

3Q2024 SMID Cap Investment Commentary

With the third quarter of 2024 closed, we reflect on the complexities that have shaped the global markets and influenced our investment strategies. SouthernSun Asset Management remains steadfast in our approach, guided by a commitment to financial resilience, rigorous research, and a focus on long-term growth. This quarter presented a mix of challenges and opportunities, driven by ongoing geopolitical uncertainties, economic fluctuations, and the rapid advancement of artificial intelligence (AI). Below is an overview of some key trends we are attempting to navigate strategically in our client portfolios.

Geopolitical Environment and Market Resilience

The global landscape has been marked by heightened geopolitical tensions, including persistent conflicts in key regions and shifting alliances. These factors have disrupted traditional trade routes and investment flows, underscoring the need for a strategy that prioritizes resilience and adaptability. We have seen increasing volatility in markets as geopolitical uncertainties create fluctuations in commodity prices, currency exchange rates, and investment inflows.

Recent shifts in the geopolitical landscape have highlighted the fragility of conventional supply chains and encouraged many governments to provide incentives to support re-shoring, onshoring or near-shoring of manufacturing. In many cases, these developments require substantial infrastructure investment to make them practical. The global infrastructure market is expected to grow at a compound annual growth rate of approximately 7.2% from 2024 to 2030 (according to a report by Future Data Stats), driven by public and private sector investments in modernization and sustainability initiatives. This presents a significant opportunity for investment, particularly as governments worldwide seek to bolster economic resilience through infrastructure spending.

In addition to investment themes around infrastructure, we have also observed the regulatory response to geopolitical shifts, which has created tailwinds for certain industries. As governments respond to geopolitical challenges, new policies often emerge that create opportunities in sectors like energy, technology, health care, and agriculture. Understanding these regulatory changes allows us to anticipate growth in sectors that benefit from policy support.

The importance of resilience in a world marked by uncertainty cannot be overstated. Economist Thomas Sowell once observed, “The march of science and technology does not imply growing intellectual complexity in the lives of most people. It often means the opposite.” This insight reminds us that while the external environment may grow more complex, the fundamental need for resilient strategies remains simple and essential.

Economic Shifts and Interest Rate Considerations

Throughout the third quarter, central banks worldwide have continued to adjust interest rates in response to inflation and economic recovery concerns. These rate changes directly affect borrowing costs, consumer behavior, and business investment decisions. In this environment, focusing on companies with financial flexibility and limited debt reliance has become even more crucial.

The Federal Reserve has maintained its policy rate at a higher level for longer than many market participants expected, and it recently began what is broadly expected to be a long-term period of loosening. If the Fed continues to lower interest rates, we believe businesses will be more willing to invest in capital products and growth projects. The broader industrial sector, for instance, is anticipated to grow by 5.6% annually through 2028 (according to a Grand View Research report), supported by ongoing investments in manufacturing, construction, robotics, and the internet of things (IoT). Not to

mention the momentum behind re-shoring, onshoring, and near-shoring mentioned above. We believe this demand is also mirrored in agriculture-related businesses, where consistent demand for food production and supply chain optimization is expected to maintain steady growth over the next decade.

Regardless of expectations around interest rates, our investment strategy prioritizes businesses with strong balance sheets, stable cash flows and operational flexibility to take advantage of opportunities. The trend towards valuing flexibility over mere efficiency is evident across industries, with companies increasingly adopting strategies to diversify revenue streams and reduce dependency on volatile markets. This shift aligns with our approach of investing in businesses that can adapt to changing economic conditions and emerge stronger from periods of uncertainty. The prioritization of financial stability over rapid growth serves as a safeguard amid unpredictable economic conditions, allowing businesses to weather fluctuations while remaining positioned for long-term gains.

Neil Howe, co-author of *The Fourth Turning*, highlighted the cyclical nature of economic and social challenges, noting, "History is seasonal, and winter is coming." His observation speaks to the inevitability of economic downturns and the necessity of preparing for them through disciplined investment strategies. As we navigate cycles, our focus remains on companies that exhibit resilience and are poised to capitalize on the recovery phases that follow economic "winters."

Embracing Artificial Intelligence and Technological Innovation

Artificial intelligence has become a pivotal force in the modern business landscape, fundamentally transforming industries and reshaping competitive dynamics. By some estimations, the global AI market is projected to grow at an astounding compound annual growth rate of 37.0%+ from 2024 to 2030 (according to a report by Grand View Research), reflecting its widespread adoption across sectors ranging from healthcare and finance to agriculture and manufacturing. We believe businesses integrating AI for operational efficiency and strategic growth should have significant opportunities in the coming years. However, some of the many challenges for traditional businesses are the reluctance to change, fear of human replacement, first mover anxiety, and cost benefit over the near term.

