

June 27, 2022



Mesirow Financial Investment Management, Inc.
Wealth Management and Retirement Advisory Services
353 North Clark Street, Chicago, Illinois 60654

Telephone: 312.595.6081 | Email: advinquiries@mesirow.com

ITEM 1 | Cover

Part 2A of Form ADV Firm Brochure

This brochure provides information about the qualifications and business practices of the Wealth Management and Retirement Advisory Services divisions of Mesirow Financial Investment Management, Inc. ("MFIM"). If you have any questions about the contents of this brochure, please contact 312.595.6081 or ADVinquiries@mesirow.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about Mesirow Financial Investment Management, Inc., is also available on the SEC's website at www.adviserinfo.sec.gov. The site may be searched by a unique identifying number known as a "CRD number." MFIM's CRD number is 111135.

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. © 2022. All rights reserved.

ITEM 2 | Material Changes

MFIM's Form ADV Part 2A, currently dated June 27, 2022, as amended from time to time, is MFIM's client disclosure document prepared based on the Security and Exchange Commission's regulatory requirements. MFIM is required to update this document at least annually, or when an event occurs that may be deemed to have a material impact on MFIM's Wealth Management and Retirement Advisory Services and related investment management business and/or on its clients.

This annual update for MFIM contains the following material changes made since MFIM's last annual update:

- Item 5 and Item 10 were amended to provide disclosure regarding compensation paid to our affiliated broker-dealer and the related conflicts of interest.
- Item 9 was amended to reflect the fact that the staff of the U.S. Securities and Exchange Commission's Division of Enforcement issued document requests to MFIM requesting certain documents and information related to the following potential violations of Section 206(2) and Section 206(4) of the Investment Advisers Act: failure to provide full and fair disclosure regarding compensation paid to our affiliated broker-dealer and the related conflicts of interest; failure to seek best execution by causing certain advisory clients to invest in share classes of mutual funds that paid revenue sharing when share classes of the same funds were available to the clients that presented a more favorable value for these clients under the particular circumstances in place at the time of the transactions; and failure to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Investment Advisers Act. MFIM has been cooperating fully with the SEC's investigation and is in late stage discussions with the SEC regarding a potential settlement. Based on information currently known to MFIM, MFIM does not believe the SEC's investigation or potential settlement will have a material adverse effect on its business or financial condition.

ITEM 3 | Table of Contents

| | |
|---|----|
| ITEM 1 Cover..... | 1 |
| ITEM 2 Material Changes | 2 |
| ITEM 3 Table of Contents | 3 |
| ITEM 4 Advisory Business | 4 |
| ITEM 5 Fees and Compensation | 6 |
| ITEM 6 Performance-Based Fees and Side-by-Side Management | 9 |
| ITEM 7 Types of Clients..... | 9 |
| ITEM 8 Methods of Analysis, Investment Strategies and Risk of Loss..... | 10 |
| ITEM 9 Disciplinary Information | 13 |
| ITEM 10 Other Financial Industry Activities and Affiliations | 13 |
| ITEM 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 14 |
| ITEM 12 Brokerage Trading Practices | 16 |
| ITEM 13 Review of Accounts..... | 18 |
| ITEM 14 Client Referrals and Other Compensation..... | 18 |
| ITEM 15 Custody | 19 |
| ITEM 16 Investment Discretion | 19 |
| ITEM 17 Voting Client Securities | 19 |
| ITEM 18 Financial Information | 20 |

ITEM 4 | Advisory Business

MFIM, an Illinois corporation formed in 1986, is an investment advisor registered with the SEC with its principal place of business located in Illinois. MFIM's sole shareholder is Mesirow Financial Services, Inc., which is a wholly owned subsidiary of Mesirow Financial Holdings, Inc.

MFIM does not provide tax or legal advice. Clients should consult with an expert on tax or legal issues.

WEALTH MANAGEMENT CLIENTS

MFIM Wealth Management assists clients with both investment management and financial planning services. For private clients, MFIM Wealth Management offers both discretionary and non-discretionary services. MFIM Wealth Management primarily assists in preparing an Investment Policy Statement based on a particular client's investment objectives and sets asset allocation targets based on these objectives. MFIM Wealth Management then constructs an investment portfolio based on asset allocation targets. Quantitative and qualitative measures are used to evaluate the portfolio on an ongoing basis, as well as to evaluate the performance of the portfolio in relation to the client's Investment Policy Statement. MFIM Wealth Management can engage third-party investment managers or sub-advisors specializing in distinct objectives as part of implementing an overall investment strategy. MFIM can also utilize proprietary products, including publicly-traded mutual funds, private investment funds and private alternative investment products. A client will pay management fees to affiliates of MFIM if proprietary products are included in the client's investment line-up, which are in addition to the fees paid to MFIM.

MFIM Wealth Management also internally manages a discretionary Micro Cap and Ultra Micro Cap strategies (herein referred to as the "Micro Cap and Ultra Micro Cap") that it uses to manage client assets, in accordance with a client's Investment Policy Statement. These strategies are designed to qualitatively research and build diversified portfolios providing exposure to one of the smallest and least liquid portions of the U.S. equity market.

