



Separately Managed Account

# ClearBridge Dividend Strategy Portfolios

1Q 2025

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# Gateway to investment specialists



**\$1.5 Trillion**

Assets under management<sup>1</sup>

**75+**

Years of active management experience

**150+**

Countries with investors

**1,600+**

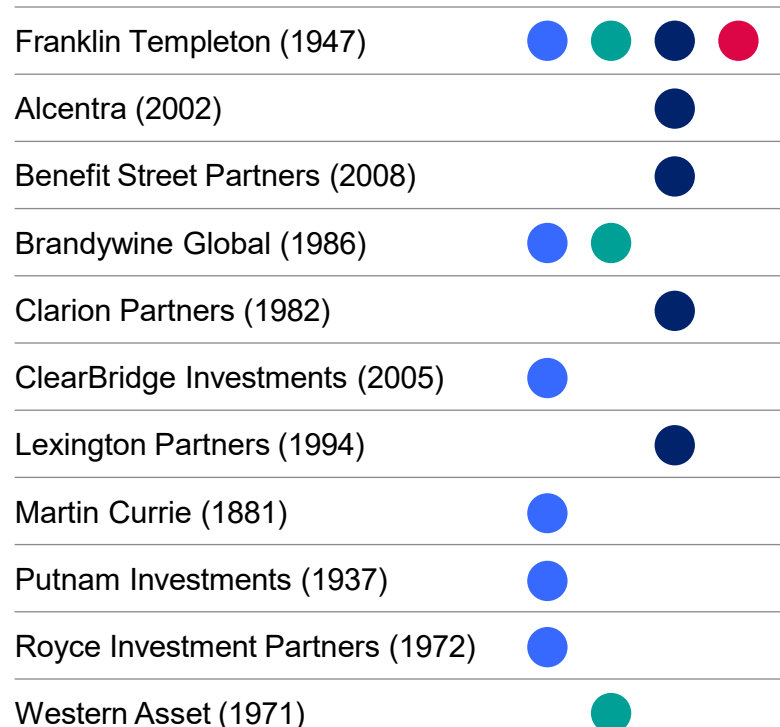
Investment professionals

## 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 March 2025. Total AUM of \$1.5 Trillion includes \$68.9 Billion in cash management that is not represented here.

# ClearBridge Investments

## A Long-Term Focus Drives a Distinguished History

Global investment manager with a 60-year legacy as a leader in active management



### Committed to authentic active management

- Performance distinct from market benchmarks and factor-based strategies
- Long-term investment horizon
- Robust risk management
- Active ownership



### Culture of longevity, consistency and risk awareness

- Highly experienced and tenured investment professionals
- Deliberate succession planning
- Risk considerations examined in all decisions



### Client focus

- Alignment of interests with clients
- Innovative compensation plan



### Robust fundamental research platform

- Bottom-up, quality focus
- Proprietary research and ESG ratings
- 35+ year history of ESG investing with a fully-integrated approach

### About ClearBridge Investments

US\$180.4 billion in assets under management

Headquartered in New York with offices in Baltimore, Calgary, Fort Lauderdale, London, San Mateo and Sydney

Operating with investment autonomy, wholly-owned subsidiary of Franklin Resources

PRI Signatory since 2008

# Firm Values

## Embedded in Organization from the Bottom Up

### Cultivate consistency in all we do

We approach every opportunity with patience and diligence to better assess, and act with knowledge of, the full picture. Together, we use our diverse talents and expertise to seek to create success and stability for our clients.

### Go above and beyond

We seek to exceed expectations in every aspect of our business, from engaging with the companies we own, to supporting our employees and delivering superior customer service.

### Ensure responsiveness and accountability

We succeed when clients succeed. Our culture of collaboration creates a strong sense of loyalty and accountability, encourages diverse contributions and enables responsiveness.

### Promote a long-term perspective

We are committed to long-term strategies and authentic active management to move our clients forward. We approach portfolio companies as business owners and hold stocks for an average of five years.

### Advocate for sustainability

Integrating ESG considerations into our fundamental research process, promoting sustainability in company engagements and following such practices across the firm can offer clients a return on their investments while making a positive impact.

### Act with conviction

Differentiated thinking is the basis of our approach, giving us the confidence to invest where our research identifies opportunity that the consensus may overlook and to develop new solutions that benefit our clients.

