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June 21, 2017

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investors.



QS Investors

FIRM OVERVIEW

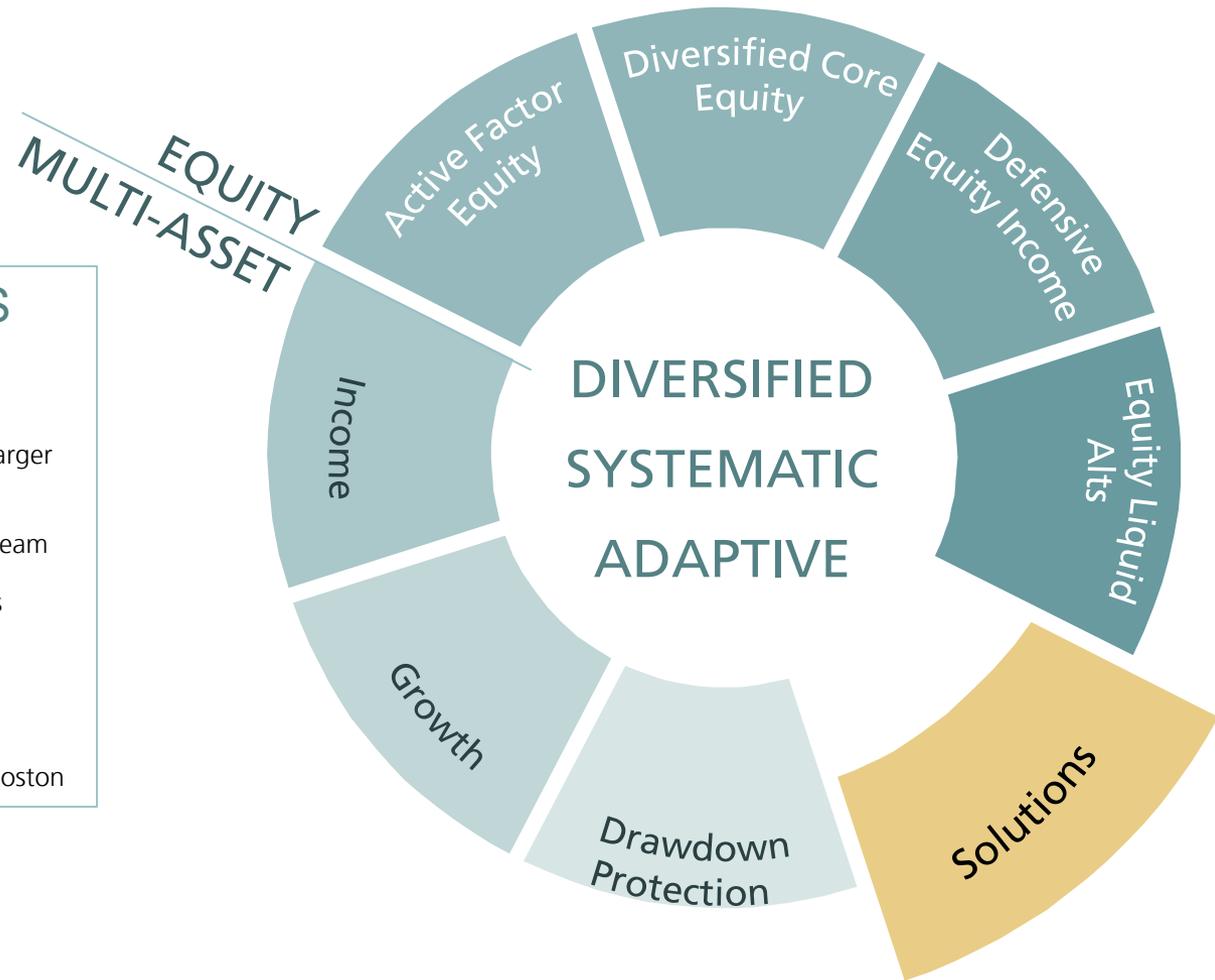
QS Investors is a Global Equity and Multi-Asset Class Solutions Manager

We seek to deliver **consistent and repeatable** investment performance

We build and manage single strategies designed to make your and our multi-asset class portfolios better



Global Equity and Multi-Asset Strategies



QS INVESTORS AT A GLANCE:

- Formed in 1999 as the quantitative platform of a larger global asset manager
- Experienced management team
- 48 investment professionals
- 70 total employees
- Total assets: \$22.4 Billion
- Based in New York City & Boston

As of March 31, 2017

Note: Total firm AUM will be lower than the combined Equity and Multi-Asset AUM. Assets managed under both the equity and multi-asset business are not counted twice in total firm AUM.

Broad Equity Investment Team With Deep Resources

| RESEARCH | | PORTFOLIO MANAGEMENT | |
|-------------------------|------|-------------------------------|------|
| Rosemary Macedo, CIO | (28) | Robert Wang, COO | (35) |
| | | James Norman, President | (25) |
| Haim Lensky | (21) | Stephen Lanzendorf, CFA | (33) |
| Jaiwish Nolan | (20) | Michael Ripper, Assoc CFA, UK | (28) |
| Sanne de Boer, PhD, CFA | (14) | Joseph Giroux | (24) |
| Gregory Monegro, CFA | (11) | Russell Shtern, CFA | (19) |
| Nicolo Menez | (11) | Christopher Floyd, CFA | (18) |
| Eric Johnson | (6) | Luke Manley, CFA | (12) |
| Amanda Liu | (5) | Michael LaBella, CFA | (11) |
| Daivik Orth | (<1) | Oren Weis | (11) |
| | | Jacqueline Hurley, CFA | (9) |
| | | Jose Maldonado, CFA | (8) |
| | | Alvin Marty | (6) |
| | | Nolan Taormino | (5) |



QS Investors

INVESTMENT PROCESS

Core Beliefs Drive Our Process

- Grounded in underlying stock fundamentals
- Implemented dispassionately using dynamic quantitative tools
- Managed systematically by experienced investors to identify risk and seize opportunities
- Focused on research and measurement to dynamically adapt the process as markets evolve

