

# SMALL CAP VALUE STRATEGY

Presented to:  
City of Fort Pierce, Florida Retirement and Benefit System

*November 18, 2021*

A focus on fundamental analysis. A record of attractive long-term returns.

## STABILITY

- Long-tenured organization dedicated to value equity investing since 1989
- A market-seasoned, efficient 13-member investment team

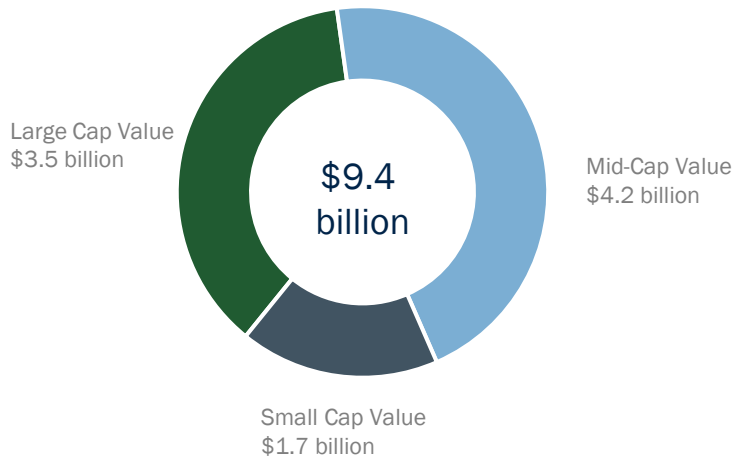
## FOCUS

- One team applying one philosophy and one approach
- Managing domestic large-, mid-, and small-cap value portfolios

## FUNDAMENTAL VALUE

- Analysis that seeks to identify quality companies trading at attractive valuations
- Bifurcating the market between lower- and higher-expectations stocks

## AUM (\$ BILLIONS)



## FIRM ATTRIBUTES

- Headquartered in Orlando, Florida
- \$9.4 billion in AUM
- Wholly owned subsidiary of Virtus Investment Partners
- Serves institutions, retirement platforms, and financial professionals
- Client-centric—a history of attractive risk/reward outcomes

# INVESTMENT PLATFORM

## Ceredex value equity strategies

	LARGE CAP VALUE	MID-CAP VALUE	SMALL CAP VALUE	CONCENTRATED LARGE	CONCENTRATED SMID
PORTFOLIO MANAGER	Mills Riddick, CFA	Donald Wordell, CFA	Brett Barner, CFA	Mills Riddick, CFA	Donald Wordell, CFA
TENURE	Since 1995	Since 2001	Since 1995	Since 2018	Since 2019
MARKET CAP	80% within range of Russell 1000® Value Index	80% within range of Russell Midcap® Index	Within range of Russell 2000® Index on a rolling 3-year average	Range of Russell 1000® Value Index	Range of Russell 2500® Index
HOLDINGS	30-50	40-60	50-80	Typically 20	Typically no more than 35
AVERAGE ANNUAL TURNOVER	75%-100%	125%-175%	50%-75%	115%-140%	
AUM AS OF 9/30/21	\$3.5 B	\$4.2 B	\$1.7 B	\$1.6 mm*	\$1.3 mm*
INCEPTION DATE	7/1/1998	4/1/2002	1/1/1998	4/1/2018	12/31/2019



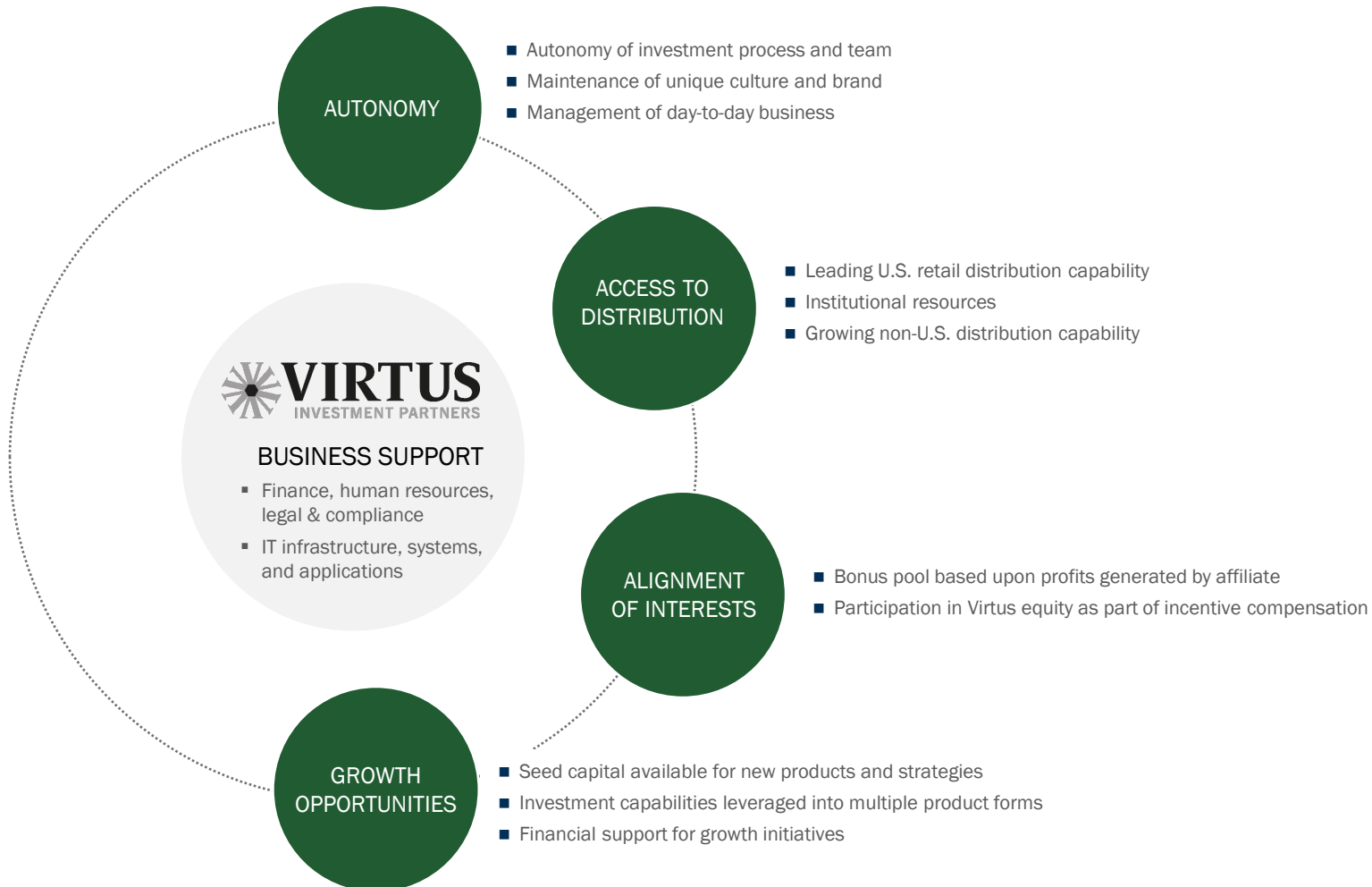
INVESTMENT STRATEGIES AVAILABLE IN: Separate Accounts + Mutual Funds + Collective Trusts†

\*Funded with Virtus seed capital

†Large- and Mid-Cap, available to qualified retirement plan investors.

