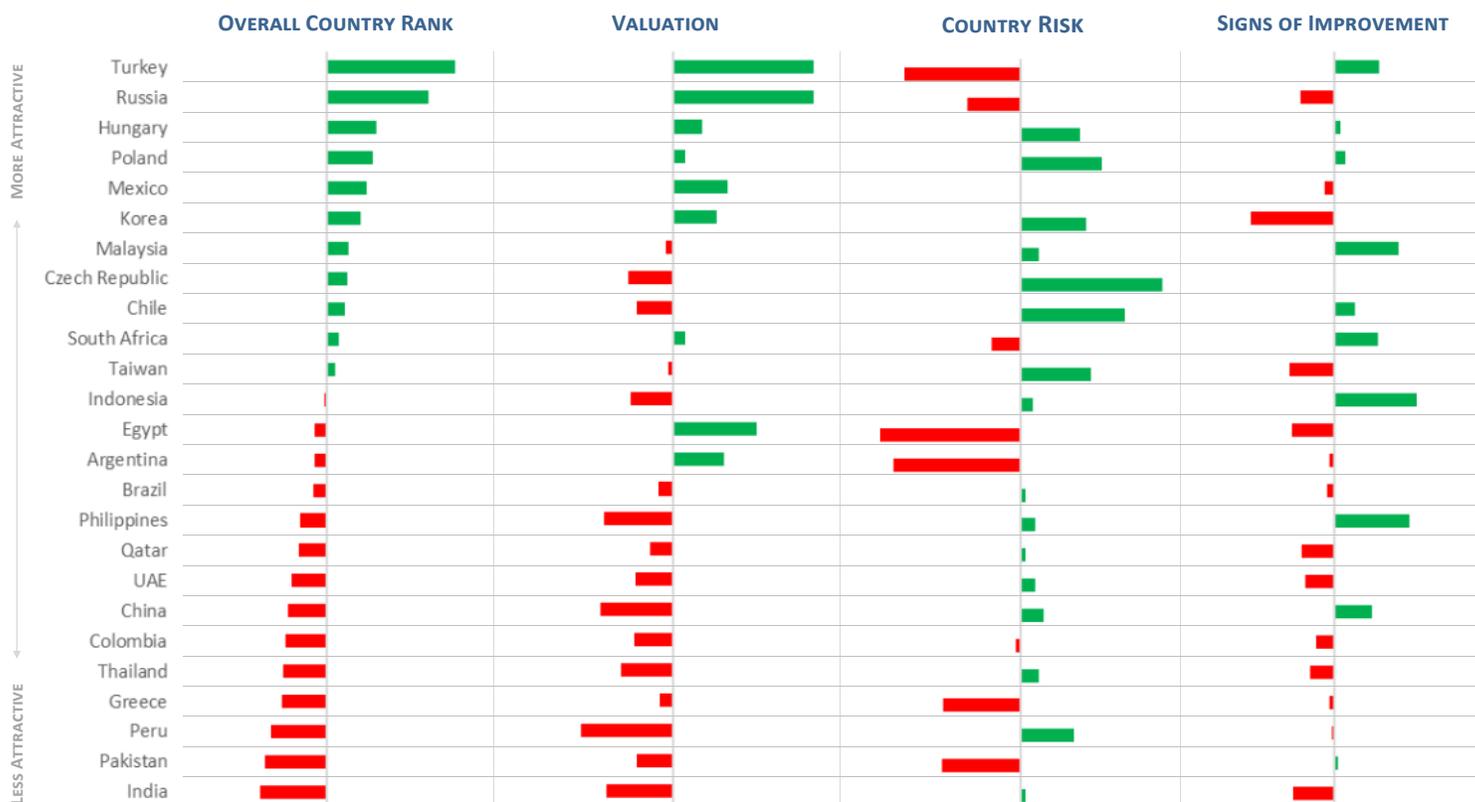




Real-time insight on how DuPont Capital has positioned its portfolios as a function of key factors driving the markets.



**COMMENTS** †

<b>VALUATION</b>	Turkish and Russian equities remain the cheapest in our models, albeit with higher levels of risk. Hungary and Poland also appear undervalued, but with better than average country risk profiles. China, India, Peru, and the Philippines appear overvalued on a relative basis.
<b>RISK</b>	Argentina, Egypt, and Turkey remain the riskiest countries in our view, although we are beginning to see Argentina stabilize and signs of improvement in Turkey. Eastern European countries, such as the Czech Republic, Hungary, and Poland, are lower risk relative to other emerging markets due to solid economic growth, conservative financial profiles, and relative political stability.
<b>SIGNS OF IMPROVEMENT</b>	Indonesia and Malaysia are showing positive signs of improvement in corporate earnings and falling credit costs. Weak prices for technology products such as semiconductors has negatively impacted earnings for some Korean and Taiwanese companies.

† Please note the chart and commentary above are as of February 7, 2019, and are subject to change without notice. The above chart is provided to demonstrate our investment philosophy and analytical process only, and should not be considered a recommendation. The country rankings shown will not always reflect the positioning of our portfolio for idiosyncratic or stock selection reasons. The Emerging Markets Equity country valuation metrics above may vary from those of our Emerging Markets Debt strategy due to differences in evaluation measures. Investing involves risks.



Our research indicates countries with low equity market valuations and undervalued real effective exchange rates outperform. We utilize our proprietary risk and valuation models to identify countries with low investor expectations, but solid economic fundamentals.

The charts on the preceding page illustrate the output of our country risk and country valuation models, as well as a scoring of any signs of improvement for each country in the MSCI Emerging Markets Index. The scoring is aggregated to generate an overall country ranking.

Our fundamental analysts incorporate several factors in their analysis. Examples include:

**Valuation**

- ❖ Real Effective Exchange Rates for Currency Valuation
- ❖ Bottom-up P/E ratio for Stock Valuation

**Country Risk**

- ❖ Political Score
- ❖ Financial Score
- ❖ Economic Score

**Signs of Improvement**

- ❖ Changes in CDS spreads
- ❖ Estimates revisions

**ABOUT THE PORTFOLIO TEAM**

**Erik Zipf, CFA**

Portfolio Manager, EM Equity  
24 Years' Industry Experience

**Lode Devlaminck**

Senior Portfolio Manager, Global Equity  
29 Years' Industry Experience

**Mark Freudenthal, CFA**

Regional Analyst, Latin America  
22 Years' Industry Experience

**Dan Petruzzi, CFA**

Regional Analyst, Europe, Middle East, Africa  
13 Years' Industry Experience

**Raoul Rayos, CFA**

Regional Analyst and Regional Portfolio Manager, Asia  
25 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.

The information contained in this memorandum is intended for the sole use of prospective investors in understanding and evaluating the impact of market events and is not designed or intended to be used for any other purpose. The document may contain forward-looking statements, which are based on current opinions, expectations and projections. We undertake no obligation to update or revise any forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements. An investment in securities includes risk of loss. There is no guarantee that any investment in the securities mentioned will be profitable. This document is not intended as an offer or solicitation for the purchase or sale of any security or financial instrument or as a recommendation to invest in any of the securities or financial instruments discussed herein. Registration of an investment adviser with the SEC does not imply any level of skill or training.