We seek investments in companies that leverage AI not only for cost reduction but also for enhancing product development, customer engagement, and innovation. For example, AI-driven innovations such as precision farming and automated monitoring systems in agriculture help optimize resource usage, increase crop yields, and reduce waste. These advancements align with our commitment to wise stewardship of capital and resources, promoting the efficient use of natural resources while addressing the growing global demand for food. The recent symposium we attended, convened by the University of Memphis' ACRE (The Institute for Agriculture and Conservation Research and Education), highlighted many of the opportunities and challenges faced in our food systems.

The impact of AI extends beyond traditional industries. Niche markets are witnessing a transformation as specialized companies adopt AI to modernize operations and meet evolving consumer preferences. As traditional businesses continue to integrate AI into their workflows, we are committed to identifying investment opportunities that align with these trends.

The role of technology in shaping our future was emphasized at the Alliance for Responsible Citizenship conference in autumn 2023, where leaders discussed the ethical implications and transformative potential of AI. One of our key takeaways from the conference was, "In a world increasingly defined by algorithms and data, our responsibility lies in ensuring technology serves humanity rather than the other way around." This perspective most certainly informs our approach to AI investments internally and with respect to portfolio companies.

Considering Demographic Trends and Shifting Consumer Behaviors

Demographic shifts are also influencing investment strategies across various sectors. The aging population, increasing urbanization, and evolving consumer behaviors are reshaping demand patterns and driving growth in specific industries. The global health care market, for instance, is expected to expand by 6.5% annually through 2030 (according to Future Data Stats), driven by rising health care needs associated with an aging population.

Similarly, the trend of urbanization is fueling demand for infrastructure development, with more than 68% of the world's population projected to live in urban areas by 2050 (according to the United Nations Department of Economic and Social Affairs). This supports our focus on investments in infrastructure and essential services that cater to urban communities and modern living standards. Even if the urbanization trend is less impressive, which it may well be, the types of infrastructure needed both from an urban and a rural perspective are markedly different than in the past. When coupled with already under-investment for decades, decaying legacy infrastructure should provide ample opportunity for meaningful investment returns.

As these demographic trends continue to unfold, we believe we are well-positioned to capitalize on emerging opportunities.

Outlook for the Final Quarter and Beyond

As we move into the final quarter of 2024, SouthernSun remains committed deep research, adaptability by our team and our portfolio business leaders who steward our client capital, and a long-term growth perspective. We anticipate continued economic fluctuations, particularly with further interest rate adjustments, and will maintain our focus on companies that demonstrate resilience and stability. By remaining close to sectors and regions where underappreciated value can be anticipated or where our investments can withstand geopolitical disruptions, we aim to navigate these challenges effectively.

The expansion of AI's role in shaping the economic fabric will continue offering significant opportunities for businesses that integrate technology to enhance competitiveness and drive growth in shareholder value. We are cautiously optimistic about the potential for AI to unlock new investment possibilities in traditional businesses.

Our approach involves staying well-informed about global events and assessing their implications for the industries and markets in which our companies operate. Simultaneously, we find useful benefit in looking at any macro picture through the lens of our portfolio businesses, as they provide beneficial on-the-ground reality checks to futurist speculation. This proactive stance allows us to make strategic adjustments to our portfolio positioning over time.

Conclusion

The third quarter of 2024 has reinforced the strength of SouthernSun's investment philosophy. We believe now more than ever that finding niche dominant businesses with strong balance sheets and adaptable, shareholder-friendly leadership will prove a winning formula for driving risk-adjusted returns for our clients. By focusing on flexibility, technological innovation and strategic market positioning, we continue to navigate the complexities of the global landscape. Our commitment to thorough research and adaptability has allowed us to protect and grow your investments even in a challenging environment.

Thank you for your continued trust and support. Please reach out if you have any questions or would like to discuss how we can further tailor our insights.



Phillip Cook
Chief Investment Officer & Managing Partner
SouthernSun Asset Management



Michael Cook
Founder & Chairman
SouthernSun Asset Management

During the third quarter of 2024, the SMID Cap Composite returned 8.98% on a gross basis (8.76% net) versus the Russell 2500®, which returned 8.75% and the Russell 2500® Value, which returned 9.63, over the same period. Over the trailing-twelve-months, the composite returned 23.93% on a gross basis (23.00% net) versus the Russell 2500®, which returned 26.17% and the Russell 2500® Value, which returned 26.59%, over the same period.