# VIRTUS INVESTMENT PARTNERS

Multi-boutique model—an approach that preserves each affiliate’s unique entrepreneurial culture, provides continued investment autonomy, and ensures appropriate alignment of interests



# INVESTMENT TEAM

## PORTFOLIO MANAGERS *25 years average firm experience, 33 years industry*

Mills Riddick, CFA Chief Investment Officer Large Cap 1989 39 years industry	Donald Wordell, CFA Mid-Cap 1996 25 years industry	Brett Barner, CFA Small Cap 1990 35 years industry
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## EQUITY ANALYSTS *12 years average firm experience, 17 years industry*

Charlie Carter, CFA Consumer 2004 20 years industry	Jason Fraser, CFA Financials, Telecom 2011 15 years industry	Jennifer Graff, CFA Industrials, Materials 2001 20 years industry	Hein Hanekom, CFA Energy, Utilities 2007 15 years industry
Casey D. Johnson Materials 2020 18 years industry	David Maynard Industrials 2014 15 years industry	Melissa Miller, CFA Financials 2009 19 years industry	Cody Smith, CFA Health Care, Technology 2007 16 years industry

## TRADERS *19 years average firm experience, 20 years industry*

Joe Ward, CFA* Head Trader 2008 18 years industry	Steve Smith, CFA* Trader 1997 23 years industry
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- One philosophy, one process, one team
- Dynamic investment culture
- Fosters nimble decision making
- Natural contingency features

As of 9/30/21.

Portfolio Managers and Equity Analysts joined Ceredex or a predecessor of Ceredex in the year referenced.

\*Employees of Virtus Shared Services, LLC



## PHILOSOPHY

We believe equity portfolios of dividend-paying companies exhibiting lower expectations and displaying attractive valuations accompanied by solid and improving fundamentals can provide an attractive risk-reward profile.

## PRINCIPLES

- Identify good capital allocators among dividend-paying companies
- Seek lower expectation stocks that exhibit attractive historical valuations
- Use rigorous fundamental analysis to determine the true value of companies
- Fact-based, opportunistic active management

# INVESTMENT PROCESS

	LARGE CAP	MID-CAP	SMALL CAP	CONCENTRATED LARGE	CONCENTRATED SMID
	1,500 Companies	~1,300 Companies	1,000 Companies	1,500 Companies	~1,300 Companies
<b>1</b> SCREENING to narrow the universe to quality, low-expectation, dividend-paying companies	~500	~500	~500	~500	~500
<b>2</b> BOTTOM-UP FUNDAMENTAL ANALYSIS to confirm quality and identify investment thesis	~200	~200	~200	~200	~200
<b>3</b> PORTFOLIO CONSTRUCTION balances conviction and diversification	30-50	40-60	50-80	~20	Typically no more than 35
<b>4</b> RISK MANAGEMENT/SELL DISCIPLINE that is robust and objective					

Dividends reflect past performance and there is no guarantee they will continue to be paid.

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# 1 SCREENING

Striving to identify undervalued companies with demonstrated capital allocation discipline

## DIVIDEND REQUIREMENT

We believe dividends represent the most stable form of return of capital to equity holders and indicate:

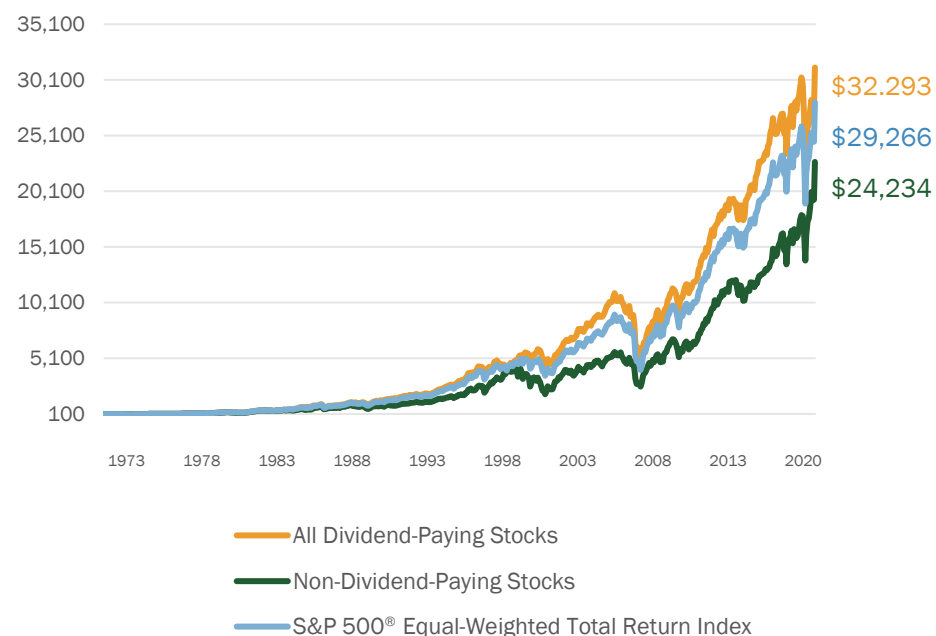
- Effective capital allocation practices
- Management's confidence in the business outlook
- Financial discipline
- Earnings power and transparency

## VALUATIONS

- Tailor valuation metrics relevant to industry and company
  - P/E, P/S, EV/S, EV/EBITDA, relative yield
- Identify most relevant comparisons
  - Company-specific history
  - Peer group and sector
  - Market averages
- Assess consensus/street estimates and expectations

Dividend Paying Companies:  
Demonstrated Skill and Discipline in Capital Allocation

CUMULATIVE RETURNS  
1/31/1973 to 12/31/2020



**Past performance is not indicative of future results.** Source: Ned Davis Research. © 2020 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All rights reserved. See NDR disclaimer at <https://www.ndr.com/copyright.html>. For data vendor disclaimers refer to [www.ndr.com/vendorinfo](http://www.ndr.com/vendorinfo). Dividends reflect past performance and there is no guarantee they will continue to be paid.

## 2 FUNDAMENTAL ANALYSIS

Confirming the quality and identifying the investment thesis

### DEVELOPING AN INFORMATIONAL MOSAIC

- Financial analysis
- Industry analysis
- Independent financial model
- Qualitative research
  - Meeting company executives, competitors, suppliers, and customers
  - Discovering why a stock is misunderstood
  - Evaluating the potential of catalysts
  - Uncovering idiosyncrasies of the stock
- Timeliness—verify substantial potential for market recognition within target holding horizon (LC and MC: 12-24 months, SC: 18-36 months)

### EXAMPLES OF CATALYSTS

- Cost-cutting measures
- Changes in competitive positioning
- Product line changes
- Management restructuring
- Growth and acquisition possibilities

### INVESTMENT THESIS

For each stock analyzed

- Catalysts for improvement
- Risk-return expectations
- Potential risks to the thesis
- Setting price targets

