Small-Cap Strategy Commentary

4Q21

Southeastern Asset Management

				Annualized Total Return			
	4Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Strategy (Gross)	3.93	11.86	11.86	14.01	7.47	12.87	9.90
Strategy (Net)	3.67	10.89	10.89	12.98	6.47	11.77	8.82
Russell 2000	2.14	14.82	14.82	20.02	12.02	13.23	8.69
Russell 2000 Value	4.36	28.27	28.27	17.99	9.07	12.03	7.19

*Since inception 12/31/2006

The Small-Cap Strategy added 3.67% in the fourth quarter, outperforming the Russell 2000's 2.14% return. For the year, the strategy returned 10.89%, falling short of the Russell 2000, which returned 14.82%. All but a handful of companies delivered positive absolute returns in the year. The portfolio's cash position, which averaged 33.7% over the course of the year but ended the period at only 11.7%, more than accounted for the relative shortfall for the year. The portfolio's double-digit absolute returns were driven by very different factors/exposures than the index – for example, the largest relative sector contribution for the portfolio was in Health Care, the Index's worst performing sector, while our significant underweight to the top-performing Financials sector (and more specifically, banks) was among our worst relative detractors. The disconnect between what drove the market and what we find to be compelling, high-quality businesses widened in the second half, allowing us to get the portfolio close to fully invested with six new positions initiated in the fourth quarter (seven over the course of the year).

Portfolio Characteristics

Price-to Value	low-60s%
# of Holdings	17
% of Cash	11.7%
Portfolio Yield	1.7%

In a year that saw various times when the stock market acted like the pre-COVID, during-COVID and post-COVID "environments" (not necessarily in that order), the good news was that our four largest holdings – which we feel can thrive in all three of these environments – Lumen, Realogy, Mattel and CNX Resources, were among our top contributors for the year. We believe that all four remain underappreciated by the market and offer significant upside from today's discounted prices, as discussed in more detail below.

While our largest holdings received at least a little market appreciation, our detractors were unreasonably punished based on headline-level misunderstandings. At MSG Sports (MSGS), the Knicks and James Dolan stir strong emotions among finance people in New York, but the fact remains that the Dolan family has made multiple shareholder-friendly moves over the years (which we benefited from as holders of the original incarnation of MSG 10 years ago in the Small-Cap strategy), and we believe that more could be coming for MSGS in the near future. In the meantime, the teams' ups and downs and the lack of any additional news will let the market paint a short-term focused picture. Our ultimate comfort and patience rest in owning the Knicks and the Rangers at a combined enterprise value of $4.8 billion for both. The NBA and NHL comparables, Forbes valuations, and Sportico valuations are all much higher than that for these two teams. We wrote extensively about Kodak volatility in 2020, but this year was welcomely quiet after a blizzard of emotion last year. Our value per share grew strongly in 2021, and we continue to feel that our convertible preferred security is at least worth par, even if the stock market has gone back to ignoring this company for the most part, while many who are aware of it chose only to read the negative headlines. The market is ignoring specialty chemical company Lanxess's long history of smart asset sales and focusing on more TBD recent acquisitions and a fixable gap between free cash flow (FCF) and net income. Diversified pharmaceutical company Idorsia is off to a sluggish start since we initiated the position in the first quarter, as two trials this year had negative to inconclusive results. However, we expect the main stories will soon come into view more as the two most important drugs are likely to have important developments in 2022, discussed in more detail below.

