

# Boston Partners Long/Short Equity

## Performance commentary

- After a positive start to 2025, U.S. equities reversed course in mid-February against a backdrop of growing economic and policy uncertainty. The new administration's evolving tariff announcements stoked global tensions while also raising the specter of retaliatory measures and higher inflation. Consumer confidence fell sharply, and the U.S. Federal Reserve held short-term interest rates unchanged in its January and March meetings. High-valuation growth stocks generally fared the worst across capitalization sizes.
- Boston Partners Long/Short Equity strategy delivered a positive return during the quarter and outperformed its benchmark, the S&P 500 Index. With declines across a number of overvalued stocks—particularly in the Information Technology sector—our short positions made a materially positive contribution to relative returns. Our long positions in the Consumer Discretionary and Health Care sectors also made positive contributions. Our long holdings in the Industrials sector generally detracted from returns versus the index.
- Positive contributors included our long position in Banco Bilbao Vizcaya Argentaria (BBVA) and a short position in battery technology company KURL Technology. BBVA reported higher-than-expected earnings, led by higher net interest income. The company's return on equity continues to grow in an elevated interest rate environment. KURL joined the ranks of companies purchasing Bitcoin with surplus cash reserves, and the valuation of those reserves has eroded lower along with the price of Bitcoin; meanwhile, the core business remains unprofitable, and weakening sentiment surrounding electric vehicles has weighed on the stock price.
- Individual positions that detracted from performance during the quarter included our long position in Internet search giant Alphabet and a short position in Radius Recycling. Alphabet continued to meet earnings expectations from advertising revenue, cloud growth, and better management of its cost structure. However, the stock underperformed this quarter along with all Magnificent Seven stocks. The company now trades at a very attractive 15x 2026 estimated earnings. Radius Recycling leaped on news that Toyota Tsusho America would be acquiring the company's shares at a substantial premium.
- Sectors with net overweight exposures at the end of March included Financials and Real Estate, with new positions established in Acadian Asset Management and Merchants Bancorp. Net underweight sectors included Information Technology, Consumer Discretionary, and Communication Services. Examples of recently liquidated positions included Dropbox, Stellantis, and Vivid Seats.
- As we look ahead, we note there is more uncertainty in global markets than usual and that economic risks in the United States are mounting. The steep valuations that some equity investors had been willing to overlook are now of growing concern. We believe the strategy is particularly well-suited to this kind of environment and that there continue to be ample opportunities for stock picking. The benefit of adhering to a single investment approach for 30 years is that we're able to stay focused on what matters—finding high-quality companies at attractive valuations—a strategy that has proven its worth over many market cycles. We look forward to doing just that and to providing updates in the coming months.



**Patrick Regan, CFA**  
Portfolio Manager

## LONG PORTFOLIO

Largest contributors	Sector	Total return (%)	Contribution to return (%)
Banco Bilbao Vizcaya Argentari	Financials	40.12	0.36
Jiayin Group, Inc. Sponsored A	Financials	115.70	0.32
Dundee Precious Metals Inc.	Materials	46.76	0.27
<b>Largest detractors</b>			
Sterling Infrastructure, Inc.	Industrials	-32.79	-0.67
Ringcentral, Inc. Class A	Information Technology	-29.28	-0.46
Alphabet Inc. Class A	Communication Services	-18.20	-0.41

## SHORT PORTFOLIO

Largest contributors	Sector	Total return (%)	Contribution to return (%)
long, Inc.	Information Technology	-47.16	1.76
Kulr Technology Group Inc	Industrials	-62.82	1.69
Atomera Incorporated	Information Technology	-65.52	1.68
<b>Largest detractors</b>			
Radius Recycling, Inc. Class A	Materials	90.98	-1.98
Upstart Holdings, Inc.	Financials	-25.24	-1.31
Groupon, Inc.	Consumer Discretionary	54.49	-0.66

Contribution to return figures represent each holding's contribution to the performance of the strategy's long and short portfolios, respectively.

