

# ALL CAP CORE EQUITY

Quarterly Brief | March 31, 2018



## Investment Philosophy

The All-Cap Core Equity portfolio invests primarily in common stock of all investment styles and market capitalizations. At the heart of our investment philosophy is thorough, independent, fundamental research. We attempt to identify structural changes, whether they might be economic, political, social, demographic, or industry-specific, which are translated into long-term investment themes. The goal of our unique risk management approach is to reduce the portfolio's downside market exposure while still allowing for its participation in up-markets.

### Market Cap and Style Flexibility

- Stock selection from a diverse universe of approximately 5,000 companies
- Integrated portfolio construction of diversified investments regardless of market cap, investment style or domicile
- Target maximum portfolio exposure of 70% in any one investment style (Value / Growth) and/or market cap (SMID/ Large)

### Thematic Approach

Our top-down fundamental research seeks to identify investment opportunities influenced by:

- Changes in government regulations
- Changes in technology
- Changes in industry consolidation
- Changes in demographics

Theme	% of Portfolio
Mobile World	20.60
Healthcare Revival	10.15
Corporate Catalysts	10.05
Demographic Dividends	7.55
Spend to Defend	5.30
Energy Arbitrage	2.90
Reconstructing Housing	2.40
Infrastructure Investment	1.80
Non-Thematic Holdings	34.70
Cash	4.55

### All Cap Core Equity: A Whole Market Approach

	STYLE		
	VALUE	BLEND	GROWTH
LARGE-CAP \$10B+	18.5%	36.0%	34.9%
MID-CAP \$2-10B	0.0%	0.0%	6.2%
SMALL-CAP <\$2B	0.0%	0.0%	0.0%

Cash (4.55%) is not represented in this table. Holdings are derived from a model portfolio as of the date listed above.

## Top Ten Holdings by Weight

Security	(%) of Portfolio	Symbol	Sector
APPLE	4.10	AAPL	Info. Technology
ALPHABET	3.75	GOOGL	Info. Technology
VISA INC	3.40	V	Info. Technology
BERKSHIRE HATHAWAY	3.25	BRK/B	Financials
AMAZON.COM	3.20	AMZN	Cons. Discretionary
JOHNSON & JOHNSON	3.00	JNJ	Health Care
NEXTERA ENERGY	2.80	NEE	Utilities
NORTHROP GRUMMAN	2.80	NOC	Industrials
MICROCHIP TECHNOLOGY	2.75	MCHP	Info. Technology
OLD DOMINION FREIGHT LINE	2.70	ODFL	Industrials
<b>TOTAL</b>	<b>31.75%</b>	-	-

Cash represents 4.55% and is not included in this table.

Totals may not sum to 100% due to rounding. This is not a recommendation to buy, sell or hold any of the securities listed and the reader should not assume that an investment in the securities listed was or will be profitable. All holdings within the preceding 12 months are available upon request. Themes are assigned as per The Roosevelt Investment Group Inc.'s evaluation. Holdings for a specific account may differ. International investing presents certain risks not associated with investing solely in the US, such as currency fluctuation, political and economic change, social unrest, changes in government regulations, differences in accounting and the lesser degree of accurate public information available. Small cap companies typically are subject to a greater degree of change in earnings and business prospects than are larger, more established companies. Therefore, they generally have a higher level of volatility. The information contained herein is supplemental to the All Cap Core SMA Composite presentation on the last page. Please see back page for further disclosures.

For more information: Sales Desk at 646.452.6742 | [internalsales@rooseveltinvestments.com](mailto:internalsales@rooseveltinvestments.com)

The Roosevelt Investment Group, Inc. | 730 Third Avenue, 23rd Floor, New York, NY 10017 | [www.rooseveltinvestments.com](http://www.rooseveltinvestments.com)

## Portfolio Overview

### All Cap Core Equity

Ability to diversify across all market caps and styles.

### Thematic Approach

Top-down macro research process designed to identify thematic opportunities.

### Security Analysis

Extensive bottom-up analysis confirms investment themes.

### Risk Management

Apply risk controls at the macro, portfolio and stock levels.

