



## STRATEGY HIGHLIGHTS

As of 31 March 2024

# US Small-Cap Core Equity Strategy

**Total US Small-Cap Core Equity Strategy Assets:**<sup>1</sup> \$21.4 billion

Figures shown in U.S. Dollars

### INVESTMENT APPROACH

- Focus on companies within or below the market-cap range of the Russell 2000 Index at time of purchase.
- Assess valuation using relevant sector/industry metrics — absolute and relative price to earnings, price to cash flow, and price to assets.
- Integrate fundamental research to discover underfollowed companies possessing clear business plans, financial flexibility, and proven management teams.
- Identification of a “value creation” catalyst is key.
- Broadly diversify holdings to help manage portfolio risk profile.
- Employ a low turnover and patient trading strategy to help promote full value realization.

### PORTFOLIO CONSTRUCTION

- Typically 275-325 securities
- Position sizes typically range between 0.15% and 2.50%
- Primary sector weights vary from 0.5X to 2.0X, relative to Russell 2000 Index weight

### BENCHMARK

- Russell 2000 Index

### PORTFOLIO MANAGEMENT

#### Alex Roik, CFA®

- 10 years of investment experience; 10 years with T. Rowe Price.
- B.A., University of Notre Dame

### PORTFOLIO SPECIALISTS

#### Michele Ward, CFA®

- 40 years of investment experience; 9 years with T. Rowe Price.
- M.B.A., Yale School of Management
- B.A., Yale University

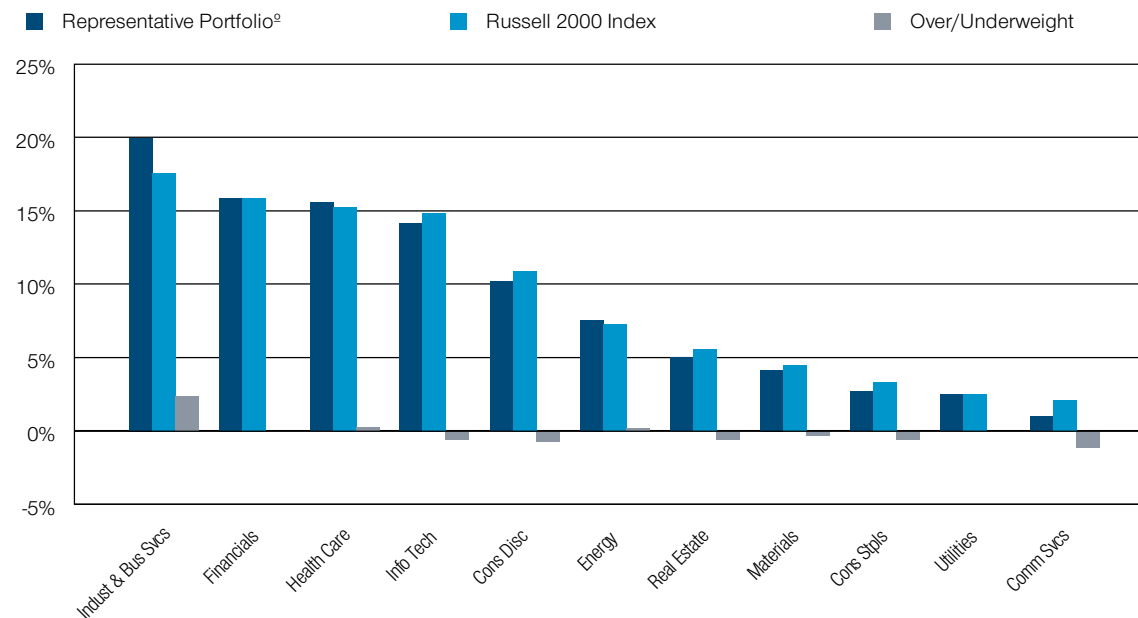
Portfolio Specialists do not assume management responsibilities. Effective 1 January 2024, Alex Roik assumed sole portfolio management responsibility for the Composite. CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

<sup>1</sup> Includes U.S.-registered mutual funds, a common trust fund, separate accounts, subadvised portfolios, and a college savings portfolio.