MFIM Wealth Management also internally manages an impact management strategy (herein referred to as "Impact Management Strategy") that it uses to manage client assets, in accordance with a client's Investment Policy Statement. This strategy is designed to build portfolios investing in companies that are known to be socially conscious, have a positive corporate culture and have a positive impact on the community at large. These impact factors are considered alongside other non-impact factors and are generally no more significant than other factors. These impact factors are significant considerations in selecting investments for the strategy.

MFIM also internally manages a Quality Dividend Strategy. This strategy is designed to primarily invest in the equities of companies generating regular dividend income with the potential for capital appreciation.

Additionally, MFIM Wealth Management offers access to qualified clients to various private investments, some of which are proprietary and others which are third-party funds. First, MFIM Wealth Management acts as investment manager to an affiliated private fund, the Wealth Advisors Feeder Fund I, L.P. (herein referred to as "WA Feeder Fund"), a Delaware Limited Partnership. Investment in the WA Feeder Fund is not open to the general public and is offered only to a limited number of MFIM qualified investors. The WA Feeder Fund was formed for the purpose of investing substantially all of its assets in the Acacia Conservation Fund, L.P. (the "Underlying Fund"), a Delaware Limited Partnership. As Investment Manager of the WA Feeder Fund, MFIM Wealth Management manages the fund's investments and certain administrative matters. Moreover, MFIM Wealth Management offers

investment to qualified clients in the Mesirow Real Estate Value Fund IV Feeder, L.P. (herein referred to as the “Real Estate Feeder Fund”). The Real Estate Feeder Fund is not open to the general public and is offered only to qualified MFIM Wealth Management clients. The Real Estate Feeder Fund was formed for the purpose of investing substantially all of its assets in the Mesirow Financial Real Estate Value Fund IV, L.P., managed by an affiliated MFIM entity and available to institutional investors. The Real Estate Feeder Fund is managed by an affiliated MFIM entity and has been established for the purpose of investing exclusively by MFIM Wealth Management clients. Lastly, MFIM Wealth Management offers investment to qualified clients in the Mesirow Private Equity Fund VIII-B Feeder, L.P. (the “Private Equity Feeder Fund”). The Private Equity Feeder Fund is not open to the general public and is offered only to qualified MFIM Wealth Management clients. The Private Equity Feeder Fund was formed for the purpose of investing substantially all of its assets in the Mesirow Financial Private Equity Fund VIII-B, L.P., managed by an affiliated entity, Mesirow Financial Private Equity Advisors, Inc., and available to institutional investors. The Private Equity Feeder Fund is managed by an affiliated MFIM entity and has been established for the purpose of investing exclusively by MFIM Wealth Management clients. Feeder funds incur the master fund manager’s associated fees and expenses, and such fees and expenses are generally allocated to investors, which include the feeder fund, on a pro-rata basis. This means that clients invested in the feeder funds indirectly bear such costs, in addition to MFIM’s consulting fee.

In addition to the proprietary private funds listed herein, MFIM Wealth Management can make available certain other private investment funds, private investments in companies or alternative investment strategies either directly or through allocations into other funds investing in those strategies.

RETIREMENT ADVISORY SERVICES

MFIM Retirement Advisory Services provides advisory and management services to retirement plan sponsors or other plan fiduciaries appointed by plan sponsors, which include providing retirement plan sponsors comprehensive consulting services by assisting plans in establishing and/or maintaining a consistent and ongoing documented process of prudent oversight and due diligence.

MFIM Retirement Advisory Services performs non-discretionary services for clients, such as investment screening or recommending an investment lineup. In connection with these services, MFIM acts as a co-fiduciary investment adviser under Section 3(21) of Employee Retirement Income and Securities Act of 1974 (“ERISA”). That said, the plan sponsor or other plan fiduciary identified by the plan sponsor retains final decision-making authority with respect to removing and/or replacing plan investment funds.

MFIM Retirement Advisory Services also performs discretionary services for clients, where it has decision-making authority for Participant Managed Accounts (PMA) on various employer sponsored retirement plan provider platforms. Additionally, MFIM Retirement Advisory Services serves as an investment manager for a Pooled Employer Plan (PEP), for which Newport Group Inc.(Newport) serves as the Pooled Plan Provider. In connection with these services, MFIM is acting as an “investment manager” and plan fiduciary under Section 3(38) of ERISA.

MFIM’s Mesirow SMART Portfolios® program is an easy-to-use online tool that provides access to professional, institutional-quality portfolio management through a secure and low-cost investment product.

WEALTH MANAGEMENT AND RETIREMENT ADVISORY SERVICES

As of March 31, 2022, MFIM Wealth Management and Retirement Advisory Services managed approximately \$7.76 billion in assets on a discretionary basis and \$1.22 billion in assets on a non-discretionary basis, with an additional \$13.37 billion in assets under advisement.

ITEM 5 | Fees and Compensation

WEALTH MANAGEMENT CLIENTS

MFIM Wealth Management provides investment advisory services to clients for an annual fee. Clients generally pay an investment advisory fee based on a percentage of assets under management and under advisement. Fees based on either AUM or AUA typically are established at a rate of 1%, but can deviate based on account size, client's aggregate assets under management/advisement, depth of the client relationship, complexity of financial planning services provided, and other reasons not listed. Alternatively, some clients may pay a flat annual rate as negotiated with MFIM Wealth Management for planning and/or investment advisory services. MFIM Wealth Management charges a minimum annual fee of \$4,000, which can be reduced or waived at MFIM's discretion.