We have received questions about the Small-Cap strategy's double-digit underperformance versus the Russell 2000 Value (R2KV) index YTD. At first glance, there does not appear to be a simple, clear story to explain such a large shortfall. It is interesting that only five of our current holdings are even in the R2KV. We view this as a feature of our bottom-up, opportunistic approach to value, which drives our high active share and potential for strong, differentiated returns, not a bug. Cash was the largest individual culprit, accounting for approximately one-third of the relative difference. Digging a bit deeper, it appears that the market rewarded perceived clarity much more than usual this year, with memes and clear COVID plays benefiting vs. our portfolio where the opportunity often comes from the quality "story" being hidden and/or more complex. We trailed the value Info Tech subset, but our lone detractor Kodak (convertible) is not a typical IT company. Within Materials, Lanxess is a conglomerate, making it a more complex business with hidden value. Empire State Realty Trust (ESRT) is not a pure-play real estate company, as it has the Observatory, as well as office, retail and residential real estate assets. Within Consumer Discretionary, Graham Holdings is another conglomerate, and we did not own Gamestop, AMC or many of the market darling "Goods" businesses (discussed in more detail below). In Financials, we own asset manager Lazard and two newer companies, all three of which are harder to understand than the simpler banks that drove the sector. We are confident that this differentiated positioning that caused the relative drag this year will be the very driver of future absolute and relative outperformance.

When we step back and look at the stocks that we do not own, we feel better than ever because finally too much ardor for these market favorites is making many of them fall harder. This began happening this year in the small cap world, as first the SPAC market cooled off, then the IPO (initial public offering) market began cooling as well. We have now seen things changing for larger cap favorites, like Docusign falling over 40% in a day after a quarter that wasn't all that bad, because it must be truly GREAT when you are trading near 20x revenues. This has led to a narrowing of market leadership yet again, with five large tech stocks essentially driving the S&P 500. While we hate sounding like a broken record and would love to own these market leaders at the right price, we must remind you of the rarity of living through a 5–10-year period in which the biggest got bigger/stronger and their growth rates didn't decelerate as both history and most prudent discounted cash flow models (DCFs) would suggest they should. That doesn't mean that they keep accelerating or stay at this growth rate forever (as their valuations need). More likely, it's a longer way down when they fall. An "S Curve" does eventually flatten out and ultimately go down. Although we cannot say when it will happen, odds are very high that these companies will: 1) hit the law of large numbers;

2) see increasing regulation; and/or 3) compete against themselves, well-funded start-ups (some of which we now own); and/or "traditional" companies that can get together and/or focus to deliver a superior product (for example, companies like Realogy, Graham Holdings and Hyatt). We may be witnessing the beginning of this turn. As of January 6, 2022, approximately 40% of Nasdaq Composite Index companies have seen their market values cut in half or more from 52-week highs.

Bringing it all together at the micro level, the gap between "obvious" and "everything else" grew once again this year. As we have written before, quality is of paramount importance to us, but it must be "hidden quality," which the market is not yet paying for. We too are tired of the phrase "value vs. growth," but we cannot help including the below chart that highlights the historically huge difference between these two categories:

S&P 500 Growth P/E minus S&P 500 Value P/E

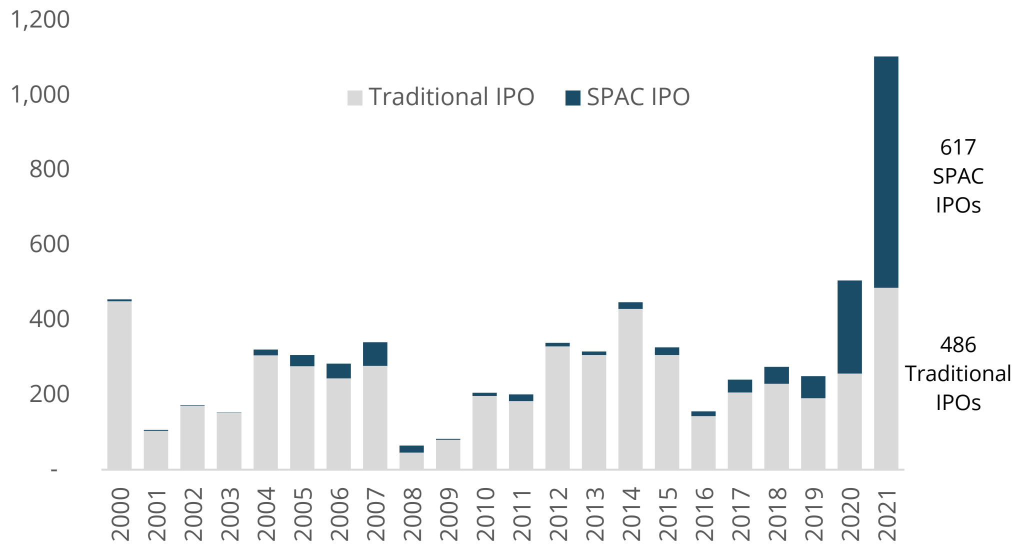
Price to Earnings Next Twelve Months (1/1/2003 - 12/31/2021)

