

Entry Points Active-Passive Transcript

John C. Forelli, CFA, Director of Portfolio Research:

00:00:01 Bulls versus bears, a historic and ongoing battle on Wall Street. Over the last two decades, a new battle has emerged and even been amplified over the recent years: active management versus passive management. Which one has prevailed over time? The data might be shocking to some. Hi, I'm John Forelli, director of portfolio research at Boston Partners. On this edition of entry points, we're going to dive into why asset allocators should be paying particular attention to active managers now more than ever.

[Flashes across screen: Boston Partners Entry Points: A Closer Look at Active Management]

00:00:34 The data shows that active managers outperform the majority of the time, and they're only episodic time periods where passive has really done better. The difference between 52 percent of the stocks outperforming versus 48 percent of the stocks outperforming can make a huge difference for active managers. Looking at equal weighted returns versus cap weighted returns in the market over time, you can see that as that line goes down, it means the equal weighted indices are outperforming the cap weighted indices over that time period.

00:01:03 So nine style boxes as defined by three in capitalization: large, mid and small and three by style: growth, core and value. In seven of those nine categories, active managers have done better than passive managers for the past five, 10 and 20 year time periods. when megacap favorites outperform, such as the FAANG stocks in the most recent time period, those stocks are typically underweighted by active managers, making it difficult for them to outperform when those mega cap stocks are leaders in the market. that would be during the extreme time periods of the tech bubble, the financial crisis and the most recent FANG growth bubble.

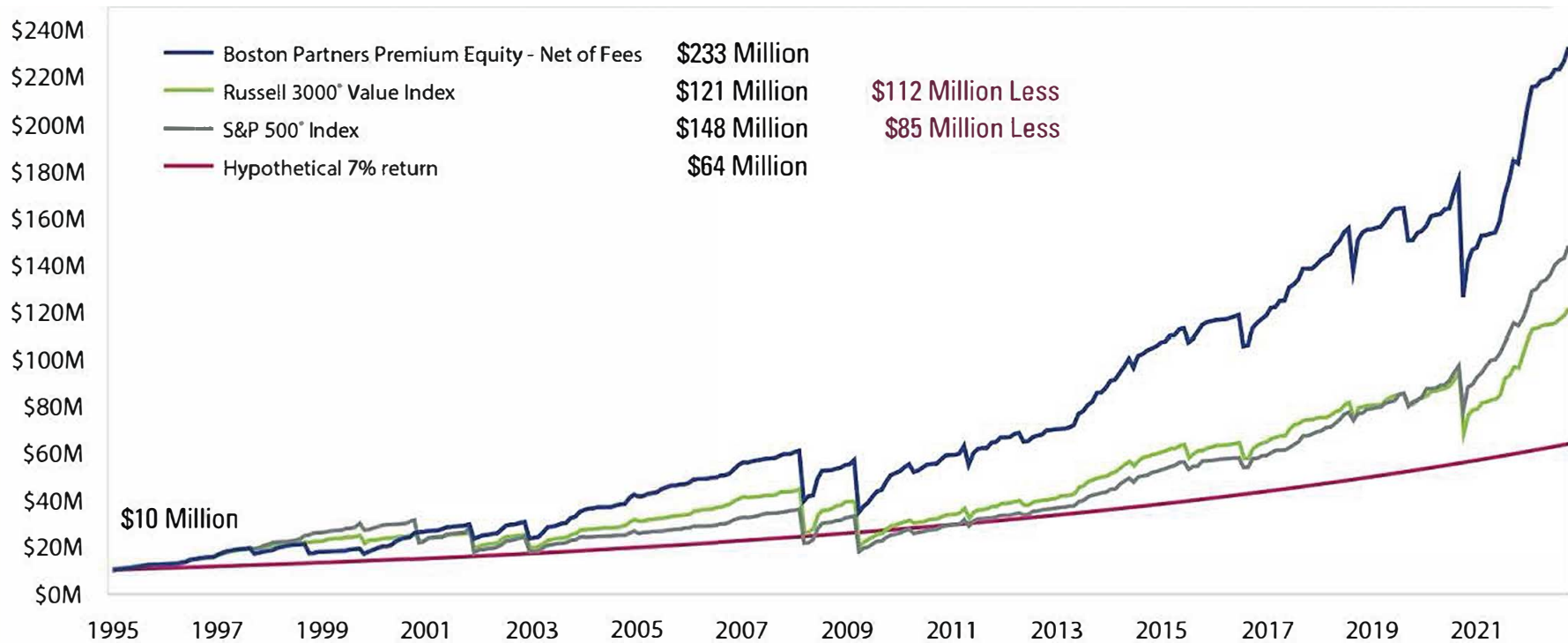
00:01:43 Chasing strong passive returns has not paid off for investors looking at either a strong one year time periods or three year time periods within the large cap value benchmarks. Trying to time passive management because they've done well recently has been a fool's errand for investors.

