

# Mesirow Small Company Fund



## Investor Shares - MSVXX

### Annual Shareholder Report - September 30, 2024

This annual shareholder report contains important information about Investor Shares of the Mesirow Small Company Fund (the "Fund") for the period from October 1, 2023 to September 30, 2024. You can find additional information about the Fund at <https://www.mesirow.com/mutual-funds>. You can also request this information by contacting us at 1-833-MESIROW (833-637-4796).

#### What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

| <u>Fund Name</u>                            | <u>Costs of a \$10,000 investment</u> | <u>Costs paid as a percentage of a \$10,000 investment</u> |
|---|---------------------------------------|--|
| Mesirow Small Company Fund, Investor Shares | \$139                                 | 1.23%  |

#### How did the Fund perform in the last year?

The Mesirow Small Company Fund (Investor Shares) underperformed the Russell 3000 Index and the Russell 2000 Index (a benchmark with similar investment objectives) for the fiscal year ended September 30, 2024 despite outperforming the Russell 2000 Index for each of the last three quarters.

As the fiscal year began, inflation, though declining overall, was still deemed too high for the Federal Reserve (Fed) to pivot to a less restrictive policy. Investors anticipated that they would keep interest rates higher for a longer period, which increased the risk of recession. However, as the quarter progressed, communications from the Fed suggested a potential shift to a more accommodative policy in 2024. As a result of the remarkable shift in investor sentiment, the Mesirow Small Company Fund (Investor Shares) underperformed the Russell 2000 Index in 4Q2023 despite a total return of more than 7% for the quarter.

However, we continued to stick with our philosophy of focusing on high quality names that we believe offer a combination of solid upside in a resilient economy while providing a defensive element should rates remain at perceived elevated levels. Throughout the majority of the fiscal year, our biggest sector weighting was in the Industrials sector. We gradually reduced our exposure to Financials and increased our exposure to Health Care. This approach served us well, as we outperformed the Russell 2000 Index in 1Q2024, 2Q2024 and 3Q2024 as noted above.

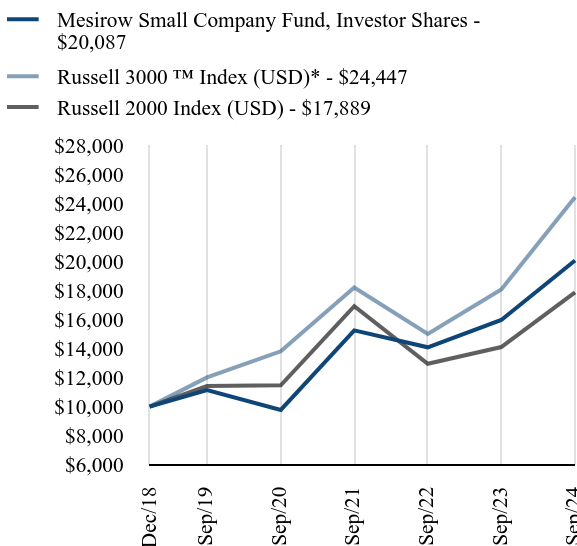
Over the last year, equity markets became more linked to the anticipated movements of Fed policy. This relationship between rates and market returns began to break down in the second quarter of 2024. As negative economic data created an adverse market response, investors feared a more recessionary environment and viewed the Fed as possibly being behind the curve on rates and inflation. The dam finally broke in September 2024 with a much-anticipated, often-delayed Fed pivot on interest rates culminating with an initial 50 basis point decrease.

While the probabilities of a recession have declined, it is still an important consideration to portfolio positioning as we navigate the impact of the Fed rate cuts in the future. We continue to monitor several factors that may influence our tactical portfolio positioning as the fiscal year ended, reflected in slightly above-benchmark (Russell 2000 Index) weightings in Health Care and Consumer Staples, a slight reduction in our exposure to Industrials and a below-benchmark weighting (Russell 2000 Index) in Financials and Technology.

Small cap equities continue to trade at a significant historical discount relative to large cap equities. However, we believe there needs to be some visible improvement in underlying economic data and expectations for earnings growth to allow equity markets, and particularly small cap equities, to sustain and improve upon performance over the next few quarters.

