

# SMALL CAP VALUE STRATEGY

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

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

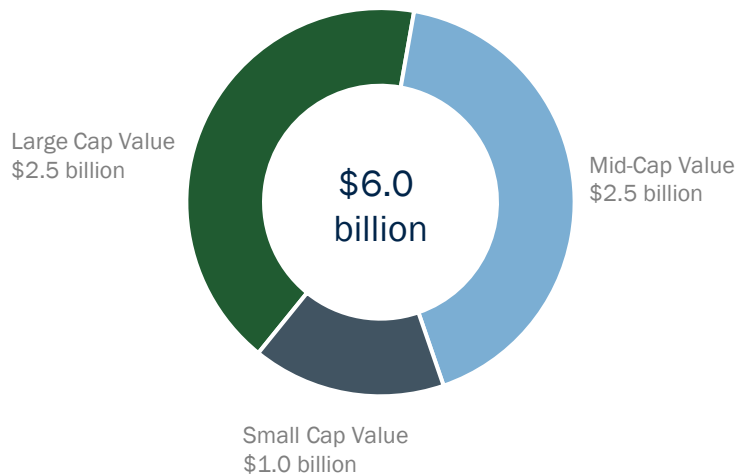
## FOCUS

- 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
- \$6.0 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 MANAGERS	Mills Riddick, CFA Jennifer Graff, CFA	Don Wordell, CFA Cody Smith, CFA	Don Wordell, CFA Charles Carter, CFA	Mills Riddick, CFA Jennifer Graff, CFA	Don Wordell, CFA Cody Smith, CFA
TENURE	Since 1995 Since 2021	Since 2001 Since 2023	Since 2023 Since 2023	Since 2018 Since 2021	Since 2020 Since 2023
MARKET CAP	Generally range of Russell 1000® Value Index	Generally 80% within the range of the Russell Midcap® Index	Generally range of Russell 2000® Index on a rolling 3-year average	Generally range of Russell 1000® Value Index	Generally range of Russell 2500® Index
HOLDINGS	Typically 30-50	Typically 40-60	Typically 50-80	Typically 20	Typically no more than 35
AVERAGE ANNUAL TURNOVER	75%-125%	125%-175%	50%-75%	115%-175%	175-200%
AUM AS OF 3./31/24	\$2.5 B	\$2.5 B	\$1.0 B	\$1.9 mm*	\$1.3 mm*
INCEPTION DATE	7/1/1998	4/1/2002	4/1/2008	4/1/2018	1/1/2020



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

As of 3/31/24.

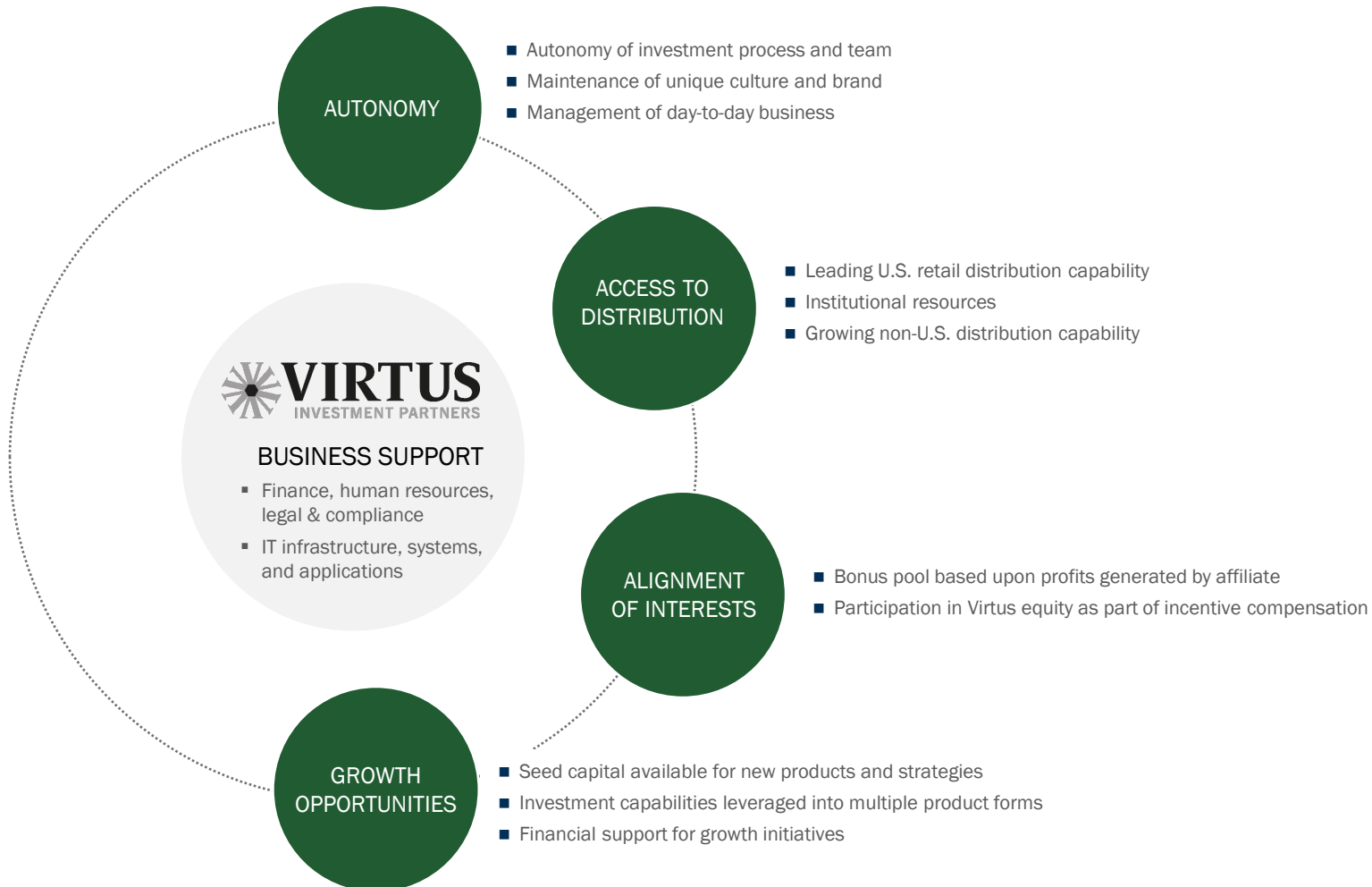
\*Funded with Virtus seed capital

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

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# 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

TEAM MEMBER	ROLE	SECTOR COVERAGE	YEARS OF EXPERIENCE	JOINED CEREDEX
Mills Riddick, CFA	Chief Investment Officer Executive Managing Director Portfolio Manager	Large Cap Value	41	1989
Don Wordell, CFA	Managing Director Portfolio Manager	Mid-Cap Value Small Cap Value	27	1996
Jennifer Graff, CFA	Managing Director Portfolio Manager	Large Cap Value	23	2001
Charles Carter, CFA	Managing Director Portfolio Manager	Small Cap Value	22	2004
Cody Smith, CFA	Managing Director Portfolio Manager Senior Research Analyst	Mid-Cap Value Healthcare Technology	19	2007
Jason Fraser, CFA	Director Senior Research Analyst	Financials Telecommunications	18	2011
George Enstad, CFA	Director Research Analyst	Financials	13	2022
Hein Hanekom, CFA	Director Research Analyst	Technology Utilities	18	2007
Meghan Civiello, CFA	Director Research Analyst	Consumer Staples Consumer Discretionary	14	2023
Casey D. Johnson	Director Research Analyst	Energy Materials	20	2020
David Maynard	Director Research Analyst	Industrials	18	2014
Joe Ward, CFA*	Head Trader		21	2008
Steve Smith, CFA*	Trader		26	2000

- One philosophy, one process, one team
- Dynamic investment culture
- Fosters nimble decision making
- Natural contingency features

As of 3/31/24.