[Flashes across the screen: Finding the Right Active Manager]

00:02:01 The Boston Partners Premium Equity Strategy has ranked in the top quartile of all all cap value managers. If you had invested \$10 million with us back in 1995 after fees, you would now have \$233 million today. Compare that to investing in the Russell 3000 Value Index. You'd have one hundred and twenty one million dollars today or the S&P 500, where you'd have one hundred and forty eight million dollars today. Investing with us on an after fee basis would accrue you between 85 and \$112 million more than if you had invested in the benchmarks.

00:02:38 We're in a rising rate, rising inflation environment, and in those environments we could expect to see multiple contraction in the market, which is what we're beginning to see here in 2022. In those environments, the most expensive stocks are typically the ones that go down most in the marketplace. And if we look at where we are today in this environment, we do expect value stocks to outperform going forward. For those reasons, we believe the case is clear. It pays off to hire a good active manager. For more information on Boston Partners strategies, please visit us at boston-partners.com.

Proposed Cumulative Growth of \$10 Million Investment



Source: eVestment U.S. All Cap Value Universe quarterly observations. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on eVestment's systems and other important considerations such as fees that may be applicable. All categories not necessarily included, Totals may not equal 100%. Copyright 2012-2021 eVestment Alliance, LLC. All Rights Reserved. Number of portfolios in eVestment All Cap Value category is 72 for 10 years, 36 for 20 years and 20 since inception. This is a hypothetical illustration of the growth of \$10 million had it been invested in the BP Premium Equity composite since inception on June 1, 1995. The results of this illustration may be changed depending on investment guidelines and cash flow. This illustration is net of investment management fees and includes the reinvestment of dividends and other income. Past performance is not an indication of future results. 7% is a representative actuarial rate. Use of 7% is an arbitrary assumption. Results will be different with a different assumption. 7% is based on a study by Milliman Consulting in 2015 of approximately 1,300 multi-employer plans based on form 5500 filings. Based on the conclusions of the study, 7% is a reasonable assumption for this comparison.

Equal-Weighted S&P 500 Index Returns Have Outperformed Over Cap-Weighted Aside From Extreme Market Environments

Cumulative Return of S&P 500 Index Cap Weight divided by S&P 500 Index Equal Weight



Data as of February 28, 2022.

Source: Morningstar, Inc.

Past performance is not an indication of future results. Please refer to the end of the video for other important disclosures.

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Passive Has Underperformed the Median Manager Except For Highly Concentrated Large Cap Growth And Core

Style	Category	5yr Rank	10yr Rank	20yr Rank	Benchmark Difference to Median (bps)*	Weight of Top 10 Holdings
Core						
S&P 500	US Large Cap Core Equity	40	35	74	21	29%
Russell MidCap	US Mid Cap Core Equity	63	69	76	-56	5%
Russell 2000	US Small Cap Core Equity	73	81	93	-151	3%
Growth						
Russell 1000 Growth	US Large Cap Growth Equity	28	27	56	79	48%
Russell MidCap Growth	US Mid Cap Growth Equity	65	62	77	-85	12%
Russell 2000 Growth	US Small Cap Growth Equity	91	90	93	-379	6%
Value						
Russell 1000 Value	US Large Cap Value Equity	76	70	80	-102	18%
Russell MidCap Value	US Mid Cap Value Equity	61	59	65	-38	6%
Russell 2000 Value	US Small Cap Value Equity	71	77	93	-144	5%

Data as of December 31, 2021.

