



Separately Managed Account

# O'Shaughnessy REIT Portfolios

4Q 2024

Separately Managed Accounts (SMAs) are investment services provided by O'Shaughnessy Asset Management, LLC (OSAM), a federally registered investment adviser. Client portfolios are managed based on investment instructions or advice provided by OSAM. Management is implemented by OSAM, or, in the case of certain programs, the program sponsor or its designee.

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon request. For additional information, documents and/or materials, please speak to your Financial Professional or contact your sponsor firm.

# Gateway to investment specialists



**\$1.6 Trillion**

Assets under management<sup>1</sup>

**75+**

Years of active management experience

**150+**

Countries with investors

**1,600+**

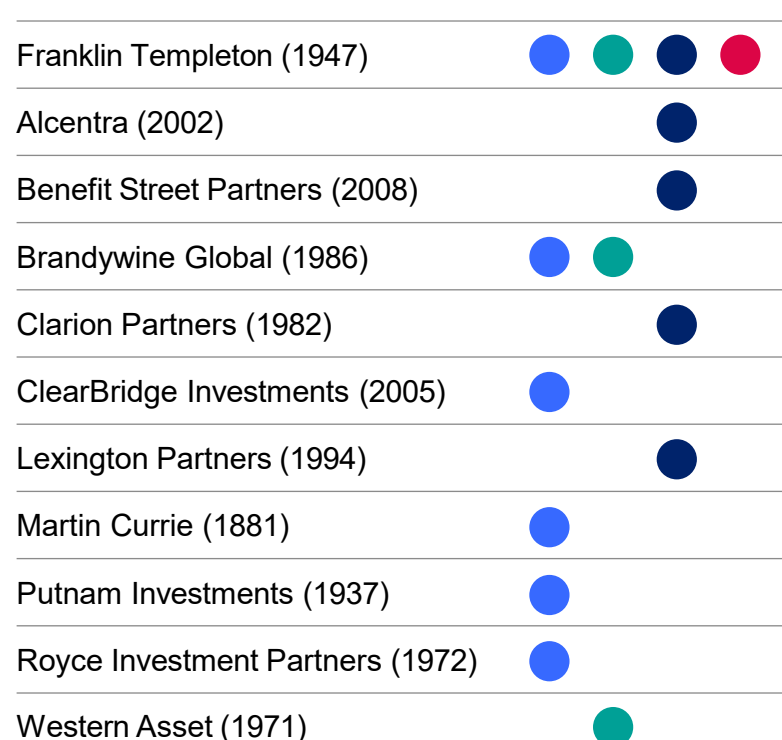
Investment professionals

## Our Investment Capabilities (USD Billion)



**Complemented by innovations in** Sustainable and Impact investing, ETFs, Custom Indexing, Frontier Risk Alternatives, and others

## Our Investment Managers Asset Classes



1. AUM is in USD as of 31 December 2024. Total AUM of \$1.6 Trillion includes \$63.4 Billion in cash management that is not represented here.

# O'Shaughnessy Asset Management (OSAM)

Leading research and quantitative asset management firm since 1996.



## Expertise in factor-based research and SMA management

- Implement disciplined strategies adhering to the fundamentals of OSAM research.
- History of building technology to improve research, portfolio management, and trading capabilities.



## Leadership and employee longevity

- Average Principal tenure of 18 years.
- Invested alongside clients.



## Developers of Canvas Custom Indexing

- Launched Canvas platform in 2019 specializing in tax management and custom SMAs.
- \$10.5 billion in Canvas AUM.

\$14.1 billion in assets\*

Wholly-owned subsidiary of Franklin Templeton

Headquartered in Stamford, CT

## Core Cultural tenets



**Learn**



**Build**



**Share**



**Repeat**

Data as of 12/31/2024.

\*The AUM and AUA combined total represents \$13.5 billion of O'Shaughnessy Asset Management's assets under management and \$0.6 billion of assets under advisement as of 12/31/24. The information regarding AUA is supplemental, OSAM does not have control over the assets under advisement, implementation of the models, or execution of the trades.

# O'Shaughnessy Asset Management

## Our core investment tenets



Seek to maximize total, risk adjusted, and consistency of returns.



A stock's fundamental characteristics (or factors) are its drivers of return over time.

- Avoid those with poor factor profiles.
- Concentrate into those with the most attractive factor profiles.
- Mitigate idiosyncratic and governance risks using ESG factors.



Portfolio construction is key to amplifying good stock selection.

- Weightings should be designed to deliver a strong edge in the most effective factors.
- The sell discipline should be rigorously followed to consistently safeguard this edge.
- Risk management helps avoid negative events while still maintaining a factor edge.