# ClearBridge Dividend Strategy Portfolios



## Overview

ClearBridge Dividend Strategy Portfolios invest primarily in dividend-paying stocks that offer the potential for income growth and capital appreciation over time. The investment team believes that companies that exhibit market leadership, coupled with solid balance sheets and strong dividend profiles, are attractive investment candidates for the long-term investor.

## Objectives

### Seeks:

- Attractive dividend yield<sup>1</sup>
- Powerful compounding of dividends
- Risk management in volatile markets

## Key differentiators

### Stock level:

- Does not employ yield screen
- Obsessive focus on business model and industry structure/dynamics

### Portfolio level:

- Focuses on diversification, not relative benchmark positioning
- Target superior risk-adjusted returns through upside participation and risk management

## 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. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. **These risks are magnified in emerging markets.**

<sup>1</sup>Dividends and yields represent past performance. There is no assurance they will continue to be paid in the future.

# ClearBridge Dividend Strategy Portfolios

## investment process

**ClearBridge**

### STEP 1

#### Idea generation

- Targets an investment universe comprised of industry leaders and global champions in secularly attractive industries with strong balance sheets, brand and market presence
- Focuses on companies that offer robust dividend growth and sustainable payout ratios

### STEP 2

#### Fundamental analysis

- Performs proprietary analysis on companies across all market sectors – includes business model evaluation, financial and management analysis to better determine valuation
- Conducts traditional fundamental research with the goal of answering the question, “Can this company grow and sustain its dividend?”

### STEP 3

#### Portfolio construction

- Typical portfolio consists of 40–60 securities with relatively low turnover (15–25%)
- Limits position size to 1–3%
- Emphasizes diversification over relative sector positioning

### STEP 4

#### Risk management

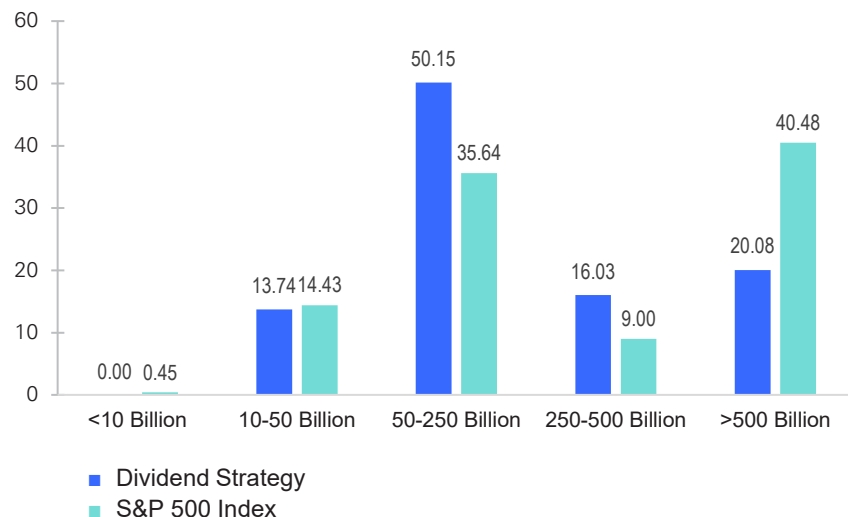
- Takes a team approach to monitoring the portfolio
- Attempts to mitigate risk through stock selection of high-quality businesses with low leverage/financial risk and avoiding those with material binary risk (e.g. biotech)
- Limits weighting in sectors with outsized exposure to single-factor risk (e.g. E&P)

Limited investments also may be made in non-dividend paying stocks that are not expected to pay a dividend in the near future. The investment process may change over time. The characteristics set forth 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 investment objectives will be achieved.

# Equity portfolio characteristics

## As of 3/31/2025

### Market capitalization breakdown in USD (%)



### Portfolio characteristics

|   | Dividend Strategy | S&P 500 Index |
|---|-------------------|---------------|
| Number of Issuers                                     | 52                | 503           |
| Estimated 3-5 Year EPS Growth                         | 8.42%             | 12.33%        |
| Price to Earnings (12-Month Forward)                  | 17.83x            | 21.11x        |
| Price to Book   | 5.42x             | 6.73x         |
| Dividend Yield  | 2.24%             | 1.34%         |
| Median Market Cap (Millions USD)                      | \$142,746         | \$245,421     |
| Weighted Average Market Capitalization (Millions USD) | \$381,809         | \$881,324     |

Source: FactSet. Portfolio characteristics and market capitalization breakdown are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the Portfolio characteristics and market capitalization breakdown are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics and market capitalization breakdown of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. **Please see appendix for term definitions.**

P/E ratio Year 1 and Long-term EPS growth are provided by I/B/E/S, are inherently limited and should not be used as an indication of future performance.

