



Separately Managed Account

Royce Small-Cap Total Return Portfolios

4Q 2025

Separately Managed Accounts (SMAs) are investment services provided by Franklin Templeton Private Portfolio Group, LLC (FTPPG), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton affiliated subadvisors: Royce Investment Partners. Management is implemented by FTPPG, the designated subadvisor 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.

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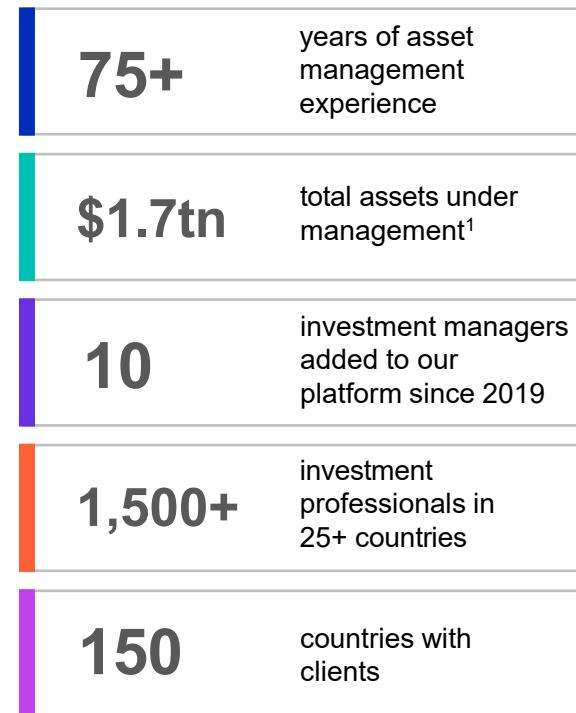
Your trusted partner for what's ahead™



For our clients, we are:



At-a-glance



1. AUM is in USD as of December 31, 2025. Total AUM of \$1.7tn includes \$76.5 Billion in cash management that is not represented here.

Investment specialization across public and private markets



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

Franklin Templeton (1947)	●	●	●	●
Alcentra (2002)	●			
Benefit Street Partners (2008)	●			
Clarion Partners (1982)	●			
ClearBridge Investments (2005)	●			
Lexington Partners (1994)	●			
Putnam Investments (1937)	●			
Royce Investment Partners (1972)	●			
Western Asset (1971)		●		

Royce Investment Partners



Small-cap specialist with unparalleled knowledge and experience, offering distinct investment approaches to meet a variety of investors' goals.



Portfolio managers have significant investments in the strategies they manage



Pioneers of small-cap investing with more than 50 years of investment success



Royce Investment Partners is a Specialist Investment Manager of Franklin Resources, Inc.



US, international, and global investment strategies that pursue approaches with different risk profiles

About Royce Investment Partners

Founded 1972

30+ years average PM Industry experience

Operate with investment independence, majority-owned subsidiary of Franklin Resources, Inc.

Royce Small-Cap Total Return Portfolios



Overview

Royce Small-Cap Total Return Portfolios is a small-cap strategy that primarily invests in U.S. companies that pay regular dividends and/or return capital to shareholders. It favors companies that typically fall into one of three investment themes: Compounder, Quality Value, or Special Situations. The portfolio will not invest in any non-U.S. traded securities but has the option to invest in U.S.-traded American depositary receipts (ADRs).

Investment philosophy

Royce Small-Cap Total Return Portfolios:

- Seeks to buy high-quality small-cap businesses that are out of favor for what the portfolio managers think are transitory or cyclical reasons.
- Focuses on companies with a history of returning capital to investors.
- Employs a bottom-up, risk-aware approach.
- Uses data, analytics, and technology.

Investment objective

Seeks:

Long-term capital appreciation and current income.

Key differentiators

- Managed with a consistent investment discipline since 1993.
- Focuses on leading quality companies that pay regular dividends and/or return capital to shareholders.
- Managed by Royce Investment Partners, a small-cap specialist.