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	Typically 30-50	Typically 40-60	Typically 50-80	Typically ~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:

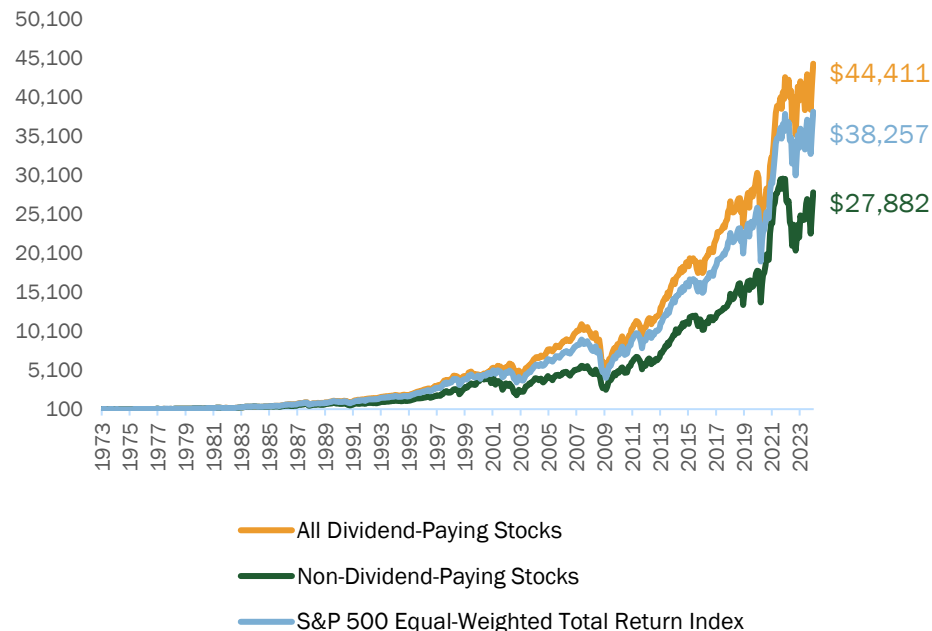
- Effective capital allocation practices
- Management's confidence in the business outlook
- Financial discipline
- Earnings power and transparency

## 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 12/31/2023



**Past performance is not indicative of future results.** Source: Ned Davis Research. © 2024 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](https://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

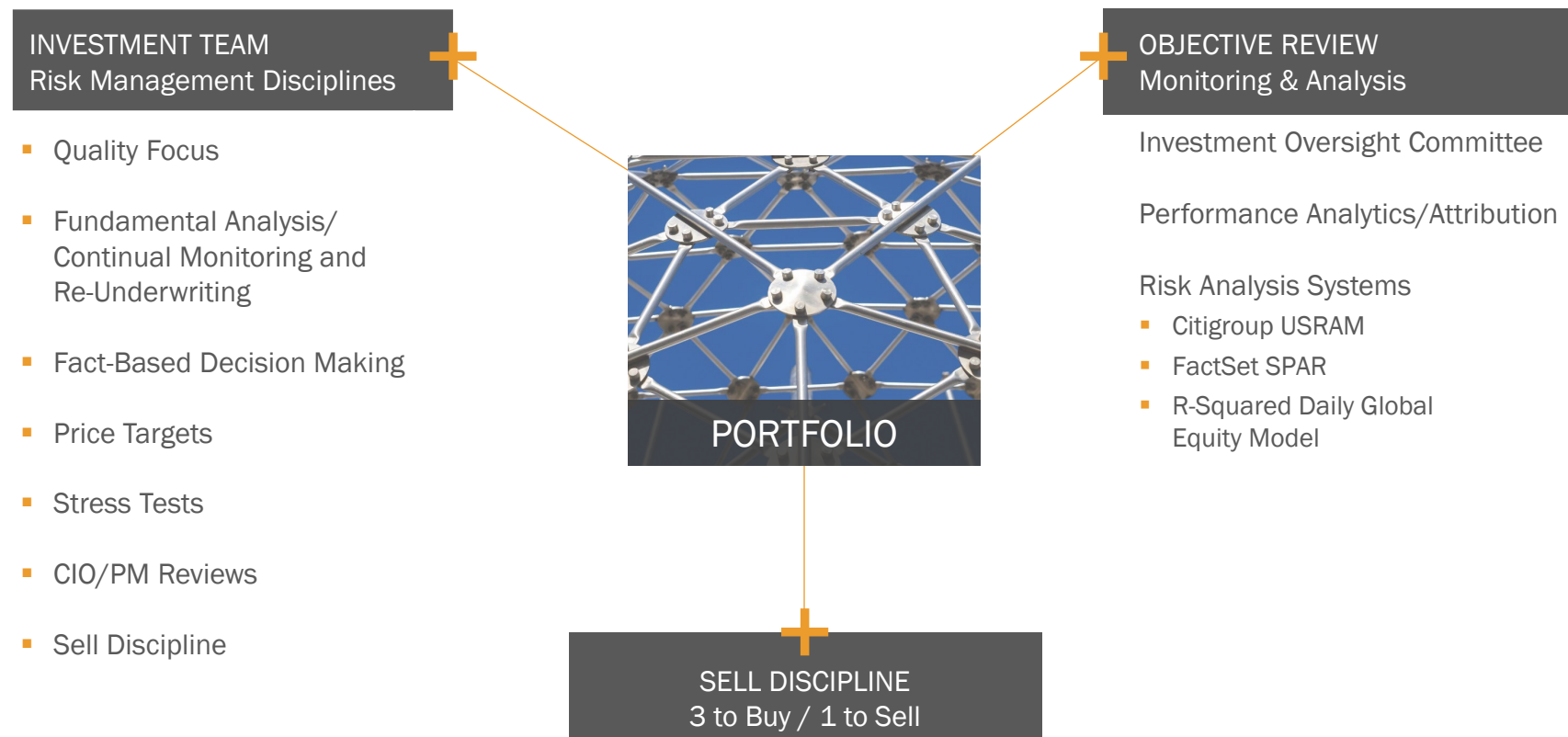
### 3 PORTFOLIO CONSTRUCTION

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 typically 5% of portfolio, at cost</li><li>▪ Holdings: typically 30 to 50 Large Cap; typically 40 to 60 Mid-Cap; typically 50 to 80 Small Cap; typically ~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 – typically 20% (as defined by GICS)</li></ul></li><li>▪ Capitalization:<ul style="list-style-type: none"><li>– Large Cap: generally range of the index Russell 1000® Value Index</li><li>– Mid-Cap: generally 80% within the range of the index Russell Midcap® Index</li><li>– Small Cap: generally range of the Russell 2000® Index on a 3-year rolling average</li><li>– Concentrated Large: generally range of the Russell 1000® Value Index</li><li>– Concentrated SMID: generally 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

## Important Risk Considerations

### EQUITY SECURITIES

- The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events.
- Focus on a particular style or on small, medium, or large-sized companies may enhance that risk.