**Yields and dividends represent past performance and there is no guarantee they will continue to be paid.**

# Equity portfolio characteristics

## As of 3/31/2025

### Sector weightings (%)

|                         | Dividend Strategy | S&P 500 Index |
|-------------------------|-------------------|---------------|
| Financials              | 15.65             | 14.68         |
| Health Care             | 12.01             | 11.18         |
| Energy                  | 10.97             | 3.66          |
| Consumer Staples        | 10.90             | 6.05          |
| Information Technology  | 10.76             | 29.63         |
| Communication Services  | 9.16              | 9.20          |
| Industrials             | 8.12              | 8.47          |
| Materials               | 6.91              | 2.02          |
| Utilities               | 4.89              | 2.54          |
| Real Estate             | 4.46              | 2.27          |
| Consumer Discretionary  | 3.17              | 10.31         |
| Cash & Cash Equivalents | 3.00              | 0.00          |

### Top holdings (%)

### Dividend Strategy

|                       |              |
|-----------------------|--------------|
| Nestle SA             | 3.75         |
| Microsoft Corp        | 3.35         |
| Exxon Mobil Corp      | 3.31         |
| Enbridge Inc          | 3.21         |
| Williams Cos Inc/The  | 3.18         |
| JPMorgan Chase & Co   | 3.10         |
| Sempra                | 3.08         |
| Becton Dickinson & Co | 3.08         |
| Travelers Cos Inc/The | 2.78         |
| Comcast Corp          | 2.75         |
| <b>Total</b>          | <b>31.60</b> |

Source: FactSet. Weightings and holdings are based on a model portfolio, not an actual client account. The model portfolio is a hypothetical portfolio whereby the weightings and holdings are based on simulated trading and account activity of a client account invested in this strategy. The model portfolio assumes no withdrawals, contributions or client-imposed restrictions. Weightings and holdings of individual client accounts may differ from those of the model portfolio as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. **Please see appendix for term definitions.**



# Performance

## Annualized rates of return – pure gross and net of fees (%) as of March 31, 2025

|   | 1 Mth | 3 Mths | YTD   | 1 Year | 3 Year | 5 Year | 7 Yrs | 10 Year | 15 Yrs | 20 Year |
|---|-------|--------|-------|--------|--------|--------|-------|---------|--------|---------|
| Dividend Strategy –Pure Gross of Fees—(USD) | -1.63 | 1.26   | 1.26  | 10.59  | 8.53   | 17.26  | 12.06 | 11.18   | 12.21  | 10.11   |
| Dividend Strategy –Net of Fees—(USD)        | -1.87 | 0.51   | 0.51  | 7.38   | 5.38   | 13.88  | 8.82  | 7.96    | 8.96   | 6.92    |
| S&P 500 Index—(USD)                         | -5.63 | -4.27  | -4.27 | 8.25   | 9.06   | 18.59  | 13.25 | 12.50   | 13.15  | 10.23   |