Blended Process Focuses on Market Drivers

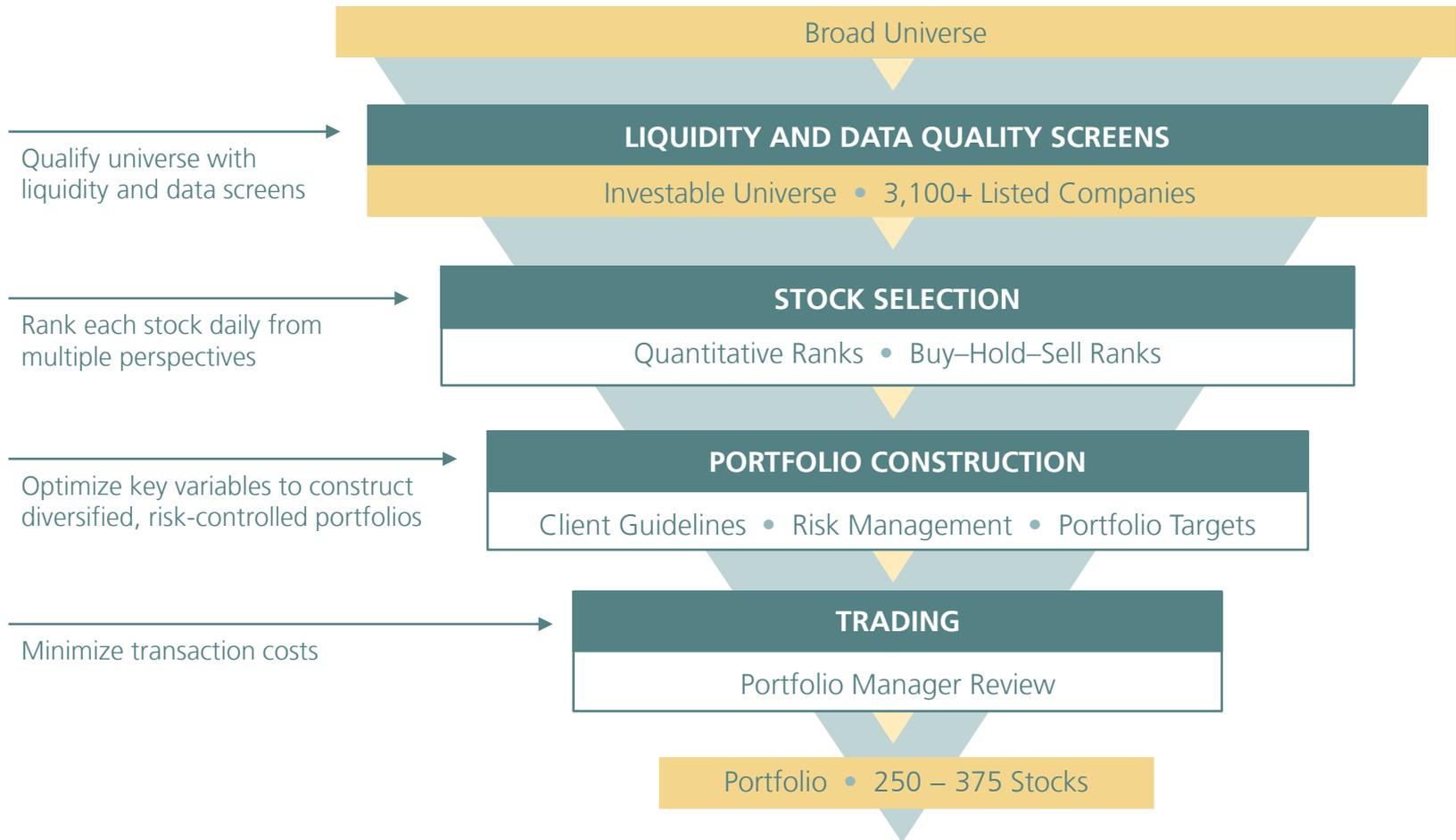
Quantitative Implementation

- Objectively analyze over 6,500 companies across 50 countries daily
- Rank stocks on overall attractiveness from multiple perspectives using bottom-up fundamentals
- Systematically combine fundamental and statistical risk measures
- Use transparent platform to test, monitor, measure and improve each step of the process

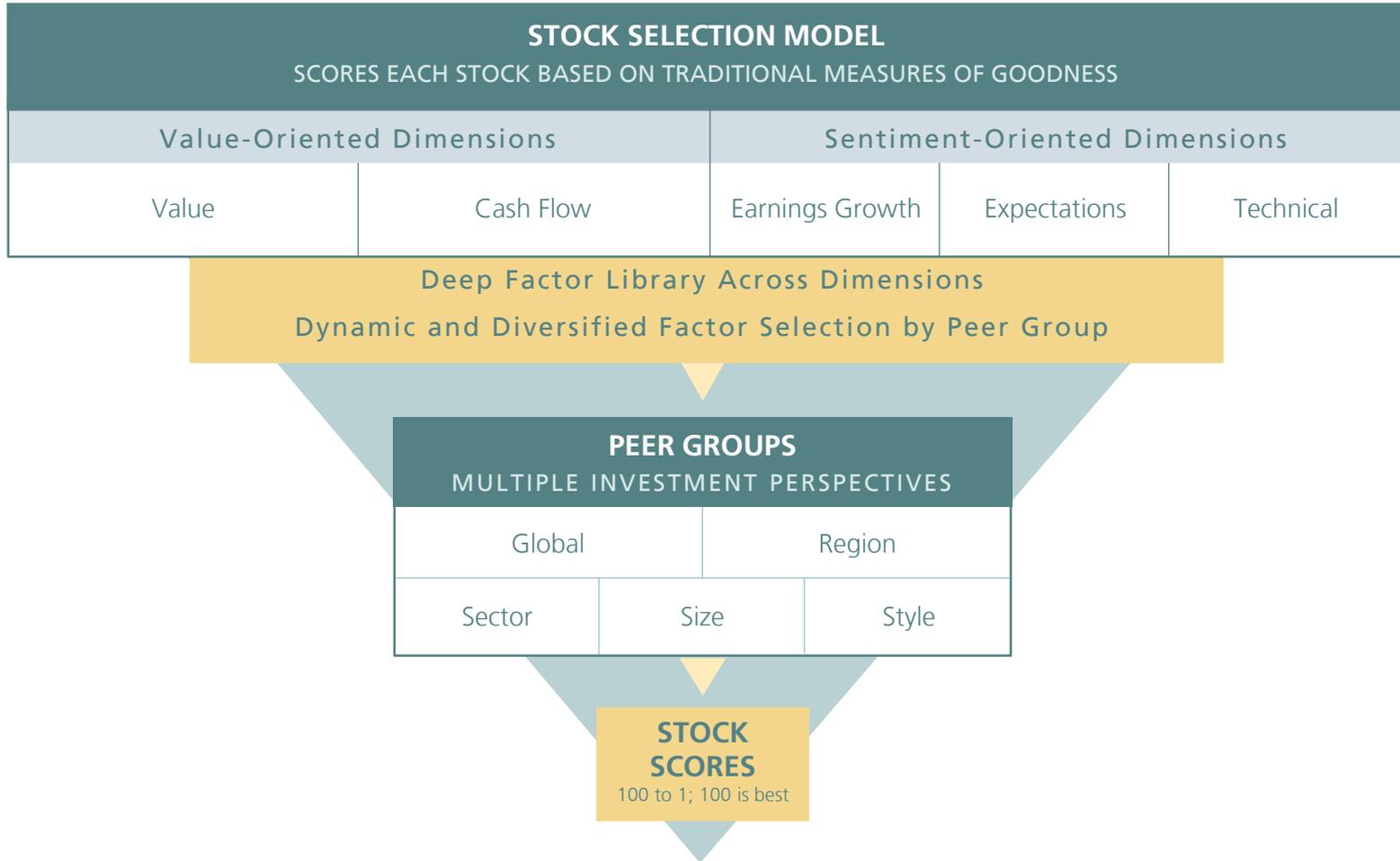
Experienced Investor Insight

- Recognize not everything can be modeled
- Incorporate investor judgment throughout the process to systematically capture alpha and risk drivers
- Apply investor insight to measure, question, analyze and evolve the process as needed

Rigorous Investment Process



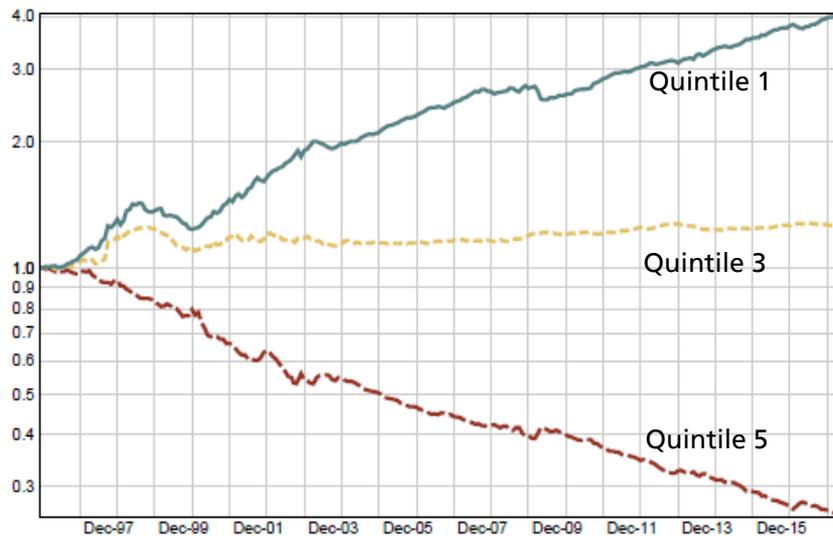
Active Factor Model Identifies Attractive Stocks



International Stock Selection Model

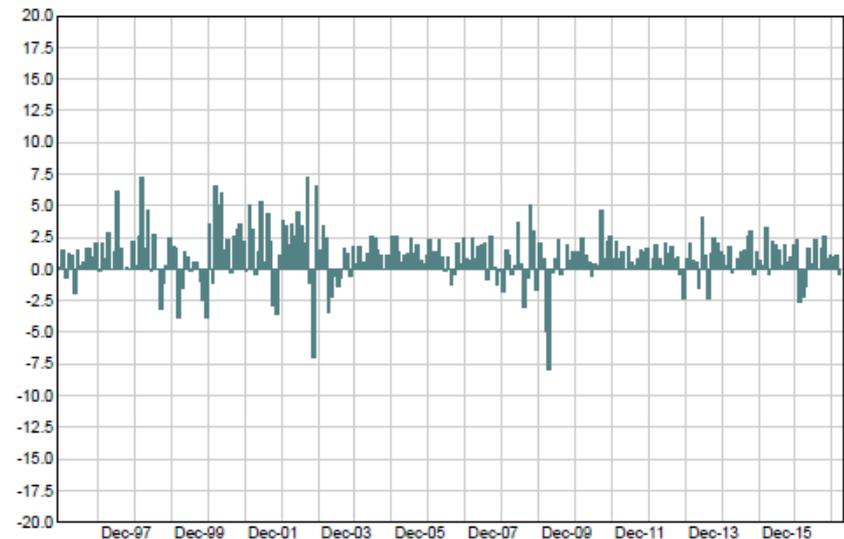
Real-Time Performance

CUMULATIVE EQUAL-WEIGHTED RESIDUAL RETURNS



December 31, 1995=1, Semi-Log Scale

MONTHLY TOP-TO-BOTTOM QUINTILE SPREAD (%)