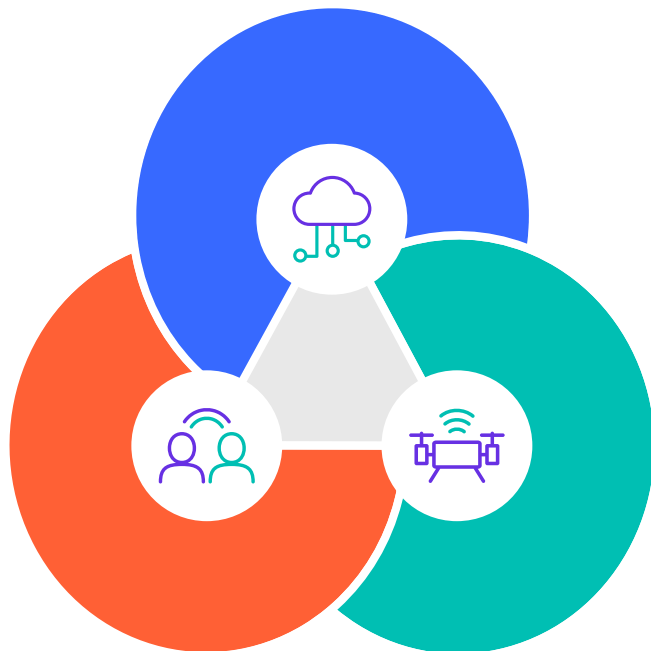


Minimize real-world costs through skilled trading and integrated tax management.



Maintain unyielding discipline.

# Research platform: Best of breed data, proprietary technology, & expert people



## Data

**Research on hundreds of factors covering 85,000 stocks over time:**

- 60+ years in the United States
- 25+ years in Developed International
- 20+ years in Emerging Markets

## Technology

**Proprietary technology developed to spec for our Portfolio Managers:**

- Factor research
- Portfolio construction
- Trading
- Cost and tax management

**Programming capabilities across 50%+ of firm's headcount**

## People

**Research and Portfolio Management Team of 21**

- Five CFA Charterholders and two post graduate degree holders
- Authors of five books on investing and more than 70 investing white papers
- O'Shaughnessy Research Partners - 8 formal relationships to date, with curious and expert independent researchers from varied industry backgrounds

**Ongoing innovation while keeping to our core philosophy**

# Multi-factor theme building blocks

**We screen out stocks that score poorly based on these characteristics...**

## Value

- Stocks trading at large discounts to current sales, earnings, EBITDA, and Free Cash Flow

## Momentum

- Stocks with impressive and stable recent total returns

## Financial Strength

- Stocks that use debt responsibly and aren't overly reliant on outside financing

## Earnings Quality

- Stocks with strong cash flows and conservative accounting

## Earnings Growth

- Stocks whose profitability is high and trending up

**...and concentrate into those that are attractive based on these**

**Value, Momentum, and/or Shareholder Yield\***

\* Stocks returning high amounts of cash to shareholders through dividends and buybacks.

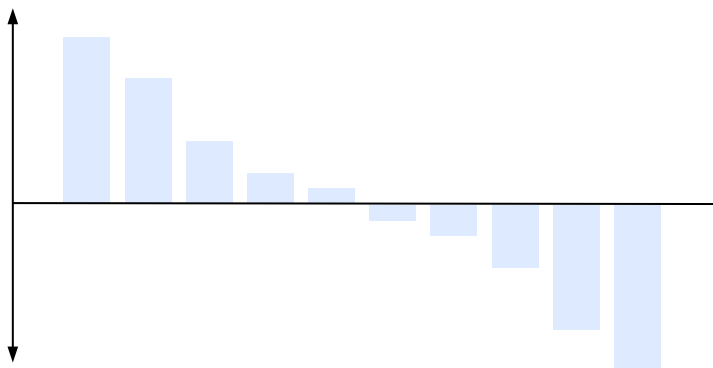
# Not all factors work the same

Decile spreads on the same universe over the same time period can be used as a benchmark for effectiveness.

Some factors are great at selecting stocks with strong outperformance.

## Selection Factors

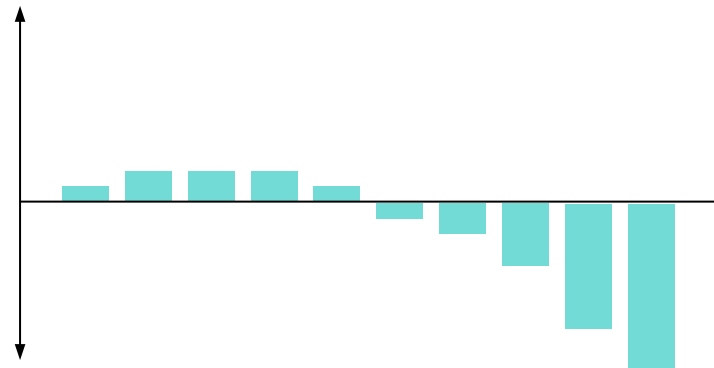
Value, Momentum, Shareholder Yield



Other factors are used better for screening out poor performers.

