

# Boston Partners Premium Equity



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## Separately Managed Account (SMA)

### MORNINGSTAR RATINGS



Medalist rating as of 8/26/2025.

### OBJECTIVE

Long-term growth of capital and to outperform its benchmark net of fees.

### INVESTMENT APPROACH

Bottom-up security selection that establishes an all-cap diversified portfolio of primarily U.S. company stocks possessing attractive valuations, strong fundamentals, and positive business momentum.

### KEY STATS

Category	U.S. All Cap Value
Benchmark	Russell 3000 Value Index
SMA assets	\$1.1 B
Total strategy assets	\$11.3 B
Total firm assets	\$127.0 B
Holdings	103
Inception	1/1/2012

### RISK MEASURES (most recent five year period)

Beta	0.95
Alpha	1.64
Standard deviation	14.4%
Information ratio	0.35
Upside capture	96.51%
Downside capture	90.52%

### CHARACTERISTICS

	Portfolio	Benchmark
Wtd. avg. market cap	\$215.2 B	\$294.3 B
Forward P/E	14.5x	16.8x
OROA (5 YR)	55.5%	18.4%
Free cash flow yield	3.7%	2.3%

Data shown is for the representative account.

### SECTOR WEIGHTINGS (%)

	UNDER	OVER	PORTFOLIO	BENCHMARK
Information technology		8.8	20.0	11.2
Financials		6.6	29.1	22.5
Health care		3.4	15.6	12.2
Industrials		0.1	13.1	13.0
Energy	-2.0		3.8	5.8
Communication services	-2.1		6.1	8.2
Materials	-2.6		1.5	4.1
Consumer staples	-3.1		3.9	7.0
Consumer discretionary	-3.2		4.3	7.5
Real estate	-4.1		0.1	4.2
Utilities	-4.4		0.0	4.4

Cash and net other investments are excluded. Allocations will vary over time. Due to rounding, percentages may not equal 100%. GICS (Global Industry Classification Standard) sector classification is used. All product characteristics and sector weightings are calculated using a representative account from the institutional version of this composite.

### TOP TEN HOLDINGS (%)

JPMorgan Chase & Co.	2.8	AbbVie Inc.	2.0
Alphabet Inc.	2.7	Goldman Sachs Group Inc.	2.0
Bank of America Corporation	2.5	Philip Morris International Inc.	2.0
Johnson & Johnson	2.2	Medtronic plc	1.8
Corpay Inc.	2.1	Cisco Systems Inc.	1.7

Holdings represent 21.8% of the portfolio and will vary over time.

## A time-tested approach to investing

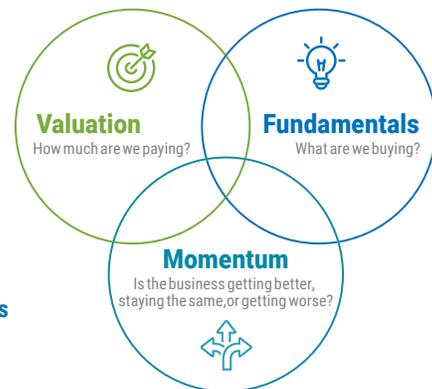
### We buy stocks that exhibit:

- Attractive value characteristics
- Strong business fundamentals
- Positive business momentum

### We sell stocks based on:

- Valuation: appreciation to price target
- Weakening business fundamentals
- Reversal of momentum

