

Diversified Mid Cap Dedicated Value

Objective

We seek to outperform the Russell Mid Cap® Value Index by investing in undervalued mid-cap stocks, as identified by a low price-to-earnings (P/E) or price-to-book (P/B) ratio.

Investment Process Summary

We manage the portfolios with a disciplined combination of quantitative and fundamental investment styles. Our investment strategy employs a deselection approach with the goal of identifying and avoiding undervalued stocks that we believe will have difficulty outperforming the benchmark. We utilize a team-oriented process with experienced investment managers.

Investable Universe

Within the universe of U.S. equities, we identify stocks with:

- Market capitalizations between the 200th and 1,000th largest U.S. stocks
- P/E or P/B ratios among the lowest 20% in this universe

Deselection Process

From the resulting 200-275 mid-cap value companies, we quantitatively eliminate stocks with:

- Weak stock price momentum, as these stocks often continue to underperform
- High relative share issuance, which often precedes weaker stock returns

We perform our fundamental analysis on the remaining 100-175 companies. We seek to understand why each is undervalued to avoid stocks that are unlikely to return to a normal valuation. Our focused research process allows us to efficiently manage a diversified portfolio of companies with desirable characteristics. Our in-depth review includes:

- Adjusting reported earnings and book values to purchase only genuinely undervalued stocks;
- Eliminating stocks with significant pre-announced earnings deterioration; and
- Excluding stocks with severe fundamental decline or substantial financial, legal, or product risks.

Portfolio Management

The portfolio holds approximately 125-225 stocks to diversify risk and enhance liquidity. Within the limits of trading liquidity, we initially weight each stock's position proportional to its market capitalization. Industry and sector weights are the direct result of our bottom-up investment process.

Typically, we sell a stock when: its P/E and P/B ratios both no longer are undervalued, its market cap no longer qualifies as mid cap, its price momentum lags the market sufficiently to trigger our stop loss control, a substantial number of new shares are issued, or fundamentals deteriorate significantly.

Our Competitive Advantage

The strategy combines the advantages of the discipline found in a quantitative process with fundamental analysis targeted to avoid potential poor performers. Our team has managed assets in the Diversified style for over 25 years.



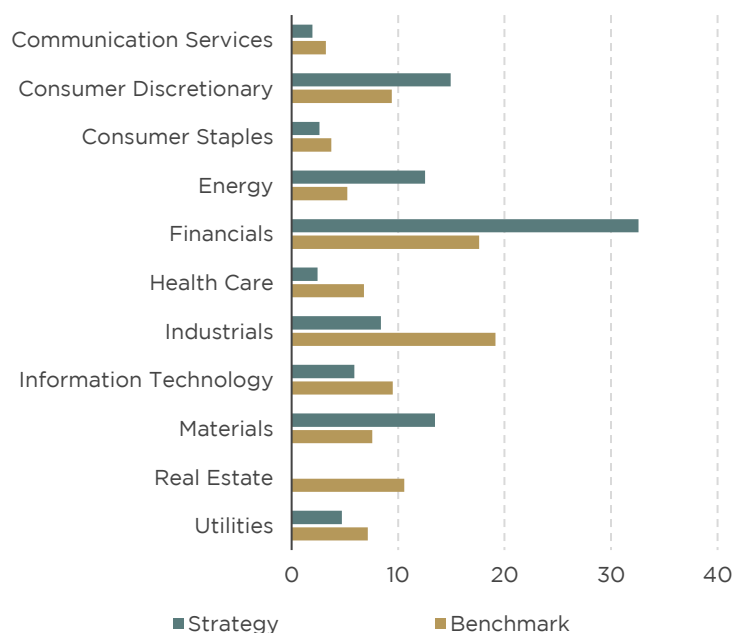
At a Glance

- Primary Benchmark: Russell Mid Cap® Value Index
- Universe: Mid-capitalization U.S. common stocks
- We purchase stocks with a low valuation based on either P/E or P/B that pass through our quantitative and fundamental deselection processes
- Our portfolios generally purchase all holdings on a capitalization-weighted basis
- Cash is residual of the investment process, and we manage portfolios with the goal of remaining fully invested at all times

