1Q2025 SMID Cap Investment Commentary

Leo Tolstoy once observed, "The two most powerful warriors are patience and time."

Greetings from Memphis,

As the Mississippi River flows just beyond my window, the record rainfall and storms of the past week are evident with the muddy river raging on the surface. Such conditions highlight the power of the river to one's eyes, but before long, the surface of this beast will once again appear timid, flowing effortlessly and quietly to the gulf. However, to presume that calm makes it easily navigable would be a grave mistake. Below the quiet surface, the power of the river persists. By analogy, that persistence mirrors what we've always sought at SouthernSun Asset Management: small- to medium-sized U.S. companies with the financial backbone, market strongholds, and leadership to endure through the roughest storms and the longest seasons. Today, as we turn the page into Q2 2025, we hope to explore some of our past - not with a fleeting whim, but with conviction forged in decades of data, tempered by experience, and illuminated by a belief that the marketplace may be shifting. We see a select portfolio of fundamentally sound small- to mid-cap U.S. public equities poised to shine over the long-term, a potential born not of blind hope but of a market shedding its excesses, clearing the rubble, and revealing the strength beneath.

For too long, the market has been on a sugar high - a dizzying rush of speculative fervor and loose capital. Like a body bloated on candy, it's been inflamed, its clarity muddied by the chase for quick, sugary wins. But we believe that high is waning and that we're stepping into a leaner era, one I'd liken to a carnivore diet - stripped of fluff, fueled by substance, and rooted in what's healthy and enduring. In this transition, small- and mid-cap businesses with robust fundamentals could emerge as the market's quiet titans if folks can sweep aside the debris cluttering the road to see their steady, unyielding power. Our journey through decades of market cycles, reflected in our Small and SMID portfolio performance, underpins this belief. Let's walk that road together, past and present, to understand why.

The Long View: A Road Paved with Rubble

The Russell 2000 Index, born in 1984 (shortly before I began my investment career) by the Frank Russell Company, has been the primary small cap point of reference we've been most often measured against since our founding. From its infancy, it's weathered at least 10 to 12 bear markets - drops of 20% or more from peak to trough - each a testament to the economic cycles, policy pivots, and global shocks that test small caps' resilience more fiercely than most. To be clear, these aren't just statistics; they're chapters in a story of survival and revival. Let's trace some of these pivotal moments together, overlaying our Small Portfolio's performance against the Russell 2000 and our SMID Portfolio's against the Russell 2500, to see how we've performed against our benchmarks in turbulent markets and how we've honed our strategy over the years to better weather the market's storms.

• 1990: The Early 1990s Recession

The savings and loan crisis, coupled with high interest rates under Fed Chairman Paul Volcker's lingering shadow, tipped the U.S. into recession. Small caps, sensitive to credit crunches, felt the squeeze. The Russell 2000 plummeted -19.52% as banks tightened lending and economic growth stalled. Our Small Portfolio, very much in its infancy, posted a far milder decline of -3.94% gross (-5.02% net). As it turned out, this wasn't luck; it was an early glimpse of our focus on companies with balance sheets that could flex rather than fracture - businesses that didn't crumble when the financial winds howled.

• 1998: Asian Financial Crisis and Russian Default

A cascade of emerging market turmoil - Thailand's currency collapse, Indonesia's unrest, and Russia's debt default - ignited a global flight to safety. The Russell 2000 slipped -2.56%, a modest dip masking intra-year volatility. Our Small Portfolio bucked the trend, gaining 4.15% gross (3.45% net), while our SMID Portfolio, fell -2.23% gross (-2.62% net) against the Russell 2500's slight 0.38% rise. What held us up? Companies with pricing power and cash reserves - attributes that shone when panic gripped markets. I vividly recall digging into balance sheets that year, finding firms that didn't need to beg for capital in a storm. That's how our craft is honed - continuously learning at every phase, never satisfied with the status quo, focused on providing high quality returns for our portfolios.