Monthly data updated through March 31, 2017

Represents the residual returns of quintiles 1, 3 and 5 of the QS Investors stock selection model both within and compared to the performance of our broad International investable universe, and the return spreads between quintiles 1 and 5 of our stock selection model within the same universe. The performance of the model is generally representative of our stock selection results over time but may not be the model nor the universe for the specific mandate presented. The performance results of an actively-managed portfolio may differ materially from the results reflected above. Unlike an actual portfolio, which may be traded as often as daily, has path dependent holdings, and includes stocks that are not buy-ranked as well as a limited number of holdings, the performance of the stock selection model above reflects only a monthly rebalancing based on the rankings of all stocks in the designated investable universe and does not represent actual trading, transaction costs, investment management fees or risk controls. Additionally, any alpha in the model's residual return spread between quintiles 1 and 5 may not be able to be fully realized in an actively managed long-only portfolio as stocks in quintile 5 can only be underweighted, not shorted. Underlying returns are in US dollars. These charts are provided for informational purposes only.

Portfolio Construction / Stock Weighting

- Overweight high-rated stocks and underweight low-rated stocks
- Let winners run
- Typically buy “BUYS” and sell “SELLS” within minimum/maximum limits

PORTFOLIO CONSTRUCTION GUIDELINES*

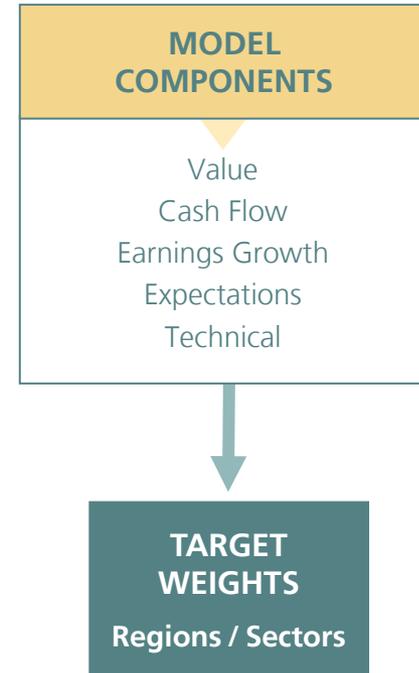
| Stock Ranking • 100 to 1, 100 is best | Maximum Target Weight |
|---------------------------------------|-------------------------|
| BUY (100-81) | Benchmark weight + 0.5% |
| HOLD (80-51) | Portfolio weight |
| SELL (50-1) | 0% |

* Actual portfolio positions may differ based on market environment, risk controls and/or individual client guidelines.

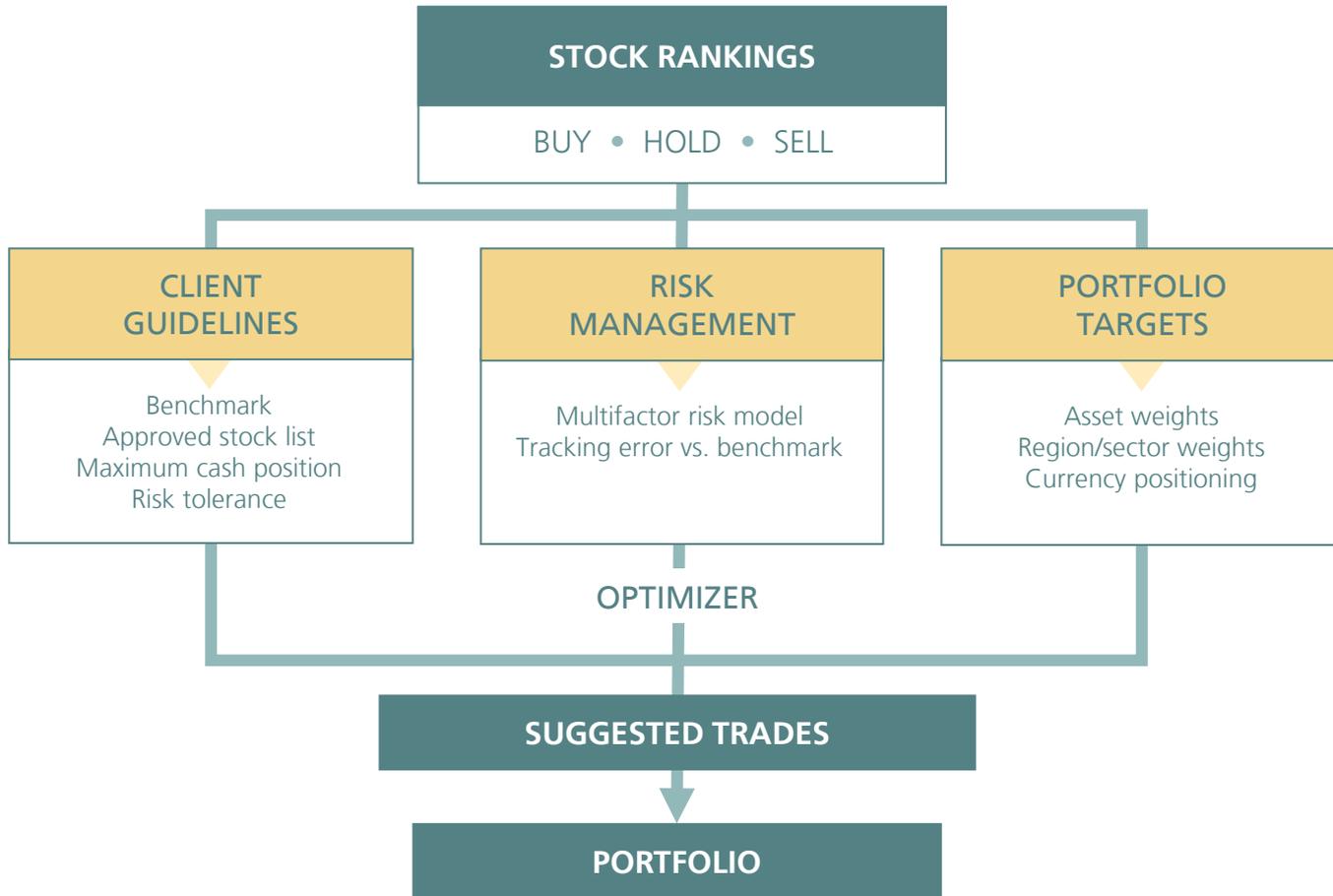
Regional and Sector Allocation

- Our bottom-up stock selection model also ranks the relative attractiveness of each region/sector
- Region targets:
±5% relative to benchmark*
- Sector targets:
±3% relative to benchmark*

* Actual portfolio positions may differ based on market environment, risk controls and/or individual client guidelines.

