



Mid Cap Core Concentrated: Performance & Commentary

PERFORMANCE SUMMARY

The strategy returned -2.41% before fees (-2.84% net of fees) in the second quarter, outperforming the S&P 400 Index's return of -3.45% by 1.04%.

Sector allocation (+32bps) was a tailwind this quarter, as the decision to be underweight the Consumer Discretionary sector (+11bps) and putting that into an Information Technology overweight (+9bps) driving the upside. Our underweight to Utilities hurt by 12 bps, while our cash position aided performance by 17 bps.

Stock selection (+72bps) drove most of the outperformance. Our Consumer Discretionary (+72bps) picks rebound nicely, and we avoided many of the pitfalls that the Materials (+69bps) sector held this quarter. Our holdings in Health Care (-74bps) and Utilities (-24bps) have us reviewing a couple names investment cases.

MARKET OUTLOOK

The market showed increasing signs of stratification on this quarter, with a small number of growth oriented large cap stocks driving returns, leaving small and mid cap names lagging. Optimism fueled by Artificial Intelligence (AI) advancements overwhelmed higher interest rates and valuations. As inflation readings cooled, investors embraced a soft-landing scenario with lower rates and a slowing, but still growing economy. Within the midcap space, utilities (+10.6%) and Communication Services (+3.5%) drove the gains, while more cyclical areas of the market like Materials and Consumer Discretionary were the notable laggards.

The S&P 400 Index traded at 16.2x next 12-month earnings estimates at quarter-end, slightly below its 20-year average. S&P 400 Earnings are estimated to grow over 15% in 2024 and 23% in 2025, higher rates than their large cap brethren. The Health Care, Utilities, and Information Tech sectors are all projected to have 30% earnings growth in 2024, while the Financials sector is the only one expected to have a meaningful decline, and consumer-oriented sectors expected to be flat.

The market faces rising geopolitical risks and slowing economic growth amid sticky inflation. Interest rates have stabilized, but earnings expectations are too optimistic. Oversold short-term conditions may lead to sharp rebounds but further evidence of easing inflationary pressures and a less aggressive Fed is necessary for sustained gains. Mid-caps remain one of the more compelling areas of the market, offering an attractive mix of valuation and sustainable earnings growth.

STRATEGY OVERVIEW

Benchmark: S&P 400

Inception Date: March 1, 2002

STRATEGY SUMMARY

The Mid Cap Core Concentrated Strategy seeks to identify stocks that demonstrate a high potential for producing future excess returns. These stocks have what we consider to be attractive valuation and are those of companies with tested operational success. Moreover, we believe we can identify catalysts that show they have a good probability of increasing in value. Our process seeks to exploit anomalies in behavioral finance that are supported by academic and proprietary in-house research which suggests that investors have a tendency to form their expectations for future equity returns based on past experience. Our proprietary quantitative screen combined with a fundamental overlay is the basis of our investment approach.

PERFORMANCE*

	MOST RECENT QUARTER	1-YEAR	3-YEAR	5-YEAR	10-YEAR
Gross	-2.41%	12.70%	4.86%	9.74%	7.94%
Net	-2.84%	10.76%	3.04%	7.84%	5.75%
Benchmark	-3.45%	13.57%	4.47%	10.27%	9.14%

Source - Bloomberg and F/m Investments

*Estimated, Past performance is no guarantee of future results.

As of June 30, 2024. All benchmark returns presented are provided to represent the investment environment existing during the time periods shown. Actual investment performance will vary due to fees and expenses. Investment performance reflects the reinvestment of dividends and other income. Gross-of-fees performance is shown net of trading expenses. Net of fees performance is shown net of a model investment management fee that is equal to the highest fee charged to the intended audience. For comparison purposes, the benchmarks include the reinvestment of income. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Past performance is no guarantee of future results.



