

## FIRM OVERVIEW

FIRM ASSETS UNDER MANAGEMENT: **\$4.8B**

Palisade Capital Management is a privately-held investment management firm that offers a solutions-based approach towards client portfolios. Through our fundamental, research-intensive culture, our traditional and alternative investment strategies seek to deliver attractive returns aligned with our investors' priorities. Founded in 1995, Palisade's diversified client base includes corporations, public plans, financial institutions, family offices, and individuals.

## SMALL CAP CORE EQUITY OVERVIEW

Strategy assets: **\$2.6B**  
Benchmark: **Russell 2000® Index**  
Inception date: **March 1, 1995**

Led by Senior Portfolio Manager Marc Shapiro, Palisade's experienced four-member Small Cap Core Equity team utilizes a research-intensive, disciplined investment process that integrates bottom-up, fundamental stock research with a conviction-weighted approach to portfolio construction. The goal is to implement a diversified portfolio to generate strong risk-adjusted returns over a full market cycle.

## INVESTMENT TEAM

**Marc Shapiro**  
Senior Portfolio Manager  
Managing Director  
Joined Firm: 2004  
28 years investment experience

**Kyle Kavanaugh**  
Associate Portfolio Manager,  
Senior Vice President, Research  
Joined Firm: 2001  
28 years investment experience

**Dawn Brock**  
Senior Vice President, Research  
Joined Firm: 2013  
25 years investment experience

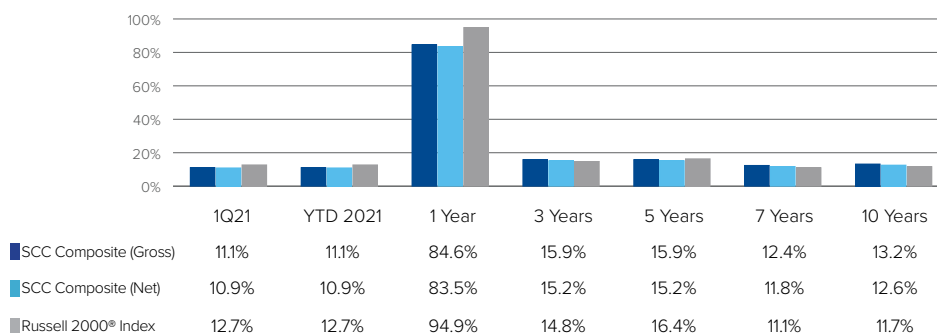
**Garo Norian, CFA**  
Senior Vice President, Research  
Joined Firm: 2012  
23 years investment experience

## FOR MORE INFORMATION, CONTACT:

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## PERFORMANCE



Performance periods greater than one year are annualized.

## SECTOR ANALYSIS

|                        | SCC Composite | Russell 2000® Index | Overweight/Underweight |
|------------------------|---------------|---------------------|------------------------|
| Communication Services | 1.8%          | 2.4%                | -0.6%                  |
| Consumer Discretionary | 12.7%         | 14.5%               | -1.8%                  |
| Consumer Staples       | 2.5%          | 3.3%                | -0.8%                  |
| Energy                 | 1.5%          | 2.7%                | -1.2%                  |
| Financials             | 16.1%         | 16.2%               | -0.1%                  |
| Health Care            | 17.3%         | 19.4%               | -2.1%                  |
| Industrials            | 16.0%         | 16.0%               | 0.0%                   |
| Information Technology | 15.6%         | 12.6%               | 3.0%                   |
| Materials              | 6.7%          | 4.5%                | 2.2%                   |
| Real Estate            | 4.7%          | 5.9%                | -1.2%                  |
| Utilities              | 1.6%          | 2.5%                | -0.9%                  |
| Cash                   | 3.5%          | 0.0%                |                        |

Source: FactSet Research Systems, Inc.

## CHARACTERISTICS

|                              | SCC Composite | Russell 2000® Index |
|------------------------------|---------------|---------------------|
| P/E Ratio (one year forward) | 20.5          | 18.6                |
| 5 Year Annual EPS Growth     | 9.0           | 11.0                |
| Return on Equity             | 6.5           | -2.1                |
| Wtd. Average Market Cap      | \$5.1B        | \$3.6B              |
| Turnover (LTM)               | 27.3          | -                   |
| No. of Securities            | 89            | 2,056               |

Source: FactSet Research Systems, Inc.

## STATISTICS (5 YEAR)

|                    | SCC Composite | Russell 2000® Index |
|--------------------|---------------|---------------------|
| Alpha              | 0.5           | -                   |
| Standard Deviation | 20.1          | 20.8                |
| Beta               | 0.9           | 1.0                 |
| Sharpe Ratio       | 0.7           | 0.7                 |
| Upside Capture     | 92.2          | 100.0               |
| Downside Capture   | 97.0          | 100.0               |
| Tracking Error     | 4.8           | -                   |
| Active Share       | 91.8          | -                   |

Source: FactSet Research Systems, Inc.

