

# SMID Cap Composite – Orion Platform



## INVESTMENT OBJECTIVE

The Strategy seeks to achieve long-term capital appreciation by investing in a concentrated portfolio of 20–30 U.S. companies with small capitalization.

## INVESTMENT STRATEGY

Using a research-driven, value-oriented investment strategy, the SouthernSun SMID Cap Composite seeks to provide long-term capital appreciation by investing primarily in common stocks of small to mid capitalization U.S. companies. The Strategy defines the investable universe of securities to include securities of issuers with a market capitalizations that are within the range of the Russell 2500 Index at the time of initial purchase during the most recent 12-month period, based on month-end data.

Using a bottom-up, fundamental investment approach, the Investment Team seeks to invest in attractively valued companies with the following three characteristics:

- **Financial Flexibility:** We seek companies with strong internally generated discretionary cash flow, conservative balance sheets, and organic revenue growth potential, believing financial flexibility promotes growth in strong environments and stability in times of adversity.
- **Management Adaptability:** We seek management teams with measurable, transparent goals who are held accountable for their performance. We often meet with multiple levels of management from the CEO to the plant/facility manager, believing it our responsibility to determine how and if the key decision makers effectively work together.
- **Niche Dominance:** We seek companies which exhibit competitive advantages through superior products, process controls, and technologies, often within niche industries like packaging process equipment, energy infrastructure, and agricultural equipment.

## INVESTMENT PERFORMANCE AND KEY STATISTICS

ANNUALIZED COMPOSITE PERFORMANCE % <sup>1</sup>									
	SI <sup>2</sup>	15 YEAR	10 YEAR	5 YEAR	3 YEAR	1 YEAR	YTD	QTD	MTD
Gross	11.7	12.0	7.2	9.2	18.6	19.0	10.5	-5.9	-5.8
Net (3% Orion fee)	8.4	8.6	4.0	6.0	15.0	15.4	8.0	-6.6	-6.0
Russell 2500	8.9	9.5	7.9	4.5	8.4	11.3	3.6	-4.8	-5.6
Russell 2500 Value	9.0	8.3	6.9	4.0	13.3	11.3	2.0	-3.7	-5.4

CHARACTERISTICS		
	COMPOSITE	R2500
Number of Holdings	22	2,485
Market Cap - Wtd Med (bill)		\$5.1
Market Cap - Wtd Avg (bill)		\$6.6
Turnover (5-yr)	32.0%	N/A
Active Share	98.1%	N/A
Beta (5-yr)	1.1	N/A
Standard Deviation (5-yr)	25.9%	23.3%

FUNDAMENTAL STATISTICS <sup>2, 4</sup>		
	COMPOSITE	R2500
Price/Earnings (P/E) <sup>3</sup>	15.7x	24.7x
Free Cash Flow Yield (FCF)	4.4%	4.5%
Earnings Yield	6.4%	4.1%
Dividend Yield	1.0%	1.6%
Return on Equity (ROE)	27.5%	11.5% <sup>4</sup>
Return on Assets (ROA)	9.3%	3.5%
Return on Capital Employed (ROCE)	16.5%	8.7%
Net Debt/EBITDA	1.7x	2.9x
EV/EBITDA	12.5x	9.0x

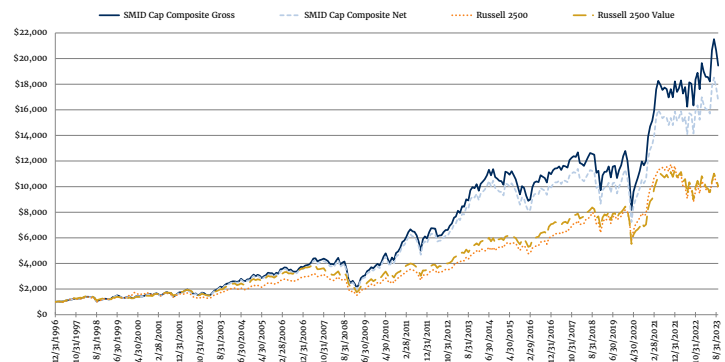
Source: SouthernSun Asset Management, Factset Portfolio Analytics, Advent Portfolio Exchange. <sup>1</sup>Inception Date of SMID Cap Composite: January 1, 1997. One-year, three-year, five-year, ten-year, fifteen-year, and since inception returns are annualized averages and do not mean the manager achieved the stated return in each year. Periods less than one year are not annualized. Returns reflect the reinvestment of dividends and other earnings. Net returns are actual and reflect the deduction of management fees.