**In our experience, portfolios with all three characteristics tend to outperform over time.**



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## Performance commentary

- U.S. equities reached new highs during the fourth quarter, propelling the S&P 500 Index to its third double-digit gain for a calendar year in as many years. Tailwinds included robust earnings growth and accommodative monetary policy (the Federal Reserve delivered two rate cuts during the quarter, and market expectations are for additional cuts in 2026). Meanwhile, expectations for U.S. GDP growth have steadily risen and inflation has not accelerated. Value stocks outperformed growth stocks, marking a continued broadening out of year-to-date gains.
- The Boston Partners Premium Equity strategy delivered a positive return for the quarter and outperformed its benchmark, the Russell 3000 Value Index net of fees\*. Stock selection in the Financials sector and our underweight exposure to Utilities were among the areas that aided returns versus the index, while our holdings in Information Technology and Health Care generally detracted from relative results.
- Standout individual contributors during the quarter included Alphabet and Expeditors International. Internet search giant Alphabet benefited from broad-based revenue growth, with double-digit growth in search, YouTube ads, subscriptions, and cloud storage, where revenue grew roughly 34%–35% and margins expanded sharply on rising artificial intelligence (AI) demand. Alphabet's AI strategy is driving higher usage and monetization across its business. With Expeditors, strength in its higher-margin airfreight services and double-digit growth in its customs brokerage and other services drove earnings higher. Investors responded positively to the earnings surprise, margin improvement, and continued capital returns, driving the stock higher.
- Detractors included Oracle Corporation and energy-focused real estate investment trust Fermi, Inc. Despite Oracle exceeding expectations for revenue and earnings, investors were disappointed by continued margin pressure and the pace at which heavy cloud CapEx is diluting near-term profitability due to higher depreciation. Fermi's shares declined over negotiation setbacks with key tenants and rising execution risks in its AI data center power infrastructure capabilities.
- For the full year, the strategy outperformed its benchmark with a positive return. Our overweight exposure to Information Technology and positioning in Consumer Staples helped drive outperformance, while our holdings in Industrials and Consumer Discretionary generally detracted from results.
- Our sector overweights at the end of December included Information Technology and Financials, with new positions in Roper Technologies and increased positions in Micron Technology and Corpay, Inc. Underweights included Utilities, where we had no exposure, and Real Estate, where we added a small position in Fermi, Inc.
- The consensus outlook for U.S. equities among Wall Street analysts remains positive heading into 2026, bolstered by accommodative fiscal, monetary, and regulatory policies, and an expectation that the AI trade will not falter and drag down broader sentiment. Some analysts note risks to these assumptions, including continued concerns about an AI bubble, a worsening labor market/consumer, and less monetary policy accommodation than now anticipated. We believe there continue to be ample opportunities for stock picking in this environment—particularly as investors look beyond high-priced technology stocks—and we look forward to providing you with updates in the coming months.

\* Net-of-fee returns are calculated using a hypothetical maximum wrap fee of 3%. See back page for details.

### FIVE LARGEST CONTRIBUTORS

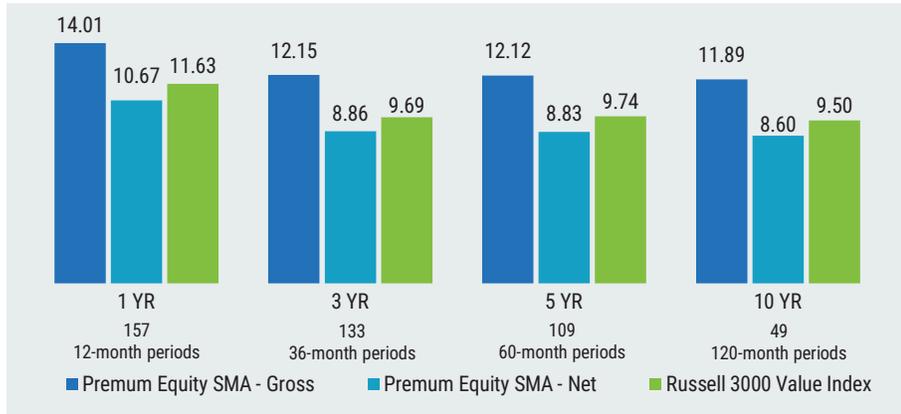
Security name	Sector	Total return (%)	Contribution to return (%)
Alphabet Inc. Class A	Communication services	28.84	0.69
Micron Technology, Inc.	Information technology	70.75	0.57
Cognizant Technology Solutions Corp. Class A	Information technology	24.29	0.28
Expeditors International of Washington, Inc.	Industrials	22.19	0.27
Johnson & Johnson	Health care	12.31	0.27

