DuPont Capital Emerging Markets Fund (DCMEX)

Quarterly Report - September 30, 2016

Equity Market Review

Robust emerging market equity returns were driven by a combination of stable economic performance in China and the continuation of low global interest rates. The U.S. Federal Reserve postponed the next interest rate increase, likely until December, whereas Europe and Japan have maintained their current monetary easing programs. Foreign exchange flows and economic indicators in China have shown improvement from earlier in the year. This improvement gave emerging markets an edge over developed markets during the quarter. Global economic growth and inflation levels remain at modest levels. As such, investor expectations remain low for an immediate reversal in current unconventional monetary policies.

Regional Performance - Emerging Markets

- Among the larger countries, China led emerging markets due to improving economic performance and reduced fears of currency outflows.
- Taiwan benefited from a rise in the technology sector and the stabilization of Chinese growth.
- Brazil rebounded with a stabilizing political environment, as well as improved energy and industrial commodity prices.
- Turkey and the Philippines were negatively impacted by political events in their respective countries. Turkey was negatively impacted by an attempted military coup. Stocks in the Philippines fell following fiery comments by their newly elected president.

Sector Performance - Emerging Markets

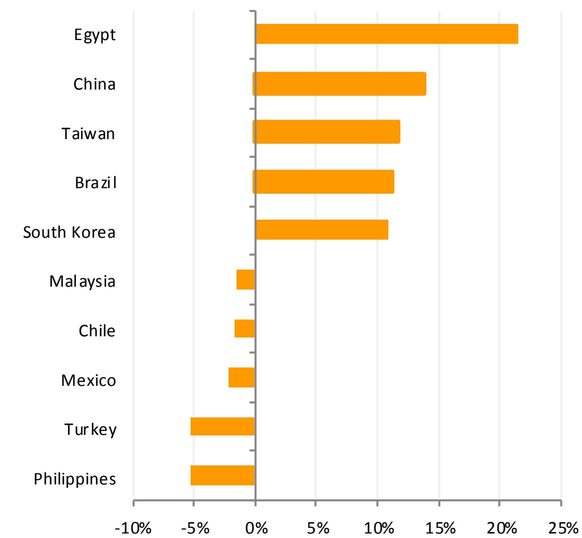
- Internet technology stocks, particularly in China, led the technology sector. Chinese internet stocks now represent approximately 8% of the MSCI Emerging Markets benchmark weight.
- The energy and materials sectors rebounded due to an improved outlook for commodity prices.
- Defensive sectors, such as consumer staples, health care, and telecommunications, trailed the strong market advance.

Equity Market Performance (%) as of 9/30/16

			Annualized			
	QTD	YTD	1-Year	3-Year	5-Year	10-Year
MSCI EM	9.0	16.0	16.8	(0.6)	3.0	3.9
S&P 500	3.9	7.8	15.4	11.2	16.4	7.2
MSCI EAFE	6.4	1.7	6.5	0.5	7.4	1.8
MSCI ACWI	5.3	6.6	12.0	5.2	10.6	4.3

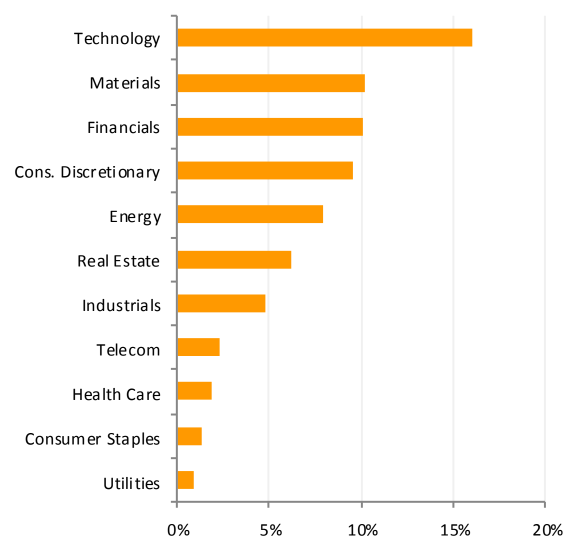
All returns expressed in U.S. Dollars.

3Q 16 Top/Bottom Country Returns



Sources: DCM, MSCI
All returns expressed in U.S. Dollars.

3Q 16 EM Sector Returns



Sources: DCM, MSCI
All returns expressed in U.S. Dollars.