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

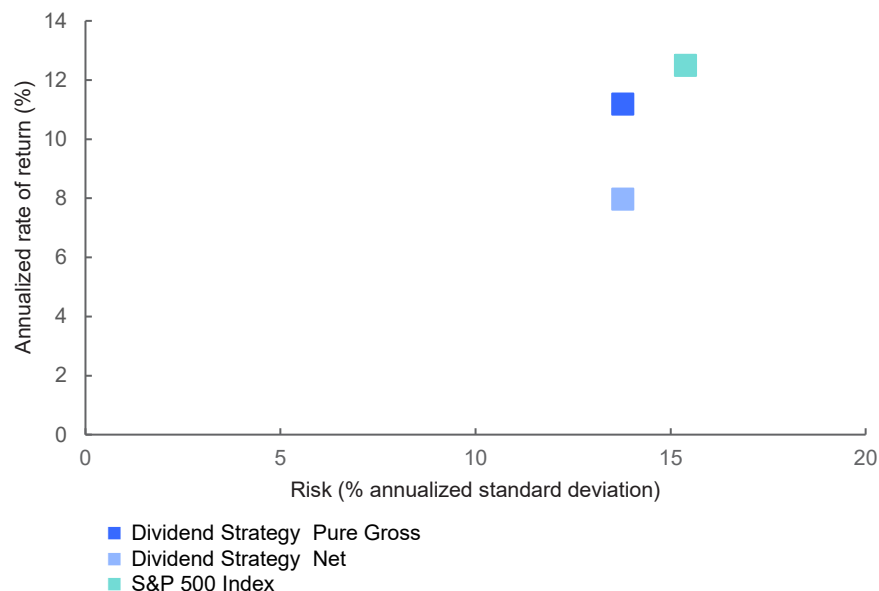
|   | 2024  | 2023  | 2022   | 2021  | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  |
|---|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| Dividend Strategy –Pure Gross of Fees—(USD) | 17.44 | 14.54 | -7.03  | 27.21 | 7.49  | 29.73 | -4.08 | 18.57 | 14.75 | -2.92 |
| Dividend Strategy –Net of Fees—(USD)        | 14.05 | 11.23 | -9.76  | 23.56 | 4.37  | 26.02 | -6.89 | 15.16 | 11.44 | -5.76 |
| S&P 500 Index—(USD)                         | 25.02 | 26.29 | -18.11 | 28.71 | 18.40 | 31.49 | -4.38 | 21.83 | 11.96 | 1.38  |

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, or if you enter into an agreement directly with Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), refer to FTPPG's Form ADV Part 2A disclosure document. 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

## Pure gross and net of fees (based on 10-year period ending March 31, 2025)



## Modern portfolio statistics as of March 31, 2025

|                                   | Dividend Strategy<br>Pure Gross | Dividend Strategy<br>Net | S&P 500 Index |
|-----------------------------------|---------------------------------|--------------------------|---------------|
| Annualized Return (%)             | 11.18                           | 7.96                     | 12.50         |
| Annualized Standard Deviation (%) | 13.77                           | 13.77                    | 15.38         |
| Sharpe Ratio                      | 0.70                            | 0.49                     | 0.72          |
| Beta                              | 0.85                            | 0.85                     | N/A           |
| Alpha (%)                         | 0.24                            | -2.69                    | N/A           |
| R-Squared                         | 0.90                            | 0.90                     | N/A           |

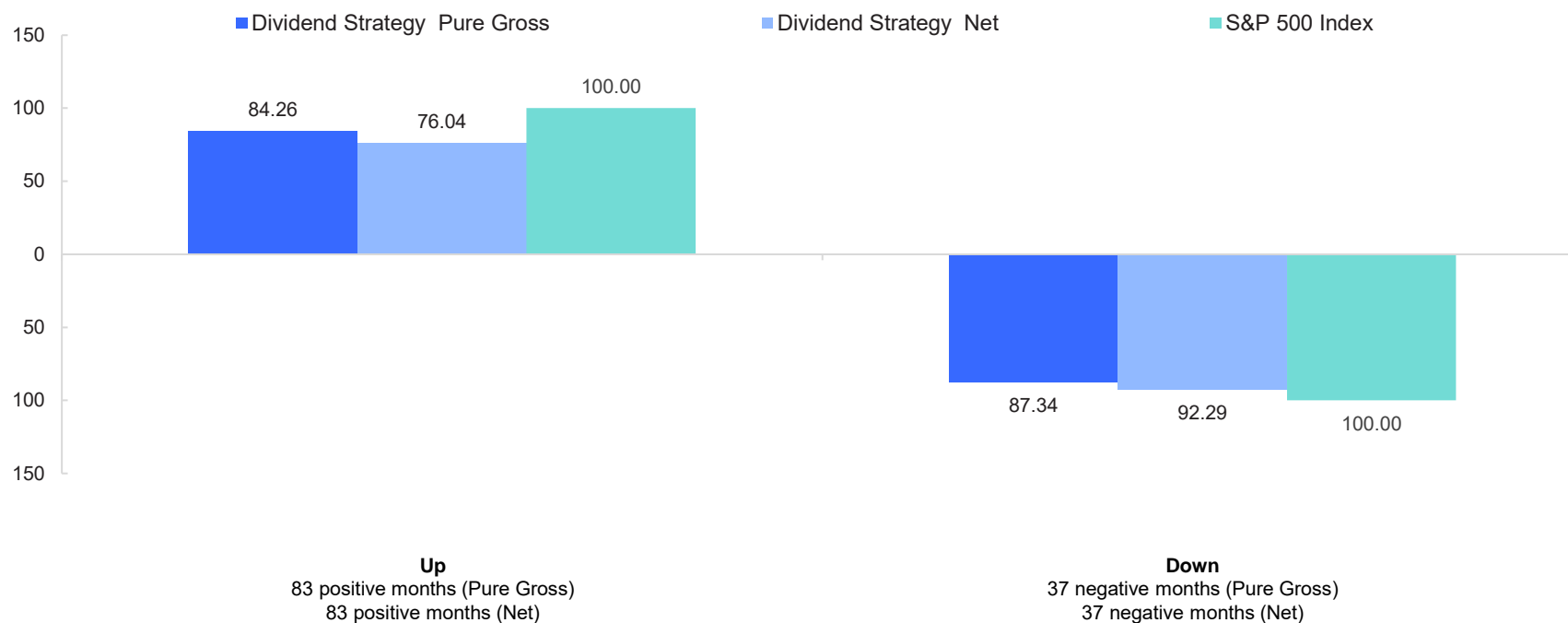
Alpha, Beta, Sharpe Ratio, and R-Squared are shown versus the Index. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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# Up down market capture ratios (%)

