

Equity market review

MESIROW EQUITY MANAGEMENT STRATEGIES

AUM: \$1.1B as of June 30, 2024

- Small Cap Value
- Small Cap Core
- SMID Cap Value

“We believe the key to generating consistent investment returns is the selection of investment opportunities that possess attractive valuations and demonstrate identifiable catalysts that are expected to generate accelerating earnings and cash flow growth.”



Kathryn A. Vorisek
Head of Equity Management



Leo Harmon, CFA, CAIA
Chief Investment Officer



Andrew Hadland, CFA
Director of Research

INVESTMENT OBJECTIVES

- Generate attractive risk-adjusted returns
- Consistently outperform the benchmark over a market cycle
- Participate in rising markets and protect capital in down market

Over the last few quarters, small cap equity markets have become inextricably linked to the anticipated actions of the Federal Reserve. During this period, the Fed, in our opinion, has become less anchored in long-term policy as their focus has shifted towards analyzing incremental data. As a result, equity markets moved in a similar fashion based on the interpretation of expected incremental Fed policy actions. Through this mechanism, “bad news” for the economy became good news for small cap equities given the anticipation of lower rates as a response to potentially lower growth and inflation. This interpretation was a major driver of market strength, and vice versa, as good economic news transmitted the opposite effect. For example, during the fourth quarter of 2023, equity markets bounced over 20% in two months as positive sentiment from lower inflation trends implied an earlier, more aggressive pivot from the Fed. This relationship between rates and market returns persisted through the first half of the second quarter but began to break down in the latter half as negative economic data were interpreted as bad news for both the economy and the markets.

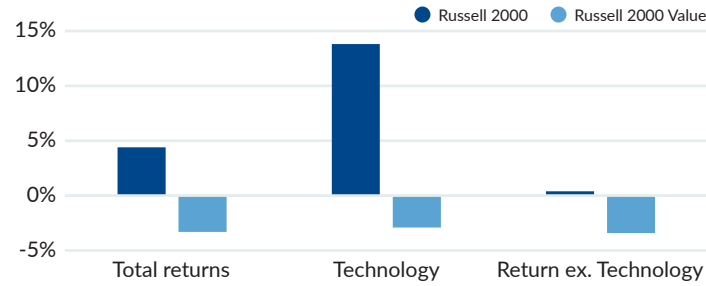
Consequently, small cap equities failed to gain any traction over the period, producing moderate losses for the quarter and mixed results year to date.

Index	2Q2024	YTD 2024
Russell 2000 Value	-3.6%	-0.9%
Russell 2000	-3.3%	1.7%
Russell 2500 Value	-4.3%	1.5%

Data as of 6.30.2024. Source: MEM, Bloomberg and FTSE Russell.

For the quarter, market leadership was biased defensively with the Utilities, Real Estate and Technology sectors leading the value indices while the Consumer Staples sector was a better performer in the core indices. Traditional cyclical sectors (Consumer Discretionary and Industrials) along with the Healthcare sector were the biggest laggards for the quarter. Large cap equities continued to drive positive results for the quarter (Figure 1), once again, driven by a handful of companies with Nvidia and Apple producing about 75% of the returns for the S&P 500 this quarter.

FIGURE 1: CONCENTRATED TECHNOLOGY RETURNS DRIVE LARGE CAP PERFORMANCE

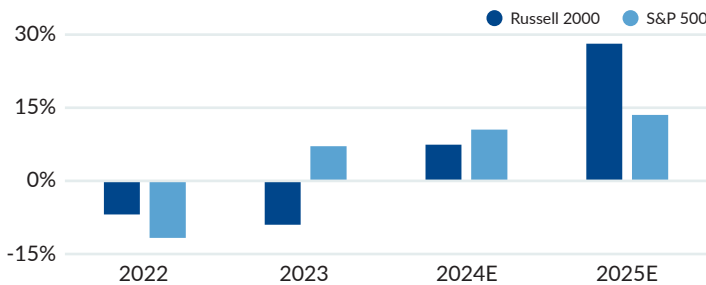


Source: MEM using data from Bloomberg, LP. Data as of 6.30.2024.

