

Emerging Markets Equity Investments (TEMUX)

Portfolio's Investment Objective

Emerging Markets Equity Investments (the "Portfolio") seeks to achieve long-term capital appreciation through investing at least 80% of its net assets in equity securities located in emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index or having per capita income in the low to middle ranges, as determined by the World Bank.

Sub-Adviser Target Allocation

33% Lazard Asset Management LLC ("Lazard") - Value

34% Vontobel Asset Management Inc ("Vontobel")

33% Lazard Asset Management LLC ("Lazard") - Growth

The allocations shown are target allocations and may not reflect the Portfolio's current allocations.

Firm Profile and Advisor's Investment Process

Lazard Asset Management LLC - Value

Location: New York, NY

Year Registered: 1970

Investment Process

- **Analytical Framework**-Lazard's analysts screen global databases consisting of thousands of companies, searching for those with a high return on capital and an attractive share price.
- **Accounting Validation**-Analysts use this process to examine a company's stated financial statistics (income statement, cash flow statement, balance sheet, and all related footnotes) to consider how accounting decisions and policies may affect reported financial productivity. They also try to identify and take advantage of pricing anomalies and discover opportunities, including hidden value per share and hidden risks.
- **Fundamental Analysis**-Lazard conducts fundamental analysis to determine the sustainability of returns, to discover hidden value, and to identify a catalyst for price revaluation.

Lazard Asset Management LLC ("Lazard") manages a relative value strategy ("Value Strategy") and a relative growth strategy ("Growth Strategy") and invests primarily in equity securities, principally common stocks, of non-U.S. companies whose principal activities are located in emerging or developing market countries. In the Value Strategy, assets are invested in companies that are believed to be undervalued based on their earnings, cash flow or asset values. Lazard's approach consists of an analytical framework, accounting validation, fundamental analysis and portfolio construction parameters and its selection process focuses on growth and considers the sustainability of growth and the trade off between valuation and growth. The percentage of the Fund's assets allocated to Lazard is 33% to the Value Strategy and 33% to the Growth Strategy.

Vontobel Asset Management Inc.

Location: New York, NY

Year Registered: 1984

Investment Process

- **Quantitative and Qualitative Screening**-Vontobel's quantitative screen that eliminates companies that exhibit any one of the following characteristics: high leverage, deep cyclicity, high capital intensity and low ROE. Their qualitative analysis analyzes both past business economics and potential future opportunities. The fund manager and his team put great emphasis on understanding underlying business features as well as the relevant accounting issues.
- **Price/Valuation**-To be admitted to the portfolio, the market price of each company should have a significant discount to future earnings, cash flow and/or net asset value.
- **Portfolio Construction**-Vontobel seeks to add alpha through bottom-up stock selection. Guidelines ensure stock selection drives performance while providing adequate diversification. Generally, no single holding accounts for more than 5% of the portfolio at cost. Portfolios typically hold 50-90 issues. Cash is a residual of the investment process, typically less than 5% of the assets.

Vontobel Asset Management, Inc. ("Vontobel") utilizes a fundamental, bottom-up stock and business analysis research approach that combines elements of growth-oriented investing with a strict valuation discipline over the long term. Vontobel makes its assessments by examining companies one at a time, regardless of size, country of organization, place of principal business activity, or other similar selection criteria. Vontobel seeks to identify

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and invest in emerging markets securities that, in the view of the manager, are reasonably-valued, highquality, well managed profitable companies with consistent operating histories and financial performance and that have generally favorable long-term economic prospects. The percentage of the Fund's assets allocated to Vontobel is 34%.

Lazard Asset Management LLC - Growth

Location: New York, NY

Year Registered: 1970

Investment Process

- **Analytical Framework**-The strategy is managed using a relative growth investment philosophy, which is based on value creation through the process of bottom-up stock selection. This philosophy is implemented by assessing the trade-off between forward earnings growth rates and valuations for an individual security. Their analysts conduct research to identify the appropriate measures for growth in each industry, focusing on those measures that have historically outperformed in the past.
- **Accounting Validation**-Lazard's analysts seek to determine whether a level of comfort can be gained in a company's stated financial productivity, to identify and take advantage of pricing anomalies, and to discover opportunities, including hidden value per share and hidden risks.
- **Fundamental Analysis**-Fundamental analysis is a key component in the equity investment process, and is conducted to assess many issues, including the growth sustainability of revenues and earnings, and to identify a catalyst for price revaluation..

Lazard Asset Management LLC ("Lazard") manages a relative growth strategy ("Growth Strategy") and a relative value strategy ("Value Strategy") and invests primarily in equity securities, principally common stocks, of non-U.S. companies whose principal activities are located in emerging or developing market countries. In the Growth Strategy, Lazard employs a relative growth investment philosophy that is based on value creation through a process of bottom-up stock selection. Lazard's approach consists of an analytical framework, accounting validation, fundamental analysis and portfolio construction parameters and its selection process focuses on growth and considers the sustainability of growth and the trade off between valuation and growth. The percentage of the Fund's assets allocated to Lazard is 33% to the Value Strategy and 33% to the Growth Strategy.

Investment Risks

Your investment in the Portfolio is subject to the risks associated with investing in equity securities generally. The market value for emerging market equity securities historically has been very volatile and an investment in the Portfolio involves a substantial degree of risk. There is less information about emerging market issuers or markets because of less rigorous disclosure or accounting standards or regulatory practices. Most emerging markets are smaller, less liquid and more volatile than developed markets, and are subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions. In a changing market, the sub-advisers may not be able to sell portfolio securities in amounts and at prices they consider reasonable. Another risk is that the economies of emerging market countries may grow at slower rates than expected or suffer a downturn or recession.

Investors should consider the Portfolio's investment objectives, risk, charges and expenses carefully before investing. The prospectus contains this and other information about the Portfolio. To obtain a free prospectus, please call your Financial Advisor. Please read the prospectus carefully before investing.

Each of the Portfolios is available only to investors participating in an advisory program. These programs charge an annual fee, which in the case of TRAK may be up to 2.5%.

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