SouthernSun

4Q2024 Small Cap Investment Commentary

Dear Valued Clients,

As we reflect on the fourth quarter and full year of 2024, we at SouthernSun are proud to share with you our insights, and the strategic directions we have taken amidst a landscape marked by both challenges and opportunities. This period has been a testament to core principles of patience, adaptability, on-the-ground research, and our time-tested approach to investment management.

Let's begin by considering some of the year's key events that only accelerated in the fourth quarter.

Election Dynamics: The U.S. presidential election played a pivotal role in shaping market sentiment throughout Q4. The outcome, while anticipated by many, led to a significant market rally in November. This was not just due to the clarity of the electoral result but also because of the market's anticipation of policy shifts towards tax extensions and deregulation, which are generally viewed as pro-growth. However, the potential for new trade policies, particularly tariffs, introduced elements of uncertainty that we closely monitored.

Federal Reserve's Policy Adjustments: The Fed cut interest rates yet again during Q4, signaling a cautious yet proactive stance against the backdrop of slowing economic growth. This move was pivotal as it influenced both the credit and equity markets which have been quite volatile over the past several months, as the market tries to speculate what the Fed might do in 2025. Equity market returns in 2024 and the current yield on the 10 year suggest diverging views for the period ahead.

Geopolitical Tensions: Escalated geopolitical tensions, particularly in the Middle East, added layers of complexity to global markets. The potential for disruption in oil supply chains kept commodity prices volatile, impacting sectors from energy to manufacturing.

China's Stimulus Measures: China's response to its economic slowdown with a series of fiscal and monetary policy adjustments had a ripple effect across global markets. The initial market enthusiasm waned as investors awaited more concrete fiscal commitments, highlighting the global interconnectedness of economic policies.

While the aforementioned are by no means a comprehensive list, they do highlight some of the critical factors influencing the current market landscape as well as many of our portfolio businesses. With that said, we believe that in times such as these it is important to reinforce some of the core SouthernSun characteristics.

Patience and Discontentment: This quarter, our investment philosophy of maintaining a balance between patience and a healthy discontentment has never been more crucial. We've seen several of our investments mature in ways we anticipated, rewarding our patience. Yet, we remain discontented enough to continuously reassess our positions.

Ability to Walk Away: Our philosophy includes the readiness to walk away from investments not meeting our expectations. This quarter, we divested from a multi-year holding where the risk-reward balance shifted unfavorably (Kenny Rogers was possibly not far wrong with the lyrics to his famous song "The Gambler"). We are fundamentally keen to protect and grow capital, yet we are self-aware enough to realize we will not always be correct regarding all the necessary elements converging to produce a successful investment.

On-the-Ground Research: Our approach to relentless, on-the-ground research has been a cornerstone in anticipating change. Visits to operational sites, discussions with management teams, and insights from local market conditions have given us a nuanced understanding of how global events impact individual companies. This is particularly valuable in navigating the complexities of several end markets experiencing cyclical drawdowns. We believe our experience in these industries will afford great opportunity for long-term investors to deploy capital during these darker days.

Looking Forward to 2025

As we gaze into the horizon of 2025, our approach is characterized by cautious optimism, underpinned by a strategic framework that evolves with the changing landscape. The resilience of our portfolio businesses and the discipline with which our management teams execute will no doubt have a meaningful impact on their success, and by extension, exert some influence on our overall portfolio performance in 2025. The following are some of the high-level issues that may influence our management team's decision making this coming year:

- Policy Implementation Monitoring: The real-world execution of the newly elected administration's policies will be a critical area of focus. We are particularly watching for any legislative moves on tax reforms, infrastructure spending, and trade policies. These could significantly alter the investment landscape for various sectors, notably technology, manufacturing, and energy.
- Inflation and Interest Rate Watch: With the Federal Reserve's recent dovish pivot, we're preparing for a nuanced environment where inflation could either spike or stabilize. Our investment strategy will continue to favor durable businesses with highly adaptable management teams and strong balance sheets.
- Global Trade and Supply Chains: The ongoing adjustments in global trade relations, particularly with major economies like China, will continue to shape our investment decisions. We're enhancing our focus on supply chain robustness and diversification, looking for companies that are not only adapting to these changes but are also leveraging them for competitive advantage.
- Technological Innovation and AI: The rapid evolution of technology, especially AI, is reshaping industries. We're intensifying our research in this domain, seeking out companies at the forefront of innovation but also those providing solutions to the ethical and practical challenges AI presents.
- Sector Rotation and Opportunistic Investments: We will continue our practice of sector rotation, moving capital towards areas of opportunity while maintaining a disciplined approach to risk management. This includes looking for undervalued assets in sectors that might be out of favor but have strong fundamentals.