Some of us are old enough to remember when the stock market as a whole had a price-to-earnings ratio (P/E) of 12x or less for extended periods of time!

All of us are old enough to remember the fears in the years leading up to COVID that everything was either going to stay private or go private. We believe that private equity and venture capital have a place in capitalism, but we have now seen how cyclical fears like this can be, as many more companies came public this year, expanding our universe in positive ways.

Yearly IPO Deal Count by Traditional IPOs and SPAC IPOs

Priced deals on US exchanges from 2000 until 2021



Source: Bloomberg

We also have seen plenty of IPO/SPAC craziness showing both that private players need public markets more than they admit and that there is more volatility embedded in these newer companies than a private quarterly mark might admit. As for how efficient both the private and public markets are, we would encourage you to really delve into some of those multi-hundred-page S1s for many of the newest public companies to see the huge gap between the last valuation at which the company was funded and/or granted shares to its executives and the often much higher price at which the company went public – Coinbase and Rivian are two prime examples.

We are certainly not opposed to private equity paying us fair value (or more!) for any of our holdings if the time is right. Buyouts have generally been good for us (more so in Small-Cap than our other strategies, but as private equity capital raisings have grown, we expect that to expand to all our strategies going forward). We benefitted from eight buyouts in the Small-Cap strategy from 2014 to 2018 (one or two per year in the portfolio during that five-year period) before a drought in 2019, leading into a COVID overhang for more of the last two years. We expect more beneficial M&A action for our portfolio in 2022.

Finally, we must talk about inflation/nominal/real interest rates. We are not here to predict or say that we need raging inflation. We were wrong to miss the COVID-driven-buying-of-goods-boom in the last year or so that we believe is much closer to its end than its beginning. A lot of these Goods companies we don't own make up some of the lower next 12-month/last 12-month P/Es in the market (aka "traditional value stocks" that are often large weightings in a value index/ETF), but we are focused on longer-term earnings power and don't need to play when this key metric is too hard to predict and/or potentially declining. Where we have felt more correct is focusing in on wage inflation not going away. The demographics and global trade patterns of the next 30+ years still look quite different than the last 30, so we expect inflation to be with us longer than some think. We have yet to talk with a company that expects wage growth to dramatically flatten out in 2022, and many are expecting continued mid-single-digit growth in the near term. We also believe that a positive real rate looks much more likely over the next 10 than the last 10 years as governments around the world step back from or at least no longer accelerate bond buying.

We see three potential broad nominal rate scenarios in 2022. In the first scenario, we are wrong, and rates go lower. In this environment, we expect to still deliver absolute returns (as we did this year) but might keep losing the relative game for a bit. In a second – we think most likely – scenario, rates go higher. In this environment, we believe we could win in multiple ways as market favorites at 25x+ P/Es have a long way to fall vs. our portfolio already at a roughly 10x multiple of growing FCF power. We don't need to see a dramatic jump in rates for this scenario to play out – even a small increase should be beneficial to our approach from both an absolute and relative perspective. In the final scenario, rates remain the same, and the second derivative of the curve (i.e., what the stock market typically reacts to and what investors care most about: whether things are accelerating, decelerating or flattening out) doesn't get worse. In this environment, we would also expect to win both absolute and relative, but maybe not as much as in scenario two.

