

Micro Cap Equity Composite

1Q20

Why Micro Cap?

We believe that micro cap strategies serve a meaningful role in risk-tolerant investor portfolios with the benefit of a long-term time horizon. Historically, the benefits achieved by our clients from owning micro cap securities have included higher than market returns, lower correlation versus other asset classes, and capital preservation in difficult markets.

Micro cap securities have unique attributes that should allow for these benefits to continue. These attributes consist of market inefficiencies including lower levels of liquidity, limited to no research coverage, access to company decision makers and the ability to own companies in their highest point in their growth cycle.

Due to the low levels of analyst coverage and liquidity, we believe these benefits are enduring and cannot be arbitrated away. Further, we believe that micro cap is one of the few asset classes that remain inefficiently priced and that active management will continue to add value.

Our Philosophy and Process

We believe patient investing in a select portfolio of quality micro cap companies can lead to compelling risk adjusted returns. Quality micro cap companies tend to have the ability to compound higher than market growth in earnings and cash flow. Further, we believe in-depth research can identify mispriced companies that are compelling investment prospects.

While ours is fundamentally a bottom-up stock selection process, we seek a well-diversified portfolio. Screens and fundamental research keep us grounded in identifying undervalued stocks with strong risk/reward profiles. Additionally, the research process incorporates an analysis of the risk versus reward potential prior to purchase of any position.

The Mesirow Advantage

- 21-year tradition of success
 - Launched in July 1998, one of the longest running micro cap strategies in the market
 - Continues to be led by Tim Ewing, one of the original portfolio managers
- Patient, disciplined approach: take advantage of volatility while controlling risk
- Strong risk-adjusted, net-of-fee performance
 - Annualized, since July 1998 inception, net return of 7.0% versus Russell 2000 return of 5.8%

Performance and Risk Highlights

Historical Returns

	Mesirow Micro Cap % (Gross)	Mesirow Micro Cap % (Net)	Russell Micro Cap Index %	Russell 2000 Index %	S&P 500 Index %
1 Year	-30.7	-31.3	-26.4	-24.0	-7.0
3 Year	-8.6	-9.4	-6.6	-4.6	5.1
5 Year	-1.6	-2.6	-1.9	-0.2	6.7
10 Year	6.6	5.5	6.0	6.9	10.5
Since Inception [07/1998]	8.3	7.0	N/A ¹	5.8	5.9

Source: Mesirow, Standard and Poor's. Past performance is not necessarily indicative of future results. The above information is supplemental. Please see following pages for complete performance disclosures and benchmark definitions. Beginning April 1, 2016 Net of Fee performance was calculated using the actual monthly fee accrued to each account in the composite which was 1.0%. Prior to April 1, 2016, MFIM used the maximum stated fee of 1.25% to calculate net performance. S&P is included to demonstrate micro cap performance versus the broader equity market. Indices are unmanaged and do not incur management fees, transaction costs or other expenses associated with investable products. It is not possible to directly invest in an index.

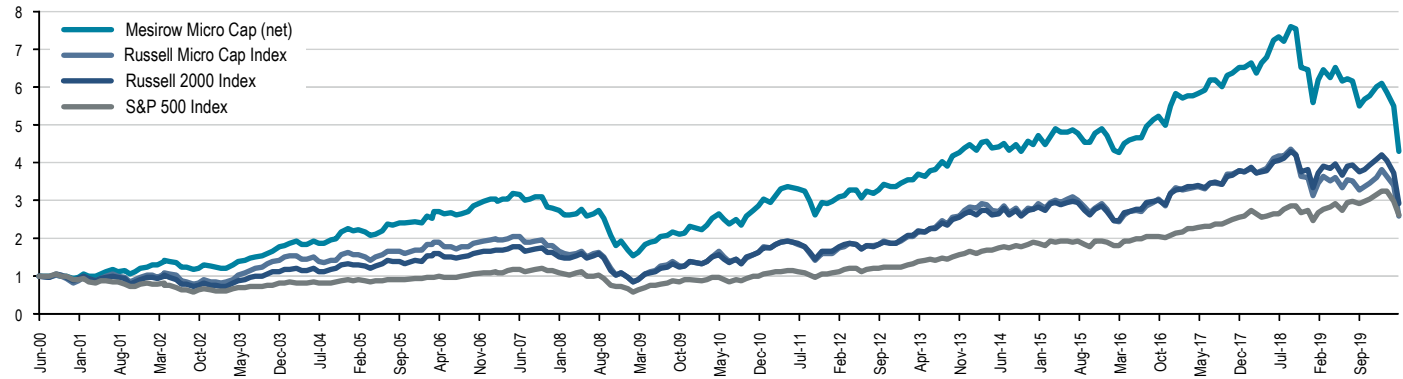
¹ The Russell Micro Cap Index has an inception date of 07/2000.

