

High yield

INVESTMENT PHILOSOPHY

We believe the high yield market has historically offered substantial income to over-compensate for default risk as well as offer the potential to produce capital gains when issuers have improved their credit quality. Knowing defaults have been largely concentrated by industry, we defensively seek to underweight those industries where we can identify negative secular trends. A key to potentially generating consistent investment returns is through the “value” driven company-specific analysis, designed to capture excess returns from companies that demonstrate they can generate free cash flow throughout an economic cycle. These companies generally experience lower-than-index default losses, while producing an attractive yield.

INVESTMENT PROCESS

Our Investment process starts with a focus on industries we believe have sufficiently low cash flow volatility to service debt regardless of the next macro trend. We typically exclude approximately one third of industries, because they fail this first screen. We seek above average yielding opportunities within an industry that we deem favorably positioned to generate cash flow. These opportunities tend to be relatively small, privately owned issuers, not closely followed by our larger competitors or in brokerage research. The three senior members of our portfolio management team have discretion to optimize exposure in the industries in which they specialize, following a set of common investment themes. We seek to capture alpha over the complete credit cycle. We rarely engage in large-scale sector rotation, and our turnover is consistently low. We monitor each credit's sensitivity to a small number of macro variables; e.g. consumer spending, credit availability, commodity prices. We sell when we believe a secular change is occurring that overturns our investment thesis.

DETAILS

Mesirow High Yield team assets: \$1.4 billion*

High Yield vehicles offered:

- Separately Managed Account
- Collective Investment Trust
- Mutual Fund

PORTFOLIO MANAGERS

Our professionals average more than 20 years of industry experience and are committed to providing customized service to our clients.

Robert E. Sydow

Chief Investment Officer

Investment Experience: 32 Years

Kevin S. Buckle, CFA

Senior Managing Director

Investment Experience: 30 Years

James Lisko

Managing Director

Investment Experience: 27 Years

KEY ADVANTAGES

- Portfolio management team with significant experience working together in high yield and leveraged loan space
- Emphasis on small issue high yield allowing for increased yield potential and less competitive coverage
- High conviction manager that places proprietary industry research over index weightings
- High quality risk management as evidenced by lower defaults, higher terminal default recapture ratio, lower volatility and a lower downside capture ratio

*Estimate as of 3.31.21. Includes assets in the High Yield and Bank Loan strategies. Past performance is not necessarily indicative of future results. Please see GIPS Reports and complete net performance information contained on the following pages.

ANNUALIZED PERFORMANCE (AS OF 3.31.21)¹

Fixed Income + Cash	MHY Composite (gross) %	MHY Composite (net) %	Bloomberg Barclays U.S. Corporate High Yield Index %
1Q2021	4.44	4.34	0.85
1 year	36.74	36.19	23.72
3 year	8.31	7.88	6.84
5 year	9.25	8.82	8.05
10 year	7.54	7.08	6.48
Since inception [Inception: 03/1999]	8.96	8.45	6.89

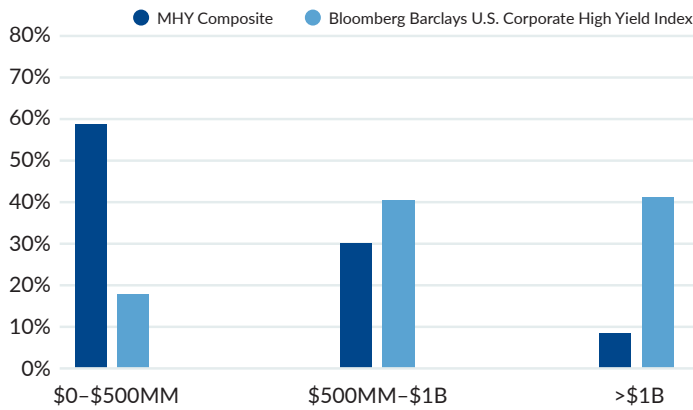
Source: MHY, Bloomberg. Past performance is not necessarily indicative of future results. The above information is supplemental. Please see complete performance information contained on the following pages.

