

### PROFILE

Benchmark	Barclays U.S. Corporate High Yield
Portfolio Manager	Ming Shao, CFA
Inception Date	January 1, 1999
Assets Under Management	\$444 million

### CURRENT POSITIONING

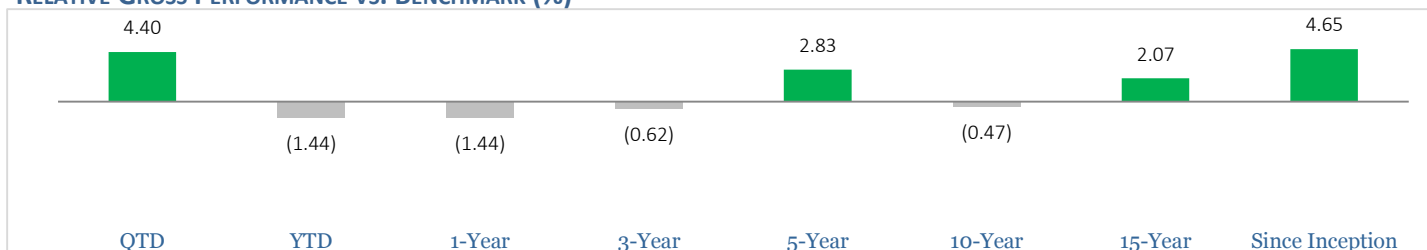
Characteristics	DuPont Capital <sup>1</sup>	Index
Yield to Worst	7.4%	6.1%
Duration (years)	3.7	4.1
Average Maturity (years)	3.9	6.3
Average Quality	CCC+	B1/B2
Number of Issues	283	2,086

### INVESTMENT STRATEGY

- ❖ We invest in a combination of high yield and distressed credit opportunities, both domestic and global, that offer the potential for capital appreciation and current yield.
- ❖ We believe long-term investors can find the best total return opportunities among assets that are undervalued due to short-term, company-specific setbacks or market dislocations.
- ❖ During severe market dislocations we are willing to concentrate our holdings in high conviction positions to take advantage of these opportunities.
- ❖ We aim to add an uncorrelated alpha source to investors' overall fixed income or high yield portfolios.

*We only pursue investment opportunities where we believe the risk/reward is asymmetric on the upside.*

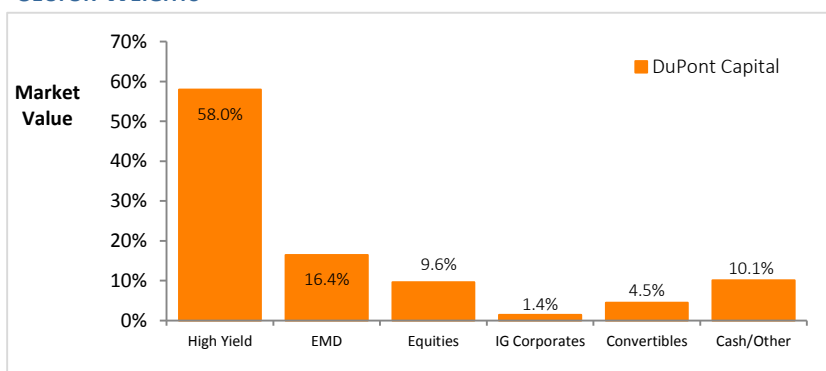
### RELATIVE GROSS PERFORMANCE VS. BENCHMARK (%)



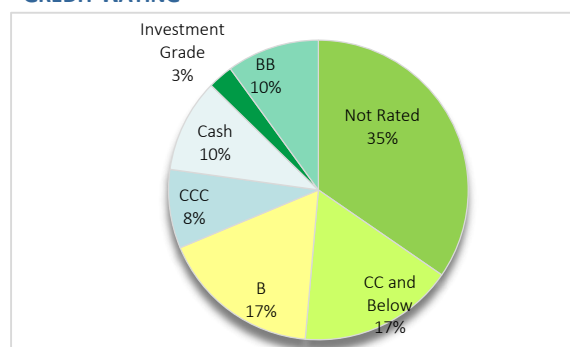
### PERFORMANCE (%)

As of December 31, 2016	QTD	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception
DuPont Capital High Yield Fixed Income (Gross of fees)	6.16	15.69	15.69	4.04	10.19	6.98	10.42	11.65
DuPont Capital High Yield Fixed Income (Net of fees)	6.03	15.12	15.12	3.52	9.65	6.45	9.87	11.10
Barclays U.S. Corporate High Yield Index	1.75	17.13	17.13	4.66	7.36	7.45	8.35	7.00

### SECTOR WEIGHTS<sup>1</sup>



### CREDIT RATING<sup>1</sup>



All information as of December 31, 2016 unless otherwise stated.

<sup>1</sup>DuPont Capital information presented is that of a representative account. The representative account is the account in the composite with the longest tenure. Please see performance disclosures.

## ABOUT THE PORTFOLIO TEAM

### Ming Shao, CFA

Director of Fixed Income  
29 Years Industry Experience

### Dan Moore, CFA

Senior Credit Analyst  
16 Years Industry Experience

### Mark Foust

Senior Portfolio Specialist  
31 Years Industry Experience

### Kris Kowal, PhD, CFA

Managing Director, Fixed Income  
20 Years Industry Experience

### Sean George, CFA

Senior Credit Analyst  
20 Years Industry Experience

### Joseph Maurer

Credit Analyst  
17 Years Industry Experience

## ABOUT OUR FIRM

DuPont Capital has a long history of institutional asset management. Our parent company, DuPont, established a retirement pension plan for employees in 1942, and in 1975 created a separate pension management division.