The headlines have dominated recent market activity. The market feels as much like a casino as we can remember, facilitated by a democratization of "investing" where speculators can easily bet on assets of all kinds. Uncertainty seems to be fueled by endless speculation regarding macro factors that neither we nor our businesses have any control over, so much capital concentrated in so few businesses, disregard for the highest number of corporate bankruptcies since 2010 this past year, and undisciplined budgeting at the federal level. As we navigate through 2025, our commitment to an investment process refined by years of continuous improvement will guide our actions. We aim not just to react to market movements but to ensure our decisions are rooted in fundamental research and analysis that aligns with our clients' long-term objectives and guided by decades of experience covering a multitude of global events and market cycles.

This letter reflects our commitment to you, our clients, to not only manage your investments with diligence but to do so with a forward-looking perspective that values both the art and science of investing.

Thank you for your trust in SouthernSun; we are here because of you.

Phillip Cook
Chief Investment Officer & Managing Partner
SouthernSun Asset Management

Michael Cook
Founder & Chairman
SouthernSun Asset Management

During the fourth quarter of 2024, the Small Cap Strategy Composite returned -7.55% on a gross basis (-7.73% net) versus the Russell 2000®, which returned 0.33% and the Russell 2000® Value, which returned -1.06%, over the same period. Over the trailing-twelve-months, the composite returned 5.53% on a gross basis (4.73% net) versus the Russell 2000®, which returned 11.54% and the Russell 2000® Value, which returned 8.05%, over the same period.

Dorman Products, Inc. (DORM) was the top contributor in the Small Cap strategy in the fourth quarter. **Dorman** is a leading manufacturer of automotive aftermarket parts with a unique focus on developing "first to aftermarket" parts to replace prone-to-fail parts that were previously only available from original equipment (OE) manufacturers. During the quarter, **Dorman** reported solid third quarter results with total sales growing 3%, driven by 5% growth in the Light Duty segment. Gross margin was also strong at 40.5%, driven by easing inflationary pressures, new product mix and operational efficiencies from warehouse automation. During the quarter, we also attended the SEMA show in Las Vegas and saw firsthand some of the innovative aftermarket products that **Dorman** has introduced to the market. Over the last decade, **Dorman** has invested heavily to develop differentiated capabilities to break down software codes in OE parts and write proprietary code to match part functionality. This capability is essential to developing complex electronic components for the aftermarket, which is becoming more important as newer vehicles have more electronic components. While strong third quarter results were the key driver of the stock price during the quarter, we believe the business is well positioned to continue outpacing growth of the broader automotive aftermarket over the long term.

Armstrong World Industries, Inc. (AWI), the leader in the commercial ceiling tile and grid business in the U.S., was one of the top contributors in the Small Cap strategy. When fully tallied, **Armstrong's** 2024 results are expected to show double digit revenue and earnings growth made possible by strong pricing, partially offset by modestly lower volumes. We continue to be impressed by the company's ability to maintain and expand its customer value proposition, despite an end market demand environment that has been choppy in the last few years. As an example of continued new product innovation, the company is expanding the market presence of its TEMPLOK energy efficient ceiling tiles and its low embodied carbon ceiling tiles. In addition to growth from new product innovation, **Armstrong** continued to execute an acquisition program in the architectural specialties division of its company during 2024, completing three bolt-on acquisitions (including one via its WAVE joint venture). We believe this acquisition program, initiated in 2016, has strengthened the company's competitive advantage by building out its product line offerings made available to commercial architects and designers. Even after investments in new products and acquisitions, **Armstrong** continued to return significant cash to shareholders in the form of share buybacks and dividends and maintains a strong balance sheet.

