

# Mesirow High Yield Fund

Institutional class: MFHIX 00774Q783 | Investor class: MFHVX 00774Q775

As of 12.31.2023

## OBJECTIVE

A high level of current income consistent with preservation of capital

## POTENTIAL ADVANTAGES

- Value-driven analysis that seeks companies able to generate free cash flow and outperformance throughout an economic cycle
- High yield opportunities from small issuers not closely followed by competitors or brokerage research
- Alpha-generation potential from an experienced high yield manager that values proprietary research over index weightings

## MORNINGSTAR RATING<sup>1</sup>



Institutional share class



Investor share class

The Overall Morningstar Rating™ based on the risk-adjusted returns out of 618 funds in the Morningstar US Fund High Yield Bond Category.

## INVESTMENT PROCESS

1

Focus on industries we believe have sufficiently low cash flow volatility to service debt regardless of macro trends

2

Identify above-average yield opportunities in those industries and optimize allocations according to our investment themes

3

Monitor each credit's sensitivity to select macro variables: e.g., consumer spending, credit availability, commodity prices

4

Sell when we believe a secular change overturns our investment thesis

## FUND FACTS

	Gross expense ratios <sup>2</sup>	Net expense ratios <sup>2</sup>	Minimum investment	NAV
Institutional class	1.51%	0.75%	\$1,000,000	\$8.46
Investor class	1.80%	1.00%	\$5,000	\$8.45

2. The Advisor has contractually agreed to limit fees and expenses until 1.31.2025.

## INVESTMENT PERFORMANCE (%)

	QTD	1-Year	3-Year	5-Year	Inception (12.3.2018)
Institutional class	4.62	14.33	3.75	6.24	5.57
Investor class	4.56	14.08	3.51	5.98	5.32
Bloomberg US Corporate High Yield Index	7.16	13.44	1.98	5.37	4.75
Morningstar High Yield Bond category	6.21	12.08	1.88	4.70	–
+/- Morningstar category	-1.59	2.25	1.87	1.54	–
Institutional class	–	7	8	7	–
Morningstar % ranking in category	–	7	8	7	–

The Fund began investing activities on 12.3.2018. The Mesirow High Yield Fund was rated against the following numbers of US-domiciled High Yield Bond funds over the following time periods ending 12.31.2023: 1-Year – 670 funds, 3-Year – 618 funds, 5-Year – 586 funds. © 2024 Morningstar, Inc. All Rights Reserved. The ranking information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The performance date quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Performance current to the most-recent month-end may be obtained at [mesirov.com/mutual-funds](https://mesirov.com/mutual-funds) or by calling 1.833.MESIROW.

There is a 1% redemption fee applicable if shares are redeemed within 90 days of purchase. Investment performance does not reflect the redemption fee; if it was reflected, the total return would be lower than shown.

## FUND CHARACTERISTICS

	Mesirow High Yield Fund	Bloomberg US Corporate High Yield Index
Duration (years)	2.2	3.1
Weighted average maturity (years)	4.2	4.8
Number of holdings	103	1,920
30-day SEC yield	11.1	
30-day unsubsidized SEC yield	10.7	

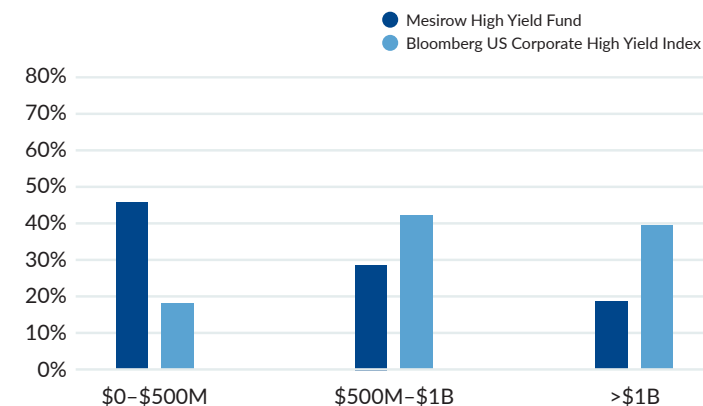
Source: MHY and Bloomberg.