## ANNUALIZED TOTAL RETURNS (%)

	Q1	YTD	1 YR	3 YR	5 YR	10 YR	Since inception 8/1/1997
Long/Short Equity - gross of fees	3.02	3.02	11.74	12.69	18.82	10.02	12.38
Long/Short Equity - net of fees	2.60	2.60	10.43	11.26	17.44	8.79	10.14
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.50	8.58

Performance shown is for the Boston Partners Long/Short Equity Composite. Returns for periods less than one year are cumulative. Current performance may be lower or higher. Individual portfolios' performance and fees may vary. The composite's inception date is 8/1/1997. Past performance does not guarantee future results.

## CALENDAR YEAR PERFORMANCE AND DISPERSION

	Total returns (%)			3 YR standard dev. (%)		Composite			Firm assets (\$M)
	Composite gross of fees	Composite net of fees	Benchmark	Composite	Benchmark	# of accounts	Dispersion (%)	Total assets (\$M)	
2024	14.62	13.10	25.02	12.03	17.15	2	n/a	139	104,655
2023	16.06	14.32	26.29	15.86	17.29	2	n/a	178	94,056
2022	8.47	7.45	-18.11	17.89	20.87	2	n/a	179	88,117
2021	35.18	33.92	28.71	16.63	17.17	2	n/a	169	96,320
2020	-4.03	-4.94	18.40	12.81	18.53	2	n/a	169	77,120
2019	11.75	10.70	31.49	9.53	11.93	2	n/a	311	89,368
2018	-13.34	-14.22	-4.38	9.81	10.80	2	n/a	515	81,550
2017	5.41	4.30	21.83	9.09	9.92	2	n/a	1,100	99,241
2016	25.71	24.03	11.96	9.68	10.77	2	n/a	1,100	87,222
2015	1.15	0.17	1.38	8.41	10.47	2	n/a	687	78,363

**Past performance is not an indication of future results.** Performance is calculated in USD. The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual gross-of-fee returns within the composite. Dispersion in composites with less than five accounts included for the entire year is not considered meaningful and is denoted with "n/a."

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**Composite construction:** The Boston Partners Long/Short Equity Composite includes all separately managed and commingled vehicles, fully discretionary, fee-paying accounts under management with a similar investment mandate. No composites have a minimum account size for inclusion as of June 1, 2019. Prior to that, minimum account size for inclusion in the composite was \$1 million. The composite may contain proprietary assets.

Effective January 1, 2024, Boston Partners adopted a significant cash flow policy. If an external cash flow is greater than or equal to 10% of the beginning market value of the portfolio on the day of the flow and has a return that deviates from the representative account for the strategy +/- 50 bps, then the portfolio is removed from the composite for the month that the flow occurred, then placed back into the composite on the first day of the following month. Example: If a portfolio has a 24% flow on May 13 and its return is 1.03% while the representative account return is 1.59%, then the portfolio is removed from the composite for the month of May and returned back on June 1. Additional information is available upon request.

The strategy's benchmark is the **S&P 500 Index**, which tracks the performance of the 500 largest companies traded in the United States. Net return (NR) denotes the reinvestment of dividends after taxes. It is not possible to invest directly in an index. **The Magnificent Seven** stocks are a group of high-performing and influential companies in the U.S. stock market: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

**Investment Risk:** Investing involves risk, including the potential loss of principal. International investing is subject to fluctuations in currency exchange rates; political, social, or economic instability; and differences in taxation, auditing, and other financial practices. Investing in emerging-market securities may increase these risks. Foreign investors may have taxes withheld. Small- and mid-cap companies tend to be more volatile and may fluctuate in value more than the broader stock market. Illiquid securities may be difficult to value or to sell. Investments in undervalued or out of favor stocks may not appreciate and could decline further. Short sales involve the potential for significant losses and can disproportionately affect the value of the portfolio. Higher rates of portfolio turnover may result in higher costs and capital gains. Options and derivatives may be more sensitive to changes in market conditions..

**Annual fee schedule:** Investment advisory fees, which are more fully described in Boston Partners' ADV, Part 2, are 150 basis points on all assets under management.

The views and opinions expressed may change based on market and other conditions. This material is provided for informational purposes only and should not be construed as investment advice. There can be no assurance that developments will transpire as forecasted. Actual results may vary. No investment strategy or risk management technique can guarantee return or eliminate risk in all market environments.

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