.....→ **OUTCOME:**  
develop buy/sell  
decision

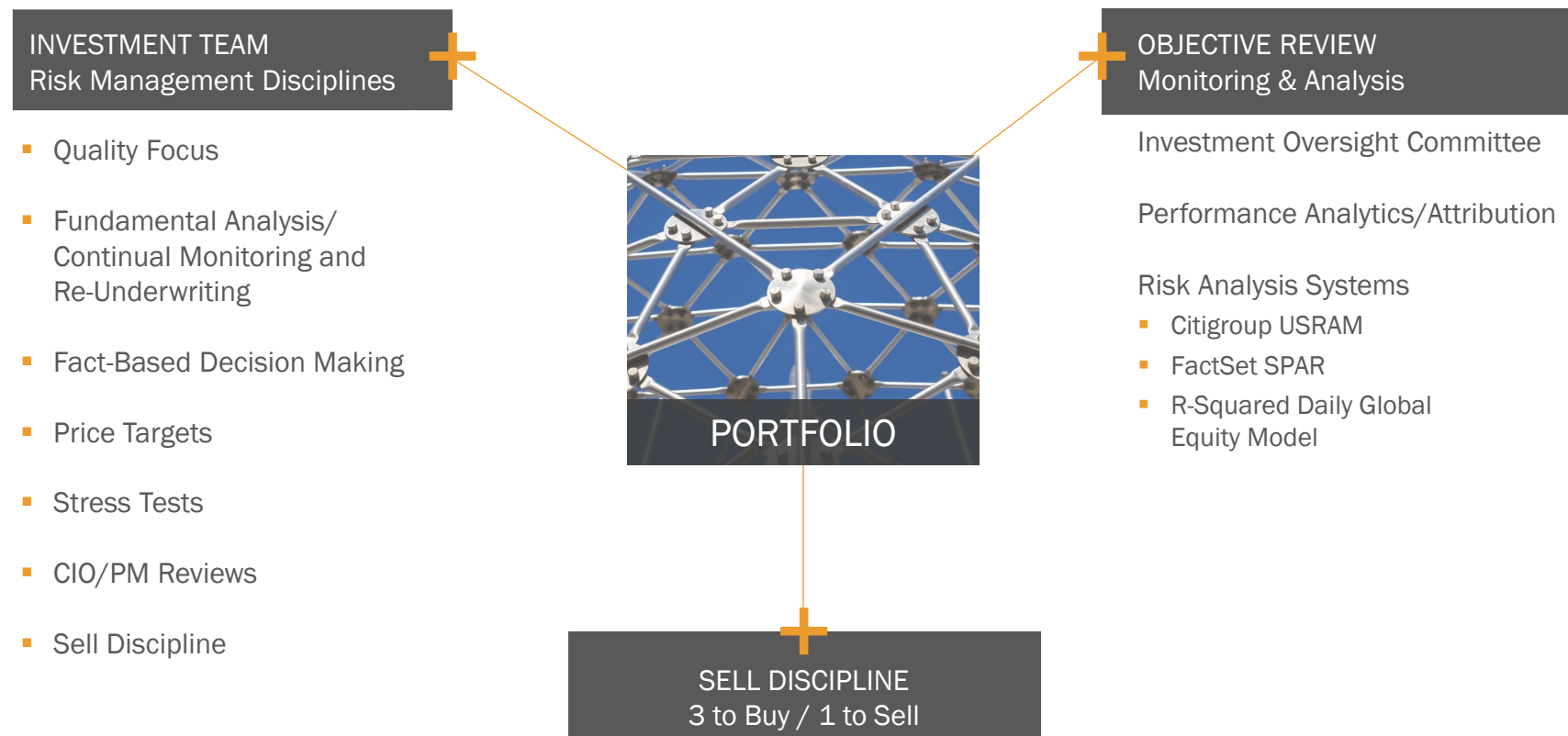
# 3 PORTFOLIO CONSTRUCTION

Balancing conviction and diversification through an active and flexible approach

<b>FACT-BASED DECISION MAKING</b>	<ul style="list-style-type: none"><li>▪ Collaboration between Analyst and PM; PM has decision-making authority</li><li>▪ Removes emotion; decisions made exclusively on facts, conditions, and analysis</li><li>▪ Strongest investment theses result in buy recommendations</li><li>▪ 3 TO BUY/1 TO SELL – Dividends, Valuation, and Fundamentals</li></ul>
<b>POSITION SIZING</b>	<ul style="list-style-type: none"><li>▪ Upside/downside expectations</li><li>▪ Conviction</li><li>▪ Liquidity</li><li>▪ Active position</li></ul>
<b>INVESTMENT HORIZON</b>	<ul style="list-style-type: none"><li>▪ LC and MC: 12-24 months, SC: 18-36 months</li></ul>
<b>PORTFOLIO GUIDELINES</b>	<ul style="list-style-type: none"><li>▪ Max. position size 5% of portfolio, at cost</li><li>▪ Holdings: 30 to 50 Large Cap; 40 to 60 Mid-Cap; 50 to 80 Small Cap; ~20 Concentrated Large Cap Value; Typically no more than 35 Concentrated SMID</li><li>▪ Sector and industry weights result from security selection<ul style="list-style-type: none"><li>– Max. sector weight – none</li><li>– Max. industry weight – 20% (as defined by GICS)</li></ul></li><li>▪ Capitalization:<ul style="list-style-type: none"><li>– Large Cap: 80% of holdings within the range of the index Russell 1000® Value Index</li><li>– Mid-Cap: 80% of holdings within the range of the index Russell Midcap® Index</li><li>– Small Cap: holdings within the range of the Russell 2000® Index on a 3-year rolling average</li><li>– Concentrated Large: holdings within the range of the Russell 1000® Value Index</li><li>– Concentrated SMID: holdings within the range of the Russell 2500™ Index</li></ul></li></ul>

# 4 RISK MANAGEMENT

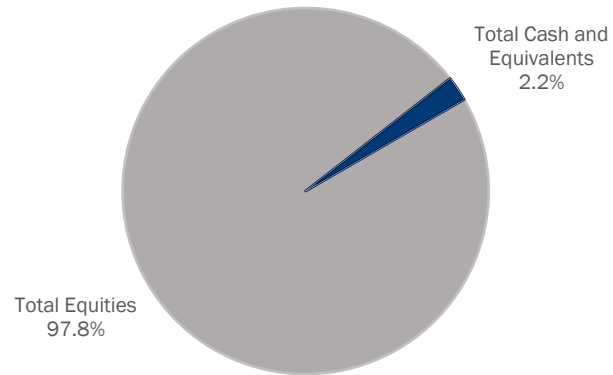
Comprehensive approach primarily driven by investment analysis



We will sell a portfolio holding if any one of these conditions occurs:

1. Company fundamentals deteriorate
2. The company discontinues its dividend
3. The security reaches its valuation target or a more attractive opportunity is identified

# PORTFOLIO COMPOSITION



Assets	Market Value (\$)	% of Total
Total Portfolio	7,367,254.07	100.0
Total Equities	7,204,311.55	97.8
Total Cash and Equivalents	162,942.52	2.2

Period Ending September 30, 2021. Source: Eagle Investment Systems, October 21, 2021.

**Past performance is not indicative of future results.**

This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System specific one-on-one presentation.

## ACCOUNT ACTIVITY SUMMARY—QUARTER

Beginning Portfolio Market Value 06/30/2021	\$	7,318,884.62
Contributions	\$	-
Withdrawals	\$	(16,460.53)
Net Contributions/Withdrawals	\$	(16,460.53)
Portfolio Earnings		
Interest	\$	2.67
Dividends	\$	31,562.63
Realized Gains/Losses	\$	444,701.85
Unrealized Gains/Losses	\$	(411,437.17)
Total Portfolio Earnings	\$	64,829.98
<b>Ending Portfolio Market Value 09/30/2021</b>	<b>\$</b>	<b>7,367,254.07</b>
Net Change	\$	48,369.45

Period Ending September 30, 2021. Source: Eagle Investment Systems, October 21, 2021.