Louisiana-Pacific Corporation (LPX) was the top contributor in the SMID Cap strategy in the third quarter. **LPX** is a market leader in the manufacturing of engineered wood siding and oriented strand board (OSB). The company's siding products have been on a secular growth trend, taking share from other forms of siding in recent years due to a superior value proposition tied to factors such as aesthetics, ease of use, and quality. During the second quarter, **LPX** siding sales performed strongly and management increased 2024 segment guidance. Market data suggests the company is gaining share from vinyl and other siding products in the new builder, repair and remodel, and retail channels, and has a long-term opportunity to continue this trend. The company's OSB assets and leading market position remain an important component of the company's long-term value. The largest use for OSB is sheathing for residential new construction, and thus demand for OSB is correlated with housing starts. OSB prices are largely dependent on supply and demand dynamics within the industry. During the second quarter, prices were relatively strong, which combined with strong operating performance by the company, led to strong profits. Management expects lower prices and thus OSB profits in the third quarter. Overall, we believe recent performance underscores the quality of the company's assets and management's skill, and we continue to expect satisfactory long-term results as shareholders.

Boot Barn Holdings, Inc. (BOOT) was a top contributor in the third quarter. The company reported a strong second quarter with same store sales (SSS) up in all parts of the country and in all product categories, leading management to raise guidance. Sales were up both in-store and on-line while gross margins also increased to 37%. The company opened 11 new stores in the quarter, bringing the total store count to 411; **BOOT** is planning to open 60 new stores in their fiscal 2025, and we believe they have room to double that total store count in the coming years. The company currently has no debt, and they should be able to accomplish their growth objectives with internally generated cash flows (that is, without adding any debt.) We continue to have confidence in management and their ability to execute the strategy to deliver what their customers need and want while growing into new geographies across the U.S.

U.S. Physical Therapy, Inc. (USPH) was the top detractor in the third quarter in the SMID Cap strategy. The company reduced guidance, primarily because they are having to spend more on salaries to attract and retain a high-quality workforce. Even though they are continuing to successfully negotiate higher rates with commercial payers, Medicare reimbursements are down again this year. They have now experienced five years of Medicare cuts in a row, in the context of higher inflation. Even with that challenge, we believe management is executing well. They are driving more visits per clinic per day, increasing revenue per visit (even offsetting the mandated Medicare reimbursement cuts), and they have found attractive new businesses to acquire using their best-in-class model for retaining and involving key employees and leaders at the acquired companies. We continue to like **USPH's** market position and value proposition in a highly fragmented industry, and we believe that they can continue to grow both their base physical therapy business and their industrial injury prevention (IIP) business. They reported \$90 million in cash to put to work in acquiring new practices, and that they expect to earn at least a low teen return on those future investments.

Ingevity Corporation (NGVT) was one of the top detractors in the SMID Cap strategy in the third quarter. **Ingevity** manufactures specialty chemicals that are used in a wide range of industrial applications and consumer products as well as activated carbon used to reduce gasoline vapor emissions in automobiles. The company is undergoing a strategic shift to reduce its exposure to crude tall oil (CTO), a key raw material in its Performance Chemicals segment. Within the last year, **Ingevity** has announced the closure of two of its three refineries and is consolidating its one remaining facility. In July of this year, the company terminated its final CTO supply agreement, which resulted in a settlement charge of \$100 million. In addition, after the end of Q3, the company announced the departure of John Fortson, CEO, and named Luis Fernandez-Moreno, a long-time board member, as interim CEO. While these changes have created a lot of noise in recent months, we believe that the business will be much better positioned moving forward with a significantly lower cost structure. Importantly, these strategic decisions have all related to the Performance Chemicals operating segment.

The other two operating segments have not been impacted, and while the Advanced Polymer Technologies segment has experienced some headwinds due to broader weakness in industrial end markets, the Performance Materials business continues to benefit from both market and regulatory tailwinds as well operational efficiencies. We continue to assess our position in light of the recent strategic shifts and management changes including ongoing discussions with new and existing leaders.

During the third quarter of 2024, we fully exited **IDEX Corporation (IDEX)**. We initiated two new positions in **APi Group (APG)** and Generac (GNRC) in the SMID Cap strategy.

