



OBJECTIVE

The GLA Small Cap strategy seeks to provide net total return that exceeds the Russell 2000 Index over market cycles. We seek to add securities that will potentially yield a 30%+ annual rate of return over a three-year time period

Benchmark: Russell 2000 Index
Inception Date: June 30, 2008
Assets Under Management: \$242M

PHILOSOPHY

The cornerstone to our investment process is to properly understand and evaluate a company's 'true' return on invested capital. Our belief is that a positive discrepancy between a company's historical return on invested capital and return implied in its current price is a key predictive factor for capital appreciation.

By deploying rigorous fundamental research combined with a disciplined valuation approach to securities identified with this predictive factor, we can construct a portfolio expected to deliver long-term superior performance for our investors.



As a result of our approach, we expect your portfolio to include:

- 40-60 high-quality, well-managed businesses
- Attractive valuations with predictable appreciation potential
- A margin of safety to buffer a turbulent market

PORTFOLIO CHARACTERISTICS

	Small Cap	Benchmark ¹
Weighted Market Capitalization	\$2.94B	\$2.24B
10 Yr Median ROIC	10.5%	7.7%
Market Implied ROIC	7.4%	8.8%
Active Share	98.1%	N/A
Number of Holdings	45	1,946

PROCESS

Our process embodies three principal activities: security analysis, portfolio construction, and risk management by utilizing:

Structured Screening

- Return on Invested Capital
- Other financial metrics

Rigorous Fundamental Analysis

- Thorough review of SEC filings
- Understand competitive advantage
- Management interviews and field research
- Proprietary financial modeling

Disciplined Valuation Approach

- Discounted free cash flow analysis
- 30%+ expected annual rate of return for each holding

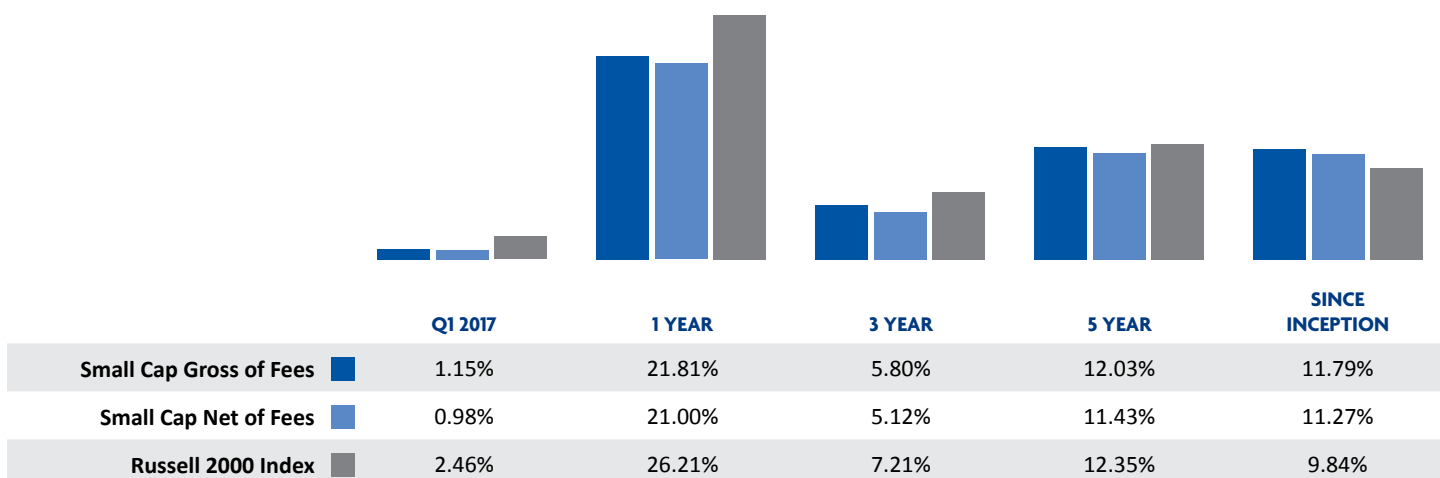
Portfolio Sizing Matrix

- Expected rate of return
- "Good asymmetry" of expected upside return versus downside risk
- Quality of management/history
- Balance sheet strength
- Trading volume

Benefits

- Competitive absolute and risk-adjusted returns
- High active share and low relative beta
- Disciplined, repeatable, proven process

COMPOSITE PERFORMANCE



RISK VERSUS RETURN

Our primary objective is to provide excess returns with less risk than the benchmark. We define and measure portfolio risk as the standard deviation of return relative to the benchmark. We measure, monitor and compare this risk/reward relationship to similar managers, as detailed in the chart on the right.