• 2000–2002: The Dot-Com Bust
The tech bubble's burst wasn't just a Silicon Valley story; it rippled through small and SMID caps as growth stocks imploded and a mild recession took hold. The Russell 2000 fell -3.03% in 2000, rose 2.49% in 2001, then plunged -20.48% in 2002 - a 3-year CAGR ("compound annual growth rate") of -7.55%. Our Small Portfolio? 8.68%, 1.65%, and 2.03% (3-year CAGR 4.07%) gross (7.91%, 0.90% and 1.26% net, respectively; net 3-year CAGR 3.31%). The SMID Portfolio outperformed too: 14.15%, 7.19%, and -3.39% (3-year CAGR 5.73%) gross (13.68%, 6.76%, and -3.77% net, respectively; net 3-year CAGR 5.31%), versus the Russell 2500's 4.26%, 1.21%, and -17.80% (-4.63%). While dot-com darlings vaporized, our holdings - specialty manufacturers, regional services - leaned on niche dominance and operational grit. The rubble of overhyped IPOs didn't bury us; it clarified our focus.

• 2007–2009: The Global Financial Crisis
A housing bubble collapse, Lehman Brothers' fall, and a banking crisis plunged the world into recession. The Russell 2000 dropped -1.57% in 2007, -33.79% in 2008, then rebounded 27.17% in 2009 (3-year CAGR -6.07%). Our Small Portfolio: 9.50%, -33.71%, and 33.41% (3-year CAGR 1.07%) gross (9.03%, -34.17%, and 32.35% net, respectively; net 3-year CAGR -1.70%). SMID Portfolio: 12.89%, -36.75%, and a striking 49.73% (3-year CAGR 2.25%) gross (12.40%, -37.03%, and 49.08% net, respectively; net 3-year CAGR 1.81%) versus the Russell 2500's 1.38%, -36.79%, and 34.39% (3-year CAGR -4.86%). We weren't immune to 2008's carnage - few were - but our rebound outpaced the indices. Cash-rich firms with adaptable leaders pulled us through. I remember meeting a CEO in '09 who'd slashed debt pre-crisis; his foresight was our gain. Benjamin Graham once wrote, "In the short run, the market is a voting machine, but in the long run, it is a weighing machine." That crisis weighed our companies' substance, and they held firm. As I wrote in 4Q08, "We believe our traditional, hands-on approach will continue to preserve and grow the funds our clients entrust with us. There is never a time when we are encouraged by losing money. This time is no different in that respect. We do believe that as a result of the events of the past year there may well be a recalibrating of risk and reward in the minds of many (at least for a time) and that our approach to evaluating and valuing companies may well emerge a more sought-after strategy. Irrespective of how the other side of this looks, we remain committed to understanding what our businesses are doing, why they are doing it, and what that may be worth to our clients one day." That conviction, tested in 2008's depths, fueled our 2009 recovery and remains our north star today.

• 2011: The European Debt Crisis
Greece's near-default and Eurozone tremors sparked a risk-off wave. The Russell 2000 fell -4.18%. Our Small Portfolio rose 6.47% gross (5.63% net), and SMID gained 4.86% gross (4.30% net) against the Russell 2500's -2.51%. While markets fretted over sovereign debt, our companies kept delivering. Flexibility mattered more than headlines.

• 2015–2016: Oil Price Collapse and Fed Tightening
Oil prices cratered from $100 to below $30, hammering energy-linked small caps, while Fed rate hikes loomed. The Russell 2000 dropped -4.41% in 2015, rallied 21.31% in 2016 (2-year CAGR 7.68%). Our Small Portfolio: -14.61% then 20.77% (2-year CAGR 1.55%) gross (-15.27% and 19.87 net, respectively; net 2-year CAGR 0.78%). SMID: -10.91% and 18.05% (2-year CAGR 2.55%) gross (-11.55% and 17.19% net, respectively; net 2-year CAGR 1.82%) versus the Russell 2500's -2.90% and 17.59% (2-year CAGR 6.85%). We took a hit in '15—specifically, our energy exposure wasn't zero, and the move in petroleum prices had negative implications well beyond the oil patch. Always looking to improve, we turned the pain into learnings, and set in motion a complete review of our risk mitigation process, which culminated in a measurable, comprehensive risk assessment that continues to be improved and implemented today. Further, over the past decade, the evidence suggests clear benefits accrued from the design and adoption of our new and adaptive approach to portfolio risk.