We exited **IDEX Corporation (IDEX)** in the third quarter due to higher return opportunities elsewhere. We first purchased **IDEX** in 1996 at \$11.65 per share, when the market cap was \$769 million and the business was trading ~9x EBITDA. At the time, IDEX was composed of a handful of subsidiaries that designed and manufactured industrial pumps and other niche industrial products such as clamps and vibration dampers. Throughout our holding period, management consistently acquired high quality, niche industrial businesses, maintaining returns on capital in the mid to high teens. As the quality of the business and management team became recognized in the market, the valuation expanded to ~20x EBITDA. The stock currently trades ~\$200/share (~\$16 billion mkt cap), or roughly 17x our initial purchase price. Although we continue to believe **IDEX** is a well-managed collection of niche industrial businesses, we believe that continuing to generate high returns on acquisitions will be more difficult going forward due to higher valuations typically demanded for larger businesses. The increased difficulty of generating high returns on larger M&A, coupled with **IDEX's** premium valuation, made **IDEX** less attractive than other investment opportunities. We will continue to follow the business and could own it again if the price becomes attractive.

APi Group (APG) is a leading business services provider of fire and life safety, security, elevator and escalator, and specialty services in over 500 locations worldwide. The company has two segments: Safety Services (~74% of EBITDA) and Specialty Services (~26% of EBITDA). The majority of profits in Safety Services come from the design, installation, inspection, and servicing of fire sprinkler systems, which are required by law in most commercial buildings such as offices, schools, hospitals, warehouses, and data centers. These systems are also required by law to be inspected at least annually. Although the design and installation of these systems are high dollar projects (can be millions of dollars), profitability is often low. However, the inspection and servicing of these systems is higher margin and recurring in nature.

APG is strategically focused on pursuing inspection and service first, as opposed to design and installation. This strategy requires philosophical buy-in from the local branch manager, and additional sales personnel at the branch. Over the last four years, **APG** has successfully driven double digit organic growth in inspections in North America and is in the early stages of implementing this strategy in its international business, Chubb Fire and Security (acquired in 2022). We believe this strategic focus will deliver market share gains and together with price increases, result in mid-single digit organic revenue growth in the Safety Services segment, with earnings growing faster as the mix shifts to higher margin inspection and services.

The Specialty Services segment is made up of several subsidiaries that design, install, inspect, and maintain underground electric, gas, water, sewer, and telecommunications infrastructure. Although this segment is less profitable than Safety Services, the end market demand is steady and more predictable, and multi-year contracts provide good visibility.

APG operates in highly fragmented markets and, as such, has ample opportunity for growth via M&A. For example, with a leading 10% market share of the \$20-\$25 billion North American fire and life safety market, we believe **APG** has a long runway to continue consolidating the market. There are also international opportunities for bolt-ons via Chubb Fire and Security, which has locations in Europe, Canada, and Asia Pacific. With leverage expected to be below management's target level of 2.5x (Net Debt/EBITDA) by the end of 2024, internally generated cash flow should be available to fund bolt-on M&A.

The company is managed by Russ Becker, CEO, who has been in his role for the past 20 years, and overseen growth from a couple hundred million in revenue to >\$7 billion. His track record of driving organic growth and margin

improvement, as well as overseeing over 100 acquisitions, gives us confidence that he has the skillset and experience to continue creating value for shareholders. **APG**'s board is significantly invested with >10% ownership between Martin Franklin (co-chair), Jim Lillie (co-chair), and Ian Ashken. These three long time business partners, best known for their significant value creation at Jarden, provide significant capital markets expertise.

In summary, we believe **APG** has a clear path to drive organic growth via the inspection and service first strategy, a significant margin expansion opportunity as the mix shifts to higher margin inspection and service, a long runway for value accretive M&A, and a highly capable CEO and board. We are pleased to have been able to purchase shares at a price that meets our return hurdle rate.

We initiated **Generac Holdings, Inc. (GNRC)** as a new position in the SMID Cap strategy. **Generac** is an excellent example of what we look for in our portfolio companies. We have been tracking **Generac** for many years and believe our patience has provided us with an attractive entry point. **Generac** designs and manufactures standby generators for residential and commercial markets, and they also offer energy technology solutions that allow users to better store and manage energy used in their home or business. **Generac** dominates that home standby generator market in the U.S. with greater than 80% market share, and they are a strong player in the commercial genset market, with particular strength in natural gas-powered generators. While the majority of their products are powered by internal combustion engines (ICEs), through strategic acquisitions and product development, management has positioned the company to be a strong player if and when the market moves away from ICEs to solar or other cleaner energy solutions. We believe that their strategy is sound: dominate the market with ICE based product today with high margin products that they can efficiently produce; but be ready for a potential shift with leading, clean energy and power management solutions for the future.