Royce Small-Cap Total Return Portfolios

Investment process



STEP 1

Idea generation

True bottom-up investment process using comprehensive fundamental analysis, with three investment themes:

- “Compounder” companies possess what it believes are outstanding business models, strong financial characteristics, and above average growth potential.
- “Quality Value” companies have attractive profit margins, strong free cash flows, high returns on invested capital, and low leverage and they also trade at what Royce believes are attractive valuations.
- “Special Situations” are companies that may have complex business models and/or require a catalyst for growth, such as spinoffs, turnarounds, and/or unrecognized asset values.

STEP 2

Fundamental research

Team member speaks with the company, reviews financial statements, SEC filings, earnings call transcripts, and company presentations examines industry journals; and conducts research on customers, competitors and culture to produce three documents:

- Financial model
- Investment memorandum
- Quality value scorecard

STEP 3

Team evaluation and risk analysis

- Each team member brings to the process their own bias, experience, and investment lens.
- By identifying missed or under-appreciated risks, the potential impact of behavioral biases is reduced, and the team gains a deeper understanding of the investment opportunity.

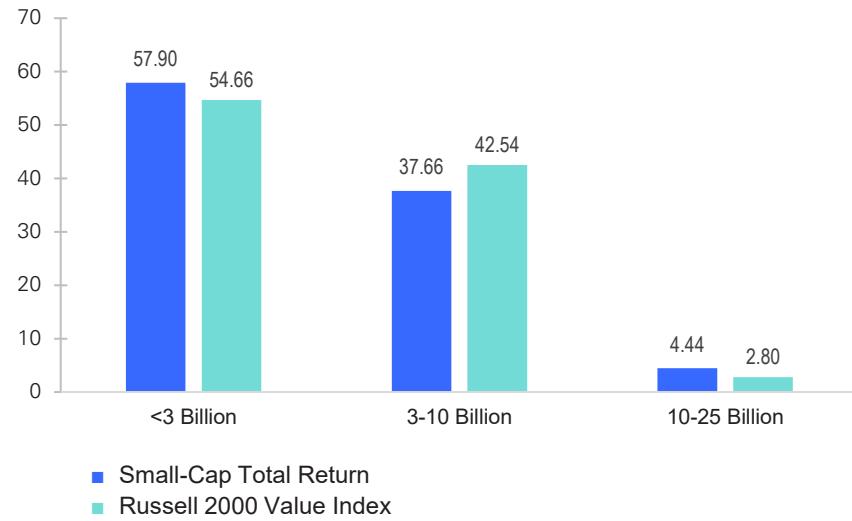
Diversification does not assure a profit or protect against market loss.

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 12/31/2025

Market capitalization breakdown in USD (%)



Portfolio characteristics

	Small-Cap Total Return	Russell 2000 Value Index
Number of Issuers	61	1,426
Estimated 3-5 Year EPS Growth	9.70%	10.75%
Price to Earnings (12-Month Forward)	13.80x	13.76x
Price to Book	5.50x	1.64x
Dividend Yield	1.86%	2.04%
Median Market Cap (Millions USD)	\$2,634	\$2,728
Weighted Average Market Capitalization (Millions USD)	\$3,542	\$3,334

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 12/31/2025



Sector weightings (%)	Small-Cap Total Return	Russell 2000 Value Index
Financials	34.50	26.36
Industrials	23.41	12.60
Consumer Discretionary	10.32	9.90
Information Technology	9.19	7.67
Materials	8.30	5.39
Consumer Staples	4.47	1.61
Health Care	2.23	11.02
Energy	1.24	6.96
Communication Services	0.80	3.22
Real Estate	0.00	9.52
Utilities	0.00	5.74
Cash & Cash Equivalents	5.53	0.00

Top holdings (%)	Small-Cap Total Return
Assured Guaranty Ltd	3.26
International General Insurance Holdings Ltd	3.07
Hackett Group Inc/The	2.93
Academy Sports & Outdoors Inc	2.91
Advance Auto Parts Inc	2.85
FTAI Aviation Ltd	2.80
Ingevity Corp	2.78
Barrett Business Services Inc	2.70
MSC Industrial Direct Co Inc	2.69
Kulicke & Soffa Industries Inc	2.65
Total	28.63