<sup>2</sup>Weighted average. <sup>3</sup>Weighted harmonic average. Fundamental Statistics are preliminary and may change as companies release quarterly earnings. See page 2 for characteristics and fundamental statistics definitions. <sup>4</sup>Source: FactSet. Values for characteristics can at times reflect artificially higher or lower values as FactSet does not exclude outliers or negative values in calculation methodology.

## KEY FACTS

Investment Team	5 person Investment Team led by Michael and Phillip Cook
Strategy Inception Date	January 1, 1997
Number of Holdings	22
Turnover (5 Year)	32.0%
Active Share	98.1%

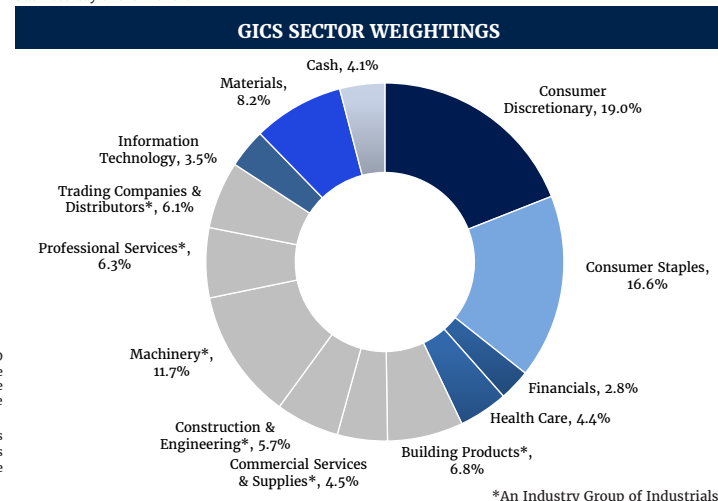
## HISTORICAL TRACK RECORD



See disclosures below.

TOP 10 HOLDINGS <sup>5</sup>		
	TICKER	% OF COMPOSITE
Darling Ingredients Inc.	DAR	6.4
Broadridge Financial Solutions, Inc.	BR	6.3
Watsco Inc	WSO	6.1
Dycom Industries Inc	DY	5.7
Murphy USA Inc.	MUSA	5.7
The Boston Beer Co Inc	SAM	5.5
Boot Barn Holdings Inc	BOOT	5.1
AGCO Corp.	AGCO	4.8
MGP Ingredients Inc	MGPI	4.7
The Brink's Co.	BCO	4.5
Total		54.9

<sup>5</sup>The specific securities identified are not representative of all of the securities purchased, sold or recommended for clients. It should not be assumed that an investment in the securities identified has or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed. Percent of Composite is calculated as the portfolio weighting on the last business day of the month.



\*An Industry Group of Industrials

Orion Portfolio Solutions requires that strategy performance is shown net of a 3.00% fee. The net performance shown below reflects this 3.00% annual fee. Fees are calculated and deducted on a monthly basis. SouthernSun SMID Cap Strategy composite net performance will vary from the net performance shown here. Past performance is no guarantee of future results. Individual investor results will vary. Performance results may be materially affected by market and economic conditions.

# 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										
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 <sup>1</sup>	14.33%	11.93%	10.85%	≤5	\$153	14%	\$1,100
2005	2.42%	1.96%	8.11%	7.74%	N/A <sup>1</sup>	16.75%	13.48%	12.81%	≤5	\$135	18%	\$733
2004	27.64%	27.09%	18.29%	21.58%	N/A <sup>1</sup>	18.51%	16.92%	15.68%	≤5	\$133	32%	\$410
2003	45.59%	44.97%	45.51%	44.93%	N/A <sup>1</sup>	22.33%	19.93%	16.97%	≤5	\$97	60%	\$162
2002	-3.39%	-3.77%	-17.80%	-9.87%	N/A <sup>1</sup>	20.97%	21.92%	16.27%	≤5	\$39	36%	\$107
2001	7.19%	6.76%	1.21%	9.74%	N/A <sup>1</sup>	20.20%	21.16%	14.62%	≤5	\$40	34%	\$120
2000	14.15%	13.68%	4.26%	20.79%	N/A <sup>1</sup>	20.55%	22.35%	16.55%	≤5	\$38	28%	\$137
1999	14.39%	13.92%	24.14%	1.49%	N/A <sup>1</sup>	18.79%	19.46%	16.14%	≤5	\$33	23%	\$145
1998	-2.23%	-2.62%	0.38%	-1.92%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	≤5	\$29	21%	\$135
1997	27.32%	26.80%	24.36%	33.09%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>	≤5	\$14	11%	\$123

