

Dividend All-Cap Value II ex-MLP

A TOTAL RETURN STRATEGY | QUARTERLY UPDATE AS OF JUNE 30, 2021



FOR PROFESSIONAL INVESTORS ONLY

Investment Objectives

- Long-term total return > Russell 3000 Value index plus 200 to 400 bps
- Target yield \geq 150% of the Russell 3000 Value index
- Target volatility < Russell 3000 Value

Strategy Summary

River Road's Dividend All-Cap Value II ex-MLP (DAV II ex-MLP) Strategy utilizes a fundamentally driven research process to identify attractive purchase candidates from an all cap universe of high yielding equity securities. The Strategy seeks to invest in well-managed, financially strong companies with high and growing dividends, targeting companies that are also trading at meaningful discounts to our assessed valuations. Typical investment criteria include:

- Minimum market cap of \$1 B at the time of purchase
- Indicated dividend yield of at least 2%

The stock selection process is complemented by a risk averse approach that employs balanced diversification and a structured sell discipline.

Portfolio Managers



Thomas S. Forsha, CFA

23 years of experience;
managed Portfolio since 2007

The Ohio State University, BS
University of Chicago, MBA



Henry W. Sanders III, CFA

32 years of experience;
managed Portfolio since inception

Bellarmine University, BA
Boston College, MBA

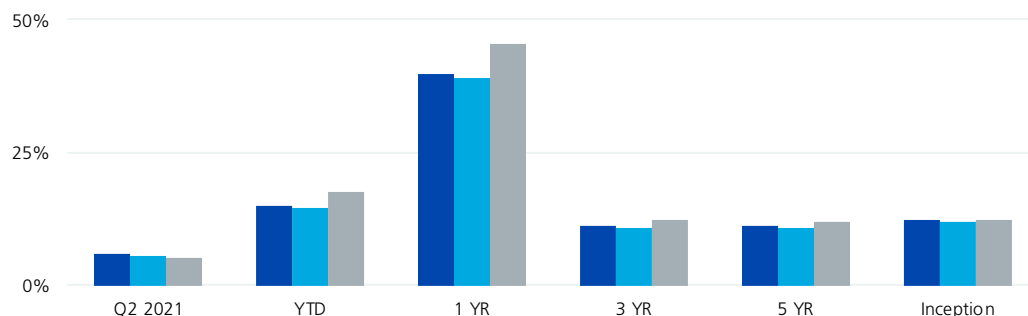


Andrew R. McIntosh, CFA

17 years of experience;
managed Portfolio since 2018

University of Iowa, BBA

Trailing Returns



	Q2 2021	YTD	1 YR	3 YR	5 YR	Inception
DAV II ex-MLP Composite - Gross	5.68%	14.80%	39.65%	11.29%	11.02%	12.22%
DAV II ex-MLP Composite - Net	5.58%	14.59%	39.12%	10.85%	10.59%	11.76%
Russell 3000 Value	5.16%	17.67%	45.40%	12.23%	11.99%	12.33%
Out / Underperformance	+0.52%	-2.87%	-5.75%	-0.94%	-0.97%	-0.11%

Composite Dividend Yield: 2.95%¹

Calendar Year Returns

	2020	2019	2018	2017	2016	2015	2014	2013
DAV II ex-MLP Composite - Gross	1.88%	24.07%	-5.06%	11.28%	20.47%	-3.76%	11.11%	34.80%
DAV II ex-MLP Composite - Net	1.45%	23.61%	-5.44%	10.87%	20.03%	-4.17%	10.69%	34.09%
Russell 3000 Value	2.87%	26.26%	-8.58%	13.19%	18.40%	-4.13%	12.70%	32.69%
Out / Underperformance	-0.99%	-2.19%	+3.52%	-1.91%	+2.07%	+0.37%	-1.59%	+2.11%

