

# O'Shaughnessy Market Leaders Value

Separately Managed Accounts | Fact Sheet as of March 31, 2025

## Investment overview

Market Leaders Value seeks to provide long-term growth by investing in mostly large capitalization domestic equities. The strategy seeks market-leading companies that meet the manager's Quality criteria with attractive valuations and high "Shareholder Yield" — which combines a company's annual dividend and its annual rate of stock buybacks. Stocks are selected and weighted based on conviction and are broadly constrained by sector and industry.

## Investment objective

Long-term capital appreciation.

## Investment 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.

## Portfolio positioning

- Concentrated large-cap value strategy that can be used as a satellite allocation and complement to other large cap growth strategies.
- Designed for investors that want a concentrated factor strategy targeting companies scoring highest on Shareholder Yield.

## Key differentiators

- High conviction, high active share portfolio that concentrates on stocks with the most attractive factor profiles.
- This portfolio offers a differentiated approach to most large cap value factor strategies by using Shareholder Yield as its primary factor for selecting stocks.
- Exposure to unique factor "themes" (i.e., Shareholder Yield) that combine multiple underlying datapoints (i.e., Dividend Yield) for a more holistic factor profile.

## Management team

### O'Shaughnessy Asset Management

O'Shaughnessy Asset Management (OSAM), is a quantitative asset management firm based in Stamford, CT. OSAM delivers a broad range of factor-based equity portfolios to institutional investors and financial advisors. Its disciplined investment process is based off more than five decades of research and yields high-conviction and differentiated investment solutions.

### 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.

## STEP 1

**Establish Selection Universe**

The investable universe includes all U.S. stocks traded on the NYSE, AMEX, and NASDAQ, excluding MLPs and stocks not meeting liquidity criteria. From this universe, OSAM screens for stocks with a market capitalization greater than the universe average (approximately \$7 billion). This results in a selection universe of approximately 500 stocks.

## STEP 2

**Eliminate Poor Quality**

The universe is refined by excluding stocks scoring in the lowest decile of OSAM's Value, Momentum, 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 Shareholder Yield and satisfy risk-exposure constraints. OSAM defines Shareholder Yield as Dividend Yield plus Buyback Yield, where the latter is the net percentage change in a company's shares outstanding over the previous 12 months.

## 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) sector and industry risk constraints.

This process is refreshed monthly.

**Portfolio Information\***

As of March 31, 2025

**Top Ten Holdings (%)**

	Portfolio
ALTRIA GROUP INC	5.00
WELLS FARGO & CO	4.69
FIDELITY NATIONAL INFO SVCS	3.48
JOHNSON & JOHNSON	3.34
SYNCHRONY FINANCIAL	3.13
BANK OF NEW YORK MELLON CORP	3.13
RTX CORP	3.03
BOOKING HOLDINGS INC	3.01
METLIFE INC	2.90
MEDTRONIC PLC	2.78
<b>Total</b>	<b>34.49</b>

**Sector Weightings (%)**

	Portfolio	BM
Financials	29.82	23.24
Industrials	13.80	14.06
Energy	9.69	7.09
Health Care	9.16	14.78
Consumer Discretionary	9.10	5.76
Materials	8.35	4.18
Information Technology	7.56	8.65
Consumer Staples	7.23	8.15
Communication Services	5.24	4.55
Real Estate	0.06	4.73
Utilities	0.00	4.81

**Characteristics**

	Portfolio	BM
Number of Issuers	62	870
Price to Earnings (12-Month Trailing)	15.81x	19.87x
Dividend Yield	2.50%	2.10%
Median Market Cap (Millions USD)	\$35,837	\$13,280
Weighted Average Market Capitalization (Millions USD)	\$90,011	\$190,217
Active Share	84.79%	-
Foreign Exposure	0.00%	0.46%
Shareholder Yield	7.05%	2.56%
Price to Sales	1.28x	1.82x
Portfolio Turnover	57.64%	-

**Market Capitalization (%)**

	Portfolio	BM
<3 Billion	0.00	0.33
3-10 Billion	0.04	6.28
10-25 Billion	24.71	12.82
25-50 Billion	21.81	13.59
>50 Billion	53.44	66.98

\* Source: O'Shaughnessy Asset Management.

Holdings and approximate turnover are based on a representative account while all other portfolio characteristics are based on the strategy composite.

Both the representative account and composite assume no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the representative account or strategy composite as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors.

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.

