



## PERFORMANCE SUMMARY

The strategy returned 12.65% before fees (12.17 net of fees) in the fourth quarter, outperforming the S&P 400 Index's 11.67% return.

Sector allocation (-42 bps) was a slight negative this quarter, as the decision to be overweight the Health Care sector (-7 bps) at the expense of Consumer Discretionary (-9 bps) served as the two biggest detractors. Our underweight to Energy was the big positive adding 25 bps, while our cash position dragged by 45 bps.

Stock selection (+140 bps) carried the quarter. Our Consumer Discretionary (+100 bps) holdings were driven by retail, while our Financials (+93 bps) picks benefited from a rebound in banks. Our Industrials (-62 bps) and Info Tech (-60 bps) holdings were decidedly out of favor.

## MARKET OUTLOOK

Equity markets soared in the fourth quarter, buoyed by improving economic data that suggested the Fed may have finished raising interest rates. Investors adopted a "risk-on" posture in anticipation of lower interest rates and a soft landing for the economy, with spirits elevated by excitement over the prospects of Artificial Intelligence (AI) and its potential to increase productivity and profitability across the economy. Shares of smaller capitalized, value-oriented companies outperformed shares of larger, value-oriented companies. Investors rewarded companies displaying higher momentum and paying dividends in the fourth quarter, after penalizing these factors for much of the year.

The market faces rising geopolitical risks and slowing economic growth amid sticky inflation. Interest rates are volatile and corporate earnings expectations appear very optimistic. Equity markets are not pricing in a recession; however, there is a risk of further pricing weakness and more volatility as equity investors adjust their expectations to inflation and interest rates that remain above the post-global financial crisis averages. Equities indices can continue to advance as participation broadens out. Mid caps continue to offer an attractive blend of valuation and long-term growth potentials that lead to attractive returns through the economic cycle. We continue to be mindful of the potential of this market while maintaining our focus on cash flows as a measure of security.

## 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	12.65%	18.62%	9.92%	12.14%	8.54%
Net	12.17%	16.59%	8.03%	10.20%	6.27%
Benchmark	11.67%	16.44%	8.09%	12.62%	9.27%

Source - Bloomberg and ZCM

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

As of December 31, 2023. 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	1.68%	1.70%	0.01%	0.16%	0.17%
Consumer Discretionary	13.30%	15.11%	-0.09%	1.00%	0.91%
Consumer Staples	3.65%	4.21%	0.03%	0.18%	0.21%
Energy	4.29%	5.56%	0.25%	-0.19%	0.06%
Financials	14.25%	15.08%	-0.03%	0.93%	0.90%
Health Care	9.30%	7.99%	-0.07%	0.16%	0.09%
Industrials	22.50%	21.68%	0.02%	-0.62%	-0.60%
Information Technology	11.34%	10.17%	-0.04%	-0.60%	-0.64%
Materials	5.36%	6.90%	-0.04%	-0.10%	-0.14%
Real Estate	6.67%	7.48%	-0.02%	0.41%	0.39%
Utilities	3.00%	3.34%	0.01%	0.07%	0.08%
Cash	4.66%	0.79%	-0.45%	0.00%	-0.45%
<b>Total Portfolio</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-0.42%</b>	<b>1.40%</b>	<b>0.98%</b>

Benchmark: S&P 400

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

As of December 31, 2023. 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	2.58
Old Dominion Freight Lines, Inc.	ODFL	2.51
Owens Corning	OC	2.26
Bank OZK	OZK	2.22
Bruker Corp.	BRKR	2.15
East West Bancorp Inc.	EWBC	2.08
Berry Global Group, Inc.	BERY	2.02
Science Applications International Corp.	SAIC	1.98
Skechers U.S.A., Inc.	SKX	1.97
Webster Financial Corp.	WBS	1.96

## CHARACTERISTICS

GENERAL MEASURES	ZCM	BENCHMARK
Number Of Stocks In Portfolio	68	401
Weighted Average Cap (\$ Mil)	9,628	8,394
Yield (%)	1.4	1.6
ROE (%)	16.1	19.5
Debt/Equity Ratio (%)	103.9	96.4
Beta	1.03	—
VALUE MEASURES	ZCM	BENCHMARK
Price/Earnings Ratio* (12-Month Trailing)	17.1	16.0
Price/Earnings Ratio* (Forecast FY)	14.9	16.4
Price/Book Value Ratio	2.5	2.4
Price/Cash Flow Ratio	10.3	9.2
Price/Sales Ratio	1.2	1.3
GROWTH MEASURES	ZCM	BENCHMARK
EPS 1-Year Growth Rate (%) (Forecast FY)	12.4	14.0
EPS 5-Year Growth Rate (%) (Trailing)	14.7	14.4
EPS Growth - Long-Term Forecast	9.2	11.2

As of December 31, 2023. \*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. 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	1.77%	1.71%	0.06%
Consumer Discretionary	14.38%	15.96%	-1.58%
Consumer Staples	3.76%	4.10%	-0.34%
Energy	3.97%	4.99%	-1.02%
Financials	15.92%	15.45%	0.46%
Health Care	9.31%	7.77%	1.54%
Industrials	23.16%	21.73%	1.43%
Information Technology	11.80%	10.08%	1.72%
Materials	5.73%	7.05%	-1.32%
Real Estate	7.21%	7.94%	-0.72%
Utilities	2.98%	3.21%	-0.23%

As of December 31, 2023. 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. ZCM 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.



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 With Bundled Fees (%)	Composite Assets (USD millions)	Strategy Assets (USD millions)	Firm AUM (USD millions)	Firm AUA (USD millions)
2013	37.3%	33.3%	33.5%	16.6%	15.2%	27	0.3%	100%	\$10	\$22	\$4,321	\$162
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

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- 12/31/22. 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.



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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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