Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 20

MEETING DATE: **December 9, 2020**

SUBJECT: **Investment Manager Recommendation – Domestic Equity Small Cap Value**

SUBMITTED FOR: **___ Consent** **_X_ Deliberation and Action** **__ Receive and File**

RECOMMENDATION

Staff recommends the Board: (1) Invest approximately $110 million with Snyder Capital Management in its Small Cap Value strategy. (2) Authorize Staff to determine the most effective method for transitioning the assets and execute any necessary documents or agreements to effectuate the transition.

PURPOSE

This item complies with SCERS' Growth asset category Investment Policy Statement implementation protocols for public equity investment managers to have Staff and Consultant perform due diligence and make investment manager recommendations to the Board for consideration and approval.

SUMMARY

At the August 2020 Board meeting, the Board approved initiating a manager search for a domestic equity small cap value manager, as a replacement to SCERS' previous manager Dalton Greiner Hartman Maher (DGHM). Staff and general consultant, Verus, held interviews (via videoconference) with various managers and conducted extensive due diligence.

Based on the analysis, Staff and Verus recommend adding Snyder Capital Management as an investment manager for SCERS' Small Cap Value strategy within the Domestic Equity asset class. As shown below, SCERS' Strategic Asset Allocation calls for a 20% allocation to Domestic Equity. Within Domestic Equity, the structure calls for a 10% allocation (relative to the total Domestic Equity allocation) to Small Cap equity, split evenly between Small Cap Growth and Small Cap Value strategies.

Growth stocks are represented by companies that have demonstrated higher levels of growth in sales or earnings with expectations that the higher levels of growth will continue into the future.

Growth stocks are often priced at higher levels as investors are willing to pay more for the higher expected growth. Value stocks are characterized by stocks that are priced lower than peers or the broader market, as measured by price-to-book value (P/B), price-to-earnings (P/E) ratio, or some other measure. Value investors seek to generate attractive returns by identifying companies with good fundamentals that are undervalued and will bounce back as other investors recognize their true value.

Based on SCERS estimated portfolio value of $10.9 billion, as of November 20, 2020, the Small Cap Value portfolio allocation will be approximately $110 million. The actual amount allocated to the strategy will vary based on fluctuations in market values prior to the eventual funding date.

SCERS Domestic Equity Portfolio Construction					
	Minimum	Target Allocation	Maximum	Manager Allocation	Policy Index Benchmark
Total Domestic Equity Portfolio	18%	20%	22%		Russell 3000 Index
Large Cap Passive (Russell 1000)		54%		54.0%	
Large Cap Active (Russell 1000)		36%			
Fundamental Concentrated				12.0%	
Equity Extension 130/30				12.0%	
Systematic Multi-Factor				12.0%	
Small Cap Value (Russell 2000 Value)		5%		5.0%	
Small Cap Growth (Russell 2000 Growth)		5%		5.0%	

DISCUSSION

Following a long relationship with SCERS' prior small cap value manager DGHM, in August 2020 SCERS Staff and Consultant recommended terminating DGHM and initiating a search for a replacement manager. After receiving Board approval at the August meeting, SCERS notified DGHM and quickly moved to implement a transition plan, which involved liquidating the DGHM portfolio and investing assets in a transition account managed by State Street Global Markets, which holds the iShares Russell 2000 Value Index ETF (ticker: IWN). The transition plan determined that investing in IWN was the most efficient and effective way to maintain portfolio exposure to the small cap value segment during the manager search process.

The search process began with a large pool of institutional quality managers focused on the small cap value universe. The manager list was then narrowed to a select few managers for in-depth interviews. Manager interviews are typically conducted in-person; however, due to COVID-19, the interviews were held via videoconference. Following the interviews, Staff and Verus continued the due diligence process, which included additional data requested from the managers and follow-up communications via call or email. SCERS' Staff and Verus also had multiple conversations to evaluate the managers being considered, which ultimately led to the final recommendation of Snyder Capital Management (Snyder). While all manager candidates were highly qualified, this memo will focus on the recommendation of Snyder and the factors that differentiated the firm from the other managers.

Staff has initiated the review of a potential investment management agreement (IMA) with Snyder. If the Board approves the selection of Snyder, funding will be contingent on successful negotiation of the legal terms and agreements.

PORTFOLIO CONSIDERATIONS

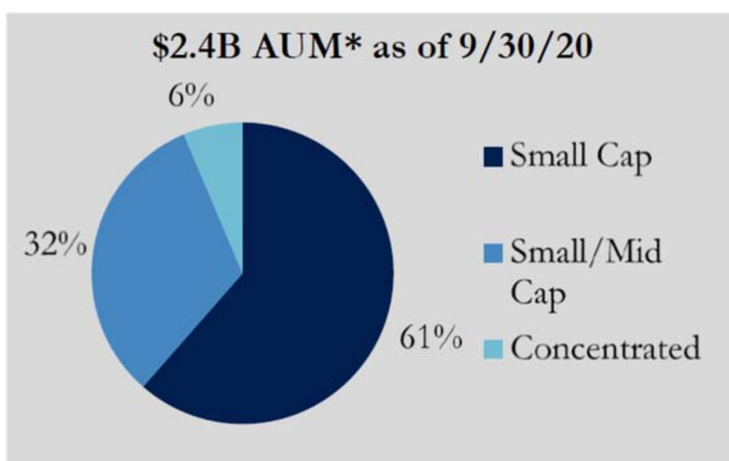
As noted above, the 10% Small Cap allocation is split evenly between Value (5%) and Growth (5%) strategies. In 2018, SCERS restructured the Domestic Equity portfolio, which included goals of simplifying the portfolio and reducing redundancies. The restructuring included reducing the manager count where possible, which led to a single manager allocation in both the Small Cap Value and Growth portfolios. For the small cap equity allocation, SCERS maintained allocations exclusively to active (versus passive) managers. Domestic small cap equity is considered a less efficient segment of the market, allowing for skilled active managers to deliver excess returns (alpha) above market index benchmarks. Collectively, SCERS' small cap active managers have delivered strong excess returns over the benchmark, outperforming the Russell 2000 benchmark by over 4% annualized for the past five years on a net basis, returning +12.3% versus the benchmark return of +8.0%. However, in recent years, growth has significantly outperformed value, which has led to SCERS' small cap growth portfolio being significantly overweight its target allocation and small cap value being underweight.

With the strong outperformance of SCERS' small cap growth portfolio, managed by Weatherbie Capital, that segment is valued at approximately $151 million, 6.2% of the Domestic Equity portfolio, as of November 20, 2020. Also, with the recent underperformance of the small cap value portfolio, it is underweight the target allocation, at approximately $92 million (3.7%). The addition of a new small cap value manager provides an opportune time to rebalance SCERS' small cap portfolio and bring the Value and Growth segments closer in line with the target asset allocation. As part of the transition plan, which will be discussed in greater detail below, Staff plans to reduce assets in the small cap growth portfolio and use the proceeds to bring the initial investment in the small cap value portfolio in line with the 5% target allocation.

ORGANIZATION

Snyder Capital Management is a 100% employee-owned firm based in San Francisco, CA. Snyder was founded in 1984 by Alan Snyder and began managing the Small Cap Value strategy in early 1985. In 1997, Snyder was acquired by Natixis Global Asset Management and launched their SMID Cap Value strategy. In 2015, the firm entered into a buyout agreement with Natixis and subsequently became a 100% employee-owned firm again on January 1, 2016.

The investment team at Snyder is comprised of four Portfolio Managers and an Analyst. The four Portfolio Managers are also Partners of the firm with ownership split among them in various proportions and no single majority owner. Overall, the firm has 11 employees including trading, operations, and client service professionals. The firm's sole business is investment management and has approximately $2.4 billion in assets under management, with the majority ($1.5 billion) invested in the Small Cap strategy, and the remainder in SMID Cap ($800



million) and Concentrated ($100 million) strategies. While assets under management for Snyder are smaller than other managers being considered, the firm has kept a relatively tight range on AUM for the Small Cap Value strategy. The firm has previously closed the strategy to new assets twice at approximately $2.2 billion, and views current capacity around $2.4 billion, as markets have evolved and the market cap range for small cap has increased. Over the past 10 years, firm AUM has ranged from $1.5 to $2.7 billion. Per discussion with Snyder, in addition to SCERS, there are several potential new investors interested in the strategy. Therefore, Snyder could approach capacity limits in the near future. However, this is not a significant concern considering that Snyder tends to limit capacity at a lower level than other small cap managers, with other managers having AUM in excess of $3 billion.

The firm is led by Peter Eisele who joined Snyder in 1997. Eisele was promoted to president in 2005 and became Chairman and CEO in 2012. He has an engineering background, and prior to joining Snyder spent eight years as a product manager at Lumonics (laser systems manufacturer). The other partners/portfolio managers are Gary Rafferty, Charles Swain, and Scott Molinaroli, who together average over 18 years' investment experience and 13 years at Snyder. A unique and competitive advantage for the Snyder investment team is their business and industry experience prior to investment management. For example, Swain has a Chemical Engineering degree from M.I.T., and previously worked as an R&D scientist. Molinaroli co-founded and was COO of a software company that eventually went public, and he also held management consulting roles covering the healthcare and technology sectors. The investment team utilizes their operational business experience to evaluate companies and the potential for success of their business plans.

The firm takes a team approach, with all portfolio managers involved in evaluating investment ideas and determining securities that are included in the portfolio. All partners have a voice on the investment committee, with each investment requiring support from at least three partners. With a relatively small firm, and limited investment product line-up, the partners have a strong vested interest in not only the performance of the investment strategy, but also the success of the firm. Also, with the small investment team, Snyder places an emphasis on firm culture, focusing on investment professionals that are both intellectually rigorous, and team players.

INVESTMENT STRATEGY

The broad investment philosophy for Snyder is that investing with a long-term perspective in high-quality, under-appreciated companies, should provide consistent, superior returns. The firm believes that the market is not efficient in understanding long-term opportunities and risks for stocks. The firm conducts its own in-depth research and due diligence, applying a long-term perspective, to take advantage of the market's inefficiency. The portfolio is fairly concentrated, generally between 40-55 securities, which allows for a small number of positions per portfolio manager, so that each position is well researched and understood by the investment team.

The investment strategy takes a private equity approach to investing in public equities and looks to invest in high-quality businesses with secular tailwinds that have a long runway, allowing for company management to execute their plans. The research process includes identifying the sources of a company's competitive advantages and why that advantage can be sustainable.

To help identify high quality companies, Snyder utilizes the "Four M's" criteria: Moat, Management, Metrics, and Model.