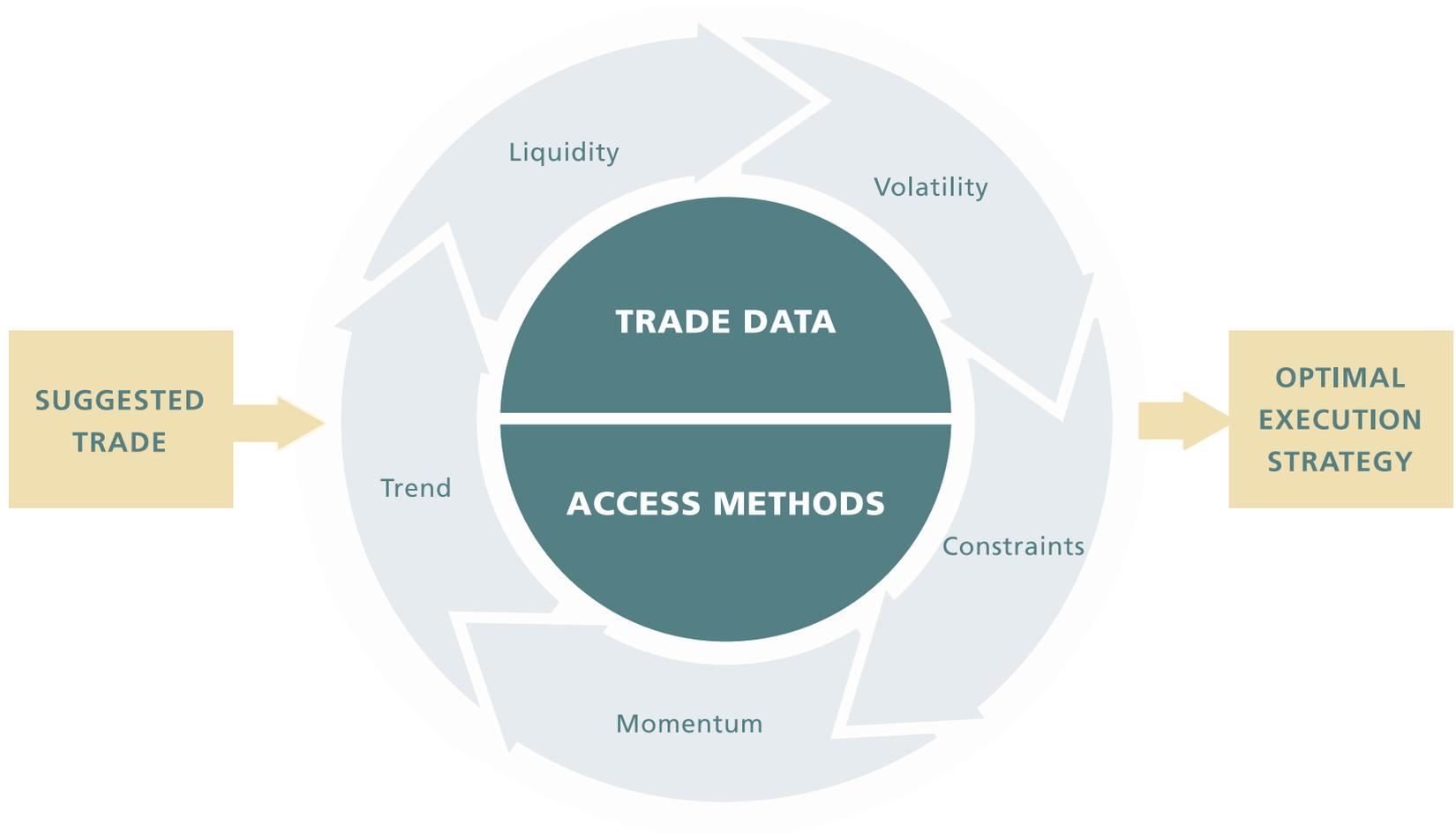


Systematic Process with Multiple Levels of Risk Control



Trading Process Adapts Execution to Environment

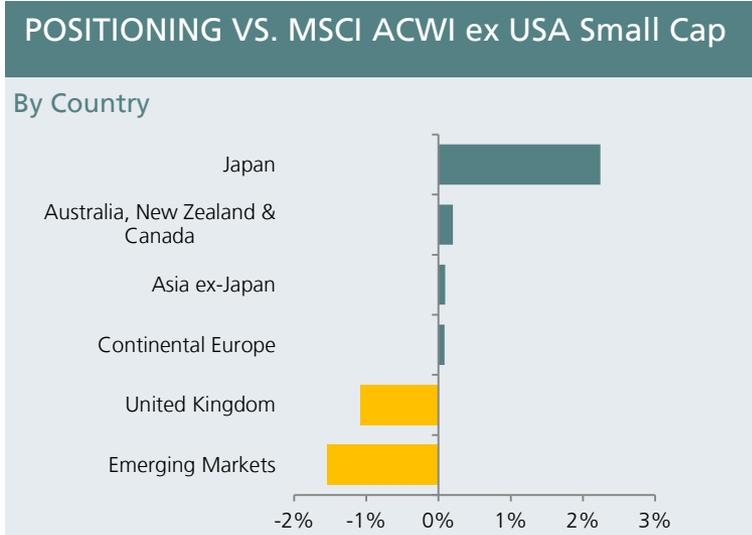
Analyzes Trade Data and Access Methods to Determine Best Trade Execution Strategy



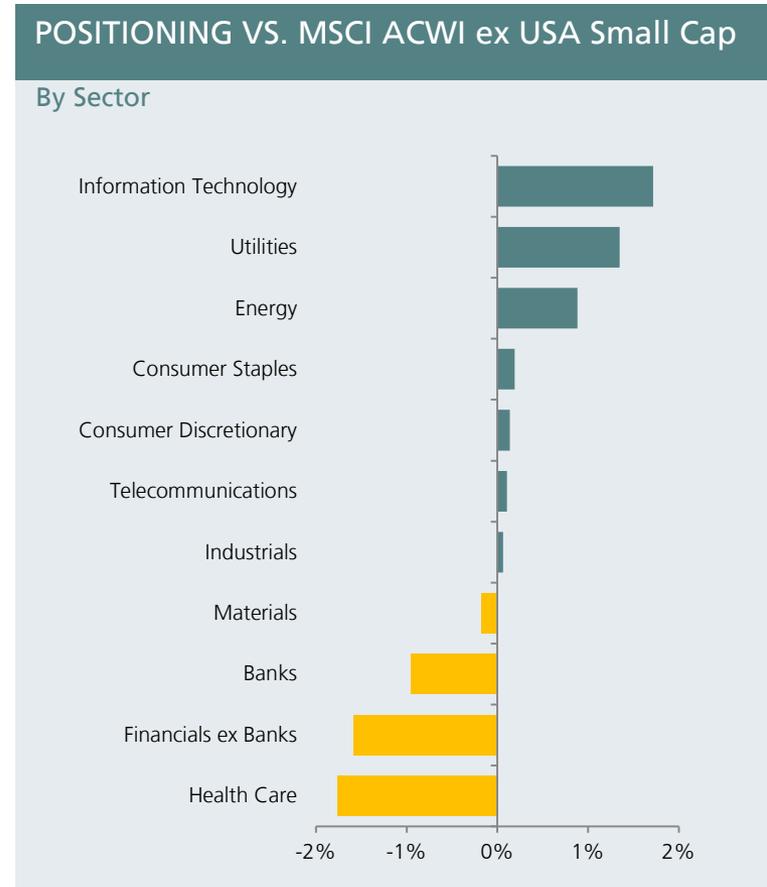
International Small Cap (ACWI ex-US) Equity

Representative Portfolio Profile

| Characteristics | Rep Portfolio | MSCI ACWI ex USA Small Cap |
|----------------------------------|---------------|----------------------------|
| Weighted avg market cap (\$ mil) | 1,504 | 1,530 |
| Number of securities | 350 | 4,273 |
| Price/Earnings ratio | 13.5x | 16.6x |
| Price/Book ratio | 1.4x | 1.5x |
| Price/Cash flow | 7.0x | 9.6x |
| Dividend yield | 2.47% | 2.26% |



Representative Portfolio minus MSCI ACWI ex USA Small Cap Weights



Representative Portfolio minus MSCI ACWI ex USA Small Cap Weights

As of March 31, 2017

Portfolio positioning and characteristics are supplemental to the International Small Cap (ACWI ex-US) Equity Composite.

Source: QS Investors, FactSet

Unless otherwise indicated, this is the Firm's presentation of the underlying index data. Please see the composite disclosure for additional information.

International Small Cap (ACWI ex-US) Equity

Composite Performance Results

| Five Years Ending March 31, 2017 | Composite Gross of Fees | MSCI ACWI ex USA Small Cap Total Return |
|----------------------------------|----------------------------|---|
| Excess annualized return | 3.73% | n/a |
| Standard deviation | 12.63% | 12.59% |
| Tracking error | 2.50% | n/a |
| Information ratio | 1.49 | n/a |

| Composite Returns Periods Ending March 31, 2017 | 1Q 2017 | 1yr | 3yr | 5yr | Since Inception 8/1/08 |
|---|---------|--------|-------|--------|---------------------------|
| Composite Gross of Fees | 10.16% | 14.75% | 5.40% | 10.42% | 7.20% |
| MSCI ACWI ex USA Small Cap Total Return – Net Dividends | 8.78% | 12.26% | 2.46% | 6.68% | 5.27% |
| Composite Net of Fees | 9.96% | 13.90% | 4.61% | 9.60% | 6.40% |

As of March 31, 2017

Source: QS Investors, FactSet

Annualized for periods greater than one year. Past performance is not necessarily indicative of future results. Please see the composite disclosure for additional information.

Why QS Investors for International Small Cap?

