

# EMERGING MARKETS

## Q2 2020 FACTSHEET

### INVESTMENT APPROACH & STRATEGY

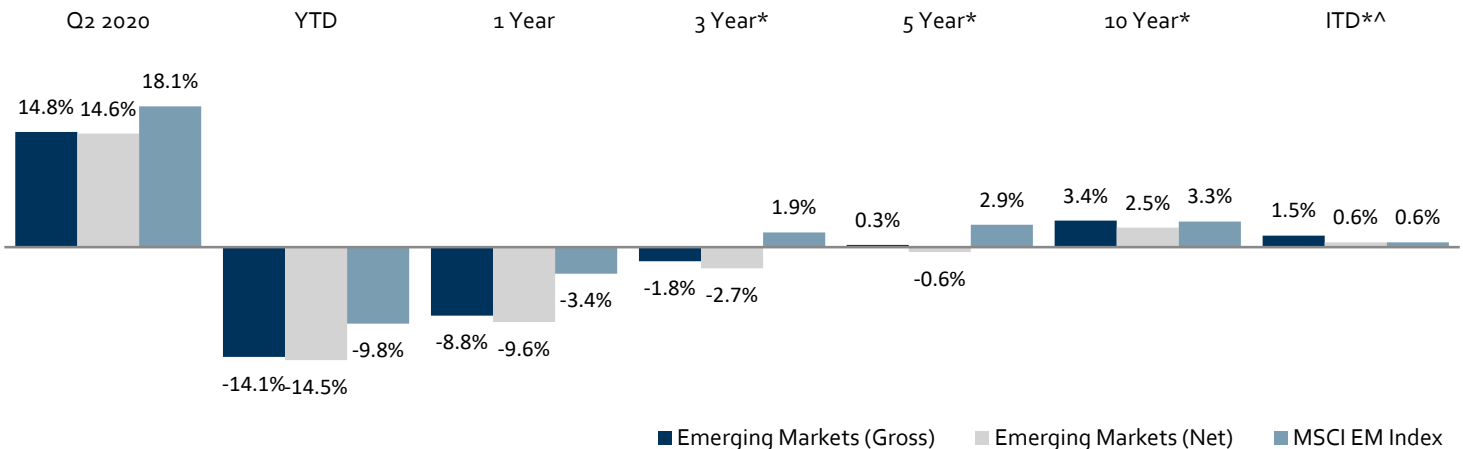
- The Emerging Markets strategy employs a bottom-up quantitative approach to investing using a proprietary stock selection model.
- The portfolio primarily invests in companies in the MSCI Emerging Markets Index that typically have a market capitalization greater than \$500 million.
- The portfolio is 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 6/30/2020, U.S. Dollar



\*Annualized. ^Inception:1/1/2008.

Past performance is not indicative of future results. Investment Advisory fees are described in Part 2A of LMCG's Form ADV. Gross performance returns presented above are net of transaction costs and include the reinvestment of dividends and other earnings but do not reflect the deduction of investment management fees which would reduce returns. Net returns are calculated by applying the investment management fee schedule noted in the composite disclosure to the gross returns of accounts included in the composite. For information regarding the impact of investment management fees on performance, please refer to the composite disclosure shown below. Shown as supplemental information only and complements the Emerging Markets composite disclosure attached.

### STRATEGY GUIDELINES

Typical Market Capitalization	> \$500 Million
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\*

	LMCG Emerging Markets	MSCI EM Index
FY1 P/E Ratio	9.3X	13.5X
P/B Ratio	1.1	1.6
Dividend Yield	4.1%	3.0%
ROE	16.4%	15.5%
Wgt. Avg. Market Cap (\$B)	\$119,665.4	\$134,688.5
Total Number of Holdings	154	1,386

\*Portfolio characteristics of an Emerging Markets representative account managed against the MSCI EM index. As of 6/30/20.

### PRODUCT FEATURES

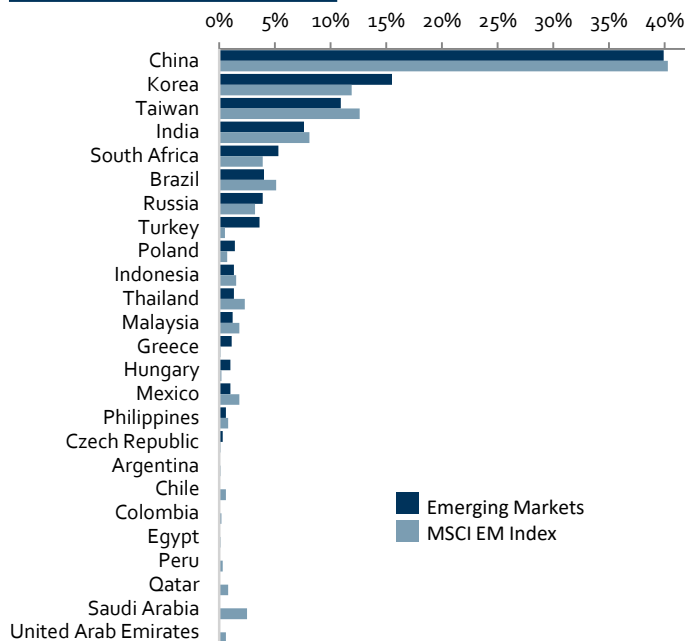
**Benchmark:** MSCI Emerging Markets  
**Market Cap:** All Cap  
**Style:** Emerging Markets Core  
**Geography:** Global Emerging Markets  
**Approach:** Quantitative