Characteristics

	Number of Positions	Median Market Cap (\$MM)	3-Years Std Dev	Forward PE Ratio	One Year EPS Growth
Mesirow Micro Cap	70	\$297	17.0%	12.6x	16.1%
Russell Micro Cap	1,471	\$153	17.0%	12.1x	14.0%

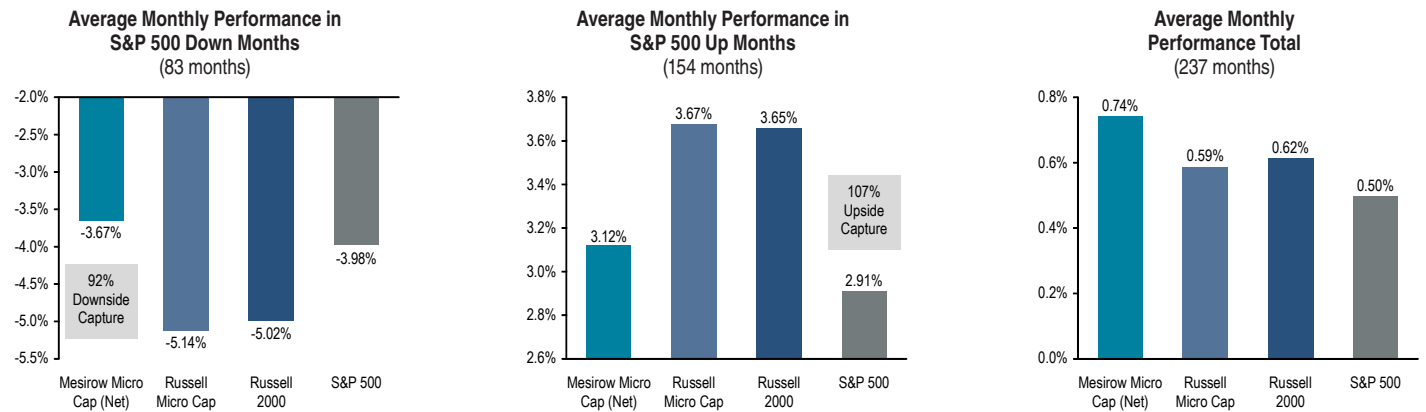
Source: Mesirow. Past performance is not necessarily indicative of future results. The above information is supplemental. Please see following pages for complete performance disclosures and benchmark definitions.

Cumulative Performance (Growth of a Dollar)



Source: Mesirow, Standard and Poor's. Past performance is not necessarily indicative of future results. The above information is supplemental. Please see following pages for complete performance disclosures and benchmark definitions. S&P included to demonstrate micro cap performance versus the broader equity market.

Upside and Downside Capture



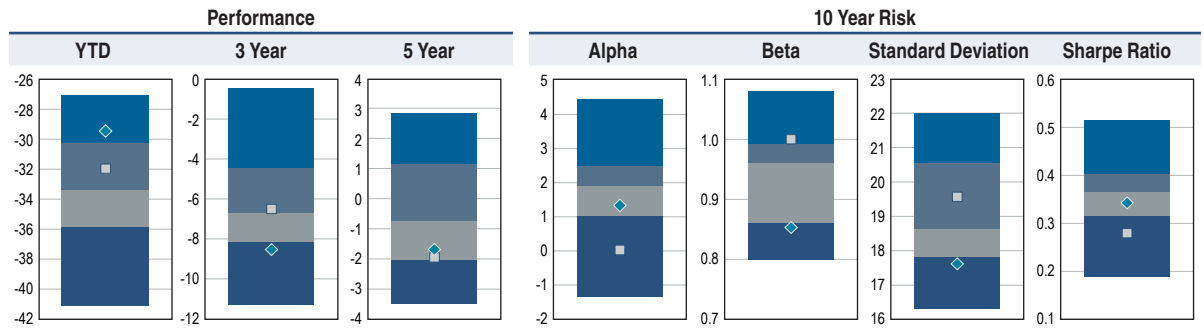
From 7/1/00 to 3/31/20.