Mid Cap Core Concentrated: Most Recent Quarter Attribution

SECTOR ATTRIBUTION					
SECTOR	AVERAGE WEIGHT		*ATTRIBUTION ANALYSIS		
	PORTFOLIO	BENCHMARK	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Communication Services	1.57%	1.43%	0.02%	0.22%	0.24%
Consumer Discretionary	13.28%	15.04%	0.11%	0.72%	0.83%
Consumer Staples	3.73%	4.70%	-0.01%	-0.14%	-0.15%
Energy	4.99%	5.52%	0.04%	-0.27%	-0.23%
Financials	15.79%	15.91%	-0.01%	0.07%	0.06%
Health Care	7.64%	7.82%	0.01%	-0.74%	-0.73%
Industrials	21.63%	21.84%	0.00%	0.05%	0.05%
Information Technology	11.19%	9.69%	0.09%	0.47%	0.56%
Materials	6.15%	6.96%	0.05%	0.69%	0.74%
Real Estate	6.61%	7.09%	-0.03%	-0.11%	-0.14%
Utilities	2.69%	3.29%	-0.12%	-0.24%	-0.36%
Cash	4.73%	0.71%	0.17%	0.00%	0.17%
Total Portfolio	100.00%	100.00%	0.32%	0.72%	1.04%

Benchmark: S&P 400

*The attribution analysis is based off a model portfolio, and does not include fees or expenses.

As of June 30, 2024. Individual client results may vary. Total Effect includes sector allocation effect + stock selection effect. Past performance does not guarantee future results. The benchmarks are unmanaged and unavailable for direct investment. Percentages may not add up to 100% due to rounding.

Mid Cap Core Concentrated: Characteristics

STRATEGY OVERVIEW

Benchmark:	S&P 400
Holdings:	45-70 securities
Diversification:	On a security basis, won't over/underweight to the benchmark by more than 5% On a sector basis, won't over/underweight to the benchmark by more than 5%
Return Objective:	Outperform its benchmark by 1.00%
Risk Control:	Tracking Error target of 2%-5% vs. benchmark

TOP TEN HOLDINGS BY WEIGHT

	TICKER	PERCENT WEIGHT
ITT Inc.	ITT	2.68
Owens Corning	OC	2.55
Texas Roadhouse, Inc.	TXRH	2.49
Berry Global Group, Inc.	BERY	2.32
Skechers U.S.A., Inc.	SKX	2.1
East West Bancorp Inc.	EWBC	2.04
Primerica, Inc.	PRI	2.03
CACI International Inc.	CACI	2.02
Textron Inc.	TXT	1.94
ATI Inc.	ATI	1.93

CHARACTERISTICS

GENERAL MEASURES	F/m	BENCHMARK
Number Of Stocks In Portfolio	69	401
Weighted Average Cap (\$ Mil)	9,375	9,068
Yield (%)	1.5	1.5
ROE (%)	15.0	16.9
Debt/Equity Ratio (%)	86.0	98.0
Beta	1.04	—
VALUE MEASURES	F/m	BENCHMARK
Price/Earnings Ratio* (12-Month Trailing)	16.0	17.9
Price/Earnings Ratio* (Forecast FY)	14.7	16.3
Price/Book Value Ratio	2.2	2.4
Price/Cash Flow Ratio	9.6	10.2
Price/Sales Ratio	1.2	1.4
GROWTH MEASURES	F/m	BENCHMARK
EPS 1-Year Growth Rate (%) (Forecast FY)	12.4	13.7
EPS 5-Year Growth Rate (%) (Trailing)	13.4	14.3
EPS Growth - Long-Term Forecast	11.3	11.9

As of June 30, 2024. *Price /Earnings ratios exclude stocks with zero or negative earnings. Data Source: FactSet | Past performance does not guarantee future results. The benchmarks are unmanaged and unavailable for direct investment. Holdings are subject to change and are as of the date indicated. These holdings should not be considered a recommendation to purchase, hold, or sell any particular security. There is no assurance that any of the securities noted will remain in the portfolio at the time you receive this presentation. It should not be assumed that any of the holdings discussed were, or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable. A complete list of all recommendations made by the firm is available upon request. As of 1/1/2024, the Total Strategy ROE includes negative values, and also caps all ROE security values that are greater than 100 or less than -100. The targeted returns are forward-looking, do not represent actual performance, there is no guarantee that such performance will be achieved, and that actual results may vary substantially.



