



Separately Managed Account

# Putnam U.S. Large Cap Value Equity Concentrated SMA Composite

1Q 2025

Retail Separately Managed Accounts (SMAs): Putnam Investment Management, LLC acts as a discretionary investment manager or non-discretionary model provider in a variety of retail separately managed account programs and platforms ("SMA Programs") sponsored by non-affiliated financial intermediaries (each, a "Sponsor Firm"). Through various Sponsor Firms, Putnam offers model-delivery SMAs as well as single- and dual-contract SMAs through a range of actively managed equity strategies. SMA Programs may require a minimum asset level and, depending on specific investment objectives and financial position, may not be appropriate for all investors. The information provided relates to Putnam Investments and its affiliates, which includes Putnam Investment Management, LLC.

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# Gateway to investment specialists



**\$1.5 Trillion**

Assets under management<sup>1</sup>

**75+**

Years of active management experience

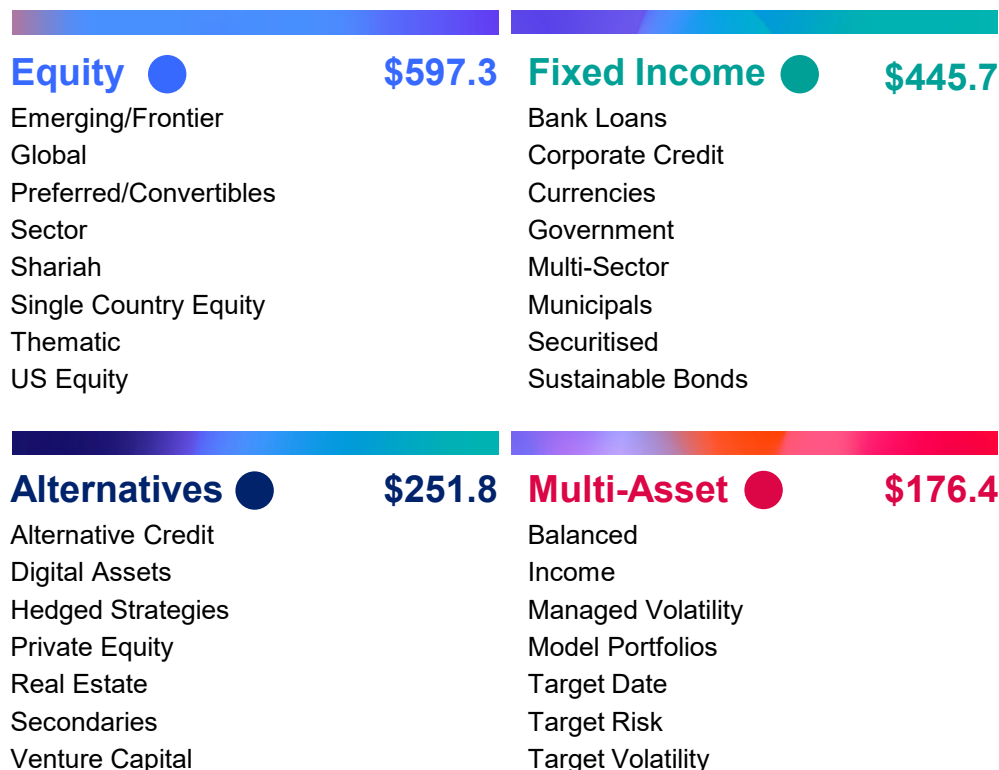
**150+**

Countries with investors

**1,600+**

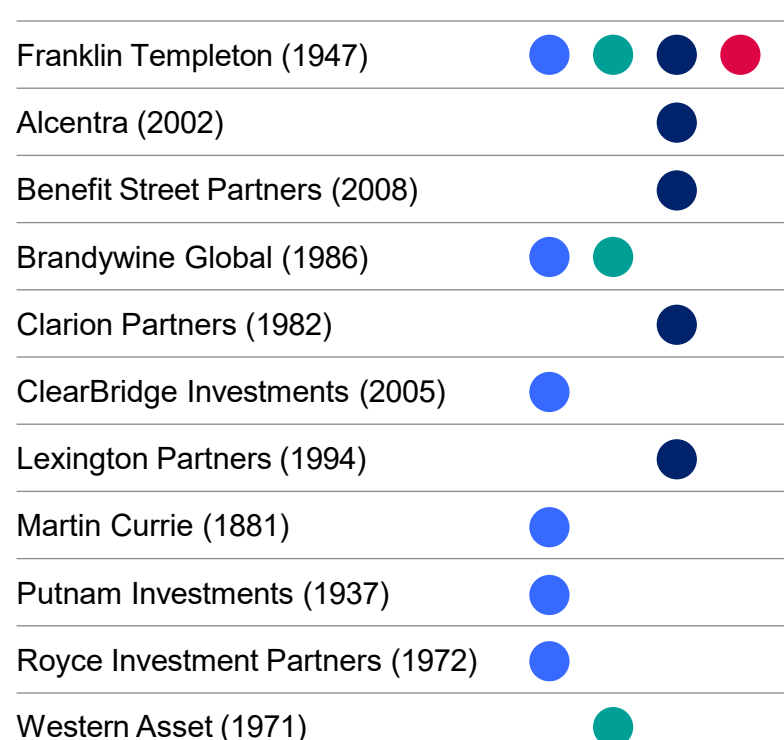
Investment professionals

## 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



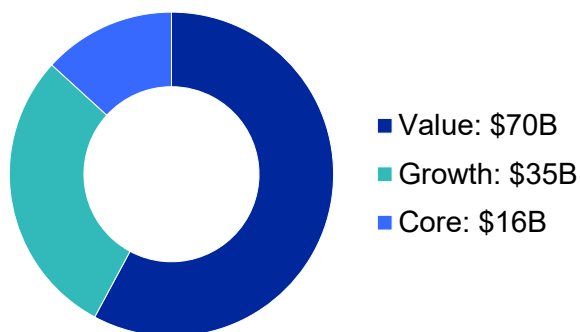
1. AUM is in USD as of 31 March 2025. Total AUM of \$1.5 Trillion includes \$68.9 Billion in cash management that is not represented here.

# Putnam Investments at a glance



- **Active, equity asset manager** with roots going back to 1937
- **Headquartered in Boston** with research offices in London and Singapore
- **Experienced investment team**
  - 19 portfolio managers
  - 30+ analysts
  - 18 years average experience for portfolio managers and analysts
- **Boutique mindset** backed by the significant resources and scale of Franklin Templeton

## \$121B+ in assets under management



### Targeted solutions available in a variety of vehicles

**Style:** Core, Growth, Value

**Geography:** Global, Non-U.S., U.S., Emerging

**Capitalization:** Large, Small, All

**Sector/Thematic:** Healthcare, Technology, BioRevolution™, BDCs

**Sustainable:** Global, U.S.

**Vehicles:** Mutual Funds/ETFs, Separate Accounts, Commingled Funds, Retail SMAs, CITs, UCITS

All data as of March 31, 2025.

Total assets under management is based on unaudited numbers and subject to change.