### GLOBAL TEAM

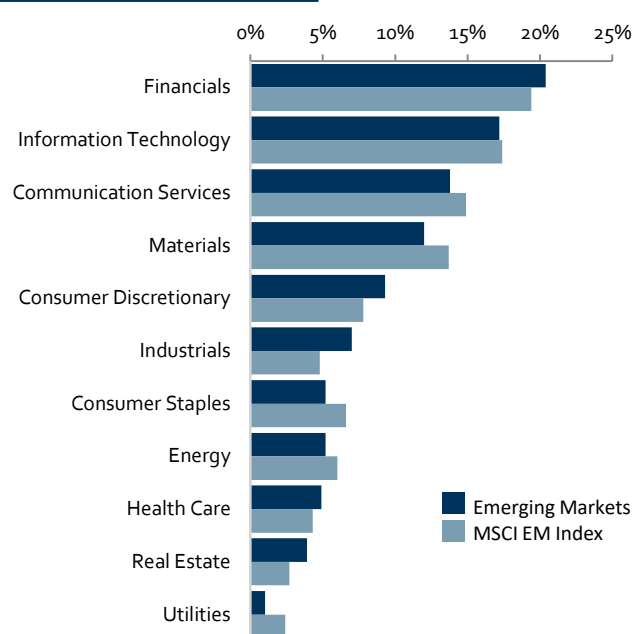
**Gordon Johnson, PhD, CFA** - Managing Director, 27 years experience  
**Shannon M. Ericson, CFA** - Portfolio Manager, 30 years experience  
**Chi Zhang, PhD, CFA** - Analyst, 4 years experience

# EMERGING MARKETS

## COUNTRY WEIGHTS\*



## SECTOR WEIGHTS\*



\*Country weights and sector weights of an Emerging Markets representative account managed against the MSCI Emerging Markets Index. Calculated by FactSet. As of 6/30/2020. Stocks with market capitalizations below \$500 million may be purchased if held by the MSCI Emerging Markets Index.

## EMERGING MARKETS COMPOSITE

January 1, 2010 through December 31, 2019

	Gross Returns (%)	Net Returns (%)	Benchmark Returns <sup>1</sup> (%)	Dispersion <sup>2</sup> (bps)	Composite 3yr Ex Post Standard Deviation (%)	Benchmark 3yr Ex Post Standard Deviation (%)	Number of Accounts	Composite Assets at End of Period (\$ millions)	Total Firm Assets (\$ millions)	Non-Fee Paying Assets (%)
2019	15.2	14.3	18.4	26	13.7	14.2	5	1,025.4	7,177.2	0
2018	-16.3	-17.0	-14.6	2	14.2	14.6	5	1,198.4	6,143.8	0
2017	36.9	35.7	37.3	35	14.4	15.4	6	1,484.7	7,551.3	0
2016	8.2	7.3	11.2	61	14.9	16.1	6	1,422.2	7,367.5	0
2015	-17.9	-18.6	-14.9	8	13.3	14.1	7	1,209.9	6,786.9	0
2014	1.8	1.0	-2.2	5	15.0	15.0	8	1,046.3	6,370.5	0
2013	-2.2	-3.0	-2.6	NA	19.4	19.0	6	465.2	5,831.5	0
2012	25.5	24.3	18.2	NA	22.2	21.5	2	11.7	4,402.6	100
2011	-14.4	-15.2	-18.4	NA	26.8	25.8	1	0.6	4,200.7	100
2010	22.3	21.2	18.9	NA	33.3	32.6	1	0.8	4,412.7	100

<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>

**Emerging Markets Composite** consists of accounts managed in the Emerging Markets Equity strategy ("EME"). EME seeks to achieve long-term capital appreciation through investments in emerging market equity securities with market capitalizations that generally fall within the range of capitalizations of the MSCI Emerging Markets Index (net). The MSCI Emerging Markets 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 inception date of the composite is January 1, 2008. The composite was created in January 2008.

Royal Bank of Canada ("RBC") became LCMG'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 LCMG 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. Beginning January 1, 2013, accounts included in the composite are subject to a significant cash flow policy that requires accounts be removed from the composite for a month in which they experience a cash flow of 20% or more of their market value. Prior to January 1, 2013, no significant cash flows occurred in any of the accounts included in the composite. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

On January 1, 2013, the investment management fee schedule changed to 0.85% on all assets in the strategy. Prior to January 1, 2013, the investment management fee schedule was as follows: 1% on the first \$25 million, 0.90% on the next \$25 million, and 0.80% thereafter. 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. LCMG has been independently verified for the periods October 1, 2000 through December 31, 2019. 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 Composite has been examined for the periods January 1, 2008 through December 31, 2019. The verification and performance examination reports are available upon request. Past performance is not indicative of future results.