Source: Mesirow, Standard and Poor's. Past performance is not necessarily indicative of future results. The above information is supplemental. Please see following pages for complete performance disclosures and benchmark definitions. Russell 2000 Index used in this analysis as Russell Micro Cap Index does not have sufficient length of track record. S&P included to demonstrate micro cap performance versus the broader equity market.

Peer Analysis

Universe: eVestment US Micro Cap Core Equity as of March 31, 2020

◆ Mesirow Micro Cap ■ Russell Micro Cap



	Performance						10 Year Risk							
	YTD		3 Year		5 Year		Annualized Alpha		Beta		Standard Deviation		Sharpe Ratio ¹	
	Value	Rk	Value	Rk	Value	Rk	Value	Rk	Value	Rk	Value	Rk	Value	Rk
5th percentile	-27.00		-0.48		2.86		4.46		1.08		16.33		0.52	
25th percentile	-30.26		-4.48		1.16		2.47		0.99		17.77		0.40	
Median	-33.35		-6.73		-0.76		1.88		0.96		19.69		0.36	
75th percentile	-35.87		-8.16		-2.06		0.99		0.86		20.49		0.31	
95th percentile	-41.13		-11.31		-3.49		-1.38		0.80		21.99		0.19	
# of Observations	29		28		24		16		16		16		16	
Mesirow Micro Cap	-29.49	21	-8.56	78	-1.64	69	1.33	66	0.85	79	17.60	20	0.34	59
Russell Micro Cap	-31.99	32	-6.55	49	-1.94	73	--	89	1.00	19	19.55	47	0.28	87

Source: eVestment Alliance, U.S. Micro Cap Core Equity universe. Defined as U.S. Equity products that primarily invest in a mixture of growth and value micro capitalization stocks. Returns herein are provided on a gross returns basis due to the fact that eVestment collects returns from managers on a gross basis and Mesirow intends this graph 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 Micro Cap Value Equity Composite (“Composite”) against the Russell Micro Cap Index. Composite returns and risk information are gross of management fees, include the reinvestment of all income and are considered supplemental. Please find the GIPS fully compliant presentation with important additional information, including fees, composite and benchmark descriptions, at the end of this presentation. Past performance is not necessarily indicative of future results.
 1 The risk free rate of return used in calculating the Sharpe Ratio is the Citigroup 3-Month T-Bill.

About Mesirow Financial

Founded in 1937, Mesirow Financial is a diversified financial services firm serving corporations, public and private pension plans, charitable organizations and individuals.

Mesirow Financial refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow Financial name and logo are registered service marks of Mesirow Financial Holdings, Inc. Some 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. Any performance information shown represents historical market information only and does not infer or represent any past performance of any Mesirow Financial affiliate. It should not be assumed that any historical market performance information discussed herein will equal such future performance. It should be assumed that client returns will be reduced by commissions or any other such fees and other expenses that may be incurred in the management of the account. Performance information provided also contemplates reinvestment of dividends. Advisory Fees are described in Mesirow Financial Investment Management, Inc.’s Part 2A of the Form ADV. Mesirow Financial does not provide legal or tax advice. Advisory services offered through Mesirow Financial Investment Management, Inc. an SEC-Registered Investment Advisor. Securities offered by Mesirow Financial, Inc., member FINRA, SIPC. Intellectual property of Mesirow Financial Investment Management may not be copied, reproduced, distributed or displayed without MFIM’s express written permission. © 2020. All rights reserved.

To learn more about how Mesirow can help you, please contact Tim Ewing at 312.595.6697 or tewing@mesirowfinancial.com.



