

Long-Short Equity

QUARTERLY UPDATE AS OF MARCH 31, 2020



Strategy Overview

River Road's Long-Short Equity Portfolio is a hedged equity strategy that employs a fundamental, all cap, value-oriented approach. The Strategy seeks to provide **equity-like returns** with substantially **reduced volatility** while emphasizing **capital protection**.

Portfolio Managers



Matt W. Moran, CFA
20 years of experience
Bradley University, BS
University of Chicago, MBA



Daniel R. Johnson, CFA, CPA
14 years of experience
University of Kentucky, BS
University of Kentucky, MAcc

Investment Objectives

EQUITY-LIKE RETURNS

The Strategy seeks to outperform the blended index¹ by 300 to 500 bps over a full market cycle. We seek to construct a concentrated long portfolio of 20 to 40 excellent companies trading at compelling prices and a short portfolio of 20 to 40 challenged business models that are overvalued and exhibit low momentum.

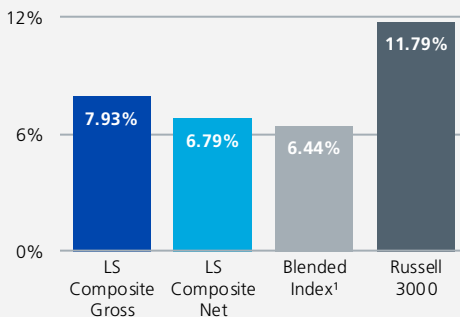
REDUCED VOLATILITY

We seek to reduce Portfolio volatility by maintaining a flexible net market exposure. Normal exposure is 50-70%. We also limit volatility by executing on the fundamentals of risk management: we do not average down and we set stop losses, monitor losses at the portfolio level, and seek to avoid high momentum in the short portfolio.

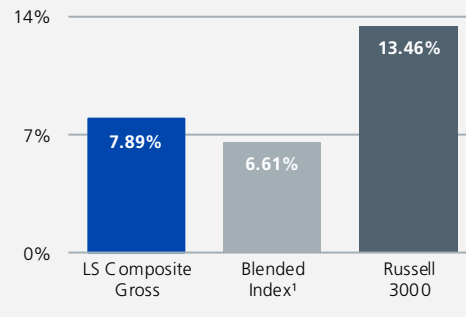
CAPITAL PROTECTION

The Strategy employs a Drawdown Plan that we believe helps prevent major drawdowns in the Portfolio. The Drawdown Plan is a reactive method to reduce exposure in declining markets.