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## ACCOUNT ACTIVITY SUMMARY—ANNUAL

Beginning Portfolio Market Value 09/30/2020	\$	4,915,259.94
Contributions	\$	670.57
Withdrawals	\$	(58,287.35)
Net Contributions/Withdrawals	\$	(57,616.78)
Portfolio Earnings		
Interest	\$	19.48
Dividends	\$	139,825.32
Realized Gains/Losses	\$	1,511,250.25
Unrealized Gains/Losses	\$	858,515.86
Total Portfolio Earnings	\$	2,509,610.91
<b>Ending Portfolio Market Value 09/30/2021</b>	<b>\$</b>	<b>7,367,254.07</b>
Net Change	\$	2,451,994.13

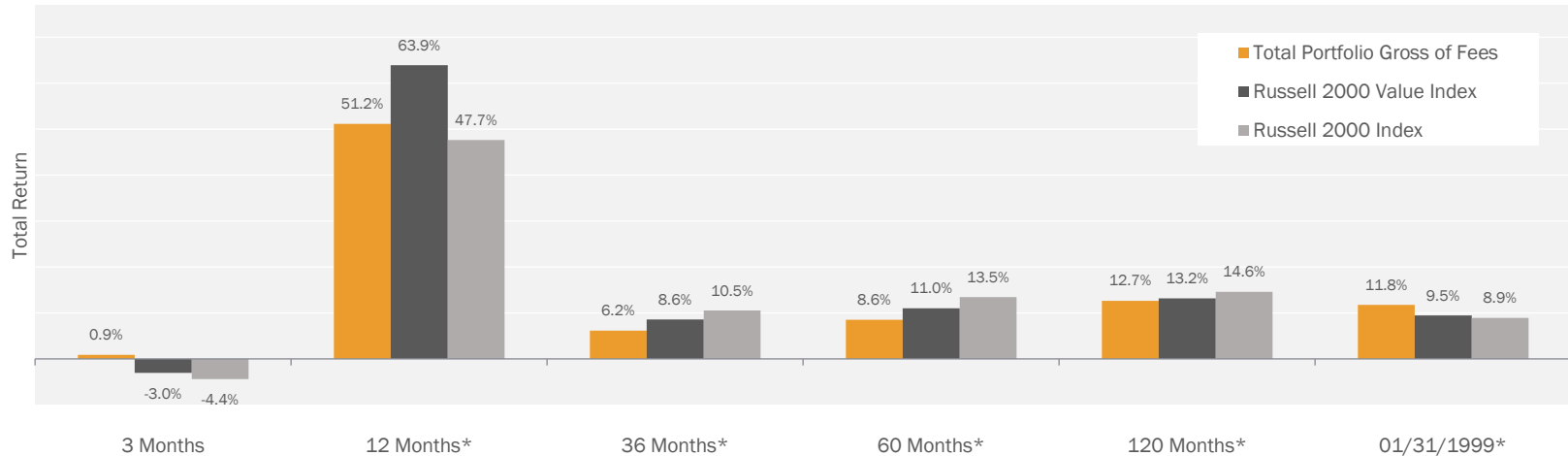
Period Ending September 30, 2021. Source: Eagle Investment Systems, October 21, 2021.

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# PERFORMANCE COMPARISONS

	<u>3 Months</u>	<u>12 Months*</u>	<u>36 Months*</u>	<u>60 Months*</u>	<u>120 Months*</u>	Inception to Date <u>01/31/1999*</u>
<b>Total Portfolio Gross of Fees</b>	<b>0.89 %</b>	<b>51.16 %</b>	<b>6.20 %</b>	<b>8.57 %</b>	<b>12.70 %</b>	<b>11.82 %</b>
Russell 2000 Value Index	-2.98 %	63.92 %	8.58 %	11.03 %	13.22 %	9.51 %
Russell 2000 Index	-4.36 %	47.68 %	10.54 %	13.45 %	14.63 %	8.94 %



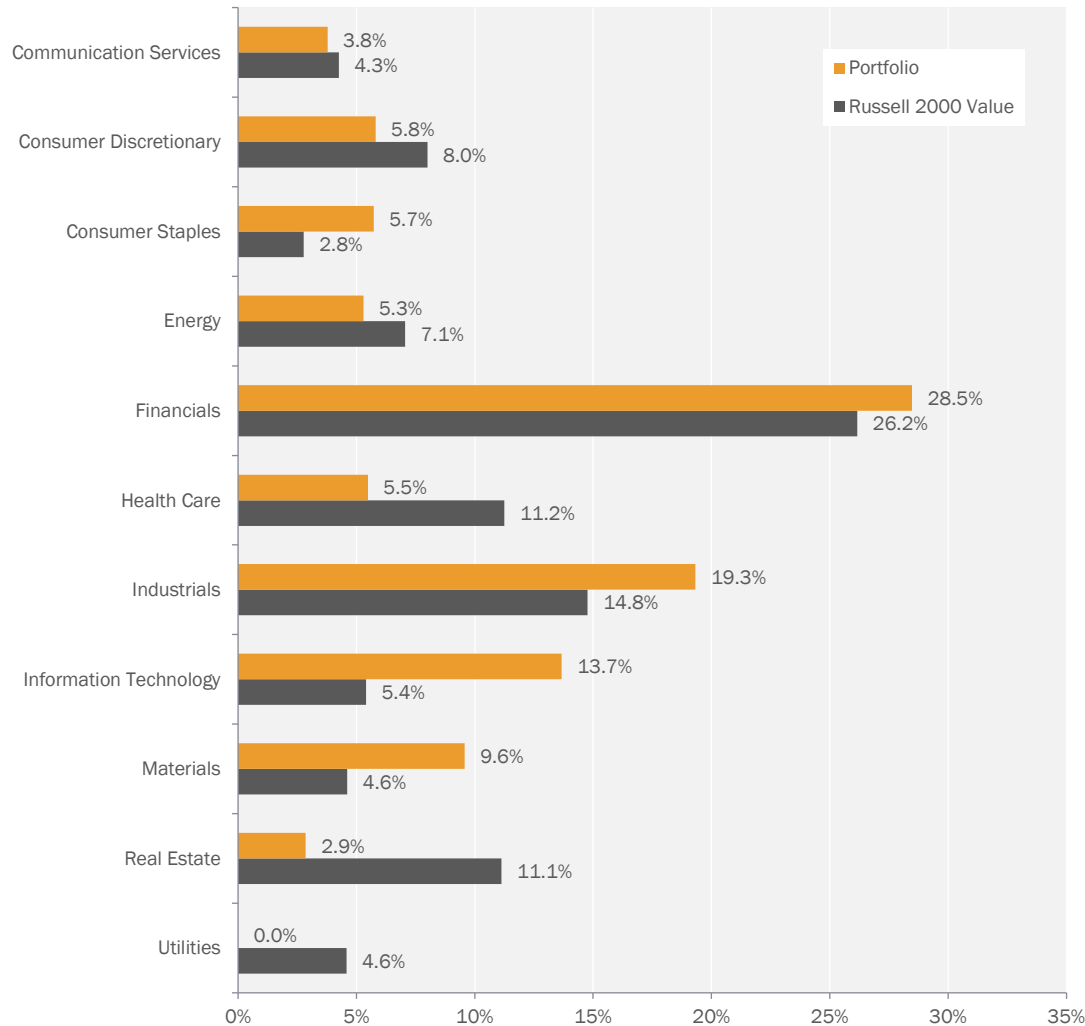
Period Ending September 30, 2021. Source: Eagle Investment Systems, October 21, 2021. \*Annualized returns.

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The comparative performance contained herein reflects annualized returns for specific time periods, are gross of all fees, are not indicative of actual annual returns, and may not be relied upon for investment decisions. See Investment Performance Disclosure in Appendix. This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System specific one-on-one presentation.

# SMALL CAP VALUE—CURRENT POSITIONING

## SECTOR WEIGHTS



CHARACTERISTIC	PORTFOLIO	INDEX
Market Cap (billion)	\$5.8	\$2.9
Dividend Yield	1.6%	1.6%
Price-to-Earnings (FY1)	14.7	12.8
EV/EBITDA (FY1)	8.9	14.1
EV/Sales (FY1)	1.1	1.4
ROA	2.8	-1.6
ROE	8.1	-1.0
Holdings	64.0	1,428.0
Active share	96.4	-
AUM (million)	\$7.4	-

HOLDING	PORTFOLIO %
Power Integrations, Inc.	4.3
Ovintiv Inc	3.9
First Citizens BancShares, Inc.	3.5
Aptargroup, Inc.	3.5
Brooks Automation, Inc.	3.4
Jefferies Financial Group Inc.	3.4
Evercore Inc Class A	3.3
Kemper Corporation	3.2
Stantec Inc	3.1
SLM Corp	3.0

See Holdings Disclosure in Appendix.