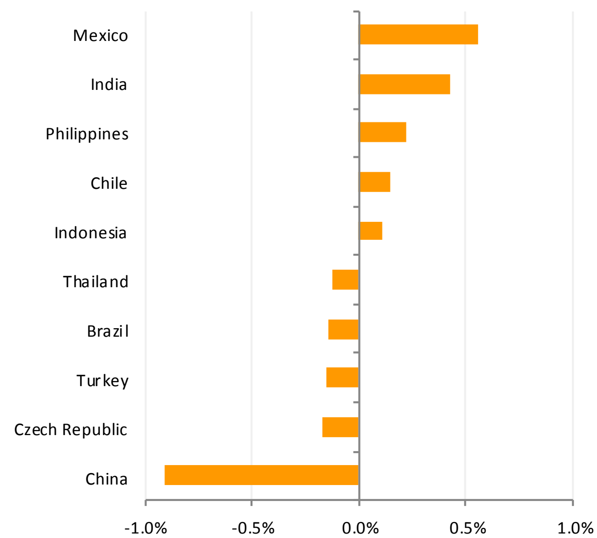
Performance (%) as of 9/30/16

	QTD	YTD	1-Year	3-Year	5-Year	10-Year	Since Incep.
Fund	9.1	15.9	14.9	-5.8	-0.4	--	-4.4
Benchmark	9.0	16.0	16.8	-0.6	3.0	--	-1.3

All returns greater than one year are annualized. Inception date is December 7, 2010. All returns expressed in US Dollars and Fund returns are net of fees. The benchmark is the MSCI Emerging Markets Index.

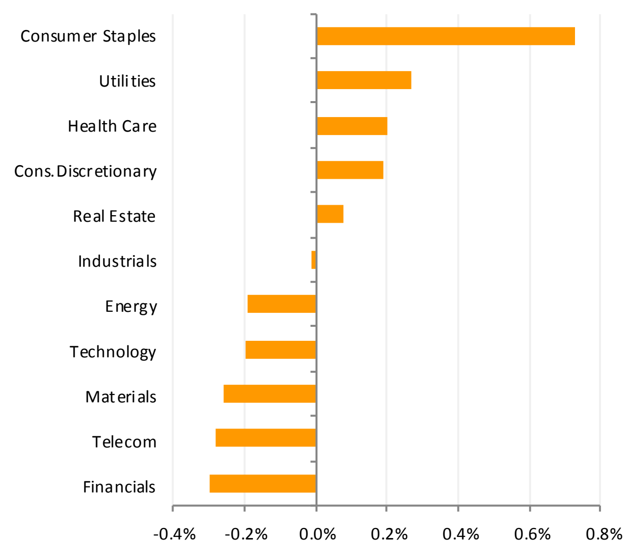
Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance current to the most recent month-end, please call 1-888-447-0014. Performance results reflect the reinvestment of dividends and other earnings. Total returns reflect waivers and/or expense reimbursements by the manager and/or distributor for some or all of the periods shown. Performance would have been lower without such waivers. The quoted returns do not reflect a 2% redemption fee on shares redeemed within 60 days of purchase. The total expense ratio is 1.66% and the Net Expense Ratio is 1.30%. The Adviser has contractually agreed to reduce and/or reimburse certain expenses until August 31, 2017. Furthermore, the Adviser may recoup such amounts for up to three years from the year it reduced and/or assumed expenses.

Top/Bottom Relative Contribution by Country



Sources: DuPont Capital, MSCI
All returns expressed in US Dollars.

Relative Contribution by Sector



Sources: DuPont Capital, MSCI
All returns expressed in US Dollars.

Relative Performance and Attribution Analysis:

- The Fund's relative performance was similar to the benchmark. An under allocation to the defensive sectors aided relative performance. However, the benefit was offset by an under allocation to China, as well as unfavorable stock selection in the country.
- Stock selection within Mexico was driven by Cemex, a Mexican cement company, which rose due to positive operating and financial results. Favorable stock selection within Indian technology stocks and an over allocation to Indian energy companies added to relative performance. These positives were offset by an under allocation to China and stock selection within that country. An under allocation to Chinese internet and financial stocks detracted from performance.
- The Fund was positively impacted by an under allocation to the defensive sectors including health care, consumer staples and utilities. The benefit was offset by stock selection within financials, materials, and telecommunications. The telecommunications sector was negatively impacted by a position in MTN Group, which has been struggling with regulatory issues. Turkcell negatively impacted the sector as well after it fell in step with the Turkish market. An over allocation to Eastern European banks negatively impacted financials due to the continuation of low interest rates. Unfavorable stock selection within materials was caused by multiple stocks.