# Stock-driven, not style-driven alpha



**We believe portfolios driven more by stock-specific exposures than by common factor risks are better able to consistently generate alpha and manage downside risk across style regimes.**

**Our drive for excellence is guided by**



## **Differentiated alpha**

Our hybrid, fundamental research structure encourages debate and idea exchange between sector and strategy specialists to deliver a unique, collaborative view on stock opportunities.



## **Risk management**

Portfolio construction is as important as stock selection in our process. We seek to amplify stock risk and minimize factor risk with the express goal of delivering a smoother performance journey regardless of style regime.



## **Client alignment**

Delivering investment excellence to our clients is at the center of everything we do. The vast majority of PM and analyst compensation is performance based, aligning our success with that of our clients.

# Putnam's U.S. Large Cap Value Equity Concentrated strategy seeks consistent alpha generation driven by stock selection



**A concentrated portfolio that seek superior risk-adjusted returns through a disciplined approach to idea generation, portfolio construction, and risk management.**



## Relative value approach

Defines the value universe daily with fundamental and quantitative tools to identify unique value opportunities



## Focus on cash flows

Puts distinct emphasis on companies that are able and willing to return cash to shareholders, and focuses on future cash flows instead of earnings to evaluate value creation



## Disciplined risk management

Utilizes proprietary tools to maximize stock-specific risk and limit unintended factor risks, seeking alpha over a full market cycle

## Key attributes

- Multi-pronged approach to idea generation combining fundamental and quantitative research
  - Proprietary multi-factor model broadens the opportunity set
- Identify 35-45 names where we have multiple ways to win and an information edge
- Continuous focus on portfolio construction and risk management

# Putnam U.S. Large Cap Value Equity Concentrated SMA



## Overview

Putnam U.S. Large Cap Value Equity Concentrated SMA is a concentrated portfolio that seeks superior risk-adjusted returns through a disciplined approach to idea generation, portfolio construction, and risk management.