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 December 31, 2025

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Yrs
Small-Cap Total Return—Pure Gross of Fees—(USD)	1.50	0.83	1.93	1.93	13.02	9.79	11.14	10.52	9.75	8.77	9.92
Small-Cap Total Return—Net of Fees—(USD)	1.24	0.06	-1.09	-1.09	9.66	6.53	7.85	7.24	6.50	5.55	6.67
Russell 2000 Value Index—(USD)	0.18	3.26	12.59	12.59	11.73	8.88	10.09	9.27	8.73	7.40	8.61

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

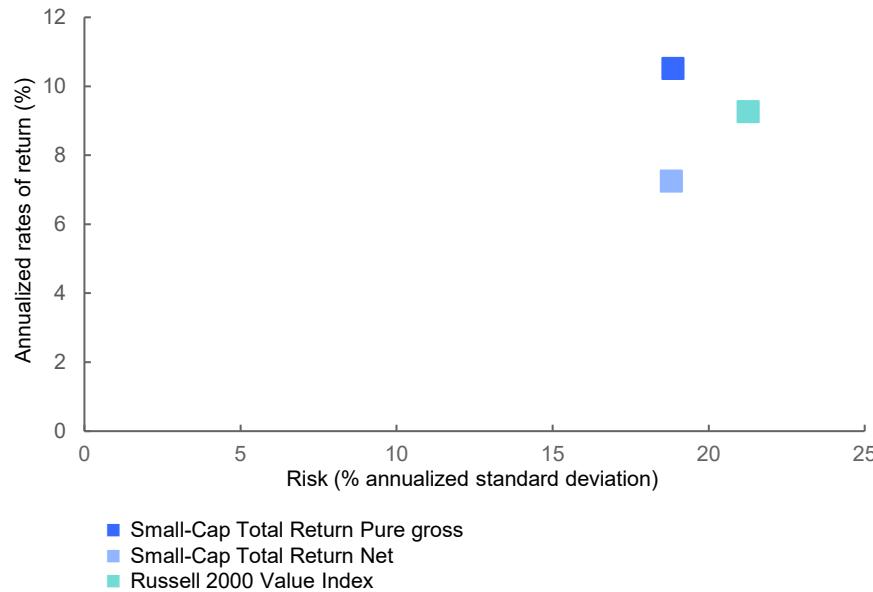
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Small-Cap Total Return—Pure Gross of Fees—(USD)	1.93	10.81	27.80	-13.21	27.31	5.13	24.94	-11.41	15.01	27.36
Small-Cap Total Return—Net of Fees—(USD)	-1.09	7.50	24.02	-15.78	23.55	2.02	21.24	-14.04	11.61	23.59
Russell 2000 Value Index—(USD)	12.59	8.05	14.65	-14.48	28.27	4.63	22.39	-12.86	7.84	31.74

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 December 31, 2025)



Modern portfolio statistics as of December 31, 2025

	Small-Cap Total Return Pure gross	Small-Cap Total Return Net	Russell 2000 Value Index
Annualized Return (%)	10.52	7.24	9.27
Annualized Standard Deviation (%)	18.85	18.81	21.27
Sharpe Ratio	0.51	0.35	0.42
Beta	0.86	0.85	N/A
Alpha (%)	1.95	-1.07	N/A
R-Squared	0.93	0.93	N/A

