



## Strategy Objectives

The objectives are to earn a high and growing dividend yield while balancing capital preservation with growth of capital. The benchmark is the S&P 500. The strategy employs a concentrated portfolio and invests across the capital structure in predominately large capitalization companies with records of stable and growing revenues, earnings, cash flows and dividends.

## Strategy Facts

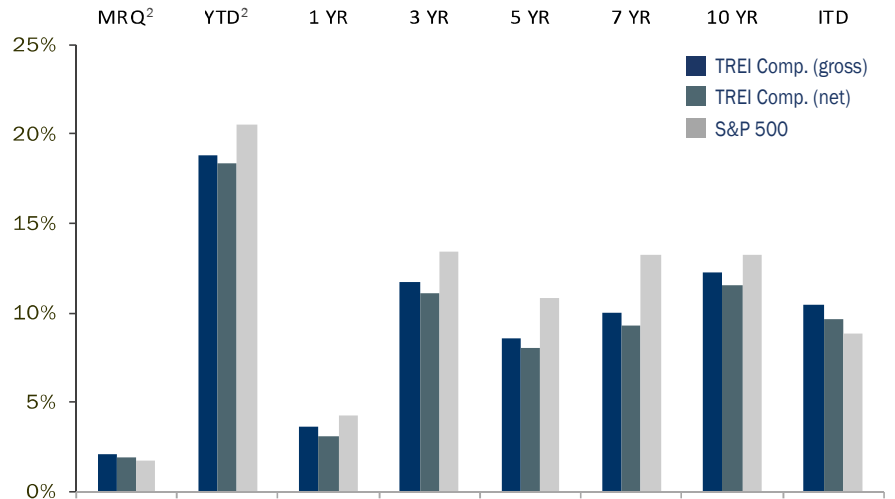
Inception Date	4/1/05
Assets in Strategy	\$50M
Assets in Composite	\$31M
Portfolio Manager	Jeffrey D. Lent

## Firm Facts

Founded	1972
Headquarters	Bethesda, Maryland
Ownership	100% Employee Owned
Firm AUM <sup>1</sup>	\$1.0B
Employees	16

<sup>1</sup>Firm assets under advisement total apprx. \$1.2 billion.

## Annualized Total Returns (%)



	MRQ <sup>2</sup>	YTD <sup>2</sup>	1 Year	3 Year	5 Year	7 Year	10 Year	ITD
TREI Comp. (gross)	2.1	18.8	3.6	11.7	8.6	10.0	12.3	10.5
TREI Comp. (net)	1.9	18.4	3.1	11.1	8.0	9.3	11.5	9.7
S&P 500	1.7	20.6	4.3	13.4	10.8	13.3	13.2	8.8

<sup>2</sup> Most Recent Quarter (MRQ) and Year-to-date (YTD) not annualized. As of 09/30/19. TorrRayResolute Equity Income Inception: 4/1/05.

## Calendar Year Returns (%)

Year End	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>TREI Comp. (gross)</b>	-6.6	21.2	24.5	-10.0	11.9	15.4	13.1	9.1	20.5	37.1
<b>TREI Comp. (net)</b>	-7.1	20.5	23.8	-10.5	11.2	14.5	12.2	8.2	19.6	36.1
<b>S&amp;P 500</b>	-4.4	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5

## Portfolio Characteristics

Portfolio Statistics	Portfolio		Sector Allocation			Top 10 Holdings	
	Portfolio	S&P 500	% Portfolio	% Portfolio	S&P 500	% Portfolio	% Portfolio
Holdings	<b>21</b>	506	Financials	<b>26</b>	13	Blackstone Group Inc. Class A	<b>6.3</b>
Avg. Mkt. Cap. \$B (wtd)	<b>81</b>	250	Industrials	<b>16</b>	9	Lockheed Martin Corporation	<b>5.6</b>
ROE (1 yr)	<b>25%</b>	23%	Health Care	<b>15</b>	14	Goldman Sachs Group Pfd Ser D	<b>5.4</b>
Turnover	<b>28%</b>	7%	Info. Tech.	<b>14</b>	22	Amgen Inc.	<b>5.4</b>
EPS Growth	<b>8%</b>	13%	Energy	<b>10</b>	5	Phillips 66	<b>5.4</b>
EPS Variability	<b>66%</b>	42%	Materials	<b>5</b>	3	Morgan Stanley Pfd Shs A	<b>5.2</b>
Standard Deviation	<b>11%</b>	12%	Comm. Services	<b>5</b>	11	International Business Machines	<b>5.1</b>
Alpha	<b>2.0%</b>		Cons. Disc.	<b>4</b>	10	LyondellBasell Industries NV	<b>5.1</b>
Beta	<b>0.84</b>		Cons. Staples	<b>4</b>	8	Merck & Co., Inc.	<b>5.1</b>
Up Market Capture	<b>85%</b>		Utilities	<b>0</b>	4	Boeing Company	<b>5.0</b>
Down Market Capture	<b>82%</b>		Real Estate	<b>0</b>	3	<b>Total</b>	<b>53.5</b>
			Cash	<b>2</b>	0		

Figures are dollar-weighted averages, unless noted. Shared Portfolio Statistics are 5-yr averages. Strategy holdings and sector allocations are subject to change and should not be considered a recommendation to buy or to sell any security. **Past performance is not indicative of future results. See performance footnotes.** Source: FactSet and TorrRay LLC.