RISK MANAGEMENT

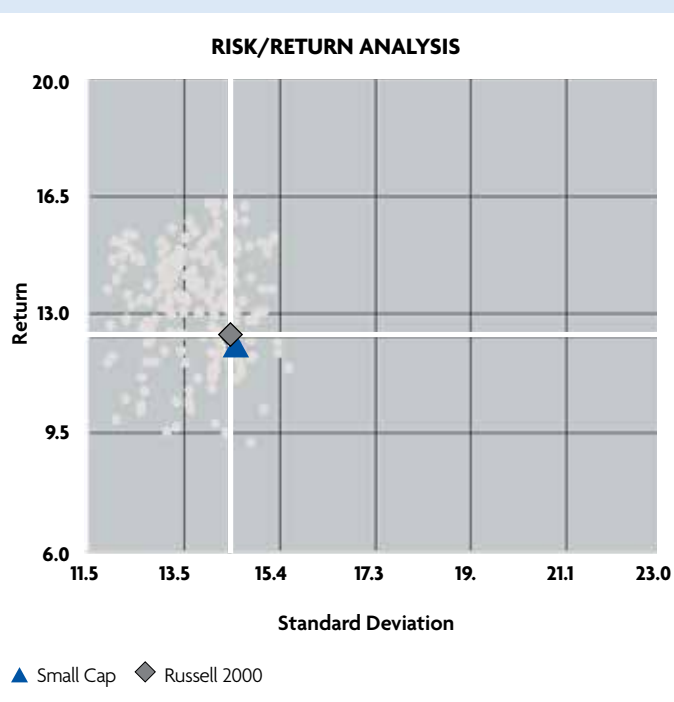
We manage risk at both the security and portfolio level with the goal of providing a margin of safety to buffer turbulent markets.

At the security level, we aim to:

- Avoid illiquid securities
- Avoid leveraged balanced sheets
- Rigorously evaluate accounting methods and results

At the portfolio level, we are committed to:

- Evaluating and understanding portfolio volatility
- Proactively managing industry and sector diversification
- Assessing the impact of macroeconomic factors



*5 Years, ending 3/31/2017. Source: Morningstar.

ABOUT GREAT LAKES ADVISORS

Founded in 1981, Great Lakes Advisors is a Chicago-based investment manager with over \$7.6 billion in assets under management and advisement. We offer a wide range of quality fixed income and domestic equity strategies across all market caps, with additional SRI/ESG and tax-managed capabilities. Our clients include public funds, multi-employer plans, corporations, religious communities, endowments/foundations, health care plans, and private wealth management clients. It is the mission of Great Lakes Advisors to be a collaborative partner in helping our clients attain their investment goals through proven actively managed strategies, implemented by experienced skilled professionals and communicated with a focus on exceptional client service.

1. The benchmark for the weighted market capitalization characteristic and the number of holdings is the Russell 2000; the benchmark for the 10-Yr median ROIC and the market implied ROIC is the S&P 600.

Great Lakes Advisors, LLC ("Great Lakes" or "GLA") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Established in 1981, Great Lakes is a subsidiary of Wintrust Financial Corporation and a part of the Wintrust Wealth Management family of companies. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC ("AIP") became fully-owned and integrated into Great Lakes. Great Lakes is a distinct business unit with distinct investment processes and procedures relating to the management and/or trading of investment portfolios for its clients.

The Small Cap composite includes all discretionary portfolios managed with the Firm's small cap approach. The Firm's small cap approach employs small capitalization, principally U.S.-based or Canadian-based equities with an ability to generate an attractive cash flow return on investment. The composite is benchmarked to the Russell 2000 Index. Portfolios subject to substantial client imposed restrictions are excluded from this composite. Prior to June 30, 2012, the minimum portfolio size for inclusion in the Small Cap composite was \$250,000. After June 30, 2012, the minimum portfolio size for inclusion in the Small Cap composite is \$1,000,000. Accounts meeting the above criteria will be added to the Small Cap composite the first calendar month following their full investment in the strategy. Accounts are removed from the composite, while retaining their prior historical performance in the composite, at termination of the Firm as investment manager, when the value of the account drops below \$750,000 for a period of nine consecutive months, or when investment policy guidelines are instituted substantially restricting implementation of the small cap approach. Terminated portfolios will be removed from the Small Cap composite after the last full month of active management. Accounts within this composite do not employ leverage. The composite inception date was June 30, 2008; and the composite was created on June 30, 2012. All cash reserves and equivalents are included in returns. Returns are time weighted and include reinvestment of dividends, income and gains. The value of assets and returns is expressed in U.S. dollars. Market commentary is available at www.greatlakesadvisors.com or upon request.

The benchmark selected for comparison of returns for the Small Cap Composite is the Russell 2000 Index, a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index, and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. Index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, each index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs. The index is not available for direct investment.

Great Lakes Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®). A complete list of firm composites and performance results, and the policies for valuing portfolios, calculating performance, and preparing GIPS compliant presentations are available upon request by calling 312.553.3700. Great Lakes Advisors, LLC's fees are available upon request and may be found in our Form ADV Part 2A. Performance data quoted herein represents past performance. Past performance does not guarantee or indicate future results. All data is as of March 31, 2017 unless otherwise noted. Returns and net asset value will fluctuate. To determine if this strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing.

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