Mid Cap Core Concentrated: Sector Weights

SECTOR	Mid Cap Core Concentrated	S&P 400	Difference
Communication Services	1.78%	1.46%	0.32%
Consumer Discretionary	13.93%	15.20%	-1.27%
Consumer Staples	3.81%	4.83%	-1.02%
Energy	5.06%	5.54%	-0.48%
Financials	16.78%	16.08%	0.70%
Health Care	7.64%	8.18%	-0.54%
Industrials	22.48%	21.87%	0.61%
Information Technology	12.22%	10.19%	2.03%
Materials	6.37%	6.66%	-0.29%
Real Estate	7.12%	7.38%	-0.26%
Utilities	2.83%	2.60%	0.23%

As of June 30, 2024. Based off a model portfolio, and does not include fees or expenses. Individual client results may vary. Past performance does not guarantee future results. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Portfolio characteristics and attribution are shown for a model portfolio of the referenced investment strategy and do not reflect an actual active, managed account. Portfolio characteristics and attribution may vary among actual accounts invested in the same investment strategy. F/m Investments believes the model portfolio closely resembles its intended strategy. Portfolio holdings and allocations are subject to change at any time without notice. Securities listed should not be considered a recommendation to buy or sell any security.

Mid Cap Core Concentrated: Performance Disclosures



As of 4/1/2024 Ziegler Capital Management, LLC (dba ZCM) has been reorganized as part of F/m Investments, LLC ("F/m"). F/m is an investment adviser registered under the Investment Advisers Act of 1940. On 5/15/2024 ZCM deregistered as an investment adviser.

Year-End	Pure Gross Gross-of-Fees Return	Net-of-Fees Return	Benchmark Return	Composite 3 Yr. Ex Post Std. Dev.	Benchmark 3 Yr. Ex Post Std. Dev.	Composite Number of Portfolios	Internal Dispersion	Portfolios With Bundled Fees (%)	Composite Assets (USD millions)	Strategy Assets (USD millions)	Firm AUM (USD millions)	Firm AUA (USD millions)
2014	14.3%	11.0%	9.8%	12.1%	11.3%	23	0.1%	100%	\$10	\$23	\$5,748	\$318
2015	-0.9%	-3.8%	-2.2%	12.2%	11.9%	11	0.1%	100%	\$4	\$19	\$9,781	\$605
2016	16.7%	13.3%	20.7%	13.1%	12.4%	9	0.2%	100%	\$4	\$20	\$10,651	\$1,170
2017	18.2%	16.2%	16.2%	12.0%	11.1%	7	0.0%	91%	\$3	\$27	\$9,888	\$1,561
2018	-18.2%	-19.6%	-11.1%	14.0%	13.5%	8	0.1%	91%	\$2	\$21	\$10,084	\$1,775
2019	22.9%	20.8%	26.2%	15.9%	14.7%	9	0.1%	91%	\$3	\$25	\$10,693	\$2,112
2020	8.6%	6.7%	13.7%	25.7%	23.6%	7	N.A.	88%	\$2	\$10	\$8,238	\$2,118
2021	28.9%	26.8%	24.8%	24.4%	22.1%	<6	N.A.	82%	\$2	\$10	\$8,035	\$2,293
2022	-13.2%	-14.7%	-13.1%	26.0%	24.9%	<6	N.A.	64%	\$1	\$7	\$6,383	\$1,734
2023	18.6%	16.6%	16.4%	20.4%	20.0%	<6	N.A.	61%	\$1	\$7	\$6,592	\$1,370

Ziegler Capital Management, LLC, doing business as ZCM, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZCM has been independently verified for the periods 01/01/01- 12/31/23. The verification reports 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.

ZCM is a registered investment advisor that became a majority owned indirect subsidiary of 1251 Capital Group, Inc. that they acquired from Stifel Financial on March 27, 2020. ZCM was formed in 1991 and has grown significantly through strategic business combinations. Through these combinations, we have expanded our investment strategy offerings and broadened our portfolio management teams to best serve our expanding client base. ZCM's CEO changed in May 2021, and in February of 2023. Please refer to the firm's ADV Part 2 for additional disclosures regarding the firm and its practices. ZCM's definition of the firm used to determine the total firm assets and firm-wide compliance includes all fee-paying and non-fee-paying discretionary and non-discretionary assets under management, including accrued income, in all strategies. Assets under Advisement ("AUA"), in the form of model portfolios provided to other financial institutions, are excluded from our definition of the firm and are provided as supplemental information. Returns are calculated in U.S. dollars and reflect the reinvestment of dividends and other earnings. Past performance is no guarantee of future results. A list of broad distribution and limited distribution pooled funds is available upon request. To obtain a GIPS report or a list of our composite descriptions and/or policies for valuing investments, calculating performance, and preparing GIPS reports, please call (312) 368-1442 or send an e-mail to letters@zieglercap.com.