## Objective

Seeks to invest in companies with underappreciated fundamentals and the income potential from growing dividends to pursue returns for investors.

## Key differentiators

- Multi-pronged approach to idea generation combining fundamental and quantitative research.
- Proprietary multi-factor model broadens the opportunity set.
- Stock selection seeks ideas where we have multiple ways to win and an information edge.
- Continuous focus on portfolio construction and risk management.

## Philosophy and Process

We believe that a portfolio seeking relative value opportunities within sectors and maximizing stock-specific impact offers the best potential for consistent alpha generation.

### Relative value approach

Defines the value universe daily with fundamental and quantitative tools to identify unique value opportunities.

### Focus on cash flows

Puts distinct emphasis on companies able and willing to return cash to shareholders and focuses on future cash flows instead of earnings to evaluate value creation.

### Disciplined risk management

Utilizes proprietary tools to maximize stock-specific risk and limit unintended factor risks, seeking alpha over a full market cycle.

No assurance can be given that the investment objective will be achieved or that an investor will receive a return of all or part of his or her initial investment. Actual results could be materially different from the stated goals. Putnam Investments does not guarantee any minimum level of investment performance or the success of any investment strategy.

## What are the risks?

**All investments involve risks, including possible loss of principal.** The **investment style** may become out of favor, which may have a negative impact on performance. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. The portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated.

# Putnam U.S. Large Cap Value Equity Concentrated SMA

## Investment process



### STEP 1

#### Idea generation

- Measures value in multiple ways to cast the widest net
- Uses expertise of research team to capture areas of distinctive insights
- Identifies companies that may be overlooked using multi-factor quantitative model

### STEP 2

#### Fundamental research

- Determines value relative to company's own history, industry, and sector peers
- Focuses on cash flow generation and potential return of capital to shareholders
- Seeks stocks with multiple ways to win to increase probability of a favorable outcome

### STEP 3

#### Portfolio construction and risk management

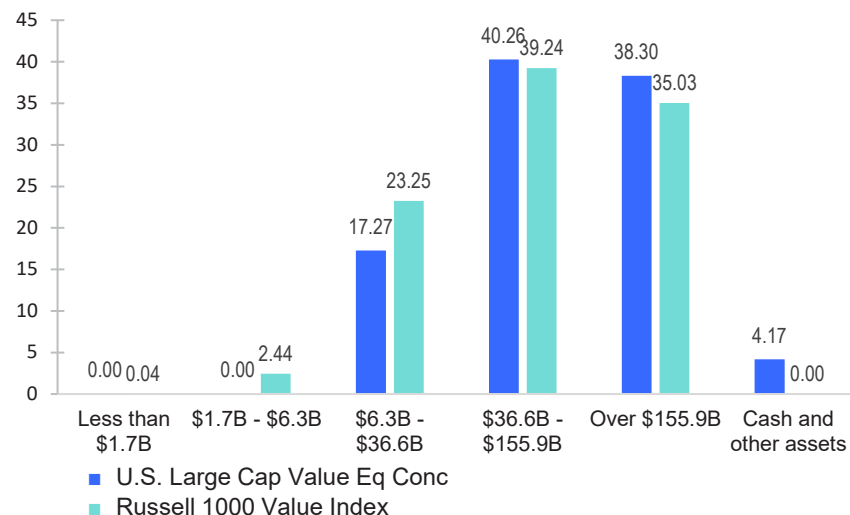
- Maximizes the impact of fundamental research ideas while minimizing exposure to factor risk and "all-or-nothing" outcomes
- Embeds risk management within the portfolio construction process
- Constantly monitors portfolio to maintain optimal risk profile and exposure to highest-conviction ideas