Sub-advisors and third-party investment managers charge a separate management fee in addition to MFIM's management fee. The separate fee is determined by the sub-advisor and is only applied to assets managed in a segregated separately managed account. The specific sub-advisor fees are disclosed to clients at the time of onboarding and will depend on the specific third-party manager being used to execute a specific investment strategy. Certain sub-advisors may be accessed through third-party platforms which also contain certain additional administrative or platform fees. Those additional fees are disclosed at the time of onboarding and will depend on the specific third-party platform used to execute the investment strategy.

MFIM Wealth Management's Micro Cap Strategy charges a maximum fee of 1.5% of AUM. Minimum investment for the program is \$250,000. MFIM Wealth Management may in its sole discretion waive the minimum for investment.

MFIM Wealth Management's Impact Management Strategy charges a maximum fee of 1.5% of AUM.

MFIM Wealth Management's Quality Dividend Strategy generally charges a fee consistent with the client's annual advisory fee.

Mutual funds, private investment funds and other alternative investments offered will contain investment advisory fees as well as other expenses, such as accounting, tax and audit expenses, legal fees, and ongoing administrative expenses. Private investment funds that invest in an underlying fund managed by an affiliated or unaffiliated fund manager typically will also incur the underlying fund manager's associated fees and expenses, and such fees and expenses are generally allocated to clients on a pro-rata basis. MFIM Wealth Management will receive compensation for advisory services relating to mutual funds, private investment funds, private investments in companies or alternative investments, including investments in proprietary products where MFIM Wealth Management or an affiliate thereof serves as the general partner and/or investment manager.

Additional details on fees relating to mutual funds, private investment funds, private investments in companies and/or alternative investments can be found in relevant offering memorandum and other governing documents.

For investments in proprietary products, MFIM Wealth Management will receive compensation for advisory services while an affiliate receives separate compensation as investment manager.

RETIREMENT ADVISORY SERVICES CLIENTS

Annual advisory fees for employer sponsored defined contribution and defined benefit retirement plans have been established within the following minimum annual fee ranges:

| | |
|--|--------------------------|
| Retirement plans under \$5,000,000 | 0.50% |
| Retirement plans between \$5,000,000 and \$20,000,000 | 0.25% |
| Retirement plans between \$20,000,000 and \$50,000,000 | 0.20% |
| Retirement plans over \$50,000,000 | typically pay a flat fee |

MFIM may reduce or waive the above fees in its discretion.

MFIM's Retirement Advisory Services PMA program fees are charged at specified intervals and are typically 50 bps or less per year.

MFIM's Retirement Advisory Services PEP program fees are paid to MFIM by Newport for its investment management services.

Additional details on fees relating to the PEP can be found in the fee schedule of the PEP contract and other governing documents.

MFIM's Mesirow SMART Portfolios® program fees are charged at specified intervals and are typically 36 bps per year. Minimum investment for the program is \$5,000.

WEALTH MANAGEMENT AND RETIREMENT ADVISORY SERVICES

Management fees are generally to be paid quarterly in advance. However, there may be instances when fees are billed in arrears, including certain alternative investments and third-party managers or sub-advisors. For purposes of determining the management fees, the value of the assets under management is based on information provided by the custodian of the assets. In the event an account terminates, the unearned management fee will be refunded based upon the number of days during the quarter the account was not under management. For non-retirement advisory services, management fees are typically deducted from the custodial account and paid directly to MFIM. For Funds or securities which MFIM or an affiliate manage or originate, MFIM or the affiliate may set the valuation, or have significant input into the valuation. In these instances, MFIM or the affiliate has a conflict in that it is incentivized to overstate the value of the asset. As with all assets, clients are encouraged to review and question any valuation provided by MFIM, or its affiliates.

Mesirow Financial, Inc. ("MFI") is an affiliated broker-dealer of MFIM. In connection with the purchase or recommendation of mutual funds, in the event MFI is appointed as the broker-dealer of record, MFI will receive Rule 12b-1 fees from certain mutual funds. In those instances, the client's advisory fees will be reduced and offset by the amount of the Rule 12b-1 fees received by MFI to mitigate any conflict of interest. MFI will also receive and retain fees received in connection with such mutual fund transactions for performing services related to shareholder accounting and related communications.

In addition, some mutual fund companies pay revenue on amounts invested in non-transaction fee funds. As part of its agreement with its clearing firm, MFI will receive some of this revenue. As not all mutual funds pay revenues on non-transaction fee funds, MFI is incentivized to purchase shares of mutual funds that pay revenue on amounts invested in such funds.

Limited Negotiability of Advisory Fees

MFIM retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These facts, circumstances and needs may include, among other factors, the complexity of the client; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reporting requirements. The specific annual fee schedule will be identified in the contract between MFIM and each client.

Discounts, not generally available to our advisory clients, are offered to employees, family members and friends of associated persons of MFIM.

