



FACT SHEET

# U.S. Select Value Equity SMA

As of March 31, 2021



**Portfolio Manager:**

John D. Linehan

**Joined Firm:**

1998

**INVESTMENT APPROACH**

- Employ a conservative, value-oriented investment approach and typically invest in high quality, dividend-paying companies with strong brands, franchises, or assets we think are undervalued.
- To identify these companies, we let valuation be our guide and utilize a variety of different metrics and proprietary screens to assess valuation appeal.
- Leverage our global research platform to assist in uncovering companies with strong reward-to-risk characteristics.
- Maintain a long-term orientation to allow for full exploitation of valuation anomalies.
- Construct a diversified portfolio to help manage our risk profile.

**COMPOSITE INFORMATION**

Inception Date	31 December 2017
Benchmark	Russell 1000 Value Index
Assets	\$2,724,831 (USD)

**PORTFOLIO CONSTRUCTION**

- Bottom-up fundamental approach
- Typically 30-40 stock portfolio
- Individual positions will typically range from 1.00% to 5.00%
- Reserves will typically range from 1% to 5%

**COMPOSITE PERFORMANCE**

	Three Months	Year-to-Date	One Year	Three Years	Since Inception 12/31/2017
U.S. Select Value Equity SMA Composite ("Pure" Gross) <sup>1</sup>	11.59%	11.59%	57.12%	11.47%	10.09%
U.S. Select Value Equity SMA Composite (Net - Wrap Fee) <sup>1</sup>	10.78	10.78	52.63	8.19	6.84
Russell 1000 Value Index	11.26	11.26	56.09	10.96	9.12

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 Holdings	44	846
Investment Weighted Average Market Cap (mm) (USD)	\$149,190	\$147,683
Investment Weighted Median Market Cap (mm) (USD)	\$74,377	\$73,330
Price to Earnings (12 Months Forward) <sup>1,2,*</sup>	16.0X	20.3X
Price to Book <sup>1</sup>	2.4X	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>	9.9%	12.6%
Average Company Yield (Inv Wtd Avg)	2.7%	2.3%
Top 20 Holdings as Percent of Total	63.2%	26.5%
Percent of Portfolio in Cash	1.2%	--

<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 37.2% of the Representative Portfolio's total holdings

Issuer	Industry
Wells Fargo	Banks
GE	Industrial Conglomerates
Total	Oil, Gas & Consumable Fuels
Southern Company	Electric Utilities
Qualcomm	Semiconductors & Semiconductor Equipment
Anthem	Health Care Providers & Services
UPS	Air Freight & Logistics
Comcast	Media
Becton, Dickinson & Company	Health Care Equipment & Supplies
Microsoft	Software

**SECTOR DIVERSIFICATION**

	Financials	Health Care	Indust & Bus Svcs	Utilities	Info Tech	Cons Stpls	Materials	Energy	Comm Svcs	Real Estate	Cons Disc
Representative Portfolio	24.1%	12.7%	12.4%	8.9%	8.8%	7.3%	7.0%	6.8%	5.3%	3.3%	2.2%
Russell 1000 Value Index	20.6	12.6	13.9	5.0	9.5	7.1	4.8	5.1	9.2	4.3	7.8
Over/Underweight	3.5	0.1	-1.5	3.9	-0.7	0.2	2.3	1.7	-3.9	-1.1	-5.6

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). Please see page 5 for information about this FTSE Russell information.

Please see page 3 for information about this Global Industry Classification Standard (GICS) information.

## GIPS® Composite Report

## US Select Value Equity SMA Composite

Period Ended December 31, 2020

Figures Shown in U.S. dollar

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net Annual Returns (%) <sup>1</sup>	-8.71	24.09	-1.22
"Pure" Gross Annual Returns (%) <sup>1</sup>	-5.91	27.80	1.80
Russell 1000 Value Index (%)	-8.27	26.54	2.80
Composite 3-Yr St. Dev.	N/A	N/A	20.44
Russell 1000 Value Index 3-Yr St. Dev.	10.82	11.85	19.62
Composite Dispersion	N/A	N/A	N/A
Comp. AUM (Millions)	1.9	2.4	2.4
Comp. AUA (Millions)	0.2	1.2	0.9
# of Accts. in Comp.	1	1	1
Total Firm AUM (Billions)	972.7	1,218.2	1,482.5 <sup>2</sup>
Total Firm AUA (Billions)	307.2	859.2	2,762.8
SMA Portfolio (%)	0%	0%	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>Preliminary - subject to adjustment.

T. Rowe Price (TRP) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. TRP has been independently verified for the 24-year period ended June 30, 2020 by KPMG LLP. 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 ensure the accuracy of any specific composite presentation. TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The composite does not have a minimum size for composite inclusion. Valuations are computed and performance reported in U.S. dollars. "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.

The firm's list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. 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.

**US Select Value Equity SMA Composite.** The US Select Value Equity SMA Composite seeks long-term capital appreciation primarily through investment in large companies that appear to be undervalued. Income is a secondary objective for this strategy. (Created December 2017; incepted December 31, 2017) (Formerly known as the US Large-Cap Equity Income SMA Composite)

**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.

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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® disclosure page 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.

## IMPORTANT INFORMATION

**Risks:** All investments are subject to risks, including possible loss of principal. There is no assurance that the investment process will capture quality companies with attractive and sustainable dividend yields. Dividend-paying stocks may lag shares of smaller, faster-growing companies. Dividends are not guaranteed and are subject to change. Diversification cannot assure a profit or protect against loss in a declining market.

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