### Portfolio

Typically 40-80 select diversified holdings.

# ALL CAP CORE EQUITY

Quarterly Brief | March 31, 2018



## Security Analysis

Extensive bottom-up fundamental research confirms investment themes and identifies potentially dominant companies positioned to benefit from certain structural changes, such as:

- Possessing attractive risk-adjusted leverage
- Having the potential to release value or propel earnings growth as result of an identified catalyst
- Having a transformational business model and/or potentially rewarding R&D investment
- Possessing compelling valuations and an entrepreneurial management team

## Risk Management

Our risk-oriented approach seeks to build long-term outperformance — especially in periods of severe market decline. Outperformance over full market cycles, in our view, is often determined by “what you keep” in turbulent periods rather than “what you earn” in rising markets. We employ risk management tools to manage macro-, stock-, and portfolio-level risk.

### MACRO-LEVEL RISK

- Contingency plans
- Proprietary historical studies of past crises periods
- Constantly monitoring market risk aversion metrics, i.e., spreads, VIX

### PORTFOLIO-LEVEL RISK

- Stress testing and optimization tools
- Diversification across market capitalizations, sectors and valuation metrics

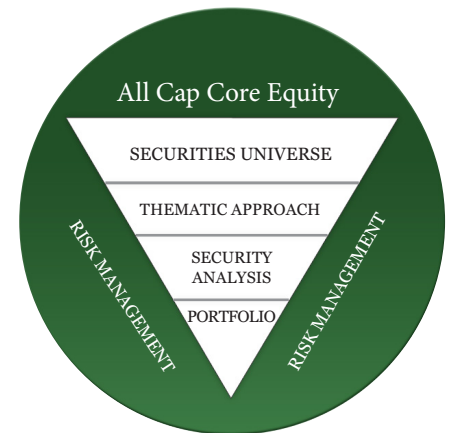
### STOCK LEVEL RISK

- Fundamental assessment of risk/reward tradeoff

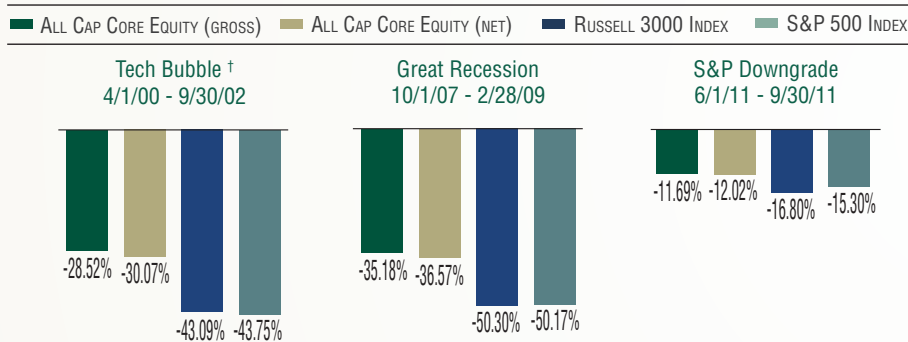
### RISK MANAGEMENT TOOLS

- Ability to go to cash (target max. 30%)
- Use of precious metals, long maturity zero coupon U.S. Treasury (STRIPS) ETFs and TIPS ETFs
- Use of natural hedges during volatile environments
- Use of inverse/leveraged inverse ETFs

An all cap equity strategy designed to capture the upside of a positive market and protect the portfolio against the downside risk of a negative market.



## PERIODS OF MARKET DECLINE: CUMULATIVE RETURN COMPARISON (%)



† Performance presented prior to 2004 is a representative group of actual accounts managed by Roosevelt prior to the firm becoming GIPS Compliant. This information is supplemental to the All Cap Core SMA Composite Annual Disclosure Presentation on the last page.

Performance is derived from Roosevelt's All Cap Core SMA Composite, which is not necessarily representative of the sponsor firms composites of Roosevelt's All Cap Core Equity accounts.