Please see final page for disclosures that are integral to this commentary.

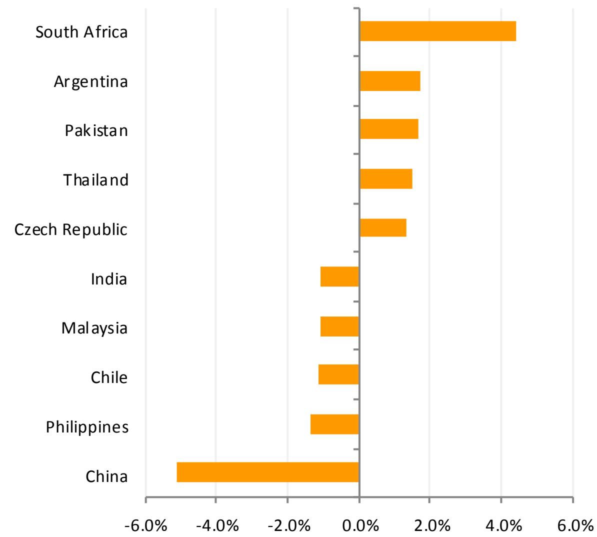
	Fund			MSCI EM Net Div					
	Avg. Weight	Total Return	Cont.	Avg. Weight	Total Return	Cont.	Total Effect	MSCI Sector	Country
5 Highest Contributors	**5.60**	**28.09**	**1.57**	**1.51**	**7.49**	**0.11**	**1.14**		
Shenzhou Intl Group Holdings Ltd.	0.99	44.23	0.37	0.08	44.23	0.03	0.28	Cons. Discretionary	China
CEMEX SAB de CV	1.76	27.77	0.47	0.27	29.58	0.07	0.27	Materials	Mexico
NetEase, Inc.	2.00	25.02	0.48	0.42	25.02	0.10	0.25	Technology	China
Marcopolo S.A.	0.85	28.24	0.26	0.00	0.00	0.00	0.18	Industrials	Brazil
Infosys Limited	0.00	0.00	0.00	0.74	-10.29	-0.09	0.16	Technology	India
5 Lowest Contributors	**3.56**	**-15.16**	**-0.54**	**2.97**	**21.16**	**0.63**	**-1.32**		
Alibaba Group Holding Ltd.	0.00	0.00	0.00	2.39	33.02	0.71	-0.53	Technology	China
Embraer S.A.	0.76	-20.96	-0.19	0.08	-20.96	-0.02	-0.24	Industrials	Brazil
Phosagro OJSC	0.77	-11.31	-0.11	0.03	-10.82	0.00	-0.19	Materials	Russia
Turkcell Iletisim Hizmetleri A.S.	0.84	-11.96	-0.11	0.08	-11.96	-0.01	-0.18	Telecom	Turkey
MTN Group Limited	1.20	-10.87	-0.14	0.39	-10.98	-0.04	-0.18	Telecom	South Africa
Total	**100.00**	**9.00**	**9.00**	**100.00**	**9.03**	**9.03**	**-0.02**		

Sources: DuPont Capital, MSCI
All returns expressed in US Dollars.

SIGNIFICANT TRADING ACTIVITY

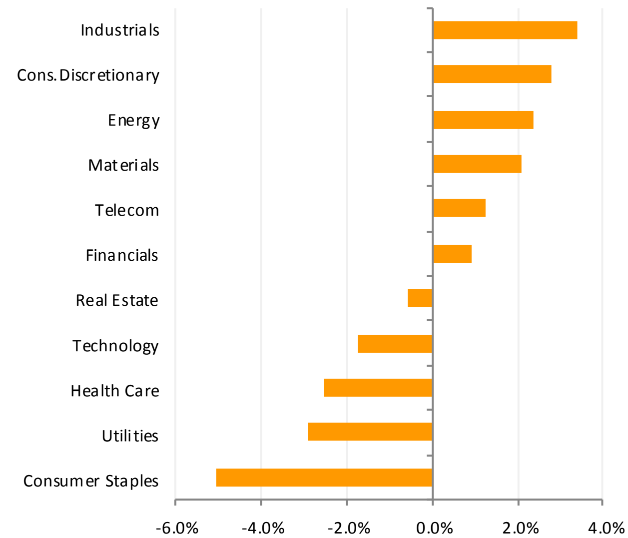
- We established a position in Suzano Papel e Celulose, a Brazilian pulp producer, during the period. Suzano is one of the largest and lowest cost pulp producers in the world. Aggressive capacity additions by industry members has caused an oversupply in the past few years resulting in a downturn in pulp prices. Current prices are below cash cost for many producers, which is causing a pullback in industry capital expenditure plans. Suzano has improved capital discipline since the current CEO took over in 2013. Lower debt levels and cost cutting initiatives are driving expectations for better earnings and attractive cash flow generation starting this year.
- Notable additions to existing positions were increases in Advanced Info Services, HCL Technologies, and Tencent Holdings. Advanced Info Services remains attractively valued, as shown by its 7.5% dividend yield, despite a notable improvement in market competition. We increased the position in HCL Technologies after becoming more confident the company can outgrow its industry and maintain margin levels. The additional Tencent Holdings shares were purchased to manage the Fund’s underweight to Chinese internet stocks.
- The Fund’s position in Aguas Andinas, a Chilean water utility, was sold during the quarter. Valuations became unattractive relative to the market after investors’ search for yield and stability pushed the company’s shares to high levels.
- Astra International was eliminated from the Fund. Astra’s shares outperformed based on the hope that Indonesia’s tax amnesty program would increase auto sales in the country. While the tax amnesty program will likely have some positive short term impact, it is not likely to have a material impact for the company longer term.

