

## Unconventional Quality. Enduring Value.

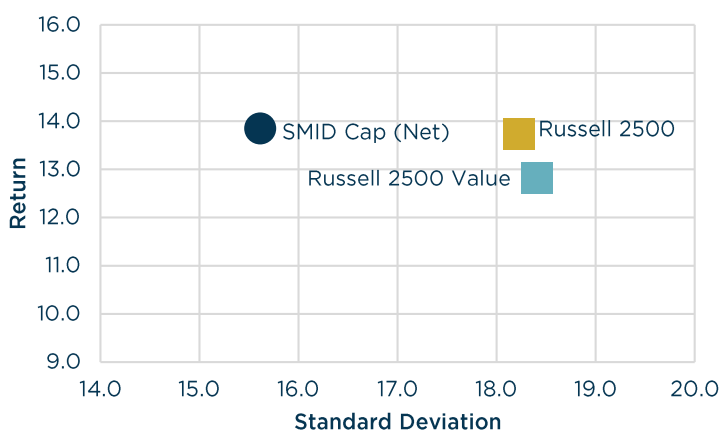
### An Elevated Approach Built on Downside Protection

Founded in 1994 in Richmond, VA, The London Company is a majority employee-owned firm managing \$32B in assets\* across the capitalization spectrum. We apply a singular investment approach with a team-based decision-making process.

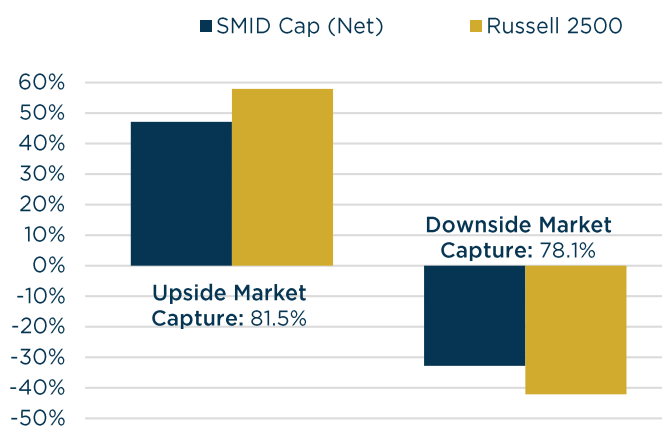
**A Differentiated Investment Process** focused on protecting in down markets to deliver meaningful excess returns and lower levels of volatility over full market cycles.

- **High-Quality Companies:** sustainably high and improving returns on capital and strong balance sheets
- **Balance Sheet Optimization:** a novel approach to valuation that limits forecast risk inherent in growth projections
- **Focused Portfolio Construction** solves the problem of over-diversification: 25-35 high conviction stocks
- **Sell Discipline** seeks to avoid large losses to maximize return

#### Risk/Return Analysis\*



#### Upside vs. Downside Returns\*

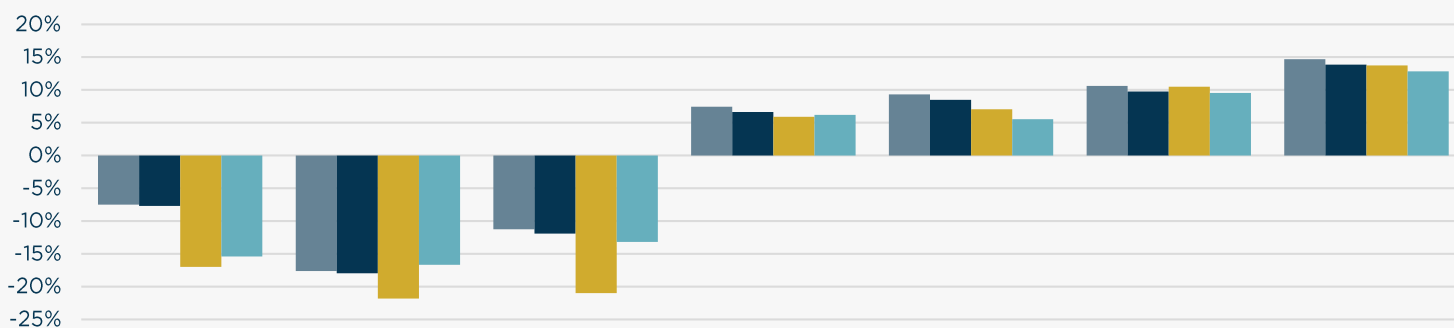


See last page for statistic definitions.