### FIVE LARGEST DETRACTORS

Security name	Sector	Total return (%)	Contribution to return (%)
Oracle Corporation	Information technology	-30.58	-0.71
Fermi Inc.	Real estate	-75.41	-0.28
Check Point Software Technologies Ltd.	Information technology	-10.32	-0.20
Nice Ltd. Sponsored ADR	Information technology	-21.92	-0.17
CDW Corporation	Information technology	-14.11	-0.16

## AVERAGE OF MONTHLY ROLLING RETURNS (%)

Since inception 1/1/2012



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### Composite construction

The inception date and creation date of the Premium Equity SMA Wrap composite is 1/1/2012. The Premium Equity SMA strategy is composed of securities primarily in the same market capitalization range, at time of purchase, as the Russell 3000® Value Index. The composite includes designated retail separately managed, fully discretionary, fee-paying accounts under management with a similar investment mandate.

### Benchmark

All Russell Indices are registered trademarks of the Frank Russell Company. The Russell 3000 Index measures performance of the 3,000 largest U.S. companies based on total market capitalization. Russell Value Indices typically measure the performance of universes of stocks displaying low price-to-book ratios and low forecasted growth values. Index returns are provided for comparison purposes only to show how the composite's returns compare to a broad-based index of securities, as the indices do not have costs, fees, or other expenses. In addition, securities held in indices may not be associated with its performance similar to securities held in the composite's accounts.

### Calculation methodology

Monthly composite returns are calculated using weights equal to beginning values adjusted for time weighted cash flows. Quarterly and yearly returns are derived from linking monthly returns. Returns are expressed in U.S. Dollars. Additional information regarding policies for calculating and reporting returns and preparing compliant reports is available upon request.

## ANNUALIZED TOTAL RETURNS (%)

	Q4	YTD	1 YR	3 YR	5 YR	10 YR	Since inception
Premium Equity SMA Gross of Fees	3.97	18.24	18.24	14.25	13.20	12.23	13.66
Premium Equity SMA Net of Fees	3.20	14.79	14.79	10.91	9.88	8.94	10.33
Russell 3000 Value Index	3.78	15.71	15.71	13.77	11.18	10.46	11.44

The SMA Composite data provided is inclusive of all Sponsors. Individual Sponsor performance and fees may vary and therefore individual Sponsor portfolio returns and characteristics may be different than those shown. Past performance is not a guarantee of future results.

## CALENDAR YEAR PERFORMANCE AND DISPERSION

	Total returns (%)			3 YR standard dev. (%)		SMA			Firm assets (\$M)
	SMA gross of fees	SMA net of fees	Benchmark	Composite	Benchmark	# of accounts	Dispersion (%)	Total assets (\$M)	
2024	11.34	8.07	13.98	16.04	16.93	4	n/a	10	104,655
2023	13.29	9.97	11.66	16.33	16.69	3	n/a	10	94,056
2022	-1.61	-4.53	-7.98	22.18	21.53	3	n/a	9	88,117
2021	26.65	22.97	25.37	20.40	19.34	3	0.10	9	96,320
2020	6.38	3.24	2.87	21.43	19.95	5	0.17	14	77,120
2019	29.22	25.47	26.26	13.36	13.36	8	0.11	8	89,368
2018	-10.67	-13.34	-8.58	12.52	10.33	6	0.05	11	81,550
2017	19.71	16.22	13.19	11.41	10.33	6	0.04	14	99,241
2016	16.07	12.67	18.40	12.25	10.77	4	n/a	14	87,222
2015	2.05	-0.97	-4.13	11.54	10.74	3	n/a	6	78,363

The SMA Composite data provided is inclusive of all Sponsors. Individual Sponsor performance and fees may vary and therefore individual Sponsor portfolio returns and characteristics may be different than those shown. Performance periods over one year are annualized.