# Equity portfolio characteristics

## As of 3/31/2025



### Market capitalization breakdown in USD (%)



### Portfolio characteristics

	U.S. Large Cap Value Eq Conc	Russell 1000 Value Index
Estimated 3-5 Year EPS Growth	11.46%	8.90%
P/E to Growth	1.33x	1.94x
Price to Earnings (12-Month Forward)	14.81x	16.91x
Price to Cash Flow	15.23x	14.23x
Price to Book	2.20x	2.58x
Dividend Yield	2.02%	2.10%
Median Market Cap (Millions USD)	\$74,116	\$13,361
Weighted Average Market Capitalization (Millions USD)	\$232,665	\$190,349
Portfolio Turnover	25.89%	0.00%
Cash Weight	4.17%	-
Dividend Growth over 5 Years	8.64x	6.92x

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 (%)	U.S. Large Cap Value Eq Conc	Russell 1000 Value Index
Financials	19.77	23.24
Health Care	14.89	14.78
Consumer Staples	12.31	8.15
Industrials	10.87	14.06
Information Technology	9.15	8.65
Energy	7.30	7.09
Consumer Discretionary	6.17	5.76
Materials	5.27	4.18
Utilities	5.01	4.81
Communication Services	2.89	4.55
Real Estate	2.20	4.73
Cash & Other Net Assets	4.17	0.00

Top holdings (%)	U.S. Large Cap Value Eq Conc
Citigroup	3.96
Exxon Mobil	3.81
Walmart	3.67
Bank of America	3.49
Philip Morris International	3.32
American International Group	3.27
Coca-Cola	3.10
Cisco Systems	3.01
Capital One Financial	3.00
UnitedHealth	2.92
<b>Total</b>	<b>33.56</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 – gross and net of fees (%) as of March 31, 2025 – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Yrs	Since Incept
U.S. Large Cap Value Eq Conc–Gross of Fees—(USD)	-2.42	2.66	2.66	8.12	12.23	22.66	14.09	14.51
U.S. Large Cap Value Eq Conc–Net of Fees—(USD)	-2.67	1.91	1.91	4.98	8.98	19.08	10.75	11.15
Russell 1000 Value Index—(USD)	-2.78	2.14	2.14	7.18	6.64	16.15	9.19	9.28

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

	2024	2023	2022	2021	2020	2019	2018	2017
U.S. Large Cap Value Eq Conc–Gross of Fees—(USD)	19.83	18.74	-2.19	35.25	3.88	32.52	-5.52	20.14
U.S. Large Cap Value Eq Conc–Net of Fees—(USD)	16.38	15.32	-5.06	31.26	0.81	28.62	-8.31	16.59
Russell 1000 Value Index—(USD)	14.37	11.46	-7.54	25.16	2.80	26.54	-8.27	13.66

Inception Date: 11/30/2016

**The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit [www.franklintempleton.com](http://www.franklintempleton.com) for the latest performance figures. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.**

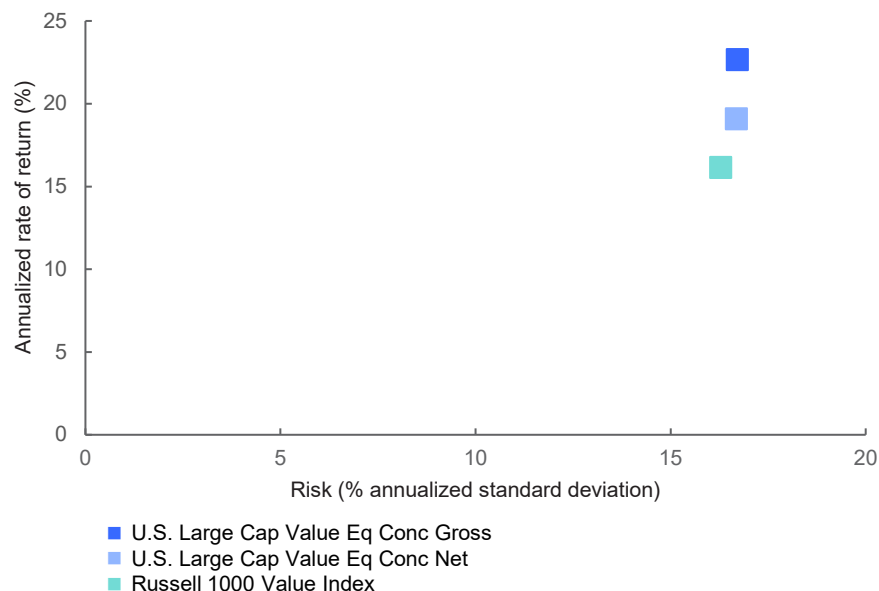
Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and 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