Pure Gross and net of fees (based on 10-year period ending March 31, 2025)

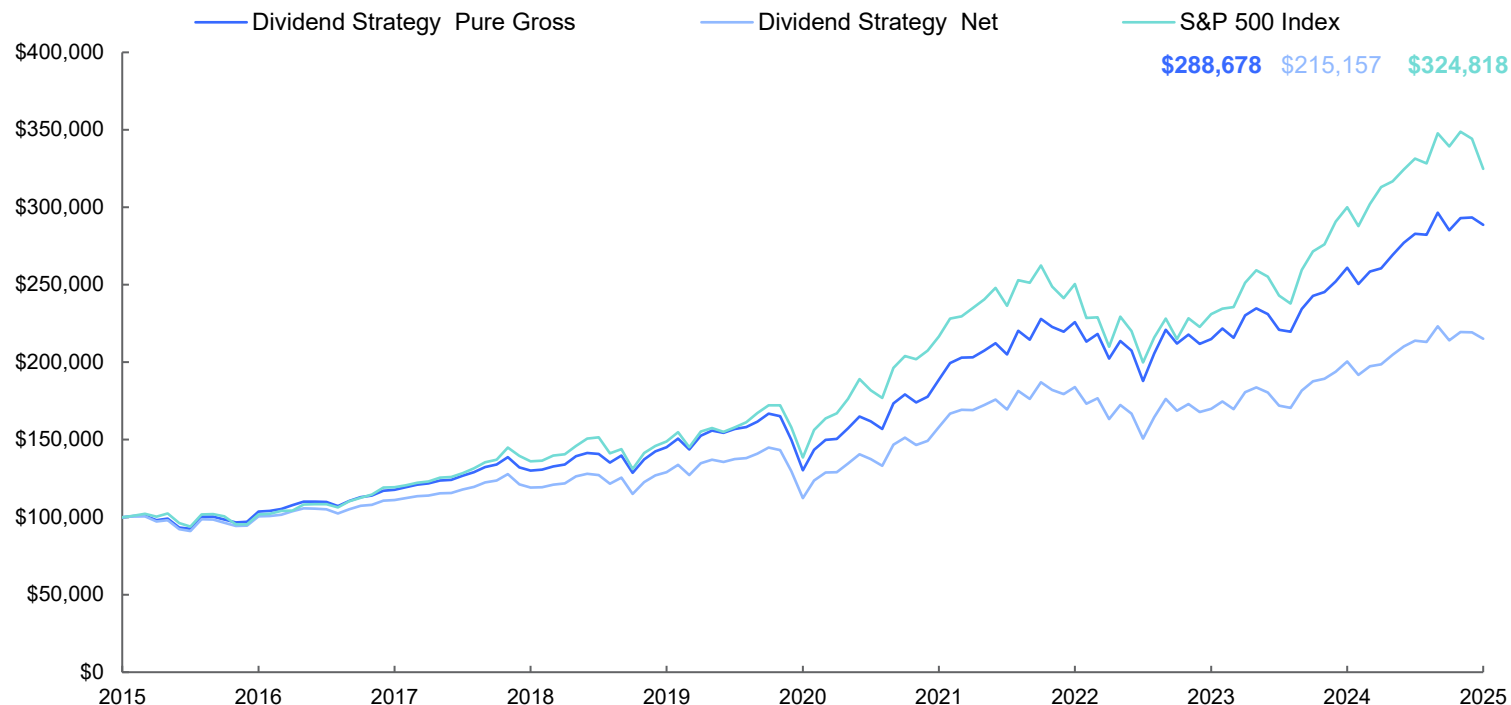


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# Growth of \$100,000

Pure gross and net of fees (based on 10-year period ended March 31, 2025)