#### Annualized Returns (since inception 3/31/2009)

As of 6/30/2022

■ SMID Cap (Gross) ■ SMID Cap (Net) ■ Russell 2500 ■ Russell 2500 Value



	QTD	YTD	1Y	3Y	5Y	10Y	ITD
SMID Cap (Gross)	-7.5%	-17.6%	-11.3%	7.4%	9.3%	10.6%	14.7%
SMID Cap (Net)	-7.7%	-18.0%	-11.9%	6.6%	8.5%	9.8%	13.9%
Russell 2500	-17.0%	-21.8%	-21.0%	5.9%	7.0%	10.5%	13.7%
Russell 2500 Value	-15.4%	-16.7%	-13.2%	6.2%	5.5%	9.5%	12.8%

\*Includes Model Assets of \$18.2B as of 5/31/2022. Subject to change.

\*Source: eVestment, since inception 3/31/2009

The SMID Cap product is typically compared to the Russell 2500 Index. Any comparison to the Russell 2500 Value is for illustrative purposes only. Performance is preliminary. Subject to change. Performance results shown should, under no circumstances, be construed as an indication of future performance. All are encouraged to read and understand the disclosure notes found on the last page.

**Portfolio Characteristics**

	SMID Cap	R2500
Pre-tax ROC (3 yr. avg %)	13.7	7.0
Net Debt/EBITDA	2.9x	3.0x
Enterprise Value/EBITDA	14.9x	11.7x
Number of Holdings	31	2,495
Active Share	97.3	—
Weighted Avg Mkt Cap (\$B)	7.9	5.6
Median Mkt Cap (\$B)	6.5	1.3
Dividend Yield (%)	1.1	1.5

Source: FactSet

**Return & Risk Characteristics**

Since Inception 3/31/2009 (Net)

	SMID Cap	R2500
Down Market Capture (%)	78.1	—
Up Market Capture (%)	81.5	—
Cumulative Return (%)	457.7	450.3
Sharpe Ratio	0.86	0.73
Standard Deviation	15.6	18.2
Alpha	2.8	—
Beta	0.8	1.0

Source: eVestment, Composite Data

**Sector Weightings (%)**

	SMID Cap	R2500
Communication Services	2.9	2.0
Consumer Discretionary	18.5	11.2
Consumer Staples	14.7	3.3
Energy	0.0	3.9
Financials	16.8	19.1
Health Care	2.2	12.5
Industrials	10.6	16.5
Information Technology	18.6	16.2
Materials	7.7	5.7
Real Estate	6.4	6.2
Utilities	0.0	3.4
Cash	1.5	0.0

Source: FactSet.

Sector weightings may not add to 100% due to rounding.

**Top Ten Holdings (%)**

Holding	Symbol	Weighting
Churchill Downs Incorporated	CHDN	5.6
Entegris, Inc.	ENTG	5.1
Lamb Weston Holdings, Inc.	LW	5.0
White Mountains Insurance Group Ltd.	WTM	4.6
Black Knight, Inc.	BKI	4.2
Hanover Insurance Group, Inc.	THG	4.1
Jack Henry & Associates, Inc.	JKHY	3.8
Deckers Outdoor Corporation	DECK	3.7
Broadridge Financial Solutions, Inc.	BR	3.6
Post Holdings, Inc.	POST	3.6
<b>Total</b>		<b>43.3</b>

## Understanding Upside/Downside Returns, Capture Ratios, and The Power of Downside Protection.

Protecting client assets in negative markets can have a far greater impact on total return than high up-market capture. With our downside protection focus, we seek to deliver meaningful excess returns with lower levels of volatility, and superior risk-adjusted performance over full market cycles.