- Rules-based, systematic process that models the disciplines of experienced fundamental investors
- Robust model has added value across a range of market environments
- Process incorporates multiple investor perspectives
- Statistical and common-sense risk controls throughout the investment process



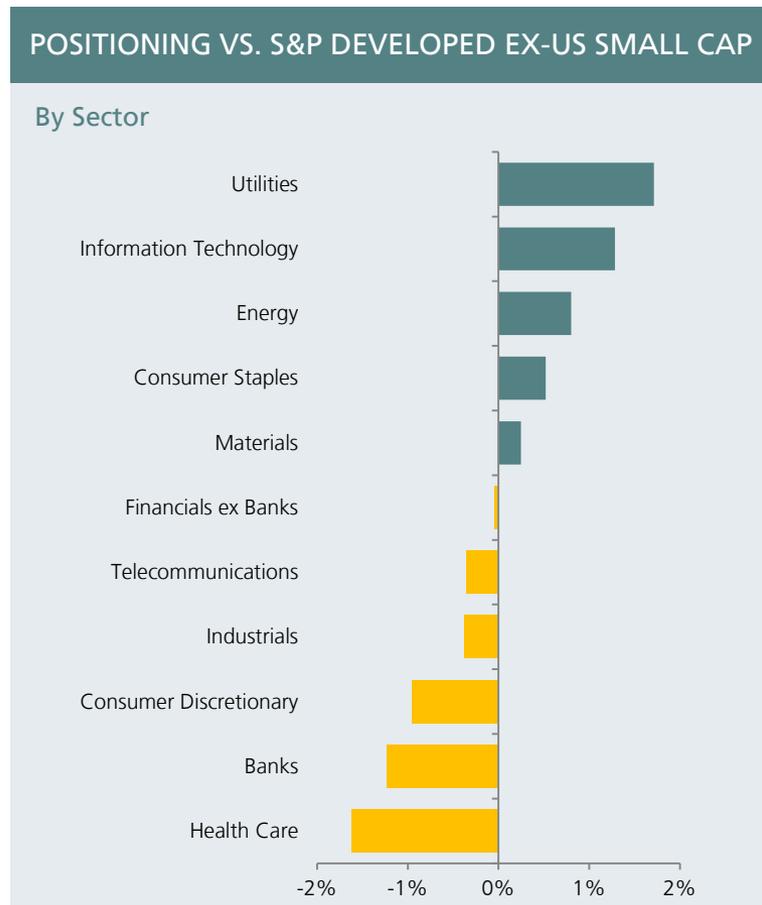
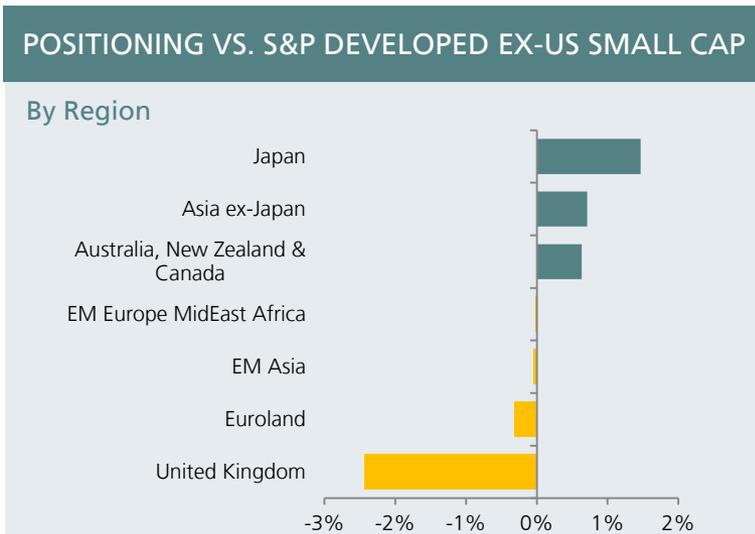
QS Investors

APPENDIX

International Small Cap Equity

Representative Portfolio Profile

| Characteristics | Rep Portfolio | S&P Developed Ex- US Small Cap |
|----------------------------------|---------------|--------------------------------------|
| Weighted avg market cap (\$ mil) | 2,373 | 2,026 |
| Number of securities | 334 | 4,244 |
| Price/Earnings ratio | 14.4x | 16.6x |
| Price/Book ratio | 1.4x | 1.3x |
| Price/Cash flow | 7.7x | 9.6x |
| Dividend yield | 2.40% | 2.30% |



As of March 31, 2017

Portfolio positioning and characteristics are supplemental to the International Small Cap Equity Composite.

Source: QS Investors, FactSet

Unless otherwise indicated, this is the Firm's presentation of the underlying index data. Please see the composite disclosure for additional information.

International Small Cap Equity

Composite Performance Results

| Five Years Ending March 31, 2017 | Composite | S&P Developed Ex-US Small Cap |
|----------------------------------|---------------|----------------------------------|
| | Gross of Fees | Total Return |
| Excess annualized return | 2.19% | n/a |
| Standard deviation | 13.14% | 12.64% |
| Tracking error | 2.30% | n/a |
| Information ratio | 0.95 | n/a |

| | 1Q 2017 | YTD | 1yr | 3yr | 5yr | 10yr |
|--|---------|-------|--------|-------|--------|-------|
| Composite | | | | | | |
| Gross of Fees | 8.69% | 8.69% | 13.25% | 5.55% | 10.70% | 3.81% |
| S&P Developed Ex-US Small Cap | | | | | | |
| Total Return – Net Dividends | 7.77% | 7.77% | 11.27% | 3.33% | 8.51% | 3.14% |
| Composite | | | | | | |
| Net of Fees | 8.46% | 8.46% | 12.25% | 4.65% | 9.85% | 3.09% |

As of March 31, 2017

Source: QS Investors, FactSet

Annualized for periods greater than one year. Past performance is not necessarily indicative of future results. Please see the composite disclosure for additional information.

Biographies: Firm Leadership



Janet Campagna, PhD

CHIEF EXECUTIVE OFFICER

- Responsible for all business, strategic and investment decisions within QS Investors, LLC.
- Formerly head of Deutsche Asset Management Quantitative Strategies group from 1999 through 2010, where she was responsible for investment and business strategy.
- Prior to joining Deutsche Asset Management, she spent 11 years as an investment strategist and manager of the Asset Allocation Strategies Group at Barclays Global Investors and as global asset allocation research director at First Quadrant.
- She is presently a Board Member of the Mott Haven Academy in the South Bronx, a charter school specifically designed to meet the needs of at-risk students in the foster care and child welfare system and a member of the MFE Steering Committee for the Haas Business School, UC Berkeley and of the Caltech IST Advisory Council.
- Education: BS from Northeastern University; MS from California Institute of Technology; PhD from University of California, Irvine.



Rosemary Macedo

CHIEF INVESTMENT OFFICER

- Responsible for all alpha research.
- Formerly head of Active Quantitative Equity research at Deutsche Asset Management from 2008 to 2010. Prior to joining Deutsche Asset Management, she spent 2 years as Executive Director of the Thomas J. Watson Fellowship Program. Prior to Watson, she spent 14 years with Bailard Inc, where she managed Bailard's international equity mutual fund, landing it in the top overall rankings for Morningstar, Standard & Poor's and Lipper. She began her career in asset management at First Quadrant.
- Education: BS from California Institute of Technology, and BA from Pomona College as part of a joint 3-2 program.



James Norman

PRESIDENT- HEAD OF EQUITY STRATEGY

- Responsible for assisting the CEO with all business, strategic and investment decisions. He is also Head of Equity and the Portfolio Management Strategy team.
- Formerly head of Deutsche Asset Management's Quantitative Strategies Qualitative Alpha research. At Deutsche Asset Management, he also served as Global Head of Product Management, Senior Portfolio Specialist for Active US Equity and Asset Allocation, and as a senior management consultant from 1995 to 2010. Prior to joining Deutsche Asset Management, he spent 5 years as a senior international casualty underwriter for CIGNA International.
- Education: AB from Vassar College; MBA from New York University with Distinction



Adam Petryk, CFA

HEAD OF MULTI-ASSET AND SOLUTIONS

- Responsible for product development and integration across strategies and asset classes.
- Formerly Chief Investment Officer at Batterymarch Financial Management from 2012 to 2014. At Batterymarch, he also served as Deputy Chief Investment Officer and co-head of the Developed Markets investment team from 2010 to 2012, Senior Director and Global Investment Strategist on the Developed Markets team from 2008 to 2010 and Global Investment Strategist during 2007. From 2007 to 2009, he was also the Chief Investment Officer of Legg Mason Canada Inc., an affiliate of Batterymarch. Prior to joining Batterymarch, he spent eight years at Legg Mason Canada Inc. as Chief Investment officer, head of the Quantitative Management team and Quantitative Strategist. He also performed quantitative equity analysis at Scotia Capital Markets.
- Education: BS in Computer Engineering from University of Waterloo, Ontario, Canada; MS in Electrical Engineering from University of Waterloo.