## FUND TOP 10 HOLDINGS

	Allocation (%)	Coupon (%)	Maturity date
iShares iBoxx High Yield Corporate Bond ETF	3.49	0.00	
VistaJet Malta Finance	1.63	6.38	2.1.2030
Urban One	1.59	7.38	2.1.2028
Park-Ohio Industries	1.57	6.63	4.15.2027
Cimpress	1.52	7.00	6.15.2026
Midcap Financial Issuer Trust	1.51	6.50	5.1.2028
Rain Carbon	1.48	12.25	9.1.2029
Mercer International	1.47	12.88	10.1.2028
TMS International	1.47	6.25	4.15.2029
Consensus Cloud Solutions	1.46	6.50	10.15.2028

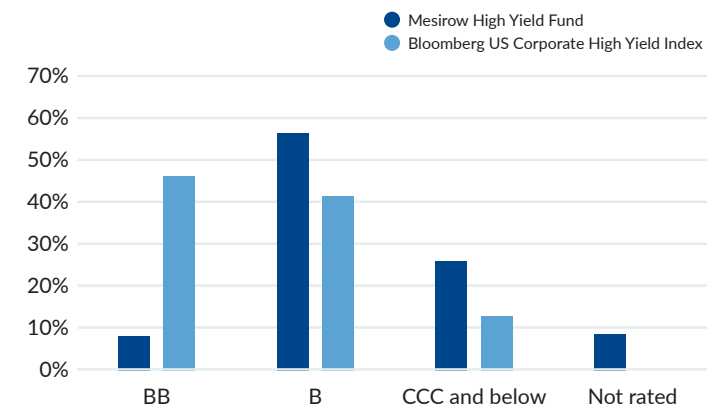
Holdings are subject to change. Cash is not included in top 10 holdings.

## FUND ISSUE SIZE



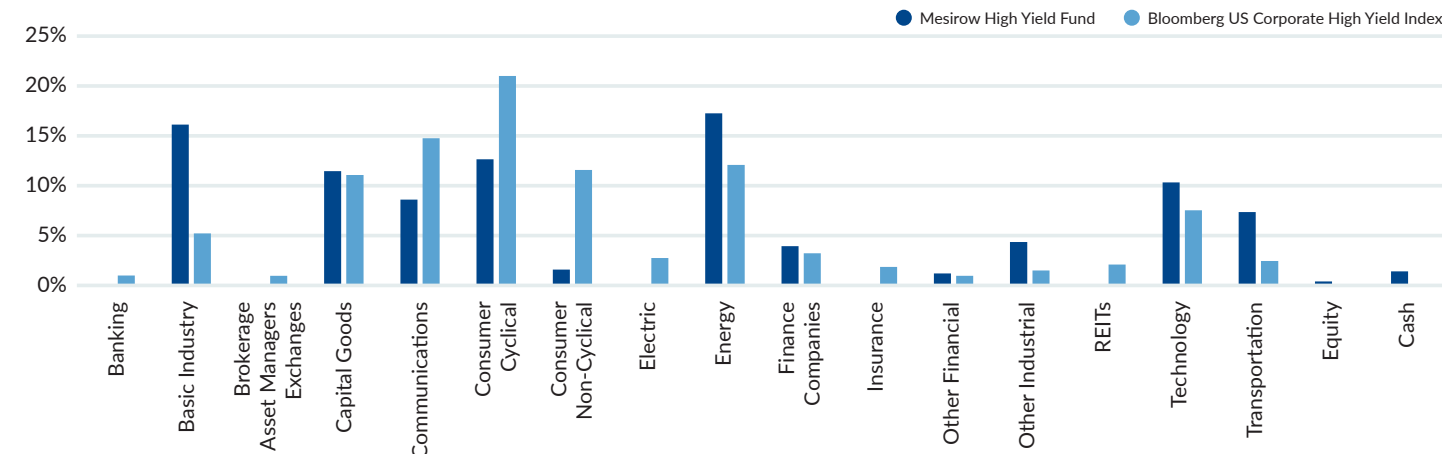
Source: MHY and Bloomberg.