## TOP 10 ISSUERS

	% of Representative Portfolio <sup>°</sup>
Element Solutions	1.2%
Selective Insurance	1.0
PAR Technology	1.0
Diamondback Energy	1.0
Saia	1.0
Onto Innovation	1.0
PennyMac Financial Services	0.9
CAVA	0.9
EastGroup Properties	0.9
SPX Technologies	0.9
<b>Total</b>	<b>9.8%</b>

## SECTOR DIVERSIFICATION



## PORTFOLIO CHARACTERISTICS

	Representative Portfolio <sup>°</sup>	Russell 2000 Index
Projected Earnings Growth Rate (3 - 5 Years)* <sup>°</sup> †	10.2%	12.3%
Price to Earnings (12 Months Forward)* <sup>°</sup> †	26.7X	21.5X
Return on Equity (Last 12 Months excl. charges) <sup>°</sup>	9.6%	11.0%
Price to Book (trailing) <sup>°</sup>	3.6X	2.7X
Investment Weighted Median Market Cap (mm)	\$6,021	\$3,150
Investment Weighted Average Market Cap (mm)	\$6,888	\$4,857
Number of Issuers	293	1,937
Top 20 Issuers as % of Total	17.9%	8.5%
Portfolio Turnover ††	28.2%	–
Active Share	84.3%	–

<sup>°</sup>Statistics are based on investment-weighted median.

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†These statistics are based on the Composite's underlying holdings and are not a projection of future portfolio performance. Actual results may vary.

<sup>°</sup>Please see Additional Disclosures section for further information.

††Portfolio Turnover represents 1 year period ending 12/31/2023.

**PERFORMANCE**

	Three Months	One Year	Annualized			
			Three Years	Five Years	Ten Years	Fifteen Years
US Small-Cap Core Equity Composite (Gross)	5.82%	21.04%	1.63%	10.44%	10.48%	16.24%
US Small-Cap Core Equity Composite (Net)	5.62	20.15	0.87	9.62	9.66	15.38
Russell 2000 Index	5.18	19.71	-0.10	8.10	7.58	12.89
Value Added (Gross)	0.64	1.33	1.73	2.34	2.90	3.35
Value Added (Net)	0.44	0.44	0.97	1.52	2.08	2.49

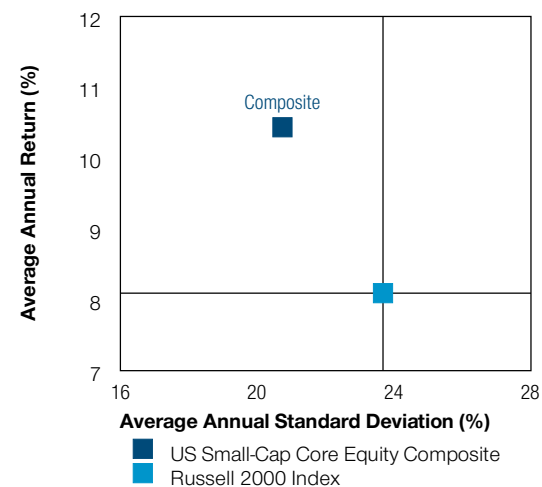
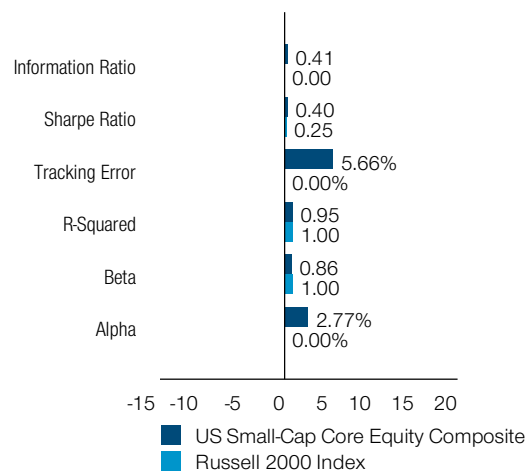
**Past performance is not a reliable indicator of future performance.**

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance 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. Gross and net performance returns reflect the reinvestment of dividends and are net of all non-reclaimable withholding taxes on dividends, interest income, and capital gains.

