



# SMALL/MID CAP CORE

Fourth Quarter 2024

## OBJECTIVE

The GLA Small/Mid Cap Core strategy seeks to provide total return in excess of the Russell 2500 Value Index over a full market cycle.

**Benchmark:** Russell 2500 Index

**Inception Date:** January 1, 1997

**Small/Mid Cap Core Assets:** \$33 million

## PHILOSOPHY

We believe investing in attractively-valued companies that can generate cash flow and earnings power beyond the market's expectations should deliver positive relative, long-term, risk-adjusted returns.

### Investment Principles:

- Seek diversification through industry and sector exposure as well as type of business model
- Make decisions based on team approach and industry expertise
- Seek to balance fundamental decision making with objectivity

### Portfolio:

- Bottom-up portfolio
- Sector constraints and stock constraints
- Risk management tools to monitor and control factor exposure and risk

## PORTFOLIO GUIDELINES

**Holdings:** Approximately 100 +/- positions

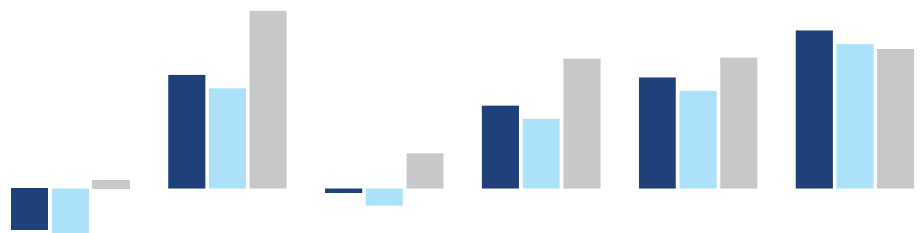
**Sector Over/Underweights:** No sector >5% vs. Benchmark

**Position weights:** No position >3% at purchase

**Cash position:** Rarely over 3%

**Average Annual turnover:** Typically 25% to 45%

## COMPOSITE PERFORMANCE



	4Q 2024	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Small/Mid Cap Core Gross of Fees <sup>1</sup>	-2.81%	7.68%	-0.29%	5.61%	7.51%	10.69%
Small/Mid Cap Core Net of Fees	-3.02%	6.77%	-1.14%	4.72%	6.60%	9.76%
Russell 2500 Index	0.62%	11.99%	2.39%	8.77%	8.85%	9.43%

<sup>1</sup>Returns are annualized. Net performance reflects the deduction of investment management fees and bundled fees as applicable. Net returns are calculated by subtracting the highest applicable fee (0.85% on an annual basis) on monthly basis from the gross composite return. Additional time period composite returns are available upon request.

**STRATEGY CHARACTERISTICS (5 YEAR AVERAGE)**

<b>Holdings Based Characteristics<sup>2</sup></b>	<b>Small/Mid Cap Core</b>	<b>Russell 2500</b>
Weighted Average Market Cap	7.2B	6.7B
Price/Cash Flow	9.5x	9.1x
Estimated Price/Earnings	14.8x	16.0x
EV/EBITDA	10.8x	11.3x
Price/Book Ratio	2.3x	2.1x
Dividend Yield	1.0%	1.2%

<sup>2</sup>Source: FactSet. Estimated Price/Earnings excludes negative earnings.

<b>Returns Based Characteristics<sup>3</sup></b>	<b>Small/Mid Cap Core</b>	<b>Russell 2500</b>
Standard Deviation	23.2	23.2
Sharpe Ratio	0.1	0.1
Information Ratio	-0.9	-
Alpha	-2.7	-
Beta	1.0	-
Tracking Error	3.7	-

<sup>3</sup>Source: eVestment. Analysis based on monthly observations.

**PORTFOLIO WEIGHTS**

<b>Absolute Sector Weightings<sup>4</sup></b>	<b>Small/Mid Cap Core</b>	<b>Russell 2500</b>
Basic Materials	6.0%	7.9%
Commercial Services	3.8%	3.1%
Consumer Discretionary	5.9%	7.8%
Consumer Services	3.3%	6.1%
Consumer Staples	4.2%	3.7%
Energy	4.1%	4.9%
Financial Services	15.7%	17.2%
Health Care	14.6%	11.4%
Manufacturing	13.6%	10.7%
Real Estate	5.7%	6.3%
Technology	16.3%	15.7%
Telecommunications	0.0%	0.6%
Transportation	1.5%	2.3%
Utilities	3.0%	2.5%

<sup>4</sup>Source: FactSet.

**PORTFOLIO COMPOSITION****Top 10 Equity Holdings by Weight<sup>5</sup>**

Hancock Whitney Corporation	2.0%
Cadence Bank	2.0%
Pinnacle Financial Partners, Inc.	2.0%
Brixmor Property Group, Inc.	1.9%
Sterling Infrastructure, Inc.	1.9%
NiSource Inc	1.7%
First Interstate BancSystem, Inc.	1.6%
Commvault Systems, Inc.	1.6%
Belden Inc.	1.6%
Agree Realty Corporation	1.5%

<sup>5</sup>No discussion with respect to these companies should be considered a recommendation to purchase or sell any particular security. The companies discussed herein do not represent all past investments. It should not be assumed that any of the investments discussed were or will be profitable, or that recommendations or decisions made in the future will be profitable.