CHARACTERISTICS (AS OF 3.31.21)²

	MHY Composite	Bloomberg Barclays U.S. Corporate High Yield Index
Duration (Years)	2.8	3.8
Weighted Average Maturity (Years)	5.2	6.3
Current Yield (%)	7.3	5.6
Yield to Maturity (%)	7.5	4.8
Yield to Worst (%)	7.1	4.0
Average Credit Quality	B3	B1
Number of Holdings	102	2,187

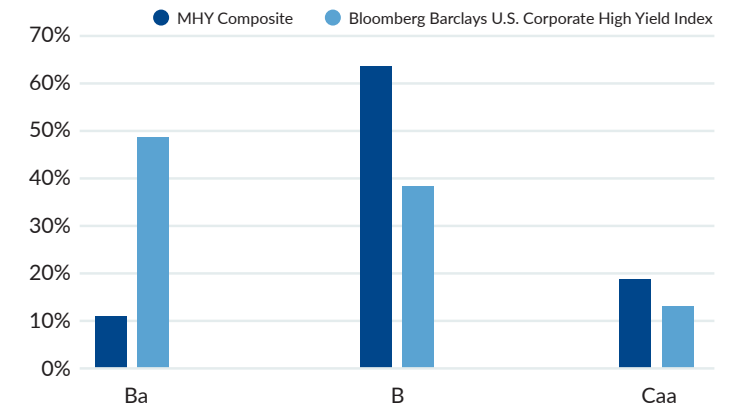
Source: MHY, Bloomberg. Past performance is not necessarily indicative of future results. The above information is supplemental. Please see complete performance information contained on the following pages.

ISSUE SIZE (AS OF 3.31.2021)



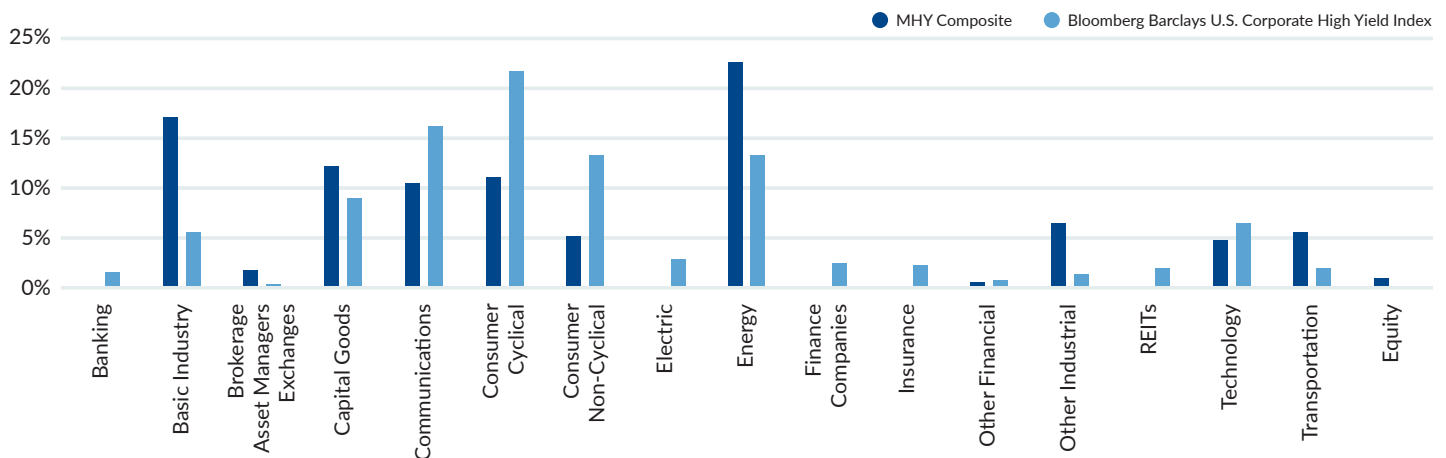
Source: MHY, Bloomberg

QUALITY DISTRIBUTION (AVERAGE 2017 - 2020)



Source: MHY, Bloomberg

INDUSTRY WEIGHTING (AS OF 3.31.2021)