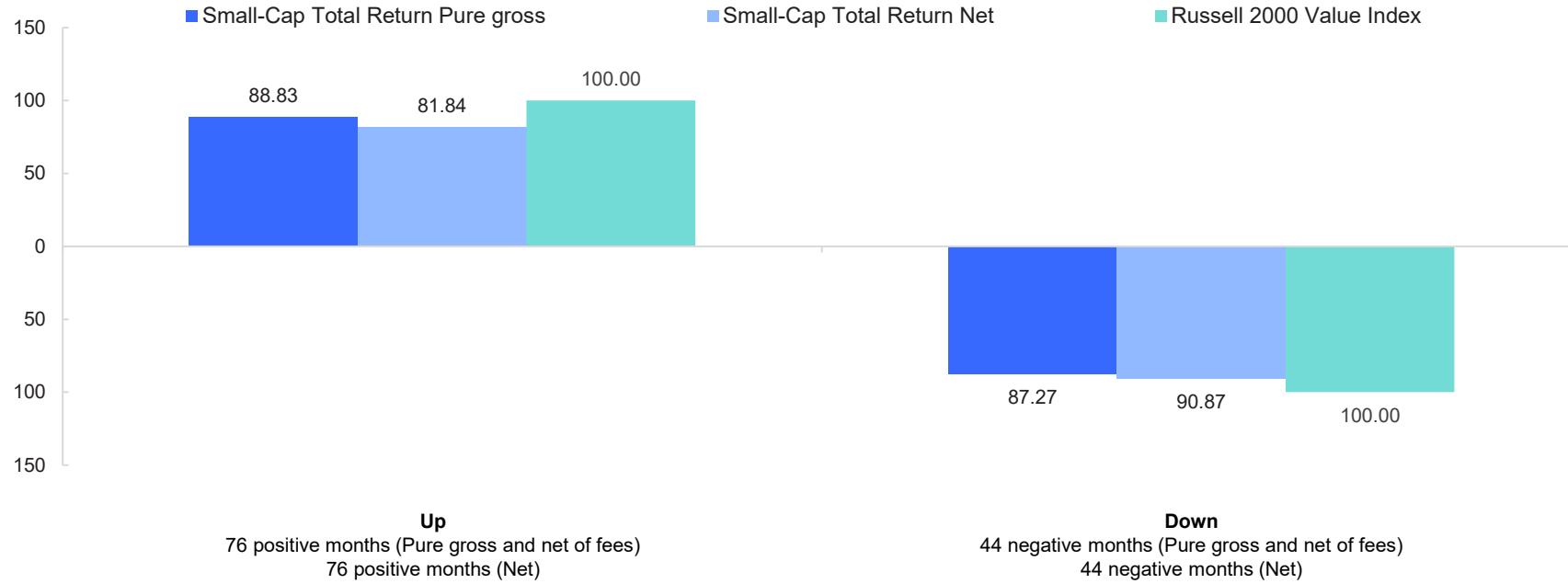
Alpha, Beta, Sharpe Ratio, and R-Squared are shown versus the Index. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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Up down market capture ratios (%)

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



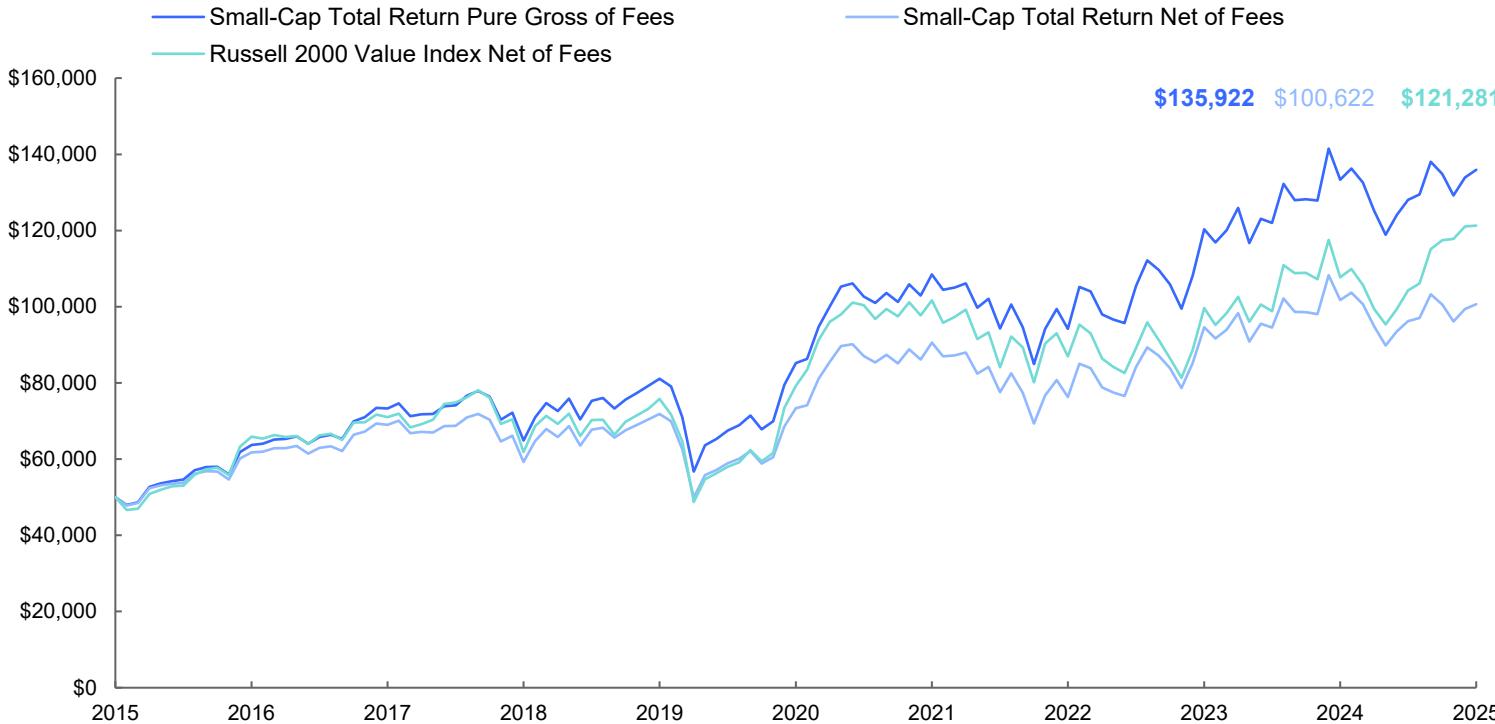
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Growth of \$50,000

