CORNERSTONE
INVESTMENT PARTNERS, LLC

March 2023

Value & Active's Excellent Opportunity

Value stocks remain attractively priced relative to growth stocks

Active value strategies, on average, have outperformed passive value strategies over the long term

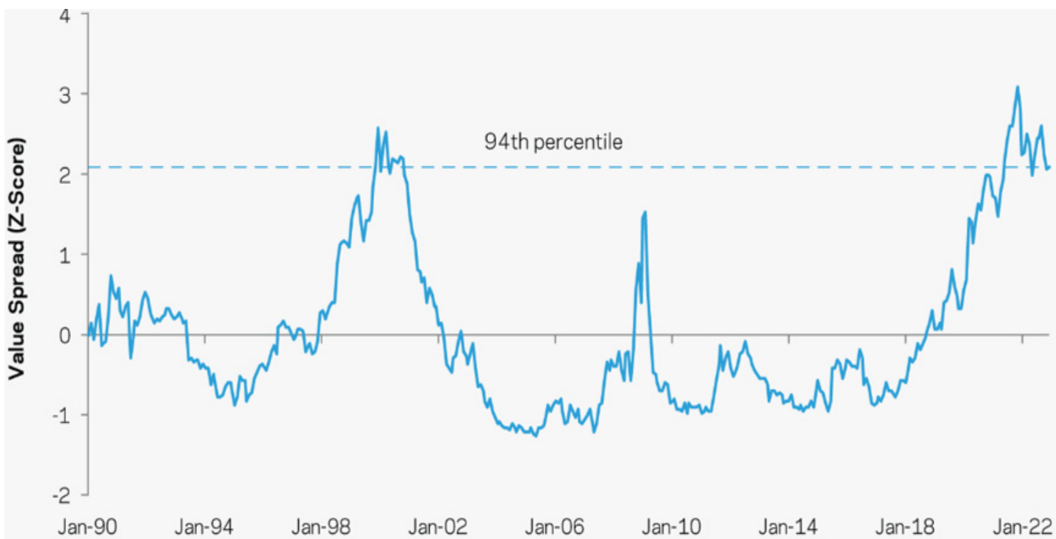
Cornerstone has designed our firm to ensure that we do not stray from our value discipline

We believe value has a significant runway for long-term out-performance

During 2022, value stocks outperformed growth stocks for the first time since 2016. Following value's outperformance last year, it's natural to ask, "Can value continue to outperform growth?" and "whether the trend can continue?" While the market never moves in smooth, straight lines, **our answer to these questions is an emphatic "Yes!"**

We believe inexpensive stocks remain particularly attractive today. The comprehensive analysis below draws on a blend of five different valuation multiples and supports this point. The valuation spread between the most attractive and the least attractive stocks remains at one of the widest levels in 30 years, and is in line with the disparity seen at the end of the Tech Bubble. A shift in this valuation spread towards inexpensive stocks, which appears more likely than the alternative given the current width of the spread, would be a significant advantage for value strategies. **Cornerstone's investment strategies are positioned to benefit from a compression in the valuation spread between the most attractive and least attractive stocks. We believe that the potential advantage to value strategies is meaningful over the next several years.**

