

## GLOBAL SMALL CAP (EX. US), STRUCTURED EQUITIES

*Juncai Yang, CFA, Portfolio Manager and Senior Investment Analyst*

During the second quarter of 2020, global equity markets rallied significantly from the trough reached during March. The strategy managed to outperform its benchmark by 139\* basis points (bps) with a tracking error of about 2%. In the first half of the year, the portfolio accumulated 188\* bps of alpha.

By factor, beta recovered some of the losses accrued during the first quarter while positive exposure to liquidity and growth also helped relative performance. The performance of valuation factors in aggregate remain neutral, as does the momentum factor.

By sector or industry, information technology, real estate, consumer discretionary, consumer staples, and communication services were all contributors to positive relative performance during the quarter. Detractors included health care, industrials, and materials. Energy, utilities, and financials were largely neutral.

The global COVID-19 pandemic continued to dominate market sentiment. The major indexes recovered most of the losses suffered during the first quarter, however, differences among government policies have started to add an additional layer of uncertainty on the market. For the intermediate time horizon, we still believe market volatilities will remain elevated. We believe risk management will be key to navigating the volatility, and therefore, we are not taking any outsized bets at the moment.

\*Gross of Fees

#### **ABOUT OUR FIRM:**

DuPont Capital Management is an SEC registered investment advisor based in Wilmington, Delaware. Since the firm's establishment in 1993, we've had a long history of developing global investment opportunities in both traditional and alternative strategies across equity, fixed income and alternative investments. Our investment team structure gives us the ability to be flexible and adapt to changing market conditions. DuPont Capital's focus is delivering consistent investment management results for our clients. Our history of institutional asset management is rooted back to 1942 when our former parent company, DuPont, established a pension plan for its employees. Corteva Inc. succeeded DuPont as sponsor of the DuPont Pension Plan in 2019. DuPont Capital is a wholly owned subsidiary of Corteva and continues to manage the legacy DuPont Pension Plan.

DuPont Capital's President and CEO, Valerie Sill believes in education and diversity of experience as represented in our investment teams which are comprised of PhDs, engineers, medical doctors, and scientists. We believe their global expertise creates a portfolio implementation edge that benefits our clients.

For additional information, please contact:

Mr. William Smith  
Managing Director  
Business Development and Client Service  
(302) 477-6204  
Bill.Smith@dupontcapital.com

#### **IMPORTANT DISCLOSURES:**

The information contained in this memorandum is intended for the sole use of 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. DCM undertakes no obligation to update or revise any opinions or statements herein. Actual results could differ materially from those anticipated in forward-looking statements. Information contained herein has been obtained from sources believed to be reliable, but DCM does not guarantee the accuracy, adequacy or completeness of such information. An investment in securities includes risk of loss. There is no guarantee that any investment in the securities mentioned will be profitable. Past performance is not indicative of future results.

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. No part of this presentation may be reproduced in any form.