Composite Table and Disclosure

Gross and Net of Fees total returns from January 1, 2007 – December 31, 2018

Year	Number of Portfolios	Composite Assets (\$mil)	% of Firm Assets*		GROSS OF FEE PERFORMANCE	NET OF FEE PERFORMANCE	Benchmark ³	Composite Dispersion ²	Three-Year Annualized Standard Deviation	
			Firm	Entity	Annual	Annual		Standard Deviation	Composite	Benchmark ³
2007	3	\$32.7		<1%	-6.71%	-7.84%	-8.00%	0.2%		
2008	4	\$26.6		<1%	-30.23%	-31.10%	-39.78%	1.0%		
2009	3	\$27.2		<1%	21.83%	20.35%	27.48%	1.4%		
2010	2	\$17.1	4%	<1%	32.58%	30.97%	28.89%	N/A		
2011	2	\$15.9	4%	<1%	-0.60%	-1.83%	-9.27%	N/A	22%	26%
2012	2	\$16.4	5%	<1%	17.72%	16.28%	19.75%	N/A	18%	22%
2013	2	\$19.1	5%	<1%	30.94%	29.34%	45.62%	N/A	15%	18%
2014	2	\$19.3	5%	<1%	6.76%	5.44%	3.66%	N/A	11%	15%
2015	2	\$19.1	7%	<1%	1.09%	-0.17%	-5.16%	N/A	12%	15%
2016	1	\$15.3	1%	<1%	24.70%	23.55%	20.37%	N/A	14%	17%
2017	2	\$21.2	1%	<1%	12.89%	11.83%	13.17%	N/A	13%	16%
2018	2	\$16.4	1%	<1%	-13.36%	-14.20%	-13.08%	N/A	17%	17%

Mesirow Financial Equity Management (“MFEM”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MFEM has been independently verified for the periods 01/01/1996 – 12/31/2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Micro Cap Value Equity Composite has been examined for the periods 07/01/1998 – 12/31/2018. The verification and performance examination reports are available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

*Mesirow Financial Investment Management, Inc. (“MFIM”) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The “Entity” as shown represents 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. 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 Mesirow Financial Equity Management which manages portfolios primarily for institutional investors adhering to an investment process incorporating fundamental analysis of security valuation factors and drivers. Mesirow Financial Equity Management 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 April 1, 2016, the firm was redefined and renamed for GIPS purposes to include both the legacy Mesirow Financial Investment – US Value Equity Division and the legacy Fiduciary Management Associates, LLC division as one combined entity. The historical performance presented prior to the creation of MFIM was managed by MFIM or its predecessor firms prior to 01/01/2005. The composites within this unit vary primarily by the capitalization range of the equity securities held.

In 2002, MFIM acquired the asset management rights for certain managed portfolios from an independent investment advisory firm and retained all of the principals and employees related to such portfolios. Performance results of the Micro Cap Value Equity Composite at the prior firm are linked to the performance record of the Firm. The percent of managed assets prior to 2002 is not presented because portfolios of the Micro Cap Value Equity Composite were not under MFIM’s management.

The Micro Cap Value Equity Composite was created on 07/01/1998. This composite represents the micro cap equity portfolios following our investment strategy. All discretionary accounts are included. Currently both taxable and non-taxable accounts are included. As of 09/01/2016, there was no stated composite minimum value threshold for strategy. As of 09/01/2014, the composite minimum value threshold for strategy implementation was \$500,000. Prior to 01/01/2014, the composite minimum value threshold for strategy implementation was \$750,000. The benchmark for the strategy is the Russell Micro Cap 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. MFEM 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 which is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The Firm 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.

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

Dispersion of Annual Returns / 3 Year

2 The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. Because it is not statistically meaningful, we do not calculate the dispersion of annual returns for 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 December 31, 2011.

Performance Disclosure

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 MFIM. Beginning April 1, 2016 Net of Fee performance was calculated using the actual monthly fee accrued to each account in the composite. Prior to April 1, 2016, MFIM used the maximum stated fee to calculate net performance. MFIM did, however, have clients that pay lower fees than the maximum.

Investment Fee Disclosure

The Firm’s investment advisory fees vary based upon account size, with breakpoint deductions for larger accounts. Performance results are presented before management and custodial fees. As described in MFEM’s Form ADV, Part 2, investment management fees for the Micro Cap Value Strategy are: 1.00% of portfolio size.

Benchmark Definition

Starting 01/01/2006, the primary benchmark changed from the Dimensional Fund Advisors (DFA) U.S. Micro Cap Portfolio to the Russell Microcap Index. MFIM believes the Russell Microcap Index better represents the available universe of equity securities for micro cap managers.

The Russell Microcap Index offers investors access to the smallest capitalization segment of the U.S. equity universe. The Russell Microcap Index is constructed to provide a comprehensive and unbiased barometer of the micro cap market.

The Russell 2000 Index is constructed to provide a comprehensive and unbiased barometer of the small cap market.

The S&P 500 Index is constructed to provide a comprehensive and unbiased barometer of the U.S. equity market.

The Russell Microcap Index has been displayed as comparison to the performance of the Micro Cap Value Equity Composite and is the primary benchmark.