

# EMERGING MARKETS SMALL CAP

## Q1 2019 FACTSHEET

### INVESTMENT APPROACH & STRATEGY

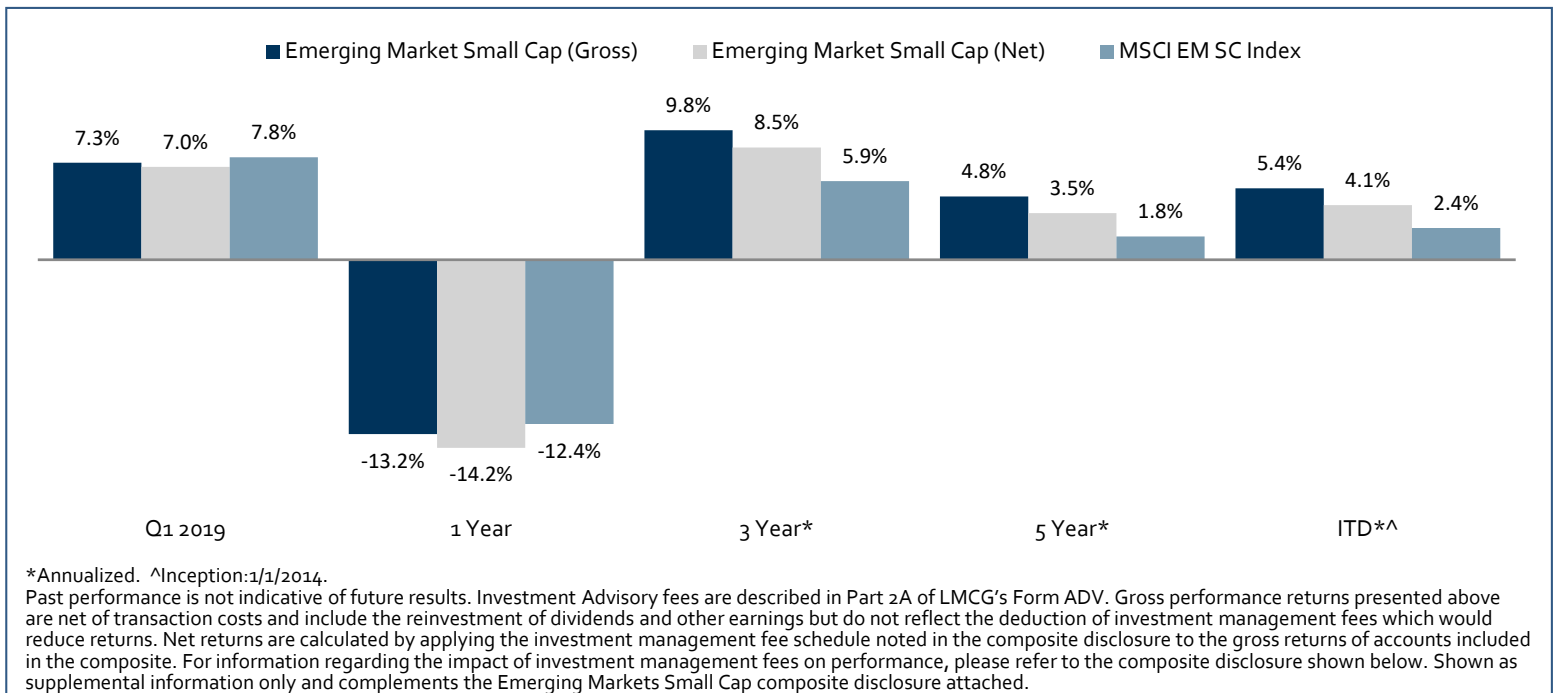
- The Emerging Markets Small Cap strategy employs a bottom-up quantitative approach to investing using a proprietary stock selection model.
- The portfolio primarily invests in companies in the MSCI Emerging Markets Small Cap Index.
- The portfolio is diversified across countries and sectors and has a target beta at or close to 1.0.