Contribution to Return

4Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)
Hyatt	26	1.19
RenaissanceRe	22	1.03
Mattel	16	0.89
CNX Resources	9	0.47
Idorsia	16	0.40

4Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
Empire State Realty	-11	-0.57
MSG Sports	-7	-0.34
Realogy	-4	-0.22
Oscar	-5	-0.17
Lazard	-4	-0.16

2021 Top Five

Company Name	Total Return (%)	Contribution to Return (%)
Lumen	32	2.69
Hyatt	37	1.74
Realogy	25	1.49
Mattel	23	1.30
CNX Resources	25	1.25

2021 Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
Empire State Realty	-8	-0.49
Oscar	-5	-0.17
Kodak	-7	-0.16
MSG Sports	-6	-0.14
Vimeo	-2	-0.04

Lumen, the global fiber company, was the top absolute and relative contributor for the year. CEO Jeff Storey took two actions this year to substantially increase the business's value and address the stock's enormous discount (it trades below 35% of our appraisal value). First, during the third quarter, Lumen sold its Latin American fiber for a good price (9x EBITDA) and the weaker half of its US consumer business for an encouraging 5.5x EBITDA. Both multiples came in above our appraisals and demonstrate how cheap the consolidated Lumen RemainCo is today at less than 6x P/FCF and EV/EBITDA. The majority of Lumen's remaining EBITDA comes from its US Enterprise and SMB segments, which grow faster than Lumen's disposed LatAm fiber and are worth higher multiples. The weakest segment of the new Lumen, the western half of Consumer, is superior to the assets the company just sold for 5.5x EBITDA. Second, Storey quickly repurchased 7% of Lumen's shares, adding meaningfully to value per share and free cash flow per share. When the dispositions close, proceeds will reduce debt meaningfully, putting net debt right at the company's leverage ratio target even though that target was based on the prior, inferior business mix. We are pleased that our engagement since filing an amended 13D helped the company begin to deliver positive corporate actions. The market has fixated on the potential for another dividend cut, but Lumen's FCF is more than sufficient to cover the $1/share payout while investing aggressively into high-return, edge-out capex to grow revenues.

Hyatt, the global hotel franchisor and owner, was the top contributor in the fourth quarter and among the largest contributors for the year. The company is once again cash profitable, even though its Group/Business bookings are less than half of 2019 levels. Revenues from leisure travelers, however, are up more than 20%, with pricing as high as 40% YOY for Hyatt's most popular destination resorts. CEO Mark Hoplamazian made two great sales above our appraisal values this year, helping to grow our appraisal of the consolidated company value by 27%. We expect more proceeds to come in next year and earnings growth to accelerate back towards normalized levels with COVID reopening.

Realogy, the real estate brokerage franchisor, was also a top contributor for the year. Commission volumes increased double-digits due to 17% year-over-year (YOY) home price appreciation outweighing 5% fewer transactions. With the majority of the company's value coming from its franchise fees, the incremental margins on sales growth are extremely favorable. Realogy's brokerages (including Coldwell Banker, Century21, and Sotheby's) also gained share for the fifth consecutive quarter. The company had lagged the national market last year due to its greater New York and California exposure, but both markets have rebounded well and appear likely to continue. CEO Ryan Schneider used the large FCF coupon to pay down debt, and Realogy's leverage ratio is now down to a conservative 2.3x net debt/EBITDA vs. >5x in prior years. The strong performance suggests that the business was not disrupted by iBuyers and other new competitors as bears had predicted. With the housing market looking healthy and home prices likely to keep appreciating moderately, this franchise-fee annuity business with high defensible market share should be worth much more than the 6x forward FCF where it trades.

Mattel, the global toy and media company, was a strong contributor in the fourth quarter and for the year. Despite store closures in Asia causing -20% regional revenues during the third quarter, Mattel's consolidated sales still grew 8% due to its strong North American recovery. Barbie sales remain impressive as they have been for years, American Girl is finally returning to growth and Fisher Price is also recovering. The company is successfully passing through inflated costs with higher pricing and without losing volume. Despite the impressive results, the stock trades too low at less than 14x forward earnings, and that is before Mattel begins to monetize its massive non-earning asset Intellectual Property portfolio. Our appraisal of the value grew by more than 30% this year.

