

# DIVERSIFIED EQUITY STRATEGY

## STRATEGY OVERVIEW

The Diversified Equity Strategy combines growth and value disciplines and diversifies across large, mid, and small capitalization stocks. The Strategy is allocated across market segments, investment styles and company sizes. The investment process supports the identification and research of one stock idea at a time and we seek to hold companies for the long term.

- **Style:** All Cap Core
- **Approach:** Active; Bottom Up
- **Benchmark:** Russell 3000 Index
- **Inception:** 1/1/1993
- **Strategy Assets:** \$542 MM

## STRATEGY HIGHLIGHTS

- **Research Intensive:** Stock selection emphasizes well managed companies with sustainable earnings growth
- **Focus on Quality:** Aim to hold stocks for long term and protect returns when markets decline
- **Unrestricted Opportunity Set:** Core approach allows us to pursue quality companies with either growth or value-oriented characteristics

## PORTFOLIO MANAGEMENT TEAM

**Aaron C. Clark, CFA**  
**Daniel L. Miller, CFA**

**7** Domestic Equity Investment Professionals  
**25** Average Years Experience

## PORTFOLIO CHARACTERISTICS

	Strategy	Index
Return on Assets	12.0%	10.3%
Return on Equity	17.3%	21.2%
Return on Total Capital	22.6%	21.8%
LT Debt/Capital	42.3%	42.0%
Dividend Yield	0.6%	1.4%
Historical 3 Yr. Sales Growth	17.9%	15.7%
Historical 3 Yr. EPS Growth	17.6%	22.5%
Historical 5 Yr. EPS Volatility	24.3%	25.0%
Estimated PE (FY1)	33.3x	24.6x
Wtd. Avg. Market Cap (\$MM)	\$575,286	\$624,736
Trailing 12-Month Turnover	33.8%	–
Number of Holdings	26	2,975

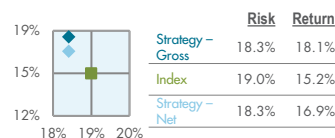
## MARKET CAP ANALYSIS

	Strategy	Index
< \$5 Billion	8.2%	5.3%
\$5 - \$25 Billion	10.4%	13.5%
> \$25 Billion	81.4%	81.3%

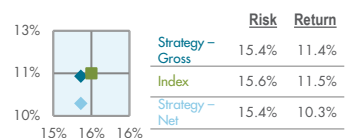
## PERFORMANCE ANALYSIS

5-Year Market Capture Ratios			10-Year Market Capture Ratios		
	Strategy	Index		Strategy	Index
Upside	96.2%	100.0%	Upside	93.3%	100.0%
Downside	83.8%	100.0%	Downside	91.4%	100.0%

## 5-Year Risk / Return



## 10-Year Risk / Return



## TOP TEN HOLDINGS

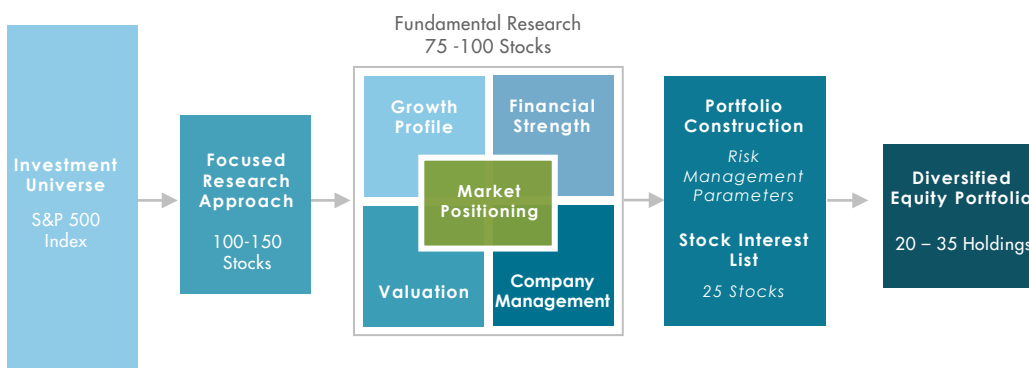
	% of Portfolio	Sector
Microsoft Corporation	7.6%	Information Technology
Alphabet, Inc.	6.9%	Communication Services
Amazon.com, Inc.	6.7%	Consumer Discretionary
The Charles Schwab Corporation	5.1%	Financials
Casella Waste Systems, Inc.	4.5%	Industrials
Mastercard, Inc.	4.4%	Financials
TransDigm Group, Inc.	4.4%	Industrials
Entegris, Inc.	4.2%	Information Technology
S&P Global, Inc.	4.1%	Financials
T-Mobile US, Inc.	3.9%	Communication Services

