D·C·M | DuPont Capital Management

3Q 2011

# DCM Emerging Markets Debt

## INVESTMENT OBJECTIVE

The DCM Emerging Markets Debt strategy strives to outperform the benchmark by more than 2.5% (gross of fees) over a full market cycle with controlled risk by investing in a diversified portfolio of emerging market bonds of countries possessing Global Competitive Advantages and Attractive Valuation. By applying a consistent, valuation-driven and fundamental research based approach; the strategy's goal is to exceed the return of the JP Morgan EMBI Global Diversified Index by 250 basis points over a 3 – 5 year horizon.

## INVESTMENT PROCESS

The DCM EMD team applies a disciplined, value-based investment process that integrates both top-down global analysis and bottom-up country research to systematically analyze emerging market securities. Our investment process has three major steps:

1) Global Macro Analysis – this is the most important stage of our process and is used to identify dominant global themes and the major driving forces in the world economy.
2) Country Fundamental Research – we conduct deep fundamental research to recognize emerging countries that should have a sustainable benefit from the global driving forces.
3) Valuation Analysis – a solid, consistent, and sensible valuation metric is the foundation of our investment process. We look to find bonds with valuations that are attractive in comparison to their underlying fundamentals.

In addition, an important element of our process is our risk management. Our risk principles include a quantitative and qualitative measurement of portfolio risk, active management of global macro risks, an appropriate level of diversification, and a risk-adjusted return focus.

The goal of our process is to construct a diversified portfolio of emerging market bonds that consists of countries with global competitive advantages and attractive valuations.

## DIFFERENTIATING FEATURES

- Long investment track record
- Stable and experienced investment team
- Value-based philosophy
- Comprehensive global macro analysis
- Focus on total return and capital preservation over long-term investment horizon

## PERFORMANCE (%)

| As of September30, 2011 | QTD | YTD | 1-Year | 3-Year | 5-Year | 7-Year | 10-Year | 15-Year | Since Inception (01/01/1995) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Annualized Returns | | | | | | |
| **DCM Emerging Markets Debt (Gross of fees)** | **(7.4)** | **(2.7)** | **(1.5)** | **19.0** | **10.8** | **11.3** | **12.5** | **12.4** | **14.7** |
| **DCM Emerging Markets Debt (Net of fees)** | **(7.5)** | **(3.1)** | **(2.0)** | **18.3** | **10.1** | **10.7** | **11.9** | **11.7** | **14.0** |
| JP Morgan EMBI Global Diversified Index** | (2.1) | 2.6 | 0.8 | 11.6 | 7.7 | 8.5 | 10.1 | 10.1 | 12.5 |

Please see performance disclosures including a discussion on the benchmark and changes to the benchmark over time.

**The primary composite benchmark has changed historically as follows: 1/1/95 JP Morgan EMBI Fixed, 10/1/00 JP Morgan EMBI +, 1/1/03 JP Morgan EMBI Global Diversified

## PORTFOLIO PROFILE*[1]

| Country Allocation (%) | DCM | JP Morgan EMBI Global Diversified Index |
|---|---|---|
| Venezuela | 16.7 | 3.8 |
| Argentina | 14.0 | 2.1 |
| Brazil | 11.2 | 7.1 |
| Greece | 9.4 | - |
| Russia | 9.1 | 6.3 |
| China | 6.5 | 2.5 |
| Mexico | 3.5 | 6.5 |
| India | 3.4 | - |
| Ireland | 2.9 | - |
| Other | 23.5 | 71.7 |

*Source: JP Morgan / DCM*

| Characteristics | DCM | JP Morgan EMBI Global Diversified Index |
|---|---|---|
| Number of Issues | 115 | 278 |
| Yield to Maturity (%) | 10.6 | 6.3 |
| Average Duration (years) | 5.1 | 6.9 |
| Average Maturity (years) | 11.8 | 11.1 |
| Average Quality | BB | BB+ |
| Non-U.S. dollar Currency Exposure (%) | 25.7 | 0 |

*Source: JP Morgan / DCM*

*Unless otherwise stated all information presented is as of September 30, 2011.

[1]The representative account is the account in the strategy/product with the longest tenure.

## ABOUT DUPONT CAPITAL MANAGEMENT

### FIRM OVERVIEW

DuPont Capital Management (DCM) has a long history of institutional asset management. Our parent company, DuPont, established a retirement pension plan for employees in 1942 and in 1975 created a separate pension management division. In 1993 DCM was established and became an SEC registered investment management firm. DCM shares our parent company's history of innovation and, over the years, has been on the forefront of global investment opportunities in developing both traditional and alternative strategies across equity, fixed income and alternative investments.

### INVESTMENT PHILOSOPHY

DCM believes that Emerging Market Debt (EMD) is a unique asset class that may provide attractive returns with little correlation among other major asset classes. We believe the secular growth of emerging market economies will continue to bring profound changes to the global economic environment, global financial markets and international politics and this should lead to attractive investment opportunities in the future.

These opportunities can be uncovered through deep fundamental and quantitative research that uses both top-down and bottom-up analysis. The identification of securities that possess Global Competitive Advantages and Attractive Valuations are the heart of our investment philosophy.