• 2018: Trade War Sell-Off
U.S.-China trade tensions and Fed rate hikes triggered a late-year rout. The Russell 2000 fell -11.01%. Our Small Portfolio dropped -23.04% gross (-23.66% net), SMID -21.14% gross (-21.75% net) - more than the Russell 2500's -10.00%. Volatility bit us hard; some portfolio holdings faced tariff pressures. Yet we held firm, confident the cycle would turn. It is useful to understand that there have been times, all throughout the past thirty-five years and shall be in the future, when the marketplace drops rapidly and then recovers, that our portfolios have both under- and outperformed in the short run during the early days of the market reversal. This, of course, makes sense in that we are not trying to "time" the market; we rather attempt to take full advantage of market dislocation by upgrading the portfolio due to depressed prices in high quality businesses we want to own longer term.

• 2020: The COVID-19 Crash
Pandemic lockdowns sent markets into freefall, followed by a swift rebound as stimulus flowed. The Russell 2000 surged 19.96% for the year after a 30%+ intra-year drop. Our Small Portfolio rose 14.58% gross (13.64% net), SMID 14.99% gross (14.07% net) versus the Russell 2500's 19.99%. We trailed slightly but sidestepped many of the weakest links. This period may be characterized as the genesis of the broad infatuation with the Mag-7.

• 2022: Inflation and Rate Hikes
Aggressive Fed tightening to curb inflation sank the Russell 2000 -20.44%. Our Small Portfolio held near flat at -0.30% gross (-1.02% net), SMID at -3.38% gross (-4.05% net) against the Russell 2500's -18.37%. This wasn't magic; it was discipline - owning companies with pricing power and low leverage, like a manufacturer we've held for years, thriving despite rate pressures. "One other point that might be worth mentioning is that many of our businesses have taken advantage of favorable operating conditions over the past few years to improve productivity and reduce long-term cost. You may recall how we emphasized in previous commentaries the importance of our businesses investing in technology and leading-edge mechanization for times much like these." This foresight, noted in 4Q08, paid dividends in 2022, cushioning us against the storm.

Reflecting on these cycles, we've often said, "We spent the first 15 years in total obscurity. In the midst of it all, we had the opportunity to really hone our craft and begin to understand what makes businesses great over long periods of time." That craft - forged through recessions, crises, and recoveries - sees rubble not as a barrier but a filter. Our long-term performance (SMID Cap Portfolio 11.1% annualized net return since inception; Small Cap Portfolio 10.5% annualized net return since inception), outpacing the indices in periods like 2000–2002, 2011, and 2022, strongly suggests the point: the strong endure. Leo Tolstoy once observed, "The two most powerful warriors are patience and time." We've wielded both, waiting out the market's tempests to harvest the rewards of resilience.

The Macro Shift: From Binge to Durable Substance

The past decade's sugar binge - near-zero rates, stimulus galore, tech rallies - left many high-quality small- to medium-sized companies in the shadow. But by April 2025, the metabolism may finally be shifting. Could a growth-to-value rotation spotlight small and smid caps, as it did post-2002? Possibly, but more importantly, do we have the right businesses in our portfolios - businesses that can thrive amid the uncertainty? That's the carnivore diet - lean, efficient, lasting. As I noted in 4Q09, "policy risk and volatility are classmates," and today's tariff talks, and geopolitical sparks remind us of that truth - yet our focus on adaptable, cash-strong firms helps position us to navigate this uneven terrain.

The road is not clear. Geopolitical sparks could snarl supply chains. The Russell 2000's quality split - exposed in 1990, 2008 - persists. History's drops remind us: small caps feel risk-off moods hard. Yet we hunt outliers - the types of companies that thrived through 1998's chaos or 2020's panic. The proliferation of ETFs and index funds, along with the promised benefit of new technologies, may likely continue to capture a large portion of the equity market capital flows - in and out. To level set expectations we have little to no doubt that our portfolio companies will be subject, warranted or unwarranted, to some of the price volatility we are currently experiencing as a result.

