

# Non-U.S. Equity Complete Strategy

## Q2 2020



June 30, 2020

### Annualized Returns (%)

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception <sup>1</sup>
Gross of fees	17.44	-9.55	-3.54	1.07	2.51	5.85	5.24
Net of fees	17.30	-9.78	-4.05	0.57	1.93	5.08	4.45
Benchmark <sup>2</sup>	16.12	-11.00	-4.80	1.13	2.26	4.97	4.01

<sup>1</sup> Inception Date: October 1, 2008    <sup>2</sup> Benchmark: MSCI ACWI Ex USA net Index

### Characteristics

	Portfolio Weight
Excess return (gross since inception)	1.23%
Excess return (net since inception)	0.44%
Tracking error	2.86%
Standard deviation (annualized)	17.21%
Information ratio (gross since inception)	0.43
Information ratio (net since inception)	0.15
Upside capture (3 yr)	94.10%
Downside capture (3 yr)	98.47%
Weighted average market cap	\$62,238.80m
Weighted average market cap (benchmark)	\$82,489.17mm

### Sector Weights (%)

	Portfolio Weight	Benchmark Weight
Communication Services	5.54	7.58
Consumer Discretionary	14.23	12.56
Consumer Staples	11.97	9.95
Energy	2.06	4.81
Financials	15.08	18.12
Health Care	13.50	10.66
Industrials	11.73	11.37
Information Technology	13.92	11.00
Materials	6.92	7.58
Real Estate	2.21	2.83
Utilities	2.83	3.52

### Top Ten Holdings (%)

	Portfolio Weight
Roche Holding AG	1.79
Nestle S.A.	1.36
SAP SE	1.11
LVMH Moet Hennessy Louis Vuitton SE	1.06
ASML Holding NV	1.05
L'Oreal SA	0.97
Reckitt Benckiser Group plc	0.97
Sonova Holding AG	0.91
Tencent Holdings Ltd.	0.90
HDFC Bank Limited	0.81

### Region Weights (%)

	Portfolio Weight
Europe Core	37.60
Pacific Rim	36.09
United Kingdom	10.19
South Asia	3.79
Canada	3.79
LatAm	2.65
Cash	2.36
Europe Periphery	1.69
Middle East	1.19
Africa	0.64

### Portfolio Management



**Tina Byles Williams**  
Chief Investment Officer &  
Lead Portfolio Manager



**Thomas Quinn, CFA**  
Managing Director, Sr.  
Portfolio Manager, Tactical  
& Multi-Manager Strategies

### About Xponance®

Xponance® is a multi-strategy investment firm offering strategies across equity and fixed income. We are independent and employee owned by women and diverse professionals, whose common passion is to do the right thing for our clients and each other. Xponance® is the successor firm representing the integration of two great legacy firms, FIS Group, Inc. and Piedmont Investment Advisors, LLC.

### Investment Philosophy

We believe that a carefully constructed portfolio of small, entrepreneurial managers can outperform its benchmark and large AUM peers on a risk adjusted basis over a full market cycle, without taking on uncompensated levels of active risk. This strategy is defined by exposure to undiscovered, high conviction Non-U.S. equity managers, delivered in customizable solutions.

### Portfolio Facts

Inception date	10/1/2008
Assets in strategy	\$907mm
Woman or diverse owned managers	40-60%
Target active share	>75
Benchmark	MSCI ACWI Ex USA net Index
Min. investment	\$25mm

The information provided on this page should be considered supplemental. For complete performance data, please see the Xponance® Non-U.S. Equity Complete Strategy disclosures on the last page.