### DISTINGUISHING CHARACTERISTICS

- Quantitative research is central to managing the strategy. The investment team is committed to ongoing quantitative research in an effort to improve the effectiveness of the stock selection model.
- Use proprietary risk model to incorporate risk factors and alpha factors.
- Select stocks that, according to the models, offer the best exposure to alpha factors while mitigating risk.

### COMPOSITE PERFORMANCE

As of 3/31/2019, US Dollar



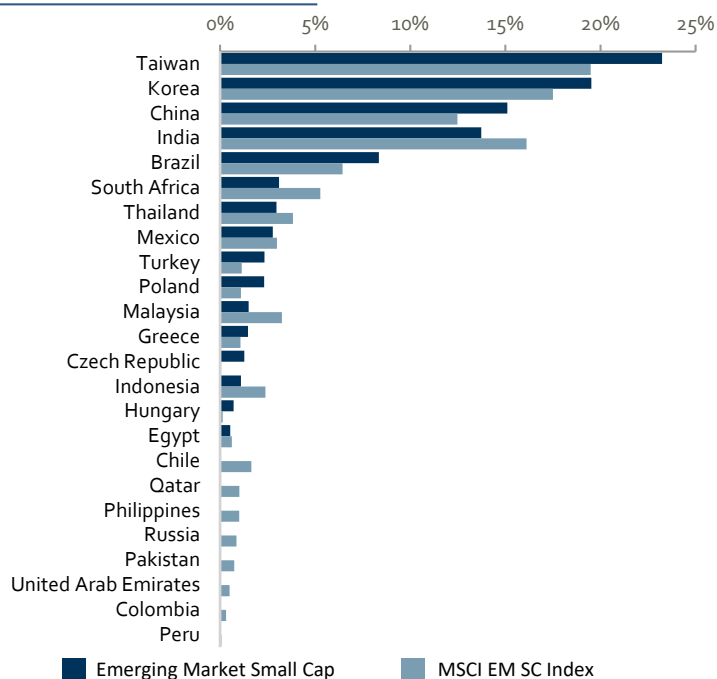
### PRODUCT FEATURES

**Benchmark:** MSCI EM Small Cap  
**Market Cap:** Small Cap  
**Style:** Emerging Markets Small Cap  
**Geography:** Global Emerging Markets  
**Approach:** Quantitative  
**Typical Holdings Range:** 125-150

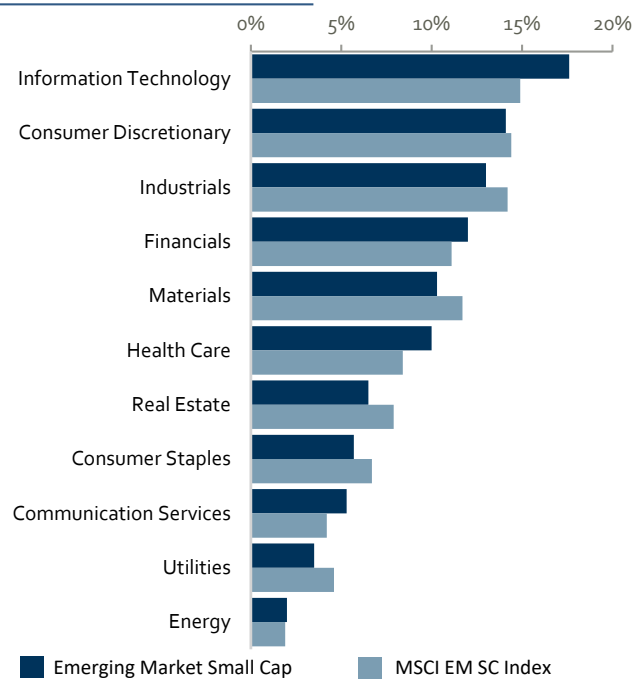
### GLOBAL TEAM

**Gordon Johnson, PhD, CFA** - Managing Director, 26 years experience  
**Shannon M. Ericson, CFA** - Portfolio Manager, 29 years experience  
**Dan Getler, CFA** - Analyst, 11 years experience  
**Chi Zhang, PhD** - Analyst, 3 years experience