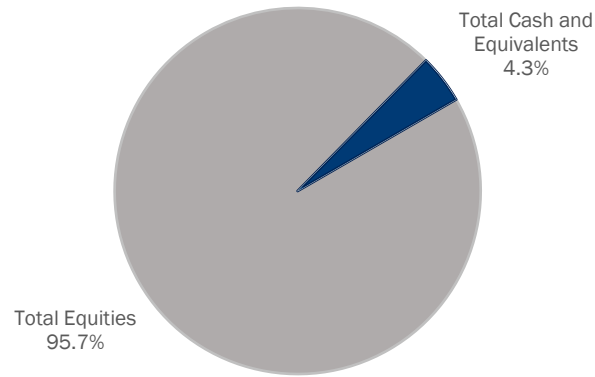
### VALUE STOCKS

- Value stocks are subject to the risk that the broad market may not recognize their intrinsic value.

### MARKET VOLATILITY

- The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions.
- Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended.

# PORTFOLIO COMPOSITION



Assets	Market Value (\$)	% of Total
Total Portfolio	7,477,902.31	100.0
Total Equities	7,157,273.92	95.7
Total Cash and Equivalents	320,628.39	4.3

Period Ending March 31, 2024. Source: Eagle Investment Systems, May 1, 2024.

**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 12/31/2023	\$	8,240,093.95
Contributions	\$	-
Withdrawals	\$	(1,018,526.34)
Net Contributions/Withdrawals	\$	(1,018,526.34)
Portfolio Earnings		
Interest	\$	5,623.09
Dividends	\$	42,960.57
Realized Gains/Losses	\$	185,713.68
Unrealized Gains/Losses	\$	22,037.36
Total Portfolio Earnings	\$	256,334.70
<b>Ending Portfolio Market Value 03/31/2024</b>	<b>\$</b>	<b>7,477,902.31</b>
Net Change	\$	(762,191.64)

Period Ending March 31, 2024. Source: Eagle Investment Systems, May 1, 2024.

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# ACCOUNT ACTIVITY SUMMARY—ANNUAL

Beginning Portfolio Market Value 03/31/2023	\$	7,434,797.13
Contributions	\$	-
Withdrawals	\$	(1,069,217.87)
Net Contributions/Withdrawals	\$	(1,069,217.87)
Portfolio Earnings		
Interest	\$	17,889.16
Dividends	\$	176,673.30
Realized Gains/Losses	\$	335,846.51
Unrealized Gains/Losses	\$	581,914.08
Total Portfolio Earnings	\$	1,112,323.05
<b>Ending Portfolio Market Value 03/31/2024</b>	<b>\$</b>	<b>7,477,902.31</b>
Net Change	\$	43,105.18

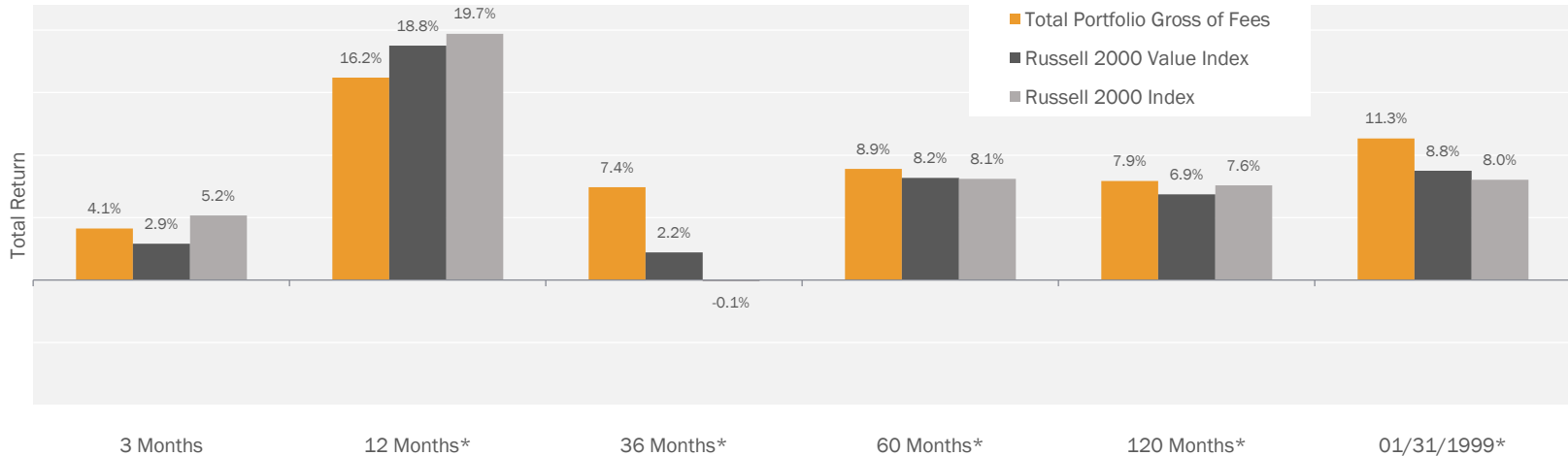
Period Ending March 31, 2024. Source: Eagle Investment Systems, May 1, 2024.

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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>	<u>Inception to Date</u> <u>01/31/1999*</u>
<b>Total Portfolio Gross of Fees</b>	<b>4.13 %</b>	<b>16.20 %</b>	<b>7.43 %</b>	<b>8.89 %</b>	<b>7.93 %</b>	<b>11.34 %</b>
Russell 2000 Value Index	2.90 %	18.75 %	2.22 %	8.17 %	6.87 %	8.75 %
Russell 2000 Index	5.18 %	19.71 %	-0.10 %	8.10 %	7.58 %	8.02 %

