

## Unconventional Quality. Enduring Value.

An Elevated Approach Built on  
Downside Protection

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### About The London Company

- Employee-owned firm founded in 1994
- \$32B assets under advisement\*
- Singular team and process for all strategies
  - Driven by a fundamental quality-value approach
- We invest in our portfolios alongside our clients

### A Differentiated Investment Process

Our process focuses 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

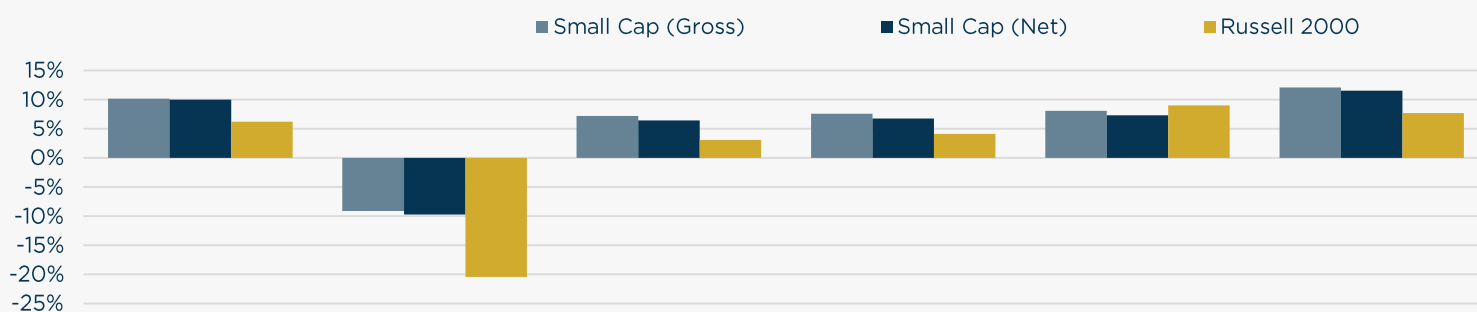
### Portfolio Characteristics

	Small Cap	R2000
Pre-tax ROC (3yr. Avg %)	16.9	5.7
Net Debt/EBITDA	1.6x	3.2x
Enterprise Value/EBITDA	11.9x	12.2x
Number of holdings	33	1,950
Active Share	97.5	—
Weighted Avg. Mkt. Cap (\$B)	3.8	2.7
Median Mkt. Cap (\$B)	3.1	0.9
Dividend Yield (%)	1.2	1.4
Annual Turnover (5yr. Avg %)	19.1	—

Source: FactSet, eVestment

### Annualized Returns (since inception 9/30/1999)

As of 12/31/2022



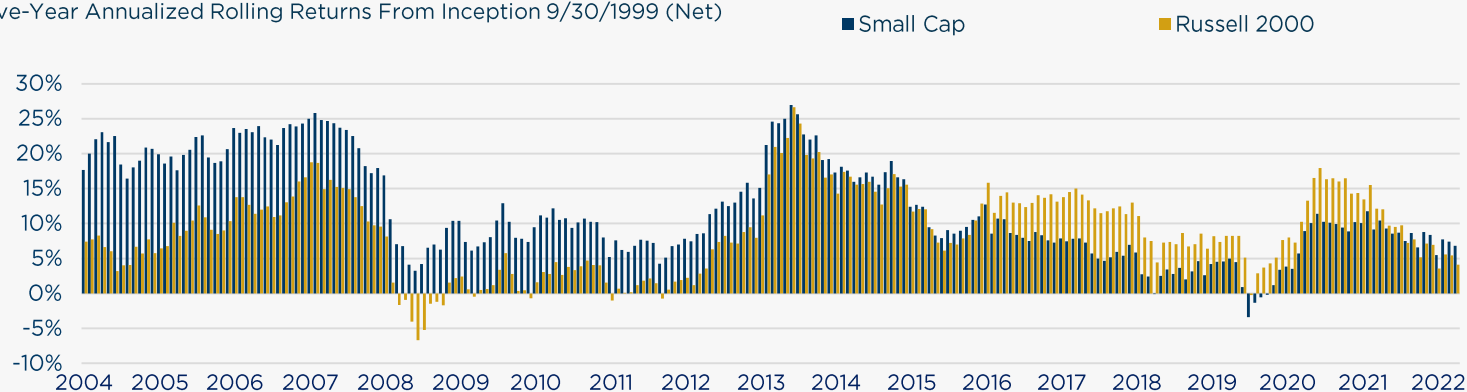
	QTD	1Y	3Y	5Y	10Y	ITD
Small Cap (Gross)	10.2%	-9.1%	7.2%	7.6%	8.1%	12.1%
Small Cap (Net)	10.0%	-9.7%	6.5%	6.8%	7.3%	11.6%
Russell 2000	6.2%	-20.4%	3.1%	4.1%	9.0%	7.7%

\*Includes Model Assets of \$17.6B as of 11/30/2022. Subject to change.