## COUNTRY WEIGHTS



## SECTOR WEIGHTS



## STRATEGY GUIDELINES

Typical Market Capitalization	< \$6 Billion
Typical Holdings Range	125 - 150
Individual Position Size	+/- 3% vs. Index
Industry Weight	+/- 10% vs. Index
Country Weight	+/- 10% vs. Index
Cash Position	Fully Invested
Beta Target	1.0
Expected Annual Turnover	75 - 125%

## PORTFOLIO CHARACTERISTICS

	Emerging Markets Small Cap	MSCI EM SC Index
FY1 P/E Ratio	8.6x	11.9x
P/B Ratio	1.1	1.3
Dividend Yield	3.5%	2.4%
ROE	16.6%	8.9%
Wgt. Avg. Market Cap (\$bil)	\$1,270.3	\$1,234.5
Total Number of Holdings	143	1,573

Country weights, sector weights and portfolio characteristics of an Emerging Markets Small Cap representative account managed against the MSCI Emerging Markets Small Cap Index. Calculated by FactSet. As of 3/31/2019.

## EMERGING MARKETS SMALL CAP COMPOSITE

### Schedule of Annual Returns

1/1/2014 - 12/31/2017

	Gross Returns (%)	Net Returns (%)	Benchmark Returns <sup>1</sup>	Dispersion (bps) <sup>2</sup>	Composite 3yr Ex Post Standard Deviation <sup>3</sup> (%)	Benchmark 3yr Ex Post Standard Deviation <sup>3</sup> (%)	Number of Accounts	Composite Assets at End of Period (\$M)	Total Firm Assets (\$M)	Non-Fee Paying Assets
2017	36.8	35.2	33.8	NA	13.6	14.4	1	144.6	7,551.3	0
2016	9.6	8.2	2.3	NA	13.7	14.3	1	24.2	7,367.5	0.0
2015	-5.8	-6.9	-6.9	NA	-	-	1	22.2	6,786.9	0.0
2014	4.5	3.2	1.0	NA	-	-	2	24.8	6,370.5	4.3

<sup>1</sup> Benchmark returns have been obtained from an independent source and have not been examined by independent accountants.

<sup>2</sup> Not statistically significant due to insufficient number of accounts in the composite for the entire year.

<sup>3</sup> The three-year annualized standard deviation is not presented from 12/31/2014 through 12/31/2015 because the composite did not have 36 monthly returns in that time period.

**Emerging Markets Small Cap Composite** consists of accounts managed in the Emerging Markets Small Cap strategy ("EMS"). EMS seeks to achieve long-term capital appreciation through investments in emerging market small cap equity securities with market capitalizations that generally fall within the range of capitalizations of the MSCI Emerging Markets Small Cap Index. The MSCI Emerging Markets Small Cap Index (net) calculates dividend reinvestment net of taxes from a U.S. perspective, which is similar to how the portfolios in the composite reinvest current income. For comparison purposes, the composite is measured against MSCI Emerging Markets Index (net). The composite was created in April 2014.

Royal Bank of Canada ("RBC") became LMCG's indirect majority owner in November 2015 when RBC acquired City National Corporation ("CNC"). Effective January 1, 2015, Lee Munder Capital Group, LLC is known as LMCG Investments, LLC ("LMCG"), an investment adviser registered with the Securities and Exchange Commission. In July 2009, the firm was reorganized as an affiliate of CNC and took the name of Lee Munder Capital Group, LLC., prior to which it was known as Lee Munder Investments Ltd. ("LMIL"), which itself was an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Account performance is calculated on a total return basis including income, realized and unrealized gains and losses, and net of foreign withholding taxes. Composite performance is presented gross and net of management fees. Net returns are calculated by applying the investment management fee schedule noted below to the gross returns of the accounts included in the composite. The annual composite dispersion presented is an asset weighted standard deviation calculated for the accounts in the composite the entire year. The U.S. Dollar is the currency used to express performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule is 1.25% on all assets. Actual investment advisory fees incurred by clients may vary.

LMCG claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. LMCG has been independently verified for the periods October 1, 2000 through December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Emerging Markets Small Cap Composite has been examined for the periods January 1, 2014 through December 31, 2017. The verification and performance examination reports are available upon request. Past performance is not indicative of future results.