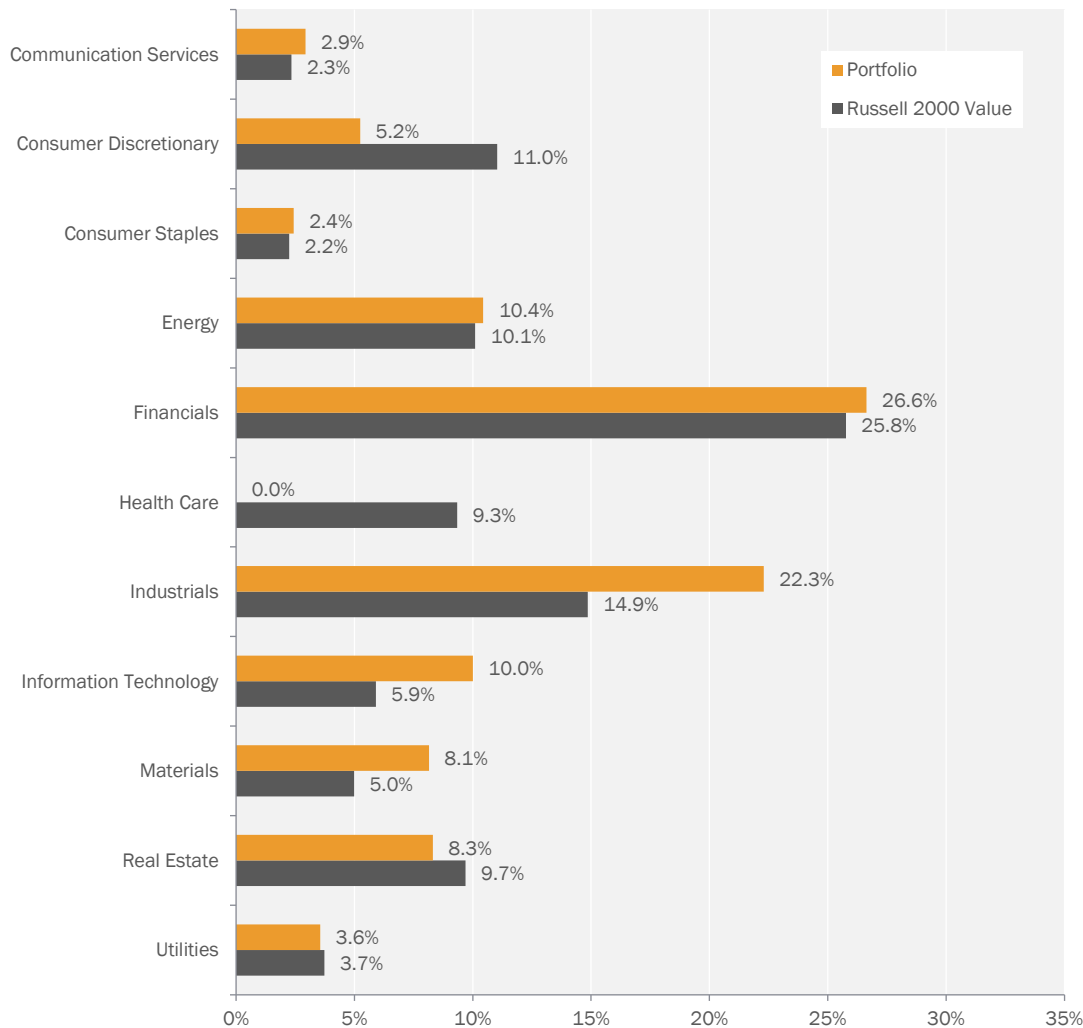


Period Ending March 31, 2024. Source: Eagle Investment Systems, May 1, 2024. \*Annualized returns.

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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.

## SECTOR WEIGHTS



CHARACTERISTIC	PORTFOLIO	INDEX
Market Cap (billion)	\$5.8	\$2.9
Dividend Yield	2.2%	2.1%
Price-to-Earnings (FY1)	15.8	13.0
EV/EBITDA (FY1)	9.5	14.4
EV/Sales (FY1)	1.9	1.4
ROA	6.2	1.8
ROE	11.4	5.0
Holdings	74.0	1,419.0
Active share	95.6	-
AUM (million)	\$7.5	-

HOLDING	PORTFOLIO %
Camden Property Trust	2.2
Schneider National, Inc. Class	2.1
KBR, Inc.	2.0
Ashland Inc.	1.9
ChampionX Corporation	1.9
Matador Resources Company	1.9
Belden Inc.	1.9
Bank of Hawaii Corp	1.8
OGE Energy Corp.	1.8
Progress Software Corporation	1.8

See Holdings Disclosure in Appendix.

Period Ending March 31, 2024. Source: FactSet, May 1, 2024.

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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

City of Fort Pierce - Transactions vs. Russell 2000 Value  
12/31/2023 to 3/31/2024  
USD

GICS Sector New	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
[Unassigned]	0.00	0.00	0.00	0.00	-12.01	0.00	0.00	12.01	0.00	0.00	0.00	0.00
Communication Services	3.85	-12.29	-0.55	2.45	-5.00	-0.14	1.40	-7.29	-0.41	-0.09	-0.31	-0.40
Consumer Discretionary	4.96	2.20	0.13	10.85	5.01	0.58	-5.89	-2.81	-0.45	-0.11	-0.14	-0.26
Consumer Staples	2.46	6.89	0.17	2.31	-1.80	-0.05	0.15	8.69	0.22	-0.01	0.21	0.20
Energy	9.68	11.68	1.17	9.59	12.22	1.17	0.10	-0.54	0.00	0.03	-0.03	0.00
Financials	26.94	2.53	0.54	26.42	-2.44	-0.83	0.51	4.98	1.37	-0.03	1.40	1.38
Health Care	0.64	-15.11	-0.16	9.20	8.55	0.81	-8.56	-23.66	-0.97	-0.35	-0.29	-0.64
Industrials	20.75	7.00	1.58	14.53	8.13	1.25	6.22	-1.14	0.33	0.31	-0.26	0.04
Information Technology	9.53	2.59	0.31	5.91	0.66	0.06	3.61	1.93	0.25	-0.06	0.16	0.09
Materials	9.33	14.20	1.28	4.82	7.62	0.38	4.51	6.58	0.90	0.21	0.61	0.81
Real Estate	8.22	-1.47	-0.12	10.12	-1.78	-0.26	-1.90	0.31	0.14	0.11	0.02	0.12
Utilities	3.64	-2.66	-0.13	3.80	-1.29	-0.08	-0.16	-1.37	-0.05	0.00	-0.04	-0.04
<b>Total</b>	<b>100.00</b>	<b>4.22</b>	<b>4.22</b>	<b>100.00</b>	<b>2.90</b>	<b>2.90</b>	<b>0.00</b>	<b>1.31</b>	<b>1.31</b>	<b>0.00</b>	<b>1.32</b>	<b>1.31</b>

City of Fort Pierce - Transactions 12/31/2023 through 3/31/2024  
Russell 2000 Value 1/02/2024 through 4/01/2024

Period Ending March 31, 2024. Source: FactSet, May 1, 2024.

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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  
3/31/2023 to 3/31/2024  
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	0.00	0.00	0.06	-10.66	0.00	-0.06	10.66	0.00	0.00	0.00	0.00
Communication Services	2.21	-9.79	-0.37	2.63	-6.43	-0.26	-0.42	-3.36	-0.11	-0.01	-0.41	-0.42
Consumer Discretionary	6.57	16.26	0.64	10.82	26.91	2.84	-4.25	-10.65	-2.20	-0.33	-1.06	-1.39
Consumer Staples	2.06	35.28	0.60	2.56	0.86	-0.04	-0.49	34.42	0.64	0.09	0.75	0.84
Energy	9.63	30.47	2.59	9.08	29.43	2.50	0.54	1.04	0.09	0.17	-0.02	0.15
Financials	25.01	28.82	7.41	26.11	19.92	5.30	-1.10	8.90	2.11	0.05	2.09	2.14
Health Care	3.14	-24.17	-1.02	9.29	15.80	1.51	-6.15	-39.97	-2.53	0.10	-0.79	-0.69
Industrials	21.21	18.46	3.90	14.09	31.87	4.43	7.11	-13.42	-0.53	0.91	-2.41	-1.50
Information Technology	9.00	2.11	0.42	5.96	14.28	0.88	3.04	-12.17	-0.46	-0.04	-1.22	-1.26
Materials	9.56	30.28	2.47	4.61	19.44	0.94	4.95	10.83	1.53	0.11	0.82	0.93
Real Estate	7.57	-0.46	0.67	10.48	11.35	1.23	-2.91	-11.81	-0.56	0.21	-0.92	-0.71
Utilities	4.04	-10.66	-0.47	4.31	-10.03	-0.59	-0.27	-0.63	0.12	0.02	-0.03	-0.01
<b>Total</b>	<b>100.00</b>	<b>16.84</b>	<b>16.84</b>	<b>100.00</b>	<b>18.74</b>	<b>18.74</b>	<b>0.00</b>	<b>-1.90</b>	<b>-1.90</b>	<b>1.28</b>	<b>-3.19</b>	<b>-1.90</b>

City of Fort Pierce - Transactions 3/31/2023 through 3/31/2024  
Russell 2000 Value 4/03/2023 through 4/01/2024

Period Ending March 31, 2024. Source: FactSet, May 1, 2024.

