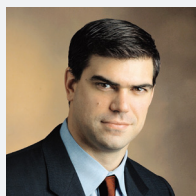




## Strategy Focus

# U.S. LARGE-CAP CORE EQUITY SMA



Jeffrey Rottinghaus, CPA  
*Portfolio Manager, US  
Large-Cap Core Equity  
Strategy*

### STRATEGY SUMMARY

- Constructed from the portfolio manager's strongest-conviction ideas and stocks rated as "buys" by our deep, experienced pool of global and U.S. equity analysts.
- The strategy provides the portfolio manager with greater flexibility to invest in stocks with a value or growth tilt in any sector, thus expanding the potential for excess returns.
- A focused strategy investing in companies with strong management teams, compelling valuation, and attractive market positioning operating in high-barriers-to-entry industries with secular growth prospects.
- Outperformance will be sought primarily through effective security selection over a full market cycle.

### FEATURES

#### Portfolio Management Tenure and Stability

Jeffrey Rottinghaus, CPA, has been the portfolio manager for the strategy since its inception in 2009.

#### Global Research Resources

T. Rowe Price has one of the industry's strongest commitments to in-house research. We aim to bring our clients better insights, which can lead to stronger long-term investment results. In our view, the quality and breadth of our research efforts provide a critical information edge that supports well-informed investment choices. We have more than 160 equity research professionals in six different countries around the world, providing a unique level of insight and giving us the ability to "connect the dots globally" on many of our investment theses.<sup>1</sup>

#### Disciplined Investment Approach

The investment process leverages the stock selection capabilities of the research team and emphasizes fundamental, bottom-up stock selection combined with in-depth valuation assessment.

- **Emphasis on collaborative research.** Through fundamental, bottom-up research and analysis, the portfolio manager collaborates with our deep pool of U.S. equity analysts and other U.S. equity portfolio managers to identify those stocks with the most compelling long-term core characteristics that are best suited for a concentrated portfolio. Each analyst specializes

in an industry and shares insight as well as his or her investment thesis with the portfolio manager to identify the highest-conviction ideas.

- **A high-conviction, concentrated portfolio.** The strength of our rigorous proprietary research allows the portfolio manager to make meaningful investments from among our most attractive buy-rated opportunities. A more concentrated portfolio of roughly 50 stocks provides the potential to achieve higher alpha than more diversified approaches.
- **Focus on bottom-up stock selection to drive outperformance.** While we may occasionally have a qualitative macroeconomic view that modestly influences sector and industry weightings, they are predominantly a residual of our bottom-up stock selection process.
- **Long-term orientation.** Patience, combined with research, heightens the potential for gain from companies with consistent, above-average earnings growth at reasonable valuations. We are anticipatory in nature and construct portfolios of companies with attractive earnings growth over the course of the next few years.

### WHY A T. ROWE PRICE SMA

T. Rowe Price's separately managed accounts (SMAs) offer access to our firm's expertise to identify opportunities and pursue solid, long-term results through our disciplined approach to investing. We are focused on helping our clients invest confidently. Backed by our experience over many investment cycles, our SMAs provide one more way to access T. Rowe Price's established active management approach.

<sup>1</sup>11 sector portfolio managers, 101 investment analysts, 43 associate research analysts, 7 quantitative analysts, and 6 specialty analysts as of December 31, 2018.

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### Important Information

**Risks:** All investments are subject to risks, including the possible loss of principal. The strategy is not diversified, and poor performance by a single issuer could adversely affect performance. The strategy's focused approach to equity investing could cause it to underperform other stock portfolios that employ a different investment style.

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