MGP Ingredients, Inc. (MGPI) was the top detractor in the fourth quarter in the Small Cap strategy. In early October, **MGPI** provided preliminary third quarter sales estimates that were significantly lower than we expected, driven by a significant and unexpected decline in its brown goods distilling business. During the subsequent quarterly earnings release, management indicated that they expect the distilling business to remain under pressure for the foreseeable future as demand for aged whiskey has declined sharply. We were surprised by the magnitude of and the speed at which the demand for distilled brown goods declined. Perhaps more alarming was management's lack of visibility into the market. In December, **MGPI** announced that David Bratcher, who took over as CEO at the beginning of 2024, was stepping down and the current CFO, Brandon Gall, will serve as interim CEO while the board conducts a search for a permanent replacement. Given the rapid changes in the business and the leadership team, we decided to exit our position and deploy the capital into businesses that we believe offer more attractive opportunities.

Brink's Company (BCO), a leading global provider of cash and valuables management, digital retail solutions (DRS), and ATM managed services (AMS), was a top detractor in the Small Cap strategy for the quarter after being a top contributor last quarter. In the third quarter, the company delivered 26% organic growth in AMS and DRS while continuing to stimulate customer demand for outsourcing with financial institutions and convert whitespace opportunities in retail. These higher-margin, recurring revenue businesses now represent over 23% of total company revenue and are expected to deliver over 20% organic growth in 2024. This growth was partially offset by a strengthening U.S. dollar as well as cyclical market headwinds in the global services business. Management and the board continue to prioritize organic growth and returning cash to shareholders while margins and cash flow continue on a positive trajectory for the foreseeable future, in our opinion. We spent time with management in Dallas during the quarter with much of the focus on new hires, talent around the organization, leadership philosophies, and driving operational and commercial excellence. We believe the current price affords share owners a nice opportunity to compound double digit returns over our investment time horizon with solid base support in the business, growth drivers and a multitude of options in management's control to drive results.

During the fourth quarter of 2024, we fully exited **MGP Ingredients, Inc. (MGPI)**. We initiated two new positions in **Advanced Energy Industries, Inc. (AEIS)** and **Oxford Industries, Inc. (OXM)** in the Small Cap Strategy.

We exited our position in **MGP Ingredients (MGPI)** during the fourth quarter. In early October, **MGPI** provided preliminary third quarter sales figures that were significantly lower than we expected driven by a significant and unexpected decline in its brown goods distilling business. During the subsequent quarterly earnings release, management indicated that they expect the distilling business to remain under pressure for the foreseeable future as demand for aged whiskey has declined sharply. We were surprised by the magnitude of and the speed at which the demand for distilled brown goods declined. Perhaps more alarming was management's lack of visibility into the market. In December, **MGPI** announced that David Bratcher, who took over as CEO at the beginning of 2024, was stepping down and the current CFO, Brandon Gall, will serve as interim CEO while the board conducts a search for a permanent replacement. Given the rapid changes in the business and the leadership team, we decided to exit our position and deploy the capital into businesses that we believe offer more attractive opportunities.

We initiated a position in **Advanced Energy Industries, Inc. (AEIS)** during the quarter. **AEIS** designs and manufactures highly engineered power conversion, measurement and control solutions. The company's power conversion products convert raw electricity from the utility grid into a precise, useable form of power for a given application. **AEIS** works in close collaboration with equipment manufacturers to design highly customized solutions, and approximately 70% of revenue comes from sole-sourced designs.

We began our research on this business, and this space more broadly, in 2021 and have learned a lot about the eco-systems that **AEIS** supports. You may recall that we were owners of CCMP in the post-COVID period before that business was acquired in 2022 by ENTG. Years before that, we were owners of Newport Corp, which was acquired by MKSI in 2016. Our time in and around the semi-conductor market, as well as decades of investing in industrial and medical markets, gave us a keen interest in learning more about **AEIS**, as we had come across the name but hadn't done significant research. We have spent the past 2-3 years filling our files, as we have studied this business and it's value chain more intensively.