## PERFORMANCE DISCLOSURE – DCM EMERGING MARKET DEBT

| Year | Gross Return (%) | Net Return (%) | Primary Benchmark Return (%) | Secondary Benchmark Return (%) | Number of Portfolios | Composite Dispersion (%) | Composite Assets ($ millions) | Total Firm Assets ($ millions) |
|---|---|---|---|---|---|---|---|---|
| 2010 | 21.2 | 20.4 | 12.2 | 12.2 | < 5 | N/A | 299 | 19,283 |
| 2009 | 66.2 | 65.2 | 29.8 | 29.8 | < 5 | N/A | 288 | 18,236 |
| 2008 | -23.4 | -23.9 | -12.0 | -12.0 | < 5 | N/A | 270 | 16,706 |
| 2007 | 7.2 | 6.6 | 6.2 | 6.2 | < 5 | N/A | 368 | 21,952 |
| 2006 | 11.4 | 10.7 | 9.9 | 9.9 | < 5 | N/A | 373 | 21,251 |
| 2005 | 12.6 | 11.9 | 10.2 | 10.2 | < 5 | N/A | 367 | 18,741 |
| 2004 | 12.4 | 11.7 | 11.6 | 11.6 | < 5 | N/A | 310 | 19,992 |
| 2003 | 23.2 | 22.5 | 22.2 | 22.2 | < 5 | N/A | 277 | 18,212 |
| 2002 | 14.3 | 13.6 | 14.2 | 13.7 | < 5 | N/A | 232 | 15,051 |
| 2001 | 3.7 | 3.1 | -0.8 | 9.7 | < 5 | N/A | 399 | 17,668 |
| 2000 | 13.9 | 13.2 | 12.0 | 12.7 | < 5 | N/A | 359 | 19,623 |
| 1999 | 18.4 | 17.7 | 12.1 | 19.6 | < 5 | N/A | 466 | 21,677 |
| 1998 | -9.6 | -10.1 | -2.5 | -8.1 | < 5 | N/A | 484 | 20,189 |
| 1997 | 28.6 | 27.8 | 21.1 | 10.8 | < 5 | N/A | 469 | 19,058 |
| 1996 | 39.5 | 38.7 | 30.5 | 37.8 | < 5 | N/A | 420 | 17,421 |
| 1995 | 37.0 | 36.2 | 42.5 | 27.3 | < 5 | N/A | 269 | 15,354 |

DuPont Capital Management (DCM) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

1. DCM is an investment adviser registered under the Investment Advisers Act of 1940. DCM is a wholly owned subsidiary of E. I. du Pont de Nemours and Company and specializes in institutional investment management services, utilizing a variety of investment strategies and styles. A complete list and description of composites and additional information regarding policies for calculating and reporting returns are available upon request.

2. DCM Emerging Market Debt (inception date – 01/01/1995) includes all accounts that are invested primarily in emerging market debt securities utilizing a value-based strategy. The composite benchmark is the JP Morgan EMBI Global Diversified Index. The composite was created on January 1, 1998.

3. The primary benchmark return is the JP Morgan EMBI Global Diversified Index which is a total return index that tracks the traded market for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities and includes Brady bonds, loans, Eurobonds and external debt instruments. It limits the weights of those Index countries with larger debt stock by only including specified portions of these countries eligible current face amounts of debt outstanding. This benchmark is calculated on a total return basis, and its performance has been linked in the same manner as the Composite. The returns for this index do not include any transaction costs, management fees or other costs. The preferred benchmark for DCM Emerging Market Debt is the JP Morgan EMBI Global Diversified Index as it is the most representative of our investment universe. Benchmark returns are not covered by the report of independent verifiers. The primary composite benchmark has changed historically as follows: 1/1/95 JP Morgan EMBI Fixed, 10/1/00 JP Morgan EMBI +, 1/1/03 JP Morgan EMBI Global Diversified. The selection of the benchmark is based on the principle that the benchmark should be the best representation of the emerging market debt market and should be broadly used by emerging market debt investors. There have been significant structural changes in the emerging market debt market over the last few decades. For this reason, the benchmark has changed over time. The secondary benchmark is the JP Morgan EMBI Global Diversified since inception.

4. Performance results reflect the reinvestment of dividends and other earnings. All returns are based in U.S. dollars and are computed using a time-weighted total rate of return. Prior to July 2009, the Composite returns reflect income earned through participation in a securities lending program. DCM discontinued participation in the securities lending program after July 1, 2009. DCM may use derivatives in the accounts in order to gain an exposure to a market more rapidly or less expensively than could be accomplished through the use of securities. The performance results include the effects of derivatives. Returns are calculated net of nonreclaimable withholding taxes on dividends and interest income. Gross-of-Fees returns are presented before management and custodial fees but after all trading expenses. Net-of-Fees returns are calculated by deducting the highest applicable fee rate in effect for the respective time period from the gross return. The DCM Emerging Market Debt fee schedule is as follows: .60% first $50 million, .55% next $25 million, .50% next $25 million, .46% balance above $100 million.

5. Securities and other instruments in which the composite invests may be denominated or quoted in currencies other than the U.S. dollar (Base Currency). Changes in foreign currency exchange rates can affect the value of an investor's account. This risk, generally known as "currency risk," means that a strong U.S. dollar (Base Currency) will reduce returns for investors while a weak U.S. dollar (Base Currency) will increase those returns.

6. DCM has been independently verified for the period January 1, 1993 through December 31, 2009 and the composite has been examined for the period January 1, 2008 through December 31, 2009. The verification report and performance examination reports are available upon request.

7. The dispersion of annual returns is measured by the asset weighted standard deviation of account returns represented within the composite for the full year. For those periods with five or fewer accounts included for the entire year, "N/A" is noted as the dispersion is not considered meaningful.

8. Past performance is not indicative of future performance. It should not be assumed that results in the future will be profitable or equal to past performance. These performance disclosures apply to all of the DCM investment performance data presented herein.