## Gross and net of fees (based on 5-year period ending March 31, 2025)



## Modern portfolio statistics as of March 31, 2025

	U.S. Large Cap Value Eq Conc Gross	U.S. Large Cap Value Eq Conc Net	Russell 1000 Value Index
Annualized Return (%)	22.66	19.08	16.15
Annualized Standard Deviation (%)	16.71	16.69	16.28
Sharpe Ratio	1.15	0.98	N/A
Beta	1.00	0.99	N/A
Alpha (%)	5.78	2.67	N/A
R-Squared	0.96	0.96	N/A

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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.

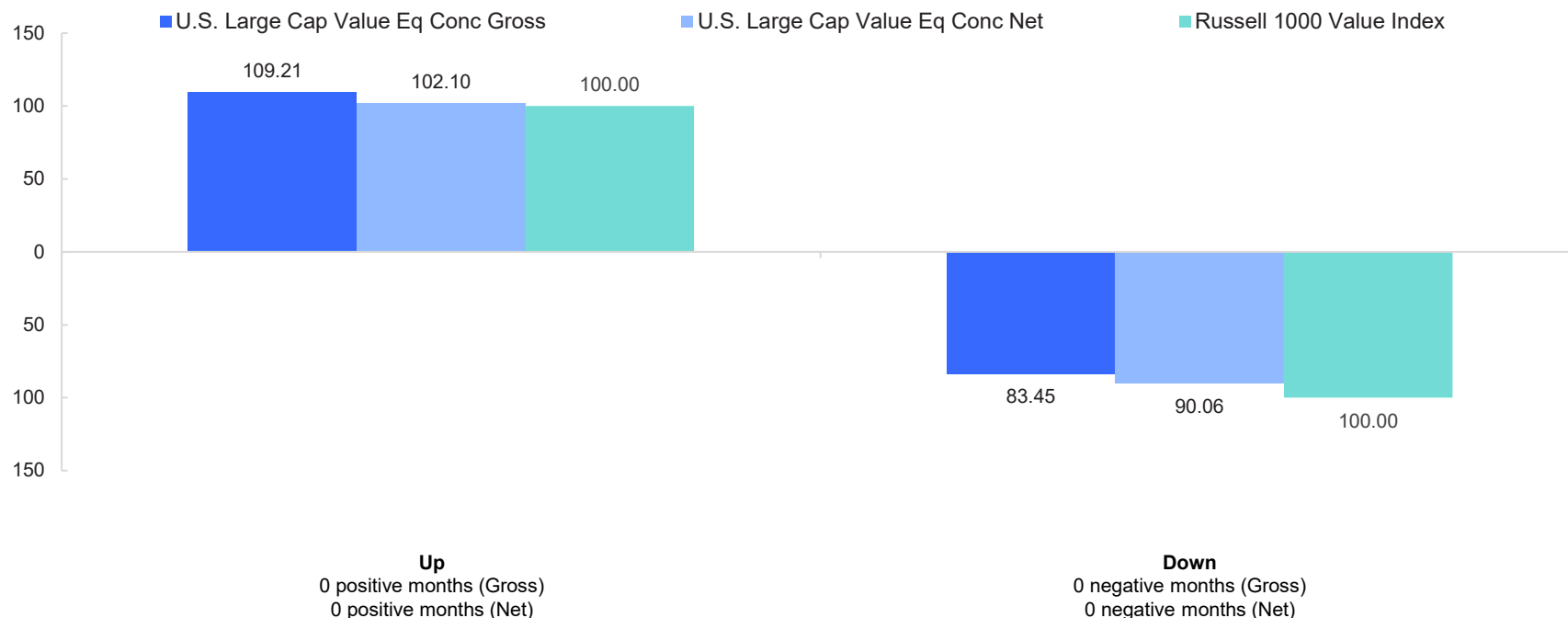
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# Up down market capture ratios (%)