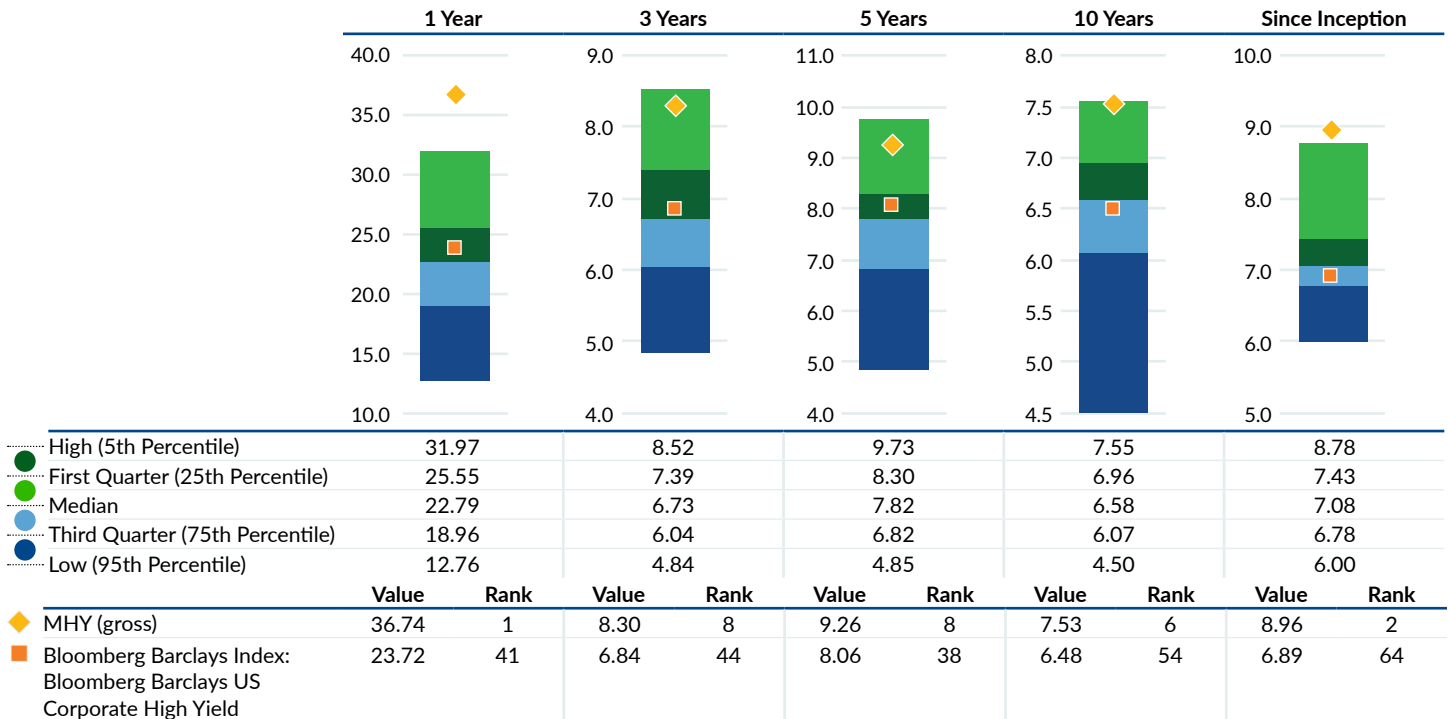


Source: MHY, Bloomberg

1. Periods less than one year are not annualized. | 2. The portfolio characteristics shown above relate to the MFHY Composite. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Percentages shown may not total 100% due to rounding and/or incidental allocation to cash. Summary characteristics exclude all holdings with OAS spreads that exceed 2500bps. These holdings are excluded to more realistically represent expected yields.