CNX Resources, the Appalachian natural gas producer, was another top contributor. With higher strip gas prices, another strong year of FCF and a 13% annualized repurchase pace last quarter, our appraisal of the value increased over 20%. However, the company's conservative hedging program that has helped it withstand prior bear markets also held back earnings growth this year. The board, led by chairman Will Thorndike, recently authorized another $1 billion of repurchase, representing nearly one third of outstanding shares at today's price. Despite higher absolute FCF than Appalachian comps with inferior inventory positions, CNX trades at less than half of their enterprise values.

RenaissanceRe, the Bermuda-domiciled reinsurance company and a new position in 2021, was a top contributor in the fourth quarter. We know the reinsurance industry well, having invested in the sector for multiple decades, and we were thrilled to have the opportunity to invest in the business at a discount. RenRe has a reputation as a leading Catastrophe risk reinsurance underwriter - although the business mix has diversified over time into third party capital management, casualty and other property risk. RenRe traded below 10x earnings power and around 1x tangible book value in the third quarter as catastrophe headlines punished the entire industry, giving us the opportunity to invest. Management also took advantage of the temporary price discount by buying back 10% of outstanding shares, while the CEO, CFO and several other senior executives invested over $4 million buying shares personally. The share price appreciated in the fourth quarter as the company announced an excess capital buffer of $1 billion, even after third quarter catastrophe hits, and likely continued share repurchases. RenRe is a leader in insurance risk modeling and portfolio construction, and best in class data gathering and analytics are in the company DNA. In the face of significant volatility and disruption for the industry in the form of technology innovation, capital access innovation and climate change risks, RenRe's competitive advantages in pricing risk and in putting together a sound global portfolio of risk should be well placed to add excess return.

Portfolio Activity

The portfolio activity section in our last several letters has highlighted our growing on-deck list, and we were able to act on those opportunities to put cash to work in the fourth quarter. We initiated three new holdings, which are not yet disclosed, as we are still building the positions. Two are in the Financials sector, though they are very different companies. One is really more of a software company than a financial company, and the large owners we have partnered with there are top notch. The other is a financial holding company with zero "comps". It is both misunderstood and overlooked by the market as it is a confusing, small-dividend-paying company that makes no effort to dance to the sellside tune with quarterly calls or guidance. However, the management team are all about building long-term value per share in patient, unconventional ways. The third and newest purchase is a Communications Services company with a strong first-mover advantage within its rapidly growing business, and once again great partners who know how to allocate capital. We trimmed strong performer Hyatt but had no full sales in the fourth quarter. After beginning the year at 33%, our cash position ended the year at just over 11.5%. Our on-deck list remains strong, and, thanks to solid value growth across the portfolio, a strong majority of the companies are trading in the mid-60s% or lower of their appraisal, meaning the margin of safety and potential upside for the portfolio, which trades at a price-to-value (P/V) in the low-60s%, is very high.

Southeastern Updates

The last two years have taught us to be more flexible to adjust to rapidly changing environmental factors and to allow for better work/life balance for our employees, while maintaining productivity levels and a connection to our central culture. We believe our established research network continues to provide us a clear competitive advantage. We expanded our global research expertise and network with the addition of Will Allen, who joins in January 2022 as a Memphis-based Junior Analyst, and Julio Utrera, CFA, who joined this summer as a London-based Analyst. Will is a 2019 college graduate who brings experience at value investing firm International Value Advisors. Originally from Spain, Julio adds eight years' experience of investing with a value focus in public and private equities in Europe and developing markets, as well as ESG expertise. Julio holds his CFA Level 4 Certificate in ESG Investing and served on the ESG Committee in his last role at T. Rowe Price International Equities, and he has already been a valuable addition to Southeastern's ESG committee.