Biographies: Firm Leadership

Vanessa A. Williams

CHIEF COMPLIANCE OFFICER

- Primarily responsible for administration of the compliance programs at QS Investors, LLC.
- Formerly Vice President, Senior Compliance Officer at Legg Mason & Co, LLC where she has served since 2005. Before joining Legg Mason, she was a Compliance Analyst at Citigroup Asset Management (Acquired by Legg Mason & Co, LLC Dec. 2005) and a Complaint and Litigation Analyst at Lincoln Financial Advisors.
- Education: BA from Lehigh University



Marco Véissid

HEAD OF RELATIONSHIP MANAGEMENT AND BUSINESS DEVELOPMENT

- Responsible for all client service, and business development.
- Formerly head of Davis Advisors Institutional Relationship Management and Sales from 2007 to 2010. Prior to Davis, he spent 19 years with Deutsche Asset Management, where he attained the position of Head of Institutional Sales and Client Relationship Management.
- Education: BS from New York University; MBA from New York University Stern School of Business.



Robert Wang

CHIEF OPERATING OFFICER – HEAD OF PORTFOLIO IMPLEMENTATION

- Responsible for oversight of ongoing business operations as well as portfolio management implementation.
- Formerly head of Quantitative Strategies Portfolio Management for Deutsche Asset Management's Quantitative Strategies Group and senior fixed income portfolio manager from 1995 – 2010. Prior to joining Deutsche Asset Management, he spent 13 years at J.P. Morgan and Co. trading fixed income, derivatives and foreign exchange products.
- Education: BS from The Wharton School, University of Pennsylvania.



Thomas Rose, CPA

CHIEF FINANCIAL OFFICER

- Responsible for financial and operational matters.
- Formerly CFO and Managing Director for J. & W. Seligman & Co., where he served in senior financial and operational roles from 1992 to 2009. Prior to J. & W. Seligman & Co., he was Treasurer and Principal Financial Officer for American Advisors, Inc from 1987 to 1992 and Manager at PricewaterhouseCoopers.
- Education: BBA from Pace University.

Biographies: Portfolio Management



Stephen A. Lanzendorf, CFA

HEAD OF ACTIVE EQUITY PORTFOLIO MANAGEMENT STRATEGY

- Responsible for equity portfolio management strategy.
- Formerly Deputy Chief Investment Officer and head of the Developed Markets investment team at Batterymarch Financial Management from 2012 to 2014. At Batterymarch, he also served as co-head of the Developed Markets team from 2010 to 2012 and head of the US investment team from 2006 to 2010. Prior to joining Batterymarch, he spent six years as the Director of Quantitative Strategies at Independence Investments, where he also managed the equity trading desk. He was also a Portfolio Manager and Quantitative Analyst at The Colonial Group for 10 years.
- Education: BS and MS in Nuclear Engineering from Massachusetts Institute of Technology.



Christopher W. Floyd, CFA

PORTFOLIO MANAGER

- Member of the portfolio management strategy group.
- Formerly a developed markets Senior Portfolio Manager at Batterymarch Financial Management from 2012 to 2014. At Batterymarch, he also served as a Portfolio Manager from 2003 to 2012 and as a Quantitative Analyst from 2000 to 2003. Prior to joining Batterymarch, he performed market analysis at Urban & Associates and worked with retirement plans at Bay State Federal Savings Bank.
- Education: BA in Economics from Dartmouth College; MBA in Management from Cornell University



Russell Shtern, CFA

HEAD OF EQUITY PORTFOLIO MANAGEMENT IMPLEMENTATION

- Responsible for equity portfolio management implementation.
- Formerly portfolio manager for Diversification Based Investing Equity and Tax Managed Equity for Deutsche Asset Management's Quantitative Strategies Group, from 2003 to 2010. Prior to this he spent three years at Deutsche Bank Securities supporting equity derivatives and global program trading desks.
- Education: BBA from Pace University.

International Small Capitalization (ACWI ex-US) Equity Composite

Schedule of Investment Performance for the Period: December 31, 2016
 Benchmark: MSCI ACWI ex USA Small Cap (Net) Index

| Period Ending (a) | Gross Composite Returns (%) | Net Composite Returns (%) | Benchmark (%) (b) | Gross Composite 3 - Year Standard Deviation (c) | Benchmark 3 - Year Standard Deviation | Number of Accounts | Composite Assets (US\$m) | Firm Assets (US\$m) | Composite Dispersion (d) |
|-------------------|-----------------------------|---------------------------|-------------------|---|---------------------------------------|--------------------|--------------------------|---------------------|--------------------------|
| 2016 | 3.71 | 2.94 | 3.91 | 12.15 | 12.14 | ≤5 | 78 | 22,789 | N/A |
| 2015 | 5.52 | 4.74 | 2.60 | 11.48 | 11.33 | ≤5 | 76 | 23,725 | N/A |
| 2014 | 0.55 | -0.20 | -4.03 | 12.89 | 13.15 | ≤5 | 74 | 19,388 | N/A |
| 2013 | 27.26 | 26.36 | 19.73 | 16.36 | 16.91 | ≤5 | 76 | N/A | N/A |
| 2012 | 22.70 | 21.81 | 18.52 | 19.91 | 20.26 | ≤5 | 61 | N/A | N/A |
| 2011 | -11.48 | -12.18 | -18.50 | 22.79 | 24.20 | ≤5 | 52 | N/A | N/A |
| 2010 | 27.82 | 26.90 | 25.21 | N/A | N/A | ≤5 | 61 | N/A | N/A |
| 2009 | 42.47 | 41.50 | 62.91 | N/A | N/A | ≤5 | 85 | N/A | N/A |
| 2008 8/1-12/31 | -40.14 | -40.40 | -40.55 | N/A | N/A | ≤5 | 118 | N/A | N/A |

Notes:

a) If applicable, partial reporting periods are a result of the inception or termination of the composite as further described below. Partial period returns of less than a year are not annualized.

b) Due to differences in sources for benchmark performance, there may be slight variances between benchmark returns noted above and those from other published sources.

c) 3-year annualized ex-post standard deviation; 3-year annualized ex-post standard deviation is not applicable because it does not have a 3-year history. Effective October 1, 2014, the calculation methodology changed from a sample calculation to a population calculation.

d) Asset-weighted standard deviation; calculated for gross returns for composites with more than five portfolios active over the full year.

See Accompanying Notes below

1. Basis of Presentation

QS Investors, LLC, is a registered investment adviser with the Securities and Exchange Commission, providing investment and advisory services to a diverse array of institutional and sub-advisory clients worldwide. Registration as an investment adviser does not imply any level of skill or training. The Firm is headquartered in New York City with an additional office in Boston, Massachusetts. The Firm provides discretionary and non-discretionary advice and investment management to domestic and international clients based on their investment objectives, guidelines, and risk tolerance, each of which may be customized to address specific client needs. QS Investors, LLC launched in August 2010 and became a wholly-owned, independently managed affiliate of Legg Mason, Inc. on May 31, 2014. As part of this transaction, two of Legg Mason's existing affiliates – Batterymarch Financial Management, Inc. and Legg Mason Global Asset Allocation, LLC – became subject to common management and investment oversight under QS Investors, LLC with the intention of integrating the firms over time to create a combined quantitative investment platform. Effective June 30, 2014, Batterymarch Financial Management, Inc.'s and Legg Mason Global Asset Allocation, LLC's names were changed to QS Batterymarch Financial Management, Inc. ("QS Batterymarch") and QS Legg Mason Global Asset Allocation, LLC ("QS LMGAA"), respectively, to reflect this integration. Effective April 1, 2016, all of the duties, responsibilities and obligations set forth in QS Batterymarch's and QS LMGAA's client investment advisory, sub-advisory and management agreements were assumed by QS Investors, LLC.

Effective October 1, 2014, the firm was redefined for GIPS purposes to include all three firms as one combined entity. Historical assets under management for QS Batterymarch and QS LMGAA are not included under Firm Assets in the table above for periods before 2014 since these firms were not part of the GIPS defined firm until October 1, 2014. Prior to October 1, 2014, performance results for this composite were attained at QS Batterymarch (which was not part of the GIPS defined firm during such period).

QS Investors claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. QS Investors has been independently verified for the periods August 1, 2010 through December 31, 2016. QS Batterymarch has been independently verified for the periods January 1, 1993 through September 30, 2014. 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.

This presentation of investment performance sets forth the time-weighted gross and net rates of return for the International Small Capitalization (ACWI ex -US) Equity Composite (the "Composite") for the period shown. Past performance is no guarantee of future results and may differ in future time periods. As of April 1, 2016, the composite's name was changed from QS Batterymarch – International Small Capitalization (ACWI ex -US) Equity Composite International Small Capitalization (ACWI ex -US) Equity Composite to remove the legal entity name.

