

# Focused Large Cap Value Equity

## Quarterly Fact Sheet

As of September 30, 2024

### Objective

The objective of Cavanal Hill's Focused Large Cap Value Equity Strategy is to generate a total return, net of all fees, in excess of the S&P 500 Value benchmark over rolling three- to five-year periods.

### Process

Cavanal Hill's investment process is centered on evaluating fundamental factors which, in the past, have shown the ability to identify stocks which subsequently outperform. This process includes appraising each factor's influence, the correlations between factors, and the implied risk-reward tradeoff. This information is combined to create a relative ranking of stocks with the expectation that higher ranked stocks will outperform lower ranked stocks.

### Portfolio Construction

Portfolios are constructed via an optimization routine. The routine's goal is to maximize the portfolio's weighting towards those stocks that possess what we consider desirable characteristics while reducing the weight of stocks that have what we believe are less desirable characteristics. In addition, risk management is also incorporated into the optimization routine. A third-party risk model is employed to forecast and monitor portfolio risks and sector allocations are carefully managed relative to the identified benchmark. Lastly, this strategy is normally limited to holding 50 stocks or less and can have more concentrated positions in individual names.

### Portfolio Characteristics

Strategy Inception Date	February 01, 2001
AUM (in millions)	\$137.3
Average Number of Holdings	50
Investment Style	Value
Benchmark	S&P 500 Value <sup>1</sup>

### Account Fees

First \$5,000,000	60 bps
Next \$5,000,000	55 bps
Next \$15,000,000	50 bps
Next \$25,000,000	45 bps
Next \$50,000,000	40 bps
More than \$100,000,000	35 bps