**Top 10 Relative Overweights<sup>6</sup>**

Hancock Whitney Corporation	2.0%
Cadence Bank	1.9%
Pinnacle Financial Partners, Inc.	1.8%
Sterling Infrastructure, Inc.	1.8%
Brixmor Property Group, Inc.	1.8%
First Interstate BancSystem, Inc.	1.6%
Belden Inc.	1.5%
Commvault Systems, Inc.	1.5%
NiSource Inc	1.5%
Agree Realty Corporation	1.4%

<sup>6</sup>Relative overweights in percentages versus the Russell 2500 Index.

**ABOUT GREAT LAKES ADVISORS**

Founded in 1981, Great Lakes Advisors is headquartered in Chicago, Illinois. The firm has \$18.4 billion in assets under management and advisement and offers a wide range of fixed income, equity, and multi-asset strategies across market capitalizations. Our portfolio management teams strive to form collaborative partnerships and investment strategy solutions to our Institutional, Intermediary, Sub-advisory, and Private Wealth client base.

Definition of the Firm: 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. 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. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC (“AIP”) became fully-owned and integrated into Great Lakes. On April 3, 2023, Rothschild & Co Asset Management US Inc. and Rothschild & Co Risk Based Investments LLC became fully-owned and integrated into Great Lakes.

The Firm is registered as an investment advisor with the Securities and Exchange Commission. Registration as an investment advisor does not imply a certain level of skill or training. The Firm provides investment advisory services on a discretionary basis to a broad range of clients, including corporate pension plans and profit-sharing plans, public pension funds (e.g., state and municipal government entities), Taft-Hartley plans, healthcare organizations, endowments, foundations, high-net-worth investors, sub-advised accounts, other pooled investment vehicles, and retail investors in various wrap fee programs. The Firm also provides non-discretionary investment advice to various wrap unified managed account programs.

The Composite consists of all discretionary, fee-paying, institutional separate accounts, collective investment trusts (“CIT”), commingled funds and mutual funds using the Small/Mid Cap strategy with a benchmark of the Russell 2500 Index. The Composite was created in January 1997, and the inception date is January 1, 1997. Effective 7/1/2023, coinciding with a change in portfolio accounting systems, the Firm calculates composite returns in an asset-weighted manner using the aggregate method. This method aggregates the market values and cash flows for all accounts, and treats the composite as if it were one account. Account returns are calculated using a monthly internal rate of return (“IRR”) methodology. Prior to this date account returns were time-weighted, based on a daily cash flow application. Composites were asset-weighted, using beginning-of-month market values. There have been no material personnel or other changes which would affect the Composite. Effective June 1, 2018, the Composite was redefined to include CIT and mutual funds. Previously, the CIT and mutual funds’ liquidity needs created a significant difference in the way CIT and mutual funds were managed versus other institutional accounts. However, due to the consistent growth of the Composite, the liquidity needs of CIT and mutual funds accounts no longer have a major impact in the management of these accounts and are considered materially the same as institutional accounts. Effective April 1, 2019, the Composite was redefined to include commingled funds. Previously, the commingled funds’ liquidity needs created a significant difference in the way commingled funds were managed versus other institutional accounts. However, due to the consistent growth of the Composite, the liquidity needs of commingled funds accounts no longer have a major impact in the management of these accounts and are considered materially the same as institutional accounts.

Valuations and returns are computed and stated in US Dollars. The standard separate account management fee schedule is 0.85% for the first \$25 million, 0.75% for the next \$25 million, and 0.65% for the balance. The collective funds management fee is 0.85%. The collective funds is expense ratio is 0.85%. Net returns are calculated by subtracting the highest applicable fee (0.85% on an annual basis) on monthly basis from the gross composite return.

Returns reflect the reinvestment of dividends and other earnings. The Russell 2500 Index is an unmanaged index considered representative of Small/Mid Cap US stocks. The benchmark returns are not covered by the report of independent verifiers. The investment strategy of Small/Mid Cap Core is not restricted to securities of the Russell 2500 Index. In addition, Small/Mid Cap Core may use various investment techniques, such as eliminating stocks with a relatively short trading history, which are not reflected in the Russell 2500 Index. For the foregoing and other reasons, the performance of Small/Mid Cap Core and the Russell 2500 Index will differ. Investing in equities involves certain risks, including the possibility that the price of equity securities may vary in response to general market and economic conditions. All indexes are 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 indexes are not available for direct investment.

A complete list of composite descriptions, performance results and a list of limited distribution pooled fund descriptions are available upon request.

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