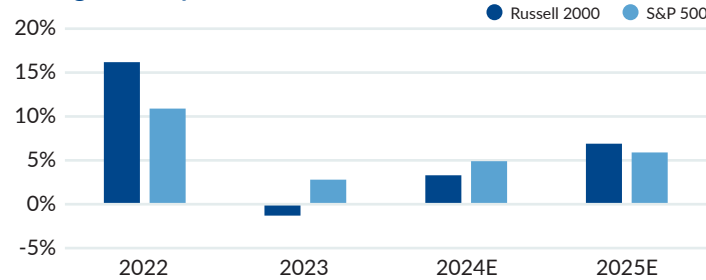
While some of the recent dominance for large cap indices are justified by growth differentials in 2023, growth for small cap was better in 2022 and is expected to accelerate in 2025 (Figure 2) which is a key element needed to close the persistent valuation gap between large cap and small cap indices (Figure 3).

FIGURE 2: SMALL CAP EARNINGS EXPECTED TO ACCELERATE

Earnings growth by index

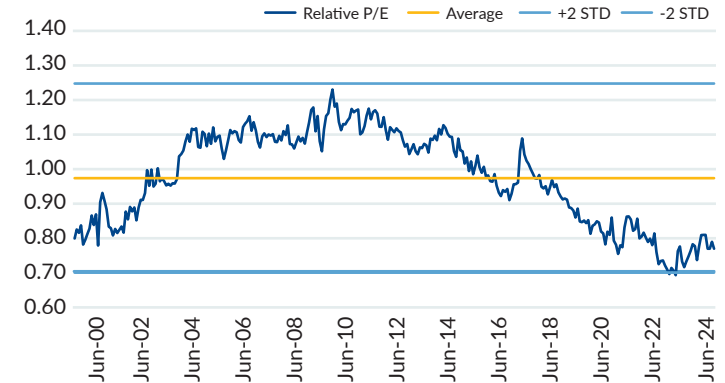


Sales growth by index



Source: MEM using data from Furey Research and Bloomberg, LP. Data as of 6.30.2024.

FIGURE 3: SMALL CAP EARNINGS EXPECTED TO ACCELERATE



Source: MEM using data from FTSE Russell, Bloomberg, and CSFB. | The S&P 500 is a stock market index that tracks the stocks of 500 large cap US companies. Data as of 6.30.2024.

We are now entering the 14th year of large cap outperformance relative to small cap and on a rolling 10-Year measurement the performance of small cap is close to historical lows relative to large cap (Figure 4).

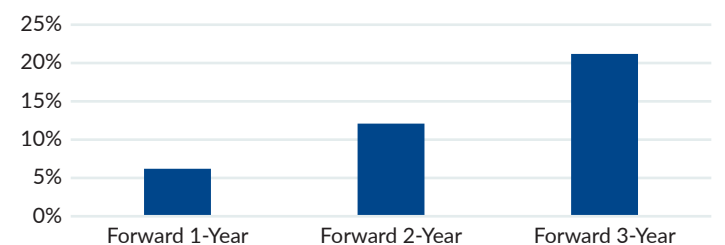
FIGURE 4: LARGE CAP OUTPERFORMANCE APPROACHING HISTORICAL EXTREMES



Source: Furey Research Partners, Ibbotson and FactSet. Small-cap returns use Ibbotson monthly returns up until Dec 1978; Large-cap returns based upon the S&P 500. Data as of 6.30.2024.

However, relative performance of this nature has historically been a favorable backdrop for future small cap outperformance (Figure 5).

FIGURE 5: SMALL CAP PERFORMANCE SETTING UP FOR A REBOUND



Source: MEM using data from Furey Research. Data as of 6.30.2024.

In addition, the Russell 2000 Index total market capitalization is now only 6% of that measure for the S&500 Index indicative of the extreme differentials that currently exist and could be formative of a small cap rebound (Figure 6).

