

# Personalized Large Cap SMA

## Portfolio manager

Nick Haupt, CFA

## Investment objectives

The Personalized Large Cap SMA seeks to provide long-term capital growth from U.S. large cap stocks while delivering customized investment outcomes by incorporating client-directed customization, e.g., tax management, category and theme-based restrictions, and custom screens. The strategy is designed to outperform the S&P 500® Index over a full market cycle.

## Investment process

Russell Investment Management, LLC ("RIM") selects the money managers and optimizes the portfolio utilizing quantitative and/or rules-based processes. RIM's portfolio construction process seeks to achieve the desired level of concentration, appropriate risk management, and exposure to strategic and tactical sources of excess return intended to meet the separately managed accounts investment objective over a market cycle. The underlying money managers are unaffiliated with RIM and have non-discretionary asset management assignments pursuant to which they provide a model portfolio to RIM representing their investment recommendations.

*\*Managers listed here are current as of 09/30/2025. These money managers are unaffiliated with Russell Investment Management, LLC ("RIM") and have non-discretionary asset management assignments pursuant to which they provide a model portfolio to RIM representing their investment recommendations. RIM may change portfolio asset allocation at any time, including not allocating portfolio assets to one or more money manager strategies or securities within a money manager's model portfolio.*

## Product details

Model inception date	01/01/2021
Benchmark	S&P 500® Index
Minimum account size*	\$80,000–\$100,000
Typical holdings range	80

\*The minimum account size varies by platform.

## Composite performance (%) as of September 30, 2025

	Quarterly	Year to Date	Annualized				Since inception <sup>1</sup>
			1 Year	3 Year	5 Year	10 Year	
Pre-tax composite returns (gross of fees) <sup>2, 3</sup>	9.30	16.30	19.31	24.92	—	—	11.36
Pre-tax composite returns (net of fees) <sup>2, 3, 4</sup>	8.55	14.05	16.31	21.92	—	—	8.36
S&P 500 Index <sup>2</sup>	8.12	14.83	17.60	24.94	—	—	11.71

<sup>1</sup>The composite was created on August 31, 2021.

<sup>2</sup>Returns less than one year are not annualized. Performance in this report represents the performance of PMA accounts that were funded in cash with no existing positions or account restrictions at inception.

<sup>3</sup>Composite includes cash-incepted fee-paying discretionary accounts with tax overlay services.

<sup>4</sup>Net of fees returns are reduced by all fees and transaction costs incurred and presented after the deduction of the highest annual wrap fee of 3%. This fee includes management fees, custody fees and advisory fees. Actual investment advisory fees incurred by clients may vary. Performance shown assumes reinvestment of dividends and capital gains distributions.

Performance quoted represents past performance and should not be viewed as a representation of future results. The investment return and principal value of an investment will fluctuate such that investments, when sold, may be worth more or less than the original cost. Post-liquidation returns may be adversely affected by an investor's deferred tax liabilities. Current performance may be lower or higher than the performance data quoted. Portfolios are managed to their respective strategies which may differ significantly in terms of holdings, industry weightings, and allocation from those of the benchmark. Portfolio performance, characteristics and volatility may differ from the benchmark. Unmanaged index returns assume reinvestment of any and all distributions, and unlike the performance composite returns, do not reflect fees, expenses and other expenses a client may incur. Investors cannot invest in an index.

## Underlying managers and their investment strategies

Money manager*	Role	Year assigned
Brandywine Global Investment Management, LLC	Value	2019
Jacobs Levy Equity Management, Inc	Market-Oriented	2019
J.P. Morgan Investment Management, LLC	Large Cap Core	2022
William Blair Investment Management, LLC	Large Cap Growth	2022