Three Pillars of Potential:

Valuation Opportunity

This is a tricky one because, for the moment, amid the chaos, it may be challenging to determine the fundamental fallout associated with the new order of things. However, this is also a reason for encouragement. SouthernSun businesses can benefit from their simpler, more direct decision to execution orientation and structure whilst larger and more complex organization will likely struggle to right size until the tide has turned once again. We believe that that the sugar high could be fading, and the value of these quiet performers could be unlocked by a marketplace finally weighing substance over sparkle.

Growth Potential

Our 14.5% and 12.6% Adjusted EPS CAGR over five years isn't a coincidence. Picture a company we've visited, its warehouses humming with automation enhanced over a decade, its management mapping expansion not through debt but through reinvested profits. This is the kind of outfit that thrives when others falter - its growth rooted in operational excellence, not market whims. Such businesses could lead a SSAM-style business renaissance, with earnings power amplified by a leaner economic landscape.

Market Dynamics

Value shifts and M&A could ignite gains. As trade flows reorient - perhaps toward U.S. shores - M&A could surge, with our portfolio companies either as targets or aggressors. This isn't speculation; it's a pattern we've seen before, and we believe it's poised to accelerate as the market clears its excesses.

Risks: Eyes on the Horizon

Volatility's baked in - as we write, the debt and equity markets are in rare territory with intraday moves of 5%-10% in both directions. The tariff announcements and the uncertainty of where they will eventually land, how they will impact capital flows, counterparty risk, inflation spikes or reductions, and rate hikes or cuts all pinch. Let's zero in on tariffs, particularly with China, where tensions in the South China Sea and decades of trade imbalance have boiled over into policy. In the near term - say, the next 6 to 18 months - these tariffs could hit hard. Some of our businesses - even the resilient ones - will face margin pressure as costs rise overnight. Offsetting this isn't simple - supply chains don't pivot on a dime. Green and brownfield manufacturing are not stood up overnight. The Russell 2000, with its heavy exposure to such dynamics, could crater again, as it did in 2018's trade war sell-off.

But there are also likely upsides to this mix. For example, crude oil prices have recently dipped below $57 per barrel, a level not seen since early 2021. For the broader U.S. economy, this is a boon - cheaper fuel boosts consumer spending, eases transportation costs, and lifts margins for industries like manufacturing and retail, many of which populate our portfolio. Yet, for drillers and energy-linked small caps, it's a near-term gut punch. While this oil drop fuels economic tailwinds in the short-term, it challenges energy outliers to adapt swiftly - another layer of volatility we're watching closely.

Yet here's where SouthernSun's philosophy shines. Our boots-on-the-ground approach - plant visits, CEO sit-downs, real-time pulse-checking - helps us see beyond the headlines. This isn't guesswork; it's adaptability we've stress-tested since our inception, as we log hundreds of hours at facilities worldwide to gauge cash flow amid chaos. In the intermediate term tariffs could sting, with inflation ticking up as domestic production ramps slowly, and counterparty risk flaring if Chinese partners balk. But we have time-tested reasons to believe our 20–30-name focus endures, targeting companies with the flexibility to pivot.

The longer view, though, is where the real story unfolds. Nothing of value comes without sacrifice - modernity recoils at that notion, craving instant gratification, but we've never shied from the hard road. A reordered marketplace, with trade tilting back to U.S. domestic production, could be transformative. Picture a decade where small caps - our kind, with pricing power and lean balance sheets - become linchpins in a reshored economy. The cost? Near-term pain - volatility, profit dips, sleepless nights. The benefit? Delivering exceptional long-term results for our clients. This isn't fantasy; it's history echoing - post-WWII, post-1980s, when sacrifice birthed strength. Our process - decades of digging into fundamentals, not chasing trends - positions us to reap those benefits, even if the market can't see it yet.

The Carnivore Diet: A Market Reimagined
We stand in a unique crucible - April 2025's blend of volatility, policy upheaval, and market dislocation is unlike anything in recent memory. Yet beneath this rubble lies an opportunity : the chance to own outstanding businesses at compelling valuations. Clearing the chaos reveals what's lasted - through 1990's crunch, 2008's crash, 2020's chaos - companies built not for the sprint but the marathon. We chase bedrock, not mirages. As I've said, "Maintaining independence and motivating our employees through equity participation strengthens the alignment between the firm and our clients." Turbulent markets favor the lean and strong. Join us with conviction in what endures, for in this reordered world, the patient and disciplined stand to gain the most.