Composite and Benchmark Description: Mid Cap Core Concentrated is an actively managed equity strategy that applies a quantitative approach to identify neglected, attractive stocks. Starting in the third quarter of 2013, the investment team was broadened, and our process was refined. The composite includes wrap-fee portfolios that hold between 45-65 securities. The benchmark is the S&P 400 Index. The S&P 400 measures the performance of US mid-cap equities. The composite includes portfolios with bundled fees where the actual trading expenses cannot be identified. Bundled-fee portfolios are charged a single fee by the custodian, broker or financial adviser which includes brokerage commissions, investment management, portfolio monitoring, consulting services, and in some cases, custodial services. Bundled fee schedules are available from the custodian, broker or financial adviser and range up to 3%.

Minimum Account Size: The minimum account size is \$100,000. Prior to 1/1/13 there was no minimum.

Composite Creation and Inception Date: The Mid Cap Core Concentrated composite creation date is June 10, 2011. Prior returns reflect the performance of Lotsoff Capital Management LLC. Returns prior to 1/1/06 do not comply with GIPS standards but instead represent an asset weighted average of the individual returns for each wrap-fee account across multiple managed account programs as calculated by the program sponsor. Ziegler Capital Management did not independently verify the individual account returns provided by the sponsor. The composite inception date is March 1, 2002.

Significant Cash Flow Policy: Portfolios with significant cash flows are excluded from the composite. Cash flows of 10% or more are considered significant. Prior to 1/1/13 cash flows of 5% or more were considered significant.

Internal Dispersion: The internal dispersion is measured by the asset-weighted standard deviation across portfolio returns represented within the composite for the full period. If there are less than 6 portfolios in the composite for the entire year, the internal dispersion is not statistically meaningful and is presented as N.A. All risk measures are calculated using gross-of-fees returns.

Fees: Pure gross-of-fees returns are presented as supplemental information and may not be reduced by any fees, expenses, or transaction costs (i.e. Pure Gross). Net-of-Fees returns are presented after the application of the highest model wrap program fee of 1.75% beginning 01/01/17 applied on a monthly basis. Prior to 01/01/17, the assumed, highest bundled fee was 3%. The fee schedule is: 0.90% on the first \$5 million; 0.85% on the next \$10 million; 0.80% on the next \$10 million; 0.75% on the next \$10 million; 0.70% on the next \$15 million; 0.60% on all additional assets. Wrap fee schedules are available from individual wrap sponsors and currently range up to 1.75%. Wrap program fees include brokerage commissions, investment management, portfolio monitoring, consulting services, and in some cases, custodial services. Fees are calculated separately for each portfolio, and therefore, performance may differ from one portfolio to another.

Other: Strategy assets include all portfolios in the Mid Cap Core strategy, even those portfolios that are excluded from the composite because of significant cash flows or for other reasons, and include non-wrap, wrap and UMA assets. This is presented as supplemental information.



Disclosures

This review is for institutional advisory clients of F/m Investments. The strategy review often expresses opinions about the direction of market, investment sector and other trends. The opinions should not be considered predictions of future results. The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete.

Information contained herein is for informational purposes only and is not a recommendation to buy or sell any security. Contribution to portfolio return is calculated by multiplying the total return for the security by its average weight in the portfolio. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. A complete list of all holdings is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities represented herein. Other factors may impact overall performance for different accounts including the execution and timing of trades and any wrap sponsor's policies.

All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. Equity securities are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Equity securities may rise and decline in value due to both real and perceived market and economic factors as well as general industry conditions. The securities of mid-capitalization companies may be more volatile, trade less frequently and in smaller volumes, and involve more risk than the securities of larger companies. Small capitalization stocks are likely to be more volatile in price and carry a higher risk of failure than large capitalization stocks. Indices are unmanaged, do not reflect fees and expenses and are not available as direct investments.

Standard and Poor's Midcap 400 Index is a capitalization-weighted index that measures the performance of mid-cap stocks in the US stock market.

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