AEIS has been the market share leader in process power and radio frequency power for semiconductor wafer fabrication equipment for decades, with a focus on conductor etch applications. In recent years, the company has diversified its end markets through several strategic acquisitions. Today, the company has four operating segments: Semiconductor (approximately 50% of revenues), Industrial and Medical (approximately 25% of revenues), Data Center Computing (approximately 16% of revenues) and Telecom and Networking (approximately 9% of revenues). Management has implemented a strategy to maintain its leadership position in the semiconductor market while focusing on modular design, modified standard designs and custom solutions that command higher margins in each of its other segments.

Despite exposure to the highly cyclical semiconductor market, **AEIS** has generated positive free cash flow for over a decade while also executing on multiple acquisitions. The company is finalizing an effort to rationalize production facilities accumulated through these acquisitions, which we believe will allow for more efficiency gains and margin improvement going forward. In addition, the company maintains a strong, net cash balance sheet as of September 30, 2024, which provides flexibility to pursue additional acquisitions.

In the fourth quarter, we initiated a position in **Oxford Industries, Inc. (OXM)**. The company is a portfolio of high-margin brands that (in their words) "evoke happiness." The business has been built by acquisitions, and they own several well-known clothing brands, including: Tommy Bahama, Lilly Pulitzer, Johnny Was, Southern Tides, Beaufort Bonnet and Duck Head.

In the past 8 years, **OXM's** sales have grown by nearly 50%; gross margin has increased from 57% to 63%, essentially doubling operating income in that time frame. We believe that gross margins are strong because of their direct-to-consumer strategy through their wholly-owned, brand-specific retail stores, on-line presence, and limited wholesale partnerships.

We believe the company has opportunities for profitable organic growth. In addition, their strong cash flows and balance sheet could enable them to continue to acquire new brands for their portfolio. In our opinion, management has demonstrated the ability to market and manage these brands effectively with omnichannel digital expertise. They have more than 330 "full price" brand-specific retail stores, and a handful of outlet stores for Tommy Bahama and Jonny Was. They added 30 new stores in 2024, and they have a plan to continue expanding their retail, brick and mortar presence.

Tommy Bahama is their largest brand, representing approximately 57% of sales. The brand has been around for 30 years, and **OXM** acquired Tommy Bahama in 2003. The brand tries to create an "oasis where the sun always shines, the seas are always welcoming, and easy-breezy styles are always in season." Twenty-two of their 102 full-price retail stores include a restaurant or bar, called "Marlin Bars." The restaurants and bars are profitable – and they are part of the company's strategy to immerse customers in the brand environment for 1-3 hours (vs a 15-30 minute shopping experience). Data shows that stores with restaurants and/or bars have higher retail sales, and if they are in a strip mall, their landlords benefit from higher foot-traffic and from people shopping into the evening hours. Tommy Bahama was on-pace to open 6-7 retail stores in 2024 and 3-5 Marlin bars.

Lilly Pulitzer, the iconic, resort lifestyle women's brand was started 65 years ago, and it is still growing. **Oxford** operates over 60 Lilly stores, and is opening 4-5 new stores per year. About 50% of the sales for Lilly Pulitzer are through e-commerce. They have recently decided to go back into Dillard's because they believe they are a disciplined retail partner.

Johny Was is an international women's lifestyle brand based in Southern California. They are known for their signature prints, vintage-inspired style, high-quality resort and swimwear, and for their bohemian fashion. They operate 72 full-price stores and 3 outlet stores. While they have been primarily direct-to-consumer, they are in the process of getting back into Nieman Marcus stores. The company is in the process of finishing a new distribution center in Georgia and exiting their much higher-cost facility in California. This is one of the more significant cost reductions that investors can expect in the coming 1-2 years.

The other brands: Southern Tides, Duck Head and Beaufort Bonnet are smaller but seem to have real growth potential in their respective niches. Southern Tide and Beaufort Bonnet also operate their own brand-specific retail stores, and they have plans for growing their store count.

Oxford Industries has consistently generated cash, and they have paid a dividend since going public in 1960. The company's net long-term debt, excluding lease obligations, is approximately $50 million, and their EBITDA in the trailing twelve months was $180 million.