"The Four Ms" Four Criteria to Identify High-Quality Companies	
Moat High and Sustainable Barriers to Entry	**Management** Experienced and Proven Management with Strong Governance
Metrics Strong Financial and Sustainability Metrics	**Model** Strong and Sustainable Business Model

Source: Snyder Capital Management

Evaluating the "Moat" digs into the competitive advantages of a company and why they may be sustainable. Competitive advantages can be driven from supply or demand side dynamics. Demand side examples include customer captivity (switching costs, network effects, etc.), while supply side examples include economies of scale, cost advantages, or resource scarcity.

Evaluating senior management of a company includes assessing the culture, integrity, and prior decision making with regards to allocating capital. It is important for Snyder to have confidence in the management of a company, and the culture and direction they have set for the business. The approach has led to long-term holding periods for stocks in the portfolio, with an average holding period of seven to eight years.

With prior experience managing and running businesses, the portfolio management team at Snyder is able to recognize characteristics of high quality companies. The business model evaluation helps to identify the goals of the company, what the strengths and weaknesses may be, and how the company can be successful and sustainable over the long term. Included in the business model evaluation are ESG/sustainability considerations. These serve as an additional basis for differentiating business quality and protecting against downside risks.

Metrics used in the evaluation of a company focus not only on the returns generated but also on the operations of a business and company specific metrics that may be unique to a company or industry. Examples of metrics used to evaluate returns of a business include return on invested capital (ROIC), return on equity (ROE), and return on assets (ROA). Operating metrics evaluated include expanding operating margins, high incremental margins, and high free cash flow generation. Company specific metrics include favorable unit economics, customer lifetime value/acquisition costs, and returns on internal R&D/capital investments.

From a valuation perspective, Snyder looks to initiate positions in companies trading at a substantial discount to intrinsic value that present an attractive risk/reward opportunity. Snyder performs its own fundamental analysis to determine a normalized level of free cash flow for a business. The investment team models a range of outcomes, recognizing potential uncertainty that occurs in the modeling process. The focus on quality businesses also includes companies with better balance sheets that will allow for greater ability to weather downturns and companies that are less susceptible to macro events. Snyder doesn't focus on traditional value metrics (P/B, P/E, etc.) as they view these as historically providing examples of good or poor entry points for a stock. They also tend to avoid "turnaround stories" and shorter term, mean reversion investments.

PORTFOLIO CONSTRUCTION

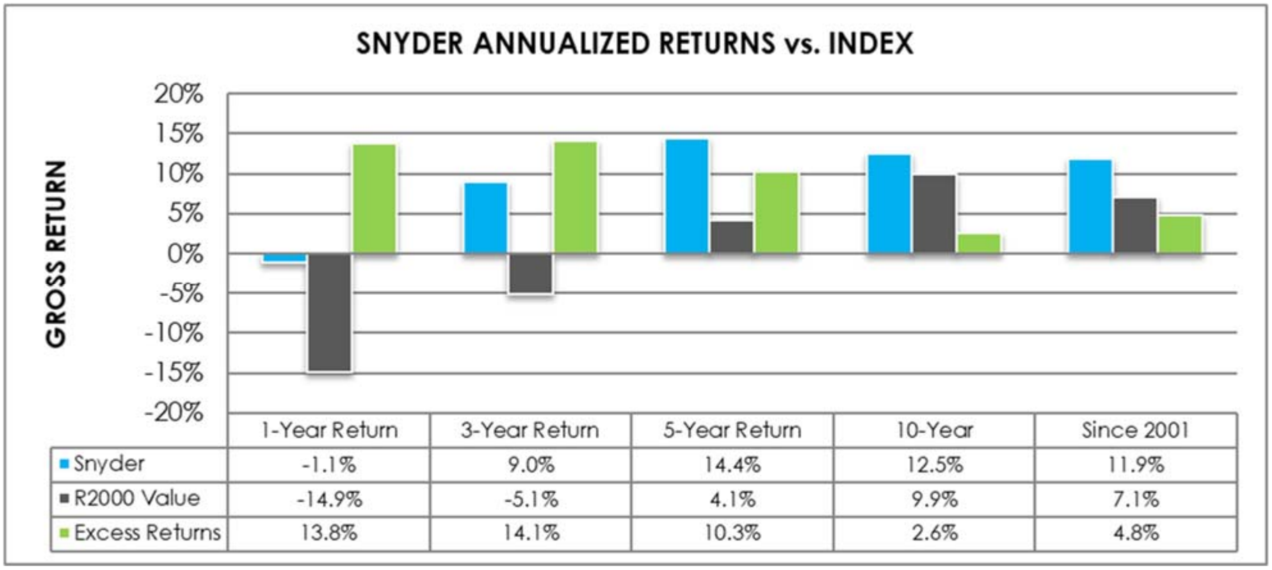
Snyder takes a benchmark agnostic approach to portfolio construction. The investment process is focused on identifying the best ideas and is independent versus the benchmark. The approach has led to higher tracking error versus the benchmark compared to other managers being considered. However, the benchmark agnostic approach has also resulted in significant outperformance versus the Russell 2000 Value index, especially over the past five years. Compared to the Russell 2000 Value benchmark, the portfolio characteristics exhibit higher Return on Equity (ROE) and Return on Assets (ROA). The portfolio also skews toward a higher end of the market cap range, with a weighted average market cap of $5.4 billion versus $1.7 billion for the benchmark.

From a sector perspective, the portfolio is overweight Producer Durables, Technology, and Healthcare, while being significantly underweight Financial Services (including Real Estate). Per discussion with Snyder, they have been evaluating banks and REITs from a valuation perspective, however, banks don't often pass their quality hurdles and are impacted by macro factors (such as interest rates), and REITs are experiencing deteriorating fundamentals. The sector dynamics have helped recent performance, as the Financial and Real Estate sectors were significantly impacted by the market decline in 2020 and have also lagged during the market recovery.

With a benchmark agnostic approach, the likelihood exists that there could be periods of time when Snyder could underperform the Russell 2000 Value benchmark. For example, Financials, Consumer Discretionary, and Real Estate have significant weight in the benchmark and are all sectors that Snyder is underweight (relative to the benchmark). If these sectors were to generate significant returns in excess of the benchmark, it is likely the Snyder portfolio could underperform. While this presents risks of underperformance relative to the benchmark, which results in higher tracking error, the Snyder portfolio has delivered less absolute risk relative to the other managers that were considered. Over both the shorter term (3-year) and longer term (5-year and 10-year), Snyder has delivered lower volatility, downside capture, and maximum drawdown compared to other managers considered. Therefore, despite the potential for periods of underperformance versus the benchmark, the expectation is that Snyder will deliver greater returns over the long term, with less absolute risk compared to other managers. This is consistent with Snyder's performance history, as shown below.

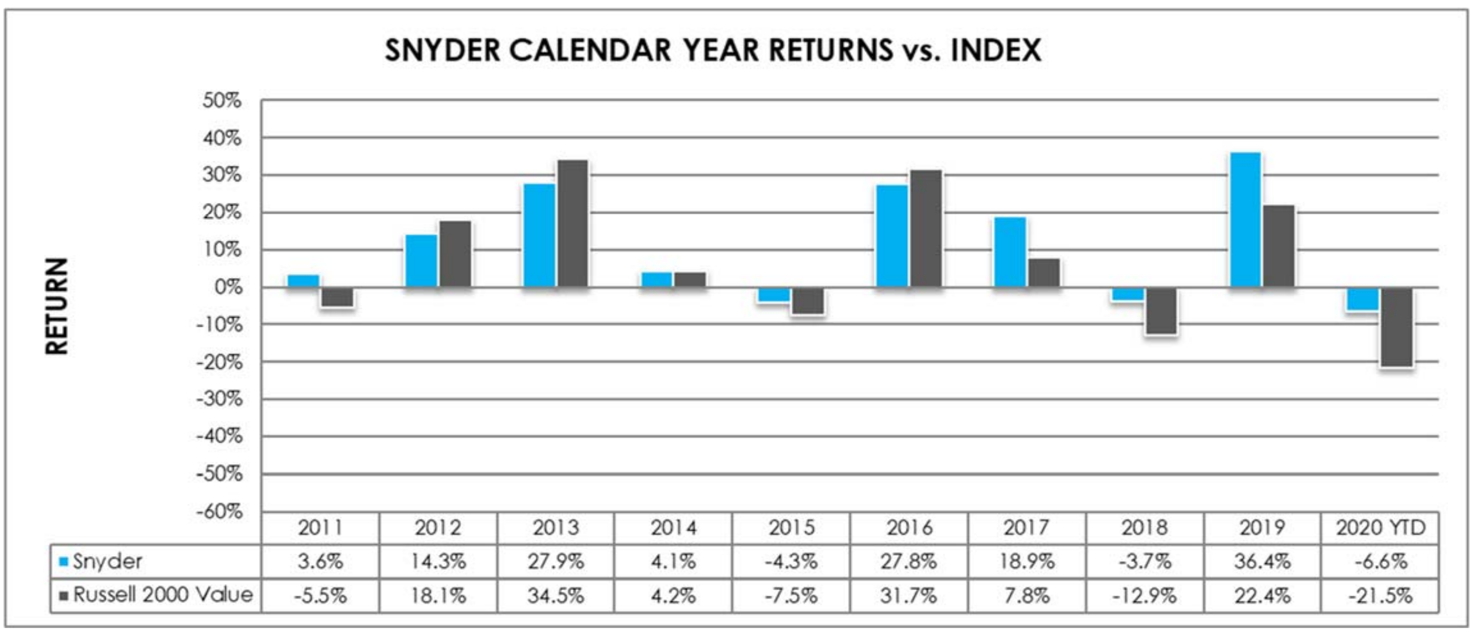
PERFORMANCE

Snyder has delivered outstanding performance and has significantly outperformed both the benchmark and other small cap value managers. The emphasis on high quality and risk mitigation, such as investing in lower leveraged companies, has resulted in the lowest downside capture among managers being considered (over both recent and longer-term time periods). However, the outperformance has been primarily driven by the last five years and, as noted above, has come with significant tracking error versus the benchmark. Over the longer 10-year time period, while still delivering strong absolute and relative returns, the Fund did experience several years of underperformance versus the benchmark (2012-2014, 2016) and had a lower Information Ratio than other managers due to the high tracking error. Despite the lower relative Information Ratio, Snyder delivered less absolute risk, as measured by standard deviation and maximum drawdown. The charts below summarize Snyder's performance over various time periods, as well as key performance measures and statistics.