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# CONTRIBUTION TO RETURN

City of Fort Pierce - Transactions vs. Russell 2000 Value  
12/31/2023 to 3/31/2024  
USD

Ticker	Security Name	Port Beginning Weight	Ending Percent of Total	Price Change (%)	Total Return	Contribution to Return
<b>Top 5</b>						
KMPR	Kemper Corp	1.57	1.04	27.22	28.26	0.41
CHX	ChampionX Corporation	1.59	1.92	22.87	23.27	0.40
ASH	Ashland Inc.	2.29	1.93	15.49	15.96	0.36
BDC	Belden Inc.	1.61	1.91	19.88	20.05	0.36
HBM	Hudbay Minerals Inc	1.25	1.04	26.81	26.97	0.35
<b>Bottom 5</b>						
SBCF	Seacoast Banking Corporation of Florida	1.81	1.35	-10.79	-10.19	-0.22
SNDR	Schneider National, Inc. Class B	1.98	2.15	-11.04	-10.57	-0.26
BOH	Bank of Hawaii Corp	2.15	1.83	-13.90	-12.88	-0.31
IRDM	Iridium Communications Inc.	1.35	0.85	-36.44	-36.14	-0.53
COLB	Columbia Banking System, Inc.	1.85	1.03	-27.47	-26.05	-0.54

Holdings Data As Of  
City of Fort Pierce - Transactions 12/31/2023 through 3/31/2024

Period Ending March 31, 2024. Source: FactSet, May 1, 2024.

**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

12/31/2023 to 3/31/2024

USD

Ticker		Port. Beginning Weight	Portfolio Ending Weight
	<b>HELD THROUGHOUT</b>	<b>94.82</b>	<b>92.10</b>
	<b>BOUGHT INTRA-PERIOD</b>	-	<b>7.90</b>
MSM	MSC Industrial Direct Co., Inc. Class A	-	1.54
ESE	ESCO Technologies Inc.	-	1.20
PRG	PROG Holdings, Inc.	-	1.11
ATKR	Atkore Inc	-	1.07
UMBF	UMB Financial Corporation	-	0.85
NBTB	NBT Bancorp Inc.	-	0.82
GBCI	Glacier Bancorp, Inc.	-	0.51
WCC	WESCO International, Inc.	-	0.48
DOOO	BRP, Inc.	-	0.33
	<b>SOLD INTRA-PERIOD</b>	<b>5.18</b>	-
KNSL	Kinsale Capital Group, Inc.	0.42	-
SCHL	Scholastic Corporation	0.81	-
FWRD	Forward Air Corporation	0.87	-
PRGO	Perrigo Co. Plc	0.95	-
SIGI	Selective Insurance Group, Inc.	1.00	-
STN	Stantec Inc	1.11	-
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>

City of Fort Pierce - Transactions 12/31/2023 through 3/31/2024

Period Ending March 31, 2024. Source: FactSet, May 1, 2024.

**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.

SECURITY	DESCRIPTION
<b>Camden Property Trust</b>	Camden Property Trust operates as a real estate investment trust. The firm engages in the ownership, management, development, reposition, redevelopment, acquisition, and construction of multifamily apartment communities. It focus on investing in markets characterized by high-growth economic conditions, strong employment, and attractive quality of life.
<b>Schneider National, Inc. Class</b>	Schneider National, Inc. provides transportation and logistics services. The firm's transportation solutions include van truckload, dedicated, regional, bulk, intermodal, brokerage, supply chain management, port logistics services and engineering, and freight payment services. It operates through the following business segments: Truckload, Intermodal and Logistics.
<b>KBR, Inc.</b>	KBR, Inc. engages in the provision of science, technology, engineering, and logistics support solutions. It operates through the following segments: Government Solutions, Sustainable Technology Solutions, and Other. The Government Solutions segment involves the provision of research and development, advanced prototyping, acquisition support, systems engineering, C5ISR, cyber analytics, space domain awareness, test and evaluation, systems integration and program, global supply chain management, operations readiness and support, and professional advisory services.
<b>Ashland Inc.</b>	Ashland, Inc. engages in the provision of architectural coatings, construction, energy, food and beverage, nutraceuticals, personal care, and pharmaceutical products. It operates through the following segments: Life Sciences, Personal Care, Specialty Additives, and Intermediates. The Life Sciences segment is involved in pharmaceuticals, nutrition, nutraceuticals, agricultural chemicals, diagnostic films, and fine chemicals.
<b>ChampionX Corporation</b>	ChampionX Corp. engages in the provision of chemistry solutions, artificial lift systems, and engineered equipment and technologies. It operates through the following segments: Production Chemical Technologies, Production and Automation Technologies, Drilling Technologies, and Reservoir Chemical Technologies.
<b>Matador Resources Company</b>	Matador Resources Co. is a holding company, which engages in the exploration, development, production, and acquisition of oil and natural gas resources. It operates through the following segments: Exploration and Production, Midstream, and Corporate. The Exploration and Production segment focuses on the exploration, development, production, and acquisition of oil and liquids-rich portion of the Wolfcamp and Bone Spring.
<b>Belden Inc.</b>	Belden, Inc. engages in the provision of innovative signal transmission solutions. It operates through the Enterprise Solutions and Industrial Automation Solutions segments. The Enterprise Solutions segment offers network infrastructure solutions, as well as cabling and connectivity solutions for broadcast, commercial audio/video, and security applications.
<b>Bank of Hawaii Corp</b>	Bank of Hawaii Corp. is a bank holding company, which engages in the provision of financial services. It operates through the following segments: Consumer Banking, Commercial Banking, and Treasury and Other. The Consumer Banking segment offers financial products and services, including loan, deposit and insurance products, private banking and international client banking services, trust services, investment management, and institutional investment advisory services.
<b>OGE Energy Corp.</b>	OGE Energy Corp. is a holding company, which engages in the provision of investments in energy and energy services offering physical delivery and related services for electricity in Oklahoma and western Arkansas. It operates through the Electric Company and Other Operations segments. The Electric Company segment is involved in the generation, transmission, distribution, and sale of electric energy.
<b>Progress Software Corporation</b>	Progress Software Corp. engages in the provision of products that develop and deploy mission-critical business applications. Its products and solutions include OpenEdge, Developer Tools, Sitefinity, Corticon, DataDirect Connect, MOVEit, Chef, WhatsUp Gold, Kemp Loadmaster, and Kemp Flowmon Network Visibility.

Period Ending March 31, 2024. Source: FactSet, May 1, 2024.