## Screening Factors

Quality, Financial Strength, Earnings Growth



# Building your portfolio of stocks with strong overall factor profiles

## STEP 1

### Establish Selection Universe

The investable universe includes all public real estate investment trusts (REITs) traded on the NYSE, AMEX, and NASDAQ, excluding mortgage REITs, real estate operating companies, and stocks not meeting liquidity criteria. From this universe, OSAM screens for stocks with a market capitalization greater than \$200 million. This results in a selection universe of approximately 170 real estate stocks.

## STEP 2

### Eliminate Poor Quality

The selection universe is refined by excluding stocks scoring in the lowest decile of OSAM's Earnings Quality, Financial Strength, and Earnings Growth themes.

## STEP 3

### Stock Selection

After refining the selection universe to eliminate poor Quality, stocks are selected that score within the highest decile of OSAM's Value and Momentum themes and satisfy risk-exposure constraints.

## STEP 4

### Position Sizing

Position sizing is determined by four factors: (1) the number of rebalances a security has qualified for purchase over the past year, (2) the recency of the qualification, (3) the stock's overall factor profile, and (4) industry risk constraints.

This process is refreshed monthly.

The investment process may change over time. The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios. There is no guarantee that investment objectives will be achieved.

# O'Shaughnessy REIT

## Overview

REIT seeks to provide long-term appreciation by creating a portfolio of undervalued, Real Estate Investment Trusts (REITs) with solid growth metrics. The manager first identifies real estate companies with market capitalizations above \$200 million and then screens for high Quality, removing the lowest scoring based on OSAM's multi-factor Earnings Growth, Earnings Quality, and Financial Strength themes. From the universe of quality securities, stocks are selected based on a combination of Value and Momentum.

## Key differentiators

- A unique factor-based approach to REIT investing that offers a portfolio of undervalued REITs exhibiting strong Momentum and growth metrics.
- Exposure to unique factor "themes" (i.e., Value, Momentum, Quality) that combine multiple underlying characteristics for a more holistic factor profile.

## Objectives

Long-term capital appreciation.

## Portfolio positioning

- Portfolio of undervalued REITs exhibiting strong growth metrics, which can be complemented with other active or passive strategies in the REIT segment.
- Designed for investors seeking a factor-based approach to public real estate investing that targets undervalued REITs exhibiting strong growth metrics. The strategy also uses quality factors to screen out low-scoring REITs in a riskier segment of the market.

## Philosophy

O'Shaughnessy believes in applying empirical, fundamental research to uncover strong quantitative equity strategies. OSAM has conducted research covering more than 50 years of market data to identify the characteristics that historically lead to strong stock selection. This research forms the basis of each strategy. The investment process is generally transparent and used to select stocks in a logical, unemotional way, appealing to common sense. OSAM does not allow short-term market events to distract from strategy discipline.

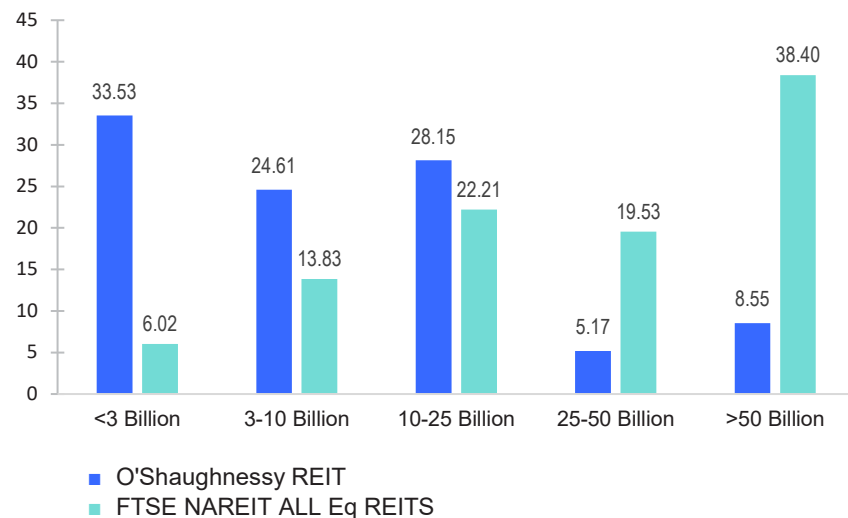
## What are the risks?

**All investments involve risks, including possible loss of principal.** Small and mid cap stocks involve greater risks and volatility than large cap stocks. **Real estate investment trusts** (REITs) are closely linked to the performance of the real estate markets. REITs are subject to illiquidity, credit and interest rate risks, and risks associated with small and mid cap investments.