Source: eVestment and Boston Partners. Rankings are based on gross of fee returns.

Rankings are from 1 to 100, with 1 being best and 100 being the worst. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on eVestment's systems and other important considerations such as fees that may be applicable. Not for general distribution and limited distribution may only be made pursuant to client's agreement terms. All categories not necessarily included, totals may not equal 100%. Copyright 2016-2021 eVestment Alliance, LLC. All Rights Reserved.

* Benchmark difference to median is the average difference between the benchmark return and the median return in each category for the 5, 10 and 20 year time periods.

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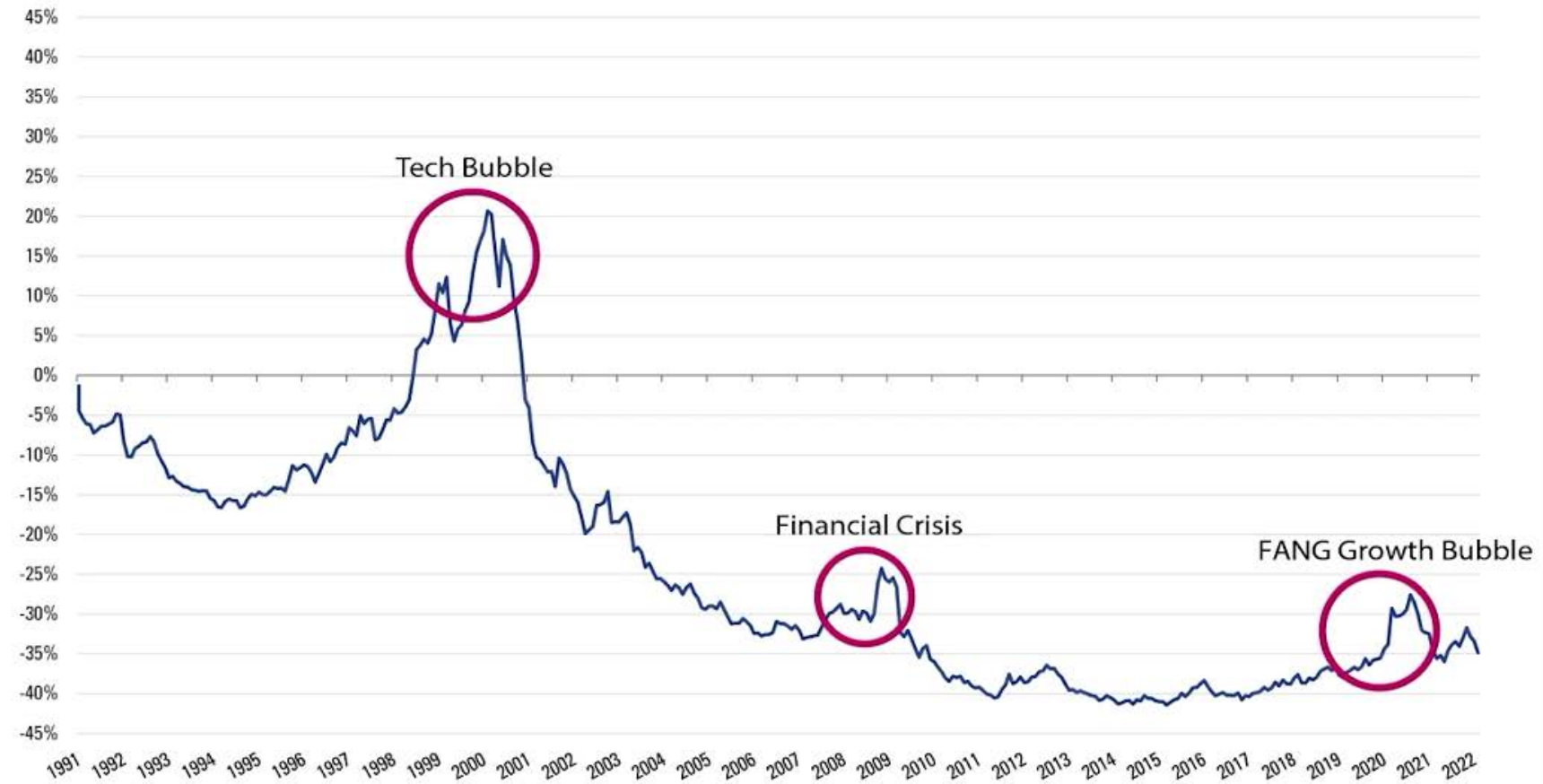
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Cumulative Return of S&P 500 Index Cap Weight divided by S&P 500 Index Equal Weight



