



T.RowePrice

# US Structured Research Equity Strategy

Eric Papesh

13<sup>th</sup> March 2024

FOR INVESTMENT PROFESSIONALS ONLY. NOT FOR FURTHER DISTRIBUTION.



# Risks

## Equity 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.
- **ESG and Sustainability risk** – may result in a material negative impact on the value of an investment and performance of the portfolio.
- **Equity risk** – in general, equities involve higher risks than bonds or money market instruments.
- **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.

# What is US Structured Research?

Strong stock selection  
combined with sound  
portfolio construction  
and risk oversight



Allocate capital to analysts  
in proportion to their  
respective coverage in the  
relevant index



Analysts have autonomy  
to determine relative  
security weights and  
timing of trades within  
their coverage universe



Portfolio construction rules  
facilitate risk management  
process, controlling active  
position sizes



Oversight Team monitors  
portfolio exposures,  
rebalancing monthly in  
conjunction with analysts,  
to maintain benchmark-  
neutral sector/industry/risk  
factor exposures



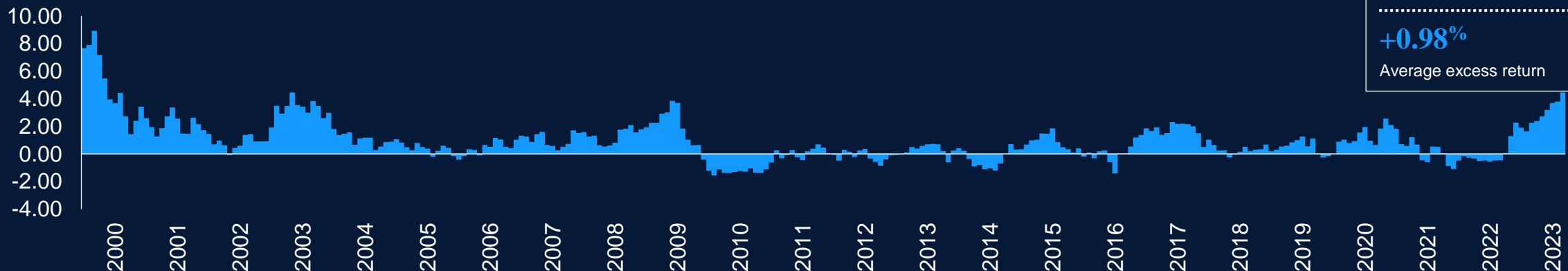
Security selection drives  
consistent alpha



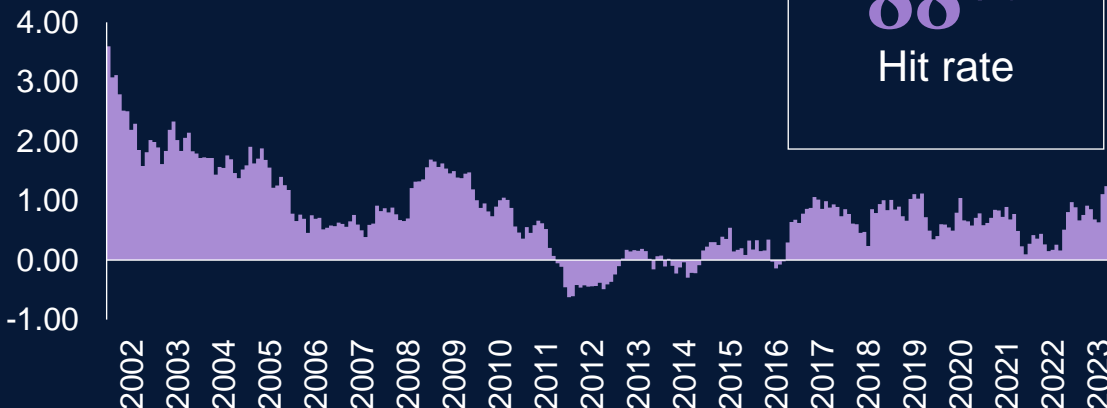
# Better Investment Outcomes - More Returns, More Often