Gross of Fee returns are “Pure Gross” and do not reflect the deduction of transaction costs associated with investment and advisory fees, which would lower return. Pure Gross returns should be used as Supplemental Information only. Please see the All Cap Core SMA Composite presentation on the last page for more performance disclosures. Data supplied from various sources, including program Sponsors and other parties. Supplemental performance of All Cap Core from prior to 2004 is based on a representative group of accounts. We deem these to be reliable sources, but cannot guarantee its accuracy and completeness. Indices are unmanaged and cannot accommodate direct investment. All investing involves risk including the potential for loss of principal. There is no guarantee that any strategy will be successful. **Performance figures for the trailing three months (and as incorporated into performance numbers for longer periods of time) may be based upon preliminary information. Past performance is not indicative of future results.**

Themes are assigned as per The Roosevelt Investment Group Inc.'s evaluation. Holdings for a specific account may differ. The information contained herein is supplemental to the All Cap Core SMA Composite presentation on the last page. Please see back page for further disclosures.

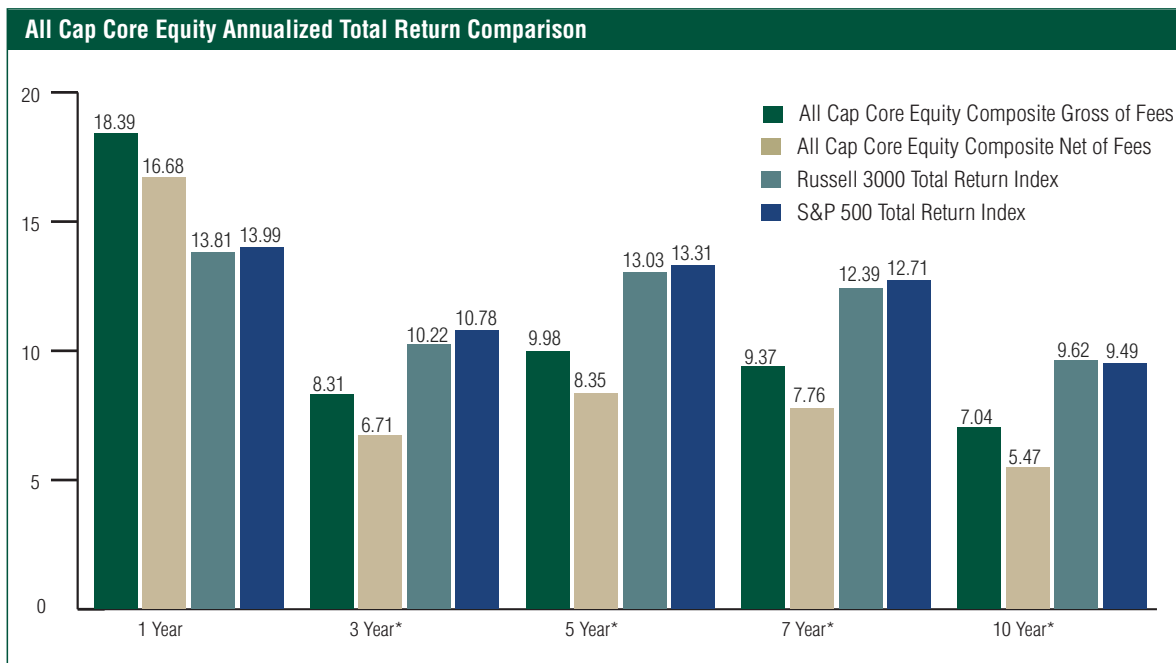
# ALL CAP CORE EQUITY

Quarterly Brief | March 31, 2018



Portfolio Characteristics	3-Year	5-Year	7-Year	10-Year
Upside Capture Ratio	83.51	79.47	77.47	74.58
Downside Capture Ratio	89.85	89.14	86.11	83.95
Alpha	-0.41	-1.32	-0.99	-0.53
Beta	0.85	0.88	0.85	0.78
Sharpe Ratio	0.85	1.02	0.88	0.52
<i>Russell 3000</i>	<i>0.94</i>	<i>1.28</i>	<i>1.07</i>	<i>0.60</i>
Standard Deviation	9.10	9.42	10.32	13.02
<i>Russell 3000</i>	<i>10.21</i>	<i>9.91</i>	<i>11.29</i>	<i>15.48</i>
R <sup>2</sup>	0.91	0.86	0.86	0.86
Information Ratio	-0.62	-0.83	-0.71	-0.43
Tracking Error	3.07	3.69	4.25	5.94