Termination of the Advisory Relationship

Clients may generally terminate their investment management agreement upon providing five (5) days' prior written notice. Certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees are generally refunded. In calculating a client's reimbursement of fees, MFIM will prorate the reimbursement according to the number of days remaining in the billing period. For those clients that utilize outside managers that bill in arrears, such as sub-advisors or third-party managers, if the account is terminated before the end of a calendar quarter or if the account is transferred from MFIM in its entirety before the end of a calendar quarter, the outside manager fee will be charged calculated based on the amount of time the account was opened during the quarter prior to account termination. MFIM has authority in its sole discretion, and without notice, terminate a client relationship, to freeze or restrict client accounts or to limit activity in a client's account.

Additional Fees and Expenses

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker/dealers (including MFI or NFS), including, but not limited to, any transaction charges imposed by a broker/dealer with which an independent investment manager effects transactions for the client's account(s). Different products and services are offered at various custodians, and therefore such fees and expenses vary between clients. Additionally, some fees listed on the Wealth Management Fee sheet are marked up from the cost to Mesirow, or are additional fees not specifically tied to any Mesirow cost, and the additional revenue is retained by Mesirow and used to offset costs of business operations. MFIM's affiliated broker, MFI, receives revenue based on client's free credit balances, debit balances, margin balances, money market sweep funds, trading and will receive revenue based on other clearing or custody related fees, and therefore, is incented to recommend that a client use MFI as its introducing broker and NFS as its custodian.

ERISA Accounts

In certain circumstances, MFIM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to ERISA. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation.

Mesirow Financial Proprietary Products

MFIM offers mutual funds, private investment funds and private alternative investment products that are managed by different MFIM business units. Clients who invest in the MFIM funds will pay fees to both their Mesirow Financial advisor and to the Mesirow Financial business unit that manages the fund. Due to collecting multiple fees from wealth advisor or retirement advisory services clients invested in Mesirow Financial proprietary products, Mesirow Financial is highly incentivized to have MFIM choose Mesirow Financial proprietary products for clients' investment lineup and to encourage clients to invest in Mesirow Financial proprietary products.

Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers.

Limited Prepayment of Fees

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 six months or more in advance of services rendered.

Educational Events

MFIM employees benefit from educational events sponsored by service providers to MFIM, such as law firms, audit firms, record keepers and other professional services firms.

ITEM 6 | Performance-Based Fees and Side-by-Side Management

MFIM Wealth Management and Retirement Advisory Services do not charge performance-based fees, but other MFIM divisions do charge performance fees. So, clients that invest in other Mesirow sponsored products with performance fees will pay said performance fees.

ITEM 7 | Types of Clients

MFIM provides advisory services to the following types of clients:

- Individuals
- Corporations or other businesses
- Pension and profit sharing plans
- Non-qualified plans
- State or municipal government entities
- Charitable organizations

ITEM 8 | Methods of Analysis, Investment Strategies and Risk of Loss

METHOD OF ANALYSIS

Wealth Management

In developing an Investment Policy Statement for clients, MFIM Wealth Management typically considers the following factors:

- Short- and long-term objectives for asset growth, income, liquidity, tax efficiency
- Risk tolerance and time horizon
- Asset allocation targets
- Specific guidelines and preferences about investments that will be included in or excluded from a client's portfolio

MFIM Wealth Management analyzes a vast universe of data in order to select investments that meet our standards of quality and fit within the client's risk profile. Investments are typically made in mutual funds, equities, fixed income products, ETF's, closed-end funds, and alternative investments. The focus of the due diligence process is to identify investments with integrity, strong organizations, consistent style and a successful track record. To do this, the following issues are typically evaluated:

- Historical performance
- Company fundamentals
- Investment style
- Historical taxability
- Manager incentives
- Fixed-income creditworthiness
- Trading liquidity

MFIM Wealth Management Micro Cap and Ultra Micro Cap Strategies perform due diligence to create a diversified portfolio of micro cap and ultra micro cap equities. The following factors are considered when evaluating a potential holding in the portfolio:

- Trading liquidity
- Earnings quality and growth potential
- Company management strength
- Quality of business model

Company's use of cash flow and investor capital Risks include risk of loss of principal and limited liquidity.

MFIM Quality Dividend Strategy performs due diligence to create portfolios of the equities of companies generating regular dividend income with the potential for capital appreciation. The following factors are considered when evaluating a potential holding in the portfolio

- Business Quality
- Financial Health
- Valuation

Retirement Advisory Services

MFIM's Retirement Advisory Services (RAS) division performs comprehensive qualitative and quantitative research and analysis customized for clients, which generally includes the following activities: (i) analyzing plan expenses; (ii) setting guidelines for prudent investment practices; (iii) creating a diversified investment menu; (iv) educating plan participants; (v) performing ongoing due diligence of investment managers and vendors; and (vi) documenting the due diligence process.

MFIM's RAS PMA program is administered through algorithmic allocation and trading technology that is provided by and integrated with each retirement plan provider's platform. Portfolios are created using various individual participant data points available in the provider's recordkeeping system. These data points are used to customize an allocation and glide path for each participant that is specific to their individual circumstances. Customized portfolios are constructed and monitored by our dedicated investment committee. The system includes an automated investment engine through which we manage the client's portfolio on an ongoing basis.

MFIM's RAS Mesirow SMART Portfolios® combine asset management with a technology solution developed by Schwab Performance Technologies® ("SPT") called Institutional Intelligent Portfolios. The platform is available exclusively through independent investment advisory firms for their clients who open or maintain a brokerage account at Charles Schwab & Co, (CS&Co) an affiliate of SPT. MFIM is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co or their affiliates.