As of February 29 2024

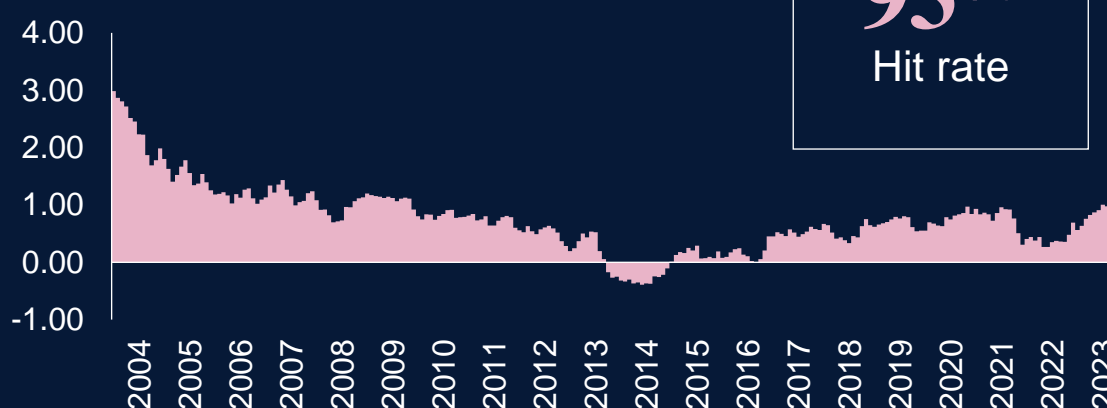
## One-Year Excess Returns (annualized)



## Three-Year Excess Returns (annualized)



## Five Year Excess Returns (annualized)



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

All figures above reflect gross of net of fee excess returns of US Structured Research Equity Composite over rolling twelve-month periods from June 1999 – February 2024.

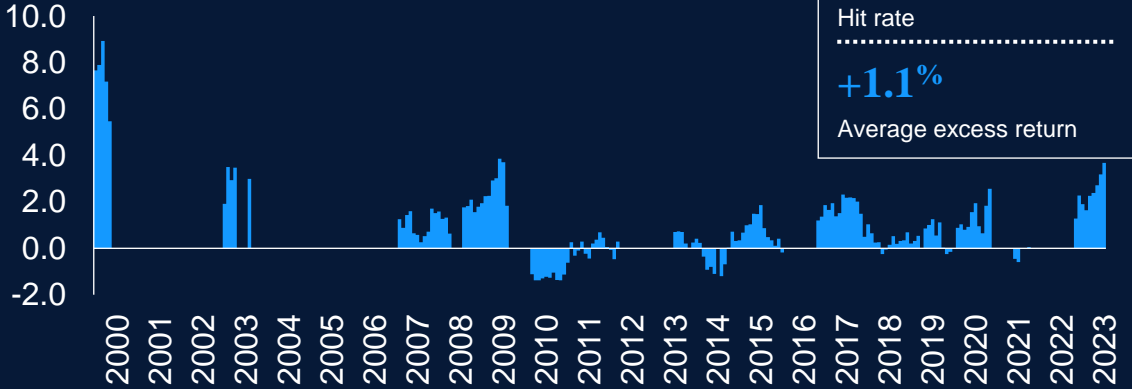
Value/ growth environments based on Russell 10000 Value / Russell 1000 Growth leadership.

Please see Additional Disclosures page for sourcing information.