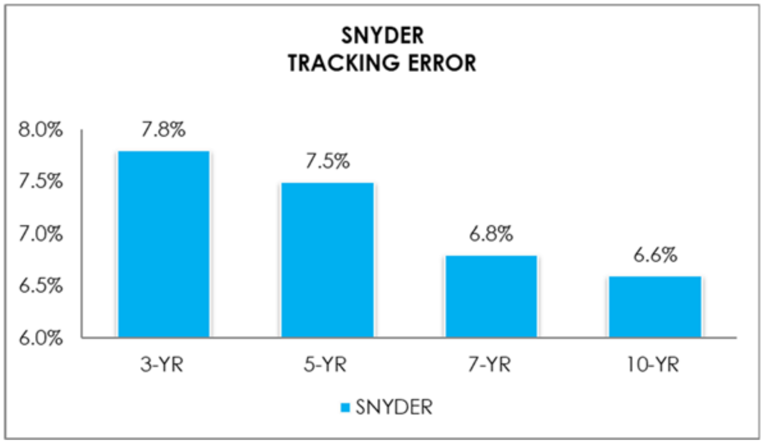
	1-Year Return	3-Year Return	5-Year Return	10-Year	Since 2001
Snyder	-1.1%	9.0%	14.4%	12.5%	11.9%
R2000 Value	-14.9%	-5.1%	4.1%	9.9%	7.1%
Excess Returns	13.8%	14.1%	10.3%	2.6%	4.8%

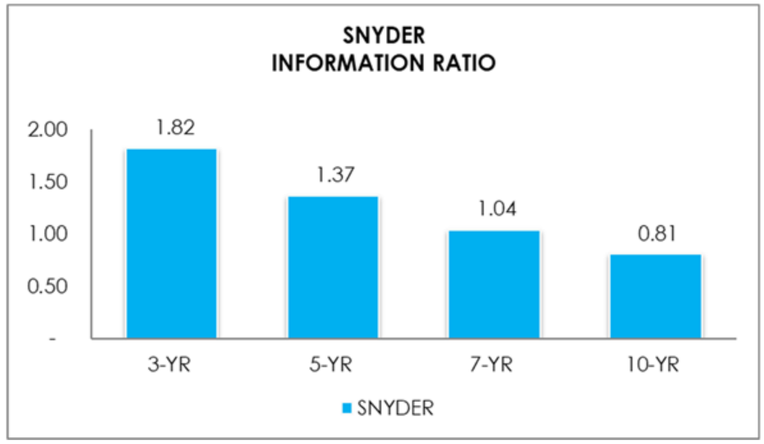
Source: SCERS and Verus, as of September 30, 2020



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD
Snyder	3.6%	14.3%	27.9%	4.1%	-4.3%	27.8%	18.9%	-3.7%	36.4%	-6.6%
Russell 2000 Value	-5.5%	18.1%	34.5%	4.2%	-7.5%	31.7%	7.8%	-12.9%	22.4%	-21.5%

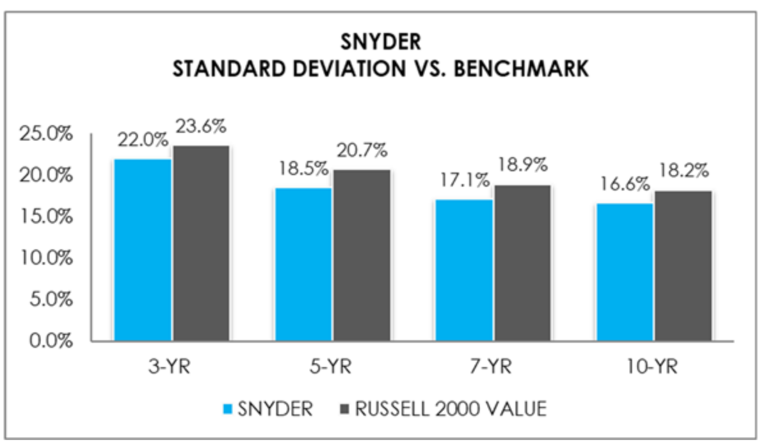
As noted above, Snyder has a higher tracking error compared to other managers. Tracking error is defined as the standard deviation of the difference between the returns of the portfolio and the returns of the benchmark, measuring the dispersion of portfolio returns compared to the benchmark. Snyder's tracking error has been greater in the most recent time periods, as the portfolio has delivered significant excess returns over the benchmark. Tracking error is to be expected for active managers, and can be viewed positively when the tracking error results in positive excess returns.

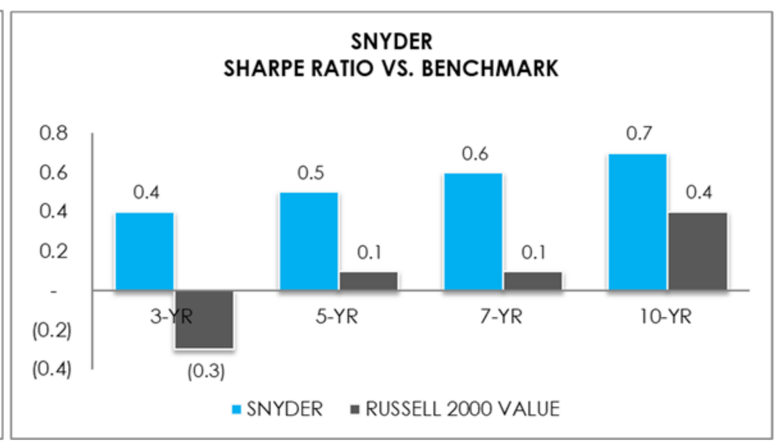


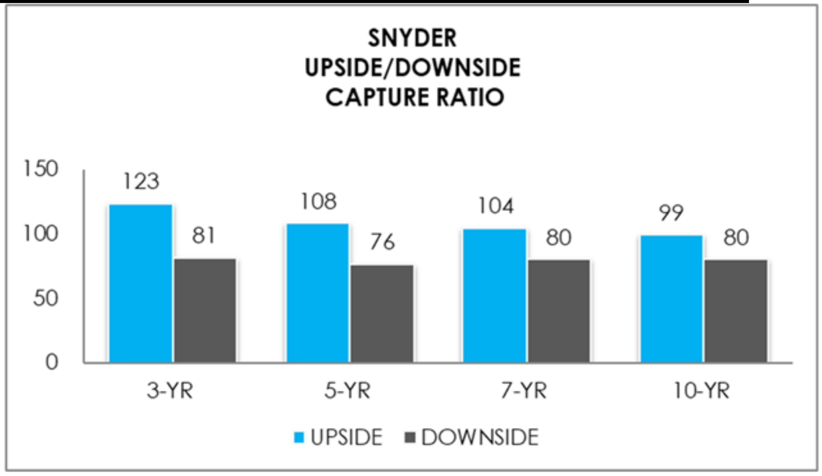


However, a higher tracking error can result in a lower Information Ratio, which is calculated as a portfolio's excess returns over a benchmark divided by its tracking error. Information Ratio is designed to measure the excess returns of a portfolio over its benchmark, while taking into account the variability of those returns. Because Snyder takes a benchmark agnostic approach, the portfolio returns may deviate versus the benchmark compared to other managers whose portfolios are designed to track the benchmark more closely.

Compared to other managers and the benchmark, Snyder's portfolio has had less volatility, resulting in better risk-adjusted returns. Sharpe ratio, which is calculated as portfolio returns in excess of the risk-free rate, divided by the standard deviation of returns, is one measure of risk-adjusted returns. With portfolio returns that exceeded other managers, and a lower standard deviation of returns, Snyder produced a significantly better Sharpe Ratio than other managers and the benchmark.







Another way to examine portfolio returns is to examine how a portfolio performs in different market environments. Upside and Downside Capture Ratios indicate how a portfolio performs relative to a benchmark during periods of strength (up markets) and weakness (down markets). An upside capture ratio greater than 100 indicates that a portfolio has outperformed during periods of positive returns for the benchmark, while a downside capture ratio of less than 100 indicates a portfolio has lost less than the benchmark when performance was negative. For example, Snyder's 5-year upside capture ratio of 108 indicates it outperformed the benchmark by 8% in up markets, and the downside ratio of 80 shows that it only "captured" 80% of the negative return, also outperforming the benchmark during declining markets.

MANAGEMENT FEE

Snyder Capital Management offers the same management fee structure for all clients. The management fee is tiered based on assets under management, with the fee declining for higher levels of assets. The fee schedule is presented below

Snyder Small Cap Value	
First $30m	1.00%
Next $20m	0.90%
Next $50m	0.75%
Next $50m	0.70%
Above $150m	0.65%

Based on an estimated initial account value of approximately $110 million, the average annual fee would be 0.84% or 84 basis points. While the management fee for Snyder is at the high end of the range, it is generally in line other managers and within expectations for a small cap active manager. While SCERS' preference is for a performance-based fee schedule, Snyder has not offered a performance fee for any other clients and is unable to make an exception for SCERS, based on the potential obligation to offer a similar fee arrangement to its other clients. While management fees are an important consideration, the primary goal is to select the manager that Staff and Verus are most confident will be able to deliver excess returns, net of management fees, over the long term.

ACCOUNT STRUCTURE AND TRANSITION

Staff and Verus recommend a separate account structure be initiated with Snyder subject to SCERS' typical Investment Management Agreement (IMA) terms and conditions. Staff and Verus will work with Snyder to formulate a set of guidelines that enable the firm to most effectively manage the small cap value portfolio on behalf of SCERS. The separate account structure allows for assets to be held at SCERS' custodian, State Street, with Snyder able to trade and manage the portfolio.

Following the termination of the prior small cap value manager, State Street Global Markets (SSGM) was hired as a transition manager to liquidate the legacy portfolio and purchase the iShares R2000 Value exchange traded fund (ticker: IWN), as an interim solution and efficient way to maintain desired portfolio exposure while the manager search was performed. The interim portfolio, which has an approximate market value of $92 million as of November 20th, will be used as a source of funds for the new account. As noted previously, based on the strong outperformance of SCERS' small cap growth portfolio, that segment has become overweight the target allocation of 5% of the domestic equity portfolio. To fully fund the small cap value mandate, Staff and Verus recommend performing a partial rebalance of the small cap growth portfolio, with the rebalance amount determined by the difference between the targeted initial small cap value account and the interim transition account, based on portfolio values at the time of transition. Based on current values as of November 20th, the approximate amount of the rebalance is approximately $18 million.

Consistent with previous public equity transitions over the past several years, Staff and Verus will explore utilizing a transition manager to assist with the rebalance and transition of assets. As noted above, SSGM was hired as the transition manager for the previous small cap value transition. Additionally, the interim transition account is being managed by SSGM. Given prior experience with SSGM, and with securities in custody at State Street, Staff has confidence that engaging SSGM will result in an efficient and effective transition of assets between the existing and new investment accounts. Similar to other previous transitions, Staff requested that a pre-trade analysis be performed prior to executing the transition, so that actual transition costs can be estimated, and actual costs compared to expectations.