In 1993, DuPont Capital was established and became an SEC registered investment advisor. We share our parent company's history of innovation, and over the years, have been on the forefront of developing global investment opportunities in both traditional and alternative strategies across equity, fixed income, and alternative investments.

## PERFORMANCE DISCLOSURE: DUPONT CAPITAL HIGH YIELD FIXED INCOME

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Composite 3-year Std Deviation (%)	Benchmark 3-year Std Deviation (%)	Number of Portfolios	Internal Dispersion (%)	Composite Assets (\$ millions)	Total Firm Assets (\$ millions)
2015	-0.1	-0.6	-4.5	7.4	5.3	≤ 5	N/A	255	27,022
2014	-2.6	-3.1	2.5	7.9	4.6	≤ 5	N/A	273	31,735
2013	16.5	15.9	7.4	10.8	6.5	≤ 5	N/A	298	36,296
2012	23.9	23.3	15.8	12.4	7.2	≤ 5	N/A	556	30,906
2011	-1.9	-2.4	5.0	14.3	11.2	≤ 5	N/A	274	25,625
2010	18.2	17.6	15.1	18.1	17.3	≤ 5	N/A	304	19,283
2009	44.1	43.4	58.2	16.8	17.2	≤ 5	N/A	275	18,236
2008	-26.1	-26.5	-26.2	14.5	13.6	≤ 5	N/A	182	16,706
2007	-2.2	-2.6	1.9	7.4	4.8	≤ 5	N/A	265	21,952
2006	27.7	27.1	11.8	9.6	4.0	≤ 5	N/A	208	21,251

- DuPont Capital Management (DCM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. DCM has been independently verified for the periods January 1, 1993 through December 31, 2015.
- 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 DCM High Yield composite has been examined for the periods January 1, 1999 (inception) through December 31, 2015. The verification and performance examination reports are available upon request.
- DCM is an investment adviser registered under the Investment Advisers Act of 1940. DCM is a wholly owned subsidiary of E. I. du Pont de Nemours and Company and specializes in institutional investment management services, utilizing a variety of investment strategies and styles. Registration does not imply a certain level of skill or training.
- DCM High Yield Composite (inception date – 01/01/1999) includes all accounts that utilize a value-based strategy to invest primarily in high yield corporate debt with little or no market and security-type restrictions. These accounts may also invest in convertibles and hold equities as a result of corporate restructuring of distressed high yield bonds with little or no market and security-type restrictions.
- The composite benchmark is the Barclays U.S. Corporate High-Yield Index, which covers the U.S. Dollar denominated, non-investment-grade, fixed-rate taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. This index includes Emerging Market debt. The returns for this index do not include any transaction costs, management fees or other costs. You cannot directly invest in this index. Benchmark returns are not covered by the report of independent verifiers.
- Performance results reflect the reinvestment of dividends and other earnings. Valuations are computed and performance is reported in U.S. dollars. Prior to July 2009, the Composite returns reflect income earned through participation in a securities lending program. DCM discontinued participation in the securities lending program after July 1, 2009. Composite returns are calculated net of non-reclaimable withholding taxes on dividends and interest income. Gross-of-Fees returns are presented before management and custodial fees but after all trading expenses. Net-of-Fees returns are calculated monthly by deducting 1/12th of the highest applicable fee rate in effect for the respective time period from the gross composite return. The DCM High Yield fee schedule is as follows: 0.50% first \$50 million, 0.45% next \$25 million, 0.40% next \$25 million, 0.36% thereafter.
- Securities and other instruments in which the composite invests may be denominated or quoted in currencies other than the U.S. dollar (Base Currency). Changes in foreign currency exchange rates can affect the value of an investor's account. This risk, generally known as "currency risk," means that a strong U.S. dollar (Base Currency) will reduce returns for investors while a weak U.S. dollar (Base Currency) will increase those returns.
- DCM routinely uses derivatives (i.e., exchange-traded treasury futures, options and currency forwards) to manage portfolio risks, reduce the cost of structuring the accounts, or to capture value disparities between financial instruments.
- DCM may invest client assets in securities that are not denominated in U.S. dollars. As a result, a client is subject to the risk that those currencies will decline in value relative to the value of the U.S. dollar. DCM may from time to time, seek to protect the value of some portion or all of the portfolio holdings against currency risk by engaging in currency hedging transactions. Currency hedging involves special risks including possible default by the other party to the transaction and illiquidity.
- The ex-post three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. For those periods with less than 36 monthly returns, "N/A" is noted.
- Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. For those periods with five or fewer accounts included in the entire year, "N/A" is noted as the dispersion is not considered meaningful.
- Past performance is not indicative of future performance. It should not be assumed that results in the future will be profitable or equal to past performance. These performance disclosures apply to all of the DCM investment performance data presented herein.
- This composite was created in January 1999. A list of composite descriptions is available upon request as are policies for valuing portfolios, calculating performance, and preparing compliant presentations.