## SECTOR DISTRIBUTION

	Strategy	Index
Information Technology	27.9%	27.1%
Financials	17.0%	13.7%
Industrials	13.9%	9.9%
Health Care	13.3%	12.6%
Consumer Discretionary	13.3%	10.9%
Communication Services	10.8%	8.0%
Energy	1.4%	4.0%
Consumer Staples	0.0%	5.7%
Materials	0.0%	2.7%
Real Estate	0.0%	3.0%
Utilities	0.0%	2.3%
Cash	2.4%	0.0%

Past performance is no guarantee of future results. There is a risk that invested capital may be lost. Source: Factset. Risk/return and market capture are based on historical monthly returns. Holdings are based on a representative account. There is no guarantee the holdings from the representative account will form part of any future implementation of the Strategy, and should not be considered a recommendation to purchase or sell any security. Please refer to page 2 for GW&K's Disclosure Statement, which is an integral part of our presentation, for an explanation of our composite criteria, calculations and index descriptions. All data as of 12/31/2023

## INVESTMENT PROCESS



## FUNDAMENTAL RESEARCH

### Market Positioning

- Leading companies in attractive and defensible niche markets

### Growth Profile

- Business models that deliver consistent long-term growth
- Resilient through economic cycles

### Financial Strength

- Strong financial characteristics
- Strong cash flow
- Prudent use of debt

### Company Management

- Visionary leadership, high-quality management
- Committed to long-term enhancement of shareholder value

### Valuation

- Attractive valuation metrics in relation to industry peers and own company history

# DIVERSIFIED EQUITY STRATEGY

## ANNUALIZED RETURNS

*Period Ending 12/31/2023*

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
GW&K Diversified Equity Composite – Gross	12.98%	31.08%	31.08%	6.04%	18.09%	11.36%
Russell 3000 Index	12.07%	25.96%	25.96%	8.54%	15.16%	11.48%
GW&K Diversified Equity Composite – Net	12.71%	29.81%	29.81%	4.99%	16.94%	10.26%

Returns less than one year are not annualized.

## CALENDAR YEAR RETURNS

*Inception Date 1/1/1993*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GW&K Diversified Equity Composite – Gross	31.08%	-22.77%	17.78%	39.66%	37.91%	-4.37%	17.06%	6.33%	0.35%	6.87%
Russell 3000 Index	25.96%	-19.21%	25.66%	20.89%	31.02%	-5.24%	21.13%	12.74%	0.48%	12.56%
GW&K Diversified Equity Composite – Net	29.81%	-23.55%	16.63%	38.31%	36.58%	-5.32%	15.92%	5.28%	-0.64%	5.82%

Source: FactSet

**Past performance is no guarantee of future results. There is a risk that invested capital may be lost.** Net of fee performance based on highest fee. All data as of date noted and is subject to change.

## PERFORMANCE DISCLOSURE

**Past performance is no guarantee of future results. There is a risk that invested capital may be lost.**

The composite performance results displayed herein represent the investment performance record of GW&K Investment Management, LLC. GW&K is an SEC-registered investment management firm that offers active equity and fixed income investment solutions. Founded in 1974, GW&K is an independent and autonomous investment management firm that is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), a publicly traded global asset management company. On February 1, 2019 the investment team of Trilogy Global Advisors, LP (TGA), an AMG Affiliate located in Winter Park, FL and New York City joined GW&K Investment Management. Effective March 30, 2015, the legal name of the firm was changed from Gannett Welsh & Kotler, LLC to GW&K Investment Management, LLC.

GW&K claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. GW&K has been independently verified for the periods January 1, 1995 through December 31, 2022. The verification reports are 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 provide assurance on the accuracy of any specific performance report. 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.