In the current environment, where the consumer has been challenged by inflation, higher interest rates, and election uncertainty, we believe we have found a good entry point for owning shares. We would summarize our investment thesis as follows:

- Shareholder friendly management with a strong track record of delivering results;
- Opportunities for continued organic growth (new stores, on-line growth, successful brand management) and operating margin improvement following a few years of significant investment in SG&A, distribution and operational capabilities;
- Ability to add new brands to the portfolio via M&A;
- Multiple expansion potential as the profitable growth story becomes better known and more clearly demonstrated.

Inception Date of Small Cap Strategy Composite: October 1, 2003. *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)**

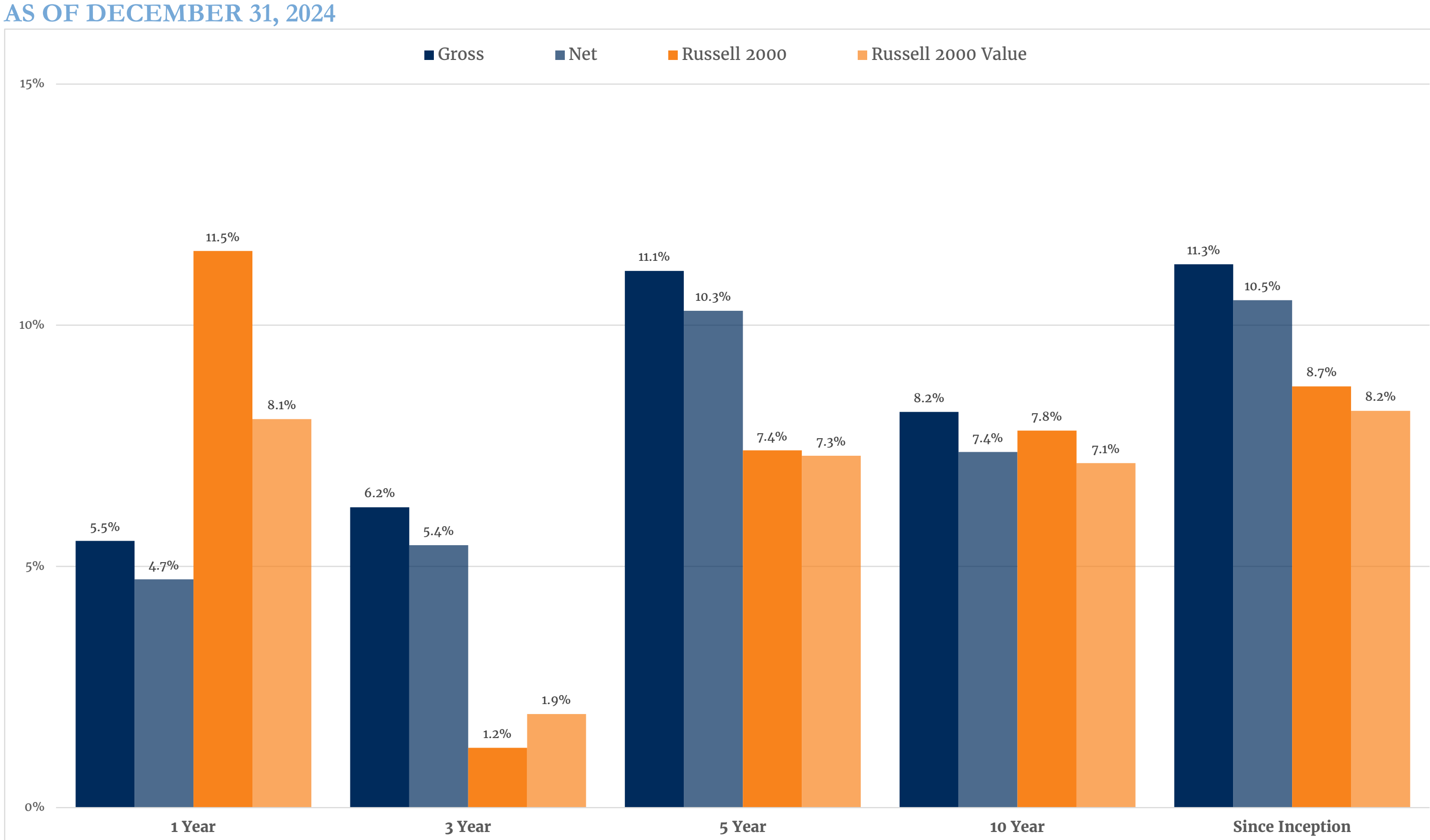
AS OF DECEMBER 31, 2024

Top Contributors	Ticker	Average Weighting (%)	Contribution-to Return (bps)	Top Detractors	Ticker	Average Weighting (%)	Contribution-to Return (bps)
Dorman Products, Inc.	DORM	5.2	79	MGP Ingredients, Inc.	MGPI	3.4	-290
Armstrong World Industries, Inc.	AWI	4.1	26	Brink's Company	BCO	6.4	-127
U.S. Physical Therapy, Inc.	USPH	5.8	24	Live Oak Bancshares, Inc.	LOB	4.8	-81
Ingevity Corporation	NGVT	3.2	15	Timken Company	TKR	4.6	-73
Boston Beer Company, Inc.	SAM	4.2	11	Polaris Inc.	PII	1.9	-63

**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@southernsunam.com.

Small Cap Annualized Performance

AS OF DECEMBER 31, 2024



Inception Date of Small Cap Strategy: October 1, 2003. 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.

SMALL CAP STRATEGY COMPOSITE

SMALL CAP STRATEGY COMPOSITE - ASSET WEIGHTED RETURNS												