Warm Regards,

Phillip Cook
Chief Investment Officer & Managing Partner
SouthernSun Asset Management

Michael Cook
Founder & Chairman
SouthernSun Asset Management

PORTFOLIO UPDATE*

During the first quarter of 2025, the SMID Cap Composite returned -8.60% on a gross basis (-8.76% net) versus the Russell 2500®, which returned -7.50% and the Russell 2500® Value, which returned -5.83, over the same period. Over the trailing-twelve-months, the composite returned -9.41% on a gross basis (-10.06% net) versus the Russell 2500®, which returned -3.11% and the Russell 2500® Value, which returned -1.47%, over the same period.

Broadridge Financial Solutions, Inc. (BR), the leading processor of proxy voting and fixed income trading in the U.S., was a top contributor in the first quarter. Results slightly exceeded our expectations, driven by a major mutual fund complex conducting board elections and relying on **BR** to process the proxies. More importantly, the outlook for the upcoming equity proxy season improved as equity position growth, which had been trending around 7%, began to pick up in October and was +11% for the quarter. Management now anticipates low double-digit equity position growth in the upcoming proxy season, up from prior expectations of mid-single-digit growth. Management also highlighted rising M&A activity and with net debt/EBITDA at approximately 2x, **BR** has the capacity to pursue strategic acquisitions. Overall, we remain confident in **BR's** strong competitive position, its ability to grow organically with minimal capital investment, and its skilled leadership team led by CEO Tim Gokey.

Watsco, Inc. (WSO), the largest distributor of air conditioning, heating, and refrigeration products in North America, was a top contributor this quarter, posting record fourth-quarter results with sales up 9% and EPS up 15%. Digital platform sales continue to outpace offline channels, now representing 36% of total revenue, and management remains committed to investing in proprietary technology solutions for contractors. The 2025 outlook appears favorable, as the rollout of higher-priced A2L refrigerant units from HVAC OEMs should be a tailwind to equipment pricing. With no debt and $782 million in cash and short-term investments, **Watsco** has significant flexibility to pursue acquisitions in the highly fragmented $74 billion North American HVAC/R distribution market. We continue to believe **Watsco** has a long runway for organic and inorganic growth, an owner-oriented culture and competitive advantages that increase with scale.

Boot Barn Holdings, Inc. (BOOT) was the top detractor in the SMID Cap strategy after a very strong performance in 2024. In our opinion, **BOOT's** results have been excellent when looking back over longer periods of time. Over the last 5 years, their EBITDA/share has grown at a 23% CAGR. In our opinion, the stock has been hit hard recently by concerns about the health of the consumer and concerns about rising costs due to tariffs on imports. The company imports approximately 30% of their products from China; however, management expects to be able to offset the impact of tariffs with pricing, and they believe that their competitors will face similar challenges. As we look forward, we believe

BOOT has a strong market position, robust growth plans for new stores, a track record of improving margins, and a clean balance sheet.

U.S. Physical Therapy, Inc. (USPH) was a top detractor in the SMID Cap strategy. Many things are going well at **USPH**; they have grown the top line at a 10% CAGR for the past 5 years, seen continued strong demand and improving productivity at their clinics, and the Industrial Injury Prevention business has shown good organic growth. However, in our opinion, they have two challenges: first, wages for front office and for clinical employees continue to rise; second, even though they have had good results in their negotiations with private payers (i.e. insurance companies), Medicare had yet another series of reimbursement cuts this year, and Medicare is about 30% of their business. As a result, EBITDA has been flat to declining (slightly) over the past 5 years. 2025 is the last year of mandated Medicare reimbursement cuts, and we believe management can navigate the rate environment as we move forward. In addition, we can see that the challenges in the market have adversely affected competition, and we believe **USPH** is in a position to grow it's moat in this current environment.