There are several long-term drivers in place which should provide meaningful growth opportunities for the generator industry. First, the demand for power on the grid continues to grow due to several factors: general economic growth, more companies bringing operations back to the U.S., adverse weather patterns and the significant demand coming from growth in AI and data centers. Forecasted growth in power consumption is far beyond estimates from just a few years ago, and in our opinion, the growth is likely to stress an under-invested electrical grid and utility infrastructure. That stress on the grid can lead to less reliability and more outages which, in turn, drives demand for backup power. In addition, this stress comes at a time when weather events and the power outages from storms seem to be growing in frequency and intensity.

We believe this is an opportune time to make our investment in **GNRC** for several reasons. First, like many companies, their industry has been through a challenging period since 2020. During COVID, as people were spending more time at home, the demand for generators increased. And, similar to many other industries and companies, **GNRC** experienced supply chain challenges inhibiting their ability to supply the growing demand. As a result, backlogs grew tremendously, and eventually, when supply chain issues were resolved and **GNRC** could produce higher volumes of product, their installers were not capable of keeping up with installations. Thus, they ended up with too much inventory in the channel and eventually had to cut production to balance inventories which significantly impacted their revenues and profitability. We believe that this chain of events (particularly the lower revenue and profits as they cut production) created downward pressure on the stock.

In addition, as was mentioned previously, **GNRC** has been quite acquisitive over the past 5 years in order to position the company for the long run and for the potential declining demand for power generation solutions powered by ICEs. As a result, they have used quite a bit of capital and have experienced some valuable (and expensive) lessons in the process. At this point, the "big spending" to position the company is behind them, and they are well positioned to: a) continue to generate cash from the ICE-powered products which seem to continue to be the customers' choice, and b) reduce the capital and expense outlays related to their newer products.

GNRC is an excellent example of the attributes that SouthernSun appreciates. First, they are clearly niche-dominant in the home standby generator market and a strong player in power generation for commercial and industrial applications, and they are growing their business for managing the electrical ecosystem inside homes. Second, in our opinion, **GNRC**

has adequate financial flexibility as evidenced by consistent cash generation, and a balance sheet with reasonable leverage (< 2.5 ND/EBITDA), especially in light of their outlook for spending on acquisitions. Thirdly, the CEO has been in place for 18 years, and their CFO has been in place for 19 years. We believe that leadership has strategically positioned the company for the future adoption of more technology to manage electrical usage in the home and for the possibility that ICEs lose their appeal to those looking for cleaner solutions in the future. We believe that the current valuation provides a sufficient risk-adjusted return for our clients and meets our hurdle rate for long-term appreciation.

Inception Date of SMID Cap Composite: January 1, 1997. *Net returns are actual and reflect the deduction of management fees. Supplemental information. Please see composite performance and disclosures for further information. Returns include the reinvestment of all income. Past performance is no guarantee of future results.

