



FACT SHEET

# US Large-Cap Equity Income SMA

As of March 31, 2021



**Portfolio Manager:**

John D. Linehan

**Joined Firm:**

1998

## INVESTMENT APPROACH

We employ fundamental research and active, bottom-up stock selection to construct a portfolio of higher-quality companies, with a focus on stocks that generate above average income. We favor names featuring compelling valuations, attractive long-term fundamentals, and strong dividend yields.

- Employ a value-oriented investment approach
- Focus on companies with an above-average dividend yield – always a positive component of total return.
- Utilize a thorough “bottom-up” fundamental research evaluation of each holding.

## COMPOSITE INFORMATION

Inception Date	30 September 2020
Benchmark	Russell 1000 Value Index
Assets	\$2,648,111 (USD)

## PORTFOLIO CONSTRUCTION

- Bottom-up fundamental approach
- Roughly 55 to 70 issuers
- Individual position sizes will typically range from 0.50% to 5.00%
- Sector weights will typically range from 0.5X to 2.0X, the primary value sectors of the Russell 1000 Value Index
- Seeks above average dividend yield relative to the broader equity market.

## COMPOSITE PERFORMANCE

	One Month	Three Months	Since Inception 09/30/2020
US Large-Cap Equity Income SMA Composite (“Pure” Gross) <sup>1</sup>	6.86%	12.93%	35.79%
US Large-Cap Equity Income SMA Composite (Net - Wrap Fee) <sup>1</sup>	6.61	12.11	33.86
Russell 1000 Value Index	5.88	11.26	29.34

**Past performance is not a reliable indicator of future performance.**

<sup>1</sup> Net annual returns reflect the deduction of a 3.00% annual wrap fee which is the maximum anticipated wrap fee deducted from the “pure” gross composite returns. Actual fees may vary. “Pure” gross returns are presented before the deduction of expenses and all other fees, but may include transaction costs. Returns include reinvestment of dividends and capital gains.

## PORTFOLIO CHARACTERISTICS

	Rep. Portfolio	Russell 1000 Value Index
Number of Issuers	63	846
Investment Weighted Average Market Cap (mm) (USD)	\$124,997	\$147,683
Investment Weighted Median Market Cap (mm) (USD)	\$71,103	\$73,330
Price to Earnings (12 Months Forward) <sup>1,2,*</sup>	16.7X	20.3X
Price to Book <sup>1</sup>	2.5X	3.2X
Projected Earnings Growth Rate (3 - 5 Years) <sup>1,2,*</sup>	6.6%	8.6%
Return on Equity (Last 12 Months excl. charges) <sup>1</sup>	11.6%	12.6%
Average Company Yield (Inv Wtd Avg)	2.7%	2.3%
Top 20 Issuers as Percent of Total	46.6%	26.5%
Percent of Portfolio in Cash	1.3%	--

<sup>1</sup> Investment Weighted Median.

<sup>2</sup> Based on the Representative Portfolio's underlying holdings and is not a projection of future portfolio performance. Actual results may vary.

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## TOP 10 ISSUERS

Comprising 27.0% of the Representative Portfolio's total holdings

Issuer	Industry
Wells Fargo	Banks
Southern Company	Electric Utilities
GE	Industrial Conglomerates
Qualcomm	Semiconductors & Semiconductor Equipment
MetLife	Insurance
UPS	Air Freight & Logistics
Chubb	Insurance
Fifth Third Bancorp	Banks
Morgan Stanley	Capital Markets
Total	Oil, Gas & Consumable Fuels

## SECTOR DIVERSIFICATION

	Financials	Health Care	Indust & Bus Svcs	Info Tech	Utilities	Cons Stpls	Materials	Comm Svcs	Energy	Real Estate	Cons Disc
Representative Portfolio	22.7%	12.5%	11.8%	9.7%	8.4%	6.8%	6.2%	5.7%	6.1%	5.0%	4.1%
Russell 1000 Value Index	20.6	12.6	13.9	9.5	5.0	7.1	4.8	9.2	5.1	4.3	7.8
Over/Underweight	2.1	-0.2	-2.1	0.2	3.4	-0.3	1.4	-3.5	1.0	0.6	-3.8

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Please see Additional Disclosures for information about this Global Industry Classification Standard (GICS) information.

## GIPS® Composite Report

## US Large-Cap Equity Income SMA Composite

Period Ended December 31, 2020

Figures Shown in U.S. dollar

	<u>2020</u> <sup>2</sup>
Net Annual Returns (%) <sup>1</sup>	19.40
"Pure" Gross Annual Returns (%) <sup>1</sup>	20.25
Russell 1000 Value Index (%)	16.25
Composite 3-Yr St. Dev. <sup>3</sup>	N/A
Russell 1000 Value Index 3-Yr St. Dev.	N/A
Composite Dispersion	N/A
Comp. AUM (Millions)	2.3
Comp. AUA (Millions)	N/A
# of Accts. in Comp.	1
Total Firm AUM (Billions)	1,482.5 <sup>4</sup>
Total Firm AUA (Billions)	2,762.8
SMA Portfolio (%)	0%

<sup>1</sup>Net annual returns reflect the deduction of the highest applicable wrap fee from the "pure" gross returns. "Pure" gross returns are presented before the deduction of expenses and all other fees, but may include transaction costs. Supplemental information. Past performance is not a reliable indicator of future performance. Monthly composite performance is available upon request.

<sup>2</sup>September 30, 2020 through December 31, 2020.

<sup>3</sup>Three-year annualized ex-post standard deviation is not presented because 36 monthly returns are not available.

<sup>4</sup>Preliminary - subject to adjustment.

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"Pure" gross returns are presented before the deduction of expenses and all other fees, but may include transactions costs. "Pure" gross returns are presented as supplemental information. Net of fees performance reflects

the deduction of the highest applicable wrap fee appropriate to you for this mandate from the "pure" gross composite return. Gross and net performance returns are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

Some portfolios may trade futures, options, and other potentially high-risk derivatives which generally represent less than 10% of a portfolio.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

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**US Large-Cap Equity Income SMA Composite.** The US Large-Cap Equity Income SMA Composite seeks substantial dividend income, primarily through investment in dividend-paying common stocks of established companies. The strategy emphasizes companies that appear to be temporarily undervalued by various measures. Capital appreciation is a secondary objective for this strategy. This composite is comprised of a subset of the US Large-Cap Equity Income Composite holdings. (Created September 2020; incepted September 30, 2020)

**Fee Schedule**

The maximum applicable wrap fee is 3% on total assets.

## ADDITIONAL DISCLOSURES

T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

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Unless otherwise noted, index returns are shown with gross dividends reinvested.

Portfolio Construction: There is no guarantee that the investment will remain within the anticipated ranges of exposure.

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and no assumptions should be made that investments in the securities identified and discussed were or will be profitable.

The information shown does not reflect any ETFs that may be held in the portfolio.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of other accounts in the strategy. Please see the GIPS® Composite Report for additional information on the composite.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

The holdings shown are for the representative portfolio and may not necessarily reflect a client's actual holdings.

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**Risks:** All investments are subject to risk, including possible loss of principal. The value approach to investing carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock judged to be undervalued may actually be appropriately priced. The portfolio's value investing style may become out of favor, which may result in periods of underperformance.

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