During the first quarter of 2025, we fully exited **Polaris Industries, Inc. (PII)**. We initiated one new position in **Modine Manufacturing Company (MOD)** in the SMID Cap Composite.

We exited our position in **Polaris Industries, Inc. (PII)** in the first quarter. Outsized tariff risk was the key reason for our exit. To put it in perspective, in 2024 **Polaris** generated $506 million in EBITDA; they currently manufacture approximately $2 billion of product in Mexico with additional products and parts coming from Asia/China. Although we suspect they will work hard to minimize the impacts and move production around, we cannot clearly quantify the impact at this point. **Polaris** has struggled over the past few years due to slower demand exacerbated by high levels of channel inventory. Consumers have been reluctant to make big-ticket discretionary purchases after the impact that inflation has had on their discretionary income and in this environment of higher interest rates. With the magnitude of **PII's** tariff risk, a balance sheet with less flexibility than we would like, and a weak outlook for consumers, we chose to exit the position and allocate cash to new and existing holdings in the portfolio.

Modine Manufacturing Company (MOD) is an over 100-year-old thermal management company based in Racine, WI. The company started out producing heat exchangers for tractors but quickly expanded into the automotive market and became a major supplier of heat exchangers to leading car manufacturers. As demand for automobiles increased significantly throughout the 20th century, **Modine** expanded operations globally. However, as the automotive market matured and became more competitive, **MOD's** growth slowed, and the company went through numerous restructurings to take cost out of the business. The company attempted to diversify into the HVAC industry by buying Airedale in 2005 and Luvata in 2016, but management lacked a clear strategic vision, and the legacy automotive business continued to attract most of the time and resources.

In December 2020, **MOD's** board decided new leadership was needed and hired Neil Brinker as CEO. Brinker was previously COO at Advanced Energy (AEIS) and had experience working at Idex Corporation (IEX) and Danaher (DANH) - both high performing industrials (we have been owners of AEIS and IEX and think highly of their business culture). After assessing the business, Brinker decided the company needed to move away from its legacy automotive parts businesses and shift resources into HVAC. He quickly implemented operational changes including reorganizing the business into 6 business units, hiring new general managers, implementing 80/20, and divesting low growth, low-margin automotive businesses. The changes yielded quick results with Adjusted EBITDA rising roughly 80% over three years.

Following the reorganization, the business reports in two segments: Climate Solutions (~58% of EBITDA) and Performance Technologies (~42% of EBITDA). The climate solutions segment designs and manufactures HVAC products such as coils, commercial indoor air quality units, and data center air handlers, chillers, and CDUs. The performance technologies segment includes legacy heat exchanger products for automotive, commercial vehicle, and off-highway applications, as well as smaller, but secularly growing heat exchangers for commercial generators and public transportation electric vehicles.

We attended the company's investor day in late 2024 and were impressed by both the management team's strength and the business outlook, which included a three-year target of nearly doubling Adjusted EBITDA. However, the share price at the time did not meet our return hurdle, so we stayed disciplined. In January, the launch of the DeepSeek R-1 LLM model in China raised concerns about the data center infrastructure required to train AI models, causing a sharp drop in **MOD's** stock price. We reassessed the business and determined that even under a scenario of reduced data center infrastructure demand, **MOD** met our return hurdle, and we purchased shares accordingly.

