposure in Zambia and lack of exposure to Brazilian sovereign assets, both of which were a slight drag on returns. Arguably the most surprising move existed in Argentinian hard currency assets which generated a slight positive return despite the FX moves on the back of a front loaded and larger IMF package. Inclusion of the GCC countries into the EMBI boosted the strategy's hard currency returns in the region, tightening by 15 to 30 basis points at the long end of the curve.

The strategy's exposure to corporate assets outperformed. Special situation corporates aided returns and offset a drag created by exposure in Turkish corporates. The bonds of a Communications issuer also slightly contributed to returns after a mid quarter slump and an unattractive tender was met by significant investor resistance, forcing the company into an open dialogue with investors. Conversely, the bonds of an Energy issuer was a marginal drag on returns based on the negative news coming out of Zambia and a lack of resolution on their negotiations with the tax authorities.

[1] The Logan Circle Emerging Markets Blended Index is comprised of 35% JP Morgan EMBI Global Index, 35% JP Morgan CEMBI Broad Diversified Index and 30% JP Morgan EMBI-EM Global Diversfied Index.

Composite Performance (%)
Logan Circle Emerging Market Debt



	LCP (Gross)	LCP (Net)	LCP EMD Blended Index	LCP EMD Custom Index
3Q2018	**0.80**	0.68	0.57	0.57
YTD	**-5.09**	-5.45	-4.21	-4.21
1 Year	**-4.13**	-4.61	-3.56	-3.56
3 Years	**7.75**	7.21	5.50	5.50
5 Years	**4.52**	4.00	2.82	3.25
7 Years	**7.04**	6.51	3.92	4.42
10 Years	**10.03**	9.45	5.93	6.54
Since Inception	**8.83**	8.23	5.56	5.70

Past performance is not indicative of future results. Net of fee returns reflect the deduction of investment advisory fees and are calculated in the same manner as gross of fee returns. Net of fee returns are calculated using the highest fee rate disclosed in the Firm's ADV. Fees for separate accounts may be negotiable depending upon asset size and type of account.

Outlook

While we acknowledge that the U.S. and China are heading down the path of a broader and more advanced trade standoff, we believe that the sell-off in emerging markets has created numerous pockets of value when we consider the underlying fundamentals. Current accounts, where needed, are adjusting due to large currency moves and shifts in local demand. Furthermore, governments are reacting proactively; both of which are good signs. We view Chinese willingness to stimulate their economy to offset the growth impacts of trade related headwinds as a net positive. While this is not a viable long-term solution, the stimulus will clearly support aggregate demand and allow for a smoother adjustment. Further, we believe that value has been created because Chinese stimulus acts with a lag and many export sectors in emerging markets are trading at significant discounts to developed markets. One of the key attributes of emerging economies today is they have free floating currencies, which act as relief valves in times of economic stress. While currency weakness does arouse fear of serviceability of foreign debt (both corporate and government), it also changes investment and consumption behavior which can quickly close the current account deficits and aid in rebalancing the markets. Also, several emerging market corporates are exporters with hard currency revenue streams and local currency cost bases, a profitable combination in times of stress.

With many high yield assets offering generous yields and governments beginning to make policy decisions reflecting recent difficulty, the return profile appears asymmetric to the upside. Currency weakness has come too far and offers value over the medium term despite the continuation of short term volatility. While we have maintained positivity throughout a challenging market (and have paid for it), we are constantly evaluating the logic of this decision and remain optimistic despite the resounding uptick in negativity surrounding the asset class.

Logan Circle Partners Emerging Market Debt Composite Statistics & Performance

YEAR	GROSS-of-FEE RETURN	NET-of-FEE RETURN	BENCHMARK RETURN[1]	NUMBER OF PORTFOLIOS	DISPERSION STDV[2]	COMPOSITE 3 YR STDV[3]	BENCHMARK 3 YR STDV[3]	COMPOSITE ASSETS	% TOTAL FIRM ASSETS[4]
11/1/2006 (Inception) to 12/31/2006	4.83%	4.73%	1.94%	≤ 5	N/A	N/A	N/A	$25,805,399	-
2007	9.63%	8.92%	6.27%	≤ 5	N/A	N/A	N/A	$27,755,018	< 1%
2008	-17.89%	-18.43%	-10.91%	≤ 5	N/A	N/A	N/A	$20,942,453	< 1%
2009	52.46%	51.51%	28.18%	≤ 5	N/A	N/A	N/A	$55,056,889	< 1%
2010	19.91%	19.14%	12.04%	≤ 5	N/A	N/A	N/A	$56,172,916	< 1%
2011	5.09%	4.53%	8.47%	≤ 5	N/A	10.70%	7.10%	$143,251,272	1.06%
2012	27.43%	26.80%	18.54%	≤ 5	N/A	9.55%	6.53%	$778,115,122	3.76%
2013	-4.15%	-4.63%	-6.58%	6	N/A	10.00%	7.81%	$702,186,889	2.76%
2014	3.33%	2.82%	3.66%	≤ 5	N/A	8.67%	7.73%	$716,788,940	2.21%
2015	-2.99%	-3.48%	-3.81%	8	N/A	7.73%	7.23%	$1,767,946,450	5.67%
2016	14.28%	13.71%	10.04%	6	N/A	7.86%	7.05%	$1,372,412,170	4.10%
2017	13.81%	13.25%	10.62%	8	N/A	6.85%	6.08%	$2,807,561,715	7.30%
1Q 2018	0.50%	0.37%	0.30%	7	N/A	N/A	N/A	$2,761,837,436	7.26%
2Q 2018	-6.31%	-6.44%	-5.03%	8	N/A	N/A	N/A	$2,837,358,435	7.40%
3Q 2018	0.80%	0.68%	0.57%	8	N/A	N/A	N/A	$1,543,991,611	3.97%