ROYCE
Investment Partners

Pure gross and net of fees (based on 10-year period ending December 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



Miles Lewis, CFA

Lead Portfolio Manager

- Industry since 2004

Joseph Hints, CFA

Assistant Portfolio Manager

- Industry since 2016

Chuck Royce

Chairman, Portfolio Manager

- Industry since 1963

What are the risks?



Royce Small-Cap Total Return Portfolios

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **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**. 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.

GIPS Composite Report



ROYCE INVESTMENT PARTNERS ROYCE SMALL-CAP QUALITY VALUE SMA COMPOSITE GIPS COMPOSITE REPORT

YEAR END	TOTAL FIRM ASSETS (USD) (BILLIONS)	COMPOSITE ASSETS (USD) (MILLIONS)	NUMBER OF PORTFOLIOS	COMPOSITE RETURNS PURE GROSS*	COMPOSITE RETURNS NET	BENCHMARK RETURNS	COMPOSITE DISPERSION	COMPOSITE 3-YR STD DEV	BENCHMARK 3-YR STD DEV
2024	11.93	1.21	≤5	10.83%	7.55%	8.05%	N/A ¹	21.45%	23.44%
2023	12.35	0.13	≤5	27.80%	24.02%	14.65%	N/A ¹	20.33%	21.75%
2022	11.28	0.10	≤5	-13.20%	-15.77%	-14.48%	N/A ¹	23.55%	27.27%
2021	16.05	1,522.98	≤5	27.31%	23.55%	28.27%	N/A ¹	21.53%	25.00%
2020	14.55	1,387.94	≤5	5.13%	2.02%	4.63%	N/A ¹	22.03%	26.12%
2019	13.72	1,603.64	≤5	24.94%	21.24%	22.39%	N/A ¹	13.82%	15.68%
2018	12.77	1,612.54	≤5	-11.41%	-14.04%	-12.86%	N/A ¹	13.32%	15.76%
2017	17.40	2,480.30	≤5	15.01%	11.61%	7.84%	N/A ¹	12.22%	13.97%
2016	17.65	2,840.54	≤5	27.36%	23.59%	31.74%	N/A ¹	13.05%	15.50%
2015	18.51	2,856.04	≤5	-6.12%	-8.90%	-7.47%	N/A ¹	11.97%	13.46%
2014	31.87	4,658.76	≤5	2.49%	-0.54%	4.22%	N/A ¹	10.70%	12.79%
2013	39.70	5,694.88	≤5	34.27%	30.30%	34.52%	N/A ¹	13.21%	15.82%
2012	35.29	4,432.67	≤5	15.69%	12.26%	18.05%	N/A ¹	15.47%	19.89%
2011	35.29	4,452.79	≤5	-0.57%	-3.51%	-5.50%	N/A ¹	19.96%	26.05%
2010	39.46	4,795.97	≤5	24.88%	21.19%	24.50%	N/A ¹	22.87%	28.37%
2009	30.60	4,021.23	≤5	27.71%	23.93%	20.58%	N/A ¹	N/A ²	N/A ²
2008	20.28	3,360.34	≤5	-30.40%	-32.46%	-28.92%	N/A ¹	N/A ²	N/A ²

NA₁ - Composite dispersion is not presented for periods with five or fewer portfolios in the composite for the entire year.