#### How did the Fund perform since inception?

##### Total Return Based on \$10,000 Investment



##### Average Annual Total Returns as of September 30, 2024

| <u>Fund/Index Name</u>                      | <u>1 Year</u> | <u>5 Years</u> | <u>Annualized Since Inception</u> |
|---|---------------|----------------|-----------------------------------|
| Mesirow Small Company Fund, Investor Shares | 25.71%        | 12.50%         | 12.81%                            |
| Russell 3000™ Index (USD)*                  | 35.19%        | 15.26%         | 16.71%                            |
| Russell 2000 Index (USD)                    | 26.76%        | 9.39%          | 10.57%                            |

The line graph represents historical performance of a hypothetical investment of \$10,000 in the Fund during the last 10 years. Returns shown are total returns, which assume the reinvestment of dividends and capital gains. The table and graph presented above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund Shares. **Past performance is not indicative of future performance.** Call 1-833-MESIROW (833-637-4796) or visit <https://www.mesirow.com/mutual-funds> for current month-end performance.

\* As of September 2024, pursuant to the new regulatory requirements, this index replaced the prior index as the Fund's primary benchmark to represent a broad-based securities market index.

## Key Fund Statistics as of September 30, 2024

**Total Net Assets**

\$32,761,048

**Number of Holdings**

83

**Total Advisory Fees Paid**

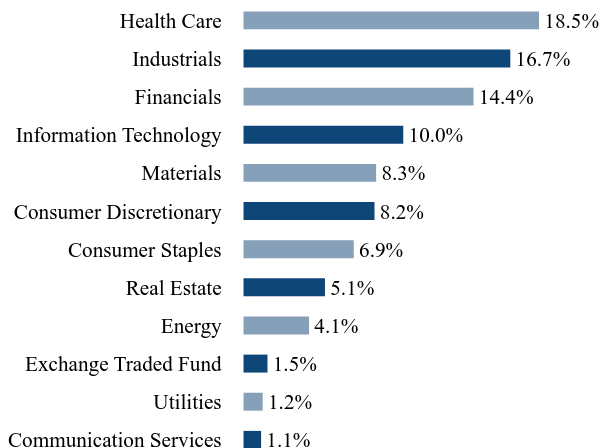
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**Portfolio Turnover Rate**

92%

### What did the Fund invest in?

#### Asset Weightings\*



\* Percentages are calculated based on total net assets.

#### Top Ten Holdings

| <u>Holding Name</u>             | <u>Percentage of Total Net Assets</u> |
|---------------------------------|---------------------------------------|
| ADMA Biologics                  | 1.7%                                  |
| ICU Medical                     | 1.6%                                  |
| Fluor                           | 1.6%                                  |
| Catalyst Pharmaceuticals        | 1.5%                                  |
| Amphastar Pharmaceuticals       | 1.5%                                  |
| Sprouts Farmers Market          | 1.5%                                  |
| Rambus                          | 1.5%                                  |
| Hecla Mining                    | 1.5%                                  |
| Surgery Partners                | 1.5%                                  |
| Ollie's Bargain Outlet Holdings | 1.5%                                  |

### Material Fund Changes

There were no material changes during the reporting period.

### Changes in and Disagreements with Accountants

There were no changes in or disagreements with accountants during the reporting period.

### Additional Information

For additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information, call or visit:

- 1-833-MESIROW (833-637-4796)
- <https://www.mesirow.com/mutual-funds>

### Householding

Rule 30e-1 of the Investment Company Act of 1940 permits funds to transmit only one copy of a proxy statement, annual report or semi-annual report to shareholders (who need not be related) with the same residential, commercial or electronic address, provided that the shareholders have consented in writing and the reports are addressed either to each shareholder individually or to the shareholders as a group. This process is known as "householding" and is designed to reduce the duplicate copies of materials that shareholders receive and to lower printing and mailing costs for funds. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-833-MESIROW (833-637-4796) to request individual copies of these documents. Once the Fund receives notice to stop householding, we will begin sending individual copies 30 days after receiving your request.