Hypothetical Industry-and-Dollar-Neutral All-Country Value Portfolio



Source: AQR

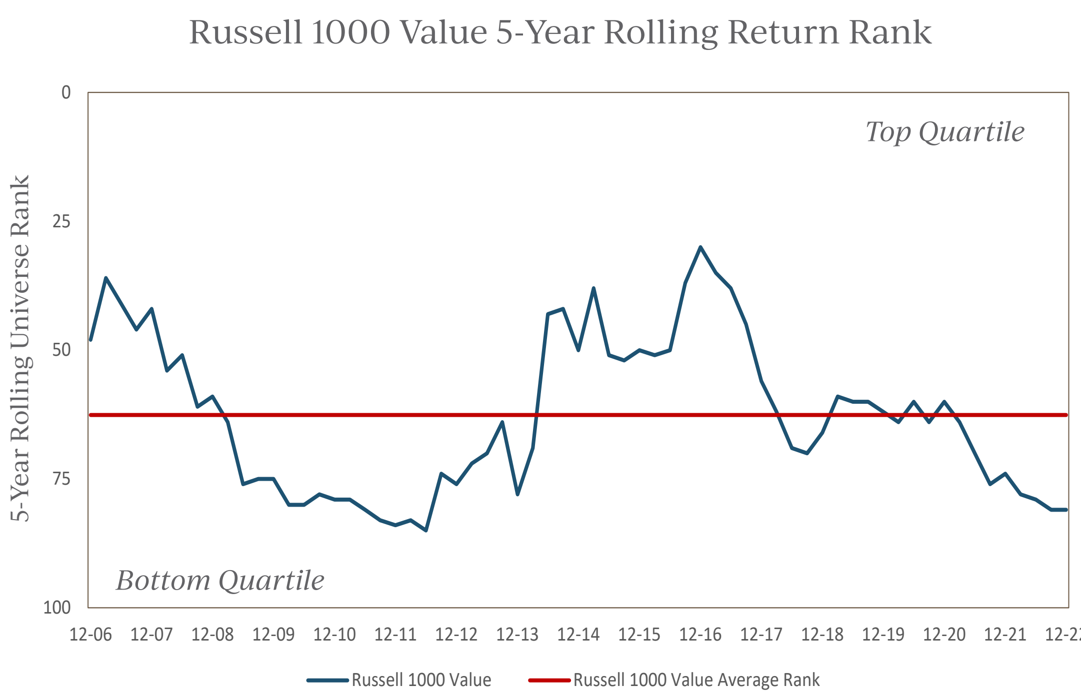
Spreads are constructed using a hypothetical value composite that includes five value measures: book-to-price, earnings-to-price, forecast earnings-to-price, sales-to-enterprise value, and cash flow-to-enterprise value. Spreads are measured based on ratios and are adjusted to be dollar-neutral, but not necessarily beta-neutral through time. To construct industry neutrality, the value spreads are constructed by comparing the value measures within each industry. The all-country universe is based on roughly 87% developed / 13% emerging weights. The developed data starts January 1990, while the emerging universe is included starting December 1994. Hypothetical data has inherent limitations, some of which are listed in the Disclosures. For illustrative purposes only and not representative of an actual portfolio AQR currently manages.

Active strategies have been superior to passive strategies in the large cap value space

Passive investment strategies have risen in popularity over the last two decades. We recognize the appeal of passive strategies, which are fee efficient. After fees and implementation costs, passive large cap domestic equities can ensure only modest underperformance versus the benchmark – 0.18% annually in the case of the iShares Russell 1000 Value ETF. The issue is that the average active manager has beaten the benchmark and the passive vehicle options based upon the benchmark. **Choosing a passive index in the US large cap value space has typically underperformed the average active value manager.**

In the chart below, we plot the Russell 1000 Value's rolling five-year rank within the eVestment Large Cap Value Universe dating back to the end of 2006. Over this 21-year period, the Russell 1000 Value has fallen in the bottom half of the universe 75% of the time, and in fact the benchmark **has spent no time at all in the top quartile.** On average, it has ranked in the third quartile, suggesting a passive allocation to value has most commonly underperformed active managers.

We think now is an excellent time to add value exposure to equity portfolios, and the data illustrate that active management represents a superior strategy versus passive capital allocation to the domestic large cap value space.