Year[1]	SouthernSun		Russell 2000	Russell 2000 Value	Composite Dispersion	Composite 3-Yr Standard Deviation (%)	Russell 2000 3-Yr Standard Deviation (%)	Russell 2000 Value 3-Yr Standard Deviation	Accounts in Composite (#)	Total Composite Assets ($Mil)	% of Firmwide Assets	Total Firmwide Assets ($Mil)
	Gross	Net										
2024	5.53%	4.73%	11.54%	8.05%	0.22%	23.74%	23.30%	23.44%	10	$571	68%	$835
2023	13.93%	13.09%	16.93%	14.65%	0.14%	21.53%	21.11%	21.75%	11	$691	76%	$906
2022	-0.30%	-1.02%	-20.44%	-14.48%	0.06%	26.46%	26.02%	27.27%	15	$727	81%	$899
2021	23.40%	22.54%	14.82%	28.27%	0.09%	25.14%	23.35%	25.00%	14	$754	74%	$1,016
2020	14.58%	13.64%	19.96%	4.63%	0.71%	27.37%	25.27%	26.12%	13	$616	68%	$904
2019	36.76%	35.69%	25.52%	22.39%	0.28%	18.46%	15.71%	15.68%	13	$562	45%	$1,252
2018	-23.04%	-23.66%	-11.01%	-12.86%	N/A[2]	15.93%	15.79%	15.76%	≤5	$342	23%	$1,519
2017	19.58%	18.60%	14.65%	7.84%	0.20%	15.70%	13.91%	13.97%	6	$605	14%	$4,213
2016	20.77%	19.87%	21.31%	31.74%	0.63%	16.61%	15.76%	15.50%	6	$547	13%	$4,187
2015	-14.61%	-15.27%	-4.41%	-7.47%	0.59%	16.80%	13.96%	13.46%	6	$540	12%	$4,542
2014	-3.26%	-3.95%	4.89%	4.22%	0.05%	14.25%	13.12%	12.79%	6	$921	16%	$5,696
2013	43.95%	42.81%	38.82%	34.52%	0.56%	19.17%	16.45%	15.82%	6	$1,103	21%	$5,317
2012	20.70%	19.79%	16.35%	18.05%	0.26%	23.98%	20.20%	19.89%	6	$584	22%	$2,615
2011	6.47%	5.63%	-4.18%	-5.50%	0.99%	30.96%	24.99%	26.05%	6	$365	17%	$2,106
2010	51.09%	49.86%	26.85%	24.50%	0.50%	33.66%	27.69%	28.37%	6	$250	13%	$1,974
2009	33.41%	32.35%	27.17%	20.58%	1.26%	29.89%	24.83%	25.62%	6	$149	11%	$1,339
2008	-33.71%	-34.17%	-33.79%	-28.92%	1.31%	21.92%	19.85%	19.14%	6	$107	10%	$1,025
2007	9.50%	9.03%	-1.57%	-9.78%	N/A[2]	13.43%	13.16%	12.59%	≤5	$80	6%	$1,341
2006	13.16%	12.72%	18.37%	23.48%	N/A[2]	13.71%	13.75%	12.33%	≤5	$59	5%	$1,100
2005	2.44%	2.16%	4.55%	4.71%	N/A[2]	N/A[3]	N/A[3]	N/A[3]	≤5	$48	7%	$733
2004	25.84%	25.78%	18.33%	22.25%	N/A[2]	N/A[3]	N/A[3]	N/A[3]	≤5	$20	5%	$410
2003	14.94%	14.94%	11.62%	13.06%	N/A[2]	N/A[3]	N/A[3]	N/A[3]	≤5	<$1	1%	$162