# Equity portfolio characteristics

## As of 12/31/2024

### Market capitalization breakdown in USD (%)



### Portfolio characteristics

	O'Shaughnessy REIT	FTSE NAREIT ALL Eq REITS
Return on Invested Capital (ROIC)	12.06%	10.66%
Number of Issuers	44	140
Price to Earnings (12-Month Trailing)	26.18x	35.65x
Dividend Yield	4.81%	3.95%
Median Market Cap (Millions USD)	\$3,298	\$3,091
Weighted Average Market Capitalization (Millions USD)	\$11,998	\$41,284
Active Share	77.46%	-
GAAP FFO vs Reported FFO	-1.42	-1.31
External Financing	-5.10%	-1.33%
Price/Funds From Operations	11.35	16.91
Trailing 9 Mth Return	19.39%	12.54%
Portfolio Turnover	71.54%	-
Enterprise Value/EBITDA	7.42x	5.36x

Source: FactSet. Portfolio characteristics and holdings are based on a group of representative accounts and assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the representative accounts as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. Please see Endnotes for additional information. **Please see appendix for term definitions.**

# Equity portfolio characteristics

## As of 12/31/2024

Sector weightings (%)	O'Shaughnessy REIT	FTSE NAREIT ALL Eq REITS
Retail	24.37	15.70
Residential	21.34	14.39
Office	11.92	3.72
Lodging/Resorts	11.53	2.60
Health Care	8.90	15.21
Specialty	7.28	3.66
Diversified	6.53	1.65
Self-Storage	5.43	6.79
Industrial	2.70	11.01
Data Centers	0.00	11.19
Infrastructure REITs	0.00	11.08
Timber REITs	0.00	2.07
Other	0.00	0.94

Top holdings (%)	O'Shaughnessy REIT
SIMON PROPERTY GROUP INC	7.95
ESSEX PROPERTY TRUST	7.30
CAMDEN PROPERTY TRUST	5.11
NATIONAL STORAGE AFFILIATES	4.90
HOST HOTELS & RESORTS INC	4.53
COUSINS PROPERTIES INC	4.31
SITE CENTERS CORP	4.24
EQUITY RESIDENTIAL	3.72
NATIONAL HEALTH INVESTORS	3.64
EPR PROPERTIES	3.46
<b>Total</b>	<b>49.15</b>

Source: FactSet. Portfolio characteristics and holdings are based on a group of representative accounts and assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the representative accounts as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. Please see Endnotes for additional information. **Please see appendix for term definitions.**

# Performance

## Annualized rates of return – gross and net of fees (%) as of December 31, 2024

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Yrs	10 Year	Since Incept
O'Shaughnessy REIT–Gross of Fees—(USD)	-7.56	-6.39	10.20	10.20	-0.19	3.52	4.27	5.09	8.68
O'Shaughnessy REIT–Net of Fees—(USD)	-7.61	-6.56	9.44	9.44	-0.89	2.80	3.55	4.37	7.97
FTSE NAREIT ALL Eq REITS—(USD)	-8.00	-8.15	4.92	4.92	-4.29	3.29	5.41	5.79	8.14

## Calendar-year total returns – gross and net of fees (%) ending December 31

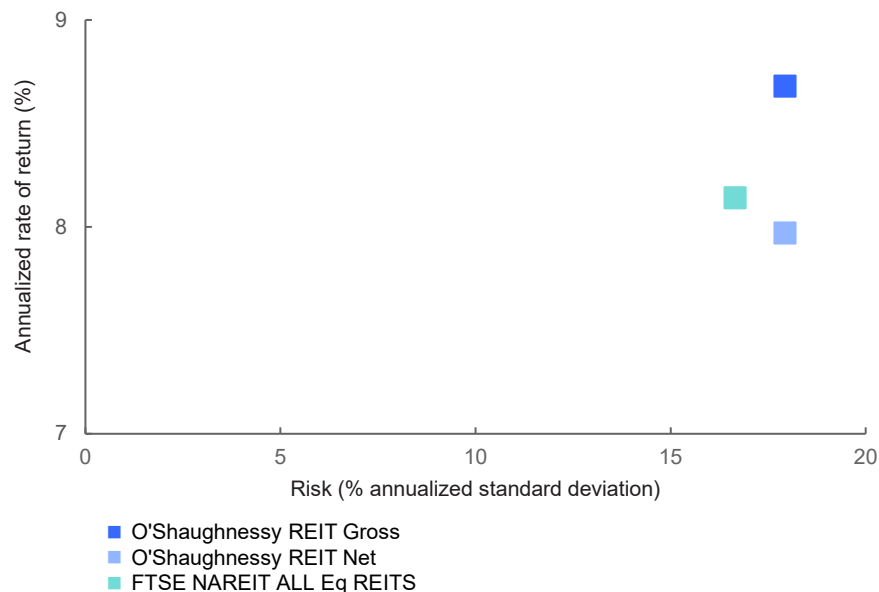
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
O'Shaughnessy REIT–Gross of Fees—(USD)	10.20	15.47	-21.86	39.05	-14.01	23.82	-8.94	4.52	20.19	-2.40
O'Shaughnessy REIT–Net of Fees—(USD)	9.44	14.67	-22.41	38.10	-14.62	22.97	-9.58	3.79	19.37	-2.98
FTSE NAREIT ALL Eq REITS—(USD)	4.92	11.36	-24.95	41.29	-5.12	28.66	-4.39	8.67	8.63	2.83

Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns are reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

**For fee schedules, contact your financial professional. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs. Past performance is not a guarantee of future results. Please see appendix for GIPS® Report and term definitions.**

