

GLOBAL EX-US SMALL CAP STRUCTURED EQUITY

Juncai Yang, CFA, Portfolio Manager and Senior Investment Analyst

The Global Ex-U.S. small cap strategy outperformed its benchmark the second quarter, which brings that year-to-date alpha back into positive territory.

Based on YTD Barra attribution analysis, alpha impacts from country and industry exposures were positive while impacts from risk factors and non-Barra factors were negative. Looking at risk factors alone, positive exposure to earning yield and negative exposure to residual risk added alpha, while positive exposure to beta and growth subtracted alpha.

Based on simple one-dimensional year-to-date attribution analysis, from a sector perspective, the industrials and real estate sectors added the most alpha, while negative impacts came from consumer discretionary and materials. From a country perspective, Sweden, Norway, and Canada added the most alpha, while Japan, Taiwan, and India were negative.

Our portfolio prefers positive exposure to earning yield, growth, size, and dividend yield, and negative exposure to residual risk and leverage. We are cautious on other factors such as momentum and beta as well. Global market volatility increased dramatically on inflation and recession concerns, so our disciplined risk management approach on country, industry, and risk factor exposures is unchanged.

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.