Top Contributors and Detractors (Absolute Return Basis)**

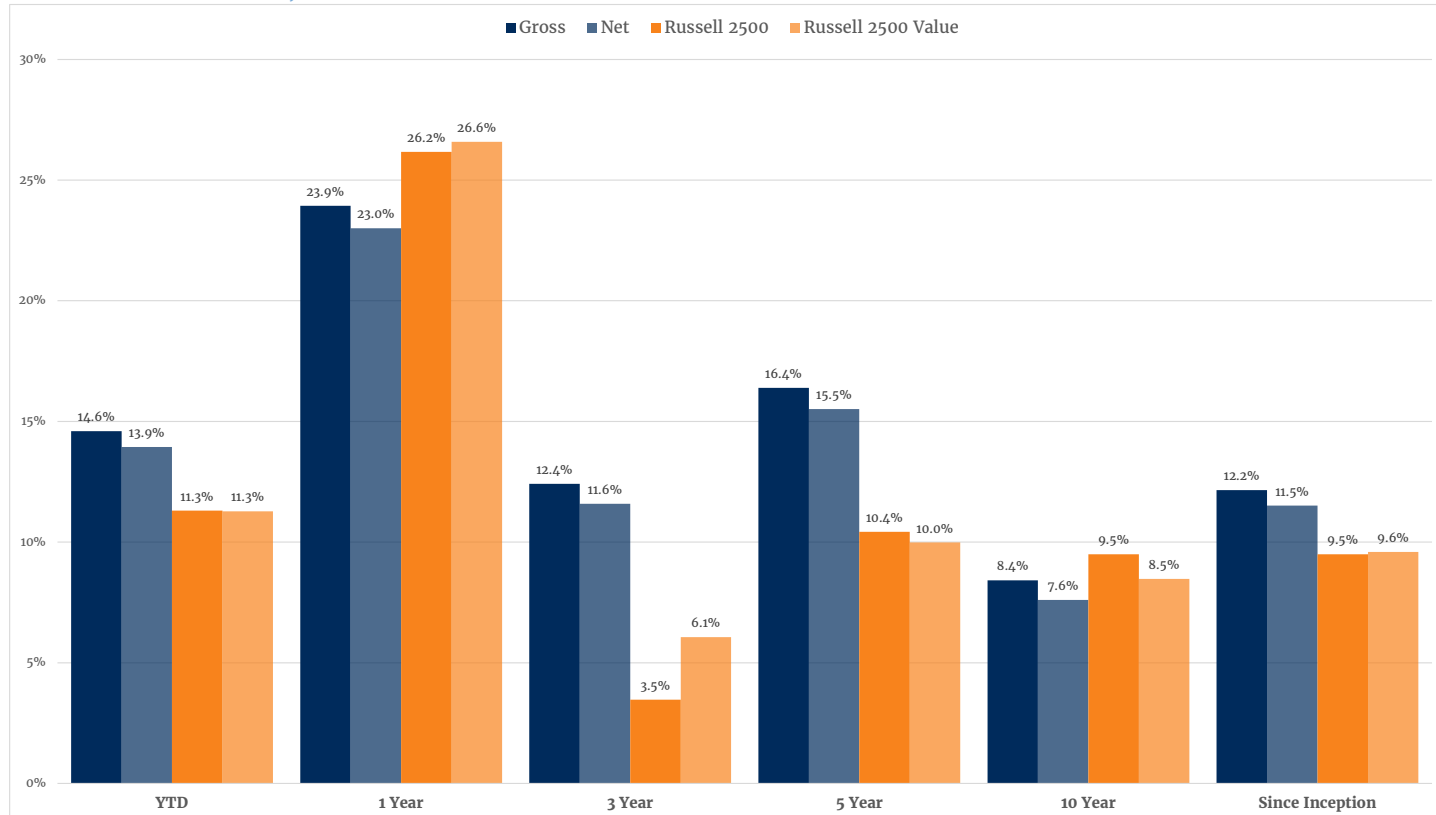
AS OF SEPTEMBER 30, 2024

Top Contributors	Ticker	Average Weighting (%)	Contribution-to Return (bps)	Top Detractors	Ticker	Average Weighting (%)	Contribution-to Return (bps)
Louisiana-Pacific Corporation	LPX	5.6	159	U.S. Physical Therapy, Inc.	USPH	5.0	-42
Boot Barn Holdings, Inc.	BOOT	5.2	145	Ingevity Corporation	NGVT	3.1	-41
Belden Inc.	BDC	5.3	125	Boston Beer Company, Inc.	SAM	4.2	-36
Dycom Industries, Inc.	DY	5.3	97	APi Group Corporation	APG	1.9	-29
Brink's Company	BCO	5.7	83	Trex Company, Inc.	TREX	2.1	-20

**Source: SouthernSun Asset Management, Advent Portfolio Exchange, Factset PA. Composite Top Contributors and Detractors will not include positions added to the portfolio within 30-days prior to the most recent month-end. Additionally, securities held at the request of individual client(s), such as ETF's, have been excluded. The holdings identified above do not represent all of the securities purchased, sold or recommended for advisory clients. Holdings are subject to change and should not be construed as investment advice. Statements received directly from the account custodian should be regarded as the official record for a client's account. To obtain a complete list of all positions in the strategy and their contribution to the portfolio's performance and an explanation of performance calculation methodology, contact Client Relations at either 901-341-2700 or clientservice@southern.sunam.com.