# Risk/return profile

**Gross and net of fees** (based on since inception period ending December 31, 2024)



**Modern portfolio statistics** as of December 31, 2024

	O'Shaughnessy REIT Gross	O'Shaughnessy REIT Net	FTSE NAREIT ALL Eq REITS
Annualized Return (%)	8.68	7.97	8.14
Annualized Standard Deviation (%)	17.93	17.93	16.65
Sharpe Ratio	0.41	0.37	0.40
Tracking Error (%)	6.45	6.45	N/A
Information Ratio	0.08	-0.03	N/A

Alpha, Beta, Sharpe Ratio, and R-Squared are shown versus the Index. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

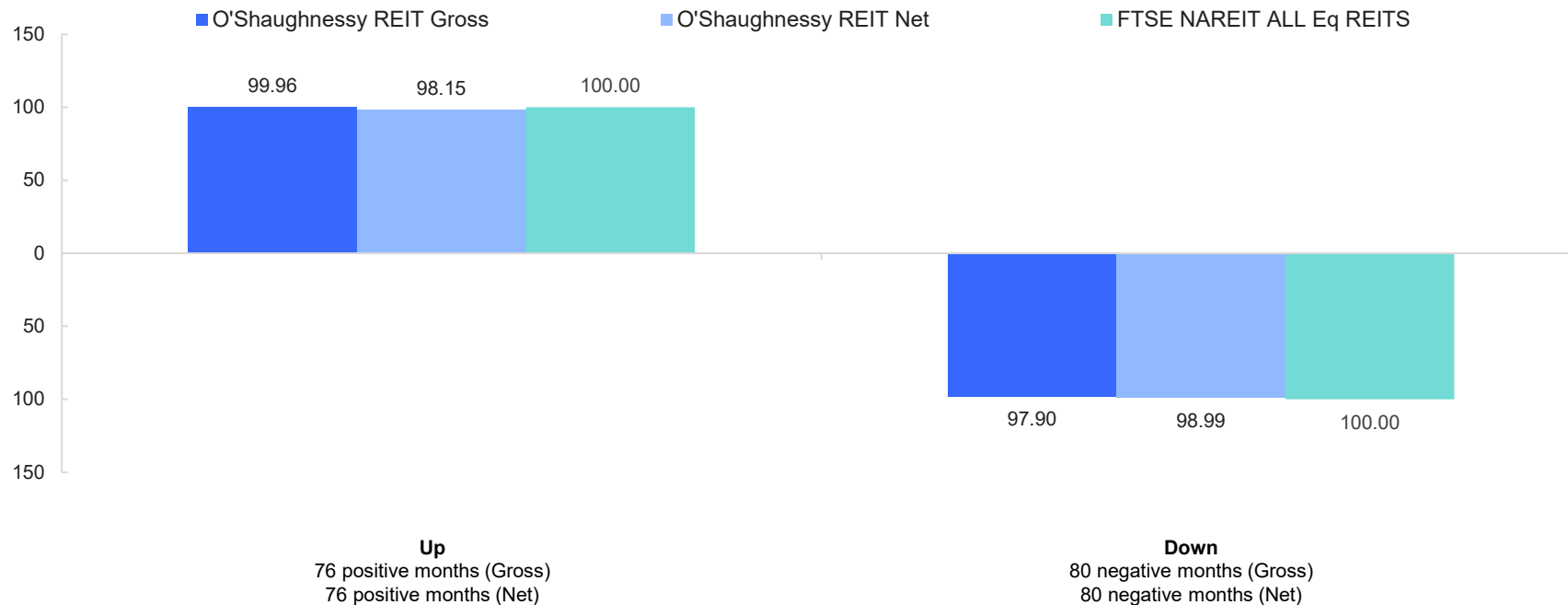
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# Up down market capture ratios (%)