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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.	
<b>City of Fort Pierce, Florida Retirement and Benefit System</b>				\$	<b>6,529,284.73</b>	\$	<b>7,477,902.31</b>	<b>100.00%</b>
<b>Currency</b>				\$	<b>320,628.39</b>	\$	<b>320,628.39</b>	<b>4.29%</b>
	320,628	US DOLLAR	\$ 1.00	\$ 320,628.39	\$	\$ 320,628.39	4.29%	
<b>Common Stock</b>				\$	<b>6,208,656.34</b>	\$	<b>7,157,273.92</b>	<b>95.71%</b>
<b>COMMUNICATION SERVICES</b>				\$	<b>240,589.29</b>	\$	<b>210,600.72</b>	<b>2.82%</b>
	1,314	COGENT COMMUNICATIONS HOLDINGS	\$ 66.39	\$ 87,237.06	\$ 65.33	\$ 87,111.63	1.16%	
	2,317	IRIDIUM COMMUNICATIONS INC	\$ 44.63	\$ 103,404.12	\$ 26.16	\$ 60,612.72	0.81%	
	1,649	JOHN WILEY & SONS INC	\$ 30.29	\$ 49,948.11	\$ 38.13	\$ 62,876.37	0.84%	
<b>CONSUMER DISCRETIONARY</b>				\$	<b>301,711.37</b>	\$	<b>376,081.94</b>	<b>5.03%</b>
	847	AUTOLIV INC	\$ 83.25	\$ 70,511.43	\$ 120.43	\$ 102,004.21	1.36%	
	352	BRP INC	\$ 65.98	\$ 23,223.63	\$ 67.10	\$ 23,619.20	0.32%	
	847	SIGNET JEWELERS LTD	\$ 60.94	\$ 51,619.01	\$ 100.07	\$ 84,759.29	1.13%	
	1,428	STEVEN MADDEN LTD	\$ 35.66	\$ 50,924.80	\$ 42.28	\$ 60,375.84	0.81%	
	468	VAIL RESORTS INC	\$ 225.28	\$ 105,432.50	\$ 222.83	\$ 105,323.40	1.41%	
<b>CONSUMER STAPLES</b>				\$	<b>157,138.01</b>	\$	<b>173,994.26</b>	<b>2.33%</b>
	4,054	FLOWERS FOODS INC	\$ 20.65	\$ 83,729.78	\$ 23.75	\$ 96,282.50	1.29%	
	2,721	REYNOLDS CONSUMER PRODUCTS INC	\$ 26.98	\$ 73,408.23	\$ 28.56	\$ 77,711.76	1.04%	
<b>ENERGY</b>				\$	<b>614,015.38</b>	\$	<b>746,577.29</b>	<b>9.98%</b>
	2,540	CACTUS INC	\$ 46.83	\$ 118,953.69	\$ 50.09	\$ 127,228.60	1.70%	
	3,832	CHAMPIONX CORP	\$ 23.65	\$ 90,640.16	\$ 35.89	\$ 137,530.48	1.84%	
	669	CHORD ENERGY CORP	\$ 143.04	\$ 95,690.56	\$ 178.24	\$ 119,242.56	1.59%	
	2,050	MATADOR RESOURCES CO	\$ 53.46	\$ 109,601.34	\$ 66.77	\$ 136,878.50	1.83%	
	5,747	NOV INC	\$ 18.79	\$ 107,972.42	\$ 19.52	\$ 112,181.44	1.50%	
	3,297	RANGE RESOURCES CORP	\$ 27.65	\$ 91,157.21	\$ 34.43	\$ 113,515.71	1.52%	
<b>FINANCIALS</b>				\$	<b>1,625,647.96</b>	\$	<b>1,905,474.93</b>	<b>25.48%</b>
	735	AMERICAN FINANCIAL GROUP INC/OH	\$ 120.65	\$ 88,677.98	\$ 136.48	\$ 100,312.80	1.34%	
	2,920	ATLANTIC UNION BANKSHARES CORP	\$ 31.61	\$ 92,311.96	\$ 35.31	\$ 103,105.20	1.38%	
	2,094	BANK OF HAWAII CORP	\$ 48.85	\$ 102,282.58	\$ 62.39	\$ 130,644.66	1.75%	
	3,801	COLUMBIA BANKING SYSTEM INC	\$ 21.23	\$ 80,710.71	\$ 19.35	\$ 73,549.35	0.98%	
	914	CULLEN/FROST BANKERS INC	\$ 113.30	\$ 103,559.59	\$ 112.57	\$ 102,888.98	1.38%	
	357	EVERCORE INC	\$ 74.16	\$ 26,475.08	\$ 192.59	\$ 68,754.63	0.92%	
	1,659	FIRST AMERICAN FINANCIAL CORP	\$ 57.41	\$ 95,238.95	\$ 61.05	\$ 101,281.95	1.35%	
	6,611	FNB CORP/PA	\$ 11.86	\$ 78,374.96	\$ 14.10	\$ 93,215.10	1.25%	
	900	GLACIER BANCORP INC	\$ 36.66	\$ 32,992.17	\$ 40.28	\$ 36,252.00	0.48%	
	669	HANOVER INSURANCE GROUP INC/THE	\$ 115.30	\$ 77,137.54	\$ 136.17	\$ 91,097.73	1.22%	

Period Ending March 31, 2024. Source: Eagle Investment Systems, May 1, 2024.

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# PORTFOLIO HOLDINGS

Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
2,419	HORACE MANN EDUCATORS CORP	\$ 28.88	\$ 69,870.47	\$ 36.99	\$ 89,478.81	1.20%
1,205	KEMPER CORP	\$ 50.23	\$ 60,524.83	\$ 61.92	\$ 74,613.60	1.00%
1,600	NBT BANCORP INC	\$ 34.58	\$ 55,324.74	\$ 36.68	\$ 58,688.00	0.78%
4,559	PERELLA WEINBERG PARTNERS	\$ 10.59	\$ 48,276.56	\$ 14.13	\$ 64,418.67	0.86%
1,315	PINNACLE FINANCIAL PARTNERS INC	\$ 57.70	\$ 75,878.36	\$ 85.88	\$ 112,932.20	1.51%
2,300	PROG HOLDINGS INC	\$ 32.11	\$ 73,856.08	\$ 34.44	\$ 79,212.00	1.06%
1,672	PROSPERITY BANCSHARES INC	\$ 59.15	\$ 98,906.99	\$ 65.78	\$ 110,920.48	1.48%
4,812	REDWOOD TRUST INC	\$ 7.29	\$ 35,079.85	\$ 6.37	\$ 30,652.44	0.41%
3,800	SEACOAST BANKING CORP OF FLORIDA	\$ 28.65	\$ 108,852.60	\$ 25.39	\$ 96,482.00	1.29%
1,315	SOUTHSTATE CORP	\$ 66.24	\$ 87,103.90	\$ 85.03	\$ 111,814.45	1.50%
700	UMB FINANCIAL CORP	\$ 80.45	\$ 56,314.85	\$ 86.99	\$ 61,166.00	0.82%
1,092	WINTRUST FINANCIAL CORP	\$ 71.33	\$ 77,897.21	\$ 104.39	\$ 113,993.88	1.52%
<b>INDUSTRIALS</b>			<b>\$ 1,392,217.29</b>		<b>\$ 1,595,066.54</b>	<b>21.33%</b>
400	ATKORE INC	\$ 142.64	\$ 57,054.93	\$ 190.36	\$ 76,144.00	1.02%
624	BWX TECHNOLOGIES INC	\$ 52.38	\$ 32,683.57	\$ 102.62	\$ 64,034.88	0.86%
491	CURTISS-WRIGHT CORP	\$ 159.70	\$ 78,413.53	\$ 255.94	\$ 125,764.74	1.68%
800	ESCO TECHNOLOGIES INC	\$ 100.41	\$ 80,329.34	\$ 107.05	\$ 85,704.00	1.15%
2,272	HELIOS TECHNOLOGIES INC	\$ 53.36	\$ 121,239.88	\$ 44.69	\$ 101,535.68	1.36%
613	HERC HOLDINGS INC	\$ 104.83	\$ 64,259.97	\$ 168.30	\$ 103,167.90	1.38%
1,538	HEXCEL CORP	\$ 66.76	\$ 102,684.29	\$ 72.85	\$ 112,043.30	1.50%
290	HUNTINGTON INGALLS INDUSTRIES	\$ 246.43	\$ 71,463.77	\$ 291.47	\$ 84,526.30	1.13%
2,284	KBR INC	\$ 48.51	\$ 110,793.91	\$ 63.66	\$ 145,787.04	1.95%
1,135	MSC INDUSTRIAL DIRECT CO INC	\$ 96.23	\$ 109,225.76	\$ 97.04	\$ 110,140.40	1.47%
1,050	RB GLOBAL INC	\$ 54.79	\$ 57,531.39	\$ 76.17	\$ 79,978.50	1.07%
6,780	SCHNEIDER NATIONAL INC	\$ 25.30	\$ 171,533.69	\$ 22.64	\$ 154,143.30	2.06%
635	SCIENCE APPLICATIONS INTERNATIONAL	\$ 99.20	\$ 62,989.43	\$ 130.39	\$ 82,797.65	1.11%
1,259	TIMKEN CO/THE	\$ 78.64	\$ 99,011.49	\$ 87.43	\$ 110,074.37	1.47%
546	VALMONT INDUSTRIES INC	\$ 258.66	\$ 141,227.93	\$ 228.28	\$ 124,968.48	1.67%
200	WESCO INTERNATIONAL INC	\$ 158.87	\$ 31,774.41	\$ 171.28	\$ 34,256.00	0.46%
<b>INFORMATION TECHNOLOGY</b>			<b>\$ 618,218.47</b>		<b>\$ 715,490.06</b>	<b>9.57%</b>
1,471	BELDEN INC	\$ 82.58	\$ 121,471.15	\$ 92.61	\$ 136,302.86	1.82%
2,137	KULICKE & SOFFA INDUSTRIES INC	\$ 50.00	\$ 106,851.98	\$ 50.31	\$ 107,899.87	1.44%
223	LITTELFUSE INC	\$ 201.25	\$ 44,877.82	\$ 242.35	\$ 54,044.05	0.72%
559	MKS INSTRUMENTS INC	\$ 101.49	\$ 56,732.02	\$ 133.00	\$ 74,347.00	0.99%
1,292	POWER INTEGRATIONS INC	\$ 46.03	\$ 59,471.59	\$ 71.55	\$ 92,442.60	1.24%