The platform enables us to make the program available to clients online and includes a system that automates certain key parts of our investment process. The system will utilize client responses to an Investor Profile Questionnaire to assess their risk capacity and risk willingness and map each client to one of our customized portfolios. Customized portfolios are constructed and monitored by our dedicated investment committee. The system includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). This rebalancing function is an algorithm that is designed to maintain each client's target allocation by asset class. The algorithm has no impact on the underlying investments of the overall portfolio recommended to the client as a part of the account opening process. Rebalancing conditions:

- The percentage allocation of an ETF varies by a set parameter;
- MFIM decides to change the ETFs or their percentage allocations for a particular investment strategy;
- MFIM decides to change a client's investment strategy, which could occur, for example, when a client makes a change to their investment profile or imposes or modifies restrictions on the management of their account.

MFIM has the ability under the program to suspend trading in the event of extreme market volatility.

MFIM's PEP program allows individual qualified retirement plans to pool assets together in the same retirement plan, providing benefits such as reduced plan expenses and reduced fiduciary liabilities. Newport acts as the PEP's Pooled Plan Provider (PPP). Mesirow acts as ERISA 3(38) investment fiduciary. Morningstar acts as the Advisor Managed Account technology provider.

MFIM, as the PEP's 3(38) investment fiduciary, provides the following services:

- Develop and adopt an Investment Policy Statement appropriate for the PEP
- Investment Menu Construction and oversight
- Provide a discretionary asset management program designed for plan participants
- PEP oversight and compliance

FORMS OF RISK

Mutual Fund and Private Investment Fund Investing

Investments in mutual funds and private investment funds are subject to market risks such as absence of liquidity in markets or fluctuations in market prices beyond the control of the managers, resulting in investment objectives of the fund not being achieved.

Past Performance

Past performance of a particular investment is not indicative of the future performance.

Asset Allocation Models

While asset allocation models are believed to result in a diversified portfolio of investments, diversification does not protect against market risks and does not assume profit.

Risks for All Forms of Analysis

MFIM's analysis methods rely on publicly-available sources of information, which may not be reliable and are assumed to be accurate and unbiased data. While MFIM is confident that the data is accurate, there is always a risk that MFIM's analysis may be compromised by limited, inaccurate or misleading information.

Market Risk

All investments have market risk, in that the value of assets may materially decrease. Investments are not guaranteed and can lose some or all of its value. Clients should review all investments to ensure that their portfolio is invested consistent with their suitability and risk profile, and should be prepared to lose all or a significant amount of their investment. Additionally, proposed target returns or anticipated results may not be achieved.

Liquidity Risk

A secondary market often does not exist for a client's assets when the client wants to sell their holdings, or that market may be very limited with few buyers. Consequently, there is a liquidity risk that clients may not be able to sell their holdings or that a client will have to accept a substantial discount in price in order to liquidate holdings. This is especially true for complex products, private investments and Regulation D offerings.

The above risks are a summary of some of the key risks. Clients should review the risk section of any offering documents carefully to fully understand the risks of investments.

ITEM 9 | Disciplinary Information

The staff of the U.S. Securities and Exchange Commission's Division of Enforcement issued document requests to us requesting certain documents and information. The SEC's requests called for the production of documents and information related to the following potential violations of Section 206(2) and Section 206(4) of the Investment Advisers Act: failure to provide full and fair disclosure regarding compensation paid to our affiliated broker-dealer and the related conflicts of interest; failure to seek best execution by causing certain advisory clients to invest in share classes of mutual funds that paid revenue sharing when share classes of the same funds were available to the clients that presented a more favorable value for these clients under the particular circumstances in place at the time of the transactions; and failure to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Investment Advisers Act.

We have been cooperating fully with the SEC's investigation, and we are in late stage discussions with the SEC regarding a potential settlement. It is uncertain at this time whether any settlement will be reached or the terms of any such settlement, which could include the payment of monetary amounts. Based on information currently known to us, we do not believe the SEC's investigation or potential settlement will have a material adverse effect on our business or financial condition.

ITEM 10 | Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by MFIM and its management persons or employees creates a conflict of interest that potentially impairs the objectivity of MFIM and these individuals when making advisory recommendations. MFIM endeavors at all times to put the interests of its clients first as part of our fiduciary duty as a registered investment advisor. MFIM typically takes the following steps to address and to mitigate any potential conflicts:

- MFIM discloses to clients the existence of all material conflicts of interest;
- MFIM collects, maintains and documents accurate, complete and relevant client background information, including the client's investment mandates, financial goals, objectives and risk tolerance;
- MFIM's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable for the client's needs and circumstances;
- MFIM requires that our employees seek prior approval of any outside employment activity to ensure that any conflicts of interest in such activities are properly addressed;
- MFIM periodically monitors outside employment activities of its employees to verify that any conflicts of interest continue to be properly addressed; and
- MFIM educates its employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

MFIM's affiliate has a clearing relationship with National Financial Services, a Fidelity company ("NFS"). Certain employees of MFIM may be separately licensed as registered representatives of MFI. These individuals, in their separate capacity, can and do at certain times, effect securities transactions for which they will receive separate, yet customary compensation.

Many mutual fund companies offer one or more retirement share classes specifically for the use by employer-sponsored retirement plans as investment options, (some share classes pay compensation to third parties, such as commissions, 12b-1 fees, and other administrative fees, while other share classes do not). The retirement share classes that are available to a client is generally determined by specific criteria set by the mutual fund company, such as plan asset size and/or the number of participants in the retirement plan. The available share classes may factor into the fee structure and how the investment advisory fees and expenses are paid. For particular share class information, please refer to the investment product prospectus.

Depending on the share class, companies affiliated with MFIM may receive various forms of compensation from providers of services that MFIM recommends. This compensation is not directly received by MFIM, but contributes to the revenue of the overall organization. This compensation may come in the form of commissions paid to an affiliated broker-dealer by a mutual fund company, insurance company, or other organization for the sale of an investment product; 12b-1 fees paid by a mutual fund company to a broker-dealer for distribution and servicing of mutual funds; commissions/fees paid to a broker/dealer by a trust company; sub-transfer agent fees paid to an affiliated retirement plan administrator or recordkeeper by a mutual fund company, insurance company, or other organization for servicing and administering various investment options; fees paid for non-advisory third-party administrative services by clients; and/or fees paid by an employee benefits provider to an affiliated company for sales of various products or services.

The existence of these payments may or may not affect MFIM's recommendations. The existence of this additional compensation will be taken into consideration in the negotiation of investment advisory fees for the services offered by MFIM. Commissions/compensation received by affiliated companies in relation to securities recommended by advisory personnel of MFIM may represent a material conflict of interest. In many (but not all) cases, this conflict of interest is mitigated through the "off-setting" of investment advisory fees by any such commission/compensation received by the affiliate. For example, a client's advisory fees will be reduced and offset by the amount of any Rule 12b-1 fees received by MFI.

MFIM Wealth Management Director of Research currently participates on the advisory board of Grubb Properties Qualified Opportunity Zone Fund, a private investment in which MFIM Wealth Management recommends certain clients invest. This is an unpaid outside business activity.

ITEM 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MFIM has adopted a Code of Ethics that sets forth the ethical standards of business conduct that MFIM requires of its employees, including compliance with applicable federal securities laws.

MFIM and its personnel owe a duty of loyalty, fairness and good faith towards clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but also to the general principles that guide the Code of Ethics.

MFIM's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by MFIM's access persons. MFIM has additional policies and procedures relating to the preclearance of all employee trades (other than securities deemed exempt from this obligation). MFIM's Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

MFIM's Code of Ethics further includes policies and procedures governing gifts and entertainment, outside business activities, confidentiality of information and information barriers, and charitable and political contributions. The Code of

Ethics also prohibits the misuse of material non-public information and emphasizes the avoidance of conflicts of interest with investors. Each employee must acknowledge the terms of the Code of Ethics on an annual basis. Any employee who violates the Code of Ethics may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email (maryjo.hayes@mesirow.com) or by phone (312.595.6512).

MFIM is part of a group of affiliated financial services companies that perform a number of different services for a client. MFIM is mindful of the conflicts or potential conflicts that such relationships create.

Consequently, MFIM has adopted a Code of Conduct that prescribes standards of conduct required of all employees, regardless of their position or affiliation in the group. The Code prohibits self-dealing and other improper activities, the misuse of material non-public information, and it emphasizes the avoidance of conflicts of interest with clients. Some specific areas of potential conflict are discussed below.

MFIM and/or individuals associated with it can buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) can have an interest or position in certain securities that may also be recommended to a client. However, it is the expressed policy no personal securities transactions will be cleared if the corresponding entity (1) has a conflicting order pending or (2) is actively considering a purchase or sale of the same security. A conflicting order is any order for the same security, or an option on that order, which has not been fully executed by the particular division.

MFIM does not aggregate employee trades with client transactions.

MFIM, through MFI, can direct the purchase or sale in securities on a principal basis in accordance with Section 206(3) under the Investment Advisers Act of 1940, as amended.

As these situations represent actual or potential conflicts of interest to clients, MFIM has established the following policies and procedures for implementing its Code of Ethics, to ensure our firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of MFIM can put his or her own interest above the interest of an advisory client.
2. No principal or employee of MFIM can buy or sell securities for their personal portfolio(s) based on information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account by the particular division for which they are employed.
4. MFIM requires prior approval for any IPO or private placement investments.
5. MFIM maintains a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the appropriate designated supervisor.

6. MFIM has established procedures for the maintenance of all required books and records.
7. For accounts custodied at NFS, clients are fully informed that related persons can receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where MFIM is granted discretionary authority.
9. All of MFIM's principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
10. MFIM requires delivery and acknowledgement of the Code of Ethics by each access person.
11. MFIM has established policies requiring the reporting of Code of Ethics violations to senior management.

Any individual who violates any of the above restrictions may be subject to possible actions, which may include enhanced supervision, censure, suspension or termination.

ITEM 12 | Brokerage Trading Practices

For equity and fixed income securities, MFIM will endeavor to select those brokers/dealers that will provide the best services at the lowest potential commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, access to relevant markets, expertise in particular securities markets, competitive commission rates and prices, research, trading platform, and other services that will help MFIM in providing investment management services to clients.

The authority to select brokers/dealers is set forth in the investment advisory agreement signed by the client to establish an account.

The Micro Cap and Ultra Micro Cap Strategies obtain investment research products and services via soft dollar arrangements for its institutional sleeve, including commission sharing arrangements, with brokers. A soft dollar arrangement is one in which a broker provides an advisor with research or other services and products in return for commission dollars paid for executing securities transactions on client accounts, rather than charging the manager a separate fee for the services or products. When Micro Cap and Ultra Micro Cap uses soft dollars to obtain research or other products or services, Micro Cap and Ultra Micro Cap receives a benefit because it does not have to pay out of pocket for such expenditures.

In any arrangement that includes soft dollar payments, commission rates are generally higher than rates otherwise available for "execution only" service. SEC regulations under §28(e) of the Securities Exchange Act of 1934 allow and provide a safe harbor under certain conditions for an advisor to pay higher commission rates for research and brokerage services with the commission dollars generated by client account transactions.

In determining whether a service or product can be paid with soft dollars, the service or product must provide lawful and appropriate assistance to the advisor in carrying out its investment decision-making responsibilities for its clients. Micro Cap and Ultra Micro Cap's policy is to use soft dollars only to pay for research products and services that qualify under the SEC's safe harbor, and to do so exclusively via agency transactions.

Because Micro Cap and Ultra Micro Cap uses soft dollars, Micro Cap and Ultra Micro Cap has an incentive to select brokers based on Micro Cap and Ultra Micro Cap's interest in receiving research products or services. However, Micro Cap and Ultra Micro Cap's practice is to select the broker it believes to be the most appropriate for the transaction. Micro Cap and Ultra Micro Cap traders have the discretion to select brokers to execute specific transactions based on factors that they believe will add value to the trade. Micro Cap and Ultra Micro Cap follows the same due diligence process on all brokers, whether or not they provide research or soft dollar services.

Micro Cap and Ultra Micro Cap maintains soft dollar arrangements for those research products and services that assist Micro Cap and Ultra Micro Cap in its investment decision-making process. Research furnished by brokers assists Micro Cap and Ultra Micro Cap in its investment decision making process, thereby benefitting all clients of the strategies. This creates conflicts because some clients get the benefit of research or services received due to another client's commission dollars.

MFIM Wealth Management Micro Cap and Ultra Micro Cap Strategy retail accounts benefit from soft dollars and are opened and custodied at Charles Schwab & Co

MFIM Mesirow SMART Portfolios® program accounts are opened and custodied at Charles Schwab & Co.

Where MFIM selects MFI to execute transactions, the client should consider the following: (i) although MFIM believes that MFI's commission rates are competitive with other full service brokers, there has been no arms-length negotiation to receive the lowest possible commission rate; and (ii) for some accounts there will be an incentive on MFIM's part to engage in or recommend more trading with respect to investment managementservices (or conversely less trading). Additionally, some fees listed on the Mesirow Financial Wealth Management Fee sheet are marked up from the cost to MFI, or are additional fees not specifically tied to any Mesirow cost, and the additional revenue is retained by Mesirow and used to offset costs of business operations. MFIM's affiliated broker, MFI, receives revenue based on client's free credit balances, debit balances, margin balances, money market sweep funds and will receive revenue based on other clearing or custody related fees.

MFIM does not usually engage in agency cross transactions whereby it has discretion over two accounts, or MFI, acts simultaneously as a broker for accounts (which may be an advisory or brokerage account) and buys from or sells to another account. However, under certain circumstances, MFIM can determine that it is beneficial to both accounts to transact in the same security with each other. Depending on the size of the transaction and the volume and liquidity of the market, MFIM can decide that crossing the two orders will bring a better price or facilitate the time of an execution, as where, for example, one account may be selling to fulfill a withdrawal request and, simultaneously, another account buying to invest a contribution of funds.

We generally do not sell securities to, nor purchase securities from, our advisory clients' accounts as principal (which are commonly referred to as "principal trades."). With authorization by our clients, in very limited circumstances and in accordance with applicable laws and the rules and regulations promulgated by the SEC, we will engage in a principal trade.

Similarly, an agency cross transaction will be made only with the prior and informed consent of our advisory clients. Agency cross transactions will not be permitted for ERISA clients.

MFIM will block trade where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Clients should be aware that when MFIM

places a blocked order, or an order aggregating the trades for a number of advisory accounts, if multiple fills are obtained, such orders are executed at an average daily price calculated by the broker/dealer. Likewise, in the event that a blocked order results in a partial execution, MFIM will allocate the securities bought or sold on a pro rata basis unless limited due to size constraints.

ITEM 13 | Review of Accounts

INVESTMENT SUPERVISORY SERVICES PORTFOLIO MANAGEMENT

MFIM Wealth Management has dedicated supervisors, as well as compliance, operational and internal audit staff, who monitor and provide oversight to the investment activities of supervised personnel. The supervisors, or their designees, review and monitor the activities of wealth advisors. Such activities include, but are not limited to, adhering to client guidelines and objectives, trading and best execution, employee trading, investment product due diligence, and marketing and advertising.