Period Ending September 30, 2021. Source: FactSet, October 21, 2021.

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Portfolio characteristics, sector analysis, and holdings exclude cash and may change at any time without notice. See Holdings Disclosure, Sector Weightings and Portfolio Characteristics in Appendix. This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System specific one-on-one presentation.

## PERFORMANCE ATTRIBUTION—QUARTER

## Performance Attribution

City of Fort Pierce - Transactions vs. Russell 2000 Value

6/30/2021 to 9/30/2021

USD

	Russell 2000 Value			Variation			Attribution Analysis					
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection + Interaction	Total Effect
GICS Sector New												
<b>Communication Services</b>	6.24	5.58	0.35	4.08	-16.10	-0.76	2.15	21.68	1.11	-0.16	1.37	1.21
<b>Consumer Discretionary</b>	6.09	12.41	0.73	8.23	-8.38	-0.70	-2.13	20.80	1.43	0.13	1.24	1.37
<b>Consumer Staples</b>	4.32	-17.32	-0.74	2.80	-4.45	-0.13	1.52	-12.87	-0.62	0.01	-0.59	-0.58
<b>Energy</b>	2.99	1.72	0.53	6.20	2.91	0.16	-3.20	-1.19	0.37	0.18	0.03	0.21
<b>Financials</b>	28.29	-0.38	-0.15	25.67	1.99	0.53	2.62	-2.37	-0.68	0.13	-0.67	-0.54
<b>Health Care</b>	6.93	5.47	0.66	11.23	-6.67	-0.76	-4.31	12.15	1.42	0.23	1.02	1.25
<b>Industrials</b>	18.61	-6.55	-1.28	15.14	-3.49	-0.53	3.47	-3.06	-0.75	-0.02	-0.65	-0.67
<b>Information Technology</b>	13.22	9.54	1.22	5.45	-4.67	-0.24	7.76	14.22	1.46	-0.15	1.83	1.68
<b>Materials</b>	7.91	-9.06	-0.77	4.82	-4.83	-0.24	3.09	-4.23	-0.53	-0.04	-0.43	-0.47
<b>Real Estate</b>	4.47	7.52	0.35	11.53	-0.98	-0.12	-7.06	8.49	0.47	-0.06	0.38	0.32
<b>Utilities</b>	0.93	2.52	0.03	4.84	-4.29	-0.21	-3.91	6.81	0.24	0.09	0.05	0.15
<b>Total</b>	<b>100.00</b>	<b>0.93</b>	<b>0.93</b>	<b>100.00</b>	<b>-2.99</b>	<b>-2.99</b>	<b>0.00</b>	<b>3.93</b>	<b>3.93</b>	<b>0.34</b>	<b>3.58</b>	<b>3.93</b>

City of Fort Pierce - Transactions 6/30/2021 through 9/30/2021

Russell 2000 Value 7/01/2021 through 9/30/2021

Period Ending September 30, 2021. Source: FactSet, October 21, 2021.

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Performance attribution does not incorporate the effects of cash, unclassified securities or expenses and may change at any time without notice. The total impact may not equal the difference between Portfolio and Benchmark returns. Russell 2000 Value is an unmanaged index which is comprised of the securities in the Russell 2000 Index, as defined by Russell Investment Group, with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios. Investors cannot invest directly in an index. This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System specific one-on-one presentation.

## PERFORMANCE ATTRIBUTION—ANNUAL

## Performance Attribution

City of Fort Pierce - Transactions vs. Russell 2000 Value  
9/30/2020 to 9/30/2021  
USD

				Russell 2000 Value			Variation			Attribution Analysis		
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection + Interaction	Total Effect
GICS Sector New												
[Unassigned]	0.00	-100.00	-0.01	0.00	88.96	0.00	0.00	-188.96	-0.01	-0.02	-0.03	-0.06
Communication Services	5.81	115.74	4.77	3.00	121.23	2.16	2.81	-5.50	2.61	1.97	-0.86	1.09
Consumer Discretionary	3.72	80.59	1.69	12.12	69.45	9.20	-8.40	11.15	-7.52	-0.86	0.73	-0.14
Consumer Staples	3.96	-12.73	-0.43	3.29	42.65	1.74	0.67	-55.38	-2.17	-0.02	-2.10	-2.12
Energy	0.85	0.75	0.56	5.05	156.24	4.95	-4.19	-155.49	-4.39	-1.93	0.08	-1.87
Financials	28.79	67.17	19.41	26.77	68.33	18.85	2.02	-1.16	0.56	-0.05	-0.34	-0.41
Health Care	7.32	61.41	4.81	7.74	38.88	2.39	-0.41	22.53	2.42	0.11	1.20	1.31
Industrials	15.39	50.37	7.17	16.67	55.15	10.25	-1.28	-4.78	-3.08	0.03	0.05	0.08
Information Technology	12.90	71.12	9.50	5.72	64.88	3.94	7.18	6.24	5.55	0.43	0.16	0.58
Materials	8.39	21.90	2.87	5.80	80.65	4.71	2.59	-58.75	-1.85	0.51	-4.35	-3.84
Real Estate	9.67	24.36	2.53	9.49	49.31	4.43	0.18	-24.96	-1.91	-0.63	-3.87	-4.50
Utilities	3.20	21.50	0.60	4.36	18.32	1.19	-1.15	3.18	-0.59	-0.09	-0.39	-0.48
<b>Total</b>	<b>100.00</b>	<b>53.46</b>	<b>53.46</b>	<b>100.00</b>	<b>63.83</b>	<b>63.83</b>	<b>0.00</b>	<b>-10.37</b>	<b>-10.37</b>	<b>-0.55</b>	<b>-9.71</b>	<b>-10.37</b>

City of Fort Pierce - Transactions 9/30/2020 through 9/30/2021  
Russell 2000 Value 10/01/2020 through 9/30/2021

Period Ending September 30, 2021. Source: FactSet, October 21, 2021.

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## CONTRIBUTION TO RETURN

City of Fort Pierce - Transactions vs. Russell 2000 Value  
6/30/2021 to 9/30/2021  
USD

Ticker	Security Name	Port Beginning Weight	Ending Percent of Total	Price Change (%)	Total Return	Contribution to Return
<b>Top 5</b>						
	Hill-Rom Holdings, Inc.	4.43	0.00	33.13	33.13	1.38
	Power Integrations, Inc.	3.66	4.28	20.68	20.82	0.76
	Brooks Automation, Inc.	0.00	3.41	31.19	31.35	0.64
	Interpublic Group of Companies, Inc.	3.80	1.02	12.74	13.56	0.54
	Ovintiv Inc	2.10	3.94	4.64	5.15	0.49
<b>Bottom 5</b>						
	Calavo Growers, Inc.	1.19	1.09	-38.97	-38.97	-0.48
	SLM Corp	3.18	3.03	-16.00	-15.86	-0.52
	EnerSys	2.45	1.86	-23.83	-23.66	-0.57
	Aptargroup, Inc.	4.12	3.48	-15.26	-15.01	-0.62
	Owens & Minor, Inc.	1.41	2.47	-26.23	-26.22	-0.68

Holdings Data As Of  
City of Fort Pierce - Transactions 6/30/2021 through 9/30/2021

Period Ending September 30, 2021. Source: FactSet, October 21, 2021.

**Past performance is not indicative of future results.**

There is no guarantee a specific investment strategy will be successful. The Contributors/Detractors listed do not represent all securities purchased or sold. This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System specific one-on-one presentation.