In last year's annual letter, we highlighted the importance of environmental, social and governance (ESG) factors – both in our research process and in how we run our business – and the steps we have taken to formalize our approach. In 2021, we published our first annual ESG Report, which we would encourage you to read to learn more about our approach. Over the last year, we have continued to make progress and set new goals in this rapidly developing area – we signed on as a supporter of the Task Force on Climate-Related Finance Disclosures (in addition to being a signatory to UNPRI and CA100+); the research team undertook external ESG training; we expanded our portfolio carbon footprint data monitoring and established a Southeastern-specific template for carbon footprint reporting; we committed to directly engaging with management teams on their carbon reporting and efforts to improve their environmental practices (with recent success from these efforts seen at Lanxess, which set a goal to be carbon neutral by 2040, and CNX Resources, which was recently named one of three 2021 Energy ESG E&P Top Performers by Hart Energy, among others).

Another key area of focus has been fostering, cultivating and preserving a culture of diversity, equity and inclusion (DEI) at our firm, as well as engaging with our portfolio companies to better understand their approach to DEI and in some cases to push for increased diversity at a board and/or management level. As a small, lean firm with low employee turnover, we have looked for ways that we can partner with other organizations to help make a positive impact within our industry. In 2021, we partnered with the Notre Dame Institute for Global Investing via their Investment Management Access Program (IMAP – a program focused on improving diversity within the asset management industry) and Girls Who Invest (GWI – an organization that is helping transform the asset management industry by bringing more women into portfolio management and leadership).

In August 2021, we launched an exciting new initiative, Greenwood Pine Partners, a mission-driven, minority-owned investment management firm with initial funding from the Shelby County Retirement System in Tennessee. Greenwood Pine is 51% owned by Southeastern Senior Analyst and Principal Brandon Arrindell, who is African American and from Memphis. Brandon serves as both majority owner and portfolio manager for this US-focused, all-cap strategy employing Southeastern's long-term, concentrated, engaged approach. The goal of the structure and partnership with Shelby County is to produce strong risk-adjusted returns while also working to address the issue of minority underrepresentation in asset management. Where possible, Greenwood Pine seeks to partner with minority-owned, local service providers. Southeastern has pledged the proceeds derived from its 49% stake in the LLC to organizations that support under resourced communities.

Finally, we are always looking for ways to improve our communications with clients. Beginning next quarter, we will provide a Frequently Asked Questions-format podcast to allow you to hear directly from your portfolio managers. The audio format will have a transcript available and will be supported by a quarterly strategy summary and a longer, more detailed annual letter at the end of the year. We will continue to highlight discussions with management teams and other ad hoc topics in the *Price to Value Podcast with Southeastern Asset Management*, with our newest episode coming in January, in which Staley Cates interviews Realogy CEO and President Ryan Schneider.

Outlook

We spent much of this letter exploring the current environment and what it has meant / will mean for our portfolio. We have heard from many clients and prospects this year who (very understandably) want to know what will be the "right environment" for our portfolios to outperform. As conventional wisdom becomes more about trading in and out of ETFs instead of analyzing bottom-up value per share growth, we understand the pressure that investment committees face and the frustration of not knowing when our relative performance will turn. We would caution, however, that nailing the chained probability of both what the next environment will be and how we will do in it is very hard.

Our 46+ year performance history shows that there is never a predictable pattern, but the historical context makes us believe even more strongly in our odds from here. Southeastern was founded in 1975 amid a period of historically high inflation, with US interest rates rising to nearly 20%. From the official start of Southeastern's US large cap composite in January 1980, we outperformed the market in eight out of the nine following years. We expect that we would do well again with more rate volatility going forward. We did less well relatively in the 1990s and 2010s when interest rates declined, even if we did deliver solid absolute returns on the stocks that we picked in those timeframes. This seems like the least likely scenario out of the three described above, since rates are already so low. At the very least, we believe we would be more fully invested in a scenario like this, judging by our improved productivity, current portfolios and on-deck list. We did well in the 2000s pre-GFC with relatively flat interest rates (note that the US 10-year treasury stayed in a tight band around 5% during that almost 10-year period), which we could see happening again (but probably less likely than increasing rates), so that is also encouraging.