Characteristics^{1,2}

| | Strategy | Benchmark |
|--------------------------------|----------|-----------|
| Price-to-Earnings ³ | 10.1 | 19.4 |
| Price-to-Book | 1.7 | 2.3 |
| Dividend Yield (%) | 2.5 | 2.0 |
| Avg. Market Cap (\$B) | 23.0 | 23.2 |
| Current # of Securities | 154 | 703 |
| Turnover (% LTM) | 35.5 | - |

Sector Weights^{1,2} (%)



Assets Under Management (M) (Shown in USD)

| | |
|--|--------|
| Brandywine Global, Firmwide | 59,468 |
| Diversified Value Equity Product Group | 8,275 |
| Diversified Mid Cap Dedicated Value | 7 |

Calendar Year Returns² (%) (Results shown in USD)

| | Gross | Net | RMIDV | RMID |
|------|--------|--------|--------|--------|
| 2023 | 14.22 | 13.44 | 12.71 | 17.23 |
| 2022 | -0.76 | -1.50 | -12.03 | -17.32 |
| 2021 | 36.88 | 35.89 | 28.34 | 22.58 |
| 2020 | 4.00 | 3.22 | 4.96 | 17.10 |
| 2019 | 28.18 | 27.24 | 27.06 | 30.54 |
| 2018 | -17.07 | -17.70 | -12.29 | -9.06 |
| 2017 | 18.39 | 17.52 | 13.34 | 18.52 |
| 2016 | 22.01 | 21.11 | 20.00 | 13.80 |
| 2015 | -5.92 | -6.62 | -4.78 | -2.44 |
| 2014 | 15.52 | 14.67 | 14.75 | 13.22 |
| 2013 | 48.85 | 47.78 | 33.46 | 34.76 |

Risk Characteristics² (Composite Net of Fees) (Since Inception)

| | |
|-------------------|------|
| Sharpe Ratio | 0.63 |
| Sortino Ratio | 0.80 |
| Information Ratio | 0.51 |

Top Ten Holdings^{1,2} (%)

| | |
|----------------------------------|-----|
| Dr Horton Inc | 2.9 |
| Nucor Corp | 2.4 |
| Capital One Financial Corp | 2.4 |
| American International Group Inc | 2.3 |
| Bank Of New York Mellon Corp/the | 2.3 |
| Kinder Morgan Inc | 2.2 |
| Prudential Financial Inc | 2.1 |
| Lennar Corp | 2.1 |
| Cheniere Energy Inc | 2.0 |
| HP Inc | 1.9 |

Lead Portfolio Managers



Steven M. Tonkovich
Managing Director & Portfolio Manager
36 Years of Experience



Henry F. Otto
Managing Director & Portfolio Manager
42 Years of Experience



Michelle K. Bevan, CFA
Portfolio Manager
28 Years of Experience

Data as of December 31, 2023

Past performance is no guarantee of future results.



Annualized Returns (%) (Results shown in USD)

| | Gross | Net | RMIDV | RMID |
|-----------------|-------|-------|-------|-------|
| QTD | 11.73 | 11.55 | 12.11 | 12.82 |
| YTD | 14.22 | 13.44 | 12.71 | 17.23 |
| 1 Year | 14.22 | 13.44 | 12.71 | 17.23 |
| 3 Year | 15.77 | 14.94 | 8.36 | 5.92 |
| 5 Year | 15.63 | 14.79 | 11.15 | 12.67 |
| 7 Year | 10.64 | 9.83 | 7.76 | 10.07 |
| 10 Year | 10.41 | 9.60 | 8.26 | 9.42 |
| Since Inception | 12.95 | 12.12 | 9.99 | 10.87 |