## PURCHASES AND SALES

City of Fort Pierce - Transactions vs. Russell 2000 Value  
6/30/2021 to 9/30/2021  
USD

Ticker		Port. Beginning Weight	Portfolio Ending Weight
<b>HELD THROUGHOUT</b>		<b>88.20</b>	<b>86.19</b>
<b>BOUGHT INTRA-PERIOD</b>		-	<b>13.81</b>
BRKS	Brooks Automation, Inc.	-	3.41
RPM	RPM International Inc.	-	2.48
PDCO	Patterson Companies Incorporated	-	2.26
INT	World Fuel Services Corporation	-	1.35
KBR	KBR, Inc.	-	1.26
WH	Wyndham Hotels & Resorts, Inc.	-	1.07
AL	Air Lease Corporation Class A	-	0.98
VRT	Vertiv Holdings Co. Class A	-	0.50
COLD	Americold Realty Trust	-	0.48
<b>SOLD INTRA-PERIOD</b>		<b>11.80</b>	-
WNC	Wabash National Corporation	0.18	-
HTA	Healthcare Trust of America, Inc. Class A	0.97	-
WTRG	Essential Utilities, Inc.	1.02	-
DCI	Donaldson Company, Inc.	1.07	-
COR	CoreSite Realty Corporation	1.13	-
JNPR	Juniper Networks, Inc.	2.98	-
HRC	Hill-Rom Holdings, Inc.	4.45	-
<b>Total</b>		<b>100.00</b>	<b>100.00</b>

City of Fort Pierce - Transactions 6/30/2021 through 9/30/2021

Period Ending September 30, 2021. Source: FactSet, October 21, 2021.

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## TOP 10 HOLDINGS

SECURITY	DESCRIPTION
<b>Power Integrations, Inc.</b>	Power Integrations, Inc. engages in the design, development and marketing of analog and mixed-signal integrated circuits and other electronic components and circuitry used in high voltage power conversion. Its products are used in power converters that convert electricity from a high-voltage source to the type of power required for a specified downstream use.
<b>Ovintiv Inc</b>	Ovintiv, Inc. produces and develops multi-basin portfolio of oil, natural gas liquids and natural gas producing plays. The firm operates through the following segments: Canadian Operations, USA Operations and Market Optimization. The Canadian Operations segment includes the exploration for, development of, and production of oil, NGLs, natural gas and other related activities within Canada.
<b>First Citizens BancShares, Inc.</b>	First Citizens BancShares, Inc. is a bank holding company, which engages in the provision of retail and commercial banking services through its subsidiary. It operates through the following business lines: Card Holder and Merchant Services, Services Charges on Deposit Accounts, Wealth Management Services, Other Service Charges and Fees, Insurance Commissions, ATM Income, and Other.
<b>Aptargroup, Inc.</b>	AptarGroup, Inc. develops manufactures and sales of consumer product dispensing systems. It operates through the following business segments: Beauty & Home, Pharma and Food & Beverage. The Beauty & Home segment primarily sells pumps, aerosol valves and accessories to the personal care and household markets and pumps and decorative components to the fragrance/cosmetic market.
<b>Brooks Automation, Inc.</b>	Brooks Automation, Inc. engages in the provision of automation and cryogenic solutions for multiple markets, including semiconductor capital equipment and life science biological sample management and storage. It operates through the following segments: Brooks Semiconductor Solutions Group and Brooks Life Sciences Products and Brooks Life Sciences Services.
<b>Jefferies Financial Group Inc.</b>	Jefferies Financial Group, Inc. is a holding company, which engages in the provision of financial services. It operates through the following segments: Investment Banking, Capital Markets, and Asset Management; Merchant Banking; and Corporate segments. The Investment Banking, Capital Markets, and Asset Management segment consists of investments in Jefferies Group.
<b>Evercore Inc Class A</b>	Evercore, Inc. operates as an independent investment banking advisory company. It operates through the Investment Banking and Investment Management business segments. The Investment Banking segment includes the global advisory business of the company through, which the firm deliver strategic corporate advisory, capital markets advisory, and institutional equities services.
<b>Kemper Corporation</b>	Kemper Corp. is a holding company, which engages in the property and casualty insurance, and life and health insurance businesses. It operates through the following segments: Specialty Property and Casualty Insurance, Preferred Property and Casualty Insurance, and Life and Health Insurance. The Specialty Property and Casualty Insurance segment provides personal and commercial automobile insurance.
<b>Stantec Inc</b>	Stantec, Inc. engages the provision of in general design and architectural solutions. It operates through the following segments: Buildings; Energy and Resources; Environment Services; Infrastructure; and Water. The Buildings segment offers pre-design, design, and construction administration services in planning, architecture, buildings engineering, and interior design services for vertical infrastructure.
<b>SLM Corp</b>	SLM Corp. engages in the provision and administration of education loans. Its services include private education loans, banking, college savings, and insurance services. The company was founded in 1972 and is headquartered in Newark, DE.

Period Ending September 30, 2021. Source: FactSet, October 21, 2021.

**Past performance is not indicative of future results.**

Data subject to change. See Holding Disclosure in Appendix. This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System specific one-on-one presentation.