### TOP 10 HOLDINGS BY WEIGHT

|                                       | GICS® Sector           | Weight       |
|---------------------------------------|------------------------|--------------|
| Western Alliance Bancorp              | Financials             | 2.4%         |
| Applied Industrial Technologies, Inc. | Industrials            | 2.3%         |
| ICON Plc                              | Health Care            | 2.3%         |
| Repligen Corporation                  | Health Care            | 2.2%         |
| Syneos Health, Inc. Class A           | Health Care            | 2.1%         |
| Avient Corporation                    | Materials              | 2.0%         |
| Acadia Healthcare Company, Inc.       | Health Care            | 1.8%         |
| John Wiley & Sons, Inc. Class A       | Communication Services | 1.8%         |
| Emergent BioSolutions Inc.            | Health Care            | 1.8%         |
| Littelfuse, Inc.                      | Information Technology | 1.7%         |
| <b>SCC Composite Total</b>            |                        | <b>20.4%</b> |

Source: FactSet Research Systems, Inc.

### CALENDAR YEAR PERFORMANCE

|      | SCC Composite Gross Return | SCC Composite Net Return | Russell 2000® Index |
|------|----------------------------|--------------------------|---------------------|
| 2020 | 15.9%                      | 15.2%                    | 20.0%               |
| 2019 | 25.8%                      | 25.1%                    | 25.5%               |
| 2018 | -4.0%                      | -4.5%                    | -11.0%              |
| 2017 | 12.4%                      | 11.8%                    | 14.7%               |
| 2016 | 23.5%                      | 22.8%                    | 21.3%               |
| 2015 | -1.4%                      | -1.9%                    | -4.4%               |
| 2014 | 7.5%                       | 6.9%                     | 4.9%                |
| 2013 | 34.4%                      | 33.6%                    | 38.8%               |
| 2012 | 17.9%                      | 17.2%                    | 16.4%               |
| 2011 | 4.9%                       | 4.2%                     | -4.2%               |

### IMPORTANT INFORMATION

**Past performance is not a guarantee of future results.** No assurance can be given that the Strategy will be successful. The performance of the Strategy can be volatile and involve a high degree of risk. Investors may lose some or all of their investment.

Gross return results shown do not show the deduction of fees and expenses. Returns are presented net of management fees and include the reinvestment of all income.

Palisade Capital Management, L.L.C. ("Palisade" or the "Firm") is an SEC registered independent investment management firm established in 1995. Beginning December 31, 2007, Palisade was redefined to include private equity investments. Based in Fort Lee, NJ, Palisade manages a variety of assets for a diversified client base including institutions, foundations, endowments, pension and profit-sharing plans, retirement plans, mutual funds, private limited partnerships, family offices, and high net worth individuals. Registration with the Securities and Exchange Commission does not imply a certain level of skill or expertise.

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The Small Capitalization Composite (also referred to as the Small Cap Core Composite) includes all fee-paying, discretionary, taxable mutual funds, and taxable and tax-exempt institutional portfolios invested in equities with increasing earnings and free cash flow, core characteristics, and small capitalizations. Prior to January 1, 2012, taxable mutual funds and taxable accounts were excluded from the composite. The minimum account size for this composite is \$1 million. Prior to April 1, 2008, the minimum account size for this composite was \$10 million and, prior to January 1, 2009, the minimum account size was \$3 million. Palisade maintains a complete list and description of composites, which is available upon request. Valuations are computed and performance results are reported in U.S. dollars. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual investment management fees. Actual investment management fees incurred by clients may vary. The full performance record is available upon request. The Small Capitalization Composite was created March 1, 1995.

Holdings, sector weights, and characteristics reflect those of the Small Capitalization Composite. Holdings and weightings are subject to change at any time at Palisade's discretion. Individual portfolios may vary. It should not be assumed that any of the securities transactions or holdings shown were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities shown herein. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any security discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. Information is supplemental to the composite disclosure presentation, which is available upon request. Discussions regarding potential future events and their impact on any portfolio are based solely on historic information and Palisade's estimates and/or opinions, are provided for illustrative purposes only, and are subject to further limitations as specified elsewhere in this material. No guarantee can be made of the occurrence of such events or the actual impact such events would have on any portfolio's future performance.

Palisade is the source of all data unless otherwise noted.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. It consists of approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. The Small Capitalization Composite (the "Composite") has been developed solely by Palisade Capital Management, L.L.C. The Composite is not in any way connected to or sponsored, endorsed, sold, or promoted by the LSE Group. FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the Russell 2000® Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark(s) of the relevant LSE Group company and is used by any other LSE Group company under license. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on, or any error in the Index or (b) investment in or operation of the Composite. The LSE Group makes no claim, prediction, warranty, or representation either as to the results to be obtained from the Composite or the suitability of the Index for the purpose to which it is being presented by Palisade Capital Management, L.L.C.

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