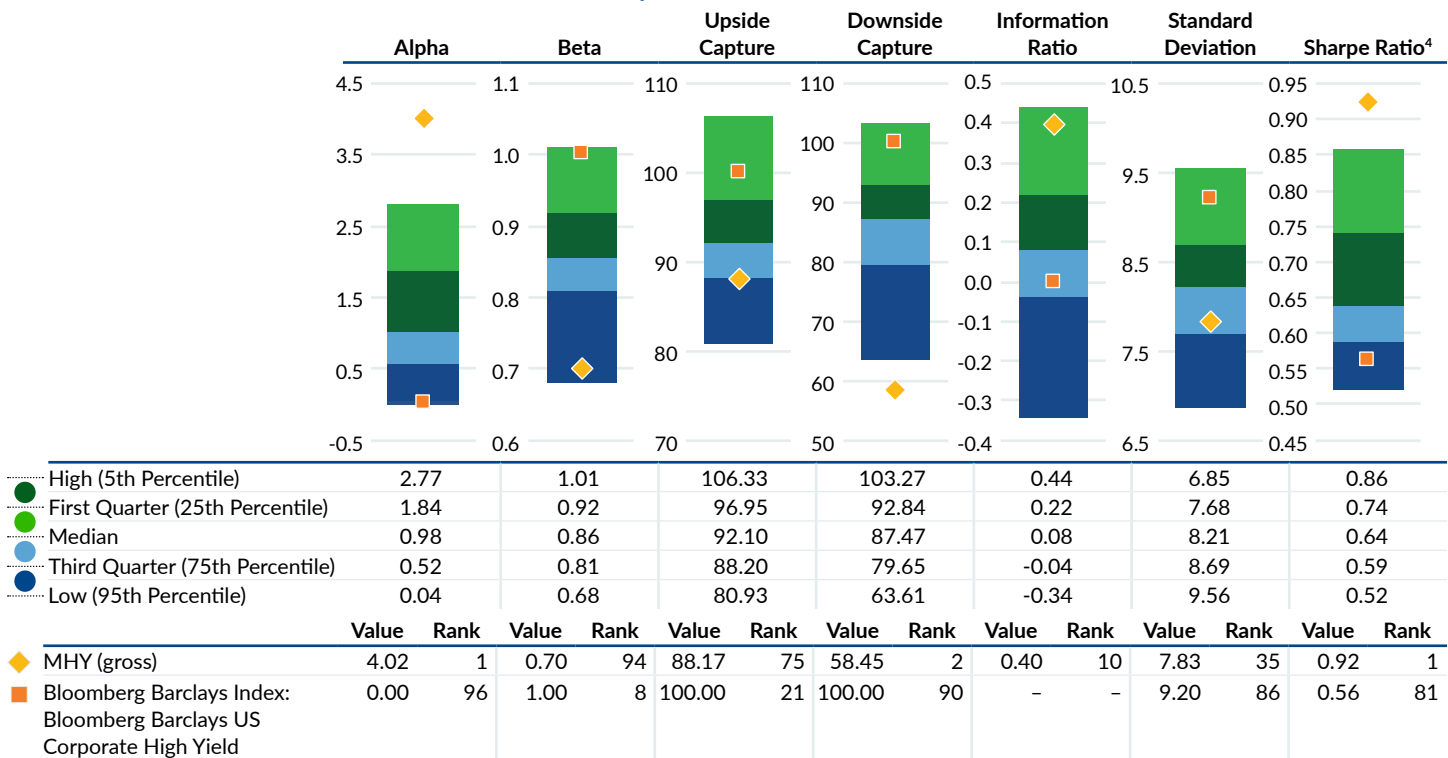
Composite Risk and Return Rankings

HISTORICAL PERFORMANCE RANKINGS BY QUARTILE (AS OF MARCH 31, 2021)



Source: eVestment Alliance, U.S. High Yield Fixed Income Universe

RISK METRICS - SINCE INCEPTION RANKINGS BY QUARTILE (AS OF MARCH 31, 2021)³



Source: eVestment Alliance, U.S. High Yield Fixed Income Universe

3. U.S. High Yield Fixed Income universe defined as actively-managed U.S. Fixed Income products that primarily invest in High Yield debt across multiple sectors (Includes for 100+ universe participants who voluntarily report performance. 50 participants have track records long enough to be included in the since inception analysis above.) Returns herein are provided on a gross returns basis due to the fact that eVestment collects returns from managers on a gross basis and MFHY intends this slide to show an equivalent comparison to other managers. However, the returns herein are not indicative of the actual client returns which will be materially reduced by fees and other expenses. The performance statistics presented are based on the Mesirow Financial High Yield Composite ("Composite") against the U.S. High Yield Fixed Income universe. Composite returns are since inception (3/1/1999-3/31/2021), gross of management fees, include the reinvestment of all income and are considered supplemental. Please find the GIPS Report with important additional information, including net returns, fees, composite and benchmark descriptions, at the end of this presentation. Past performance is not necessarily indicative of future results. | 4. The risk free rate of return used in calculating the Sharpe Ratio is the Citigroup 3-Month U.S. Treasury Bill.