## Investment Team

**Jeffrey D. Lent**  
Portfolio Manager

Mr. Lent is a Principal at Torray, the portfolio manager for the Equity Income strategy, co-Portfolio Manager for the Concentrated Large Value strategy, and serves on the Investment Committee for the TorrayResolute Growth strategies.

**Shawn M. Hendon, CFA**  
Research

Mr. Hendon is President of Torray and a Principal. He is a research analyst for the Equity Income strategy and is the co-Portfolio Manager of the Large Value strategy and co-Portfolio Manager of The Torray Fund.

## Contact

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## About the Adviser

Torray LLC is independently owned and located in Bethesda, MD. Since 1972, the firm has managed investments for institutions, high net worth and individual investors. We offer value and growth strategies as mutual funds, separately managed accounts, and unified managed accounts.

## Philosophy

We believe

- Consistent revenues and earnings enable excess capital return
- Opportunity lies in the mispricing of risk
- Process is a better bet than information advantage or intuition

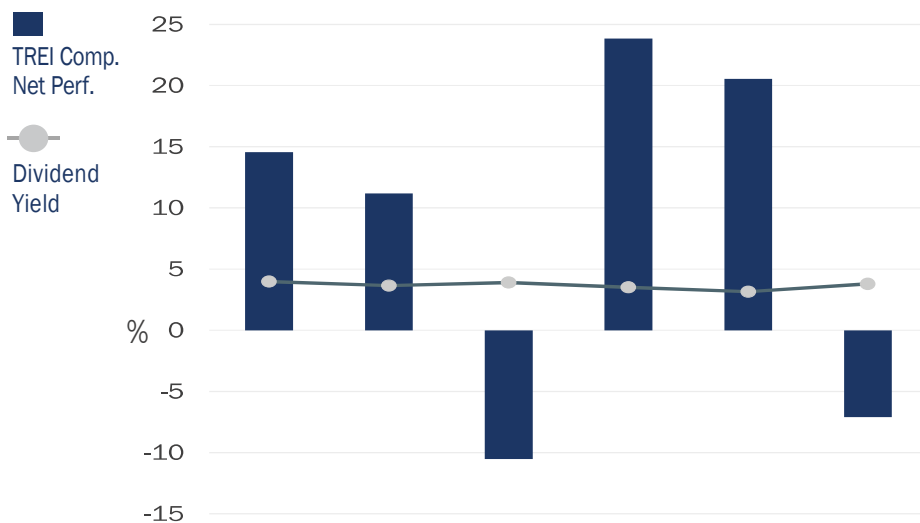
We seek

- Strong balance sheets
- Dividends exceeding market averages
- Management teams bent toward shareholder remuneration
- Secular tailwinds that support stability

We are

- Long-term oriented
- Capital preservation advocates
- Committed to our process

## Calendar Year Returns and Dividend Yield



	2013	2014	2015	2016	2017	2018
Dividend Yield <sup>3</sup>	4.0	3.7	3.9	3.5	3.2	3.8
TREI Comp. (net)	14.5	11.2	-10.5	23.8	20.5	-7.1

<sup>3</sup> "Dividend Yield" is dividends paid over the past four quarters divided by the end of year market price.

As of 12.31.2018. Source: Factset. **Past performance and dividend yield are no guarantee of future results.**

TorrayResolute Equity Income Composite includes all discretionary fee paying portfolios over \$150 thousand managed under the TorrayResolute equity income strategy. For comparison purposes, the composite is measured against the S&P 500. The S&P 500 measures the value of stocks of the 500 largest corporations by market capitalization listed on the New York Stock Exchange or Nasdaq Composite. The strategy focuses on companies that pay stable and rising cash distributions to shareholders and investments may vary across the capital structure, including common and preferred stock, and convertible debt. Prior to July 1, 2010, this composite was managed by Resolute Capital Management LLC (Resolute). Resolute joined Torray when Torray purchased a majority share of Resolute on July 1, 2010.

Torray LLC claims compliance with the Global Investment Performance Standards (GIPS®).

Torray LLC is an independent registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross or net of foreign withholding taxes on dividends, interest income, and capital gains depending on the custodian. Withholding taxes may vary according to the investor's domicile. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees.

The management fee schedule is as follows: 1.00% on assets up to \$5 million, 0.75% on next \$20 million, 0.50% on next \$175 million; 0.375% on next \$100 million, and 0.25% on balance. Actual investment advisory fees incurred by clients may vary.

Composite was created July 1, 2010. The periods from April 1, 2005 to June 30, 2010 represent the performance record established by the portfolio management team while affiliated with Resolute.

A copy of the ACA Compliance Group verification report is available on request. To obtain a compliant presentation and/or the firm's list of composite descriptions, please contact the firm using the phone number listed below.