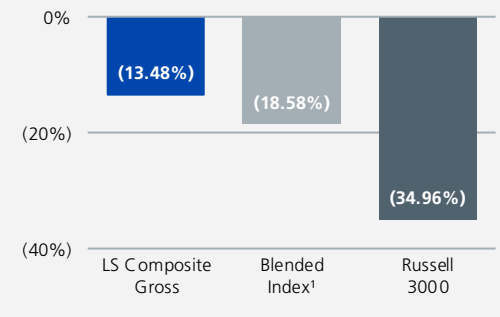
Since Inception Anlzd Return



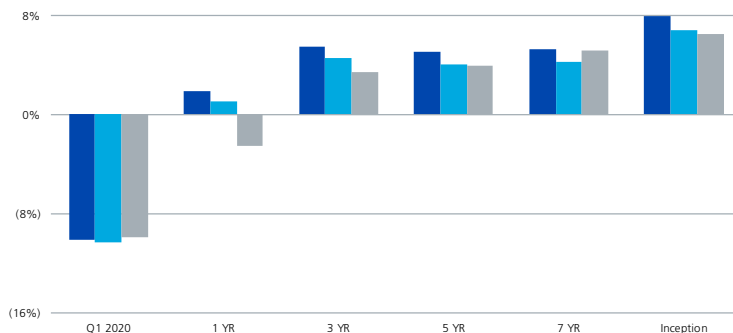
Since Inception Anlzd Std Deviation



Since Inception Max Drawdown

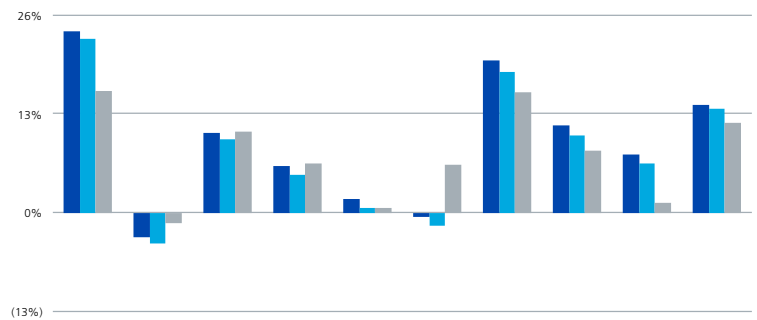


Trailing Performance



| | Q1 2020 | 1 YR | 3 YR | 5 YR | 7 YR | Inception |
|-----------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| LS Composite - Gross | (10.12%) | 1.88% | 5.41% | 5.02% | 5.27% | 7.93% |
| LS Composite - Net | (10.32%) | 1.01% | 4.51% | 4.01% | 4.18% | 6.79% |
| Blended Index ¹ | (9.94%) | (2.56%) | 3.43% | 3.85% | 5.18% | 6.44% |
| Out/Underperformance | (0.18%) | +4.44% | +1.98% | +1.17% | +0.09% | +1.49% |
| Russell 3000 | (20.90%) | (9.13%) | 4.00% | 5.77% | 8.96% | 11.79% |
| Russell 3000 Value | (27.32%) | (18.02%) | (2.67%) | 1.62% | 5.30% | 8.97% |

Annual Performance



| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 ² |
|-----------------------------|---------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|---------------|-------------------|
| LS Composite - Gross | 23.85% | (3.30%) | 10.54% | 6.14% | 1.85% | (0.54%) | 20.01% | 11.49% | 7.72% | 14.15% |
| LS Composite - Net | 22.81% | (4.13%) | 9.60% | 4.90% | 0.64% | (1.73%) | 18.58% | 10.16% | 6.54% | 13.58% |
| Blended Index ¹ | 15.96% | (1.42%) | 10.58% | 6.55% | 0.54% | 6.29% | 15.78% | 8.17% | 1.30% | 11.79% |
| Out/Underperformance | +7.89% | (1.88%) | (0.04%) | (0.41%) | +1.31% | (6.83%) | +4.23% | +3.32% | +6.42% | +2.36% |
| Russell 3000 | 31.02% | (5.24%) | 21.13% | 12.74% | 0.48% | 12.56% | 33.55% | 16.42% | 1.03% | 24.46% |
| Russell 3000 Value | 26.26% | (8.58%) | 13.19% | 18.40% | (4.13%) | 12.70% | 32.69% | 17.55% | (0.10%) | 22.12% |