FIGURE 6: SMALL CAP TOTAL CAPITALIZATION AT EXTREMES RELATIVE TO LARGE CAP

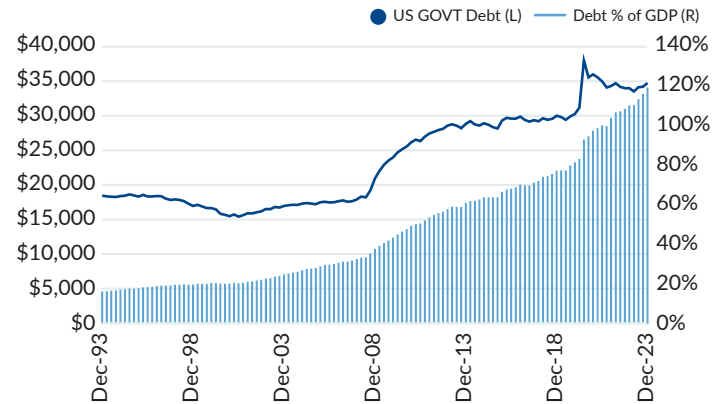


Source: MEM using data from Furey Research. Data as of 6.30.2024.

Despite significant volatility in interest rates during the quarter, both short-term rates (implied Fed funds) and long-term rates (10-Year Treasury) ended relatively unchanged from point-to-point. Broader measurements of spending, income and employment remained relatively solid, although there was some weakness demonstrated by a higher unemployment rate, disappointing retail sales and weaker housing data. However, the economy continues to avoid the historical negative lag effects of slower growth/recession traditionally triggered by tighter monetary policy. In addition, inflation continues to move incrementally lower, though service-level inflation remains somewhat sticky which places some limits on the Fed’s ability to lower rates.

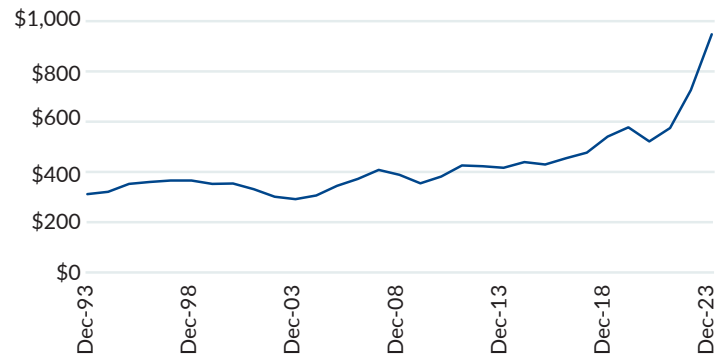
As the Fed manages through a “soft landing” scenario, another potential dynamic is starting to create some concern. Over the last five years, considerable monetary and fiscal liquidity has been needed to boost the economy. The result has been a corresponding increase in debt, deficits and debt service (Figures 7 and 8) which will be harder to manage given the significant increase in interest rates over this time period. Moreover, planned fiscal stimulus, along with the accumulated liquidity, threatens to handcuff the Fed’s ability to respond with lower rates during a crisis without reigniting inflation. We are now anticipating a more muted Fed cycle where rates will move modestly lower with the Fed taking much more caution than markets were anticipating earlier in the year.

FIGURE 7: FISCAL SPENDING AND MONETARY POLICY DRIVING HIGHER DEBT LEVELS



Source: MEM using data from Congressional Budget Office. Data as of 12.31.2023.

FIGURE 8: DEBT SERVICE BECOMING INCREASINGLY PROBLEMATIC



Source: MEM using data from Congressional Budget Office. Data as of 12.31.2023.

In the meantime, we expect equity markets to remain data dependent as incremental data influences Fed policy and drives short-term volatility. While the expected Fed easing cycle will provide some level of support for equity markets, results will be more dependent upon earnings and economic growth as anticipated rate cuts are balanced with inflation fears and fiscal priorities. Therefore, it remains imperative that both economic and earnings growth are maintained to help sustain the current market trajectory.

In the interim, we continue to monitor several factors that may influence our tactical portfolio positioning:

- Re-acceleration in baseline inflation and the stickiness of core services prices
- Earnings revisions and changes in the growth cadence for 2024 and into 2025

- Incremental economic growth over the next year
- Impact of fiscal deficits and the crowding out of other spending
- Reduction in excess savings and spending for consumers, especially at lower income levels
- Implied pace of Fed policy changes and whether they are reflective of lower growth
- Employment formation and wage inflation
- Rising credit costs for commercial real estate and credit cards

The overall backdrop for economic growth has slowed on the margin. However, inflation expectations continue to move lower, and employment remains healthy. Nevertheless, there appears to be modest changes in the linkage that has driven movements of equity prices over the past few years. Therefore, we recognize the need to be flexible and nimble as we endeavor to uncover value-added investment opportunities.