[1] Effective July 1, 2014, the performance benchmark for the Emerging Markets composite is the Logan Circle Partners Emerging Markets Custom Index, which is comprised of 35% JP Morgan Emerging Markets Bond Index ("EMBI") Global Index, 35% JP Morgan Corporate Emerging Market Bond Index ("CEMBI") Broad Diversified Index, and 30% JP Morgan Government Bond Index – Emerging Markets ("GBI-EM") Diversified Global. The JP Morgan EMBI Global tracks returns for actively traded external debt instruments in emerging markets. Included in the EMBI Global are U.S. dollar denominated Brady bonds, Eurobonds, and traded loans issued by sovereign entities. Only issues with a current face amount outstanding of $500 million or more and greater than 2 1/2 years until maturity are eligible for inclusion in the index. The CEMBI Broad Diversified Index is a global benchmark for US-dollar corporate emerging market bonds and includes a specific set of emerging markets countries. It limits the weights of those index countries with larger corporate debt stocks by only including a specified portion of these countries' eligible current face amounts of debt outstanding. The GBI-EM Index tracks local currency bonds issued by Emerging Market governments. The benchmark was changed as the Firm believes that a blended index is a better representation of the Firm's blended approach to managing Emerging Market strategies. From inception of the composite to June 30, 2014, the benchmark was the JP Morgan EMBI Global Index. It is not possible to invest directly in an unmanaged index. All index returns presented are provided to represent the investment environment existing during the time periods shown and will not be covered by the future report of independent verifiers. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.

[2] "N/A" is an indication that the information is not statistically meaningful due to an insufficient number of portfolios (five or fewer) in the composite for the entire year. Standard deviation is only presented for accounts managed for a full calendar year.

[3] The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 month period. The standard deviation is not presented for 2006 through 2010 because it is not required for periods prior to 2011. It is also not presented for quarter-ends.

[4] Prior to November 1, 2007, the investment team was part of Delaware Investments and therefore the percentage of Firm assets is not available for periods prior to that date.

Logan Circle Partners, L.P. ("Logan Circle" or the "Firm") is a registered investment adviser and began managing assets on November 1, 2007. On September 15, 2017, the Firm became a wholly owned subsidiary of MetLife, Inc. and is part of MetLife Investment Management, MetLife, Inc.'s institutional investment management business. From April 16, 2010 to September 15, 2017, the Firm was a subsidiary of Fortress Investment Group LLC. Additionally, on December 19, 2011, the Firm formed a new subsidiary, Logan Circle Partners I LLC, which is a wholly-owned entity of the Firm. The Firm is defined to include all accounts managed by Logan Circle and Logan Circle Partners I LLC. The track record presented represents the team's performance at Delaware Investments while it managed the Emerging Markets strategy from November 1, 2006 ("inception date") through October 31, 2007. From November 1, 2007 ("creation date") to the present, the performance presented is for the Emerging Market Debt ("Emerging Markets") composite.

The Firm claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS® standards. The Firm has been independently verified for the periods November 1, 2007 to December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Emerging Market composite has been examined for the periods November 1, 2007 to December 31, 2017. Verification does not ensure the accuracy of any specific composite presentation. The verification and performance examination reports are available upon request. The Firm maintains a complete list and description of composites, policies for valuing portfolios, calculating performance and preparing compliant presentations all of which are available upon request.

The Emerging Market strategy seeks to outperform the global fixed income market by investing in a combination of global fixed income assets in three primary opportunities: currency risk, credit risk and country risk. Derivatives may make up a part of the Emerging Market strategy, as the Firm utilizes futures, forwards and interest rate swaps in its efforts to achieve the appropriate level of risk to meet the return targets, rather than for speculative purposes.

Effective January 1, 2014 the Emerging Markets composite has a significant cash flow policy which is applied consistently and within GIPS® standards. The Firm has chosen to remove accounts that have a significant daily external aggregate cash flow greater than 10% or monthly flow greater than 20%. If any account meets these thresholds, then the account is removed from the composite. Aggregate cash flow is defined as additions plus withdrawals over the period. Accounts are removed in the month of the significant cash flow. If the significant cash flow is client directed requiring security liquidation that materially affects account management, the Firm will remove the account the month of security liquidations. The account will be reinstated to the composite once the portfolio manager has determined that the flow has not impacted the management of the account and the account is invested as per the strategy. From August 1, 2011 to April 30, 2012 the Emerging Markets composite had a significant cash flow policy whereby the Firm chose to remove accounts that had a significant monthly external aggregate cash flow greater than 10%. Prior to August 1, 2011 there was no significant cash flow policy.

Past performance is not indicative of future results. Performance returns are based on fully discretionary accounts under management and may include terminated accounts. Returns are presented gross and net of fees, include the reinvestment of all income and are calculated in U.S. dollars. Dividend income has been recorded net of all applicable foreign withholding taxes. Net of fee returns reflect the deduction of investment management fees and are calculated in the same manner as gross of fee returns. The investment management fee schedule for the Emerging Markets strategy is 0.50% on the first $50 million, 0.45% on amounts from $50 million to $150 million and 0.40% on amounts over $150 million. Net returns have been calculated by reducing the monthly gross returns by the highest stated ADV fee for the strategy. From inception date to March 2011, the highest stated ADV fee used to calculate monthly net returns was 0.65%. From April 2011 to the present the highest stated ADV fee is 0.50%. Fees have a compounding effect on cumulative results. Investment management fees are described in Part 2A of the Firm's Form ADV. Actual investment management fees incurred by clients may vary and returns will be reduced by investment management fees and other expenses that the account may incur.

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