- **Downside Market Return** is the annualized return for a manager during down markets, defined as periods where the return of the selected benchmark is less than zero.
- **Downside Market Capture Ratio** is a measure of the portfolio's performance in down markets relative to the benchmark and is calculated by dividing the portfolio return during the down-market periods by the return of the benchmark during same periods.
- **Upside Market Return** is the annualized return for a manager during up markets, defined as periods where the return of the selected benchmark is greater than or equal to zero.
- **Upside Market Capture Ratio** is a measure of the manager's performance in up markets relative to the benchmark and is calculated by dividing the portfolio return during the up-market periods by the return of the benchmark during the same periods.

### Disclosure Notes

The London Company's performances are size weighted and annualized based on calculations for the period ending 6/30/2022. The characteristics discussed herein relate to a representative account, and not every client's account will have these exact characteristics. As London manages its client portfolios according to each client's specific investment needs and circumstances, London cannot affirm that the characteristics of the account shown are similar to all accounts participating in the strategy. This is due in part to the timing of trades by the Advisor, market conditions, cash availability, and the timing of client deposits and withdrawals. Therefore, prospective clients should not assume that similar performance results to those shown would have been achieved for their accounts had they been invested in the strategy during the period. None of the information contained herein should be construed as an offer to buy or sell securities, or as investment recommendations. An investment in a London Company strategy is subject to risks, including the loss of principal.

**Definition of Firm:** The London Company of Virginia is a registered investment advisor. Registration does not imply a certain level of skill or training. More information about the advisor, including full descriptions of its investment strategies, fees and objectives, can be found in the firm's Form ADV Part 2, which is available upon request by calling 804.775.0317 or visiting [www.TLCadvisory.com](http://www.TLCadvisory.com). The London Company claims compliance with the Global Investment Performance Standards (GIPS®). 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. Please visit [www.TLCadvisory.com](http://www.TLCadvisory.com) or contact us at 804.775.0317 to request a complete list and description of The London Company's composites and/or a presentation that adheres to the (GIPS®) standards.

**Composite Creation/Inception Date:** March 31, 2009

**Composite Definition:** The Small-Mid Cap strategy is an extension of our Small Cap strategy with weighted market capitalization higher than our Small Cap portfolio, and is within the market capitalization ranges of the major domestic small to mid-cap indices. Accounts in this product composite are fully discretionary taxable and tax-exempt portfolios with a minimum of \$100,000 in assets. The product is measured against the Russell 2500 Index and has a creation and inception date of March 31, 2009. There is no use of leverage, derivatives or short positions. All actual fee-paying discretionary portfolios are included in one or more composites that have been managed for a full calendar quarter with limited restrictions and similar objectives. Composite may include accounts under dual contract.

**Benchmark Description:** Primary: Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. Russell 2500 is a subset of the Russell 3000 Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. Secondary: Russell 2500 Value Index measures the performance of the small to mid-cap segment of the U.S. equity universe. It includes those Russell 2500 Index companies with lower price-to-book ratios and lower forecasted growth values. Benchmark returns are not covered by the report of independent verifiers.

**Performance and Fees:** Gross of fee returns are calculated gross of management and custodian fees and net of transaction costs. Net of fee returns are calculated net of actual management fees and transaction costs and gross of custodian and other fees. Returns may be net of miscellaneous fund expenses. The gross figures do not reflect the deduction of investment advisory fees. For example, an account that earned 15% per year for 10 years would have an accumulated return of 305% before fees and 270% after fees, assuming a 1% fee. Returns are calculated and stated in U.S. dollars. Returns are calculated gross of withholding taxes on foreign dividends and interest. Dividends are reinvested. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

**Past performance should not be taken as a guarantee of future results.** The report is for informational purposes only. Data, while obtained from sources we believe to be reliable, cannot be guaranteed and all statistics are subject to change. The statements contained herein are solely based upon the opinions of The London Company and the data available at the time of publication of this report, and there is no assurance that any predicted results will actually occur. Information was obtained from third-party sources, which we believe to be reliable but are not guaranteed as to their accuracy or completeness. This report contains no recommendations to buy or sell any specific securities and should not be considered investment advice of any kind. In making an investment decision, individuals should utilize other information sources and the advice of their investment advisor.

## The London Company of Virginia, LLC