SMID Cap Annualized Performance

AS OF SEPTEMBER 30, 2024



Inception Date of SMID Cap Composite: January 1, 1997. Source: SouthernSun Asset Management, Advent Portfolio Exchange. Past performance is not indicative of future results, which may vary. As with any investment strategy there is potential for profit as well as the possibility of loss. The information presented is provided for informational purposes, reflects the performance of the strategy over the periods indicated, and should not be considered in isolation when making an investment decision. Returns are stated gross and net of management fees and include the reinvestment of dividends and other earnings. One-year, three-year, five-year, ten-year, and since inception returns are annualized averages and do not mean the manager achieved the stated return in each year. Periods less than one year are not annualized. Net returns are actual and reflect the deduction of management fees. Supplemental Information: Please see required performance and disclosures for further information, including the firm's GIPS presentations.

SMID CAP COMPOSITE

SMID CAP COMPOSITE - ASSET WEIGHTED RETURNS												
Year	SouthernSun		Russell 2500	Russell 2500 Value	Composite Dispersion	Composite 3-Yr Standard Deviation (%)	Russell 2500 3-Yr Standard Deviation (%)	Russell 2500 Value 3-Yr Standard Deviation (%)	Accounts in Composite (#)	Total Composite Assets (\$Mil)	% of Firmwide Assets	Total Firmwide Assets (\$Mil)
	Gross	Net										
2023	19.48%	18.57%	17.42%	15.98%	0.50%	21.73%	20.15%	20.70%	8	\$144	16%	\$906
2022	-3.38%	-4.05%	-18.37%	-13.08%	0.02%	27.12%	25.16%	26.46%	7	\$136	15%	\$899
2021	23.90%	22.96%	18.18%	27.78%	0.17%	25.59%	22.48%	24.15%	7	\$131	13%	\$1,016
2020	14.99%	14.07%	19.99%	4.88%	0.18%	27.21%	24.21%	25.05%	9	\$237	26%	\$904
2019	31.64%	30.63%	27.77%	23.56%	0.89%	17.10%	14.58%	14.23%	10	\$340	27%	\$1,252
2018	-21.14%	-21.75%	-10.00%	-12.36%	0.12%	15.24%	14.10%	13.58%	38	\$693	46%	\$1,519
2017	12.33%	11.46%	16.81%	10.36%	0.17%	13.91%	12.13%	11.81%	70	\$2,309	55%	\$4,213
2016	18.05%	17.19%	17.59%	25.20%	0.33%	15.13%	13.67%	13.17%	62	\$1,242	30%	\$4,187
2015	-10.91%	-11.55%	-2.90%	-5.49%	0.27%	15.08%	12.42%	12.02%	77	\$1,120	25%	\$4,542
2014	2.33%	1.60%	7.07%	7.11%	0.24%	13.56%	11.67%	11.25%	95	\$1,186	21%	\$5,696
2013	43.17%	42.27%	36.80%	33.32%	0.19%	18.71%	15.63%	15.07%	51	\$882	17%	\$5,317
2012	19.56%	18.86%	17.88%	19.21%	0.25%	22.89%	18.97%	18.41%	24	\$378	14%	\$2,615
2011	4.86%	4.30%	-2.51%	-3.36%	0.18%	27.75%	23.40%	24.23%	24	\$309	15%	\$2,106
2010	43.20%	42.47%	26.71%	24.82%	0.31%	31.58%	26.80%	26.97%	16	\$222	11%	\$1,974
2009	49.73%	49.08%	34.39%	27.68%	0.00%	28.16%	24.25%	24.61%	7	\$142	11%	\$1,339
2008	-36.75%	-37.03%	-36.79%	-31.99%	1.28%	22.71%	19.37%	18.38%	6	\$105	10%	\$1,025
2007	12.89%	12.40%	1.38%	-7.27%	0.07%	13.65%	11.52%	11.03%	6	\$175	13%	\$1,341
2006	15.78%	15.28%	16.17%	20.18%	N/A ¹	14.33%	11.93%	10.85%	≤5	\$153	14%	\$1,100
2005	2.42%	1.96%	8.11%	7.74%	N/A ¹	16.75%	13.48%	12.81%	≤5	\$135	18%	\$733
2004	27.64%	27.09%	18.29%	21.58%	N/A ¹	18.51%	16.92%	15.68%	≤5	\$133	32%	\$410
2003	45.59%	44.97%	45.51%	44.93%	N/A ¹	22.33%	19.93%	16.97%	≤5	\$97	60%	\$162
2002	-3.39%	-3.77%	-17.80%	-9.87%	N/A ¹	20.97%	21.92%	16.27%	≤5	\$39	36%	\$107
2001	7.19%	6.76%	1.21%	9.74%	N/A ¹	20.20%	21.16%	14.62%	≤5	\$40	34%	\$120
2000	14.15%	13.68%	4.26%	20.79%	N/A ¹	20.55%	22.35%	16.55%	≤5	\$38	28%	\$137
1999	14.39%	13.92%	24.14%	1.49%	N/A ¹	18.79%	19.46%	16.14%	≤5	\$33	23%	\$145
1998	-2.23%	-2.62%	0.38%	-1.92%	N/A ¹	N/A ²	N/A ²	N/A ²	≤5	\$29	21%	\$135
1997	27.32%	26.80%	24.36%	33.09%	N/A ¹	N/A ²	N/A ²	N/A ²	≤5	\$14	11%	\$123