Period Ending March 31, 2024. Source: Eagle Investment Systems, May 1, 2024.

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# PORTFOLIO HOLDINGS

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	2,428	PROGRESS SOFTWARE CORP	\$ 50.87 \$	123,523.69	\$ 53.31 \$	129,436.68	1.73%
	1,070	TD SYNEX CORP	\$ 98.40 \$	105,290.22	\$ 113.10 \$	121,017.00	1.62%
<b>MATERIALS</b>				<b>\$ 452,571.42</b>		<b>\$ 583,063.75</b>	<b>7.80%</b>
	1,416	ASHLAND INC	\$ 82.16 \$	116,334.68	\$ 97.37 \$	137,875.92	1.84%
	2,361	AVIENT CORP	\$ 41.42 \$	97,791.29	\$ 43.40 \$	103,075.36	1.38%
	1,281	CARPENTER TECHNOLOGY CORP	\$ 46.01 \$	58,936.10	\$ 71.42 \$	91,489.02	1.22%
	3,956	ELEMENT SOLUTIONS INC	\$ 18.37 \$	72,675.89	\$ 24.98 \$	98,820.88	1.32%
	10,574	HUBBAY MINERALS INC	\$ 4.77 \$	50,391.82	\$ 7.00 \$	74,018.00	0.99%
	927	LOUISIANA-PACIFIC CORP	\$ 60.89 \$	56,441.64	\$ 83.91 \$	77,784.57	1.04%
<b>REAL ESTATE</b>				<b>\$ 555,478.34</b>		<b>\$ 596,836.40</b>	<b>7.98%</b>
	1,882	AGREE REALTY CORP	\$ 63.04 \$	118,649.29	\$ 57.12 \$	107,964.69	1.44%
	5,124	BRIXMOR PROPERTY GROUP INC	\$ 21.31 \$	109,173.88	\$ 23.45 \$	120,157.80	1.61%
	1,591	CAMDEN PROPERTY TRUST	\$ 93.68 \$	149,048.61	\$ 98.40 \$	158,193.13	2.12%
	702	COLLIERS INTERNATIONAL GROUP INC	\$ 105.50 \$	74,062.86	\$ 122.23 \$	85,805.46	1.15%
	2,918	NNN REIT INC	\$ 35.83 \$	104,543.70	\$ 42.74 \$	124,715.32	1.67%
<b>UTILITIES</b>				<b>\$ 251,068.81</b>		<b>\$ 254,088.03</b>	<b>3.40%</b>
	1,337	IDACORP INC	\$ 93.15 \$	124,540.33	\$ 92.89 \$	124,193.93	1.66%
	3,787	OGE ENERGY CORP	\$ 33.41 \$	126,528.48	\$ 34.30 \$	129,894.10	1.74%

Period Ending March 31, 2024. Source: Eagle Investment Systems, May 1, 2024.

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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

# PORTFOLIO MANAGERS



## Mills Riddick, CFA

*Chief Investment Officer  
Executive Managing Director  
Portfolio Manager – Large Cap Value Equity Strategy*

As Ceredex Value Advisors' chief investment officer, Mills Riddick is responsible for the overall investment policy of the firm's value equity portfolios. In addition, he holds the role of portfolio manager of the Ceredex Large Cap Value Equity strategy since 1995.

Mr. Riddick joined Ceredex in 1989 through its predecessor firm, SunBank Capital Management. He started in a lead client service role with portfolio management responsibilities, including for the Large Cap Value strategy. In 1995, he was named sole portfolio manager of the strategy and head of the Value Equity Team. Mr. Riddick has been instrumental in crafting the firm's investment philosophy, assembling the value equity investment team, and leading the transition to Ceredex becoming an independently managed firm in 2008.

Mr. Riddick began his financial career in 1980, joining Peat Marwick as a certified public accountant. He began his investment career as a financial consultant with Bache in 1982.

Mr. Riddick graduated cum laude from Florida State University with a B.S. in accounting, and achieved the Certified Public Accountant (CPA) designation in 1981. He is a Chartered Financial Analyst (CFA®) charterholder since 1992. He has worked in investment management since 1982.



## Jennifer W. Graff, CFA

*Managing Director  
Portfolio Manager*

Jennifer Graff, CFA, is a managing director and portfolio manager at Ceredex Value Advisors, an investment management affiliate of Virtus Investment Partners. She serves as a portfolio manager of the firm's Large Cap Value and Concentrated Large Cap Value Equity strategies.

In 2001, Ms. Graff joined Trusco Capital Management, Ceredex Value Advisors' predecessor firm, becoming a research analyst in 2002, covering the industrial and materials sectors. Ms. Graff earned a B.A. in psychology from the University of Central Florida. She has been a Chartered Financial Analyst (CFA®) charterholder since 2003.



## Don Wordell, CFA

*Managing Director  
Portfolio Manager – Mid-Cap Value Equity and Small Cap Value Equity Strategies*

Don Wordell is a managing director and portfolio manager with Ceredex Value Advisors, an affiliate of Virtus Investment Partners. His primary responsibilities are managing the Ceredex Mid-Cap Value Equity, Concentrated SMID Cap Value Equity, and Ceredex Small Cap Value Equity strategies.