Inception Date: 1/1/2011

GIPS Information (% , unless otherwise noted) (Results shown in USD)

| Year or YTD | Gross | Net | RMIDV | RMID | # of Accounts | Market Value (M) | Total Firm Assets (M) | Composite Dispersion | Composite Rolling 3Y SD | RMIDV Rolling 3Y SD | RMID Rolling 3Y SD |
|-------------|--------|--------|--------|--------|---------------|------------------|-----------------------|----------------------|-------------------------|---------------------|--------------------|
| 2023 | 14.22 | 13.44 | 12.71 | 17.23 | 2 | 7 | 59,468 | - | 20.00 | 19.31 | 19.11 |
| 2022 | -0.76 | -1.50 | -12.03 | -17.32 | 2 | 9 | 52,601 | - | 25.42 | 24.44 | 23.62 |
| 2021 | 36.88 | 35.89 | 28.34 | 22.58 | 2 | 11 | 67,356 | - | 24.01 | 21.95 | 20.55 |
| 2020 | 4.00 | 3.22 | 4.96 | 17.10 | 2 | 10 | 63,872 | - | 24.44 | 22.62 | 21.82 |
| 2019 | 28.18 | 27.24 | 27.06 | 30.54 | 2 | 13 | 74,024 | - | 15.33 | 12.79 | 12.89 |
| 2018 | -17.07 | -17.70 | -12.29 | -9.06 | 2 | 12 | 70,070 | - | 13.22 | 11.96 | 11.98 |
| 2017 | 18.39 | 17.52 | 13.34 | 18.52 | 1 | 2 | 74,382 | - | 11.44 | 10.32 | 10.36 |
| 2016 | 22.01 | 21.11 | 20.00 | 13.80 | 1 | 3 | 65,498 | - | 12.04 | 11.30 | 11.55 |
| 2015 | -5.92 | -6.62 | -4.78 | -2.44 | 1 | 2 | 68,819 | - | 11.67 | 10.71 | 10.85 |
| 2014 | 15.52 | 14.67 | 14.75 | 13.22 | 1 | 3 | 63,375 | - | 10.65 | 9.81 | 10.14 |
| 2013 | 48.85 | 47.78 | 33.46 | 34.76 | 1 | 2 | 50,050 | - | 14.50 | 13.69 | 14.03 |

Data as of December 31, 2023. RMIDV = Russell Midcap Value. RMID = Russell Mid Cap. Organization: Brandywine Global Investment Management, LLC (the "Firm") is a wholly owned, independently operated, subsidiary of Franklin Resources, Inc. Brandywine Global Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brandywine Global Investment Management, LLC has been independently verified for the periods January 1, 1993 through June 30, 2022. 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. The Diversified Mid Cap Dedicated Value Composite has had a performance examination for the periods July 1, 2020 through June 30, 2021. The verification and performance examination reports are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS® Reports are available upon request. Disclosed total firm assets represent the total market value of all discretionary and nondiscretionary, fee-paying and non-fee-paying assets under the Firm's management. 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. Composite Description: Diversified Mid Cap Dedicated Value Composite (the "Composite") Inception date: January 1, 2011. Creation date: January 1, 2011. The Composite includes all fully discretionary, actively managed accounts with no minimum market value requirement and no investment restrictions invested in the Diversified Mid Cap Dedicated Value strategy. The Composite is primarily invested in domestic equity securities with market capitalizations between the 1000th and 200th largest stock; Price-to-Earnings or Price-to-Book ratios in the bottom quartile; and attractive price momentum. The portfolios typically hold approximately 175 - 300 securities. 100% of the composite assets are non fee-paying. Primary Benchmark Description: The Russell Midcap Value Index measures the performance of those companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index. Secondary Benchmark Description: The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 30% of the total market capitalization of the Russell 1000 Index. Performance Calculation: Preliminary data, if so noted, reflects unreconciled data for the most recent reporting period. Portfolios are valued daily on a trade date basis and include dividends and interest as well as all realized and unrealized capital gains and losses. Return calculations at the portfolio level are time-weighted to account for periodic contributions and withdrawals. Performance results are calculated on a before tax, total return basis. The Composite returns consist of size-weighted portfolio returns using beginning of period values to weight the portfolio returns. Monthly linking of interim performance results is used to calculate quarterly and annual returns. Composite's valuations and returns are computed in U.S. Dollars ("USD"). The results are presented in USD or in other currencies (to accommodate overseas investors), the latter by converting monthly USD returns into other currency returns using the appropriate currency exchange rate returns. Gross returns reflect the deduction of trading expenses. Net-of-fees returns is calculated using a model approach whereby we use the current highest tier of the appropriate strategy's fee schedule as disclosed in the Form ADV. Composite dispersion is calculated using the asset-weighted standard deviation method for all portfolios that were in the Composite for the entire year. Composite dispersion is not presented for periods with five or fewer portfolios. The number of accounts and market values are as of the end of the period. The three-year annualized standard deviation, calculated using gross-of-fee returns, measures the variability of the composite and the benchmark returns over the preceding 36-month period. Gross-of-fees returns are used to calculate the presented risk measures. A complete list of composites, and limited distribution pooled funds descriptions as well as a list of broad distribution pooled funds is available upon request. Fee Schedule: Institutional Client Commingled Account Management Fee Schedule (Minimum investment \$1 million): 0.650% flat fee on all assets. Additional information on the Firm's fee schedule can be found in Form ADV Part 2A which is available upon request. **Past performance is no guarantee of future results.**