## PORTFOLIO HOLDINGS

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
<b>City of Fort Pierce, Florida Retirement and Benefit System</b>			\$	<b>6,146,039.09</b>		\$ <b>7,367,254.07</b>	<b>100.00%</b>
<b>Currency</b>			\$	<b>162,942.52</b>		\$ <b>162,942.52</b>	<b>2.21%</b>
	162,943	US DOLLAR	\$ 1.00	\$ 162,942.52	\$	\$ 162,942.52	2.21%
<b>Common Stock</b>			\$	<b>5,983,096.57</b>		\$ <b>7,204,311.55</b>	<b>97.79%</b>
<b>COMMUNICATION SERVICES</b>			\$	<b>213,747.62</b>		\$ <b>272,198.00</b>	<b>3.69%</b>
	1,700	COGENT COMMUNICATIONS HOLDINGS	\$ 60.76	\$ 103,287.37	\$ 70.84	\$ 120,428.00	1.63%
	2,000	INTERPUBLIC GROUP OF COS INC/THE	\$ 18.13	\$ 36,254.40	\$ 36.67	\$ 73,340.00	1.00%
	2,200	SCHOLASTIC CORP	\$ 33.73	\$ 74,205.85	\$ 35.65	\$ 78,430.00	1.06%
<b>CONSUMER DISCRETIONARY</b>			\$	<b>377,558.36</b>		\$ <b>418,235.26</b>	<b>5.68%</b>
	1,000	CARTER'S INC	\$ 101.96	\$ 101,960.51	\$ 97.24	\$ 97,240.00	1.32%
	2,364	GENTEX CORP	\$ 29.77	\$ 70,384.71	\$ 32.98	\$ 77,964.72	1.06%
	600	PENSKE AUTOMOTIVE GROUP INC	\$ 66.72	\$ 40,030.87	\$ 100.60	\$ 60,360.00	0.82%
	900	STEVEN MADDEN LTD	\$ 41.31	\$ 37,181.12	\$ 40.16	\$ 36,144.00	0.49%
	1,494	TEMPUR SEALY INTERNATIONAL INC	\$ 36.58	\$ 54,644.81	\$ 46.41	\$ 69,336.54	0.94%
	1,000	WYNDHAM HOTELS & RESORTS INC	\$ 73.36	\$ 73,356.34	\$ 77.19	\$ 77,190.00	1.05%
<b>CONSUMER STAPLES</b>			\$	<b>481,637.31</b>		\$ <b>412,876.04</b>	<b>5.60%</b>
	2,046	CALAVO GROWERS INC	\$ 63.24	\$ 129,387.33	\$ 38.24	\$ 78,239.04	1.06%
	400	CASEY'S GENERAL STORES INC	\$ 186.64	\$ 74,657.68	\$ 188.45	\$ 75,380.00	1.02%
	2,500	EDGEWELL PERSONAL CARE CO	\$ 41.15	\$ 102,883.34	\$ 36.30	\$ 90,945.00	1.23%
	3,400	ENERGIZER HOLDINGS INC	\$ 40.39	\$ 137,322.03	\$ 39.05	\$ 132,770.00	1.80%
	1,300	REYNOLDS CONSUMER PRODUCTS INC	\$ 28.76	\$ 37,386.93	\$ 27.34	\$ 35,542.00	0.48%
<b>ENERGY</b>			\$	<b>339,926.59</b>		\$ <b>381,396.88</b>	<b>5.18%</b>
	8,626	OVINTIV INC	\$ 28.43	\$ 245,211.48	\$ 32.88	\$ 283,622.88	3.85%
	2,900	WORLD FUEL SERVICES CORP	\$ 32.66	\$ 94,715.11	\$ 33.62	\$ 97,774.00	1.33%
<b>FINANCIALS</b>			\$	<b>1,432,899.00</b>		\$ <b>2,052,257.78</b>	<b>27.86%</b>
	500	AMERICAN FINANCIAL GROUP INC/OH	\$ 124.87	\$ 62,433.82	\$ 125.83	\$ 64,915.00	0.88%
	1,400	AMERIS BANCORP	\$ 30.92	\$ 43,289.61	\$ 51.88	\$ 72,842.00	0.99%
	600	AMERISAFE INC	\$ 60.88	\$ 36,528.94	\$ 56.16	\$ 33,696.00	0.46%
	1,034	BANK OF HAWAII CORP	\$ 53.93	\$ 55,764.64	\$ 82.17	\$ 84,963.78	1.15%
	2,200	CATHAY GENERAL BANCORP	\$ 36.87	\$ 81,115.32	\$ 41.39	\$ 91,058.00	1.24%
	1,800	EVERCORE INC	\$ 34.72	\$ 62,497.95	\$ 133.67	\$ 240,606.00	3.27%
	300	FIRST CITIZENS BANCSHARES INC/NC	\$ 588.68	\$ 176,604.06	\$ 843.17	\$ 252,951.00	3.43%
	4,000	FIRST HAWAIIAN INC	\$ 24.78	\$ 99,124.24	\$ 29.35	\$ 117,400.00	1.59%
	2,800	FIRST INTERSTATE BANCSYSTEM INC	\$ 38.33	\$ 107,332.84	\$ 40.26	\$ 112,728.00	1.53%
	1,800	HORACE MANN EDUCATORS CORP	\$ 27.46	\$ 49,428.51	\$ 39.79	\$ 71,622.00	0.97%

Period Ending September 30, 2021. Source: Eagle Investment Systems, October 21, 2021.

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## PORTFOLIO HOLDINGS

Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
6,500	JEFFERIES FINANCIAL GROUP INC	\$ 20.31	\$ 132,003.87	\$ 37.13	\$ 241,345.00	3.28%
3,400	KEMPER CORP	\$ 61.21	\$ 208,123.18	\$ 66.79	\$ 227,086.00	3.08%
2,400	LAZARD LTD	\$ 47.23	\$ 113,348.44	\$ 45.80	\$ 109,920.00	1.49%
12,400	SLM CORP	\$ 10.10	\$ 125,205.60	\$ 17.60	\$ 218,240.00	2.96%
100	SOUTHSTATE CORP	\$ 75.98	\$ 7,597.73	\$ 74.67	\$ 7,467.00	0.10%
400	WESTERN ALLIANCE BANCORP	\$ 101.46	\$ 40,582.53	\$ 108.82	\$ 43,528.00	0.59%
1,000	ZIONS BANCORP NA	\$ 31.92	\$ 31,917.72	\$ 61.89	\$ 61,890.00	0.84%
<b>HEALTH CARE</b>			<b>\$ 437,273.17</b>		<b>\$ 395,028.04</b>	<b>5.36%</b>
700	BRUKER CORP	\$ 38.15	\$ 26,705.55	\$ 78.10	\$ 54,670.00	0.74%
5,676	OWENS & MINOR INC	\$ 42.18	\$ 239,404.90	\$ 31.29	\$ 177,602.04	2.41%
5,400	PATTERSON COS INC	\$ 31.70	\$ 171,162.72	\$ 30.14	\$ 162,756.00	2.21%
<b>INDUSTRIALS</b>			<b>\$ 1,236,055.69</b>		<b>\$ 1,392,572.43</b>	<b>18.90%</b>
1,800	AIR LEASE CORP	\$ 40.10	\$ 72,183.36	\$ 39.34	\$ 71,036.00	0.96%
1,970	BARNES GROUP INC	\$ 51.57	\$ 101,588.86	\$ 41.73	\$ 82,208.10	1.12%
1,600	EMCOR GROUP INC	\$ 87.52	\$ 140,027.77	\$ 115.38	\$ 184,608.00	2.51%
1,800	ENERSYS	\$ 66.13	\$ 119,041.88	\$ 74.44	\$ 133,992.00	1.82%
700	ENPRO INDUSTRIES INC	\$ 69.02	\$ 48,313.11	\$ 87.12	\$ 60,984.00	0.83%
2,400	HERMAN MILLER INC	\$ 43.52	\$ 104,443.64	\$ 37.66	\$ 90,796.50	1.23%
800	ITT INC	\$ 93.65	\$ 74,918.08	\$ 85.84	\$ 68,848.00	0.93%
2,300	KBR INC	\$ 39.59	\$ 91,045.68	\$ 39.40	\$ 90,818.00	1.23%
600	MANPOWERGROUP INC	\$ 97.99	\$ 58,795.86	\$ 108.28	\$ 64,968.00	0.88%
5,100	NVENT ELECTRIC PLC	\$ 27.27	\$ 139,083.37	\$ 32.33	\$ 164,883.00	2.24%
1,500	RITCHIE BROS AUCTIONEERS INC	\$ 54.59	\$ 81,877.57	\$ 61.66	\$ 92,490.00	1.26%
4,700	STANTEC INC	\$ 32.78	\$ 154,048.20	\$ 46.94	\$ 221,225.83	3.00%
400	TENNANT CO	\$ 32.97	\$ 13,189.02	\$ 73.95	\$ 29,580.00	0.40%
1,500	VERTIV HOLDINGS CO	\$ 25.00	\$ 37,499.29	\$ 24.09	\$ 36,135.00	0.49%
<b>INFORMATION TECHNOLOGY</b>			<b>\$ 632,803.66</b>		<b>\$ 984,120.12</b>	<b>13.36%</b>
2,400	BROOKS AUTOMATION INC	\$ 83.28	\$ 199,881.68	\$ 102.35	\$ 245,640.00	3.33%
700	DOLBY LABORATORIES INC	\$ 67.41	\$ 47,186.93	\$ 88.00	\$ 61,600.00	0.84%
500	LITTELFUSE INC	\$ 179.94	\$ 89,967.61	\$ 273.27	\$ 136,635.00	1.85%
942	MKS INSTRUMENTS INC	\$ 94.32	\$ 88,848.51	\$ 150.91	\$ 142,157.22	1.93%
2,300	NATIONAL INSTRUMENTS CORP	\$ 41.71	\$ 95,930.72	\$ 39.23	\$ 90,229.00	1.22%
3,110	POWER INTEGRATIONS INC	\$ 35.69	\$ 110,988.21	\$ 98.99	\$ 307,858.90	4.18%
<b>MATERIALS</b>			<b>\$ 652,619.25</b>		<b>\$ 689,350.00</b>	<b>9.36%</b>
2,100	APTARGROUP INC	\$ 105.73	\$ 222,030.32	\$ 119.35	\$ 250,635.00	3.40%

Period Ending September 30, 2021. Source: Eagle Investment Systems, October 21, 2021.