[1]2003 returns are from inception date of the composite: October 1, 2003. The return numbers are not annualized. [2]Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. [3]Information 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 December 31, 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.

Subsequent periods are currently undergoing verification by ACA Performance Services and, as such, performance may be subject to change.

Performance results shown above are included as part of a complete disclosure presentation. The SouthernSun Small Cap Strategy Composite contains fully discretionary equity accounts invested in small cap securities (defined as equity securities with market capitalizations that are within the range of the Russell 2000 Index at the time of initial purchase during the most recent 12-month period, based on month-end data) and for comparison purposes is measured against the Russell 2000 and Russell 2000 Value indices. The small 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-capitalization companies may also be more vulnerable to adverse business and economic events than larger companies, and thus, small cap stocks may be more volatile. Small 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.

As of March 10, 2017, the minimum asset level to be included in this composite is $1,000,000. As of August 1, 2019, the SouthernSun Small Cap Strategy Composite added new accounts from the SouthernSun Small Cap Managed Composite due to the reduced number of different securities between the two composites. In general, when an account meets a composite's inclusion criteria for a full month, it will enter that composite as of the beginning of the following month. Similarly, if an account no longer meets a composite's inclusion criteria for a full month, then it will be removed from that composite at the beginning of the following month. Our firm-wide disclosure policy states that "If two or more portfolio holdings are absent relative to the firm's model portfolio for that strategy, as a result of client restrictions" then it's removed from that individual composite. Additionally, this composite does not include accounts that are overly restrictive with regard to 1) a new range for small cap securities (that are, at purchase, normally within a similar range to that of the maximum and minimum of the Russell 2000 Index on a trailing 12-month basis; and 2) maximum cash level restrictions. Any other guidelines that the chief investment officer feels are overly constraining for the management of a discretionary account will also be taken into consideration when eliminating accounts for inclusion in the Small Cap Strategy composite. Prior to January 1, 2017, the composite did not adhere to a significant cash flow policy. From January 1, 2017 to February 6, 2017, accounts were removed when experiencing a significant cash flow. From February 7, 2017 to February 2, 2022 the composite does not adhere to a significant cash flow policy. As of February 2, 2022, the 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. 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. 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, provided that the performance returns for the initial account in the composite were only calculated on a gross basis from October 2003 to October 2004. The management fee schedule is as follows: $0 - $50,000,000 is 1.00%, $50,000,001 - $100,000,000 is 0.95%, $100,000,001 and above is 0.90%. This schedule is subject to a $50,000 minimum annual fee. A management fee was not applied, however, to the sole SouthernSun Small Cap Strategy account in 2003. 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 0.70% and for the Class 1 is 0.85%. 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 Small Cap Strategy Composite was created January 1, 2017. The inception date of the SouthernSun Small Cap Strategy Composite is October 1, 2003.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. 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 FRC.

Past performance is no guarantee of future results. As with any investment strategy, there is a potential for profit as well as the possibility of loss. Individual investor results will vary. Performance results may be materially affected by market and economic conditions.

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