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, 2013. Out/underperformance compares the gross Composite and index. ¹Gross of fees; indicated portfolio yield does not anticipate special dividends. Yield based on a representative portfolio within the Strategy. 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

- With restrictions lifted, the economy is resurgent, but tight supply chains and labor markets are fueling inflation pressures.
- Large cap stocks led throughout Q2; growth stocks rebounded from one of their worst routs in decades in Q1.**
- The **low quality/high risk rally was muted but continued in early Q2. In June, this reversed** as higher quality and higher yielding stocks modestly outperformed.
- Based on current projections, **calendar 2021 earnings are now expected to top 2019 by a healthy +17%.**
- The growth rate of the dividends paid by S&P 500 companies has quickly moved back into positive territory at **+2.2%** and should continue to accelerate in 2021. The **relative valuation of the lowest yielding stocks remains very high versus** the broader dividend universe.

Portfolio Highlights

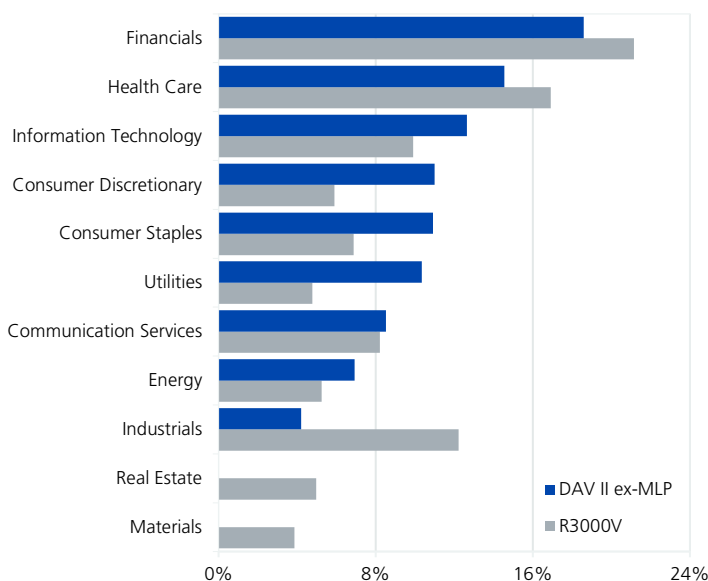
- The Dividend All-Cap Value II ex-MLP (DAV II ex-MLP) Composite returned **+5.68%** (+5.58% net) for Q2, versus **+5.16%** for the Russell 3000 Value benchmark.
- At the end of Q1, the dividend yield of the Portfolio was **2.95%**, which is **157% of the 1.88% yield of the Russell 3000 Value** and **more than double the 1.37% yield of the S&P 500.**
- Industrials** and **Consumer Discretionary** were the sectors with the highest contribution to relative return.
- The holdings with the highest contribution to Portfolio return were **United Parcel Service Inc. (CI B) (UPS)** and **Target Corp. (TGT).**
- Financials** and **Utilities** were the sectors with the lowest contribution to relative return.
- The holdings with the lowest contribution to Portfolio return were **Corning Inc. (GLW)** and **M&T Bank Corp. (MTB).**

Outlook

- With **warning bells ringing** and the **economy set to move out of the early phase of the recovery amid low prevailing interest rates**, our expectation for the relative return for both higher quality and dividend-paying stocks is increasingly positive, which **should continue to support a positive outlook for the DAV II ex-MLP Strategy.**

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off the beaten path®

Sector Weights



Characteristics & Risk Statistics

	DAV II ex-MLP	R3000V
Number of Holdings	46	2,226
Dividend Yield ¹	2.95	1.88
Price / Cash Flow	16.0	17.1
ROE (5 YR Avg)	18.9	13.9
EPS Growth (5 YR)	2.1	8.3
Div / Share Growth (TTM)	5.5	5.2
Annualized Standard Deviation ²	15.66	16.36
Jensen Alpha ²	-0.35	
Beta ²	0.94	
Cash	2.3%	
Dollar Turnover (3 YR Avg) ³	44.5%	