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Data subject to change. See Holding Disclosure in Appendix. This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System specific one-on-one presentation.

## PORTFOLIO HOLDINGS

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	1,900	ASHLAND GLOBAL HOLDINGS INC	\$ 72.83 \$	138,371.86 \$	89.12 \$	169,328.00	2.30%
	1,300	MINERALS TECHNOLOGIES INC	\$ 85.11 \$	110,640.53 \$	69.84 \$	90,792.00	1.23%
	2,300	RPM INTERNATIONAL INC	\$ 78.95 \$	181,576.54 \$	77.65 \$	178,595.00	2.42%
<b>REAL ESTATE</b>			<b>\$</b>	<b>178,575.92</b>	<b>\$</b>	<b>206,277.00</b>	<b>2.80%</b>
	900	ALEXANDER & BALDWIN INC	\$ 19.29 \$	17,364.69 \$	23.44 \$	21,258.00	0.29%
	1,200	AMERICOLD REALTY TRUST	\$ 30.92 \$	37,099.57 \$	29.05 \$	35,124.00	0.48%
	700	LAMAR ADVERTISING CO	\$ 84.85 \$	59,394.92 \$	113.45 \$	79,415.00	1.08%
	4,000	PHYSICIANS REALTY TRUST	\$ 16.18 \$	64,716.74 \$	17.62 \$	70,480.00	0.96%

Period Ending September 30, 2021. Source: Eagle Investment Systems, October 21, 2021.

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# PARTNERING WITH CEREDEX

Competitive long-term performance and an exceptional record of talent retention



- + A well-designed, well-defined fundamental value proposition and approach
- + Resilient and relevant value strategies, time tested over multiple market cycles
- + Consistently managed by one highly stable and experienced investment team



APPENDIX

**Active Position**

Absolute portfolio weight minus the benchmark portfolio weight.

**Active Share**

Percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

**Dividend Yield**

Dividend divided by price that shows how much a company pays out in dividends each year relative to its stock price.

**Enterprise Value (EV)**

Measures a company's total value. Looks at entire market value rather than just equity value, all ownership interests and asset claims from both debt and equity are included.

**EBITDA**

Earnings before interest, taxes, depreciation, and amortization.

**EV/EBITDA (FY1)**

Metric used as a valuation tool to compare the value of a company, debt included, to the company's cash earnings less non-cash expenses. It's ideal for analysts and investors looking to compare companies within the same industry.

**EV/Sales (FY1)**

A valuation measure that compares the enterprise value of a company to its annual sales. A quantifiable metric of how to value a company based on its sales, while taking account of both the company's equity and debt.

**Free Cash Flow Yield**

Cash flow from operations for a particular year less capital expenditures divided by the diluted weighted average shares outstanding for that fiscal year.

Free cash flow per share for the current fiscal year divided by current stock price.

**Market Capitalization**

The total dollar value of all outstanding shares. It is calculated by multiplying the number of shares outstanding by the current price of one share.

**Operating Margin**

Operating income divided by revenues, expressed as a percentage.

**Price to Sales Ratio (P/S)**

A stock's capitalization divided by its sales over a trailing 12 months. The value is the same whether the calculation is done for the whole company or a per-share basis.

**Price to Earnings (FY1 Est)**

The ratio for valuing a company that measures its current share price relative to its per-share earnings. Sometimes known as the price multiple or the earnings multiple. Estimated on a forward projected basis.

**Return on Assets (ROA)**

An indicator of how profitable a company is relative to its total assets.

**Return on Equity (ROE)**

Equal to a fiscal year's after-tax income (after preferred stock dividends but before common stock dividends) divided by book value, expressed as a percentage.

**Tracking Error**

Tracking error is the standard deviation of the difference between the periodic total returns of a portfolio of stocks and those of a benchmark. An estimated tracking error estimates the likelihood that a portfolio will outperform or underperform its benchmark by a certain amount or more at the end of a specified period.

## CLIENT REPORTS AND CUSTODY STATEMENT

It is important to receive and review the statement you receive from your custodian. Any client account report provided by our Firm is not intended to replace your custody statement, which should be considered your official record for all pertinent account information. And while our Firm's reports are provided in a different format from the custodian's, and may vary in content and scope, you should compare the asset information to that of your custody statement. Please notify us promptly if you do not receive statements on all accounts from the custodian on at least a quarterly basis.

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**Russell 1000® Value:** Is an unmanaged index which is comprised of the securities in the Russell 1000® Index, as defined by Russell Investment Group, with less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values.

**Russell Midcap® Value:** Is an unmanaged index which measures the performance of those securities found in the Russell Midcap universe, as defined by Russell Investment Group, with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000® Value Index.

**Russell 2000® Value:** Is an unmanaged index which is comprised of the securities in the Russell 2000® Index, as defined by Russell Investment Group, with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios.

**The Russell 2500™:** Is a market capitalization-weighted index of the 2,500 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Investors cannot invest directly in an index.

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Past performance is not indicative of future results. Unless otherwise stated as net-of-fees, performance data related to accounts managed by Ceredex represents returns gross of investment management fees, i.e., performance has not been reduced by advisory fees and other expenses that may be incurred. See Ceredex's Form ADV, Part 2 for a description of investment advisory fees. The performance information reported herein may be for a variety of products which have different methods of presenting performance data, i.e. net of fees, gross of fees, or a combination of these. This information should not be evaluated independent of or without reference to the investment advisory agreement that more specifically addresses applicable investment advisory fees.

Fees have a compounding effect on cumulative results. For example, assume the account achieves a 10% annual return prior to the deduction of fees each year for a period of ten years. If an annual fee of 0.5% of assets under management were charged each of the ten years, the resulting annual average return net of fees would be reduced to 9.48%.

**eA Large Cap Value:** US Equity products that invest primarily in large capitalization stocks with fundamental characteristics showing high earnings growth expectations or in fast growing economic sectors. The expected benchmarks for this universe would include Russell 1000® Value, S&P 500®, or the S&P/BARRA Value.

**eA Mid-Cap Value:** US Equity Products that invest primarily in mid capitalization stocks with fundamental characteristics showing high earnings growth expectations or in fast growing economic sectors. The expected benchmarks for this universe would include Russell Midcap® Value, Russell Midcap®, or the S&P 400®.

**eA Small Cap Value:** US Equity products that invest primarily in small capitalization stocks with fundamental characteristics showing them to be underpriced or in slower growing economic sectors. The expected benchmarks for this universe would include Russell 2000® or the Russell 2000® Value.

## INVESTMENT RISKS

All investments involve risk. Equity securities (stocks) may be more volatile and carry more risk than other forms of investments. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value. Dividends reflect past performance and there is no guarantee they will continue to be paid. Mid- and small-capitalization stocks typically carry additional risks since smaller companies generally have a higher risk of failure. Securities of mid-cap companies may be more volatile and less liquid than the securities of large-cap companies. There is no guarantee a specific investment strategy will be successful. Individual investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions.

## SECTOR WEIGHTINGS AND PORTFOLIO CHARACTERISTICS

The sector weightings and portfolio characteristics are presented as of the date shown on this presentation, and may change without notice.

## INVESTMENT PROCESS, STRATEGIES AND PROCEDURES

Investment process, strategies, and procedures detailed in this presentation are intended to be general guidelines, subject to market conditions and client-specific investment guidelines and restrictions, and are measured at time of purchase. Ceredex Value Advisors LLC may deviate from these guidelines if market conditions warrant, or if the investment professionals deem doing so would be in the clients' best interests. Guidelines do not guarantee any reduction of risk or loss.

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