¹Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. ²Information is not statistically meaningful due to an insufficient number of periods.

SouthernSun Asset Management, LLC, an SEC registered investment adviser, is a research-driven investment management firm implementing long-only domestic and global equity strategies for institutions and individuals. SouthernSun provides investment advisory services for its clients using a proprietary investment research process based on fundamental analysis and seeks to invest in niche-dominant, attractively-valued companies with financial flexibility and uniquely-fitted management teams.

SouthernSun Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SouthernSun Asset Management, LLC has been independently verified for the periods January 1, 1990 through June 30, 2024. The verification report(s) is/are available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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Performance results shown above are included as part of a complete disclosure presentation. SouthernSun SMID Cap Composite contains fully discretionary equity accounts invested in small cap to mid-cap (SMID cap) securities (defined as equity securities with market capitalizations that are within the range of the Russell 2500 at the time of initial purchase during the most recent 12-month period) and for comparison purposes is measured against the Russell 2500 and Russell 2500 Value indices. The SMID cap strategy will generally invest a larger percentage of its assets in a small number of securities (20-30 securities) and business sectors, which may make the strategy more volatile and subject to greater risk than a more diversified strategy. Small and mid-capitalization companies may also be more vulnerable to adverse business and economic events than larger companies, and thus, small cap and mid-cap stocks may also be more difficult to sell at the time and price desired due to liquidity constraints, which could have a negative effect on performance. Prior to June 2009, the composite was known as the SouthernSun Mid Cap Composite. However, despite the name change, the investment strategy has remained the same. Prior to December 2006, the composite was known as the CMT Mid Cap Composite. Prior to September 30, 2014, the market cap range was \$1 billion and \$8 billion. The minimum account size for inclusion into this composite is \$1,000,000. Prior to July 1, 2015, the minimum account size for inclusion in this composite was \$500,000. Prior to July 1, 2009, the minimum account size for inclusion in this composite was \$1,000,000. Composite policy requires the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of 20% or more of the portfolio assets. Prior to April 1, 2004, composite policy required the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of 50% or more of portfolio assets. Additional information regarding the treatment of Significant Cash Flows is available upon request. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Trade date valuation has been used since inception. The U.S. dollar is the currency used to express performance. Returns are stated gross and net of management fees and include the reinvestment of all income; provided that in the case of any mutual funds, gross returns reflect the market value of the account. If mutual funds accounts are within the composite, only the management fee is applied. No daily fund accruals are recorded. Net of fee performance was calculated using actual management fees. The management fee schedule is as follows: \$0 - \$50,000,000 is .90%, \$50,000,001 - \$100,000,000 is .85%, and above is .75%. This schedule is subject to a \$45,000 minimum annual fee. Actual investment advisory fees incurred by clients may vary. Beginning October 1, 2019, a significant number of accounts in the composite are custodied with a broker that does not charge trading expenses. Accounts custodied with other brokers may incur trading expenses which may reduce returns. The CIT fee schedule for the Founders Share Class is 0.65% and for the Class 1 is 0.80%. The annual composite dispersion presented is an asset-weighted standard deviation of gross returns for accounts in the composite the entire year. The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The SouthernSun SMID Cap Composite was created January 1, 1997. The inception date of the SouthernSun SMID Cap Composite is January 1, 1997. As of February 1, 2020, the firm substituted retroactively the Russell 2500 Value index in place of the Russell Midcap index as a secondary benchmark for the SouthernSun SMID Cap Composite. The cause for such a change is that SouthernSun believes that the Russell 2500 Value index is more representative of the firm's SMID Cap strategy, historically and on a go-forward basis.

The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000 Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology. Frank Russell Company ("FRC") is the source and owner of the Russell Index Information contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index Information may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. For more information on either index, please consult Frank Russell Company.

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