Benchmark definitions:

The Russell 2000 Index offers investors access to the small-cap segment of the US 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.

The Russell 2000 Value Index offers investors access to the small-cap value segment of the US equity universe. The Russell 2000 Value is constructed to provide a comprehensive and unbiased barometer of the small-cap value market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine value probability approximates the aggregate small-cap value manager's opportunity set.

The Russell 2500 Index measures the performance of the small to mid-cap segment of the US equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership.

The Russell 2500 Value Index measures the performance of the small to mid-cap value segment of the US equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. Both indices are completely reconstituted annually to ensure large stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics. (Source: Russell).

The S&P 500 is widely regarded as the best single gauge of large-cap US equities. There is over USD 9.9 trillion indexed or benchmarked to the index, with indexed assets comprising approximately USD 3.4 trillion of this total. The index includes 500 leading companies and covers approximately 80% of available market capitalization. Please see the following GIPS disclosure for additional benchmark definitions.

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 and follow us on [LinkedIn](#).

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Nothing contained herein constitutes an offer to sell or a solicitation of an offer to buy an interest in any Mesirow investment vehicle. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. Any opinions expressed are subject to change without notice. It should not be assumed that any recommendations incorporated herein will be profitable or will equal past performance. Model, theoretical or hypothetical performance information and results do not reflect actual trading or asset or fund advisory management and the results may not reflect the impact that material economic and market factors may have had, and can reflect the benefit of hindsight, on MEM's decision-making if MEM were actually managing client's money. Any chart, graph, or formula should not be used by itself to make any trading or investment decision. Mesirow Institutional Investment Management, Inc. and its affiliated companies and/or individuals may, from time to time, own, have long or short positions in, or options on, or act as a market maker in, any securities discussed herein and may also perform financial advisory or investment banking services for those companies. Mesirow does not provide tax or legal advice. Securities offered through Mesirow Financial, Inc. member FINRA, SIPC.

GIPS REPORT – MEM SMALL CAP VALUE EQUITY COMPOSITE

Gross and Net of Fees Total Returns from January 1, 2014 – June 30, 2024

Year	Year end			Annual performance results					3-year annualized dispersion		
	No. of portfolios	Composite Asset at end of period (\$MM)	Total Firm Assets ⁽¹⁾ (\$MM)	MEM (gross) Composite (%)	MEM (net) Composite (%)	Russell 2000 Value Index (%)	Russell 2000 Index ⁽²⁾ (%)	Composite Dispersion (%)	MEM (gross) Composite (%)	Russell 2000 Value Index (%)	Russell 2000 Index ⁽²⁾ (%)
2014	21	1,259	n/a	6.51	5.93	4.22	4.89	0.04	11.54	12.79	13.12
2015	20	1,077	n/a	0.27	-0.26	-7.47	-4.41	0.05	12.57	13.46	13.96
2016	18	1,091	1,684	15.76	15.13	31.74	21.31	0.05	14.37	15.50	15.76
2017	15	976	1,477	14.51	13.88	7.84	14.65	0.03	12.60	13.97	13.91
2018	15	659	789	-14.96	-15.42	-12.86	-11.01	0.04	15.00	15.76	15.79
2019	11	516	678	24.37	23.73	22.39	25.52	0.05	14.86	15.68	15.71
2020	7	501	722	8.46	7.89	4.63	19.96	0.06	23.99	26.12	25.27
2021	9	646	886	30.39	29.74	28.27	14.82	0.09	22.60	25.00	23.35
2022	7	583	790	-3.65	-4.12	-14.48	-20.44	n/a	24.20	27.27	26.02
2023	10	823	1,111	13.21	12.67	14.65	16.93	0.07	18.80	21.75	21.11

Current Performance Results

2024	11	883	1,178	5.65	5.40	-0.85	1.73	n/a	18.97	21.62	21.63
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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 - 12.31.2023. 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 Value Equity Composite has had a performance examination for the periods 01.01.2016 - 12.31.2023. 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”). The historical performance prior to the creation of MFIM was managed by MFIM or its predecessor firms prior to 01.01.2005. 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.