**Gross and net of fees** (based on since inception period ending December 31, 2024)

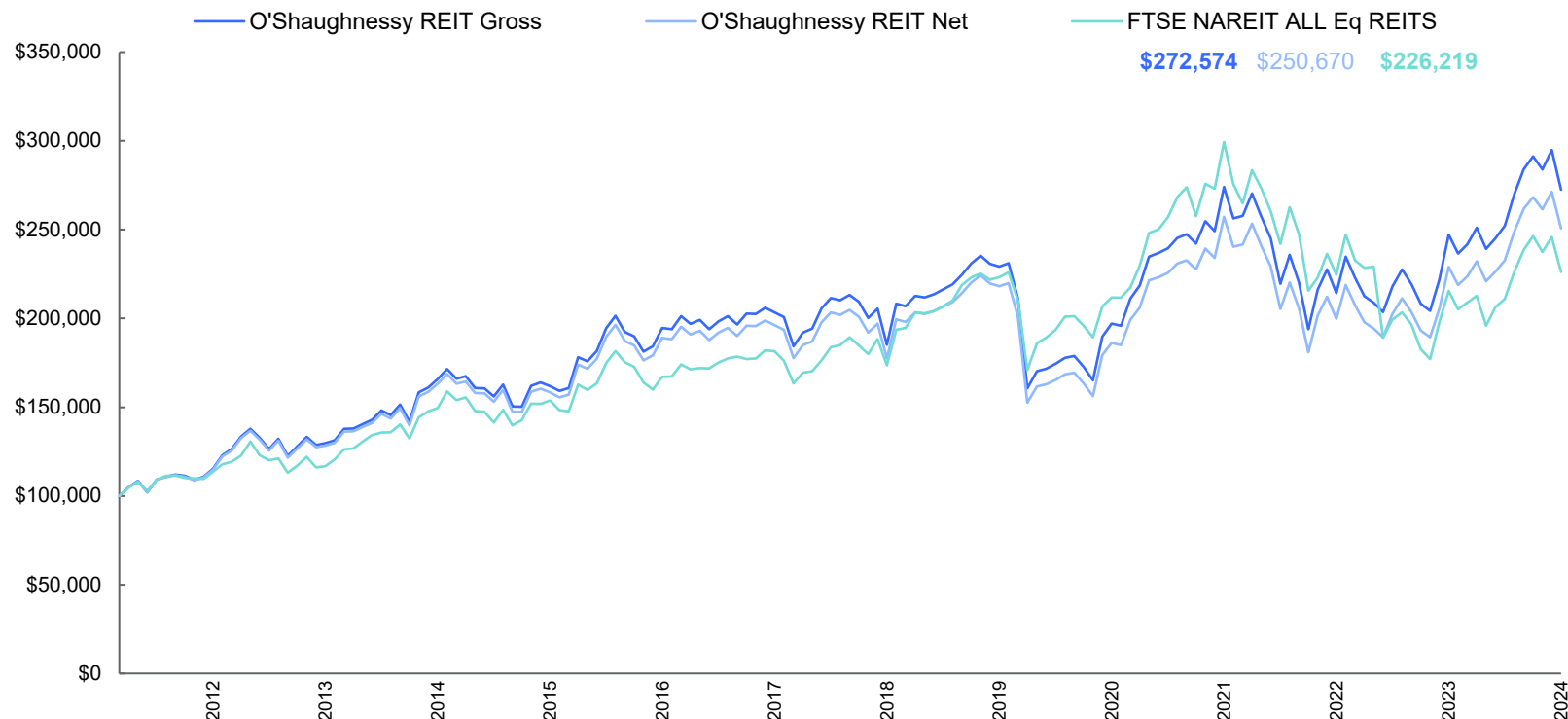


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# Growth of \$100,000

## Gross and net of fees (based on since inception period ended December 31, 2024)



For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on gross and net-of-fees monthly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns are reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

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# Investment management team

## O'Shaughnessy Asset Management (OSAM) team-managed approach

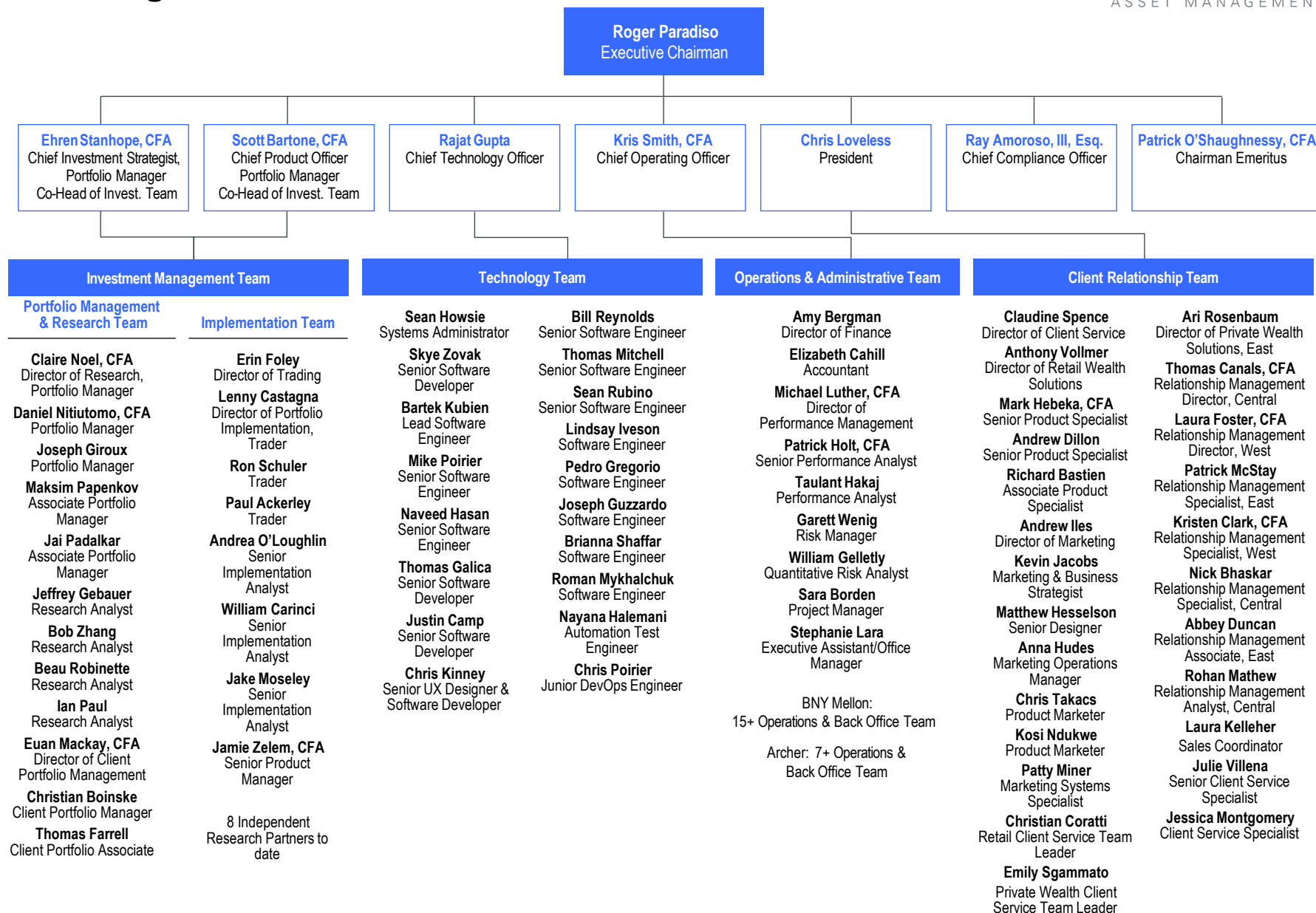
- OSAM's investment team operates in a generalist structure where portfolio managers do research on and manage all strategies.
- Members of the team have access to leading data sources for idea generation, a proprietary research platform for testing ideas, and a seasoned team of technologists to aid in efficient implementation of research.