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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://www.mesirow.com) and follow us on [LinkedIn](#).

To learn more about how Mesirow can help you, please contact **Robert Sydow** at 310.376.5274 or robert.sydow@mesirow.com.

GIPS REPORT – MFIM FIXED INCOME HIGH YIELD COMPOSITE

Year	Composite assets						Annual Performance Results					
	Firm assets (millions)	MFHY assets (millions)	High Yield USD (millions)	Number of accounts	Non-paying fees (%)	Carve out (%)	Composite gross (%)	Composite net (%)	Barclays high yield (%)	Composite dispersion (%)	3-yr ex-post STD (%)	Index 3-yr ex-post STD (%)
1999	—	507	507	2	1	1	4.81	4.38	1.49	n/a	n/a	n/a
2000	—	465	465	2	1	1	-8.42	-8.88	-5.86	n/a	n/a	n/a
2001	—	648	648	2	1	1	7.14	6.60	5.28	n/a	n/a ²	n/a ²
2002	—	888	888	2	1	1	11.63	11.08	-1.41	n/a	8.01	10.34
2003	—	1,265	1,265	2	1	1	23.64	23.03	28.97	n/a	7.03	10.65
2004	—	1,522	1,522	3	1	1	16.00	15.43	11.13	n/a	4.14	8.38
2005	—	1,536	1,536	2	1	1	6.81	6.28	2.74	n/a	4.48	5.55
2006	—	14	14	1	100	100	18.61	18.03	11.85	n/a	4.63	3.95
2007	—	297	11	1	100	100	7.59	7.06	1.87	n/a	4.70	4.74
2008	—	207	8	1	100	100	-17.70	-18.12	-26.16	n/a	10.14	13.41
2009	—	270	10	1	100	100	44.33	43.63	58.21	n/a	11.57	16.93
2010	—	295	11	1	100	0	16.94	16.36	15.12	n/a	11.72	17.03
2011	—	310	27	2	0	0	4.44	4.06	4.98	n/a	7.23	11.09
2012	—	334	40	1	0	0	14.63	14.00	15.81	n/a	5.40	7.08
2013	—	817	520	7	1	0	9.41	8.90	7.44	n/a ¹	5.33	6.41
2014	—	797	593	8	1	0	3.14	2.68	2.45	0.7	4.01	4.50
2015	—	757	617	8	1	0	-1.02	-1.45	-4.47	0.7	4.26	5.26
2016	—	841	742	7	—	—	15.18	14.67	17.13	—	4.57	6.00
2017	4,772	526	512	1	—	—	8.90	8.45	7.50	—	4.24	5.65
2018	4,137	873	859	2	—	—	-1.02	-1.37	-2.08	—	3.81	4.66
2019	3,895	1,199	1,124	3	—	—	13.02	12.58	14.32	—	3.79	4.07
2020	6,706	1,407	1,338	4	—	—	9.00	8.55	7.11	—	12.39	9.37
Current YTD Performance Results – PRELIMINARY												
3.31.2021	6,389	1,474	1,402	4	—	—	4.44	4.34	0.85	—	12.41	9.32

Past performance is not necessarily indicative of future results.

Mesirow Financial Investment Management Institutional – Fixed Income claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Mesirow Financial Investment Management Institutional – Fixed Income has been independently verified for the periods from inception through 12.31.19. 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 High Yield composite has had a performance examination for the periods from 3.1.99 – 12.31.19. The verification and performance examination reports are available upon request. The firm's list of pooled fund descriptions for limited distribution pooled funds is available upon request. The firm's list of broad distribution pooled funds is available upon request.

