



**Total Firm Equity AUM/AUA\*\*:** \$11.1B  
**Total Firm AUM/AUA\*\*:** \$22.2B

**Total Strategy AUM/AUA\*:** \$10.5M  
**Inception of the Strategy:** 7/1/14

### INVESTMENT PHILOSOPHY

We believe excess returns are best achieved by investing in high quality companies selling at attractive prices. We focus on companies that have strong management, broad resources and a competitive market position and have historically generated, or are positioned to generate, strong return on invested capital (ROIC). The strategy seeks long-term capital appreciation through a concentrated portfolio.

### KEY FEATURES

- Invests in 20 highest conviction holdings, as defined by weight, from the SBH All Cap strategy. The portfolio is rebalanced on a monthly basis to reflect All Cap position changes and weight deviations due to market movements.
- Seeks high ROIC companies trading at a 20% discount to our proprietary intrinsic valuation.
- Employs proprietary screens to limit the universe to companies with low embedded expectations.
- Utilizes a low turnover approach to active management.

### PORTFOLIO CHARACTERISTICS

	SBH Gross	Russell 3000®
Return on Investment	22.0%	20.9%
Earnings Growth (5 yrs) <sup>1</sup>	14.3%	11.5%
P/E Projected	18.6x	19.7x
Price/Cash Flow	16.8x	17.4x
Wtd. Avg. Market Cap	\$463,685M	\$358,305M
Turnover (3 yrs trailing)	126.3%	—
Total Number of Holdings	20	2,960

Source: FactSet

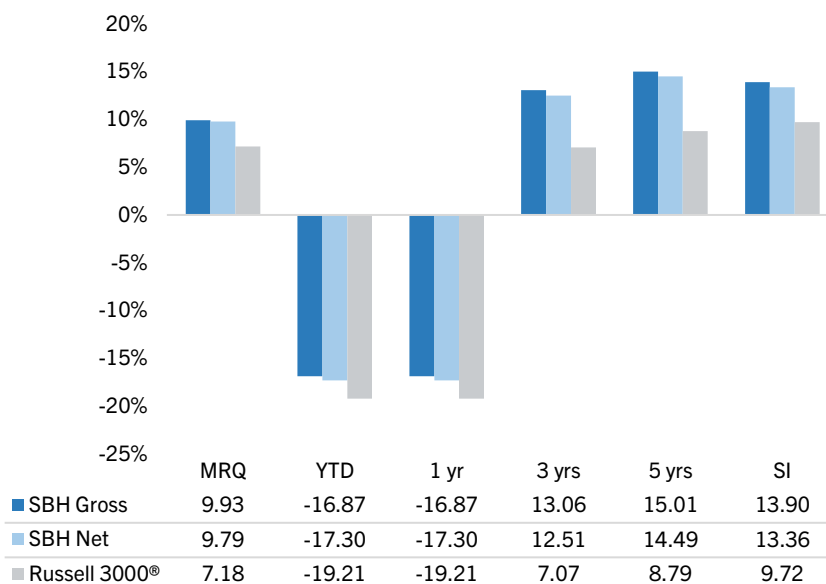
<sup>1</sup>Calculated from current year.

### RISK/RETURN STATISTICS (3 YRS)

	SBH Gross	Russell 3000®
Beta	0.97	1.00
Std. Deviation	21.74	21.79
Tracking Error	5.31%	—
Upside Capture	108.26	100.00
Downside Capture	90.76	100.00
Sharpe Ratio	0.57	0.29

Source: eVestment

### ANNUALIZED PERFORMANCE (%)



### CALENDAR YEAR RETURNS (%)

	SBH Gross	SBH Net	Russell 3000®
2022	-16.87	-17.30	-19.21
2021	31.80	31.09	25.66
2020	31.92	31.37	20.89
2019	35.91	35.36	31.02
2018	2.46	2.03	-5.24
2017	26.77	26.17	21.13
2016	6.94	6.42	12.74
2015	6.80	6.25	0.48

Periods greater than one year are annualized. MRQ=Most Recent Quarter; SI=Since Inception.

Source: FactSet, Russell

\*Assets under management/Assets under advisement (AUM/AUA) data as of 12/31/22. Model UMA assets of \$0 are included in the AUA portion of the AUM/AUA total.

