

QUARTERLY MANAGER COMMENTARY

U.S. Large Value Strategy

March 31, 2026

MARKET ENVIRONMENT

U.S. equities finished lower during the quarter despite 6 of 11 GICS sectors posting positive returns. Information technology and financials detracted the most from market returns while energy and industrials contributed.

PORTFOLIO PERFORMANCE

The portfolio's return was -2.35% (net) for the reporting period. This compares to the Russell 1000 Value Index that returned 2.10% for the same period.

Top contributors:

- ConocoPhillips was a contributor during the quarter. The U.S.-headquartered oil and gas company's stock price rose as it benefitted from a favorable macroeconomic backdrop and results consistent with our expectations. Rising energy prices due to geopolitical conflict were the most significant driver of the stock performance. We continue to believe Conoco has some of the industry's highest quality assets managed by a team of strong operators and capital allocators.
- Targa Resources was a contributor during the quarter. The U.S.-headquartered midstream company's stock price rose as it benefitted from geopolitical tensions and posted strong fourth-quarter 2025 results. Targa's earnings before interest, tax, depreciation, and amortization (EBITDA) grew by 20% compared to 4% year-over-year growth in total Permian oil production. This outperformance was driven by a confluence of factors, including: oil production on the company's acreage outpacing overall Permian growth, superior gas production, and Targa winning a solid share of new contracts.

Performance highlights**Contributors**

- ConocoPhillips
- Targa Resources
- Phillips 66

Detractors

- Salesforce
- Capital One Financial
- IQVIA Holdings

We appreciate management's guidance towards another year of double-digit volume growth and increased EBITDA, which can help the stock sustain strong performance over the long term.

- Phillips 66 was a contributor during the quarter. The U.S.-headquartered downstream energy company's stock price rose as it benefitted from higher crack spreads (the difference in price between crude oil and refined petroleum), heightened geopolitical risk and solid fourth-quarter 2025 earnings. Fundamental results have been encouraging, and we believe PSX is set to be a major beneficiary of rising crack spreads. We continue to see PSX as a durably advantaged energy company focused on returning cash flow to shareholders.

Top detractors:

- Salesforce was a detractor during the quarter. The U.S.-headquartered software company's stock price declined as it contended with market fears over AI disruption. Quarterly results

have remained strong and margins continue to improve. Management emphasized they expect subscription revenue growth to accelerate in the second half of 2026 as Agentforce becomes a more meaningful part of the business. We applaud management's commitment to share repurchase at recent market prices, including their recently announced \$50 billion buyback authorization and \$25 billion accelerated share repurchase plan. We believe these capital allocation actions position Salesforce to emerge stronger from today's AI-related stock price drawdown.

- Capital One Financial was a detractor during the quarter. The U.S.-headquartered consumer finance company's stock weakness was partially driven by President Trump's call for a 10% cap on credit card interest rates and partially driven by its earnings report. Capital One reported solid revenue but higher-than-expected marketing expenses. While some of this is expected with seasonality, we are tracking growth in spending and returns on those investments carefully in the coming quarters. Regarding the 10% cap, we view this as highly unlikely and note that this would require a law to be passed by Congress. We continue to view Capital One as a disciplined, tech-forward and well-capitalized company with a long runway for future growth.
- IQVIA Holdings was a detractor during the quarter. The U.S.-headquartered provider of clinical research services, analytics, and solutions saw the price of its stock decline on AI-related fears despite reporting an in-line fourth quarter and 2026 outlook. Management believes the demand environment has stabilized and leading growth indicators, such as bookings and win rates, are encouraging. They expect IQVIA to be a net beneficiary of AI due to proprietary data, domain expertise, and regulatory and compliance barriers, among other factors. We

continue to view IQVIA as a stable, long-cycle business that will benefit from a recovery in client spending in the coming quarters.

PORTFOLIO POSITIONING

We initiated the following position(s) during the period:

- Accenture is a global leader in consulting and outsourced IT services. The company benefits from unmatched scale, being nearly three times as large as the next three public IT services companies combined. We think it is well-positioned for future growth as it is deeply embedded in large enterprises' workflows, with its top 300 clients spending over \$100 million annually. Furthermore, we believe it is poised to capitalize on the ongoing enterprise cloud transition and the secular growth in enterprise technology spending. Despite these strong fundamentals, the stock is trading at its lowest P/E multiple since 2015 due to what we view as misguided AI disruption fears, creating the opportunity to purchase shares at a sizable discount to our estimate of intrinsic value.
- Adobe is a leading cloud software vendor. Its industry-standard creative tools are deeply embedded in professional workflows, and its leading marketing software suite enables enterprises to deliver personalized consumer experiences across multiple channels. Adobe's earnings multiple has compressed over the last two years, largely driven by investor concerns over potential AI headwinds. We believe Adobe's AI strategy is sound: it is partnering with leading AI models to complement its own in-house models and enhance the value of its creative software, and it is embedding agentic AI tools across its product portfolio to help improve user productivity. We believe that the company retains durable competitive advantages across multiple

growing markets, and that recent skepticism has created an opportunity to invest in this highly profitable and well-managed category leader at a meaningful discount to our estimate of intrinsic value.

