

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

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

The Global Ex US small cap strategy outperformed during January, but lagged the benchmark starting in February until the first week of March. Since then, relative performance has been stable, though the portfolio ultimately trailed the index by 1.04% for the quarter. Based on the Barra risk model, the alpha impact from industry and country exposure was neutral, while portfolio risk factors and other non-model factors contributed negatively. In the factor space, positive exposure to size and momentum hurt relative performance while positive exposure to value factors helped. Beta, growth and residual risk were neutral. In the sector space, materials, communication services, and real estate were positive contributors while consumer discretionary, technology, financials and industrials were detractors. Value factors have outperformed growth and momentum since the fourth quarter of last year and we expect the trend to continue if COVID risks recede and global growth persists. We are cautious not to make significant changes to the portfolio but are gradually strengthening the value tilt and reducing momentum, size and growth exposure. We will keep other factors relatively neutral. At the same time, we are paying more attention to stock selection to ensure well diversified exposure to all major model factors.

#### **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.