In 2016, MFIM acquired the asset management rights for all managed portfolios from an independent investment advisory firm and retained all of the principals and employees related to such portfolios. Performance results of the Small Cap Value Equity Composite at the prior firm are the performance record of the Firm.

(1) Total Firm Assets are not presented for periods prior to 2016 because the Composite was not part of the Firm.

Performance and composite inception and creation date is 07.01.1994.

Benchmark returns are not covered by the report of independent verifiers.

All returns are calculated and presented in US dollars.

The Small Cap Value Equity Composite includes all institutional portfolios that invest in the small capitalization strategy with a minimum initial account size of \$1,000,000. The strategy allows for investments in equity securities of companies with market capitalizations in a range representative of constituents in the Russell 2000 Index. The strategy aims to deliver a total return primarily through long-term capital appreciation. The benchmarks for the strategy are the Russell 2000 Index and the Russell 2000 Value Index. The performance presented herein represents past performance and is no guarantee of future results. Gross

returns presented are net of any withholding taxes incurred. 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 composite policy requires the temporary removal of any portfolio incurring a client-initiated significant inflow or outflow of 10% of portfolio assets. 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.

Balanced portfolio segments were included in this composite prior to 10.01.1999 and cash was equally distributed among asset segments in their respective composites. On 06.30.2008, MEM redefined the requirements for membership in the composite to exclude accounts or carve-out segments of accounts with client mandated cash allocations in excess of 5%. The membership of this composite did not change as a result of this redefinition. On 04.01.2009, MEM redefined the requirements for membership in the composite to exclude all carve-out accounts. The membership of this composite did not change as a result of this redefinition.

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.

Performance / Net of Fee Disclosure

Net of fee performance is calculated using the actual monthly fee accrued to each account in the composite as of 01.01.2010. Prior to 01.01.2010, Net of fee performance was calculated using the highest actual management fee charged to a member of the composite during the calendar year, applied monthly. 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.

In presentations shown prior to 09.30.2014, net of fee performance was calculated using the actual monthly fee accrued to each account in the composite as of 04.01.2014. Prior to 04.01.2014, Net of fee performance was calculated using the highest actual management fee charged to a member of the composite during the calendar year, applied monthly.

10.01.2011 – 03.31.2014 the annual fee rate used was 0.95% which was the highest fee.

06.01.2011 – 09.30.2011 the annual fee rate used was 1.00%

01.01.2010 – 05.31.2011 the annual fee rate used was 0.90%

01.01.2008 – 12.31.2009 the annual fee rate used was 0.80%

prior to 01.01.2008 the annual fee rate used was 0.79%.

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.

<u>Vehicle</u>	<u>Fee Schedule</u>
Small Cap Equity Strategy (described in MEM's Form ADV, Part 2)	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
Small Cap Value Equity CIT	0.45% on all assets – Founder Class [Closed]* 0.80% on all assets – Class A

*Founders share class was closed to new investor 05.31.2023.
Class A Units is now available to Participating Plans.

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 Definitions

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. The Russell 2000 Value Index® offers investors access to the small-cap value segment of the U.S. equity universe. The Russell 2000 Value is constructed to provide a comprehensive and unbiased barometer of the small-cap value market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine value probability approximates the aggregate small-cap value manager's opportunity set. (Source: Russell).