# Non-US Equity Complete Strategy

## Annual Disclosure Presentation

Year End	Total Firm Assets (\$mm)	Composite Assets		Annualized Performance Results (%)				3 Year Ex-Post Standard Deviation (%)	
		USD (\$mm)	Number of Accounts	Composite Gross	Composite Net	Benchmark <sup>1</sup>	Composite Dispersion (%)	Composite	Benchmark <sup>1</sup>
2019	4,621	1,031	7	20.90	20.29	21.51	1.29	11.16	11.34
2018	4,868	1,471	10	-15.25	-15.66	-14.20	0.65	11.35	11.38
2017	5,103	1,260	9	27.65	27.01	27.19	N/A	11.10	11.87
2016	4,695	1,114	7	1.65	0.94	4.50	N/A	11.80	12.51
2015	4,475	597	5 or Fewer	-0.35	-1.18	-5.66	N/A	11.24	12.13
2014	4,527	601	5 or Fewer	-3.42	-4.29	-3.87	N/A	12.05	12.81
2013	4,368	481	5 or Fewer	17.22	16.19	15.29	N/A	15.30	16.23
2012	2,710	368	5 or Fewer	18.15	17.10	16.83	N/A	18.38	19.26
2011	2,351	324	5 or Fewer	-12.42	-13.22	-13.71	N/A	20.99	22.71
2010	2,309	235	5 or Fewer	15.70	14.67	11.15	N/A	N/A <sup>2</sup>	N/A <sup>2</sup>

<sup>1</sup> Benchmark: MSCI ACWI Ex USA net Index <sup>2</sup> Not shown because 36 monthly returns are not available

Xponance,® Inc. (“Xponance®”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Xponance® has been independently verified for the periods from November 1, 1998 through December 31, 2019. A copy of the verification reports are available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

On August 31, 2018, FIS Group, Inc. (“FIS Group”) acquired Piedmont Investment Advisors, Inc.'s (“PIA”) predecessor, Piedmont Investment Advisors, LLC. Xponance® is the successor registrant under the Investment Advisers Act of 1940 (the “Advisers Act”) to both FIS Group and its wholly-owned subsidiary, PIA. Pursuant to a corporate rebranding and consolidation strategy, Xponance® was established effective April 1, 2020, to leverage the long histories of its predecessor entities in providing customized investment management products to institutional clients. FIS Group (through its former subsidiaries, Fiduciary Investment Solutions, Inc. and FIS Funds Management, Inc.) managed assets since 1996 and PIA (through its former affiliate Piedmont Investment Advisors, LLC) began managing assets in 2000. The firm maintains a complete list of composite descriptions, which is available upon request.

Total firm asset presented through, and including, Calendar Year 2019 represent total firm asset for FIS Group as, prior to April 1, 2020, this composite was managed by legacy firm FIS Group. Total firm assets presented post April 1, 2020 represent the total firm assets of Xponance®.

**Xponance® Non-US Equity Complete Strategy** is a non-US equity composite which contains fully discretionary non-US equity account(s) that are constructed by using the manager of managers concept and may or may not have applied a tactical completion account to implement Xponance's top down views, including the ability to amplify or reduce overall market beta risk, based on our risk indicators, more nimbly and more efficiently. Accounts that are no longer with the firm are included through the last full measurement period such accounts were managed in the composite's style. For comparison purposes this composite is measured against the MSCI ACWI ex USA net Index. Since the performance inception of the composite, sub-advisor(s) have been utilized to manage assets within the Xponance® Non-US Equity Complete Strategy. For periods prior to January 1, 2010, cash was managed separately for all carve-outs. For calendar year 2010, the composite was made up of 100% carve-outs. The Xponance® Non-US Equity Complete Strategy composite was created April 1, 2015. The composite name changed from “FIS Group Non-US Equity Complete Strategy” to “Xponance® Non-US Equity Complete Strategy” on April 1, 2020.

Past performance is not indicative of future results. The US Dollar is the currency used to express performance. Returns include the effect of foreign currency exchange rates. Sources of foreign exchange rates may be different among the portfolios within a composite, and between the composite and the benchmark. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. The actual tax rate applied may vary by custodian and the investor's domicile. MSCI uses the maximum withholding tax rate applicable to institutional investors in calculating MSCI net dividends.

Gross of fee performance results are presented gross of management fees and include the reinvestment of all income. Prior to September 1, 2015, net of fee performance results reflect an annual management fee of 0.90%, applied monthly. From September 1, 2015 through January 31, 2017, net of fee performance results reflect an annual management fee of 0.70%, applied monthly. Beginning on February 1, 2017 and thereafter, net of fee performance results reflect the deduction of the actual management fees. Actual management fees incurred by clients may vary. Xponance® uses the following asset-based standard fee schedule: 0.90% for the first \$50 million, 0.70% for the next \$50 million, 0.60% for the next \$50 million, 0.58% for the next \$50 million, negotiable thereafter. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Internal dispersion is calculated using the equal-weighted standard deviation of annual gross of fee returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented.