

# Small Cap Core

## INVESTMENT PHILOSOPHY

We believe that excess returns can be produced by investing in attractively valued stocks that are poised to appreciate due to catalyst driven earnings and cash flow growth.

## INVESTMENT OBJECTIVES

Over a full market investment cycle, we believe the strategy can generate 200 basis points of annualized alpha with approximately 85% of the risk of the market, where market risk is defined as standard deviation, beta or downside capture.

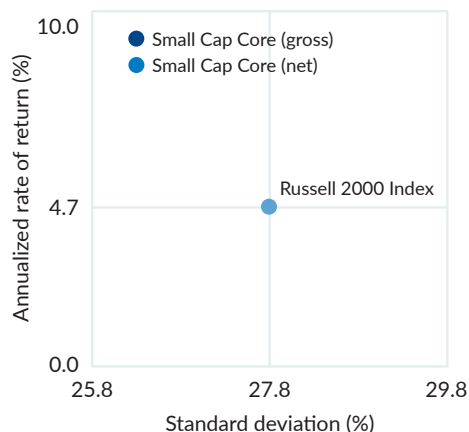
## DETAILS

Core Strategies assets: \$33.4 million\*

Vehicles offered:

- Separately Managed Account
- Collective Investment Trust
- Mutual Fund

## TOTAL RISK VERSUS TOTAL RETURN<sup>1</sup>



Data from 4.1.2019 – 9.30.2023. Source: MEM and eVestment.

## RISK/RETURN STATISTICS<sup>1</sup>

	Small Cap Core	Russell 2000 Index
Alpha (%)	5.24	-
Standard deviation (%)	26.30	27.79
Sharpe ratio	0.31	0.11
Beta	0.92	1.00
Tracking error (%)	6.56	-
Information ratio	0.80	-

Data from 4.1.2019 – 9.30.2023. Source: MEM and Bloomberg LP.

## WHO WE ARE

Mesirow Equity Management (MEM) is an institutional asset manager focused exclusively on investing in small cap and small-mid cap equities.



**Kathy Vorisek**

Head of Equity Management,  
Portfolio Manager



**Leo Harmon, CFA, CAIA**

Chief Investment Officer,  
Portfolio Manager

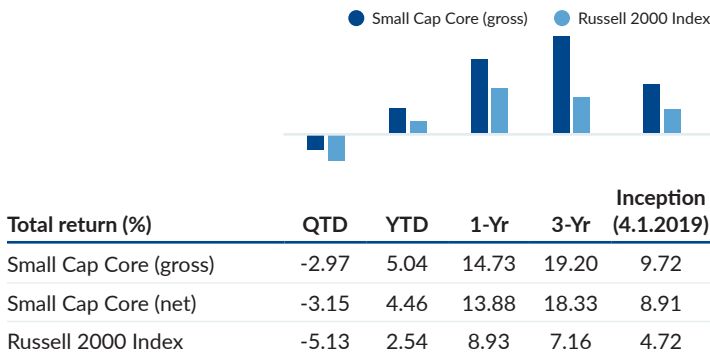


**Andrew Hadland, CFA**

Director of Research,  
Portfolio Manager

\*Assets include MEM SMID Cap and Small Cap Core strategies. | Effective December 31, 2022, the MEM Small Cap Value Sustainable Equity Strategy was renamed the MEM Small Cap Core Equity Strategy. | Mesirow Equity Management ("MEM") is a division of Mesirow Institutional Investment Management, Inc. ("MIIM") an SEC-registered investment advisor. Please see the attached GIPS Reports for complete performance information, including benchmark descriptions, as well as the footnotes and disclosures contained on the following pages.

### COMPOSITE ANNUALIZED PERFORMANCE<sup>2</sup>



Source: MEM, Bloomberg LP and eVestment.

### PORTFOLIO CHARACTERISTICS<sup>1</sup>

	Small Cap Core	Russell 2000 Index
Number of holdings	80	1,984
Forward price/earnings (median)	17.2x	22.2x
Year 2 EPS growth	15.4%	14.1%
Weighted median market cap	\$4.2B	\$2.6B
% of portfolio in top 10	16.3%	3.3%

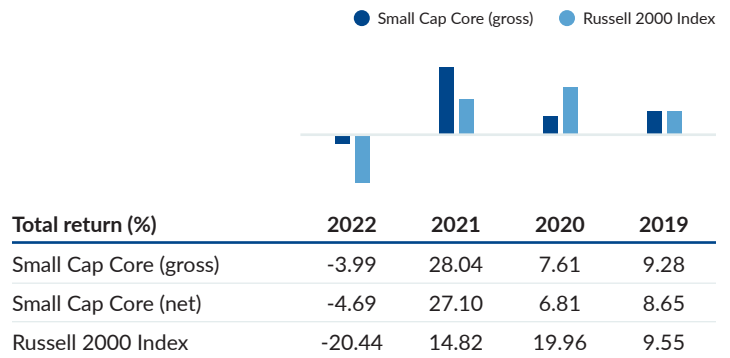
Source: MEM and Bloomberg LP.

1. As of 9.30.2023. Past performance is not indicative of future results. Portfolio characteristics are shown gross of fees and are calculated from a representative account invested in the Mesirow Small Cap Core mandate. Information provided is supplemental to the GIPS compliant presentation.

2. As of 9.30.2023. Past performance is not indicative of future results. Inception for the Mesirow Small Cap Core Composite is 4.1.2019. Effective 12.31.2022, the MEM Small Company Sustainable Equity Strategy was renamed the MEM Small Cap Core Equity Strategy. Prior to 1.1.2022, the MEM Small Company Sustainable Equity Strategy was named the MEM Small Cap Value Sustainable Equity Strategy. Returns greater than one year are annualized. Information complements the GIPS compliant presentation.

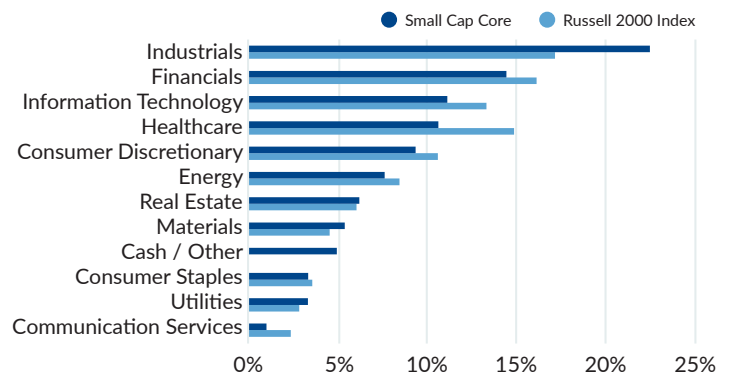
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### COMPOSITE CALENDAR YEAR PERFORMANCE<sup>2</sup>



Source: MEM, Bloomberg LP and eVestment.

### SECTOR WEIGHTS<sup>1</sup>



Source: MEM and Bloomberg LP.

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### About Mesirow

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago, with locations around the world, we serve clients through a personal, custom approach to reaching financial goals and acting as a force for social good. With capabilities spanning Global Investment Management, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities and our culture. To learn more, visit [mesirow.com](https://mesirow.com) and follow us on [LinkedIn](https://www.linkedin.com/company/mesirow).

### Contact us

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## GIPS REPORT – MEM SMALL CAP CORE EQUITY COMPOSITE

Gross and Net of Fees Total Returns from April 1, 2019 – September 30, 2023

Year	Year end			Annual performance results				3-year annualized dispersion <sup>(2)</sup>	
	No. of portfolios	Composite Asset at end of period (\$MM)	Total Firm Assets (\$MM)	MEM (gross) Composite (%)	MEM (net) Composite (%)	Russell 2000 Index (%)	Composite Dispersion (%)	MEM (gross) Composite (%)	Russell 2000 Index (%)
2019*	5 or fewer	1	678	9.28	8.65	9.55	n/a	—	—
2020	5 or fewer	12	722	7.61	6.81	19.96	n/a	—	—
2021	5 or fewer	15	886	28.04	27.10	14.82	n/a	—	—
2022	5 or fewer	24	790	-3.99	-4.69	-20.44	n/a	24.56	26.02
<b>Current Performance Results</b>									
2023 YTD	5 or fewer	28	1,023	5.04	4.46	2.54	n/a	19.62	22.07

Mesirow Equity Management (“MEM”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MEM has been independently verified for the periods 01.01.1996 – 12.31.2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Small Cap Core Equity Composite has had a performance examination for the periods 04.01.2019 -12.31.2022. The verification and performance examination reports are available upon request.

Effective 07.01.2022, MEM transferred its assets and associated composites to Mesirow Institutional Investment Management, Inc. (“MIIM”), a registered investment advisor (RIA) registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Prior to 07.01.2022, MEM’s assets and associated composites were part of Mesirow Financial Investment Management, Inc. (“MFIM”). For purposes of claiming GIPS compliance, as of 01.01.2010 the “Firm” was further defined as the US Value Equity business unit, now defined as MEM which manages portfolios primarily for institutional investors adhering to an investment process incorporating fundamental analysis of security valuation factors and drivers. The composites within this unit vary primarily by the capitalization range of the equity securities held. MEM is comprised of the legacy entities of Mesirow Financial Investment Management – US Value Equity (the surviving entity) and Fiduciary Management Associates, LLC (the acquired entity), with each prior to this effective date being held out to the public as separate firms, and each claiming compliance with the GIPS Standards. Effective 04.01.2016, the firm was redefined and renamed for GIPS purposes to include both the legacy Mesirow Financial Investment Management – US Value Equity division and the legacy Fiduciary Management Associates, LLC division as one combined entity.

\*Performance and composite inception and creation date is 04.01.2019.

Benchmark returns are not covered by the report of independent verifiers. In December 2022, Russell 2000 Value Index was removed as a benchmark for the composite.

Effective 12.31.2022, the Small Company Sustainable Equity Composite and Strategy (formerly, Small Cap Value Sustainability Equity) was renamed Small Cap Core Equity Composite or Strategy.

This composite represents the small cap core equity portfolios following our relative-value based investment philosophy. The strategy seeks selection of investment opportunities that possess attractive valuations and demonstrate identifiable catalysts that are expected to generate positive changes in fundamental metrics. All discretionary institutional accounts are included with no stated minimum account size. Currently, both taxable and non-taxable accounts are included. The primary benchmark for this composite is the Russell 2000 Index. The performance presented herein represents past performance and is no guarantee of future results. MEM and benchmark performance reflect the reinvestment of dividends and interest income, expressed in U.S. dollars. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The firm maintains a complete list of composite descriptions, a list of pooled fund descriptions for limited distributions pooled funds and a list of broad distributions pooled funds, which is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

### Calculation of Risk Measures: Annual / 3 Years Dispersion

Composite internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Because it is not statistically meaningful, MEM does not calculate the dispersion of annual returns for the years the composite held five or fewer accounts. Inclusion of the three-

year annualized ex-post standard deviation of the composite and benchmark was added as a requirement effective 12.31.2011.

(2) Data are not presented for periods containing less than 36 monthly returns for the composite.

### Performance / Net of Fee Disclosure

The net of fees returns, for non-fee-paying assets, is calculated by reducing the monthly gross performance by one-twelfth of the maximum applicable fee, .75bps. These returns are then geometrically linked to produce annual returns. The Composite’s market value includes non-fee-paying assets. From composite inception through 12.31.2019, 100%; 12.31.2020-12.31.2021 10% and 12.31.2022 5% of market value consisted of non-fee-paying assets. Performance information that is provided gross of fees does not reflect the deduction of advisory fees. Client returns will be reduced by such fees and other expenses that may be incurred in the management of the account. Advisory fees are described in Part 2 of Form ADV of MIIM.

### Investment Fee Disclosure

MEM requests that any third party, including investment management consultants, provide our performance data only on a one-on-one basis. Performance results are presented before management and custodial fees. As described in MEM’s Form ADV, Part 2, investment management fees for the Small Cap Core Equity Strategy are:

- 0.85% on the first \$25 million
- 0.75% on the next \$25 million
- 0.60% on the next \$50 million
- 0.55% on the balance

An actual fee charged to an individual portfolio may vary by size and type of portfolio. Fees are collected quarterly, which produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client’s portfolio assuming (a) \$1,000,000 investment, (b) portfolio return of 8% a year, and (c) 0.85% annual investment advisory fee would reduce the portfolio’s value by \$8,892 in the first year, by \$51,223 over five years and \$123,351 over 10 years. Actual investment advisory fees incurred by clients will vary.

### Benchmark Definition

The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

The Russell 2000 Index® offers investors access to the small-cap segment of the U.S. equity universe. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The Russell 2000 includes the smallest 2000 securities in the Russell 3000. (Source: Russell).

These indexes have been displayed as comparisons to the performance of the Small Cap Core Equity Composite.

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## GIPS Report – MEM Small Cap Core Equity Composite

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