- Marsh & McLennan is the world's largest insurance broker and risk management firm. In our view, it is well-positioned as a leader in what we think is an oligopolistic market, benefiting from strong organic revenue growth and a long track record of consistent margin expansion. We think this strong performance is poised to be supplemented by management's unifying re-branding efforts, which center on rolling out an expense program, leveraging AI to improve productivity, and centralizing its technology and operations to drive efficiencies and produce significant savings over time. Despite solid historical performance, dominant positioning, and continued operational improvements, the stock has fallen out of favor due to softening insurance rates and macroeconomic uncertainty, creating an opportunity to invest in an industry-leading company at an attractive price.
- Netflix is the leading streaming entertainment service with >325 million subscribers and \$45 billion of revenue. This scale creates a valuable moat, in our view. Netflix buys more content than its competitors in aggregate but pays less per subscriber, creating a valuable customer proposition as the business grows. Still, the stock declined significantly over the past several months as market participants focused on slowing engagement and the company's approach to buy Warner Bros, creating an attractive buying opportunity in our view. We are confident that Netflix's engagement remains strong and believed that the shares looked attractive with or without the acquisition. We find the business attractive as it is trading for its lowest

relative valuation since 2022, a period that produced strong subsequent returns.

- Raymond James is a diversified financial services firm focused primarily on providing wealth management services to financial advisors and their clients. Over time, the firm has been steadily gaining market share within the large, fragmented, and growing wealth management industry. This has contributed to strong fundamental performance, with earnings per share growing at a mid-teens rate over the last decade. We believe Raymond James is well-positioned to continue attracting financial advisors to their platform due to their differentiated culture, leading technology, and flexible affiliation models. Business quality is also underappreciated in our view, as low advisor churn and a shift toward fee-based revenue make growth more predictable over time. We were able to initiate a position at a low-teens P/E multiple, which represented a discount to our estimate of intrinsic value.
- Roper Technologies is a diversified holdings company that operates a portfolio of market-leading businesses focused on vertical software, managed services, and technology-enabled products for niche markets. In our view, Roper's vertical software business benefits from a deep moat, strong margins, and a high gross retention rate. Beyond this, we think the company is well-positioned to see organic growth accelerate broadly, and the business is led by a strong management team of shrewd capital allocators. Despite an attractive outlook, the stock has sold off due to misplaced AI fears, allowing us to initiate a position in a capital-light, cash-generative business at a discounted valuation.
- Synchrony Financial is the largest private-label credit card issuer in the United States. We believe private label credit card programs help

retailers improve customer loyalty, while offering end consumers good value in the form of attractive rewards. In our view, Synchrony's leading market position is driven by a competitive advantage built on irreplaceable proprietary customer data, which has allowed the company to both consistently win new retail partners and generate attractive returns on equity. In addition to strong underlying fundamentals, we are also encouraged by management's historical track record on capital allocation, which has resulted in the company repurchasing nearly 60% of shares outstanding over the past decade. We believe the market underappreciates the company's earnings power and were pleased to purchase shares at a discount to our estimate of intrinsic value.

- Sysco Corporation is one of the largest food service distribution companies globally. Food service distribution is a stable industry that has historically grown faster than food spending. The continued secular shift to food away from home combined with scale advantages has enabled Sysco to take market share over time. Sysco is achieving positive results in the early turnaround phase of its domestic independent restaurant segment while the rest of the business continues to perform well. The recently announced acquisition of Restaurant Depot

surprised investors and provided us an opportunity to purchase shares at an attractive price. In our view, Sysco remains a high-quality company with a credible management team, so we were happy to purchase shares at a discount to peers and the company's own historical trading multiple.

We eliminated the following position(s) during the period:

- APA
- Baxter
- Celanese
- Deere

OUTLOOK

We actively rebalanced during the quarter, taking advantage of unusually wide dispersion in stock performance across the market. We trimmed in areas that rated higher and redeployed into businesses that we believe are significantly undervalued, particularly in software and financials. The valuation gap between high and low multiple stocks remains unusually wide today, and we are positioned for that spread to narrow. We believe the low valuation, strong growth characteristics, and ample diversification of our portfolio today bode well for the future.

AVERAGE ANNUALIZED TOTAL RETURNS (%)

	QTD	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception
U.S. Large Value Strategy Gross of Fees	-2.16	-2.16	11.22	17.10	12.20	14.50	13.56
U.S. Large Value Strategy Net of Fees	-2.35	-2.35	10.40	16.24	11.40	13.69	12.48
Russell 1000 Value Index	2.10	2.10	15.87	14.31	9.43	10.58	9.99
S&P 500 Index	-4.33	-4.33	17.80	18.32	12.06	14.16	10.58

Returns for periods less than one year are not annualized. Composite inception: 08/31/1991

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Glossary

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® companies with lower price-to-book ratios and lower expected growth values. This index is unmanaged and investors cannot invest directly in this index.

The S&P 500 Index is a float-adjusted, capitalization-weighted index of 500 U.S. large-capitalization stocks representing all major industries. It is a widely recognized index of broad, U.S. equity market performance. Returns reflect the reinvestment of dividends. This index is unmanaged and investors cannot invest directly in this index.

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