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Source: Morningstar, Inc.

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Investment Performance - Premium Equity

As of March 31, 2022

Annualized Performance (%)								
	10 2022	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception*
Premium Equity - Gross of Fees	0.36	13.48	15.63	11.68	13.34	10.48	11.21	13.03
Premium Equity - Net of Fees	0.19	12.78	14.94	11.01	12.71	9.88	10.63	12.45
Russell 3000® Value Index	-0.85	11.10	12.99	10.16	11.61	7.33	8.11	9.69
S&P 500® Index	-4.60	15.65	18.92	15.99	14.64	10.26	9.25	10.36

Calendar Year Performance (%)										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Premium Equity - Gross of Fees	26.81	5.38	28.88	-11.06	18.91	15.73	1.71	13.22	39.73	16.27
Premium Equity - Net of Fees	26.05	4.78	28.12	-11.60	18.22	15.08	1.15	12.65	39.04	15.72
Russell 3000® Value Index	25.37	2.87	26.26	-8.58	13.19	18.40	-4.13	12.70	32.69	17.55
S&P 500® Index	28.71	18.40	31.49	-4.38	21.83	11.96	1.38	13.69	32.39	16.00

*Inception date is June 1, 1995.

Boston Partners has prepared and presented this report in compliance with the GIPS®. Returns reflect composite results and individual portfolio results will vary. Performance for periods over one year are annualized. Past performance is not an indication of future results. Please refer to the appendix for other important disclosures.



Boston Partners

Appendix

Premium Equity

Performance disclosures

Boston Partners Global Investors, Inc. ("Boston Partners") is an Investment Adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. Boston Partners is an indirect, wholly owned subsidiary of ORIX Corporation of Japan ("ORIX"). Boston Partners updated its firm description as of November 2018 to reflect changes in its divisional structure. Boston Partners is comprised of two divisions, Boston Partners and Weiss, Peck & Greer Partners ("WPG").

Boston Partners claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS®. Boston Partners has been independently verified for the periods 2007 through 2020. Before then, Boston Partners Asset Management ("BPAM"), the previous entity name, and WPG were independently verified on an annual basis from 1995 through 2006 and 1993 through 2006, respectively. A firm that claims compliance with the GIPS® must establish policies and procedures for complying with all the applicable requirements of the GIPS®. Verification provides assurance on whether a firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

The Boston Partners Premium Equity composite had a performance examination for the periods 1995 through 2020. The verification and performance examination reports are available upon request.

A list of composite descriptions is available upon request. GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Past performance is not an indication of future results. This document is not an offering of securities nor is it intended to provide investment advice. It is intended for informational purposes only.