While looking to our history doesn't give us the answer of when the current environment will turn, it does allow us to learn from the past and improve over time. When we add up the three broad types of environments above, we see a healthy "2.5 out of 3" in which we win. We think 2021 had many positive signs that the future is bright, and we look forward to sharing it with you.

See following pages for important disclosures.

Southeastern Asset Management can be found in our ADV Part 2, available at www.southeasternasset.com. Statements regarding securities are not recommendations to buy or sell the securities discussed. The statements and opinions expressed are those of the author and are as of the date of this report. Holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Current and future holdings are subject to risk and past performance does not guarantee future results. Strategy information is based on a sample account at December 31, 2021. Portfolio makeup and performance will vary on many factors, including client guidelines and market conditions.

P/V ("price-to-value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a strategy and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

"Margin of Safety" is a reference to the difference between a stock's market price and Southeastern's calculated appraisal value. It is not a guarantee of investment performance or returns.

SOUTHEASTERN ASSET MANAGEMENT, INC.
INSTITUTIONAL U.S. SMALL-CAP EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

					Annual Performance Results Composite			Composite 3-Yr Annualized EX-Post Standard Deviation	Benchmark 3-Yr Annualized EX-Post Standard Deviation
Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	Russell 2000 (with dividends)	Gross	Net	Composite Dispersion		
2020	10,270	38	<5	20.0%	11.3%	10.3%	na1	38.0%	25.3%
2019	12,481	34	<5	25.5%	19.0%	17.9%	na1	12.9%	15.7%
2018	13,881	29	<5	-11.0%	-6.3%	-7.2%	na1	11.4%	15.8%
2017	18,203	31	<5	14.7%	3.3%	2.2%	na1	10.7%	13.9%
2016	19,302	55	<5	21.3%	25.0%	23.7%	na1	10.8%	15.8%
2015	20,315	44	<5	-4.4%	-2.8%	-3.8%	na1	10.3%	14.0%
2014	30,542	46	<5	4.9%	13.7%	12.5%	na1	9.4%	13.1%
2013	34,914	50	<5	38.8%	32.9%	31.6%	na1	14.6%	16.5%
2012	31,752	38	<5	16.4%	27.5%	26.2%	na1	19.0%	20.2%
2011	31,485	35	<5	-4.2%	5.8%	4.8%	na1	25.6%	25.0%

na1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Institutional U.S. Small-Cap Equity Composite - Portfolios included in this composite normally contain 18-22 securities. Sector and industry weightings and market cap size are a by-product of bottom-up investment decisions. Assets held in non-U.S. investments generally do not exceed 30% of portfolios. Cash is a by-product of a lack of investment opportunities that meet Southeastern's criteria. The benchmark used for comparison is the Russell 2000 with dividends.

Southeastern Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Southeastern Asset Management, Inc. has been independently verified for the periods January 1, 2001 through December 31, 2020. 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. The verification reports are available upon request.

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Southeastern is an independent investment management firm that is not affiliated with any parent organization. Southeastern invests primarily in equities.

Results are based on fully discretionary portfolios under management that are managed without regard to tax considerations. Past performance is not indicative of future results.

A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management and performance fees and include the reinvestment of income. Dividends are recorded either gross or net of foreign withholding taxes based on the treatment of these taxes by the accounts' custodian. Net of fee performance is calculated using actual management and performance fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the portfolios in the composite the entire year. Composite dispersion and 3 year annualized ex-post standard deviation are reported using gross returns. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule is 1% on the first $25 million and then 0.75% on the balance. Actual investment advisory fees incurred by clients may vary.

The Institutional U.S. Small-Cap Equity Composite was created July 1, 2011. The inception date for this composite is December 31, 2006.