SSGM performed a pre-trade analysis for SCERS that included options of having the transition manager sell securities from the small cap growth portfolio or having the manager sell the securities directly and transferring cash. As noted by SSGM, including the small cap growth securities as part of the transition (versus having the manager sell the securities), the estimated cost of the transition is 28 basis points (bps), two basis points higher than having the small cap growth manager sell the securities and transferring cash. However, by including the small cap growth securities, the transition manager is better able to maintain overall exposure to the market during the transition, by matching the purchases and sales of securities for the entire $110 million portfolio. This helps reduce the opportunity costs and expected range of outcomes, as measured by the estimated standard deviation of costs. Including the small cap growth securities reduces the expected standard deviation of costs from 36 bps to 28 bps.

The pre-trade analysis also examined expected market liquidity during the month of December, to evaluate any potential impact to timing of the transition. Despite a few days of reduced liquidity around the holidays, SSGM expects there to be ample market liquidity during the month to complete the transition. SSGM has estimated that 98% of the transition could be completed in two trading days, with total trading completed in four trading days, as a couple extra days would be needed for the less liquid positions. Therefore, assuming the Board approves the recommendation, and upon successful negotiation of the IMA with Snyder, Staff and Verus anticipate the transition and funding of the new account could occur during the month of December.

SUMMARY

Staff has a high degree of confidence that an investment with Snyder Capital Management, in its Small Cap Value strategy, will be a strong addition to SCERS' Domestic Equity portfolio. Snyder has generated strong returns, outperforming the benchmark with lower levels of volatility and significant outperformance in down markets. Staff is confident that Snyder's investment approach has the ability to generate excess returns above small cap benchmarks and the addition will be complimentary to SCERS' existing Domestic Equity portfolio.

The Board will have the opportunity to hear from Snyder directly at the December Board meeting and ask any questions, prior to considering the recommendation.

Pending Board approval, Staff would target a transition of assets to Snyder during the month of December or early January 2021, pending successful negotiation of the Investment Management Agreement. Staff also seeks Board approval to determine the most effective method for transitioning assets and execute any necessary documents or agreements to effectuate the transition.

ATTACHMENTS

- Verus Manager Search and Recommendation Memo
- Verus Performance Comparison
- Snyder Capital Management Presentation

Prepared by:

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Brian Miller
Investment Officer

Reviewed by:

/S/

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Steve Davis
Chief Investment Officer

/S/

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Eric Stern
Chief Executive Officer

Memorandum

To:	**Sacramento County Employees' Retirement System (SCERS) Board**
From:	Stuart Odell, Managing Director, Senior Consultant
	John Nicolini Managing Director, Senior Consultant
Date:	December 6, 2020
RE:	**Domestic Small Cap Value Manager Search and Recommendation**

Executive Summary

On August 19, 2020, the SCERS Board approved the termination of the Plan's domestic small cap value manager, DGHM, and approved an interim transition plan utilizing a Russell 2000 value ETF until a replacement manager search could be completed.

Over the past three months, Staff and Verus, together, initiated and completed a comprehensive search process for a new small cap value manager for the SCERS portfolio which included interviews and detailed due diligence on 5 finalist candidates (six strategies), and a final recommendation to the SCERS Board to commit an initial $110 million to Snyder Capital Management, L.P. in their small cap value strategy.

Search Process

1) Initial search screen criteria were identified based on benchmark objective/manager style, investment process, track record, and minimum AUM. Seventeen managers met the initial criteria for further analysis.

2) Staff and Verus prepared and reviewed both quantitative as well as qualitative information on each fund including the manager's investment approach and process, organization and team stability and alignment of interests. Based on the further data and analysis, and through a series of internal meetings and discussions, 5 managers (6 strategies) were identified and agreed upon for further consideration and additional due diligence:

   a. Segall Bryant Hamill – Small Cap Value & Small Cap Value Select

   b. Silvercrest Asset Management Group LLC – US Small Cap Value

   c. Snyder Capital Management, L.P. – Snyder Capital Small Cap Value

   d. Westwood Management Corp – Small Cap Value

   e. Reinhart Partners – Small Cap Value

3) Supplemental information was requested from each of the finalists including additional performance, attribution and holdings information as well as sample portfolio stock research reports.   SCERS staff and Verus further reviewed and discussed the additional information and developed an agenda and process for conducting virtual interviews with the portfolio managers for each of the strategies. Online interviews were held with each of

the managers with a focus on better understanding the organization and team structure, investment strategy, decision making process and attribution of performance over different market environments.

4) SCERS' staff and Verus, independently reviewed due diligence materials followed by meetings to discuss the finalists and reach a final decision. During these deliberations, there were some differences of opinion with respect to some of the managers, and their potential fit within the SCERS portfolio. However, there was no disagreement among either SCERS staff or Verus that Snyder Capital Management stood out among the four other finalist candidates as having the greatest number of attributes that SCERS was seeking for this mandate.

5) Following the SCERS staff and Verus agreement to recommend Snyder to the SCERS Board, Verus completed Operation Due Diligence (ODD) on Snyder Capital which found no material deficiencies or concerns that would affect the recommendation.

Verus Summary and Recommendation

Verus and staff have performed and completed a thorough review of each of the small cap value finalists and are recommending to the SCERS Board an initial $110 million investment with Snyder Capital Management in their small cap value strategy in a separately managed account structure.

Operational Due Diligence Assessment

Verus' Operations team conducted an Operational Due Diligence assessment of the Snyder Capital Management ("SCM") Small Cap Value Strategy. The objective of the analysis was to gain a thorough understanding of SCM operations, attaining a reasonable assurance that SCM has sound organizational and governance structures, strong investment processes and procedures, and robust internal controls.

Verus sent SCM a copy of the Verus Operational Due Diligence Questionnaire ("ODDQ"). The ODDQ focuses on seven main areas:

1. Firm/Fund overview
2. Personnel
3. Key Processes
4. Service Providers
5. Reporting
6. Systems
7. Regulation and Compliance

Verus received the following documents from SCM during the review:

- Compliance Manual and CoE TOC
- Operations Manual
- Valuation policy
- Disaster Recovery Plan
- Trade Allocation Policy

The underlying documents that Verus reviewed in conducting the ODD are in some case confidential, however if requested, Verus may be able to make the documents available with the consent of the manager and/or use of a Non-disclosure agreement.

SCM has passed the operational due diligence assessment. Verus Operations will continue to monitor certain reports and information and will perform additional due diligence as necessary.

__Past performance is no guarantee of future results.__ The information presented in this report is provided pursuant to the contractual agreement (the "Contract") by and __Sacramento County Employees Retirement Account__ ("Client") and Verus Advisory, Inc. ("Company"). In the event of conflict between the terms of this disclosure and the Contract, the Contract shall take precedence. Client is an institutional counterparty and in no event should the information presented be relied upon by a retail investor.
The information presented has been prepared by the Company from sources that it believes to be reliable and the Company has exercised all reasonable professional care in preparing the information presented. However, the Company cannot guarantee the accuracy of the information contained therein. The Company shall not be liable to Client or any third party for inaccuracy or in-authenticity of information obtained or received from third parties in the analysis or for any errors or omissions in content.
The information presented does not purport to be all-inclusive nor does it contain all information that the Client may desire for its purposes. The information presented should be read in conjunction with any other material furnished by the Company. The Company will be available, upon request, to discuss the information presented in the report that Client may consider necessary, as well as any information needed to verify the accuracy of the information set forth therein, to the extent Company possesses the same or can acquire it without unreasonable effort or expense. Nothing contained therein is, or should be relied on as, a promise, representation, or guarantee as to future performance or a particular outcome. Even with portfolio diversification, asset allocation, and a long-term approach, investing involves risk of loss that the client should be prepared to bear. The material may include estimates, outlooks, projections and other "forward-looking statements." Such statements can be identified using terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or comparable terminology, or by discussion of strategy, or assumptions such as economic conditions underlying other statements. No assurance can be given that future results described or implied by any forward-looking information will be achieved. Actual events may differ significantly from those presented. Investing entails risks, including possible loss of principal. Risk controls and models do not promise any level of performance or guarantee against loss of principal.

FLAG: NO FLAG

Snyder Capital Management, L.P.
Small Cap Value

Asset Class:	Equity	**ESG Rating:**	B
Sub-Asset Class:	US Small Cap Value	**ESG Characteristics:**	Governance
Strategy Inception:	12/31/1984	**ESG Methods:**	N/A
Benchmark:	Russell 2000	**Emerging | Diverse:**	N/A
Performance Objective:	Benchmark +200-250 bps	**Risk Objective:**	6-9% tracking error

Executive Summary

Snyder Capital Management (SCM) Small Cap Value is a fundamental, bottom-up, small-cap strategy, with a style map that typically falls between value and core. SCM's investment philosophy is predicated on the belief the market is not efficient in understanding long-term opportunities and risks for stocks. SCM contends that the vast majority of market participants are short-term oriented. The investment team seeks to invest in high-quality companies trading below their estimated intrinsic values with an emphasis on strong business profiles and sustainable competitive advantages.

Verus believes clients seeking to add a compelling, fundamental, bottom-up, high-conviction, small-cap value manager to their portfolio should consider SCH Small Cap Value. We favor the strategy for the following reasons: 1) focused, employee-owned firm with several decades of investment experience in the strategy; 2) team-based approach to portfolio management; 3) long-term investment focus on companies with unique market niches and high barriers to entry; and 4) high-quality bias that should help provide downside protection in falling markets with an ability to keep pace in advancing markets.

Although SCM utilizes a team structure, given Peter Eisele's role as the longest-tenured member of the investment team and the firm's largest shareholder, some key-person risk exists with SCM. If Eisele were to leave the firm, we would need to re-evaluate our recommendation. Also, Small Cap Value's style map typically exhibits a tilt towards core. As a result, the strategy may not be ideal for clients seeking a more rigid approach to value.

The long-term track record of Small Cap Value appears consistent with SCM's expressed investment process. Relative to the Russell 2000 Value Index, the strategy's beta has averaged below 0.9 over the past decade. Tracking error has traditionally averaged in the 6-9% range. The team's investment approach leads to a return pattern that has strong downside capture, typically around 80, while still offering significant upside participation.

Firm Assets:	$2,424.4MM	**Separate Accounts:**	Yes
Strategy Assets:	$1,490.1MM	**Commingled Vehicles:**	Yes
Location:	101 Mission Street San Francisco California, 94105	**Mutual Funds:**	No
Key Persons:	Peter Eisele, portfolio manager	**Status (Open/Closed):**	Active

Alignment - The investment product is supported by a robust and stable organizational and team structure.