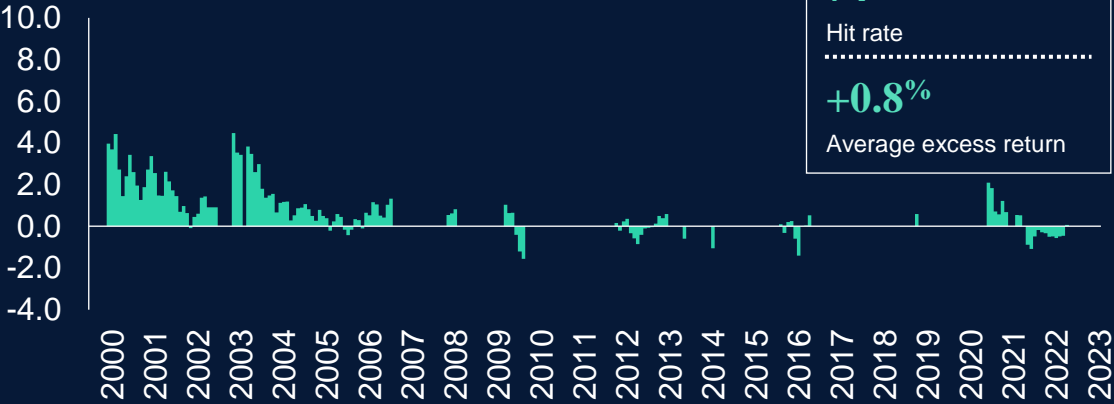
# Strong Performance Across Wide Range of Markets