## Performance

### Annualized Rates of Return – Gross and Net of Fees (%) as of March 31, 2025 – (Inception date: 12/1/2001)

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Yrs	10 Year	Since Incept
O'Shaughnessy Market Leaders Value—Gross of Fees—(USD)	-3.36	0.83	0.83	12.61	11.95	22.24	11.48	10.82	11.87
O'Shaughnessy Market Leaders Value—Net of Fees—(USD)	-3.61	0.08	0.08	9.31	8.66	18.68	8.20	7.56	8.58
Russell 1000 Value—(USD)	-2.78	2.14	2.14	7.18	6.64	16.15	9.19	8.79	8.07

### Calendar-Year Total Returns – Gross and Net of Fees (%) ending December 31

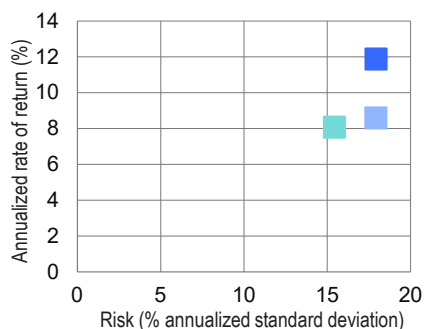
	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
O'Shaughnessy Market Leaders Value—Gross of Fees—(USD)	0.83	24.30	18.33	-6.25	31.76	2.70	27.28	-11.08	24.72	16.13	-7.28
O'Shaughnessy Market Leaders Value—Net of Fees—(USD)	0.08	20.69	14.87	-9.05	27.95	-0.35	23.59	-13.74	21.10	12.73	-10.04
Russell 1000 Value—(USD)	2.14	14.37	11.46	-7.54	25.16	2.80	26.54	-8.27	13.66	17.34	-3.83

**<sup>1</sup>Fees:** 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 is 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. 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.

To obtain specific information on available products and services or a GIPS® Report, contact your Franklin Templeton separately managed account sales team at (800) DIAL BEN/342-5236. O'Shaughnessy Asset Management, LLC (OSAM) claims compliance with the Global Investment Performance Standards (GIPS®). 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.

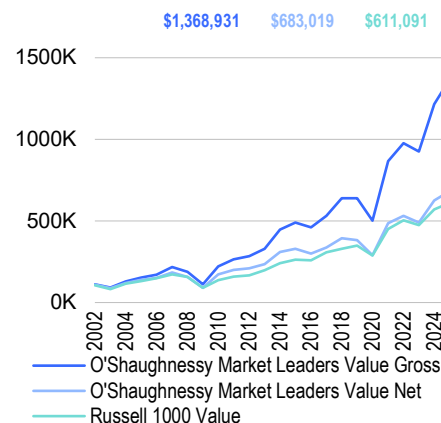
## Performance Statistics<sup>1</sup> (based on since inception period ending March 31, 2025)

### Risk/Return profile (%)

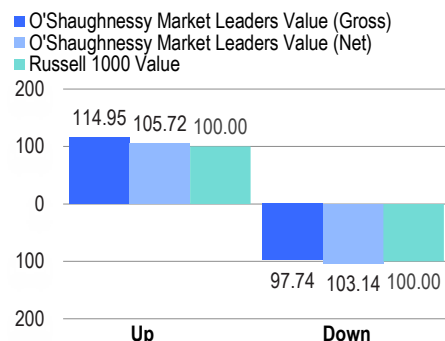


<b>O'Shaughnessy Market Leaders Value (Gross)</b>	
Annualized Return (%)	11.87
Annualized Standard Deviation (%)	17.93
<b>O'Shaughnessy Market Leaders Value (Net)</b>	
Annualized Return (%)	8.58
Annualized Standard Deviation (%)	17.93
<b>Russell 1000 Value</b>	
Annualized Return (%)	8.07
Annualized Standard Deviation (%)	15.44

### Growth of \$100,000\*



### Up/Down market capture ratios (%)



### Modern portfolio statistics

	Portfolio (Gross)	Portfolio (Net)	BM
Sharpe Ratio	0.57	0.39	0.42
Beta	1.08	1.08	N/A
Tracking Error (%)	6.64	6.64	N/A
Information Ratio	0.57	0.08	N/A

	(+) Months	(-) Months
Gross:	168	112
Net:	151	129

<sup>1</sup> Source: O'Shaughnessy.

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

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 is 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.

## Terms and definitions:

**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.

**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.

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

**Standard deviation** measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

**Alpha** is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

**Beta** measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

**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 a portfolio's historical risk-adjusted performance.

**R-squared** measures the strength of the linear relationship between a fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

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

## 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.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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.

© Franklin Templeton. O'Shaughnessy Asset Management, LLC (OSAM) is a Franklin Templeton affiliated company.