Description

Snyder Capital Management (SCM) was founded in 1984 and is based in San Francisco, CA. The firm is focused on value investing, and the small-cap value strategy is the firm's flagship product.

In 2016, SCM's investment team purchased the firm from its former parent company, Natixis Global Asset Management, an international asset management group. The transaction transferred 100% of the firm's ownership to the employees of SCM. The four members of SCM's senior investment team constitute the entirety of the firm's ownership.

SCM's compensation policies for investment professionals are structured to match its long-term investment horizon philosophy and are meant to align with investor interests. Each individual receives a competitive base salary and is eligible for annual bonus compensation. The individual investment professional's bonus compensation is based largely on his/her stock performance contribution and attribution over one-, three- and five-year time periods. Lastly, all portfolio manager/analysts have direct ownership through equity in the firm, and no single individual controls 50% or more of the firm's equity. Peter Eisele's stake is the largest, which is defined in SCM's ADV as at least 25% but less than 50%.

The expected asset capacity for Small Cap Value is approximately $2.4 billion; the strategy has been closed twice, the last time at approximately this level. The capacity limit is based upon the anticipated trading volume of SCM's less-liquid holdings.

Justification

We believe SCM's partnership structure and incentive compensation aligns the investment team, the firm, and its clients. SCM is a boutique firm with an extensive history of investing with a long-term perspective in high-quality, sustainable, and underappreciated companies. The team manages just three strategies (i.e., small-cap, small/mid-cap, and concentrated all-cap), all employing the same underlying philosophy and approach.

With regard to capacity, we view SCM's willingness to close Small Cap Value at around $2.4 billion as another indication of the firm's alignment with clients.

Edge - The manager has articulated an inefficiency or market-based belief that informs its process.

Description

SCM's investment team believes the market is not efficient in understanding long-term opportunities and risks for stocks. They contend that the vast majority of market participants are short-term oriented. Investment team members seek to take advantage of this inefficiency by conducting their own in-depth due diligence, performing their own financial modeling, and applying a long-term perspective. In order to maintain its heavy emphasis on deep and original fundamental research, SCM employs a high-conviction approach, with the aim of keeping the ratio of owned stocks per investment professional very low.

Specifically, the investment team seeks to invest in high-quality companies trading below their estimated intrinsic values with an emphasis on strong business profiles and sustainable competitive advantages. The investment team employs four main criteria to identify high-quality companies: moat, management, metrics, and model.

–Moat: High and sustainable barriers to entry.

–Management: Experienced and proven management with strong governance.

–Metrics: Strong financial and sustainability metrics.

–Model: Strong and sustainable business model.

In addition to high-quality and attractive valuation, the team seeks to invest in companies with at least 50% upside over a three-year time horizon and whose expected appreciation is a multiple of their potential downside. Prime consideration is given to those industries or companies where the team believes that earnings prospects are above-average, and companies are undervalued. SCM pays particular attention to companies with positive fundamental changes that have yet to be fully reflected in the market.

The investment team consists of four portfolio manager/analysts – Peter Eisele, Gary Rafferty, Charles Swain, and Scott Molinaroli – and one analyst. Eisele is the longest-tenured member of the team, having joined SCM in 1997. Three of the four portfolio manager/analysts have direct industry experience, including two who were founders of successful start-ups. In addition, three of the four have significant management consulting experience. Portfolio manager/analysts are collectively responsible for the research, idea generation, investment decisions, and portfolio construction for all client portfolios. The analyst is responsible for research and idea generation. While SCM's investment team members came from different industry backgrounds prior to starting their investment management careers, they consider themselves generalists. They are not restricted to a particular sector/industry for idea generation. That said, team members may have natural affinities to industries in which they have the deepest knowledge and familiarity.

SCM aims to cultivate what they call "idea meritocracy," where investment professionals have an obligation to dissent. SCM's approach is predicated on the belief that all individuals have blind spots and hidden biases, and it is only through rigorous discussion will these risk factors be uncovered. A key part of SCM's culture is to challenge the investment thesis, not the individual.

Justification

We are impressed with SCM's investment team and are constructive on their approach to high-quality equity investing. Furthermore, we view the team's culture and working dynamic as very strong, exhibiting a high degree of cohesion, collaboration, and accountability.

Implementation - The manager has described an investment approach which is sensible, repeatable.

Description

SCM's initial investment universe consists of stocks listed on U.S. exchanges that meet at least one of the two following criteria: 1) a member of the Russell 2000 Index, or 2) has a market capitalization within the range of the Russell 2000 Index when it was last reconstituted. Team members conduct a course screen to filter stocks based on market capitalization (generally above $200 million), liquidity, valuation characteristics, capital return, and credit attributes.

In general, SCM tends to avoid companies characterized by the following structural and quantitative factors.

–Structural Factors

* Speculative companies, binary outcomes, and uncertain future
* Overly sensitive to rapidly shifting technological or regulatory changes
* Undifferentiated products/services
* Ineffective management teams or weak governance
* Complex turnarounds

–Quantitative Factors

* High financial leverage with high operating leverage
* Low predictability of revenue, earnings, and/or cash flow
* Poor earnings quality from subjective revenue recognition policies, consistent "one-time" expenses, and/or sales or costs tied to volatile commodity prices
* Capital intensive businesses that do not preserve or expand economic moat

SCM's investment process is divided into five basic steps: idea generation, thesis development, thesis confirmation, valuation discipline, and portfolio construction.

Idea Generation

Ideas come from many areas including: meeting management teams; attending trade shows and industry conferences; keyword searches; identifying attractive industry themes/trends; and/or companies undergoing material change (i.e., operational turnaround, restructuring, spin-off, new product/service, or new management). As long-term investors, SCM tends to have strong relationships with management teams. These management teams are often good sounding boards for new ideas.

Thesis Development

The second step is an initial discussion where the analyst conducts bottom-up research to gain an understanding of a company's business, its competitive advantages/barriers to entry, and sustainability. The process centers on the ability of a company to control its own destiny and generate consistent free cash flow. An investment thesis, a thorough understanding of the business, a brief write-up, and a preliminary set of financials and valuation estimates are the usual result. At this stage, the analyst will vet the company with another team member.

Thesis Confirmation

The third step is very iterative, involving in-depth analysis to help ensure that everything the investment team believes in the thesis, particularly the business and management quality, is correct. This analysis involves direct engagement with management, company competitors, customers, suppliers, and/or other stakeholders. Detailed financial statements and models are prepared, as is a thorough ESG evaluation.

Valuation

SCM uses several different valuation techniques, though free cash flow is the most common. Absolute, relative peer group, and historical valuations are all considered. In addition, scenario analysis is performed based upon both the opportunities and risks that have been identified. Both target upside price, as well as downside price (based on different risk scenarios), are used to develop a reward/risk profile. Prospective companies that do not fit within the valuation criteria objective are placed on a "watch-list," where the investment team will continuously monitor the company until such time as its risk/reward profile becomes more compelling.

Portfolio Construction

The last step is an investment meeting where all five team members thoroughly vet the idea as a group. The team members will often conduct their own independent research on a potential investment. The thesis challenge process is designed to provide a reality check and reveal potential blind spots and/or hidden biases. Often, the meeting will provide the foundation for additional research. Once the research is complete, the portfolio managers vote on the idea, with a majority vote (i.e., three out of four) required to approve an idea. Initial positions are driven primarily by the stock's relative risk/reward. Sector weights and underlying macro-economic factors are considered when approving an idea in addition to sizing the position. The end result is a portfolio with generally 40-55 names. Individual position sizes are typically limited to 5% at market value (3% at cost). On an overall portfolio level basis, there is generally a 20% maximum exposure limit placed on any single industry. Given SCM's long-term focus, portfolio turnover is typically less than 25% per year.

Generally, stocks are sold when any one of the following events occurs: 1) the valuation target is achieved, and subsequent analysis does not justify raising the target price; 2) there are changes in the underlying investment thesis; 3) better risk/reward opportunities come about; and/or 4) the company is acquired.

Justification

SCM's portfolio manager/analysts have a long history of working together and producing strong, consistent results. SCM's investment team is devoted to the same underlying philosophy and approach that is applied across the three products that they manage, which we believe leads to stability and repeatability. We believe SCM's investment process is thoughtfully structured to encourage and empower the investment team to seek differentiated, long-term investment ideas.

Although SCM employs a team structure, given Peter Eisele's role as the longest-tenured member of the investment team and the firm's largest shareholder, some key-person risk exists with SCM.

Optimal use of risk - The manager has an effective framework to assess and manage risk inherent in its process.

Description

SCM manages risk on an individual security and overall portfolio level basis. It is driven primarily by SCM's bottom-up investment discipline, followed by a top-down portfolio review. On an individual security level basis, SCM implements the following risk controls: 1) the team establishes an upside/downside price target for each stock position; 2) each position is generally limited to a 5% maximum exposure; and 3) the team formally reviews the stock whenever the stock price moves more than 20% (in any direction) relative to its peers or index. In addition, throughout the investment period, the portfolio manager/analyst monitors the company's financial conditions to anticipate any financial deterioration that could cause a substantial drop in its stock price. On the overall portfolio level basis, the team is actively monitoring the portfolio's relative industry positions. There is also a 20% maximum exposure limit placed to any single sub-sector in the portfolio. The team utilizes an array of external sources (i.e., Advent, FactSet, and Northfield) to monitor absolute and relative industry and factor risks inclusive of portfolio risk decomposition analysis.

While SCM is very aware of the macro exposures embedded in the portfolio, regular stress testing of macro factors is not performed due to the dominance of stock-specific risk in the portfolio. Related to this, the investment team performs extensive best/worst-case scenario analysis on the individual securities during due diligence.

Justification

Given the bottom-up nature of the process, we view SCM's risk management procedures as sufficient. A significant part of the strategy's risk management effectively occurs within the detailed, bottom-up fundamental analysis work, which is supplemented thoughtful portfolio construction.

Understandable Performance - Historical and future performance sensitivities are consistent with the manager's process.

Description

Given SCM's consistent, high-quality approach, the strategy is expected to perform well in normal and down markets. While the strategy has generally performed well in most market conditions, the performance has historically trailed the benchmark in strong, momentum-driven market rallies. The investment team believes this may be due to their emphasis on higher-quality companies and less on speculative/higher-beta stocks. During these periods of market exuberance, SCM tends to deliver strong absolute performance, although relative returns typically lag.

Justification

The long-term track record of Small Cap Value appears consistent with SCM's expressed investment process. Relative to the Russell 2000 Value Index, the strategy's beta has averaged below 0.9 over the past decade. Tracking error has traditionally averaged in the 6-9% range. The team's investment approach leads to a return pattern that has strong downside capture, typically around 80, while still offering significant upside participation.