Gross and net of fees (based on 5-year period ending March 31, 2025)



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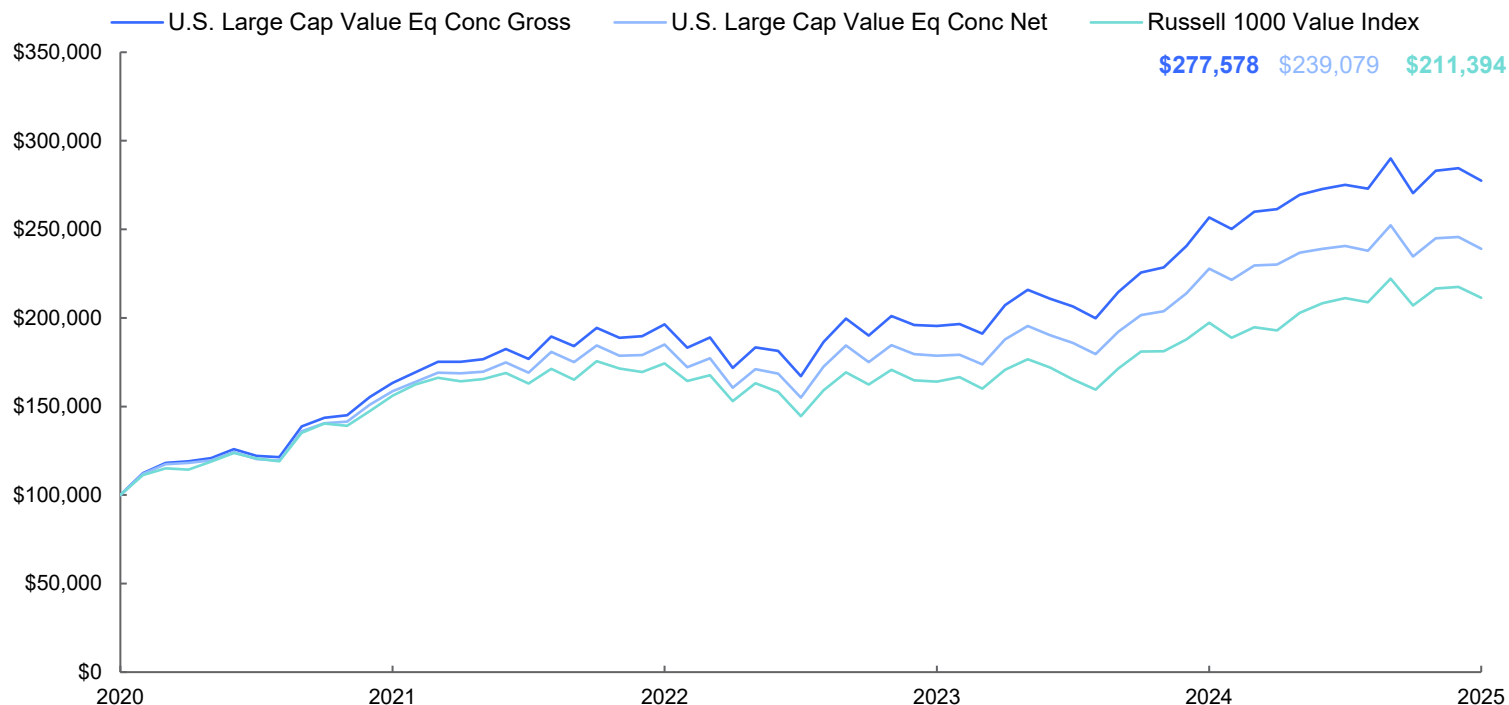
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# Growth of \$100,000



**Gross and net of fees** (based on 5-year period ended March 31, 2025)



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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.

