

# Boston Partners Large Cap Value

## Performance Commentary

- U.S. equities overcame a tumultuous start to the quarter sparked by U.S. tariff policy and reached new all-time highs—a dramatic rebound fueled by strong corporate earnings, contained inflation, and investor perception that the worst of the tariff threats wouldn't come to pass. Growth stocks generally led returns, with technology companies rising swiftly from their early-year slump. Large-company stocks generally outpaced small-company stocks.
- The Boston Partners Large-Cap Value strategy delivered a positive return for the quarter and outperformed its benchmark, the Russell 1000 Value Index. Stock selections in the Information Technology and Financials sectors were leading drivers of returns versus the benchmark, while our holdings in Industrials and Utilities generally held back relative results.
- Standout individual contributors during the quarter included banking giant JPMorgan Chase and software company Oracle. JPMorgan's earnings outlook improved thanks to the second-quarter rebound in capital markets and steepening of the yield curve this year. Investors also expect less onerous regulation of large U.S. banks going forward. We increased our position during the quarter and that of Oracle, which exceeded revenue and earnings expectations and raised guidance as its cloud infrastructure business continued to see increased artificial intelligence-related business opportunities.
- Detractors included UnitedHealth Group and AbbVie. UnitedHealth recently replaced its CEO and rescinded guidance as the company's Medicare billing practices were allegedly being investigated by the Department of Justice. Although we trimmed our position during the quarter, we note that the stock is now very inexpensive, and the new CEO was previously a well-respected CEO of the company with a strong track record. AbbVie's revenues of cosmetic drugs Botox and Juvéderm were short of expectations as consumers tightened their spending habits. The company continued to invest in new research and development to offset declining sales of off-patent Humira.
- For the year to date, the Large-Cap Value strategy also outperformed its benchmark with a positive return. Stock selection in the Consumer Staples and Health Care sectors helped drive relative outperformance, while Energy and Industrials holdings detracted from results.
- Our sector overweights at the end of June included Industrials and Information Technology, with new positions in defense contractor L3Harris Technologies, electrical component producer Hubbell, and technology company Ralliant. Underweights included Real Estate, where we have no exposure, and Communication Services, where we trimmed our positions in Alphabet and Omnicom Group.
- While this quarter's market rebound was certainly positive news for investors, we expect volatility to remain elevated in the coming months. Tariff news, conflicts overseas, and uncertainty regarding the U.S. Federal Reserve's next move could all affect investor sentiment. We believe there continue to be ample opportunities for stock picking in this environment, and we look forward to providing you with updates in the coming months.



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## FIVE LARGEST CONTRIBUTORS

Security name	Sector	Total return (%)	Contribution to return (%)	Portfolio weight (%)
JPMorgan Chase & Co.	Financials	18.97	0.83	4.41
Oracle Corporation	Information Technology	56.96	0.75	1.89
Uber Technologies, Inc.	Industrials	28.05	0.52	1.99
Flex Ltd	Information Technology	50.91	0.52	1.45
Microchip Technology Incorporated	Information Technology	46.50	0.46	1.61

## FIVE LARGEST DETRACTORS

Security name	Sector	Total return (%)	Contribution to return (%)	Portfolio weight (%)
UnitedHealth Group Incorporated	Health Care	-40.01	-1.22	1.06
AbbVie, Inc.	Health Care	-10.59	-0.40	1.77
Schlumberger Limited	Energy	-18.45	-0.35	0.44
Diamondback Energy, Inc.	Energy	-13.46	-0.25	1.33
ConocoPhillips	Energy	-13.81	-0.25	1.25

## ANNUALIZED TOTAL RETURNS (%)

	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception 06/01/1995
Large Cap Value Gross of fees	6.80	7.06	12.61	15.30	17.36	10.66	11.04
Large Cap Value Net of fees	6.72	6.90	12.26	14.94	16.99	10.32	10.66
Russell 1000 Value Index	3.79	6.00	13.70	12.76	13.93	9.19	9.42

Performance for periods less than one year is cumulative. Composite returns are asset weighted. 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	16.29	15.92	14.37	16.30	16.66	79	0.12	24,715	104,655
2023	14.67	14.31	11.46	16.54	16.51	85	0.11	22,177	94,056
2022	-3.78	-4.08	-7.54	22.40	21.25	88	0.08	20,609	88,117
2021	31.03	30.63	25.16	20.30	19.06	92	0.13	22,719	96,320
2020	2.59	2.27	2.80	20.91	19.62	105	0.27	20,676	77,120
2019	24.18	23.79	26.54	12.48	11.85	133	0.29	25,320	89,368
2018	-8.70	-8.99	-8.27	12.16	10.82	142	0.19	22,415	81,550
2017	20.07	19.71	13.66	11.57	10.20	141	0.33	25,415	99,241
2016	14.74	14.40	17.34	11.95	10.77	156	0.23	25,275	87,222
2015	-4.08	-4.37	-3.83	11.28	10.68	167	0.16	24,629	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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The Boston Partners Large Cap Value composite has been examined for the annual periods 1995 to 2023.

The composite includes all separately managed, fully discretionary, fee-paying accounts and commingled vehicles under management with a similar investment mandate, and may contain proprietary assets. Account composition is subject to change.

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 by +/- 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 for the month 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.

The Russell 1000 Value Index tracks the performance of those large-cap U.S. equities in the Russell 1000 Index with value style characteristics.

**Investment risks:** Investing involves risk, including the potential loss of principal. 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. 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. The strategy may participate in initial public offerings (IPOs), depending on availability and prevailing market conditions. IPOs may have a significant positive effect on performance, and such results should not be expected for future performance periods. Foreign investors may have taxes withheld.

**Annual fees schedule:** Investment advisory fees, which are more fully described in Boston Partners' Form ADV, Part 2, are: 70 basis points ("bp") on the first \$10 million in assets; 50 bp on the next \$40 million; 40 bp on the next \$50 million; 30 bp thereafter.

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.

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