NA₂ - The three-year annualized standard deviation is not presented for periods before 36 consecutive months of data is available.

* The pure gross-of-fees returns do not reflect the deduction of transaction costs and are presented as supplemental information.

Royce Small-Cap Quality Value SMA Composite: The Royce Small-Cap Quality Value SMA Composite contains portfolios that invest at least 65% of their net assets in dividend-paying equity securities. In addition, at least 65% of the strategy's net assets will be invested in equity securities issued by small-cap companies at the time of investment. Small-cap companies are those that have a market capitalization not greater than that of the largest company in the Russell 2000® Index at the time of its most recent reconstitution. Although the strategy normally focuses on securities of U.S. companies, it may invest up to 25% of its net assets (measured at the time of investment) in securities of companies headquartered in foreign countries. The strategy may invest in other investment companies that invest in equity securities. The strategy may sell securities to, among other things, secure gains, limit losses, redeploy assets into what Royce deems to be more promising opportunities, and/or manage cash levels in the strategy's portfolio. As of July 1, 2022, the strategy is defined to only include wrap portfolios. The Royce Small-Cap Quality Value SMA composite is compared against the Russell 2000 Value Index. The Royce Small-Cap Quality Value SMA composite was created in July 2022 and inceptioned on December 31, 1993.

For the purpose of complying with the GIPS standards, the Firm is defined as Royce & Associates, LP, which primarily conducts its business under the name Royce Investment Partners. Royce is registered with the U.S. Securities and Exchange Commission (the "SEC") as an investment adviser (SEC File No. 801-8268). Royce has been investing in smaller-company securities with a value approach for more than 40 years. Royce & Associates, LP began primarily conducting its business under the name Royce Investment Partners effective December 16, 2019. The firm's full list of composite descriptions, limited distribution pooled fund descriptions, and broad distribution pooled funds are available upon request.

Royce claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Royce has been independently verified for the periods January 1, 2008 through December 31, 2024. The verification report is 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.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite and benchmark performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. The wrap fee includes transaction costs, investment management, custodial, and other administrative fees. Past performance is not indicative of future results. Returns include the reinvestment of all income.

The currency used to express performance is USD. For non-wrap portfolios, gross-of-fee returns are reduced by trading costs. For wrap portfolios, gross-of-fee returns are not reduced by trading costs. Net-of-fee returns are calculated using a model fee of 3%. Net-of-fee composite returns are calculated by reducing each monthly composite pure gross rate of return by the highest wrap fee charged (3.00%) annually, prorated to a monthly ratio. 100% composite assets are represented by wrap fee portfolios for each period end 2022 forward. Prior to 2022, the composite did not

GIPS Composite Report



ROYCE INVESTMENT PARTNERS

ROYCE SMALL-CAP QUALITY VALUE SMA COMPOSITE

GIPS COMPOSITE REPORT (CONTINUED)

contain wrap portfolios. Composite dispersion is measured by the asset-weighted standard deviation of annual net returns of those portfolios included in the composite for the full year. The 3-year annualized standard deviation measures the variability of the composite net returns and benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The fee schedule currently in effect is 3.00% on all assets. Actual investment advisory fees incurred by clients are negotiable and may vary.

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Benchmark: Russell 2000 Value Index - The Russell 2000 Value Index is an index measuring the performance of value stocks within the Russell 2000 Index, as determined by Russell Investments.

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 U.S. 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 U.S.A. High Dividend Yield Index** is designed to reflect the performance of mid- and large-cap equities (excluding REITs) with higher dividend income, which is sustainable and persistent, than average dividend yields of securities in the MSCI USA Index. 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

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.

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. **Dividend Yield is calculated without the deduction of fees and expenses.**

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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