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# Investment management team



## Darren Jaroch, CFA

### *Portfolio Manager*

- Industry since 1996
- Firm since 1999
- B.A. in Economics from Hartwick College
- Senior Auditor, Client Service, at State Street Bank & Trust
- Research Associate at Abt Associates

## Lauren DeMore, CFA

### *Portfolio Manager*

- Industry since 2002
- Firm since 2006
- B.A. in Economics from the University of California, Los Angeles
- Analyst at EnCapital



# GIPS Composite Report



## Putnam Investments U.S. Large Cap Value Equity Concentrated Composite

Year	Gross of Fees Return (%)	Net of Fees Return (%)	Annual Benchmark Return (%)	Three year Standard Deviation of Composite (%) <sup>1</sup>	Three year Standard Deviation of Benchmark (%) <sup>1</sup>	Standard Deviation of Account Returns (%) <sup>2</sup>	Composite Assets (millions)	Total Firm Assets (millions)	Number of Accounts
2023	18.73	18.08	11.46	16.92	16.50	N/A	1,485	145,979	≤5
2022	-2.20	-2.74	-7.54	22.41	21.25	N/A	1,169	133,064	≤5
2021	35.25	34.64	25.16	19.83	19.05	N/A	102	159,122	≤5
2020	3.88	3.57	2.80	20.61	19.62	N/A	70	153,327	≤5
2019	32.52	32.13	26.54	12.08	11.85	N/A	29	138,486	≤5
2018	-5.52	-5.81	-8.27	N/A	N/A	N/A	22	117,149	≤5
2017	20.14	19.78	13.66	N/A	N/A	N/A	0	117,916	≤5
2016	2.43*	2.40*	2.50*	N/A	N/A	N/A	0	109,728	≤5

\* The period from inception, November 30, 2016, to December 31, 2016, is not annualized.

1 The three-year, annualized ex-post standard deviation of monthly gross composite and benchmark returns represents a measure of total investment risk (volatility) and calculates the variance of a distribution of returns. Data is not presented for periods with less than 36 months of composite returns.

2 Composite dispersion is calculated using the equal-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year. Standard deviation is N/A for composites with five or fewer accounts for the full year.

**Firm overview:** Putnam Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Putnam Investments has been independently verified from January 1, 2000, through December 31, 2022. 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. Putnam Investments (the "Firm") is defined as a broad-based investment management organization that provides financial services to institutions and individuals through segregated accounts and pooled investment vehicles, such as mutual funds, active exchange-traded funds, collective investment trusts and private funds. The Firm is a wholly owned indirect subsidiary of Franklin Resources, Inc. Investment management is provided by four wholly owned subsidiaries of the Firm: The Putnam Advisory Company, LLC; Putnam Investment Management, LLC; Putnam Fiduciary Trust Company, LLC; and Putnam Investments Limited. 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. A list of the Firm's composite descriptions and pooled fund descriptions for limited distribution pooled funds, and a list of broad distribution pooled funds are available upon request.

**Composition of composite:** The Putnam Investments U.S. Large Cap Value Equity Concentrated Composite (the "Composite") seeks to invest in companies with underappreciated fundamentals and the income potential from growing dividends to pursue returns (common stocks of U.S. companies, with a focus on value stocks that offer the potential for capital growth, current income, or both). The Composite's strategy uses a disciplined process that combines fundamental research and quantitative tools to pursue multiple alpha sources, with a strong overlay of risk control and portfolio construction and a focus on large companies whose stocks are priced below their long-term potential, and where there may be a catalyst for positive change. Accounts in the Composite are more concentrated, typically holding approximately 35-45 securities. Composite returns may, therefore, have a lower correlation with the benchmark than a more diversified U.S. Large Value equity strategy. The Composite's benchmark is the Russell 1000 Value Index. Derivatives are not permitted in any account in the Composite. The Composite includes all fully discretionary accounts managed by Putnam Investments in this concentrated investment style. The Composite inception date was November 30, 2016. The Composite creation date was December 13, 2016. The Composite was formerly called U.S. Large Value Equity Managed Account.

**Risk considerations:** The prices of stocks in your portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific company or industry. Value stocks may fail to rebound, and the market may not favor value-style investing. This strategy may not be suitable for all investors. It is important to understand that you can lose money by investing in this strategy. The Composite is much more concentrated than the benchmark in terms of companies and sectors, and the volatility of the Composite may be greater or less than that of benchmark. In general, investing in portfolio with concentrated exposures to (i) particular



# GIPS Composite Report



## Putnam Investments U.S. Large Cap Value Equity Concentrated Composite

asset class(es) and/or (ii) a particular sector and/or (iii) one or a select few markets involves greater risk than investing in portfolios that have greater diversification. Investments in a limited number of securities may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the value of the portfolio.