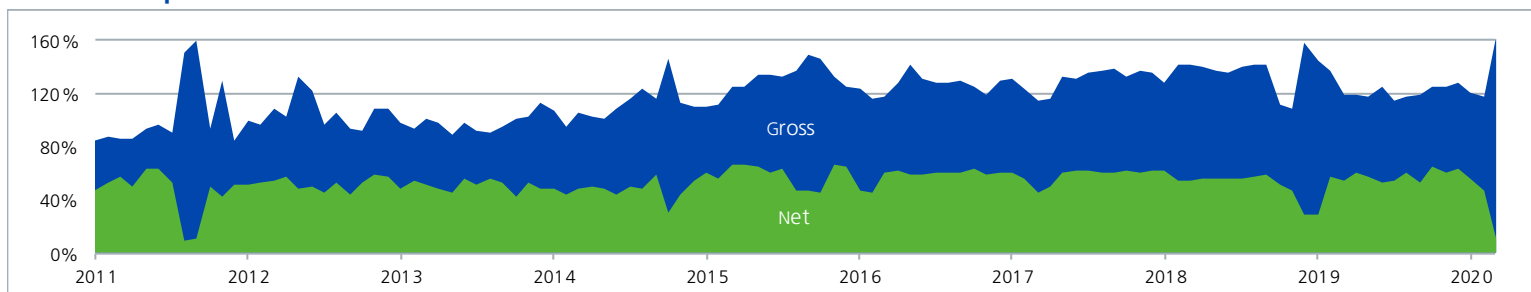
Performance is shown gross and net of fees. Inception date: July 1, 2010. ¹The blended index represents a 50% weighting of the Russell 3000 index and a 50% weighting of the ICE BofAML US Treasury Bill (0-3 M) (Local Total Return); rebalanced daily. ²July 1, 2010 through December 31, 2010. Out/underperformance compares the gross Composite and blended index. LS Composite max drawdown calculated using daily gross performance. Exposure and holdings ranges are working guidelines subject to market fluctuations and other factors. Exact ranges may not be achieved. Source: River Road Asset Management LLC, FactSet Research Systems Inc., and Russell Investment Group. Past performance is no guarantee of future results. Please see reverse side for important disclosure information.

Return & Risk Analysis

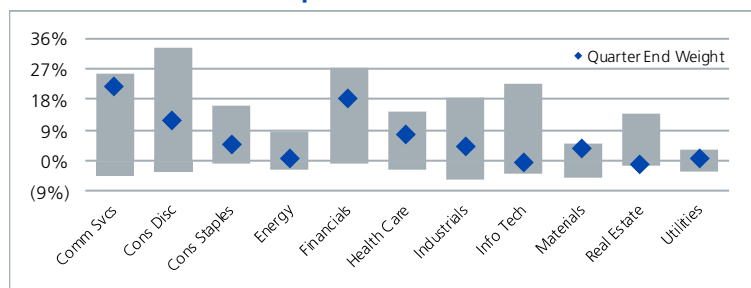
| Since Inception | LS Composite Gross | LS Composite Net | Russell 3000 |
|----------------------|--------------------|------------------|--------------|
| Anlzd. Return | 7.93% | 6.79% | 11.79% |
| Jensen Alpha | 2.06 | 1.01 | -- |
| Upside Capture | 53% | 50% | 100% |
| Downside Capture | 41% | 44% | 100% |
| Max 1-Month Drawdown | (6.69%) | (6.75%) | (13.75%) |
| Max Drawdown | (13.48%) | (13.60%) | (34.96%) |

| Trailing 5 YR | LS Composite Gross | Russell 3000 |
|------------------|--------------------|--------------|
| Sharpe Ratio | 0.46 | 0.33 |
| Sortino Ratio | 0.67 | 0.44 |
| Beta | 0.48 | 1.00 |
| Anlzd. Std. Dev. | 8.47 | 14.04 |
| R-Squared | 62.61 | 100.00 |
| Correlation | 0.79 | 1.00 |