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Disclosures

Benchmark = RMIDV

RMIDV = Russell Midcap@ Value Index RMID = Russell Midcap@ Index

- 1 The data represent the aggregate characteristics of all securities held in the respective Representative Portfolio, an actual commission account not subject to taxation, and are included for informational purposes only. The Portfolio Characteristics of any particular account may vary based on any investment restrictions applicable to that account.
- 2 Supplemental Information to the attached Diversified Mid Cap Dedicated Value GIPS report.
- 3 Portfolio characteristics calculation uses weighted harmonic average methodology.

Source: Bloomberg (© 2024, Bloomberg Finance LP), which Brandywine Global believes to be accurate and reliable. Investing involves certain risks, including possible loss of principal. You should understand and carefully consider a strategy's objectives, risks, fees, expenses and other information before investing. In rendering portfolio management services, Brandywine Global Investment Management, LLC may use the portfolio management services, research and other resources of its affiliates. The views expressed in this document are not intended to be a recommendation or investment advice and do not take into account the individual financial circumstances or objectives of the investor who receives it. The securities described herein may not be suitable for all investors. There is no guarantee that Brandywine Global will meet any of its investment objectives. Individual securities mentioned are intended as examples of portfolio holdings and are not intended as buy or sell recommendations. Characteristics, holdings and sector weightings are subject to change and should not be considered as investment recommendations. There is no guarantee that holding securities with relatively high (or low) price-to-earnings, price-to-book or price-to-cash flow ratios will cause the portfolio to outperform its benchmark or index. Investments in small- and medium-capitalization companies may involve a higher degree of risk and volatility than investments in larger, more established companies. Small capitalization companies may present such risks as lack of product diversification, potentially insufficient capital resources and greater exposure to business and economic cycles. All indices are unmanaged and are not available for direct investment. Indices do not incur costs including the payment of transaction costs, fees and other expenses. This information should not be considered a solicitation or an offer to provide any Brandywine Global Investment Management, LLC service in any jurisdiction where it would be unlawful to do so under the laws of that jurisdiction. Stated assets under management may include some portfolios that are not contained in the strategy's composite. Some portfolios may fall into multiple strategies as the portfolio(s) meet the definition of multiple composites. Target Returns are aspirational in nature; criteria and assumptions were not used in their calculation. Performance results of the named strategy are presented gross and net of management fees. Gross performance returns include transaction costs but do not reflect the deduction of Brandywine Global's management fee. Net performance returns reflect the deduction of all applicable management fees and expenses, before custody charges, withholding taxes and other indirect expenses. Gross and net performance returns over one year are annualized and assume the reinvestment of all dividends, interest, and capital gains. Please refer to Part 2A of Brandywine Global's Form ADV for a description of its advisory fees. As fees are deducted quarterly, the compounding effect will be to increase the impact of fees by an amount directly related to the gross account performance. The above are the views of Brandywine Global and are not intended as a forecast or guarantee of future results. Brandywine Global's selection process may prove incorrect, which may have a negative impact on performance. Please refer to our GIPS® reports, which include performance footnotes, fee schedules, detailed index descriptions, and disclosures.

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A Franklin Templeton Company

Brandywine Global Investment Management, LLC

1735 Market Street
Suite 1800
Philadelphia, PA 19103



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