<sup>1</sup>Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. <sup>2</sup>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 June 30, 2023. 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. 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. 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. Prior to December 31, 2016, the market cap range was \$1 billion to \$12 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 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.

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.

**Definitions:**  
**Market Capitalization:** This figure represents the current stock-market value of a company's equity. It is calculated as the current share price times the number of common shares outstanding. **Turnover:** This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales and dividing by average monthly net assets. 5-yr Turnover is annualized. **Active Share:** Measures the degree of active management by a portfolio manager. Active share is a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. **Beta:** Beta measures a fund's sensitivity to market movements. A beta greater than one indicates the investment is more volatile than the market. If beta is less than one, the investment is less risky than the market. Beta is often referred to as systematic risk. **Standard Deviation:** Annualized standard deviation measures the degree to which a fund's performance has varied from its average performance over a particular time period. The greater the standard deviation, the greater a fund's volatility (risk). **Price to Earnings (P/E):** This ratio is calculated by taking the market value (price \* common shares outstanding) divided by net income before unusual expense using a weighted harmonic average. **Earnings Yield:** This is calculated by taking the inverse of the market value (price \* common shares outstanding) divided by net income before unusual expense. **Dividend yield:** This is calculated by taking the dividends per share (DPS) divided by the closing price. **Free Cash Flow Yield (FCF):** This is calculated by taking the operating cash flows minus capital expenditures then dividing by the market value. **Return on Equity (ROE):** This is calculated by taking the net income before unusual expense divided by the average of the month-end total shareholders' equity and the total shareholders' equity twelve months ago. **Return on Assets (ROA):** This is calculated by taking the net income before unusual expenses divided by the average of the month-end total assets and the total assets twelve months ago. **Return on Capital Employed (ROCE):** This is calculated by taking the earnings before interest and taxes (EBIT) divided by the total debt plus total equity. **Net Debt/EBITDA:** This is calculated by taking the Net Debt (total debt - cash & equivalents) divided by the EBITDA. **EVEBITDA:** This is calculated by taking the enterprise value divided by the EBITDA.

**Important Disclosures:**  
 Past performance is not indicative of future results, which may vary. The information contained herein may be estimates, are as of the dates indicated, and are subject to change without notice. The information contained herein does not constitute an offer, solicitation or recommendation of any transaction in any securities referred to herein. Holdings are subject to change and should not be construed as investment advice. References to exited positions indicates that the position has been fully liquidated from the portfolio by SouthernSun except in instances, if applicable, where a client has instructed us otherwise. Statements received directly from the account custodian should be regarded as the official record for a client's account. This information is being furnished to you for informational purposes only and should not be solely relied upon when making an investment decision. Any performance composite data utilized herein is used for illustrative purposes only and may not be inclusive of your account or reflective of the performance specific to your account. Moreover, the effect of certain market or conditions may have impacted the performance composite data shown and may differ from the performance of your account. Performance data provided herein reflects the reinvestment of dividends and other earnings. All information has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. This information is confidential, may not be reproduced or circulated in whole or in part, and is intended for institutional clients, qualified institutional buyers, professional investors or professional clients. Any transmittal of this information to individual clients, without the prior written consent of SouthernSun, is strictly prohibited.

**Regulatory Disclosures:**  
 This material is provided for informational purposes only and is only directed at persons who may lawfully receive it. You should satisfy yourself that you are lawfully permitted to receive this. This material is not intended to be relied upon as a forecast or research and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy nor is it investment advice. Past performance is not a reliable indicator of future performance. SouthernSun Asset Management, LLC is registered with the United States Securities and Exchange Commission ("SEC") as an investment adviser. SouthernSun Asset Management (UK) Ltd., a subsidiary of SouthernSun Asset Management LLC, is a UK domiciled limited company that is authorized and regulated by the Financial Conduct Authority.