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

(2) Additional Information.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

BLUE REPORT – MEM SMID CAP VALUE EQUITY COMPOSITE

Gross and Net of Fees Total Returns from January 1, 2014 – June 30, 2024

Year	Year end		Annual performance results				3-year annualized dispersion ⁽²⁾		
	No. of portfolios	Composite Asset at end of period (\$MM)	Total Firm Assets (\$MM)	MEM (gross) Composite (%)	MEM (net) Composite (%)	Russell 2500 Value Index (%)	Composite Dispersion (%)	MEM (gross) Composite (%)	Russell 2500 Value Index (%)
2014	5 or fewer	47	n/a	7.54	7.10	7.11	n/a	11.36	11.25
2015	5 or fewer	34	n/a	-0.52	-0.92	-5.49	n/a	11.98	12.02
2016	6	108	1,684	14.33	13.67	25.20	n/a	13.32	13.18
2017	5 or fewer	113	1,477	14.14	13.26	10.36	n/a	11.53	11.81
2018	5 or fewer	100	789	-11.20	-11.88	-12.36	n/a	13.67	13.58
2019	5 or fewer	128	678	27.35	26.38	23.56	n/a	13.72	14.23
2020	5 or fewer	156	722	8.71	7.93	4.88	n/a	23.47	25.05
2021	5 or fewer	195	886	27.39	26.45	27.78	n/a	22.38	24.15
2022	5 or fewer	171	790	-9.08	-9.72	-13.08	n/a	24.25	26.46
2023	5 or fewer	221	1,111	15.11	14.28	15.98	n/a	18.81	20.70
Current Performance Results									
2024	5 or fewer	229	1,178	3.50	3.13	1.50	n/a	18.96	20.70

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(1) Total Firm Assets are not presented for periods prior to 2016 because the Composite was not part of the Firm.

*Performance and composite inception and creation date is 05.01.2010.
Benchmark returns are not covered by the report of independent verifiers.
All returns are calculated and presented in US dollars.

Effective 06.01.2019 the Small-Mid Cap Value Equity Composite was renamed to SMID Cap Value Equity Composite.

The SMID Cap Value Equity Composite includes all institutional portfolios that invest in the SMID capitalization strategy. Effective 04.01.2016, the composite was subject to a \$1,000,000 minimum account size. From 10.01.2014 to 04.01.2016 there was no stated minimum account size. Prior to 10.01.2014 the \$1,000,000 minimum was applied. The strategy allows for investments in equity securities of companies with market capitalizations in a range representative of constituents in the Russell 2500 Index. The strategy aims to

deliver a total return primarily through long-term capital appreciation. The benchmark for the strategy is Russell 2500 Value Index. The performance presented herein represents past performance and is no guarantee of future results. Gross returns presented are net of any withholding taxes incurred. 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

Effective 04.01.2016 the composite excludes bundled fee accounts. Between 03.31.2016 – 10.01.2015 the Composite included bundled fee accounts and accounts that did not pay management fees to MEM. The bundled fees included a combination of trading, custody and other administrative fees. Those bundled fee accounts and non-management-fee paying accounts represented less than 1% of Composite assets. For bundled fee assets, gross of fee performance is reduced by the entire bundled fee since trading expenses cannot be isolated.

Net of fee performance is calculated using the actual monthly fee accrued to each account in the composite. In presentations shown prior to 06.30.2014, net of fee performance was calculated using the highest actual management fee charged to a member of the composite during the calendar year, applied monthly. 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.

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Vehicle	Fee Schedule
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	0.75% on the next \$25 million
	0.60% on the next \$50 million
	0.55% on the balance

Vehicle	Fee Schedule
SMID Cap Value Equity CIT	0.45% on all assets – Founder Class [Closed]* 0.75% on all assets – Class A

*Founders share class was closed to new investor 05.31.2023.
Class A Units is now available to Participating Plans.

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 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. Both Indices are completely reconstituted annually to ensure large stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics. (Source: Russell)

These indexes have been displayed as comparisons to the performance of the SMID Cap Value Equity Composite.

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GIPS REPORT – MEM SMALL CAP CORE EQUITY COMPOSITE

Gross and Net of Fees Total Returns from April 1, 2019 – June 30, 2024

Year	No. of portfolios	Year end		Annual performance results				3-year annualized dispersion ⁽²⁾	
		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
2023	5 or fewer	30	1,111	13.28	12.44	16.93	n/a	18.60	21.11
Current Performance Results									
2024	5 or fewer	31	1,178	6.70	6.31	1.73	n/a	19.00	21.63

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 – 12.31.2023. 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 - 12.31.2023. 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.

All returns are calculated and presented in US dollars.

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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