All characteristics measured against the Russell 3000. Statistics are calculated by Informa Investment Solutions Plan Sponsor Network (PSN) using monthly, gross data, which is supplied by program Sponsors and other parties. We deem these to be reliable sources, but cannot guarantee their accuracy and completeness. Please see last page for additional disclosures and characteristic definitions.



\* All performance figures greater than one year are annualized.

Data supplied from various sources, including program Sponsors and other parties. We deem these to be reliable sources, but cannot guarantee their accuracy and completeness.

Gross of Fee returns are "Pure Gross" and do not reflect the deduction of transaction costs associated with investment and advisory fees, which would lower return. Pure Gross returns should be used as Supplemental Information only. Please see the All Cap Core SMA Composite presentation on the last page for more performance disclosures. Indices are unmanaged and cannot accommodate direct investment. All investing involves risk including the potential for loss of principal. There is no guarantee that any strategy will be successful. **Performance figures for the trailing three months (and as incorporated into performance numbers for longer periods of time) may be based upon preliminary information. Past performance is not indicative of future results.**

Performance is derived from Roosevelt's All Cap Core SMA Composite, which is not necessarily representative of the sponsor firms composites of Roosevelt's All Cap Core Equity accounts.

The indices mentioned are unmanaged, may include the reinvestment of earnings and may not reflect transaction costs or management fees and other expenses. Unlike these indices, the strategy is actively managed and may include substantially fewer securities than the number of securities comprising the indices, and may have volatility, investment and other characteristics that differ from the strategy. Investments cannot be made directly into an index.

Holdings-based information for All Cap Core is based on a model portfolio unless otherwise stated. The charts and tables included in this piece are for illustrative purposes only; investment results of actual clients may differ. Information included herein is supplemental to the All Cap Core SMA Composite presentation on the last page. Please see back page for additional disclosures.

Roosevelt Investments is solely responsible for the content of its website. The sponsor/broker dealer firm has not reviewed or verified the accuracy or completeness of its content and is not responsible for any statements included therein.

# ALL CAP CORE SMA COMPOSITE

Performance is derived from Roosevelt's All Cap Core SMA Composite, which is not necessarily representative of the sponsor firms composites of Roosevelt's All Cap Core Equity accounts.

## Annual Disclosure Presentation

Year End	Annual Performance Results Composite		Russell 3000 (DRI)	S&P 500	Composite Dispersion	Number of Accounts	% of Non Fee-Paying	Composite Assets (USD) (millions)	Total Firm Assets (millions)	3 Yr. STD Comp.	3 Yr. STD R3000	3 Yr. STD SP500
	Pure Gross (supplemental)	Net										
2016	5.68%	4.07%	12.74%	11.96%	0.23%	19	0%	319	2,039	9.63%	10.88%	10.59%
2015	-1.62%	-3.09%	0.48%	1.38%	0.18%	18	0%	769	2,355	10.52%	10.58%	10.47%
2014	5.24%	3.66%	12.56%	13.69%	0.29%	21	0%	1,056	2,504	9.63%	9.29%	8.97%
2013	29.28%	27.43%	33.55%	32.39%	0.23%	21	0%	1,373	2,799	11.36%	12.53%	11.94%
2012	12.88%	11.21%	16.42%	16.00%	0.53%	19	0%	1,329	2,538	13.53%	15.73%	15.09%
2011	-4.15%	-5.56%	1.03%	2.11%	0.38%	25	0%	1,902	2,947	16.05%	19.62%	18.97%
2010	14.76%	13.12%	16.93%	15.06%	0.39%	23	0%	2,483	3,684			
2009	16.55%	14.87%	28.34%	26.46%	0.61%	18	0%	2,311	3,506			
2008	-28.95%	-29.99%	-37.31%	-37.00%	0.54%	15	0%	1,294	2,283			
2007	24.85%	23.18%	5.14%	5.49%	1.08%	13	0%	467	1,602			
2006	14.63%	12.99%	15.72%	15.80%	0.72%	11	0%	156	1,095			
2005	12.16%	10.64%	6.12%	4.91%	<5 portfolios	6	0%	44	840			
2004	18.59%	17.15%	11.95%	10.88%	<5 portfolios	<5 portfolios	0%	18	722			