# Combining multiple factors for a better investment signal



Past performance is no guarantee of future results. Please see the GIPS® Report at the end of this presentation.

# OSAM organizational structure



# GIPS Report

O'Shaughnessy U.S. REIT SMA Composite Inception Date: 1/1/2012. Composite Creation Date: 1/10/2012. Primary Index: FTSE NAREIT All Equity REITS

Time Period	Composite Gross Return TWR (%)	Composite Net Return TWR (%)	Primary Index Return (%)	Number of Portfolios	Internal Equal Weighted Dispersion	Composite Assets (\$ mil)	3-Yr Ex Post Std Dev Composite Gross	3-Yr Ex Post Std Dev Primary Index	Total Firm Assets (\$ mil)	Wrap Accounts as a % of Composite Accounts
2024	10.20	9.44	4.92	≤5	N/A	0.1	21.25	21.16	13,490.8	0.00
2023	15.47	14.67	11.36	≤5	N/A	0.4	21.38	21.06	8,858.3	0.00
2022	-21.86	-22.41	-24.95	≤5	N/A	0.3	25.08	22.19	7,482.5	0.00
2021	39.05	38.10	41.29	≤5	N/A	0.1	21.32	18.32	6,885.8	0.00
2020	-14.01	-14.62	-5.12	≤5	N/A	0.2	21.69	18.18	4,824.2	0.00
2019	23.82	22.97	28.66	≤5	N/A	0.2	12.85	11.53	5,694.1	0.00
2018	-8.94	-9.58	-4.39	≤5	N/A	0.2	13.86	12.79	5,150.6	0.00
2017	4.52	3.79	8.67	≤5	N/A	0.2	12.84	12.51	5,678.7	0.00
2016	20.19	19.37	8.63	≤5	N/A	0.5	14.76	14.02	5,331.5	0.00
2015	-2.40	-2.98	2.83	≤5	N/A	0.4	14.70	13.54	5,354.8	0.00
2014	27.86	27.17	28.03	≤5	N/A	0.4	14.19	12.47	6,952.2	0.00
2013	12.39	11.78	2.86	≤5	N/A	0.3	N/A	N/A	6,491.6	0.00
2012	24.96	24.28	19.70	≤5	N/A	0.3	N/A	N/A	4,814.7	0.00

## Basis of Presentation:

O'Shaughnessy Asset Management, LLC ("OSAM"), founded in 2007, is a Stamford, CT based quantitative money management firm and an SEC Registered Investment Advisor. OSAM became a wholly owned subsidiary of Franklin Templeton on December 31, 2021. We deliver a broad range of equity strategies, from micro cap to large cap, and growth to value. Our clients are individual investors, institutional investors, and the high-net-worth clients of financial advisors. James O'Shaughnessy and his team left Bear Stearns to form OSAM in July 2007. All the GIPS® rules of portability were met. Jim maintained continuous management of all accounts during the transition from BSAM to OSAM, which was completed in March 2008. The performance of a past firm or affiliation is being attributed to the performance of the current firm for all the periods starting 1996. Jim left OSAM on December 31, 2022. OSAM maintains consistent implementation of its quantitative investment process.

OSAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. OSAM has been independently verified for the periods of 2007-2023. The current calendar year has not yet been independently verified. BSAM was independently verified in compliance with GIPS 2005-2006 and AIMR-PPS for the periods of 2002 - 2004. Independent verification was not conducted prior to 2002. The verification reports are available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

A list of OSAM's composite and pooled fund descriptions is available upon request.

The O'Shaughnessy U.S. REIT strategy generally seeks to provide long-term appreciation through exposure to domestic real estate equities across market capitalizations that the manager believes have better quality, momentum, and valuation.

The Composite was created in January 2012 and represents the performance of our fee paying, non-wrap separately managed accounts invested in the REIT strategy, regardless of asset size. The net of fee return data shown in this presentation represents the reduction of the actual OSAM investment management fee charged.

Institutional separate accounts are charged an annual investment advisory fee of 0.70% on the first \$50 million, 0.65% on the next \$50 million, and 0.60% on assets over \$100 million.

Non-wrap fee account returns are net of the OSAM advisory fee.

Internal dispersion is calculated using the equal weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Total Firm Assets are presented from December 31, 2007 forward, consistent with the inception of our firm, and N/A is shown for prior periods. All investments are in U.S. equities and all returns are stated in U.S. Dollars. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.

The FTSE NAREIT All Equity REITs index is a free float adjusted market capitalization weighted index that contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

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# Definitions

## Index Definitions

The **Bloomberg U.S. Government/Credit Bond Index** tracks the performance of the overall bond market and is a broad measure of the performance of government and corporate fixed-rate debt issues. Source: Bloomberg Indices.

The **FTSE 3-Month U.S. Treasury Bill Index** is an index based upon the average monthly yield of the 90-Day Treasury Bills. Treasury bills are secured by the full faith and credit of the U.S. Government and offer a fixed rate of return. Source: FTSE.

The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization-weighted index designed to measure developed market equity performance, excluding the U.S. and Canada. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI World Index** is a free float-adjusted market-capitalization index that is designed to measure global developed market equity performance. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **MSCI World ex. US Index** consists of the following 22 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

The **Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell 2000 Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. Source: FTSE.

The **Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization. Source: FTSE.

The **Russell 3000 Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. Source: FTSE.

The **Russell MidCap Index** measures the performance of the mid-cap segment of the U.S. equity universe. Source: FTSE.

The **Russell MidCap Growth Index** measures the performance of the mid-cap growth segment of the U.S. equity universe. Source: FTSE.

The **Russell MidCap Value Index** measures the performance of the mid-cap value segment of the U.S. equity universe. Source: FTSE.

The **S&P 500 Index** features 500 leading U.S. publicly traded companies, with a primary emphasis on market capitalization. Source: © S&P Dow Jones Indices LLC. All rights reserved.

Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

# Definitions

## Term definitions

**Market Capitalization** measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

**Weighted Median Market Capitalization** represents the value at which half the portfolio's market capitalization weight falls above, and half falls below.

**Weighted Average Market Capitalization** represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

**Dividend Yield** is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends.

**P/E (Year 1)** is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **Price-to-Book** ratio (P/B) is a stock's price divided by the stock's per share book value.

**Earnings Per Share** (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

The **Sharpe Ratio** is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical adjusted performance.

**Alpha** is a measure of the difference between actual returns and expected performance, given the level of risk as measured by Beta, where **Beta** measures sensitivity to benchmark movements.

**R-Squared** measures the strength of the linear relationship between the portfolio and its benchmark. R-squared at 1.0 implies perfect linear relationship and zero implies no relationship exists.

**Standard Deviation** is based on quarterly data. Standard deviation is a measure of the variability of returns; the higher the standard deviation, the greater the range of performance (i.e., volatility).

The **Capture Ratios** measure a manager's composite performance relative to the benchmark, considering only those quarters that are either positive (Up) or negative (Down) for the benchmark.

An **Up Market Capture Ratio** greater than 1.0 indicates a manager who has outperformed the benchmark in the benchmark's positive quarters.

A **Down Market Capture Ratio** of less than 1.0 indicates a manager who has outperformed the relative benchmark in the benchmark's negative quarters.

# Definitions

## Term definitions

**Earnings before interest, taxes, depreciation and amortization (EBITDA)** approximates a firm's operating cash flow by considering its earnings before interest, taxes, depreciation and amortization.

**Free Cash Flow** measures the cash remaining after accounting for a firm's cash expenditures to support its operations and maintain its capital assets.

**Market Capitalization** measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

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The **Capture Ratios** measure a manager's composite performance relative to the benchmark, considering only those quarters that are either positive (Up) or negative (Down) for the benchmark.

An **Up Market Capture Ratio** greater than 100 indicates a manager who has outperformed the benchmark in the benchmark's positive quarters.

A **Down Market Capture Ratio** of less than 100 indicates a manager who has outperformed the relative benchmark in the benchmark's negative quarters.

## Notes



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