ITEM 14 | Client Referrals and Other Compensation

CLIENT REFERRALS

MFIM periodically enters into solicitor's arrangements with unrelated third parties ("Solicitors") where MFIM agrees to pay a portion of the fees derived from an account to the individual or entity that referred the account. Unless otherwise disclosed, the client is not charged any amount in addition to the customary advisory fee charged by MFIM. There is no differential between the amount of or level of advisory fee charged by MFIM to the client, attributable to the existence of any Solicitor's arrangement and that charged to other clients of MFIM. MFIM at times pays referral compensation to its affiliates and/or their employees. Whenever MFIM pays a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with MFIM;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to MFIM by the client will be increased above our normal fees in order to compensate the Solicitor.

The advisory fees paid to MFIM by clients referred by solicitors, or by affiliates of MFIM and/or their employees, are not increased as a result of any referral fee.

It is MFIM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to clients.

MFIM also compensates affiliated personnel that work in other business units for referrals.

ITEM 15 | Custody

Most of MFIM Wealth Management clients custody their assets at NFS, since MFIM Wealth Management's affiliate has a clearing relationship with NFS. MFIM clients can choose another custodian to custody their assets, MFIM Wealth Management and clients receive account statements from NFS. MFIM Wealth Management Micro Cap Strategy accounts are opened and custodied at Charles Schwab & Co.

MFIM has obtained and continues to obtain certain revenues from NFS and receives various operational and supervisory efficiencies when clients choose NFS as its custodian. In addition, MFIM's affiliated broker-dealer also receives revenues, including Correspondent Business Development Credits from NFS for maintaining its business relationships and customer accounts at NFS. Consequently, MFIM is incentivized to have clients choose NFS as their custodian over other custodians. MFIM marks up NFS brokerage and custodial fees charged by NFS and retains that revenue. This creates an incentive for MFIM to encourage clients to use NFS since MFIM does not have the ability to mark-up other broker's fees.

In limited instances, MFIM is deemed to have custody of client assets under the SEC's Custody Rule, 206(4)-2, due to the fact that a related person, as defined by the rule, serves as the general partner for certain private funds. MFIM complies with the Custody Rule requirements by annually sending audited financial statements to its investors.

Charles Schwab & Co. (CS & Co.) will also custody MFIM Mesirow SMART Portfolios® program assets and will deliver client statements at least quarterly. MFIM does not pay Schwab Performance Technologies® (SPT) a fee for its services in the Mesirow SMART Portfolios® program so long as MFIM maintains \$10 million in client assets for accounts at CS & Co. that are not enrolled in the program. If MFIM does not meet this condition, MFIM will pay SPT an annual fee of .10% on the value of our clients' assets in the program. This arrangement incentivizes MFIM to maintain assets in the program and creates a potential conflict between Client's interest and MFIM'S interest. Most Retirement Plan Advisory clients custody their assets at an outside custodian and receive statements from the custodian. **Due to the fact that MFIM Wealth Management does not custody client assets (except with respect to certain private funds as noted above), clients are urged to carefully compare the information provided on statements to any report provided by MFIM Wealth Management to ensure that all account transactions, holdings and values are correct and current.**

ITEM 16 | Investment Discretion

Clients may engage MFIM to provide discretionary and non-discretionary asset management services. Clients give MFIM discretionary authority when they sign a discretionary investment management agreement with MFIM and may in certain circumstances limit or change/amend such limitations by giving MFIM written instructions.

ITEM 17 | Voting Client Securities

Proxies are voted solely in the best interests of Mesirow clients; namely, the Mesirow mutual funds, separate account clients, and where employee benefit plan assets are involved, in the interests of the plan participants and beneficiaries (collectively, "Advisory Clients") that have properly delegated such responsibility to Mesirow. Voting proxies on behalf of our clients is established by Mesirow advisory contracts or comparable documents, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations. Except as otherwise agreed to in writing with a client, Mesirow has no authority or obligation to take any action or render any advice with respect to the voting of proxies on behalf of a client.

Mesirow has designated its Senior Managing Director of Operations as responsible for administering and overseeing the proxy voting process. Mesirow utilizes Institutional Shareholder Services (“ISS”) which facilitates the voting decision of each proxy in accordance with Mesirow’s proxy voting policies (“custom policies”). Mesirow will generally follow its custom policies unless it determines that the client’s interests are best served by voting otherwise or unless otherwise directed by the client.

It should be noted that clients investing in our Sustainable strategies, the proxies will be voted in accordance with Sustainability guidelines each as established by ISS responsive to environmental, social, and governance concerns.

Directors and employees of Mesirow are sensitive to the possibility that their interests may conflict with the interests of Advisory Clients. Even while a proxy may involve an entity with which a relationship exists, generally the matters put to vote do not cause a conflict of interest between Mesirow and the client. There may be some instances when Mesirow believes its client’s best interest is served by abstaining or not voting certain proxies.

Additional information is provided in the procedures. Clients may obtain a copy of our procedures by contacting us at david.meyer@mesirow.com, or by calling us at 312-595-2286. In the event that a client of Mesirow requests information as to how a particular proxy had been voted on that client’s behalf, Mesirow will provide said information to the client in a timely manner. Under no circumstance will Mesirow disclose to a third party how a proxy had been voted on behalf of a client without that client’s expressed, written consent.

ITEM 18 | Financial Information

MFIM has no additional financial circumstances to report.

MFIM has not been the subject of a bankruptcy petition at any time during the past 10 years.