RELATIVE ALLOCATION BY COUNTRY



Sources: DuPont Capital, MSCI
Weights exclude cash and ETFs.

RELATIVE ALLOCATION BY SECTOR



Sources: DuPont Capital, MSCI
Weights exclude cash and ETFs.

POSITIONING

OVERWEIGHT EXPOSURE

- The Fund is overweight Eastern Europe. The Eastern European exposure is the result of the Fund's over allocation to the banking sectors of Czech Republic, Hungary and Poland. These banks have a good combination of attractive valuations, very strong capital and liquidity levels. Valuations have been constrained by the current low interest rate environment, however, we believe net interest margins are near cyclical lows.
- We have been increasing the Fund's exposure to South Africa due to a combination of attractive valuations, stabilizing economic conditions, and stock specific factors. The increase in weight has been accomplished though increasing the position sizes of current holdings.
- The Fund remains over allocated to cyclical sectors such as consumer discretionary, energy, industrials, and materials. Valuations appear highly attractive in these categories both relative to defensive sectors and relative to history. The Fund remains diversified within these sectors, with exposure to multiple countries and industries.

UNDERWEIGHT EXPOSURE

- The Fund is under allocated to Asia, particularly China. Valuations have generally been less attractive in Asia relative to Eastern Europe and South Africa. The under allocation to China is being driven by an under allocation to Chinese financial and internet technology companies. We believe Chinese financials are at risk due to the rapid expansion of credit within the country and an overvalued local stock market. The Fund is under allocated to Chinese internet companies due to very high valuations within the industry.
- The Fund is under allocated to defensive sectors of the market such as consumer staples, health care, and utilities. The valuation of these sectors appears unattractive relative to cyclical sectors and relative to history. The Fund is also slightly underweight technology due to an under allocation to Chinese internet stocks.

Market Outlook

- Our base case scenario continues to call for moderate global growth, and slowing growth in China but no crisis. We also expect interest rates will begin to normalize over the coming quarters, led by the U.S. beginning to lift short term interest rates either in December or early next year.
- Core inflation levels appear to have stabilized in Europe and the U.S., particularly for services. Overall inflation levels should also begin to rise, albeit modestly, beginning in the fourth quarter due to stabilizing energy prices.
- Interest rates are extremely low by historical standards, both in absolute terms and adjusted for inflation. While a sharp rise in inflation or interest rates is not expected, the current low level of yields could accentuate interest rate and possibly equity market volatility over the next twelve months.
- Chinese economic growth and stability, a key driver for emerging markets, has improved from earlier this year. The Chinese government has been able to make the necessary adjustments to stabilize growth and the currency. However, debt levels continue to grow at a concerning pace, which may cause problems in the future.
- Overall, we are constructive on the outlook for emerging market equities. Valuations remain very attractive, as they have been for multiple years, particularly within the cyclical sectors of the market. Economic growth, while modest relative to history, is still above developed markets with some improvement noted in the markets hit by the collapse in commodity prices, such as Brazil and Russia.
- We believe the Fund owns an attractive set of companies that, in aggregate, have a good combination of strong profitability, a solid financial position, and low valuations. From a risk perspective, we have maintained the Fund's diversified positioning, avoiding concentrations in any particular country or industry.