

# US Structured Research Equity Strategy

A low-cost, core allocation to US Equities

## What is US Structured Research Equity?



The Strategy launched in 1999 and offers clients a core, low cost active allocation to US equities benchmarked to the S&P 500 Index.



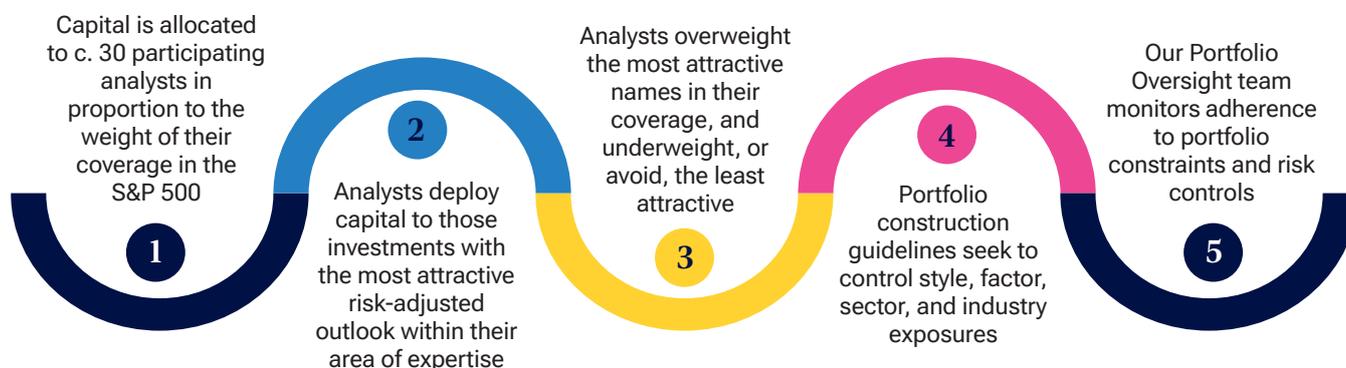
Utilises an analyst-driven approach that seeks to consistently add value via fundamental stock selection across all market environments.



Applies a rules-based approach to portfolio construction designed to limit active risk with benchmark-like volatility and characteristics.

## How does it work?

The Strategy's approach utilises a clearly defined investment process in which our analysts make buy and sell decisions for their individual portions of the portfolio, subject to the oversight and discretion of the Portfolio Oversight team.



## Portfolio

- Holdings range: 200-275 stocks
- Sector, industry and style neutral
- Traded daily and rebalanced monthly (as needed)

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## Portfolio Oversight Team



**Ann Holcomb, CFA**  
Director of Equity Research,  
North America, Portfolio Manager



**Jason Polun, CFA**  
Director of Equity Research,  
North America, Portfolio Manager



**Jason Nogueira, CFA**  
Director of Equity Research,  
North America, Portfolio Manager



**Alexa Gagliardi, CFA**  
Portfolio Manager



**Eric Papesh, CFA**  
Portfolio Specialist



**Tamzin Manning**  
Portfolio Specialist

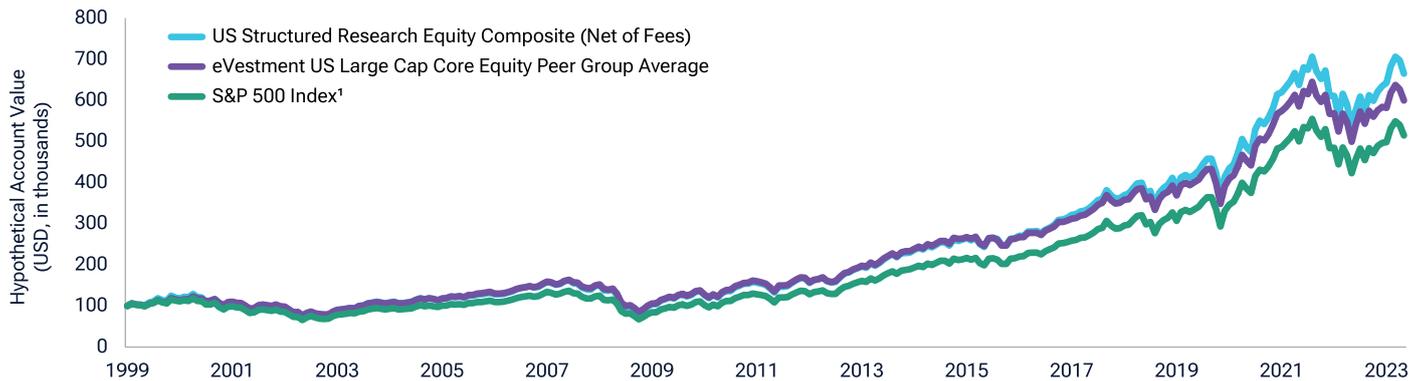
## A history of attractive, long term outperformance

Active bets on sectors, industries, and individual stocks are limited to ensure that stock selection is the primary driver of excess returns over time.

