

GLOBAL SMALL CAP (EX. US), STRUCTURED EQUITIES

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During the third quarter of 2020, most of the major global equity markets continued to rally. Our Global Small Cap strategy underperformed its benchmark by 30 basis point (bps) with year-to-date alpha of 175 bps (as of September 24, 2020).

Overall, from the perspective of the Barra model, the portfolio's exposure to risk factors added alpha, while country and other factors were a detractor.

In the factor space, positive exposure to momentum was favorable during the period, but the portfolio's exposure to size hurt relative performance. Contributions from valuation factors as a group and other risk factors were neutral.

From a sector perspective, positive contributions came from the Industrials, Consumer Discretionary, Financials, and Materials sectors, while contributions from the Information Technology and Healthcare sectors were negative.

The global COVID-19 pandemic continued to be a headwind, though most major global indices have erased all or most of the losses since March. This was largely due to central banks and governments stimulus measures. We expect market volatility will persist in the near-term. As such, a balanced and diversified portfolio remains optimal.

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.

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