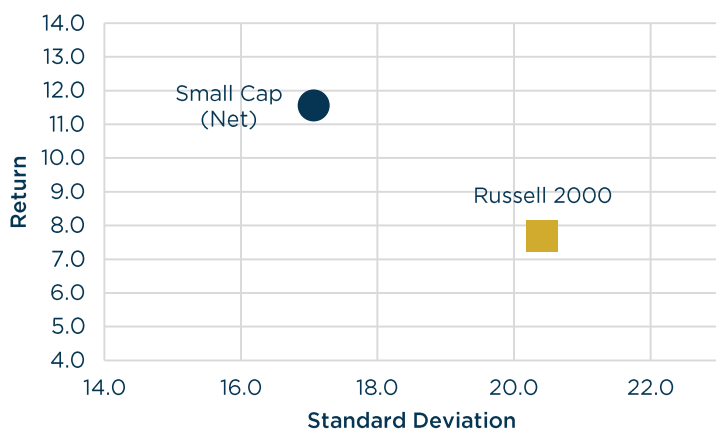
\*Performance is preliminary. Subject to change. Performance results shown should, under no circumstances, be construed as an indication of future performance. All are encouraged to read and understand the disclosure notes found on the last page.

## Lower Downside Capture Leads to Excess Returns

Five-Year Annualized Rolling Returns From Inception 9/30/1999 (Net)



## Risk/Return Analysis



Source: eVestment, Since Inception 9/30/1999

## Return & Risk Characteristics

	Small Cap	R2000
Down Market Capture (%)	67.3	—
Up Market Capture (%)	76.4	—
Cumulative Return (%)	1,170.7	460.7
Sharpe Ratio	0.58	0.30
Standard Deviation	17.1	20.4
Alpha	6.1	—
Beta	0.7	1.0

Source: eVestment, Composite Data, Since Inception 9/30/1999 (Net)

## Sector Weightings (%)

	Small Cap	R2000
Communication Services	0.0	1.7
Consumer Discretionary	21.2	10.5
Consumer Staples	5.5	3.5
Energy	1.2	5.4
Financials	14.1	20.2
Health Care	3.8	16.4
Industrials	24.2	15.3
Information Technology	11.1	14.3
Materials	7.4	4.8
Real Estate	7.2	4.1
Utilities	0.0	3.6
Cash	4.3	0.0

Source: FactSet.

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

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## Top Ten Holdings (%)

Holding	Symbol	Weighting
Tempur Sealy International Inc.	TPX	6.1
Landstar System, Inc.	LSTR	5.4
White Mountains Insurance Group Ltd.	WTM	5.3
Masonite International Corp.	DOOR	4.3
Evoqua Water Technologies	AQUA	3.9
Ingevity Corporation	NGVT	3.8
Lancaster Colony Corporation	LANC	3.8
Murphy USA	MUSA	3.4
Qualys, Inc.	QLYS	3.3
CTS Corporation	CTS	3.3
<b>Total</b>		<b>42.6</b>

## Disclosure Notes

The London Company's performances are size weighted and annualized based on calculations for the period ending 12/31/2022. 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.

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**Composite Creation/Inception Date:** September 30, 1999

**Composite Definition:** The Small Cap strategy invests mainly in conservative, low-beta, small-cap equities with a focus on above-average downside protection. Primarily we seek profitable, financially stable small-cap companies that consistently generate free cash flow, high returns on unleveraged operating capital, trade at significant discounts to their intrinsic values, and are run by shareholder-oriented management. Positions are usually within the market capitalization range of the major, domestic small-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 2000 Index and has a creation and inception date of September 30, 1999. 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. As of July 1, 2022 The London Company redefined the composites to exclude all dual contract relationship and any potentially bundled fee scenarios. This policy is not retroactive, but will continue to apply going forward.

**Benchmark Description:** Primary: Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. Russell 2000 is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. Secondary: Russell 2000 Value Index measures the performance of the small-cap segment of the U.S. equity universe. It includes those Russell 2000 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. 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.

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