## Fees

Gross-of-fee returns reflect information provided by all individual Sponsors. Gross returns are presented before the deduction of transaction costs, fees or expenses, though in some cases may reflect expenses for commissions on trades. Gross-of-fee returns should be viewed as supplemental information only. Net-of-fees returns are calculated by subtracting a hypothetical maximum total wrap fee (3.00% on an annual basis, or 0.25% monthly) from the monthly gross-of-fees returns. The total wrap fee includes all charges, transaction costs, portfolio management, investment advisory, custodial and other administrative costs. Wrap fees vary amongst brokerage firms and may be negotiated based on account size and other factors. The hypothetical maximum total wrap fee used is deemed to be the maximum fee charged to any composite account. Please see the Sponsor's program Brochure for more important fee information, including their standard fee schedule.

## Composite dispersion

The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual account gross-of-fee returns within the composite. Dispersion in composites with less than five accounts included for the entire year is not considered meaningful and is denoted with N/A. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. This calculation has been adopted effective with the period ended 12/31/2011.

## Annual fee schedule

Please see the Sponsor's fee schedule reflecting the total wrap fee charged.

## Other disclosures

Risk statistics are calculated using composite data. Account composition is subject to change and information contained in this publication may not be representative of the current account. Foreign investors may have taxes withheld. Investing involves risk including the risk of loss of principal. Value investing involves buying the stocks of companies that are out of favor or are undervalued. This may adversely affect an account's value and return. Stock values fluctuate in response to issuer, political, regulatory, market or economic developments. The value of small and mid-capitalization securities may be more volatile than those of larger issuers, but larger issuers could fall out of favor. Investments in foreign issuers may be more volatile than in the U.S. market, and international investing is subject to special risks including, but not limited to, currency risk associated with non-U.S. dollar denominated securities, which may be affected by fluctuations in currency exchange rates, political, social or economic instability, and differences in taxation, auditing and other financial practices. Boston Partners participates in Initial Public Offerings (IPOs) as described in its Form ADV, Part 2. IPO contributions to performance vary from year to year depending on availability and prevailing market conditions. IPO contributions may have a significant positive effect on performance when initially purchased. Such positive performance should not be expected for future performance periods. Individual Sponsor performance and fees may vary and therefore individual Sponsor portfolio returns and characteristics may be different than those shown.

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## Composite information

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## Definitions

**Alpha** measures the excess risk-adjusted return of a portfolio relative to a benchmark index. **Beta** is a measure of a portfolio's market risk relative to its benchmark. In general, a beta higher than 1.00 indicates a more volatile portfolio and beta lower than 1.00 indicates a less volatile portfolio in relation to its benchmark. **Downside capture** measures a portfolio's performance in down markets relative to the index. A value below 100 indicates that a fund has outperformed in down markets. **Free cash flow (FCF) yield** is calculated by dividing a company's free cash flow by its market capitalization. In general, higher FCF yields indicate greater financial health. FCF Yield is reported as median excluding financials of the underlying securities. **Information Ratio** measures a portfolio manager's skill at generating returns beyond its benchmark, considering the volatility of those excess returns. Higher scores indicate higher skill. **OROA (operating return on operating assets)** measures how much operating income a company generates per dollar invested in assets that are used specifically to facilitate its day-to-day operations. The figures shown are for the trailing five years. **Price/earnings (P/E) ratio** measures a company's current share price compared to its per-share earnings. Forward P/E uses a company's forecasted earnings for the next year. **Standard deviation** is commonly used to gauge a portfolio's level of risk, and measures the average amount by which a set of data varies from its mean value. **Upside capture** measure a portfolio's performance in up markets relative to an index. A value over 100 indicates that a fund has outperformed the benchmark during periods of positive returns for the benchmark.