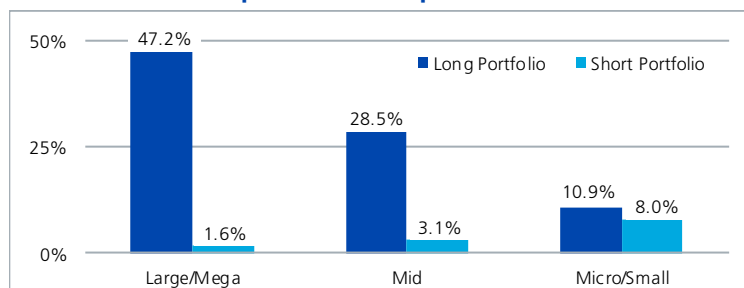
Historical Exposure



Historical Net Sector Exposure¹



Current Market Capitalization Exposure²



Inception date: July 1, 2010. ¹Sector exposure range reflects quarterly maximum and minimum exposure since inception (July 1, 2010) and excludes index hedges held during the Drawdown Plan. Stocks without a reported sector are not presented. ²Market capitalization exposure presented as gross ending weights for the long and short portfolios. Stocks without a reported market cap (e.g. corporate reorganizations, mergers, acquisitions, dissolutions) are not presented. Market cap breakpoints are currently defined by River Road as Mega: > \$65 B, Large: \$25 B - \$65 B, Mid: \$5 B - \$25 B, Small: \$1 B - \$5 B, and Micro: < \$1 B. River Road periodically assesses and modifies these breakpoints. Gross of fees performance does not reflect the effect of management fees (performance would have been lower). Please refer to the net of fees performance provided when considering this Strategy. LS Composite annualized return and max drawdown are calculated using daily performance; all other return and risk statistics are calculated using monthly performance. Sortino ratio calculated using the FTSE 3M Treasury Bill. Source: River Road Asset Management LLC, FactSet Research Systems Inc., and Russell Investment Group.

Composite Components: The LS Composite consists of the following components: long portfolio, short portfolio, index hedges, cash, and an immaterial investment in covered call options previously held in the Composite. All data shown for individual components (except cash) excludes the impact of cash. For the "short portfolio" and "index hedge" components, performance includes the impact of dividend expense, but excludes the impact of the cost to borrow the underlying stock that is shorted and the cash received from shorting. The "short portfolio" also excludes index hedges applied during the drawdown. Cost to borrow expenses and the cash received from shorting are reflected in the "cash" component; "index hedges" are their own component. Any performance shown for one of the components is supplemental information only. The performance methodology employed for calculating supplemental performance varies from that of RRAM official performance measurement.

Representative Portfolios: Unless otherwise noted as Composite, the information presented is based on a representative portfolio. If no single representative portfolio is available to represent the Strategy since inception, different representative portfolios and/or the composite are used for different periods to create a continuous representative portfolio. The representative portfolio is selected by the firm as a representative account that is deemed to best represent this management style using a pre-defined, objective set of criteria. All representative portfolio data is shown as supplemental information to the Composite presentation. Each client portfolio is individually managed and may vary from the information shown for the representative portfolio.

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The Long-Short Equity Composite contains a fully discretionary account that seeks equity-like returns with reduced volatility and an emphasis on capital protection by investing primarily in long equity securities trading at a discount to our valuation and short equity securities trading at a premium to our valuation, as determined using RRAM's proprietary Absolute Value® approach. The Composite will invest in short securities. The long and short portfolios will typically represent 50-100% and 10-90% of the total Composite, respectively. Additionally, the Composite may use options, futures, and other derivatives but these will not represent a significant portion of the Composite. The official benchmarks for the Composite are the Blended Index and the Russell 3000. The Blended Index was added as a benchmark effective October 31, 2016. The Blended Index represents a 50% weighting of the Russell 3000 index and a 50% weighting of the ICE BofAML U.S. Treasury Bill (0-3 M) (Local Total Return); rebalanced daily. All other indices are shown for additional information only. The U.S. dollar is the currency used to express performance and includes the reinvestment of income. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. All Composite performance is after the deduction of trading costs. Net of fee performance is calculated using actual management fees. For periods including non-fee paying accounts, net was calculated for those accounts by applying the highest fee schedule effective at that time.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in our portfolio at the time you receive this report or that securities sold have not been repurchased. Characteristics and sector weightings of our portfolio are shown and may not be indicative of this strategy's current or future investments. It should not be assumed that any of the holdings discussed herein were or will be profitable or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. This information is shown as supplemental information only and complements the full disclosure presentation.

Sector, Industry Group, Industry, or Sub-industry group levels are determined at the beginning of each quarter according to the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"), unless otherwise stated that they have been reclassified or classified by RRAM. Reclassifications/classifications by RRAM are not supported by S&P or MSCI. All GICS data is provided "As Is" with no warranties. RRAM may classify securities that are not automatically classified by MSCI and S&P.

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