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

John Baldi

*Managing Director, Portfolio Manager*

- Industry since 1999
- Firm since 2004
- BS in Finance and Economics from Boston College
- JPMorgan Chase — Senior Analyst, Specialty Finance

Michael Clarfeld, CFA

*Managing Director, Portfolio Manager*

- Industry since 2000
- Firm since 2006
- Duke University — BA in History
- Member of the CFA Institute
- CFA Society New York
- Hygrove Partners, LLC — Equity Analyst
- Goldman Sachs — Equity Research, Financial Analyst

Diane Keady

*Managing Director, Portfolio Manager*

- Industry since 2000
- Firm since 1994
- New York University, Leonard N. Stern School of Business — MBA
- Rutgers University — BS
- Citigroup Asset Management — U.S. Sales and Distribution, Vice President
- Salomon Smith Barney — GAAP Reporting, Vice President
- Smith Barney Shearson — Technology Finance, Expense Analyst

## ClearBridge Dividend Strategy SMA

Reporting Currency: USD

Strategy Inception Date: June 2003

Composite Creation Date: June 2008

| Period | Total Return (Net) | Total Return (*Pure Gross) | Benchmark Return | Number of Portfolios | % of Wrap Fee Portfolios in the Composite | Composite Dispersion | Composite 3 Yr. St. Dev. | Benchmark 3 Yr. St. Dev. | Total Composite Assets at End of Period (USD million) | Percentage of Firm Assets | Total Firm Assets at End of Period (USD million) |
|--------|--------------------|----------------------------|------------------|----------------------|---|----------------------|--------------------------|--------------------------|---|---------------------------|--|
| 2023   | 11.23%             | 14.54%                     | 26.29%           | 2,923                | 99  | 0.23%                | 15.85%                   | 17.54%                   | 4,668.1   | 3.43%                     | 136,016.9  |
| 2022   | -9.76%             | -7.03%                     | -18.11%          | 3,471                | 87  | 0.28%                | 19.74%                   | 21.16%                   | 4,983.3   | 4.09%                     | 121,842.7  |
| 2021   | 23.56%             | 27.21%                     | 28.71%           | 8,232                | 91  | 0.24%                | 16.82%                   | 17.41%                   | 8,010.6   | 4.70%                     | 170,282.9  |
| 2020   | 4.37%              | 7.49%                      | 18.40%           | 10,014               | 90  | 1.26%                | 17.01%                   | 18.79%                   | 5,263.5   | 3.57%                     | 147,416.9  |
| 2019   | 26.02%             | 29.73%                     | 31.49%           | 10,332               | 90  | 0.45%                | 10.17%                   | 12.10%                   | 5,405.3   | 4.20%                     | 128,740.4  |
| 2018   | -6.89%             | -4.08%                     | -4.38%           | 9,259                | 89  | 0.28%                | 9.08%                    | 10.95%                   | 4,028.2   | 3.80%                     | 106,083.4  |
| 2017   | 15.16%             | 18.57%                     | 21.83%           | 9,140                | 72  | 0.22%                | 9.15%                    | 10.07%                   | 4,580.4   | 3.84%                     | 119,187.1  |
| 2016   | 11.44%             | 14.75%                     | 11.96%           | 7,668                | 72  | 0.43%                | 9.83%                    | 10.74%                   | 3,703.1   | 3.67%                     | 100,936.9  |
| 2015   | -5.76%             | -2.92%                     | 1.38%            | 7,678                | 73  | 0.24%                | 9.98%                    | 10.62%                   | 3,360.0   | 3.63%                     | 92,536.4   |
| 2014   | 9.58%              | 12.84%                     | 13.69%           | 6,555                | 79  | 0.28%                | 7.24%                    | 9.10%                    | 3,544.8   | 3.52%                     | 100,721.5  |

\*Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs, and are presented as supplemental to the net of fee returns.