- Brandywine is an opportunistic relative value manager that uses a process relying on fundamental analysis using quantitative screens and internal research. The strategy focuses primarily on deep value stocks but may include certain moderately valued stocks when they have been in favor due to positive fundamental trends at the industry and/or company-specific level.
- Jacobs Levy uses a multi-factor model to seek to exploit three areas of market inefficiency: economic, psychological and company level valuation. The portfolio provides exposures based on intensive modeling, financial research and behavioral theory, along with quantitative and statistical methods in order to identify and benefit from market inefficiencies. The process seeks to disentangle reliable predictors of future stock price behavior and then build portfolios that will benefit from the future outperformance of those factors.
- J.P. Morgan seeks to add value by investing in the highest conviction stocks of JPM's central research, while managing unintended sources of risk. This should result in a portfolio with moderate tracking error and contribution to active risk primarily driven by specific risk, with limited active risk derived from sectors and risk factors. The investment approach seeks to invest in companies with above average forward growth prospects that are likely to generate superior returns by compounding earnings and cash flow. The portfolio managers do not focus on valuation multiple expansion as a source of excess returns.
- William Blair seeks to invest in stocks with high financial quality that are expected to generate sustainable, above market growth. The investment team expects to add value by investing in names that compound earnings growth at a higher rate than the market, while also participating in valuation multiple expansion of some investments in its "fallen quality growth" category.

# Personalized Large Cap SMA

## Model portfolio characteristics<sup>4</sup>

	Model	Benchmark
Number of holdings	80	502
P/E ratio	26.61	30.35
P/B ratio	5.22	5.46
P/CF ratio	18.74	20.79
Dividend yield (%)	1.09	1.38
Weighted Average Market Cap (Millions in USD)	1,550,461.46	1,367,635.34

<sup>4</sup> The information presented is based on the model portfolio data and individual investors' portfolios may vary.

## Model top 10 holdings<sup>5</sup>

Security	Sector	% of Model
Nvidia Corporation	Information Technology	9.42
Microsoft Corporation	Information Technology	7.58
Apple Inc.	Information Technology	7.27
Alphabet Inc.	Communication Services	6.62
Amazon.Com, Inc.	Consumer Discretionary	3.72
Meta Platforms, Inc.	Communication Services	3.52
Broadcom Inc.	Information Technology	2.66
Jpmorgan Chase & Co.	Financials	2.42
Eaton Corporation Public Limited Company	Industrials	1.90
Oracle Corporation	Information Technology	1.90

## Model sector allocation (%)<sup>5, 6</sup>

Sector	Model	Benchmark
Information Technology	35.06	34.78
Financials	16.17	13.54
Communication Services	12.93	10.11
Health Care	10.78	8.86
Consumer Discretionary	9.92	10.54
Industrials	7.27	8.29
Consumer Staples	3.87	4.91
Energy	2.33	2.89
Materials	0.80	1.77
Real Estate	0.36	1.94
Utilities	0.31	2.35

<sup>5</sup>The information presented is based on the model portfolio data and individual investors' portfolios may vary. The information presented should not be considered a recommendation to purchase or sell any security. There is no assurance that any securities presented will remain in the model portfolio at the time you receive information, that securities sold have not been repurchased or the asset allocation will be the same. The securities presented do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's holdings. It should not be assumed that the securities holdings and allocations presented were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities presented herein.

<sup>6</sup>Due to rounding, totals may not equal to 100%.

## Market Commentary

The U.S. economy is still adjusting to the effects of the widespread tariff hikes implemented earlier in the year. While GDP growth estimates for 3Q are in the 3.5% - 4.0% range, representing a rebound from 2Q, the overall trend is downward, with consensus growth expected towards 2.0% for the rest of the year. The tariffs will continue to weigh on growth through 2026, followed by mild rebound beginning in 2027 as the economy adapts and monetary policy eases. Inflation, which has cooled, could rise again depending on the impact of tariffs. In general, it was a risk-on environment in the quarter, particularly in September. As such, low volatility was the most notable factor due to its underperformance. Small caps outperformed large caps although large cap growth stocks did well due to the dominance of large cap US technology stocks. In Europe and the UK value outperformed growth. In emerging markets, growth and large caps were the best performing styles.

# Personalized Large Cap SMA

## Key terms

**P/E ratio:** The ratio of the company's share price to the company's earnings per share

**P/B ratio:** The ratio of the company's share price to the company's book value per share

**P/CF ratio:** The ratio of the company's share price to the company's cash flow per share

**Dividend yield:** The ratio of the dividend payment per share relative to the share price

## Important risk disclosures

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

Indexes and/or benchmarks are unmanaged and are provided for general comparison purposes only. They cannot be invested in directly. Returns represent past performance, and are not a guarantee of future performance, and are not indicative of any specific investment.

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