Since its launch in 1999, the Strategy has delivered above benchmark returns with low tracking error across a wide variety of market conditions. The Strategy is designed to be less influenced by style or sector leadership changes, meaning that stock selection has been the primary source of returns with broad contribution across different sectors.

### US Structured Research Equity - the power of compounding alpha

31 May 1999 (Since Inception) Through 30 September 2023



Average 12-month excess returns:

1.28%

Average tracking error:

1.09%

Average information ratio:

0.98

Long-term hit rate:<sup>2</sup>

85%

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

Index or eVestment peer group performance is for illustrative purposes only and is not indicative of any specific investment. Investors cannot invest directly in an index or eVestment peer group.

<sup>1</sup> Index returns shown with gross dividends reinvested.

<sup>2</sup> The hit rate records the percentage of times the Strategy composite has outperformed the S&P 500 Index over rolling one year periods, using monthly observations, since inception.

Source for eVestment data: eVestment Alliance, LLC. Please see Additional Disclosures and GIPS Composite report for sourcing information. Total returns include all realized and unrealized gains and losses plus income. Figures shown are net of fees which reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule contained within this material, without the benefit of breakpoints.

### Why T. Rowe Price for US Equities?

85+

Years managing US equities – gives us a deep understanding of US industries and companies

150+

US analysts - means we are able to analyse any opportunity, in any sector, at any time

US\$ 595<sub>bn</sub>

AUM in US equities – gives us unparalleled access to company management teams

### Want to know more?

If you have questions or would like more information on US Structured Research Equity, please contact us:

020 7002 4372 | [ukintermediaries@troweprice.com](mailto:ukintermediaries@troweprice.com)

## GIPS® Composite Report

Period Ended 31 December 2022

Figures Shown in U.S. Dollar

### US Structured Research Equity Composite

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross Annual Returns (%)	33.51	12.96	3.58	10.90	24.38	-3.94	33.14	20.68	28.51	-18.40
Net Annual Returns (%) <sup>1</sup>	31.76	11.46	2.19	9.43	22.74	-5.24	31.40	19.09	26.82	-19.52
S&P 500 Index (%)	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11
Composite 3-Yr St. Dev.	12.24	9.22	10.54	10.80	10.17	11.00	12.10	18.91	17.55	21.13
S&P 500 Index 3-Yr St. Dev.	11.94	8.97	10.47	10.59	9.92	10.80	11.93	18.53	17.17	20.87
Composite Dispersion	0.24	0.09	0.04	0.06	0.09	0.06	0.10	0.08	0.10	0.04
Comp. Assets (Millions)	26,824.1	22,006.4	17,157.1	15,937.5	12,513.8	14,665.3	18,774.0	34,997.5	44,875.8	45,462.5
# of Accts. in Comp.	48	40	32	29	26	28	24	28	28	31
Total Firm Assets (Billions)	696.3	749.6	772.4	817.2	1,000.2	972.7	1,218.2	1,482.5	1,653.6	1,237.4 <sup>2</sup>

<sup>1</sup> The fee rate used to calculate net returns is 1.35%. This represents the maximum fee rate applicable to all composite members. **Past performance is not a reliable indicator of future performance.**

<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 26-year period ended June 30, 2022 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. As of October 1, 2022, there is no minimum asset level for portfolio inclusion into the composite. Prior to October 2022, the minimum asset level for equity portfolios to be included in composites was \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites was \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management fees and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the maximum fee rate applicable to all composite members as shown above. Gross performance returns are presented gross of withholding taxes on dividends, interest income, and capital gains. Please be advised if a client is subject to withholding taxes the actual performance of all other portfolios in the composite subject to withholding may be lower than the composite returns presented gross of withholding taxes. Gross performance returns are used to calculate presented risk measures. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. 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 composites in which there are five or fewer portfolios.

Some portfolios may trade futures, options, and other potentially high-risk derivatives that may create leverage and generally represent in aggregate 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.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 10% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

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.

A portfolio management change occurred effective April 1, 2007, January 1, 2015, May 1, 2017, May 1, 2019 and October 1, 2021. There were no changes to the investment program or strategy related to this composite.

## General Portfolio Risks

**Capital risk** - The value of your investment will vary and is not guaranteed. It will be affected by changes in the exchange rate between the base currency of the portfolio and the currency in which you subscribed, if different.

**Equity risk** - In general, equities involve higher risks than bonds or money market instruments.

**ESG and Sustainability risk** - May result in a material negative impact on the value of an investment and performance of the portfolio.

**Geographic concentration risk** - To the extent that a portfolio invests a large portion of its assets in a particular geographic area, its performance will be more strongly affected by events within that area.

**Hedging risk** - A portfolio's attempts to reduce or eliminate certain risks through hedging may not work as intended.

**Investment portfolio risk** - Investing in portfolios involves certain risks an investor would not face if investing in markets directly.

**Management risk** - The investment manager or its designees may at times find their obligations to a portfolio to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

**Operational risk** - Operational failures could lead to disruptions of portfolio operations or financial losses.

## Additional disclosures

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