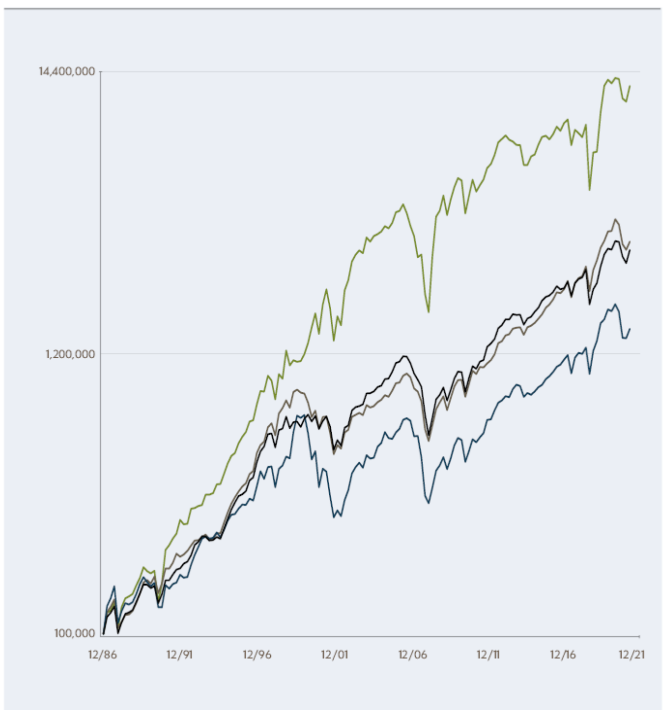
Universe: eVestment Large Cap Value Equity

Source: eVestment.

eVestment provides institutional investment data, analytics and market intelligence covering public and private markets. Cornerstone has an agreement with eVestment to provide data on eVestment's Global Database. Cornerstone does not pay a fee to be included in eVestment's rankings.

Investment managers must consistently execute their strategies over the long term

We believe that many managers fail to outperform over the long term because they abandon their investment process when it underperforms in the short term, effectively locking in underperformance. Cornerstone is designed to ensure that we consistently execute our investment process and maintain a long-term time horizon. In our flagship Concentrated 30 large cap value strategy, we utilize a proprietary, almost 40-year-old valuation tool, our Fair Value Model, to maintain our focus on the most attractively valued stocks that exhibit material mispricings. **Since 1987, the most attractively valued quintile of stocks in our universe has outperformed both the S&P 500 and the Russell 1000 Value Index by over 400 basis points on an annualized basis.**



Cornerstone's Fair Value Model Results Spanning Decades

Most Attractive Quintile
$13,136,821
(14.5% annualized return)

S&P 500
$3,283,311
(10.4% annualized return)

Russell 1000 Value
$3,050,837
(10.0% annualized return)

Least Attractive Quintile
$1,511,276
(7.8% annualized return)

Please see disclosures # 1,2,3 located on page 5.

The high level of cohesiveness of the investment team along with a long history of working closely together and, importantly, extensive experience working with the Fair Value Model, ensures Cornerstone's investment team does not deviate from our investment process.

Based upon the wide spread between the most attractively and least attractively priced stocks, we believe now is the time to allocate capital to value equities. Over the past two decades, active management, on average, has produced superior returns relative to passive management in the domestic large cap value arena. We believe that the valuation spread between the most attractive and least attractive stocks suggests that the long-term opportunity for value-oriented strategies is one of the most attractive we have encountered in our careers and that both our team and process are well-positioned to capitalize on this opportunity.

We would love to discuss this opportunity with you in more detail. Please reach out to Paul Slakter at Slakter@cornerstone-ip.com if you would like to have a conversation with our investment team.

Disclosure:

1. The Fair Value Model was incepted on January 1, 1987, by Wetzel Investment Consulting, Inc. and was purchased by Cornerstone Investment Partners, LLC along with its historical data in 2001. Cornerstone has maintained the Fair Value model since that time.

2. The quintiles are derived from the rankings of Cornerstone's 800 stock universe using Cornerstone's proprietary valuation methodology. On a weekly basis the stocks in the universe are ranked from most to least attractive based on Cornerstone's proprietary valuation methodology. The most attractive quintile is comprised of stocks ranked 1 to 160 (800/5).

3. The performance chart is an example of how much $100,000 would have grown if invested in the most attractive quintile, S&P 500 and least attractive quintile from 1/1/1987 to 12/31/2022. The returns shown are calculated using a CAGR (Compound Annual Growth Rate) methodology. Performance results are not an actual managed account or composite and should not be considered indicative of Cornerstone's investment performance. Past performance is not indicative of future results. There is no guarantee these values will be achieved.

4. Past performance does not indicate future results. As with all investments, the possibility for profit is accompanied by the risk of loss.