### Account Minimums

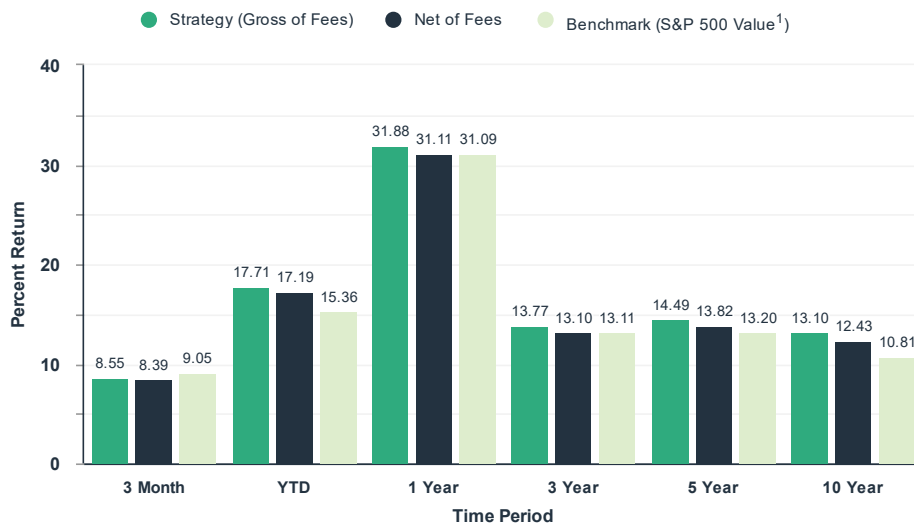
External	\$2,000,000
Internal	\$250,000

### Average Annual Total Returns Related To Index

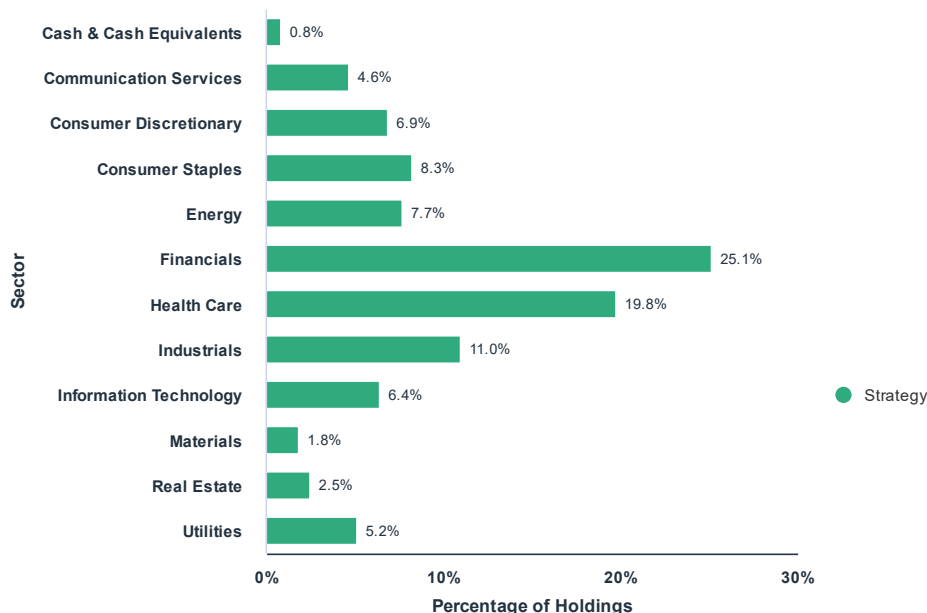
Focused Large Cap Value Equity	Aggregate*		Annualized*			
	QTR	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Gross of Fees	8.55%	17.71%	31.88%	13.77%	14.49%	13.10%
Net of Fees	8.39%	17.19%	31.11%	13.10%	13.82%	12.43%
S&P 500 Value <sup>1</sup>	9.05%	15.36%	31.09%	13.11%	13.20%	10.81%

The reporting currency is U.S. dollars.

### Annualized Returns\*



### Sector Diversification



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### Portfolio Statistics

	<u>Strategy</u>
Weighted Average Market Capitalization (\$ billion)	\$403.6
Indicated Yield	2.2%
Trailing P/E Ratio**	16.2x
Forward P/E Ratio**	15.1x
Price/Book Ratio**	2.8x

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### Top 10 Holdings

#### As a Percentage of Total Portfolio Market Value

BERKSHIRE HATHAWAY INC CL B [B]	4.3%	ABBVIE INC	3.7%
WELLS FARGO & CO	4.3%	S&P GLOB INC	3.0%
NISOURCE INC.	4.2%	JOHNSON & JOHNSON	3.0%
SYNCHRONY FINANCIAL	4.2%	APPLE INC	2.9%
AMAZON.COM INC	4.0%	JPMORGAN CHASE & CO	2.8%

### Portfolio Management

Thomas Wesley Verdel, CFA®

### The Adviser

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### Caval Hill Focused Large Cap Value Equity Composite (creation 3/31/2006, inception 2/1/2001)

Consists of quantitatively managed portfolios which invest in large cap U.S. equities that exhibit value characteristics. These portfolios tend to be more concentrated in individual stocks with a target of 50 holdings. This aspect can lead to greater exposure to single stock risk. The investment universe for these portfolios is not constrained to benchmark holdings. The strategy utilizes the S&P 500/Citigroup Value index as its benchmark. Beginning January 1, 2020, all accounts with cumulative in-kind or cash transfers into the portfolio of more than 15% of beginning assets or with cumulative in-kind or cash withdrawals in excess of 15% of beginning assets will be excluded from the composite for the month of the contributions or withdrawals.

\* Periods less than one year are not annualized. Net of fee returns are modeled by reducing gross monthly returns by 1/12th of the highest annual management fee in our fee schedule.

\*\* All price ratios are calculated using the weighted harmonic average. Weighted harmonic average is used to prevent data outliers from skewing results.

<sup>1</sup> The S&P 500/Citigroup Value index was introduced in the fall of 2005 to replace its predecessor, the S&P/Barra Value index. It uses a multi-factor methodology to calculate value. Style scores are calculated taking standardized measures of 4 value factors for each constituent. The index is unmanaged. Investors cannot invest directly in an index. The above index does not reflect the fees associated with a managed account.

### SEC Disclosure

Gross performance results do not reflect the deduction of investment management fees other than trading costs. Gross performance data includes the reinvestment of interest, dividends, and other earnings. The value of investments may rise or fall. **Past performance does not guarantee future results.** Investments are subject to risks, including the possible loss of the principal amount invested. Client returns will be reduced by management fees and any other expenses incurred in the management of an account. Net performance results reflect the deduction of investment management fees and trading expenses, but do not reflect the effect of other fees which may be incurred, nor do they reflect compounding which may further reduce the returns shown. Caval Hill's investment advisory fees are described in Part 2A of its Form ADV.

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