International Small Capitalization (ACWI ex-US) Equity Composite

Schedule of Investment Performance for the Period: December 31, 2016

Benchmark: MSCI ACWI ex USA Small Cap (Net) Index

2. Composite Description

The composite uses a bottom-up, core investment strategy. It includes all discretionary, fee-paying International Small Cap Equity accounts managed against the MSCI ACWI ex USA Small Cap Index or a similar client-directed benchmark, and whose investment strategy and guidelines do not differ materially from the standard guidelines that have been established for its International Small Cap Equity accounts. Currency hedging has been used selectively on certain of the composite's portfolios since inception; with client approval, the Firm may hedge a portfolio's exposure to certain currencies into US dollars. Currency exposure will never exceed a portfolio's underlying security exposure and typically will not exceed 25% of the total value of the portfolio.

Eligible new portfolios are added to the Composite at the start of the first performance measurement period following the date that the portfolio is fully invested as defined by the Composite strategy. Securities listed on any national exchange are valued at their last trade price. Securities that are not listed are valued at the most recent publicly quoted bid price. Securities transactions are recorded on a trade date basis. If applicable, dividend income is recorded as of the ex-dividend date. Returns reflect the reinvestment of dividends and other earnings. The composite inception date is August 1, 2008, with a creation date of August 1, 2008.

3. Calculation of Rates of Return

Composite returns are expressed in US dollars. For each portfolio within the Composite, the total rate of return for the time period is equal to the change in the market value of the portfolio, including capital appreciation, depreciation and income, as a percentage of the beginning market value of the portfolio, adjusted for the net of all contributions and withdrawals (the "cash flows"). Rates of return are calculated on a daily "time-weighted" basis and are net of withholding taxes, where applicable, for all portfolios which comprise the Composite. Daily time-weighted rates of return minimize the effect of cash flows on the investment performance of the portfolio. There are no known material differences between the Firm's source of foreign exchange rates and that of the benchmark.

Monthly Composite rates of return are computed by taking an asset weighted average of each portfolio's monthly rate of return within the Composite, utilizing their respective beginning market values for the period. Annual Composite rates of return are derived by geometrically linking monthly Composite rates of return. Gross returns are presented net of transaction and commission costs and gross of investment management fees. Effective October 1, 2014, net of fee performance is calculated on a monthly basis. Prior to October 1, 2014, net of fee performance is calculated on a quarterly basis. Fees deducted are the actual management fees charged for each separately managed account and the highest management fees payable to the Firm and its affiliates by any share class for each pooled vehicle. Effective July 1, 2016, the standard asset-based fee schedule for International Small Cap Equity (ACWI ex-US) per annum is as follows: 0.85% on the first \$25 million; 0.70% on the next \$75 million; 0.60% on the balance. Advisory fees are described in QS Investors, LLC's Form ADV, Part 2A brochure. Actual management fees may vary depending upon, among other things, the account type, the applicable management fee schedule and the portfolio size.

The standard deviation of comparable performance over time is a measure of dispersion. This calculation measures the fluctuation of the rates of return of portfolios with the Composite in relation to the average return. Dispersion is not shown for composites with 5 or less portfolios for a full year as it is not meaningful.

4. Composite Benchmark

Composite returns are benchmarked to the MSCI ACWI ex USA Small Cap Index (Total Return-Net). The MSCI ACWI ex USA Small Cap is designed to measure the small cap equity performance of global developed and emerging markets excluding the US and includes approximately 22 developed and 23 emerging market country indices. MSCI's net index series approximates the minimum possible reinvestment of regular cash distributions as a result of the deduction of withholdings taxes. Effective December 1, 2009, the regular cash dividend is reinvested after deduction of withholding tax by applying the maximum rate of the company's country of incorporation applicable to non-resident institutional investors who do not benefit from double taxation treaties. Prior to December 1, 2009, withholdings tax was based on the country of classification of the company. The Firm's portfolios are subject to withholdings taxes on dividend, interest income, and capital gains that vary according to their country of domicile and therefore will differ from the benchmark. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the investments reported on the schedule of investment performance. Investments made by the Firm for the portfolios it manages according to the Composite strategy may differ from those of the benchmark. Accordingly, investment results will differ from those of the benchmark.

The Firm's portfolios are actively managed, while the index is unmanaged and may contain securities different from those included in the Firm's portfolios. MSCI Inc. is the source and owner of the MSCI index data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is the Firm's presentation of the data. MSCI Inc. is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof. The index provider is the source and owner of the index data contained or reflected in this material and all trademarks and copyrights related thereto.

6. Additional Information and Information Available upon Request

In addition to the Composite, the Firm provides investment management services utilizing different strategies. The following information is available upon request: policies for valuing portfolios, calculating performance, and preparing compliant presentations; a complete list and description of the Firm's composites; QS Investors, LLC's Form ADV, Part 2A brochure; a list of other Legg Mason affiliates.

International Small Capitalization Equity Composite

Schedule of Investment Performance for the Period: December 31, 2016

Benchmark: S&P Developed Ex-US Small Cap Index

| Period Ending (a) | Gross Composite Returns (%) | Net Composite Returns (%) | Benchmark (%) (b) | Gross Composite 3 - Year Standard Deviation (c) | Benchmark 3 - Year Standard Deviation | Number of Accounts | Composite Assets (US\$m) | Firm Assets (US\$m) | Composite Dispersion (d) |
|-------------------|-----------------------------|---------------------------|-------------------|---|---------------------------------------|--------------------|--------------------------|---------------------|--------------------------|
| 2016 | 4.55 | 3.59 | 3.79 | 12.43 | 12.11 | ≤5 | 1,295 | 22,789 | N/A |
| 2015 | 7.63 | 6.60 | 5.92 | 11.95 | 11.24 | ≤5 | 1,829 | 23,725 | N/A |
| 2014 | -0.66 | -1.30 | -3.42 | 13.50 | 13.03 | ≤5 | 1,380 | 19,388 | N/A |
| 2013 | 30.18 | 29.38 | 26.06 | 16.88 | 16.76 | ≤5 | 1,588 | N/A | N/A |
| 2012 | 19.84 | 19.09 | 18.55 | 20.72 | 20.19 | ≤5 | 1,334 | N/A | N/A |
| 2011 | -10.74 | -11.32 | -14.49 | 22.93 | 23.68 | ≤5 | 1,192 | N/A | N/A |
| 2010 | 26.54 | 25.85 | 21.96 | 29.9 | 29.65 | ≤5 | 1,250 | N/A | N/A |
| 2009 | 33.70 | 32.96 | 45.07 | 27.37 | 27.33 | ≤5 | 1,250 | N/A | N/A |
| 2008 | -49.37 | -49.73 | -47.67 | 24.9 | 23.19 | ≤5 | 895 | N/A | N/A |
| 2007 | 6.43 | 5.82 | 7.32 | 13.76 | 11.83 | ≤5 | 1,824 | N/A | N/A |

Notes:

- a) If applicable, partial reporting periods are a result of the inception or termination of the composite as further described below. Partial period returns of less than a year are not annualized.
b) Due to differences in sources for benchmark performance, there may be slight variances between benchmark returns noted above and those from other published sources.
c) 3-year annualized ex-post standard deviation; Effective October 1, 2014, the calculation methodology changed from a sample calculation to a population calculation.
d) Asset-weighted standard deviation; calculated for gross returns for composites with more than five portfolios active over the full year.

See Accompanying Notes below

1. Basis of Presentation

QS Investors, LLC, is a registered investment adviser with the Securities and Exchange Commission, providing investment and advisory services to a diverse array of institutional and sub-advisory clients worldwide. Registration as an investment adviser does not imply any level of skill or training. The Firm is headquartered in New York City with an additional office in Boston, Massachusetts. The Firm provides discretionary and non-discretionary advice and investment management to domestic and international clients based on their investment objectives, guidelines, and risk tolerance, each of which may be customized to address specific client needs. QS Investors, LLC launched in August 2010 and became a wholly-owned, independently managed affiliate of Legg Mason, Inc. on May 31, 2014. As part of this transaction, two of Legg Mason's existing affiliates – Batterymarch Financial Management, Inc. and Legg Mason Global Asset Allocation, LLC – became subject to common management and investment oversight under QS Investors, LLC with the intention of integrating the firms over time to create a combined quantitative investment platform. Effective June 30, 2014, Batterymarch Financial Management, Inc.'s and Legg Mason Global Asset Allocation, LLC's names were changed to QS Batterymarch Financial Management, Inc. ("QS Batterymarch") and QS Legg Mason Global Asset Allocation, LLC ("QS LMGAA"), respectively, to reflect this integration. Effective April 1, 2016, all of the duties, responsibilities and obligations set forth in QS Batterymarch's and QS LMGAA's client investment advisory, sub-advisory and management agreements were assumed by QS Investors, LLC.