Composite Construction

Performance results attained at Boston Partners are linked to the results achieved at BPAM beginning on January 1, 2007 in compliance with the GIPS® standards on performance record

portability. The Boston Partners Premium Equity Composite includes all separately managed and commingled vehicles, fully discretionary, fee-paying accounts under management with a similar investment mandate. Prior to January 1, 2007, the minimum account size for inclusion in the composite was \$5 million. After January 1, 2007, it changed to \$1 million. No composites have a minimum account size for inclusion as of June 1, 2019. The composite may contain proprietary assets. The inception date and creation date of the Boston Partners Premium Equity composite is June 1, 1995. The strategy is a hybrid of Boston Partners' other equity products. It has the flexibility to invest across the capitalization spectrum and to invest in securities with equity-like return and risk profiles. Boston Partners Premium Equity is benchmarked against the Russell 3000® Value Index and the S&P® 500 Index (secondary).

Benchmarks

The S&P 500 Index is an unmanaged index of the common stocks of 500 widely held U.S. companies. The Russell 3000® Index measures performance of the 3,000 largest U.S. companies based on total market capitalization. Russell® Value Indices typically measure the performance of universes of stocks displaying low price-to-book ratios and low forecasted growth values. Index returns are provided for comparison purposes only to show how the composite's returns compare to a broad-based index of securities, as the indices do not have costs, fees, or other expenses associated with its performance. In addition, securities held in indices may not be similar to securities held in the composite's accounts.

Calculation Methodology

Composite account returns are asset value weighted using beginning of month asset values and composite returns are calculated on a total return, time-weighted basis using trade date valuations. Composite returns are geometrically linked on a monthly basis. Effective January 1, 2011, Boston Partners adopted a significant cash flow policy. Accounts are temporarily removed from the composite when a significant external cash flow occurs, which is typically defined as a flow that is greater than or equal to 10% of the beginning market value of an account on the day of the flow; and greater than or equal to 10% of the beginning market value of the composite for that month. An account is generally added back to the composite as of the first full month following the significant cash flow. Returns reflect the reinvestment of dividends and other earnings and are expressed in U.S. Dollars

unless otherwise noted. Additional information regarding policies for valuing accounts, calculating performance, and preparing compliant reports is available upon request.

Fees and Expenses

Composite returns are provided on a gross and net of fee basis. Composite account returns will be reduced by any fees and expenses incurred in the management of the account. Net of fee composite returns are asset weighted and reflect the deduction of management fees, which may include performance-based fees, commissions and transaction costs, and are calculated by deducting actual fees charged to the accounts in a composite. Gross composite returns are calculated by deducting commissions and transaction costs charged to accounts in a composite. Fees are applied to gross returns at month end. Actual fees may vary depending on the applicable fee schedule and account size. Additional information regarding policies for valuing accounts, calculating performance, and preparing compliant reports is available upon request. Investment advisory fees are listed herein and are fully described in Boston Partners' Form ADV, Part 2.

Composite Dispersion

The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual account 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". Prior to January 1, 2007, the measurement of composite dispersion was calculated by determining the difference between the highest and lowest annual account returns within the composite. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. This calculation has been adopted effective with the period ended December 31, 2011.

Premium Equity

Performance disclosures (continued)

Premium Equity:

	# of Accts. in Comp.	Total Assets in Comp.	Comp. Dispersion	Comp. 3-Yr. Std. Dev. ¹	Bench. 3-Yr. Std. Dev. ¹	Bench. 3-Yr. Std. Dev. ²	% of Firm AUM
2020:	30	\$3.6 bn	0.32%	21.45%	19.95%	18.53%	5%
2019:	37	\$4.1 bn	0.12%	13.35%	12.01%	11.94%	5%
2018:	36	\$3.7 bn	0.11%	12.58%	11.06%	10.80%	5%
2017:	35	\$4.3 bn	0.17%	11.47%	10.33%	9.92%	4%
2016:	35	\$3.4 bn	0.10%	12.30%	10.97%	10.59%	4%
2015:	35	\$3.3 bn	0.09%	11.46%	10.74%	10.47%	4%
2014:	29	\$3.1 bn	0.14%	9.92%	9.36%	8.98%	4%
2013:	29	\$2.7 bn	0.53%	13.76%	12.90%	11.94%	5%
2012:	26	\$2.2 bn	0.17%	16.17%	15.81%	15.09%	7%
2011:	24	\$2.0 bn	0.19%	19.37%	21.04%	18.71%	9%