## FUND QUALITY DISTRIBUTION



Source: MHY and Bloomberg. Bond credit quality allocation reflects the median ratings of Standard & Poor's Corporation; Fitch Rating's; and Moody's Investors Service, Inc. Ratings are relative, subjective and not absolute standards of quality and represent the opinions of the independent, Nationally Recognized Statistical Rating Organizations (NRSRO). Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).

## FUND INDUSTRY WEIGHTING



Source: MHY and Bloomberg.

## MESIROW HIGH YIELD MANAGEMENT

An institutional asset manager focused exclusively on investing in high yield bonds and leveraged loans.



**Robert E. Sydow**  
Chief Investment Officer  
Industry start: 1998



**Kevin S. Buckle, CFA**  
Senior Managing Director  
Industry start: 1990



**James Lisko**  
Managing Director  
Industry start: 1993

## 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) or contact [portfoliospecialist@mesirow.com](mailto:portfoliospecialist@mesirow.com) or 312.595.7300.

**Carefully consider the Funds' investment objective, risk factors, charges and expenses before investing. This and additional information can be found in the Funds' full & summary prospectus, which may be obtained at [mesirow.com/mutual-funds](https://mesirow.com/mutual-funds) or by calling 1.833.MESIROW. Read the prospectus carefully before investing.**

Inception date of the fund is 12.3.2018. The Mesirow Funds are distributed by SEI Investments Distribution Co. (SIDCO) Oaks, PA. The Mesirow High Yield Fund and Mesirow Enhanced Core Plus Fund is managed by Mesirow Financial Investment Management, Inc. The Mesirow Small Company Fund is managed by Mesirow Institutional Investment Management, Inc. FLX Networks is compensated between 5% and 25% (annualized) of the net management fee of the respective investment products on assets raised/serviced by FLX Networks. SIDCO is not affiliated with Mesirow Financial Investment Management, Inc., Mesirow Institutional Investment Management, Inc. or Mesirow Financial, Inc. FLX Networks is not affiliated with SIDCO, Mesirow Financial Investment Management, Inc. Mesirow Institutional Investment Management, Inc. or Mesirow Financial, Inc.

The Bloomberg 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.

Average effective duration provides a measure of the Fund's interest rate sensitivity—the longer a fund's duration, the more sensitive it is to shifts in interest rates. Average effective maturity is the weighted average of the maturities in a portfolio of bonds. The 30-day SEC Yield represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. Unsubsidized 30-day SEC Yield reflects what the yield would have been without the effect of waivers and/or reimbursements.

**Risk disclosure:** Mutual fund investing involves risk, including the possible loss of principal. There is no guarantee the fund will achieve its stated objective. Bonds and bond funds are subject to interest rate risk and decline in value as interest rates rise. High yield bonds have greater risk of default or downgrade and are more volatile than investment grade bonds. Mortgage-backed securities (MBS) are subject to prepayment and extension risk. Small movements in interest rates may quickly and significantly reduce the value of certain MBS. The Fund may invest in derivatives. Changes in market value of fund securities and those securities related derivatives may not be proportionate. Derivatives are subject to illiquidity and counterparty risk. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. The fund's use of leverage may accelerate the velocity of potential losses. Investments in MLPs involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP.

1. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity, and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales load. The top 10% of products in each product category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The fund was rated against the following numbers of US-domiciled High Yield Bond funds over the following time periods and received the following Morningstar Rating: For the 3-year period, the fund was rated against 618 funds and received a Morningstar Rating of five stars; for the 5-year period, the fund was rated against 586 funds and received a Morningstar Rating of four stars; the Overall Morningstar Rating was against 618 funds and received four stars. Past performance is no guarantee of future results. © 2024 Morningstar, Inc. All Rights Reserved. The ranking information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.