* Mesirow Financial Investment Management, Inc. ("MFIM") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The "Entity" is defined as Mesirow Financial Investment Management Equities and Fixed Income, which is comprised of the GIPS-compliant units of MFIM which specialize in managing portfolios for institutional clients adhering to an investment process geared towards institutional investors. The historical performance presented prior to the creation of the division was managed by MFIM or its predecessor firms prior to 01/01/05. For purposes of claiming GIPS compliance, as of 01/01/10, the "Firm" is further defined as the Fixed Income business unit, which manages portfolios primarily for institutional investors adhering to an investment process, incorporating fundamental analysis of security valuation factors and drivers.

Effective October 23, 2017 MFIM Fixed Income completed the lift out of the High Yield Team from a former and unaffiliated registered Investment Advisor, Pacific Income Advisers which its team, along with the High Yield Composite became an integral part of MFIM Fixed Income. Pacific Income Advisers had been verified for the period of 1/1/94- 6/30/16. The High Yield Composite had been examined for the period of 5/1/10 – 6/30/16 while at PIA.

The Performance presented from March 1, 1999 through April 30, 2010 was generated while the Portfolio Managers were affiliated with a prior firm. The current Portfolio Management Team consists of the original members, less one, and they are the only individuals responsible for selecting the securities to buy and sell.

Prior to May 1, 2010, the track record was reviewed for conformance with the portability requirements of GIPS standards. The predecessor firm was also verified and the composite underwent a performance examination from inception in 3.1.99 to 12.31.09 by Ashland Partners & Company LLP. The High Yield Composite was created in March 1999.

The High Yield Composite consists of portfolios whose major concentration is in high yield bonds, both public and private. Equity-linked securities purchased in conjunction with debt securities and equity securities obtained in exchange offers or insolvency proceedings, as well as leveraged corporate loans, and in certain circumstances when onboarding a new account, ETFs may also be included. The portfolios are considered to be substantially fully invested, with minor cash holdings, at such time as the portfolio consists of at least 85% high yield bonds. This definition was amended as of October 2019 to more fully reflect the intended strategy. On 1/1/09 a substantially large equity position (which included several securities) became non-discretionary and was transferred from the portfolio when the client restricted the portfolio manager from selling the positions due to tax consequences. Prior to November 1, 2010, the composite was named the U.S. High Yield Composite. It is not for use with the general public and may not be redistributed. Please reference the last page of this presentation for important additional information.

GIPS REPORT – MFIM FIXED INCOME HIGH YIELD COMPOSITE (CONTINUED)

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The primary benchmark was formerly the Credit Suisse High Yield Index. The benchmark was changed to the Barclays U.S. Corporate High Yield Index on May 01, 2010 since we believe it is more commonly recognized as the industry standard index for the high yield asset class. The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Beginning May 1, 2010, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 20% of portfolio assets or greater. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance.

Returns are presented gross and net of management fees and include the reinvestment of all income. Returns do not reflect the deduction of investment 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 MFIM. As of 10/1/13, net of fee performance was calculated using actual management fees. Prior to 10/1/13, net of fee performance was calculated using the highest annual management fee applied to the gross results on a monthly basis. For the period 4/1/11 through 9/30/13, the highest management fee was 0.65%. Prior to 3/31/11, the highest management fee was 0.50%. Actual investment advisory fees incurred by clients may vary. When applicable the standard deviation will be calculated as an equal-weighted standard deviation calculated for the accounts in the composite the entire year. The management fee schedule is as follows: 0.60% on the first \$25 million, 0.55% on the next \$25 million, 0.50% on the next \$50 million and 0.45% thereafter.

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) 0.60% annual investment advisory fee would reduce the portfolio's value by \$6,292 in the first year, by \$36,614 over five years and \$89,411 over 10 years. Actual investment advisory fees incurred by clients will vary.

Prior to January 1, 2010 carve-outs reflect the capping of cash to 8% of Net Asset Value on an account which represents the personal holdings of one of the portfolio managers in order to align such cash amount to the level typical of an institutional account. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. A complete list of composites can be made available upon request.

1. N/A = Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
2. N/A = The 3 year Ex-post standard deviation isn't presented since there aren't 36 monthly returns available prior to this period. 1999 is a partial period from March 1 through December 31.