**Supplemental Information - performance presented prior to 2004 is a representative group of actual accounts managed by Roosevelt prior to the firm becoming GIPS Compliant.**

2003	39.85%	38.30%	31.06%	28.68%	<5 portfolios	<5 portfolios	0%	6	597
2002	-12.54%	-13.49%	-21.54%	-22.10%	<5 portfolios	<5 portfolios	0%	3	456
2001	-6.66%	-7.56%	-11.46%	-11.89%	<5 portfolios	<5 portfolios	0%	3	502
2000	-2.49%	-3.14%	-7.46%	-9.10%	<5 portfolios	<5 portfolios	0%	3	739

The Roosevelt Investment Group, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Roosevelt Investment Group, Inc. has been independently verified for the periods January 1, 2004 through December 31, 2016. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Roosevelt Investment Group, Inc. (TRIG) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers act of 1940. The All Cap Core SMA Composite is comprised of 100% SMA accounts and includes all SMA portfolios managed in the all cap core style. Our All Cap Core portfolio construction begins with a top-down, global macro (thematic) approach. Once we identify a theme, we apply our proprietary fundamental bottom-up security selection process. In order to provide diversification, the portfolio will typically maintain 8 - 12 themes at any given time. The portfolio management team is agnostic to benchmarks, sectors and traditional valuation and capitalization metrics. Particular attention is paid to risk management where tools and techniques are incorporated when the portfolio management team perceives heightened risks in the markets. For comparison purposes the composite is measured against the Russell 3000 (DRI) Index and the S&P 500 Index. The Russell 3000 (DRI) Index is a market index that measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The S&P 500 Index is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index - each stock's weight is proportionate to its market value. Benchmark returns are net of withholding taxes. Unlike the index, the strategy is actively managed and may include substantially fewer securities than the number of securities comprising the indexes, and may have volatility, investment and other characteristics that differ from the strategy. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias.

The All Cap Core SMA Composite was created on September 1, 2009 and has an inception date of January 1, 2000. The U.S. Dollar is the currency used to express valuations and performance. The firm maintains a complete list and description of composites, which is available upon request.

Pure gross returns are shown as supplemental information, include the reinvestment of all income and do not include investment management fees, custodial fees or transaction costs. Net returns include the reinvestment of all income and are reduced by the actual, entire SMA fee charged to the client. SMA fees include transaction costs, investment management fees and custodial fees. SMA fees vary across SMA sponsors, generally ranging between 1.0% and 3.0% of total assets under management. TRIG receives a portion of this fee for investment management services provided. SMA fee schedules are provided by independent SMA sponsors and are available upon request from the respective SMA sponsor. For the purpose of performance calculation, SMA accounts are aggregated by sponsor, with each sponsor viewed as a single portfolio. Dual contract SMA accounts are also aggregated and viewed as a single portfolio. SMA composite returns are calculated by weighting each account's monthly return by its corresponding beginning market value.

The Number of Accounts and Composite Assets columns include only the accounts that were in the composite at the end of the year. The annual composite dispersion presented is a net-of-fees, asset-weighted standard deviation calculated for the accounts in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for periods prior to 2011 because it is not required by GIPS for periods prior to 2011. Additional information regarding the policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is not indicative of future results.

Roosevelt Investments is solely responsible for the content of its website. The sponsor/broker dealer firm has not reviewed or verified the accuracy or completeness of its content and is not responsible for any statements included therein.