**Calculation of composite:** Returns are presented in U.S. dollars ("USD"). Benchmark, Putnam account and Putnam mutual fund valuation sources and timing may sometimes differ, causing dispersion within the composite and between the composite and the benchmark. The results of the Composite for all periods shown include the reinvestment of dividends and other earnings. The Firm values securities using market quotations, fair value prices from pricing services and/or broker quotations. In limited circumstances, the Firm will value securities based solely on its own analysis, this may include using model prices based on third-party data or, for private equity securities, a fair valuation process whereby a special Valuation committee will review the nature of each deal, the model currently used to value each deal, and any critical underlying assumptions in order to determine fair value. Fair valuations based on internal resources are made in accordance with the Putnam Funds Pricing Procedures and are subject to the oversight of the Firm's Valuation Committee. Please note that, in limited cases, the inputs used to value the security are unobservable and reflect the source's own assumptions. Policies for valuing investments, calculating performance, and preparing composite reports are available upon request.

**Benchmark disclosure:** The Russell 1000® Value Index is an unmanaged index of those companies in the large-cap Russell 1000® Index chosen for their value orientation. Benchmarks are generally taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the Composite. The effect of those differences is deemed to be immaterial. The securities holdings of the Composite may differ materially from those of the index used for comparative purposes. Indexes are unmanaged and do not incur expenses. You cannot invest directly in an index. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company.

**Gross and Net of fees disclosure:** Gross of Fee Returns includes the deduction of transaction costs but does not include the deduction of management fees and other expenses that may be incurred in managing an investment account. A portfolio's return will be reduced by management fees and other fees. The impact of management fees can be material. For instance, assume that \$1 million is invested in a Putnam Investments account, and this account achieves a 10% compounded annual return, gross of fees, for 10 years. If a management fee of 0.50% was charged each year for the 10-year period, the annual return would be 9.5% and the ending dollar value would be \$2,478,200, net of fees, as opposed to \$2,593,700, gross of fees. The actual fee rates are stated in advisory contracts with clients. For composites that contain registered pooled vehicles (such as U.S. mutual funds, U.S. exchange-traded funds, collective investment trusts and UCITS funds), gross of fee performance is calculated by applying the pro-rated monthly percentage of the total net annual expense ratio (as published in the pooled vehicle's annual report) to the monthly return on net asset value per share. Annual expense ratios for the current year may be based on the prior year's financial statements. Returns may be adjusted based upon each year's audited annual report.

Net of Fee Returns reflect the deduction of a model fee applied on a monthly basis, equal to the actual management fee incurred by a portfolio in the Composite or the highest management fee that would be charged to a prospect of the strategy, whichever is higher during the applicable time period. The model fee may change over time. Actual advisory and management fees may vary among clients with the same investment strategy. For composites that include pooled vehicles that pay a performance fee and that calculate performance using the highest fee paid by an account in the Composite, performance-based fee adjustments are included in net of fee returns. For registered pooled vehicles, the fee is typically updated for the most recent fiscal year end after the pooled vehicle has been audited. Returns may be adjusted based upon each year's audited annual report. Please be advised that the Composite may include other investment products or share classes of pooled vehicles that are subject to management fees, including performance fees, that are inapplicable to you but that could have been in excess of the model fee. Therefore, the actual performance of all the portfolios in the composite on a net-of-fees basis will be different, and may be higher or lower, than the model fee performance. Composites that include certain pooled vehicles may also assess a performance fee to underlying investors which could result in the underlying investors paying a higher total management fee than the highest stated management fee below. However, model fee performance is intended to provide the most appropriate example of the impact management fees would have by applying management fees relevant to you to the gross performance of the Composite. Actual investment advisory fees incurred by clients are typically negotiated on an individual basis and may vary depending upon, among other things, the applicable fee schedule and portfolio size.

**Fee schedule:** The standard fee schedule is based on the market value of an account's assets under management and is stated on an annual basis. Separate account management fees are subject to change and are for investment management services only. Standard management fee is: 0.55% of assets on the first \$50 million, 0.45% of assets on the next \$50 million, 0.40% of assets on the next \$150 million, and 0.30% for assets over \$250 million.

**Past performance is not a guarantee of future performance. No assurance can be given as to future performance.**



# 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.

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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.

## Notes



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