### Compliance Statement:

ClearBridge Investments, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ClearBridge Investments, LLC has been independently verified for the periods January 1, 1997 - December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure 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.

### Firm Information:

ClearBridge Investments, LLC ("ClearBridge") is a wholly owned indirect subsidiary of Franklin Resources, Inc. ("Franklin"). In July 2020 Legg Mason, Inc., its parent company, was purchased by Franklin. The investment advisory business now known as ClearBridge was registered in September 2005 to facilitate Legg Mason's acquisition of substantially all the equity asset management businesses known as Citigroup Asset Management. These former businesses serve as the foundation of ClearBridge and its claim of GIPS compliance for institutional accounts through predecessor firms, effective as of January 1997. In June 2008, ClearBridge combined this business with its retail business to form a single GIPS firm. As of April 1, 2013, January 1, 2016, May 1, 2020 and January 1, 2024 ClearBridge affiliates, Global Currents Investment Management, LLC, ClearBridge, LLC, ClearBridge Investments Limited (f/k/a RARE Infrastructure Limited) and Franklin Bissett Asset Management have become part of the ClearBridge GIPS firm.

### Composite Information:

The ClearBridge Dividend Strategy SMA composite consists of discretionary wrap accounts with an account minimum of US \$25,000. Accounts within the composite seek dividend income, growth of dividend income and long-term capital appreciation by investing in stocks that either pay an existing dividend or are expected to pay a dividend in the near future. The strategy is implemented by Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), formerly known as Legg Mason Private Portfolio Group, LLC ("LMPPG"). FTPPG claims compliance with the Global Investment Performance Standards (GIPS®). FTPPG has been independently verified for the periods January 1, 2013 - December 31, 2023. FTPPG is a wholly owned indirect subsidiary of Franklin Resources, Inc and together with its sub-advisers, including ClearBridge, provides investment services primarily in investment programs sponsored by Sponsor Firms. To obtain a GIPS Report and/or the firm's list of composite descriptions, please contact [info@clearbridge.com](mailto:info@clearbridge.com). The main risks of this strategy are General Investment Risk, Small Cap Risk, Mid Cap Risk and Non-U.S. Investment Risk.

### Input and Calculation Data:

The fee schedule currently in effect is 3.00% on all assets. Net of fee composite returns are calculated by reducing each monthly composite pure gross rate of return by the highest "bundled" fee charged (3.00%) annually, prorated to a monthly ratio. The "bundled" fee includes transaction costs, investment management, custodial, and other administrative fees. The pure gross return reflects the deduction of transaction costs for some accounts in the composite. The internal dispersion of annual returns is measured by the asset-weighted standard deviation of portfolio returns included in the composite for the entire year. The composite employs a 10% significant cash flow policy which started in January 2021. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not necessarily indicative of future results. Gross returns are used to calculate presented risk measures. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

### Benchmark Information:

For comparison purposes, composite returns are shown against returns of the S&P 500® Total Return Index.

# Definitions

## Index Definitions

The **Alerian MLP Index** is a composite of the 50 most prominent energy master limited partnerships (MLPs) and is calculated using a float-adjusted, capitalization-weighted methodology. Source: Alerian.

The **MSCI All Country World ex-US Growth Index** measures the performance of growth stocks in developed and emerging markets, excluding the US. 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 All Country World Index** is a market capitalization-weighted index that is designed to measure equity market performance of developed and emerging markets. Net Returns (NR) include income net of tax withholding when dividends are paid. 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 EAFE Index** 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 Emerging Markets Index** captures large and mid cap representation across emerging markets. 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 US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). 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 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE.

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

The **Russell 2500 Growth Index** measures the performance of those companies in the small/mid-cap Russell 2500 Index chosen for their growth orientation. Source: FTSE.

The **Russell 2500 Index** measures the performance of the small to midcap segment of the U.S. equity universe, commonly referred to as "SMID" cap.

The **Russell 2500 Value Index** measures the performance of U.S. companies in the small/mid-cap Russell 2500 Index chosen for their value orientation. 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 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization. Source: FTSE.

The **Russell 3000 Value Index** measures the performance of the broad value segment of U.S. equity value universe. Source: FTSE.

The **Russell Microcap Index** measures the performance of the microcap segment of the U.S. equity market. Source: FTSE.

The **Russell Mid Cap 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 **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.

The **S&P Global Infrastructure Index** includes listed infrastructure stocks from around the world across energy, transportation and utilities clusters. 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.



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