Mr. Wordell has been with Ceredex since 1996, starting with its predecessor firm, STI Capital Management, as a research analyst covering value equity strategies. He was appointed portfolio manager of the Mid-Cap Value Equity strategy in 2001 and portfolio manager of the Small Cap Value Equity strategy in 2023.

Mr. Wordell is a graduate of the University of Central Florida, where he earned both a B.S. in finance and an M.B.A. He is a Chartered Financial Analyst (CFA®) charterholder since 2004. He began working in investment management in 1996.



## Charles E. Carter, CFA

*Managing Director  
Portfolio Manager*

Charles Carter is a managing director, portfolio manager, and senior research analyst at Ceredex Value Advisors, an affiliate of Virtus Investment Partners. His primary responsibilities include managing the Ceredex Small Cap Value Equity strategy.

Mr. Carter has been with Ceredex since 2004, initially starting with its predecessor firm, Trusco Capital Management covering consumer discretionary and consumer staples sectors. Previously, he was manager of investor relations at CNL Income Corp., a real estate holding company. He began his investment career at Credit Suisse First Boston as a sell-side equity research associate covering the media industry.

Mr. Carter earned a B.S. in management from Georgia Institute of Technology. He is a Chartered Financial Analyst (CFA®) charterholder since 2006.



## Cody Smith, CFA

*Managing Director  
Portfolio Manager  
Senior Research Analyst*

Cody Smith is a managing director, portfolio manager, and senior research analyst at Ceredex Value Advisors, an affiliate of Virtus Investment Partners. His primary responsibilities include managing the Ceredex Mid-Cap Value Equity and Concentrated SMID Cap Value Equity strategies and covering the healthcare and technology sectors.

Mr. Smith joined Ceredex in 2007, initially starting with its predecessor firm, Trusco Capital Management. He began his investment career in 2004, working as a research analyst at Piper Jaffrey covering the medical device sector.

Mr. Smith is a graduate of Drake University with a B.S.B.A. in finance and a minor in mathematics. He is a Chartered Financial Analyst (CFA®) charterholder since 2009.



## Jason E. Fraser, CFA

*Director*

*Senior Research Analyst*

Jason Fraser is a director and senior research analyst with Ceredex Value Advisors. He is responsible for covering the financials and telecommunication sectors.

Prior to joining Ceredex in 2011, Mr. Fraser worked at Raymond James as a senior research associate covering several sectors including telecom.

Mr. Fraser is a graduate of the University of Florida with a B.S. in finance and a graduate of the Johns Hopkins University with an M.S. in Applied Economics. He is a Chartered Financial Analyst (CFA®) charterholder since 2008.



## Hein Hanekom, CFA

*Director*

*Research Analyst*

Hein Hanekom is a director and research analyst with Ceredex Value Advisors. He is responsible for covering the technology and utilities sectors.

Mr. Hanekom joined Ceredex in 2007, initially starting with a predecessor of its former parent firm, Trusco Capital Management. Prior to joining the firm, Mr. Hanekom was a financial consultant at Wachovia Securities.

Mr. Hanekom earned a B.S. in finance from Western Carolina University and an M.B.A. from the University of Central Florida. He is a Chartered Financial Analyst (CFA®) charterholder since 2012.



## David Maynard

*Director*

*Research Analyst*

David Maynard is a director and research analyst with Ceredex Value Advisors. He is responsible for a variety of industrial verticals, including multi-industry, electrical equipment, industrial automation, flow control, aerospace & defense, airlines, machinery, engineering & construction, heavy building materials, industrial gases, and office furniture, among others.

Prior to joining Ceredex in 2014, Mr. Maynard worked at Barclays as an associate within the Global Industrials Group.

Mr. Maynard earned a B.A. in economics and mathematics from Vanderbilt University and an M.B.A. from the University of Virginia. He began his investment career in 2014.



## Casey D. Johnson

*Director*

*Research Analyst*

Casey Johnson is a director and research analyst with Ceredex Value Advisors. He is responsible for coverage of the energy and materials sector.

Prior to joining Ceredex in 2020, Mr. Johnson was director of investment strategy and a senior portfolio manager at WaterOak Advisors, an independent wealth management firm. From 2000 to 2019, he held a series of successive research positions at institutional value manager DePrince, Race & Zollo, most recently as the director of research, and previously as senior equity research analyst, equity research analyst, and research assistant (summer intern).

Mr. Johnson earned a B.A. in economics from University of Notre Dame and an M.B.A. with a concentration in finance and management from Rollins College Crummer Graduate School. He began his full-time investment career in 2003.



## George Enstad, CFA

*Director  
Research Analyst*

George Enstad is a director and research analyst at Ceredex Value Advisors. He has primary responsibility for covering the financials sector.

Prior to joining Ceredex in 2022, Mr. Enstad served as a portfolio manager at Bank of America Private Bank, a role he held since 2020. He began his investment career in 2010, holding various analytical and investment roles at Bank of America's Chief Investment Office, Bank of America Merrill Lynch, and Morgan Stanley.

Mr. Enstad earned a B.S. in agricultural economics from the University of Florida and an MBA in finance from Rollins Crummer Graduate School of Business. He is a Chartered Financial Analyst (CFA®) charterholder since 2016.



## Meghan Civiello, CFA

*Director  
Research Analyst*

Meghan Civiello is a director and research analyst at Ceredex Value Advisors. She is responsible for covering the consumer discretionary and consumer staples sectors.

Prior to joining Ceredex in 2023, Ms. Civiello served as an equity analyst/director at F.L. Putnam Investment Management, a role she held since 2019. She began her investment career in 2006, serving in various analytical and banking roles at HM Payson, Bank of America, Westfield Capital Management, and Cambridge Associates.

Ms. Civiello earned a B.A. in history from Colby College and an MBA in finance from MIT Sloan School of Management. She is a Chartered Financial Analyst (CFA®) charterholder since 2013.

# CLIENT INVESTMENT OFFICERS



## Steve Loncar

*Managing Director  
Client Portfolio Manager*

Steve Loncar is a managing director and client portfolio manager with Ceredex Value Advisors. Mr. Loncar's primary responsibility is to ensure that Ceredex clients, prospects, consultants, and internal partners have current information on the firm's value strategies. In addition, he participates in new business initiatives, reviews and analyzes investment strategies, and contributes to the firm's overall sales and marketing efforts.

Mr. Loncar joined Ceredex in 1997, initially starting as a portfolio administrator with its predecessor firm, STI Capital Management. During his tenure with the firm, he has held several positions, including performance analyst, equity analyst for a mid-cap equity fund and the classic value team, and director of the key account-financial intermediary team.

Mr. Loncar earned a B.S. in finance from Florida State University and an M.B.A. from Rollins College. He began his career in the investment industry in 1997.



## Sarah Thompson

*Director  
Portfolio Administrator*

Sarah Thompson is a director and portfolio administrator with Ceredex Value Advisors. In this role, she is actively engaged in client service, marketing, sales, and business operations for the firm's value equity strategies.

Ms. Thompson joined Ceredex in 2001, initially starting as a portfolio accountant with its predecessor firm, Trusco Capital Management. She was promoted to portfolio assistant in 2002, with responsibilities for both equity and fixed income strategies before transitioning to her current role in 2007. Prior to joining Ceredex, she began her career as an agency analyst with Conseco.

Ms. Thompson is a graduate of Purdue University where she earned a B.A. in psychology/business.

**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.

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**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.

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**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.

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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®.

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## SECTOR WEIGHTINGS AND PORTFOLIO CHARACTERISTICS

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