Effective October 1, 2014, the firm was redefined for GIPS purposes to include all three firms as one combined entity. Historical assets under management for QS Batterymarch and QS LMGAA are not included under Firm Assets in the table above for periods before 2014 since these firms were not part of the GIPS defined firm until October 1, 2014. Prior to October 1, 2014, performance results for this composite were attained at QS Batterymarch (which was not part of the GIPS defined firm during such period).

QS Investors claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. QS Investors has been independently verified for the periods August 1, 2010 through December 31, 2016. QS Batterymarch has been independently verified for the periods January 1, 1993 through September 30, 2014.

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. The International Small Capitalization Equity Composite has been examined for the periods of May 1, 2002 through September 30, 2006. The verification and performance examination reports are available upon request.

The benchmark returns are not covered by the report of independent verifiers.

This presentation of investment performance sets forth the time-weighted gross and net rates of return for the International Small Capitalization Equity Composite (the "Composite") for the period shown. Past performance is no guarantee of future results and may differ in future time periods. As of April 1, 2016, the composite's name was changed from QS Batterymarch - International Small Capitalization Equity Composite to International Small Capitalization Equity Composite to remove the legal entity name.

International Small Capitalization Equity Composite

Schedule of Investment Performance for the Period: December 31, 2016

Benchmark: S&P Developed Ex-US Small Cap Index

2. Composite Description

The Composite uses a bottom-up, core investment strategy. It includes all discretionary, fee-paying International Small Cap Equity accounts managed against the S&P Developed Ex-US Small Cap Index (S&P Developed Ex-US Small Cap) or a similar client-directed benchmark, and whose investment strategy and guidelines do not differ materially from the standard guidelines that have been established for its International Small Cap Equity accounts. The portfolios in this composite have had a maximum exposure of 10% in equity securities of emerging markets countries since inception. Currency hedging has been used selectively on certain of the composite's portfolios since inception; with client approval, the Firm may hedge a portfolio's exposure to certain currencies into US dollars. Currency exposure will never exceed a portfolio's underlying security exposure and typically will not exceed 25% of the total value of the portfolio.

Eligible new portfolios are added to the Composite at the start of the first performance measurement period following the date that the portfolio is fully invested as defined by the Composite strategy. Securities listed on any national exchange are valued at their last trade price. Securities that are not listed are valued at the most recent publicly quoted bid price. Securities transactions are recorded on a trade date basis. If applicable, dividend income is recorded as of the ex-dividend date. Returns reflect the reinvestment of dividends and other earnings. The composite inception date is May 1, 2002, with a creation date of June 1, 2002.

3. Calculation of Rates of Return

Composite returns are expressed in US dollars. For each portfolio within the Composite, the total rate of return for the time period is equal to the change in the market value of the portfolio, including capital appreciation, depreciation and income, as a percentage of the beginning market value of the portfolio, adjusted for the net of all contributions and withdrawals (the "cash flows"). Rates of return are calculated on a daily "time-weighted" basis and are net of withholding taxes, where applicable, for all portfolios which comprise the Composite. Daily time-weighted rates of return minimize the effect of cash flows on the investment performance of the portfolio. There are no known material differences between the Firm's source of foreign exchange rates and that of the benchmark.

Monthly Composite rates of return are computed by taking an asset weighted average of each portfolio's monthly rate of return within the Composite, utilizing their respective beginning market values for the period. Annual Composite rates of return are derived by geometrically linking monthly Composite rates of return. Gross returns are presented net of transaction and commission costs and gross of investment management fees. Effective October 1, 2014, net of fee performance is calculated on a monthly basis. Prior to October 1, 2014, net of fee performance is calculated on a quarterly basis. Effective October 1, 2006, fees deducted are the actual management fees charged for each separately managed account and the highest management fees payable to the Firm and its affiliates by any share class for each pooled vehicle. Prior to October 1, 2006, fees deducted were the actual management fees charged for all accounts in the Composite. Effective February 1, 2016, net of fee returns are applied at the composite level based on the highest tier of the standard fee schedule for an International Small Cap Equity mandate. From February 1, 2016 through June 30, 2016, the highest tier of the standard fee schedule was 1.00% in which the net of fee calculation was based. Effective July 1, 2016, the standard management fee schedule for International Small Cap Equity per annum is as follows: 0.85% on the first \$25 million; 0.70% on the next \$75 million; 0.60% on the balance. Advisory fees are described in QS Investors, LLC's Form ADV, Part 2A brochure. Actual management fees may vary depending upon, among other things, the account type, the applicable management fee schedule and the portfolio size.

The standard deviation of comparable performance over time is a measure of dispersion. This calculation measures the fluctuation of the rates of return of portfolios with the Composite in relation to the average return. Dispersion is not shown for composites with 5 or less portfolios for a full year as it is not meaningful.

4. Composite Benchmark

Composite returns are benchmarked to the S&P Developed Ex-US Small Cap (Total Return) (rebranded effective October 1, 2008 from the S&P/Citigroup Extended Market Index World Ex-US). The benchmark, a subset of the S&P Global BMI which is a broad market index measuring global stock market performance, represents approximately 25 developed markets globally (excluding the US) and consists of the bottom 15% of float-adjusted market capitalization stocks. The Firm's portfolios are subject to withholdings taxes on dividend, interest income, and capital gains that vary according to their country of domicile and therefore will differ from the benchmark. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the investments reported on the schedule of investment performance. Investments made by the Firm for the portfolios it manages according to the Composite strategy may differ from those of the benchmark. Accordingly, investment results will differ from those of the benchmark.

The Firm's portfolios are actively managed, while the index is unmanaged and may contain securities different from those included in the Firm's portfolios. S&P Dow Jones Indices, LLC is the source and owner of the S&P Global index data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is the Firm's presentation of the data. S&P Dow Jones Indices, LLC is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof. The index provider is the source and owner of the index data contained or reflected in this material and all trademarks and copyrights related thereto.

6. Additional Information and Information Available upon Request

In addition to the Composite, the Firm provides investment management services utilizing different strategies. The following information is available upon request: policies for valuing portfolios, calculating performance, and preparing compliant presentations; a complete list and description of the Firm's composites; QS Investors, LLC's Form ADV, Part 2A brochure; a list of other Legg Mason affiliates.

Important Information

This material was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. It is intended for informational purposes only and it is not intended that it be relied on to make any investment decision. It does not constitute investment advice or a recommendation or an offer or solicitation and is not the basis for any contract to purchase or sell any security or other instrument, or for QS Investors to enter into or arrange any type of transaction as a consequence of any information contained herein. QS Investors does not give any warranty as to the accuracy, reliability or completeness of information which is contained in this document. Except insofar as liability under any statute cannot be excluded, no member of QS Investors, or any officer, employee or associate accepts any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage whether direct, indirect, consequential or otherwise suffered by the recipient of this document or any other person.

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As stated in the tables herein, the performance is shown gross of fees. Investment management fees have not been deducted. In the event that such investment management fees and other fees were deducted, the performance of an account would be lower. For example, if an account appreciated by 10% a year for five years, the total annualized return for five years prior to deducting fees at the end of the five-year period would be 10%. If total account fees were 0.10% for each of the five years, the total annualized return of the account for five years at the end of the five-year period would be 9.89%. Fees are described in Part 2A of QS Investors' Form ADV. Please note an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses, or sales charges.

Past performance or any prediction or forecast is not indicative of future results. No representation or warranty is made as to the efficacy of any particular strategy or the actual returns that may be achieved. The value of shares/units and their derived income may fall as well as rise. An investment is not a deposit and is not insured by the Federal Deposit Insurance Corporation or any other government agency or by QS Investors or any of its affiliates, and is subject to risks, including possible loss of principal amount invested.

Any forecasts provided herein are based upon our opinion of the market as of this date and are subject to change, dependent on future changes in the market. In preparing this presentation, we have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources. We consider the information in this update to be accurate, but we do not represent that it is complete or should be relied upon as the sole source of composite performance or suitability for investment.

Our investment strategies utilize proprietary research and quantitative tools to analyze securities and help us make investment decisions. While we maintain controls reasonably designed to protect the integrity and efficacy of the quantitative models and data used to formulate investment decisions, we can make no guarantee that the models and data will remain accurate and/or produce the desired or intended results over time.

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