

Mid Cap Value

QUARTERLY UPDATE AS OF MARCH 31, 2021

FOR PROFESSIONAL INVESTORS ONLY

Investment Objective(s)

- Long-term total return > Russell Midcap Value index plus 200 to 400 bps
- Target volatility < Russell Midcap Value

Strategy Summary

River Road's Mid Cap Value (MCV) Strategy utilizes a fundamentally driven research process to identify attractive purchase candidates from a universe of mid cap stocks. The Strategy seeks to invest in well-managed, financially strong companies that are trading at meaningful discounts to our assessed valuations. We further target companies with predictable and sustainable business models that are undiscovered or underfollowed by traditional Wall Street research firms. Our stock selection process is complemented by a risk averse approach that employs both balanced diversification and a structured sell discipline.

- Bottom-up, fundamentally driven stock selection
- Balanced diversification
- Structured sell discipline

Portfolio Managers



Daniel R. Johnson, CFA, CPA

15 years of experience;
managed Portfolio since inception

University of Kentucky, BS
University of Kentucky, MAcc



Matt W. Moran, CFA

21 years of experience;
managed Portfolio since inception

Bradley University, BS
University of Chicago, MBA

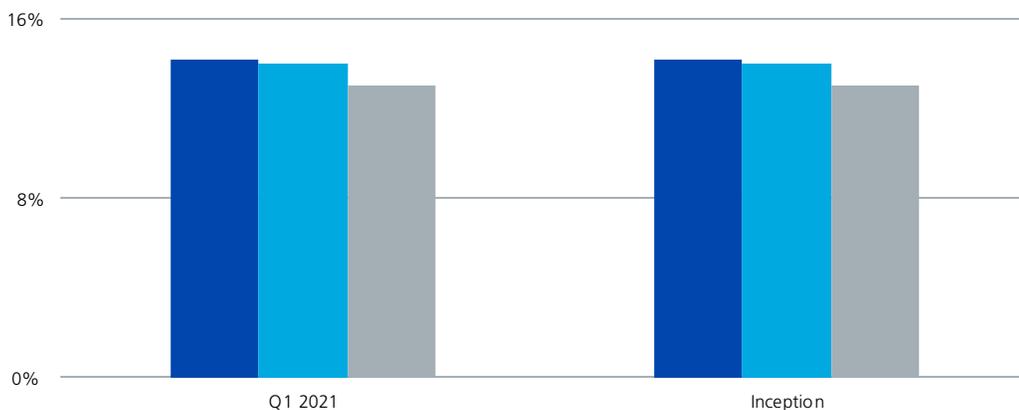


R. Andrew Beck

23 years of experience;
managed Portfolio since inception

University of Louisville, BS
Babson College, MBA

Trailing Returns



	Q1 2021	Inception
■ MCV Composite - Gross	14.19%	14.19%
■ MCV Composite - Net	13.98%	13.98%
■ Russell Midcap Value	13.05%	13.05%
Out / Underperformance	+1.14%	+1.14%

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. Performance is shown gross and net of fees. Inception date: January 1, 2021. Out/underperformance compares the gross Composite and index. Index data source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"), © LSE Group. Please see reverse side for important disclosure information.

Market Highlights

- **Stocks delivered robust returns in Q1, capping a historic 12-month recovery.**
- Value delivered one of the best relative performances in decades.
- Within the Russell Midcap Value index, the cyclical **Energy (+30.37%)** and **Financials (+18.80%)** sectors posted the highest total returns, while the more defensive **Health Care (+2.68%)** and **Utilities (+3.65%)** sectors posted the lowest.
- **It was a strong quarter for active mid cap value managers with 82% beating the index, as greater relative exposure to the smallest mid cap stocks benefited the group.**