As of 31 December 2023

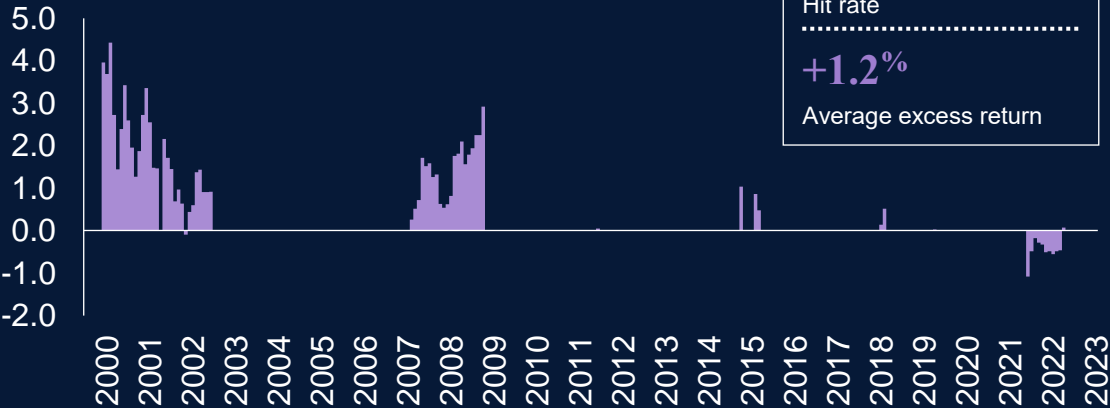
## Growth-Market Excess Returns



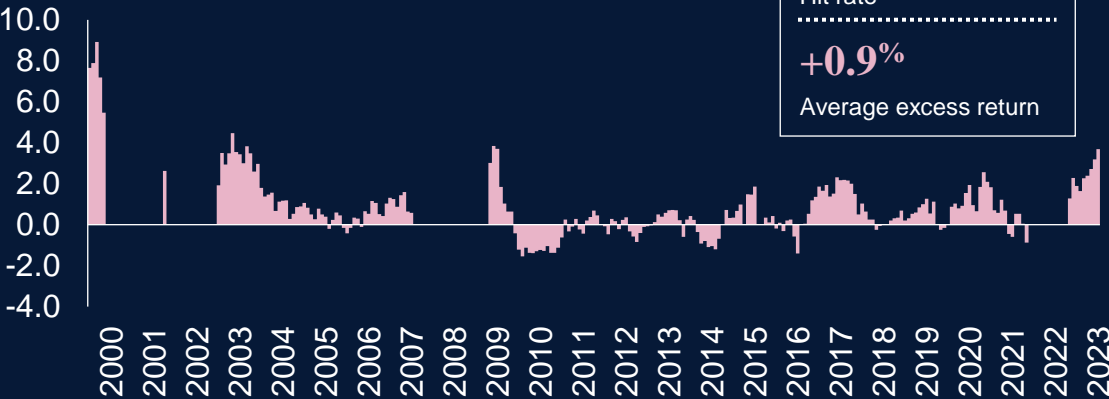
## Value-Market Excess Returns



## Down-Market Excess Returns



## Up-Market Excess Returns



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

All figures above reflect net of fee excess returns of US Structured Research Equity Composite over rolling twelve-month periods from June 1999 – December 2023. Value/ growth environments based on Russell 10000 Value / Russell 1000 Growth leadership. Market direction based on rolling 12-month performance of S&P 500 Index. Please see Additional Disclosures page for sourcing information.

# GIPS® Composite Report

Period Ended 31 December 2023

Figures Shown in U.S. Dollar

## US Structured Research Equity Composite

	<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 (%)	12.96	3.58	10.90	24.38	-3.94	33.14	20.68	28.51	-18.40	30.33
Net Annual Returns (%) <sup>1</sup>	11.46	2.19	9.43	22.74	-5.24	31.40	19.09	26.82	-19.52	28.62
S&P 500 Index (%)	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29
Composite 3-Yr St. Dev.	9.22	10.54	10.80	10.17	11.00	12.10	19.91	17.55	21.13	17.32
S&P 500 Index 3-Yr St. Dev.	8.97	10.47	10.59	9.92	10.80	11.93	18.53	17.17	20.87	17.29
Composite Dispersion	0.09	0.04	0.06	0.09	0.06	0.10	0.08	0.10	0.04	0.09
Comp. Assets (Millions)	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	63,188.3
# of Accts. in Comp.	40	32	29	26	28	24	28	28	31	35
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 1.35%. 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 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 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.

# Additional Disclosures

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.

Unless otherwise noted, numbers may not total due to rounding.

. None of the Barra data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Source for Russell Index data: London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). © LSE Group 2023. FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company’s express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates (“SPDJ”), and has been licensed for use by T. Rowe Price. Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC, a division of S&P Global (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”). This product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

# Important Information

**This material is being furnished for general informational and/or marketing purposes only.** The material does not constitute or undertake to give advice of any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial and tax advice before making any investment decision. T. Rowe Price group of companies including T. Rowe Price Associates, Inc. and/or its affiliates receive revenue from T. Rowe Price investment products and services. **Past performance is not a reliable indicator of future performance.** The value of an investment and any income from it can go down as well as up. Investors may get back less than the amount invested.

The material does not constitute a distribution, an offer, an invitation, a personal or general recommendation or solicitation to sell or buy any securities in any jurisdiction or to conduct any particular investment activity. The material has not been reviewed by any regulatory authority in any jurisdiction.

Information and opinions presented have been obtained or derived from sources believed to be reliable and current; however, we cannot guarantee the sources' accuracy or completeness. There is no guarantee that any forecasts made will come to pass. The views contained herein are as of the date noted on the material and are subject to change without notice; these views may differ from those of other T. Rowe Price group companies and/or associates. Under no circumstances should the material, in whole or in part, be copied or redistributed without consent from T. Rowe Price.

The material is not intended for use by persons in jurisdictions which prohibit or restrict the distribution of the material and in certain countries the material is provided upon specific request. It is not intended for distribution to retail investors in any jurisdiction.

**EEA** - Unless indicated otherwise this material is issued and approved by T. Rowe Price (Luxembourg) Management S.à r.l. 35 Boulevard du Prince Henri L-1724 Luxembourg which is authorised and regulated by the Luxembourg Commission de Surveillance du Secteur Financier. For Professional Clients only.

© 2024 T. Rowe Price. All Rights Reserved. T. ROWE PRICE, INVEST WITH CONFIDENCE, and the Bighorn Sheep design are, collectively and/ or apart, trademarks of T. Rowe Price Group, Inc.

202403-3437736