The Small Cap Value strategy's style map typically exhibits a tilt towards core. As a result, the strategy may not be ideal for clients seeking a more rigid approach to value.

The manager has described an integration of ESG into their investment philosophy.

Justification

ESG issues are considered as part of SCM's investment process focused on owning high-quality companies at reasonable valuations. SCM believes ESG issues can be both risks and opportunities. SCM evaluates ESG issues on both an industry level and a company-specific level. The conclusions from an analysis of material ESG issues are incorporated into the investment decision-making process when modeling growth, profitability, and valuation.

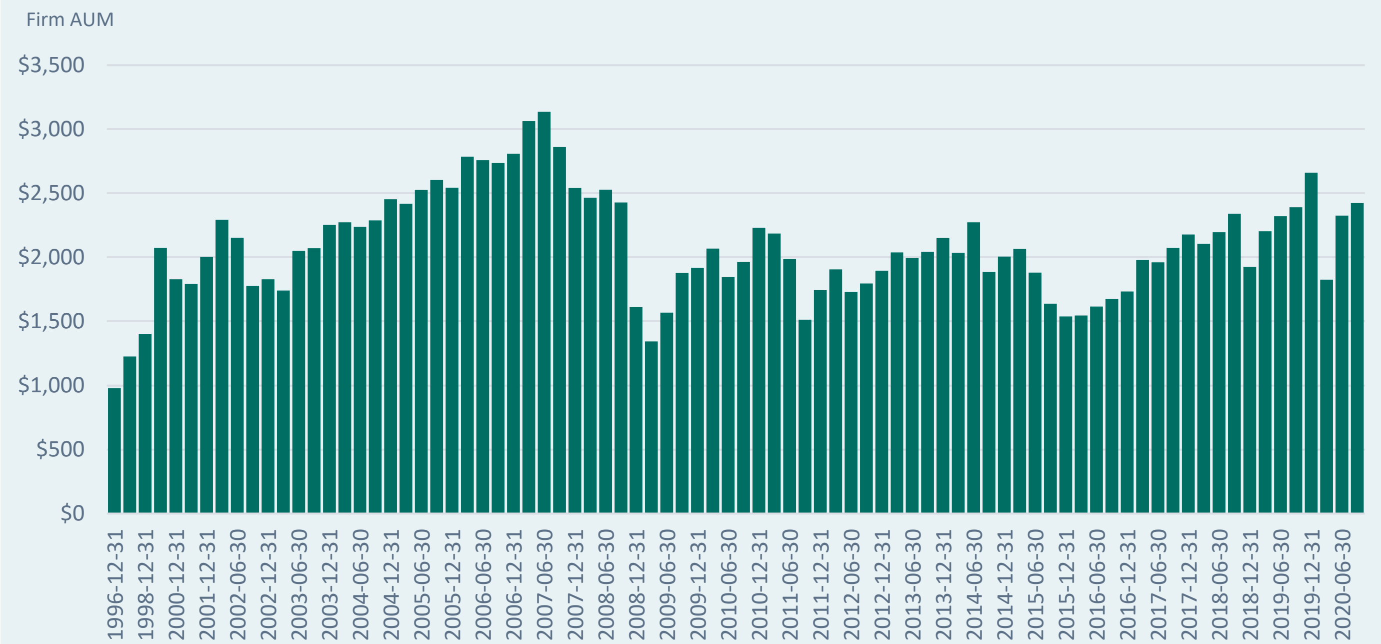
Monthly Returns

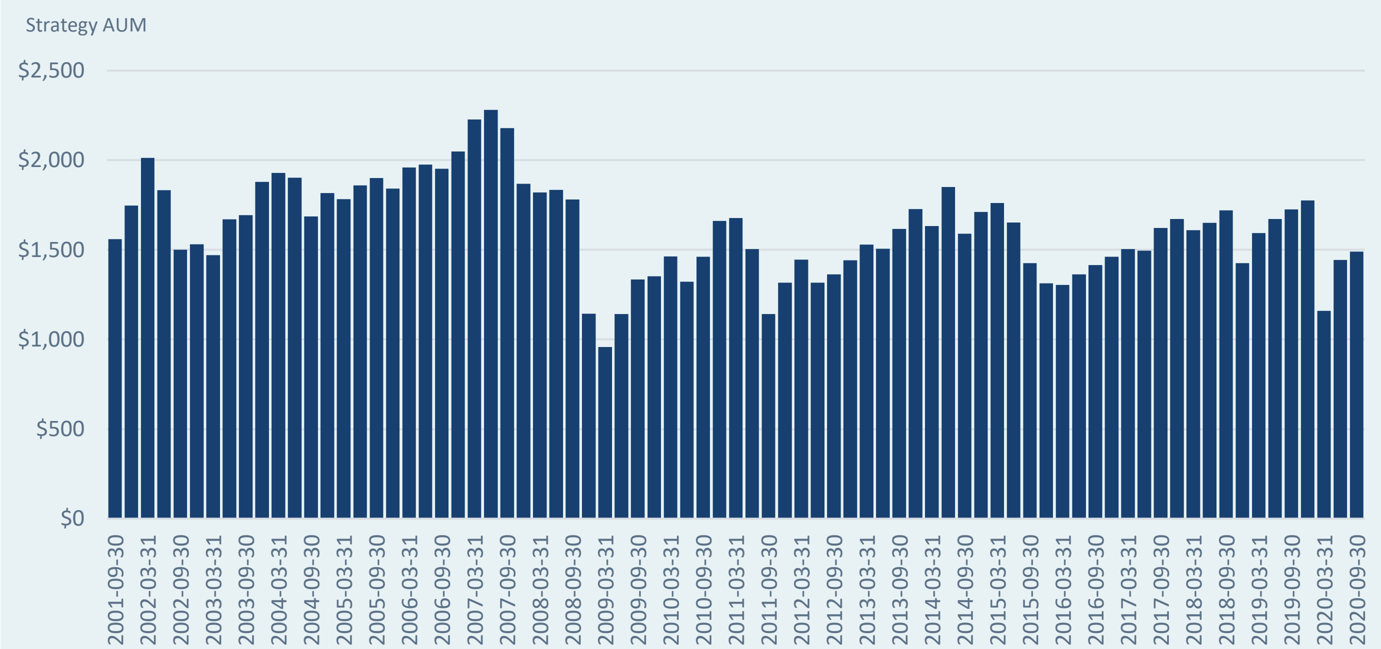
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	-1.33	-7.76	-19.92	15.08	6.58	-0.83	5.34	4.20	-4.01	-	-	-
2019	9.27	4.27	-0.16	7.15	-6.41	9.30	2.42	-1.25	2.18	-0.37	3.20	2.98
2018	3.24	-3.52	1.85	-1.66	5.24	0.23	5.46	3.17	-2.01	-8.79	5.31	-10.61
2017	1.00	2.04	1.01	1.19	-1.61	0.25	3.13	-1.47	6.63	2.74	3.28	-0.45
2016	-3.78	2.52	8.93	0.72	3.87	0.23	3.85	1.29	0.78	-2.82	7.86	2.07
2015	-4.00	6.11	2.08	-3.34	0.87	-0.59	-2.15	-4.63	-2.99	6.19	2.24	-3.39
2014	-5.71	3.77	1.06	-1.72	1.58	6.01	-5.84	5.12	-5.98	4.69	1.47	0.63
2013	4.20	-1.16	3.64	-1.04	3.92	-2.65	6.41	-1.04	5.88	1.39	2.79	2.97
2012	6.01	2.95	2.46	-0.61	-7.36	-0.06	-1.17	3.02	2.17	2.74	1.60	2.31
2011	0.70	3.43	4.43	2.65	0.10	-2.22	-2.75	-5.91	-11.79	14.16	1.42	1.43

Calendar Year Returns

Ending Sep-20	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Strategy	-6.60	36.44	-3.68	18.95	27.82	-4.31	4.11	27.86	14.32	3.59
Benchmark	-8.69	25.53	-11.01	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18

AUM Growth ($Millions)





Author: *Vincent Francom*
Reviewer: *David Greenwood*

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PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

November 2020

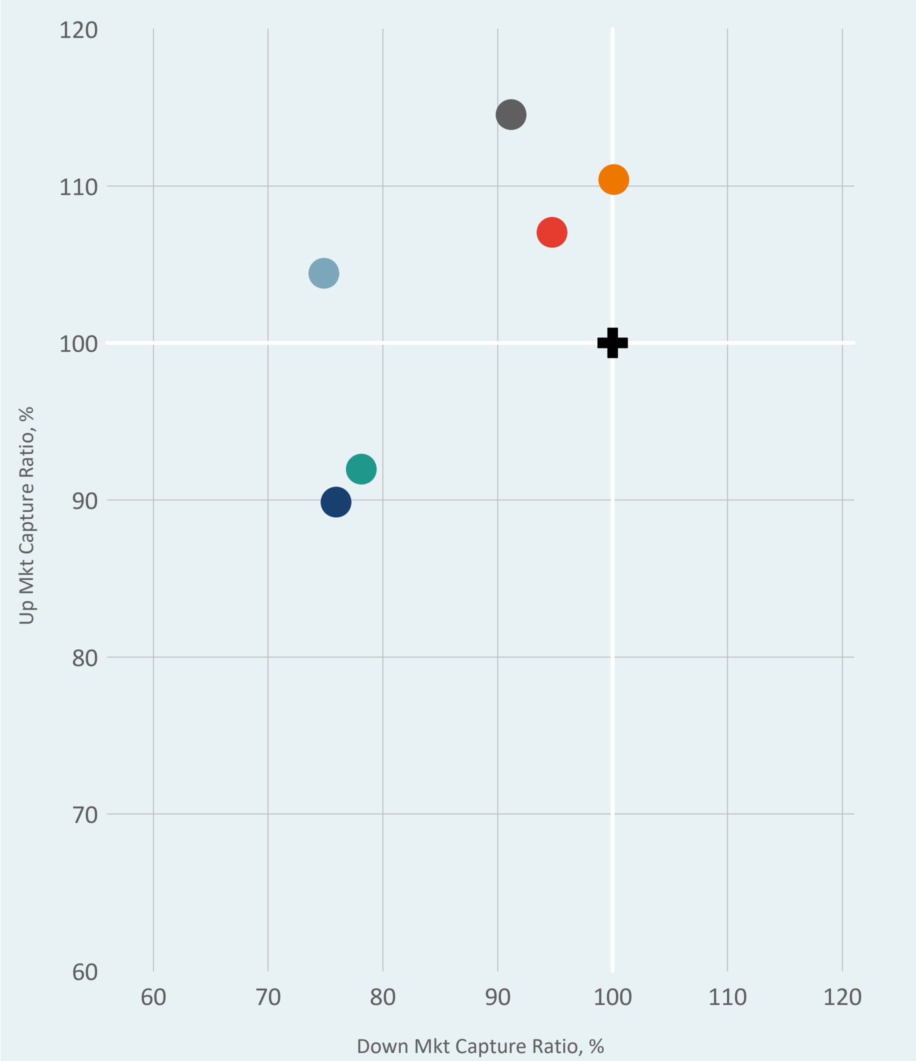
U.S. Small Cap Value (including Weatherbie SCG)

