



Investment management since 1972

It is with great sadness that we share news of the death of Mr. Robert E. Torray on May 10, 2021. Mr. Torray founded Torrrey LLC in 1972 and launched the Torrrey Fund in 1990. Focused on fundamental long-term investing, his north star was always the clients' best interest. We will all miss his good nature, his steadfast friendship and unwavering support of our company.

Torrrey Large Value

Market Overview

During the second quarter, a more balanced view of the economic recovery, interest rates and inflation helped lift equities to record levels. The S&P 500 achieved its fifth consecutive quarterly advance, closing the period 27% above the pre-pandemic highs of February 2020, and 92% above the March 2020 lows. If there ever was a case against market timing, the past 18 months may be among the best. While there is almost nothing typical about the Covid market cycle and it is far too early to conclude that its impact is behind us, it is clear we are on a path where the fundamental building blocks of corporate profits, interest rates and valuation are returning to center stage. With a continued earnings recovery and moderate interest rates, we expect equity investors will be rewarded for their patience and discipline.

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Portfolio Commentary

The Large Value Equity Composite increased 4.60% (4.58% net of fees) for the second quarter versus 5.21 % for the Russell 1000 Value Index and 8.55% for the S&P500. Year to date, the return for the Composite was 16.39 % (16.36% net of fees), compared to 17.05% for the Russell 1000 Value Index and 15.25% for the S&P500.

New positions were initiated in Fiserv, Inc. (FISV) and VMware, Inc. Class A (VMW). No positions were liquidated during the period.

Fiserv is a dominant provider of financial technology and payment processing services to banks and merchants. These businesses are high margin and cash generative, and we believe the company should continue to benefit from the societal shift to cards, digital payment transactions and e-commerce.

VMware provides software enabling the aggregation of servers, storage and infrastructure used by enterprise cloud customers. Dell Technologies is spinning off the 81% it currently owns and eliminating the existing dual class share structure. We expect this corporate independence will allow VMW to broaden and accelerate partnerships with cloud providers.

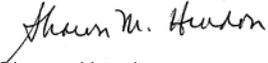
All indications for the second half point to continued economic growth as the country more fully reopens. This backdrop is further supported by significant and ongoing fiscal and monetary accommodation. Though inflationary pressures are evident in wages, commodities, rents and housing, the Federal Reserve maintains that these trends are transitory. In the face of this strong economic growth and rising inflationary signals, interest rates remain surprisingly muted. The current 10-year Treasury yield of 1.4% is 3.6% below the recent 5.0% annual increase of the Consumer Price Index. This math is not sustainable, in our view. The Federal Reserve program of quantitative easing has clearly suppressed the normal function of credit markets,

and we cannot predict when this will change. A test of this policy stance will come if inflation is more systemic than forecast, with implications for all financial asset prices.

Outlook

With perspective in short supply due to the unique nature of the pandemic and unprecedented central bank actions, markets remain fickle, frequently changing course from one narrative to the next. Rotations between growth and value, large cap and small, domestic and international, occur far more frequently than underlying fundamentals. Beyond the noise, we believe the backdrop remains positive, perhaps even routine. During the first half of the year, the S&P 500 mirrored the rise in earnings estimates, both advancing approximately 15%. Interest rates remained range-bound, the employment picture improved and the Fed's notion that elevated inflation will be temporary remained somewhat of a defensible view. Our strategy remains consistent in maintaining a focus on durable growth, reasonable valuations and effective diversification rather than attempting to time short-term market cycles.

As ever, we appreciate your interest and trust.



 Shawn Hendon Jeffrey Lent
 July 21, 2021

Q2 2021 Top Contributors & Detractors

Security	Sector	% Avg. Weight	% Contribution
American Express	Financials	4.2	+0.6
Marsh & McLennan	Financials	4.0	+0.6
Schlumberger	Energy	3.4	+0.5
Berkshire Hathaway Cl B	Financials	6.0	+0.5
Oracle Corporation	Info Tech	3.9	+0.5
Intel Corporation	Info Tech	2.7	-0.4
Altria Group	Cons Staples	4.1	-0.2
Walt Disney	Comm Services	3.3	-0.2
VMware Cl A	Info Tech	1.8	-0.1
Fiserv	Info Tech	0.1	-0.0

Q2 2021 Top 10 Holdings

Security	% Holdings
Berkshire Hathaway Cl B	5.9
American Express	4.4
Eaton Corp. Plc	4.3
Johnson & Johnson	4.2
Bank of America	4.2
Marsh & McLennan	4.2
General Dynamics	4.1
Loews	4.0
Kraft Heinz	4.0
Altria Group	3.9
Percentage of total portfolio	43.2

Holdings are subject to change and are not recommendations to buy or sell a security. To obtain information about the calculation methodology used to select the largest contributors to and detractors from performance or to obtain a list showing every holding's contribution to performance during the measurement period, contact bscalise@torray.com.

Disclosures: This commentary is for informational purposes only and should not be viewed as a recommendation to buy or sell any security. There is no guarantee that the views expressed will come to pass. Torray LLC is an independent registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. For additional information about Torray LLC, including fees and services, please contact us or refer to the Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov).

The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values. 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. You cannot invest directly in an index.

Total returns include the reinvestment of dividends and other earnings. **Investing involves risk; principal loss is possible. Past performance is not indicative of future results.**

Source: FactSet and Torray LLC.