The Diversified Equity Strategy combines growth and value disciplines and diversifies across large, mid, and small capitalization stocks. The Strategy is allocated across market segments, investment styles and company sizes. The investment process supports the identification and research of one stock idea at a time and we seek to hold companies for the long term. The Diversified Equity Composite (composite) includes all portfolios invested in the Diversified Equity Strategy with a minimum market value of \$500,000 from inception to December 31, 2008, and a minimum market value of \$250,000 from January 1, 2009 forward. On July 1, 2016, the composite was redefined to exclude portfolios with directed brokerage arrangements that do not pay explicit trading costs. These accounts were removed from the composite because their trading processes more closely resemble the trading processes of wrap portfolios. The composite was created on September 30, 2000. The Diversified Equity segments of multi-asset portfolios are included in the composite. Each segment of multi-asset portfolios is managed with its own cash account. Accounts are included in the composite after one full month under management. Closed accounts are included through the last full month under management. Inception date is January 1, 1993. All results reflect the reinvestment of dividends and income, and factor in commission costs. Performance is expressed in US dollars. Composite portfolio income may be net or gross of withholding tax depending on the accounting methodology of the custodian bank. The performance results presented may not equal the rate of return experienced by any particular GW&K portfolio due to various reasons, including differences in brokerage commissions, fees, client contributions or withdrawals, position size in relation to account size, diversification among securities and

market conditions. Additional information regarding the policies for valuing investments, calculating performance, and preparing GIPS reports, as well as a complete list and description of the firm's composites and pooled funds is available upon request by contacting [info@gwkinvest.com](mailto:info@gwkinvest.com).

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Gross returns are used for the composite calculation. The standard deviation measure is presented annually, for periods where 36 monthly returns are available.

The firm uses an asset-weighted standard deviation calculation to measure dispersion, which is reported on a yearly basis. Dispersion is used to measure the volatility of gross portfolio returns within the composite. Only portfolios that have been included in the composite for the full year are included in the dispersion calculation. Where dispersion is listed as N/A, the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

To account for advisory fees, net performance results reflect the deduction of the maximum fee (1.00% annually, applied monthly) GW&K Investment Management would charge for managing portfolios in this Strategy. Client fees may vary.

The performance shown is compared to the Russell 3000 Index. The Russell 3000 Index is a broad based market weighted index comprised of 3,000 companies representing approximately 98% of the US equity market capitalization. On December 1, 2023, the benchmark for the Diversified Equity Strategy was changed from the S&P 500 Index to the Russell 3000 Index for all periods. The new benchmark is a better representation of the Strategy. Effective June 30, 2015, the Russell 2000 Index was removed as a secondary benchmark for the Diversified Equity Strategy. The Strategy continues to have the flexibility to invest across the market cap spectrum, though there are no specific allocation targets for investing in small or mid cap stocks. Indexes are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index. Index data has been obtained from third-party data providers that GW&K believes to be reliable, but GW&K does not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. The third-party data may not be further redistributed or used without the relevant third-party's consent. Sources for index data include Bloomberg, FactSet, ICE, FTSE Russell, MSCI, and Standard & Poor's. Investing in securities or investment strategies, including GW&K's Investment Strategies presented in this document, involves risk of loss that clients should be prepared to bear. No investment process is free of risk; no strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There is no guarantee that GW&K's investment processes will be profitable, and you therefore may lose money. The value of investments, as well as any investment income, is not guaranteed and can fluctuate based on market conditions.

Diversification does not assure a profit or protect against loss. GW&K's active management styles include equity and fixed income strategies that are subject to various risks, including those described in GW&K's Form ADV Part 2A, Item 8. GW&K's Form ADV Part 2A may be found at the SEC's website under Firm 121942, or is available from GW&K upon request.

## 3-YEAR STANDARD DEVIATION

Year	GW&K Diversified Equity Composite (%)	Russell 3000 Index (%)
2023	17.56	17.46
2022	20.72	21.48
2021	16.62	17.94
2020	18.23	19.41
2019	11.71	12.21
2018	12.00	11.18
2017	10.47	10.09
2016	11.36	10.88
2015	10.47	10.58
2014	9.21	9.29

## COMPOSITE STATISTICS

Year	Number of Portfolios	Internal Dispersion (%)	Total Composite Assets (\$000s)	Total Firm Assets (\$000s)
2023	182	0.23	\$358,904	\$50,695,321
2022	135	0.26	\$232,277	\$46,803,858
2021	203	0.32	\$469,513	\$54,720,660
2020	203	0.39	\$371,573	\$51,431,909
2019	139	0.55	\$217,622	\$42,154,892
2018	113	0.33	\$145,296	\$34,395,747
2017	142	0.21	\$221,348	\$36,503,378
2016	136	0.39	\$208,828	\$32,193,721
2015	107	0.29	\$128,112	\$26,646,814
2014	169	0.17	\$261,085	\$22,823,427