SCERS

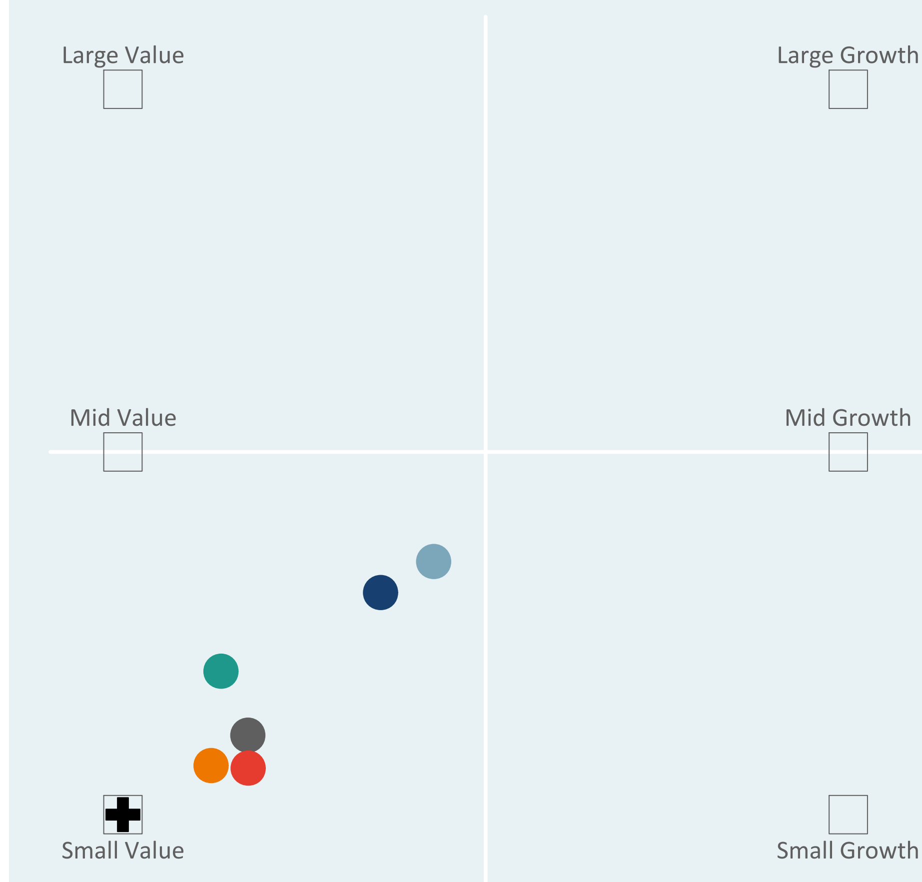
Style and portfolio comparison

Reinhart · SBH · SBH Select · Silvercrest
Snyder · Westwood · Russell 2000 Value Index

UP/DOWN MARKET CAPTURE, JUL-14 TO SEP-20

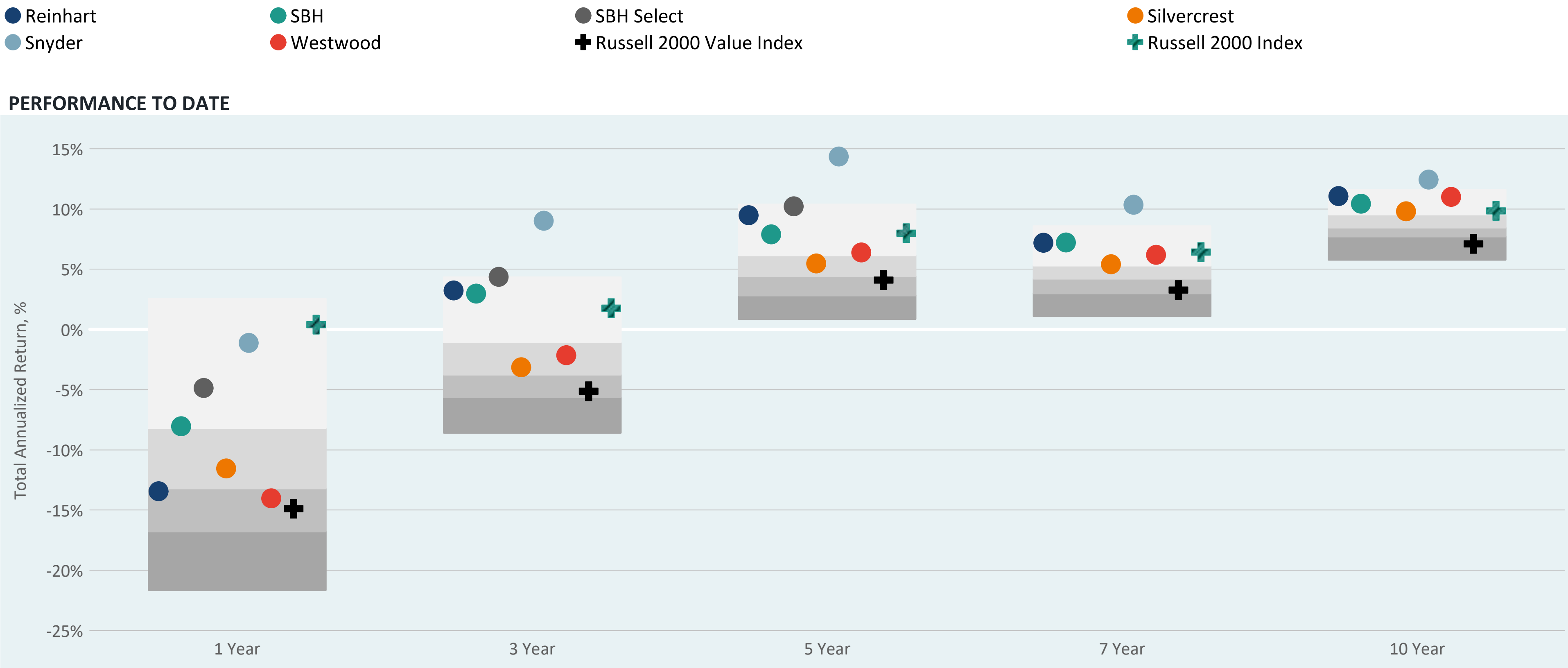


RUSSELL 6 STYLE MAP, JUN-17 TO SEP-20



USD, 36-month trailing window; exp. weighted, rescaled

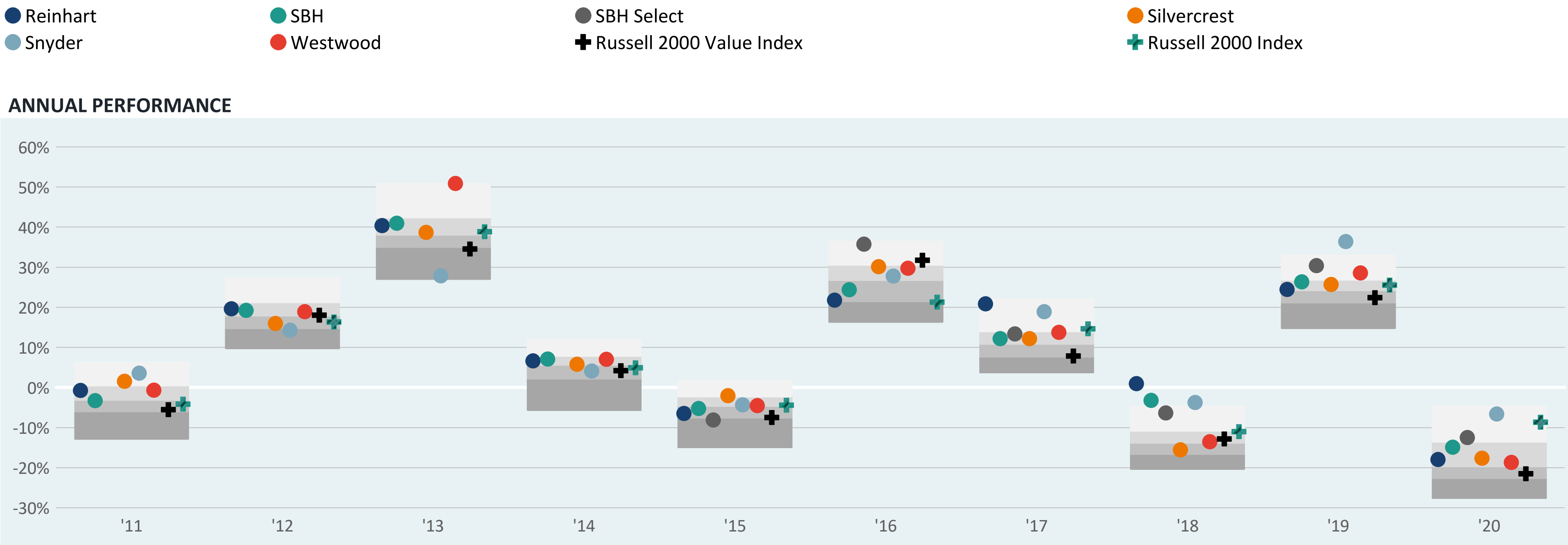
Performance comparison - as of September 2020



EXCESS ANNUALIZED RETURN TO DATE, %	1 Year	3 Year	5 Year	7 Year	10 Year
Reinhart	1.4	8.4	5.4	3.9	4.0
SBH	6.8	8.1	3.8	3.9	3.4
SBH Select	10.0	9.5	6.1	---	---
Silvercrest	3.4	2.0	1.4	2.2	2.7
Snyder	13.8	14.2	10.3	7.1	5.4
Westwood	0.9	3.0	2.3	2.9	3.9

Index: Russell 2000 Value Index   Returns: Gross of Fees
Data Source: eVestment Alliance   Universe: eA Small Cap Value Equity