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)**

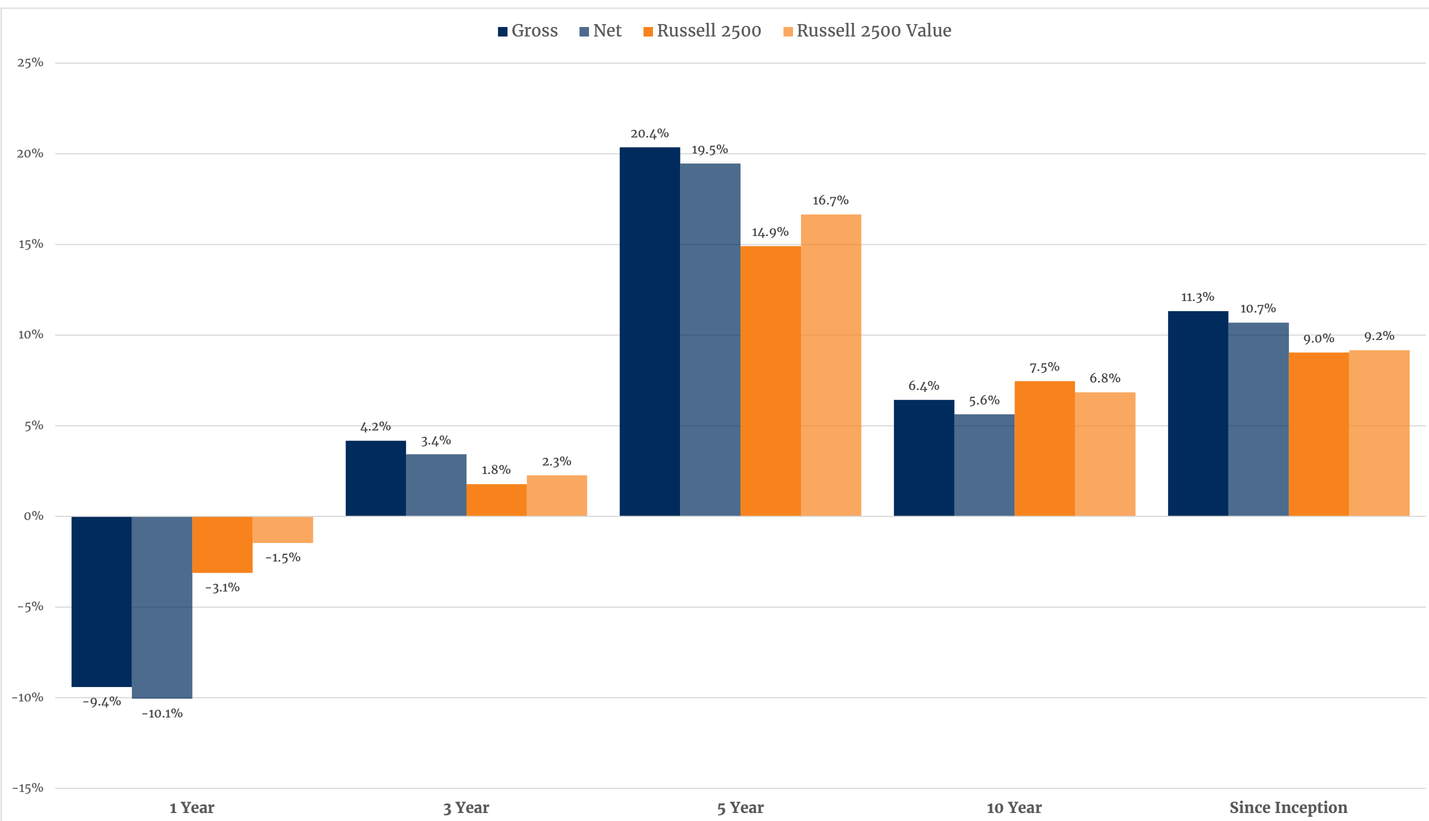
AS OF MARCH 31, 2025

Top Contributors	Ticker	Average Weighting (%)	Contribution-to Return (bps)	Top Detractors	Ticker	Average Weighting (%)	Contribution-to Return (bps)
Broadridge Financial Solutions, Inc.	BR	6.6	44	Boot Barn Holdings, Inc.	BOOT	4.9	-145
Watsco, Inc.	WSO	4.6	33	U.S. Physical Therapy, Inc.	USPH	5.4	-100
Timken Company	TKR	4.4	3	Boston Beer Company, Inc.	SAM	3.6	-82
Armstrong World Industries, Inc.	AWI	4.2	-5	Generac Holdings Inc.	GNRC	4.0	-71
AGCO Corporation	AGCO	4.0	-6	Belden Inc.	BDC	5.9	-62

**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.

SMID Cap Annualized Performance

AS OF MARCH 31, 2025



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										
2024	7.57%	6.83%	12.00%	10.98%	0.47%	23.03%	21.70%	21.63%	8	$149	18%	$835
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

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

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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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