¹Russell 3000® Value Index ²S&P 500 Index

Firm Assets:

Year	Assets (mm)	Year	Assets (mm)
2020:	\$77,120	2015:	\$78,363
2019:	\$89,368	2014:	\$73,250
2018:	\$81,550	2013:	\$52,334
2017:	\$99,241	2012:	\$29,023
2016:	\$87,222	2011:	\$21,098

Other Disclosures

GICS (Global Industry Classification Standard) sector classification is used. All product characteristics and sector weightings are calculated using a representative account. Risk statistics are calculated using composite data. Account composition is subject to change and information contained in this publication may not be representative of the current account.

Foreign investors may have taxes withheld.

Investing involves risk including the risk of loss of principal. Value investing involves buying the stocks of companies that are out of favor or are undervalued. This may adversely affect an account's value and return. Stock values fluctuate in response to issuer, political, regulatory, market or economic developments. The value of small and mid-capitalization securities may be more volatile than those of larger issuers, but larger issuers could fall out of favor. Investments in foreign issuers may be more volatile than in the U.S. market, and international investing is subject to special risks including, but not limited to, currency risk associated with non – U.S. dollar denominated securities, which may be affected by fluctuations in currency exchange rates, political, social or economic instability, and differences in taxation, auditing and other

financial practices. Derivative investments may involve risks such as potential illiquid markets and additional risk of loss of principal.

Boston Partners participates in Initial Public Offerings (IPOs) as described in its Form ADV, Part 2. IPO contributions to performance vary from year to year depending on availability and prevailing market conditions. IPO contributions may have a significant positive effect on performance when initially purchased. Such positive performance should not be expected for future performance periods.

Annual Fee Schedule

Investment advisory fees, which are more fully described in Boston Partners' Form ADV, Part 2, are: 80 basis points ("bp") on the first \$25 million of assets; 60 bp on the next \$25 million; 50 bp on the next \$50 million; 40 bp thereafter.

Corporate Information

Boston Partners is affiliated with listed corporations through common ownership. ORIX Corporation Europe N.V. services may be offered in the U.S. through Robeco Institutional Asset Management, U.S., an SEC Registered Investment Adviser registered under the Investment Advisers Act of 1940. Transtrend products may be offered in the U.S. through Boston Partners Securities, LLC, member FINRA, SiPC. Boston Partners is authorized to transact as an Investment Adviser and maintains a Securities License by the Government of Guam Department of Revenue and Taxation. It also maintains a Certificate of Authority to transact business in Guam as a Foreign Corporation. In addition, Boston Partners is registered in Korea with the Financial Services Commission (FSC).

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Estimates reflect subjective judgements and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.

Terms and Definitions

Equal weighted S&P 500 Index: The equal-weighted version of the widely-used S&P 500 where each company is allocated a fixed weight at each quarterly rebalance.

S&P 500 Index (Cap Weighted): An unmanaged index of the common stocks of 500 widely held U.S. companies. The S&P 500 Index uses capitalization-weights, which gives a higher percentage allocation to companies with the largest market caps; stocks are weighted according to the total market value of their outstanding shares.

Tech Bubble: Period from 1997 to Q1 2000 when technology stocks reached historically high valuations.

Financial Crisis: Period from 2007 to 2009 when the elevated real estate prices and risky real estate loans nearly collapsed the global financial system.

FANG Growth Bubble: Period from 2017 to Q1 2020 when large capitalization technology stocks – Facebook, Amazon, Netflix and Google – reached lofty valuations.

Russell 1000® Value Index: Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 1000® Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000® Value Index: Measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000® Value or the Russell 2000® Value Indices.