**Alpha** - A measure of the risk-adjusted return expected from a portfolio above and beyond the benchmark return. **Beta** - Beta is used to measure market risk. Beta defines the average relationship, over time, of the rate of return of a portfolio or security to the rate of return of the style index. A manager that is equally as volatile as the market index has a beta of 1.0, a manager half as volatile as the market index has a beta of 0.5. Managers with a beta higher than 1.0, such as 1.2 are more volatile than the market index. **Downside Capture Ratio** - A measure of the portfolio's performance during down markets relative to the market benchmark (S&P 500, for example). The lower the capture ratio, the better the portfolio performed in a declining market. For example, a Down-Market Capture ratio of 90 indicates that the portfolio's losses were only 90% of the market's losses when the market was down. A negative ratio indicates the portfolio had positive returns when the market had negative returns. Note: The magnitude of the ratio may be deceiving if the return figures are small. For example, if the market returned -0.1% and the portfolio returned -0.3%, the result is a down market capture ratio of 300. **Information Ratio** - A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **Inverse/Leveraged Inverse ETFs** - Leveraged ETFs are securities that attempt to replicate multiples of the performance of an underlying financial index. Inverse ETFs are designed to replicate the opposite direction of these same indices, often at a multiple. These ETFs often use a combination of futures, swaps, short sales, and other derivatives to achieve these objectives. Most leveraged and inverse ETFs are designed to achieve these results on a daily basis only. This means that over periods longer than a trading day, the value of these ETFs can and usually do deviate from the performance of the index they are designed to track. Over longer periods of time or in situations of high volatility, these deviations can be substantial. **Market Capitalization** is defined as the following: Large (> \$10 billion), Medium (\$2 - \$10 billion), Small (< \$2 billion), although the market segments may vary for different investment products. **Natural Hedges** - Security that tends to move inversely to another security or market. **Precious Metals** - The value of precious metals may be affected by various and often unpredictable factors, including, but not limited to, the economic, financial, social and political conditions globally and in particular countries. A precious metal's market price and the liquidity and trading values of precious metals may be affected by, retail markups, safekeeping charges, shipping costs, the actions of sovereign governments that may directly or indirectly impact the price of a precious metal. Precious Metals markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulations and intervention. In addition, U.S. futures exchanges and some non-U.S. exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price on a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, no trades may be made at a different price. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. **R2** - Reflects the percentage of a strategy's movements that can be explained by movements in its benchmark index. An R2 of 100 indicates that all movements of a fund can be explained by movements in the index. Thus, portfolios invested in S&P 500 stocks will typically have an R2 close to 100. Conversely, a low R2 indicates that very few of the fund's movements can be explained by movements in its benchmark index. An R2 measure of 35, for example, means that movements in the benchmark index can explain only 35% of the portfolio's movement. **Russell 3000 Index** - a market index that measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. **S&P 500 Index** - an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. **Sharpe Ratio** - A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. The Sharpe Ratio can be used to compare two portfolios directly on how much risk a fund has to bear to earn excess return over the risk-free rate. **Standard Deviation** - Measure of the amount of risk present in a portfolio. Standard Deviation gives an indication of the range of returns to be expected in an average year. For example, if a portfolio has an average annual return of 10% and a Standard Deviation of 6%, 2/3 of the time, returns were between 4% and 16% in a year. Standard Deviation is a measure of the dispersion (variability) of a portfolio's quarterly rates of return around its mean rate for the period. Generally, the higher the Standard Deviation, the higher the variability or risk. **TIPS** - Treasury Inflation Protected Securities. **Tracking Error** - Measures the divergence between the price behavior of a portfolio and the price behavior of a benchmark. **Upside Capture Ratio** - A measure of the portfolio's performance during up markets relative to the market benchmark (S&P 500, for example). The higher the capture ratio, the better the portfolio has performed in a rising market. For example, an Up-Market Capture ratio of 110 indicates that the portfolio captured 110% of the market's performance (the portfolio returns were 10% greater than the market). A negative ratio indicates that the portfolio had negative returns when the market had positive returns. **US Treasury STRIPS** - US Treasury debt security that does not pay interest (coupon) but is issued at a discount. STRIPS is an acronym that stands for Separate Trading of Registered Interest and Principal of Securities. **VIX** - The ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.