Portfolio Contribution

Top Contributors		Yield ¹	Avg Wgt	Contrib
UPS	United Parcel Service Inc. (CI B)	1.96%	4.27%	+0.96%
TGT	Target Corp.	1.49%	3.56%	+0.72%
NLOK	NortonLifeLock Inc.	1.84%	1.18%	+0.29%
MPC	Marathon Petroleum Corp.	3.84%	2.03%	+0.29%
KMI	Kinder Morgan Inc. (CI P)	5.92%	2.70%	+0.28%

Bottom Contributors		Yield ¹	Avg Wgt	Contrib
GLW	Corning Inc.	2.35%	4.28%	-0.19%
MTB	M&T Bank Corp.	3.03%	1.43%	-0.14%
TFC	Truist Financial Corp.	3.24%	3.48%	-0.12%
KMB	Kimberly-Clark Corp.	3.41%	2.45%	-0.08%
VZ	Verizon Communications Inc.	4.48%	3.05%	-0.08%

Market Cap Breakdown

	DAV II ex-MLP	R3000V
Wtd Median Market Cap	\$71.47 B	\$66.42 B
Wtd Avg Market Cap	\$96.82 B	\$142.58 B
Large/Mega Cap: > \$25 B	68.0%	72.5%
Mid Cap: \$5 B - \$25 B	20.7%	20.3%
Micro/Small Cap: < \$5 B	8.9%	7.1%

Top 10 Portfolio Holdings

Symbol	Company	% Port	Yield ¹
UPS	United Parcel Service Inc. (CI B)	4.20%	1.96%
GLW	Corning Inc.	3.93%	2.35%
CMCSA	Comcast Corp. (CI A)	3.78%	1.75%
AES	AES Corp.	3.72%	2.31%
TGT	Target Corp.	3.70%	1.49%
TFC	Truist Financial Corp.	3.23%	3.24%
BMJ	Bristol-Myers Squibb Co.	3.06%	2.93%
CSCO	Cisco Systems Inc.	2.94%	2.79%
VZ	Verizon Communications Inc.	2.93%	4.48%
USB	U.S. Bancorp	2.84%	2.95%

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. GICS sector and market cap breakdowns reflect percent of total portfolio; stocks without a reported sector or market cap (e.g. corporate reorganizations, mergers, acquisitions, and dissolutions) are not presented. Market caps are live data points and subject to change. ¹Gross of fees; indicated yield does not anticipate special dividends. ²Risk characteristics based on trailing 60-month gross of fee composite performance. ³Average calendar year turnover. Dollar turnover, the lesser of purchases or sales as a percentage of the average market value, is presented as an average of portfolios in the Composite. Index data source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"), © LSE Group.

Portfolio contribution calculated gross of fees for the Q2 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. Past performance is no guarantee of future results.

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The Dividend All-Cap Value II ex-MLP Composite contains fully discretionary equity income accounts that seek long-term capital appreciation and high current income by investing primarily in a diversified, multi-cap basket of equity income securities which have a market capitalization of typically at least \$1 B at the time of initial purchase and trade at a discount to our valuation as determined using RRAM's proprietary Absolute Value® approach. The Composite is primarily invested in dividend paying common stocks. The Composite may also be invested in a broad range of foreign stocks, convertible preferred stocks, Real Estate Investment Trusts ("REITs"), investment companies, LLCs, and royalty income trusts. The Composite excludes any accounts invested in the Dividend All-Cap Value II Strategy that allows Master Limited Partnership (MLP) investments. Some accounts in the Composite restrict all Publicly Traded Partnerships (i.e. both MLPs and LLCs), but the Composite does include accounts that allow(ed) LLCs. RRAM employs a value-driven, bottom-up approach. The official benchmark for the Composite is the Russell 3000 Value. 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. Unless otherwise noted, performance provided for periods greater than one year is annualized.

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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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