See GIPS® Composite Report located in this material for additional information.

**RISK/RETURN CHARACTERISTICS**

Five Years ended 31 March 2024



**Past performance is not a reliable indicator of future performance.** Statistics based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees.

FEE SCHEDULE

US Small-Cap Core Equity Composite

The US Small-Cap Core Equity Composite seeks long-term capital growth primarily through investment in stocks of small companies believed to offer growth potential or be under-valued. (Created June 2006, incepted December 31, 1995.)

First \$20 million	75 basis points
Next \$50 million	60 basis points
Minimum separate account size	\$50 million

## GIPS® Composite Report

## US Small-Cap Core Equity Composite

Period Ended December 31, 2023

Figures Shown in U.S. dollar

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Gross Annual Returns (%)	7.91	-2.31	19.67	16.25	-2.41	34.83	25.92	17.60	-22.74	18.59
Net Annual Returns (%) <sup>1</sup>	6.62	-3.48	18.25	14.87	-3.59	33.24	24.42	16.20	-23.70	17.18
Russell 2000 Index (%)	4.89	-4.41	21.31	14.65	-11.01	25.52	19.96	14.82	-20.44	16.93
Composite 3-Yr St. Dev.	11.77	12.85	14.32	12.37	13.71	13.49	21.77	19.94	22.85	19.07
Russell 2000 Index 3-Yr St. Dev.	13.12	13.96	15.76	13.91	15.79	15.71	25.27	23.35	26.02	21.11
Composite Dispersion	0.09	0.06	0.07	0.08	0.04	0.05	0.24	0.91	0.19	0.27
Comp. Assets (Millions)	13,327.8	12,383.0	15,425.9	16,519.5	15,454.8	20,169.9	22,917.1	18,024.5	18,303.2	20,270.0
# of Accts. in Comp.	9	10	10	9	10	10	11	9	11	10
Total Firm Assets (Billions)	749.6	772.4	817.2	1,000.2	972.7	1,218.2	1,482.5	1,653.6	1,237.4	1,403.8 <sup>2</sup>

<sup>1</sup>The fee rate used to calculate net returns is 1.21%. 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 27-year period ended June 30, 2023 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. The minimum asset level for fixed income and asset allocation portfolios to be included in composites was \$10 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management 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 reflect the reinvestment of dividends and are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. 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. Generally 5-10% of the composite's portfolio holdings consist of assets for which market data may not be available that are valued using unobservable inputs developed using the best information available at the time of the valuation. Gross performance returns are used to calculate presented risk measures. 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 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.

## ADDITIONAL DISCLOSURES

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

Active Share is a holdings based measure of active management representing the percentage of a portfolio's holdings that differ from those in its benchmark. Compared to tracking error, which measures the standard deviation of the difference in a manager's returns versus the Benchmark returns, Active Share allows investors to get a clearer understanding of what a manager is doing to drive performance, rather than drawing conclusions from observed returns. The greater the difference between the asset composition of a product and its benchmark, the greater the active share is.

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

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

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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.

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## Risks

The following risks are materially relevant to the portfolio.

### General Portfolio Risks

**Equity** - Equities can lose value rapidly for a variety of reasons and can remain at low prices indefinitely. **ESG and sustainability** - ESG and Sustainability risk may result in a material negative impact on the value of an investment and performance of the portfolio. **Geographic concentration** - Geographic concentration risk may result in performance being more strongly affected by any social, political, economic, environmental or market conditions affecting those countries or regions in which the portfolio's assets are concentrated. **Hedging** - Hedging measures involve costs and may work imperfectly, may not be feasible at times, or may fail completely. **Investment portfolio** - Investing in portfolios involves certain risks an investor would not face if investing in markets directly. **Management** - Management risk may result in potential conflicts of interest relating to the obligations of the investment manager. **Market** - Market risk may subject the portfolio to experience losses caused by unexpected changes in a wide variety of factors. **Operational** - Operational risk may cause losses as a result of incidents caused by people, systems, and/or processes.

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