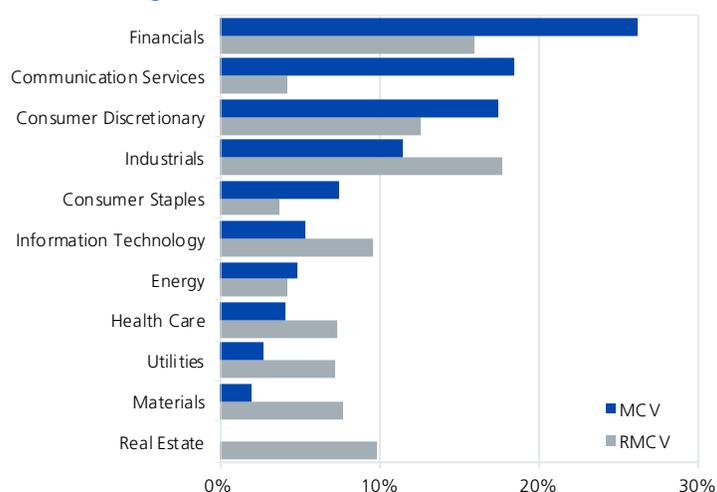
Portfolio Highlights

- For Q1, the Mid Cap Value (MCV) Composite returned **+14.19%** (+13.98% net) versus **+13.05%** for the Russell Midcap Value benchmark.
- The sectors with the highest contribution to relative return in Q1 were **Energy (+186 bps)** and **Utilities (+96 bps)**.
- The holdings with the highest contribution to Portfolio return were **Texas Pacific Land Corp. (TPL; +249 bps)** and **News Corp. (CI A) (NWSA; +116 bps)**.
- The sectors with the lowest contribution to relative return in Q1 were **Communication Services (-127 bps)** and **Financials (-99 bps)**.
- The holdings with the lowest contribution to Portfolio return were **Liberty Broadband Corp. (CI C) (LBRDK; -27 bps)** and **Cannae Holdings Inc. (CNNE; -21 bps)**.

Outlook

- **Absolute valuations remain alarmingly high**, but the recovery shows few (if any) signs of retreating. From a relative perspective, mid caps trade at a slight (yet narrowing) historical P/E premium to small caps, but a meaningful discount to mega caps.

Sector Weights



Portfolio Contribution

Top Contributors		Avg Wgt	Contrib
TPL	Texas Pacific Land Corp.	2.55%	+2.49%
NWSA	News Corp. (CI A)	3.08%	+1.16%
KKR	KKR & Co. Inc.	4.10%	+0.87%
ARES	Ares Management Corp.	3.23%	+0.64%
LKQ	LKQ Corp.	3.01%	+0.60%
Bottom Contributors		Avg Wgt	Contrib
LBRDK	Liberty Broadband Corp. (CI C)	4.41%	-0.27%
CNNE	Cannae Holdings Inc.	1.90%	-0.21%
VST	Vistra Corp.	0.58%	-0.20%
FMX	Fomento Economico Mexicano SAB de CV Sponsored ADR (CI B)	1.84%	-0.05%
MSGG	Madison Square Garden Sports Corp. (CI A)	2.46%	-0.04%

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. GICS sector breakdown reflects percent of equity; stocks without a reported sector are not presented. ¹EBITDA excludes banks, thrifts, and insurers. ²Price/earnings excludes negative earnings. Index data source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"), © LSE Group.

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.

Portfolio contribution calculated gross of fees for the Q1 2021 period. For the purpose of assessing top and bottom contributors, the contribution of child securities is aggregated with that of the parent for corporate actions that occurred during the most recent calendar quarter. The holdings identified do not represent all of the securities purchased, sold, or recommended. To receive information regarding the methodology for calculating the top/bottom contributors or a list showing every holding's contribution to the overall Composite and/or representative portfolio performance contact RRAMCompliance@riverroadam.com.

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The Mid Cap Value Composite contains a fully discretionary mid cap value equity account that seeks capital appreciation by investing primarily in mid cap value domestic equity securities that trade at a discount to our valuation as determined using RRAM's proprietary Absolute Value® approach. For this Composite, RRAM defines a mid cap company as one whose market capitalization is less than \$35 B at the time of initial purchase. RRAM selects securities from a universe of companies with a market capitalization at the time of initial purchase typically between \$2 B and \$35 B, employing a value driven, bottom-up fundamental approach. The official benchmark for the Composite is the Russell Midcap® Value index. 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.

Unless otherwise noted, share-related characteristics are provided by FactSet. Portfolio and index characteristics are based on companies' most recent filings as of this report date (values for many companies may be as of the prior period). Most company share-related characteristics exclude outliers. Outlier exclusion methods include interquartile and inverse interquartile; the universe for determining outliers is the Russell 3000. For more information, please contact RRAM.

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Characteristics & Risk Statistics

	MCV	RMCV
Number of Holdings	44	707
EV / EBITDA ¹	10.6	13.6
Price / Earnings ²	20.0	24.3
Price / Book	2.33	2.55
Price / Cash Flow	17.2	18.4
ROE (5 YR Avg)	12.3	11.9
EPS Growth (5 YR)	12.4	7.6
Cash Flow Growth (5 YR)	8.9	7.8
LT Growth Estimate	11.9	10.2

Top 10 Portfolio Holdings

Symbol	Company	% Port
LBRDK	Liberty Broadband Corp. (CI C)	4.69%
KKR	KKR & Co. Inc.	4.19%
LSXMK	Liberty Media Corp. Series C Liberty SiriusXM	4.03%
AAP	Advance Auto Parts Inc.	3.76%
DLTR	Dollar Tree Inc.	3.46%
ARES	Ares Management Corp.	3.37%
NWSA	News Corp. (CI A)	3.30%
NVR	NVR Inc.	3.17%
LKQ	LKQ Corp.	3.03%
MCK	McKesson Corp.	2.69%

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