\*\*Includes domestic and international equity. Model UMA assets of \$490.0M are included in the total firm equity assets (AUM/AUA) as of 12/31/22.

Past performance cannot guarantee future results. All investments involve risk, including the possible loss of capital.

## Select Equity

### PORTFOLIO MANAGEMENT



**Ralph M. Segall, CFA, CIC**  
Chief Investment Officer

MBA, University of Chicago  
B.S., University of Pennsylvania



**Suresh Rajagopal, CFA**  
Director of All Cap Strategies, Director of  
ESG Research

MBA, University of Notre Dame  
B.A., Alma College

SECTOR EXPOSURE	% Portfolio	% Benchmark	Relative Weights
Communication Services	6.5	6.8	-0.3
Consumer Discretionary	11.1	10.0	1.1
Consumer Staples	3.9	6.6	-2.7
Energy	9.6	5.3	4.3
Financials	23.3	12.3	11.0
Health Care	10.2	15.6	-5.4
Industrials	12.2	9.7	2.5
Information Technology	17.3	24.4	-7.1
Materials	4.1	3.0	1.1
Real Estate	0.0	3.3	-3.3
Utilities	0.0	3.1	-3.1
Cash & Cash Equivalents	1.8	—	1.8

TOP TEN HOLDINGS	Ticker	% Portfolio
Microsoft Corporation	MSFT	8.0
Quanta Services, Inc.	PWR	6.9
Alphabet Inc. Class C	GOOG	6.5
Reinsurance Group of America, Incorporated	RGA	5.9
UnitedHealth Group Incorporated	UNH	5.6
Chevron Corporation	CVX	5.4
Visa Inc. Class A	V	5.3
Raytheon Technologies Corporation	RTX	5.3
Globe Life Inc.	GL	5.1
JPMorgan Chase & Co.	JPM	4.6
<b>Total (% of portfolio)</b>		<b>58.6</b>

Sector classifications presented are based on the GICS methodology. Totals may not sum to 100% due to rounding.

Top ten holdings are reported based on the market value of individual positions in the portfolio. Holdings are subject to change, vary over time and should not be considered a recommendation to buy or sell. It should not be assumed that future holdings will be profitable or equal the performance of these holdings. Each investor's holdings may be different based on their objectives.

#### Definitions

**Return on Investment:** performance measure used to evaluate the efficiency or profitability of an investment relative to the investment's cost.

**Earnings Growth (5 yrs):** annual compound growth rate of earnings from investments.

**Price Earnings (P/E) Projected:** ratio of Price to Earnings that uses forecasted earnings to estimate likely earnings per share for the next 12 months.

**Price/Cash Flow:** measure of the value of a stock's price relative to its operating cash flow per share.

**Weighted Average Market Cap:** type of market capitalization in which each component is weighted according to the size of its total market capitalization. Components that have a higher market cap have more influence because they constitute a higher percentage in the index; those with smaller caps have less influence.

**Turnover:** the percentage of a portfolio that is sold in a particular month or year.

**Beta:** measure of volatility – or systemic risk – of a security or portfolio compared to the market as a whole.

**Standard Deviation:** the average return earned in excess of the risk-free rate per unit of volatility or total risk.

**Tracking Error:** measure of how closely a fund follows the index to which it is benchmarked.

**Upside Capture:** statistical measure of an investment manager's overall performance in up-markets.

**Downside Capture:** statistical measure of an investment manager's overall performance in down-markets.

**Sharpe Ratio:** the average return earned in excess of the risk-free rate per unit of volatility or total risk.

#### Disclosures

SBH provides fee-based management of fixed income and equity portfolios for institutional clients and high net worth individuals. Gross results do not reflect the deduction of management fees, are shown net of trading costs, and include the reinvestment of all dividends and interest. Net returns are shown net of management fees and are calculated by applying the current fee schedule applicable to the Select Equity composite accounts is 0.55% on the first \$25 million of assets, 0.45% on the next \$25 million of assets and 0.30% over \$50 million of assets. Actual fees will vary. All information is based on U.S. dollar values.

**Investment Risks:** Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. Investments in small-cap companies involve risks and volatility greater than investments in larger, more established companies.

**The Russell 3000® Index** is an unmanaged index that measures the performance of the 3,000 largest U.S. companies. Direct investment in an index is not possible.

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