Calendar year performance



ANNUAL PERFORMANCE AND RANKING	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Reinhart	-0.7	19.7	40.4	6.6	-6.4	21.8	20.9	1.0	24.5	-17.9
Rank	*31*	*35*	*36*	*39*	*67*	*74*	*7*	*2*	*47*	*38*
SBH	-3.3	19.3	41.0	7.2	-5.2	24.4	12.2	-3.2	26.4	-14.9
Rank	*51*	*38*	*31*	*33*	*57*	*63*	*40*	*4*	*30*	*28*
SBH Select					-8.1	35.8	13.4	-6.3	30.4	-12.4
Rank					*78*	*6*	*30*	*8*	*8*	*19*
Silvercrest	1.6	16.0	38.7	5.8	-2.0	30.2	12.2	-15.5	25.7	-17.6
Rank	*19*	*64*	*46*	*48*	*24*	*27*	*41*	*65*	*36*	*37*
Snyder	3.6	14.3	27.9	4.1	-4.3	27.8	18.9	-3.7	36.4	-6.6
Rank	*9*	*78*	*94*	*65*	*46*	*41*	*10*	*4*	*2*	*8*
Westwood	-0.6	19.0	50.9	7.1	-4.5	29.8	13.8	-13.5	28.6	-18.7
Rank	*31*	*41*	*5*	*35*	*48*	*29*	*27*	*45*	*16*	*43*
Russell 2000 Value Index	-5.5	18.1	34.5	4.2	-7.5	31.7	7.8	-12.9	22.4	-21.5
Rank	*71*	*49*	*76*	*64*	*74*	*17*	*73*	*41*	*68*	*68*
Russell 2000 Index	-4.2	16.3	38.8	4.9	-4.4	21.3	14.6	-11.0	25.5	-8.7
Rank	*62*	*62*	*46*	*58*	*48*	*77*	*21*	*27*	*38*	*11*

Index: Russell 2000 Value Index Returns: Gross of Fees
Data Source: eVestment Alliance Universe: eA Small Cap Value Equity

Performance summary - as of September 2020

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG	Russell 2000 Index	Russell 2000 Value Index
PERFORMANCE ANALYSIS - (3 Years)									
Alpha %	7.5	6.8	8.6	1.9	13.0	3.0	26.7	6.7	0.0
Beta	0.9	0.8	0.9	1.0	0.9	1.0	0.9	1.0	1.0
R-squared %	91.5	93.7	93.4	97.1	89.2	97.3	63.7	96.9	100.0
Sharpe Ratio	0.1	0.1	0.1	-0.2	0.3	-0.2	0.8	0.0	-0.3
Treynor Ratio	0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.0	-0.1
Tracking Error %	7.0	6.3	6.2	4.0	7.8	3.9	16.4	4.2	0.0
Annualized Std Dev %	21.7	20.6	21.7	23.5	22.0	23.4	27.0	23.0	23.6
Information Ratio	1.2	1.2	1.4	0.5	1.8	0.8	1.7	1.6	---
Max Drawdown %	-33.1	-30.7	-29.9	-33.0	-27.1	-33.0	-24.9	-32.2	-37.5
Calmar Ratio	0.1	0.1	0.1	-0.1	0.3	-0.1	0.9	0.1	-0.1
Excess Ann. Return %	8.4	8.1	9.5	2.0	14.2	3.0	28.5	6.9	0.0
PERFORMANCE ANALYSIS - (5 Years)									
Alpha %	5.4	3.8	5.9	1.4	9.8	2.3	19.2	3.8	0.0
Beta	0.8	0.8	0.9	1.0	0.8	1.0	0.9	1.0	1.0
R-squared %	89.9	92.8	90.9	96.3	87.3	96.8	59.2	96.4	100.0
Sharpe Ratio	0.4	0.4	0.4	0.2	0.7	0.3	1.0	0.3	0.1
Treynor Ratio	0.1	0.1	0.1	0.0	0.2	0.1	0.3	0.1	0.0
Tracking Error %	6.7	5.9	6.3	4.0	7.5	3.7	15.0	4.0	0.0
Annualized Std Dev %	18.6	18.2	20.1	20.8	18.5	20.7	23.0	20.1	20.7
Information Ratio	0.8	0.6	0.9	0.3	1.3	0.6	1.3	0.9	---
Max Drawdown %	-33.1	-30.7	-29.9	-33.0	-27.1	-33.0	-24.9	-32.2	-37.5
Calmar Ratio	0.3	0.3	0.3	0.2	0.5	0.2	1.0	0.2	0.1
Excess Ann. Return %	5.4	3.8	6.1	1.4	10.3	2.3	20.3	3.9	0.0
PERFORMANCE ANALYSIS - (7 Years)									
Alpha %	4.0	4.0	---	2.1	7.0	2.9	13.4	3.1	0.0
Beta	0.8	0.9	---	1.0	0.8	1.0	0.9	1.0	1.0
R-squared %	89.3	92.5	---	96.1	87.1	96.6	59.3	96.0	100.0
Sharpe Ratio	0.4	0.4	---	0.2	0.6	0.3	0.8	0.3	0.1
Treynor Ratio	0.1	0.1	---	0.0	0.1	0.1	0.2	0.1	0.0
Tracking Error %	6.3	5.4	---	3.8	6.8	3.5	13.7	3.8	0.0
Annualized Std Dev %	16.9	16.7	---	19.0	17.1	18.9	21.0	18.5	18.9
Information Ratio	0.6	0.7	---	0.5	1.0	0.8	1.0	0.8	---
Max Drawdown %	-33.1	-30.7	---	-33.0	-27.1	-33.0	-24.9	-32.2	-37.5
Calmar Ratio	0.2	0.2	---	0.2	0.4	0.2	0.7	0.2	0.1
Excess Ann. Return %	3.9	3.9	---	2.2	7.1	2.9	13.6	3.2	0.0

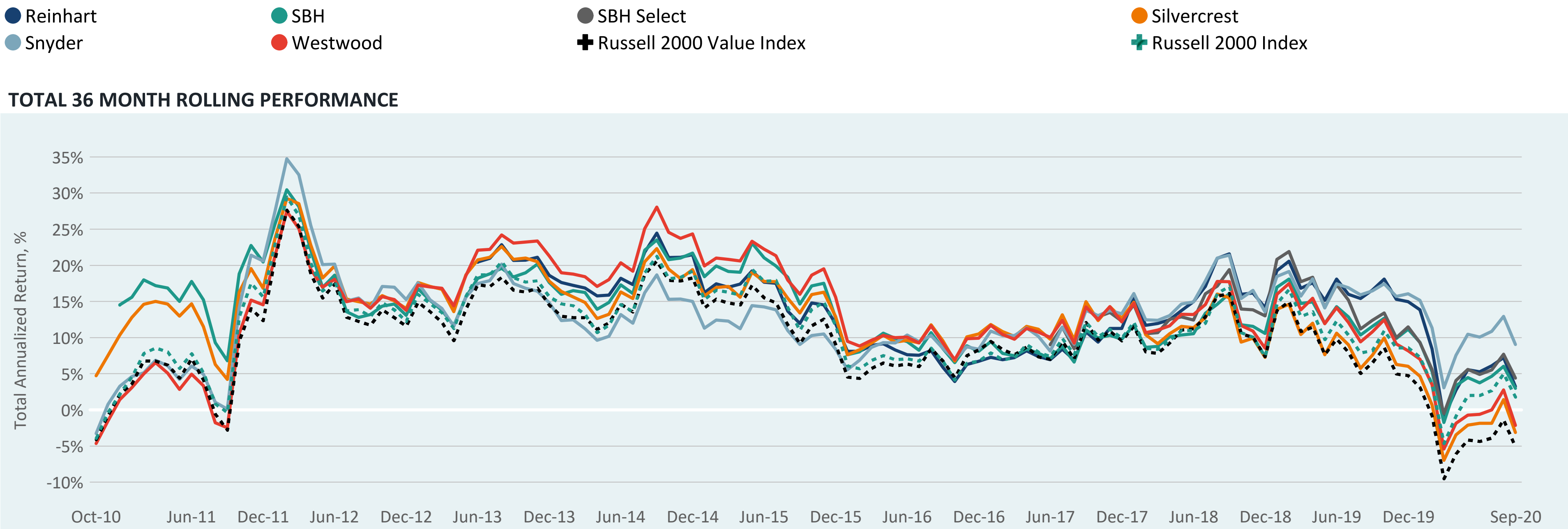
Index: Russell 2000 Value Index   Returns: Gross of Fees
Data Source: eVestment Alliance   Universe: eA Small Cap Value Equity

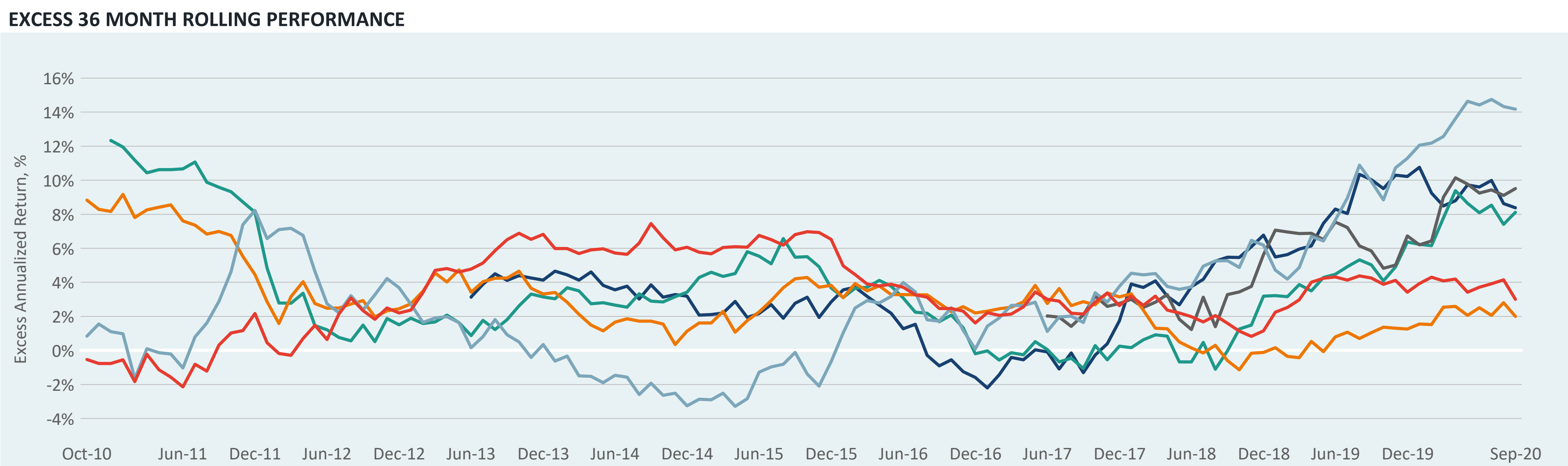
Performance summary - as of September 2020

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG	Russell 2000 Index	Russell 2000 Value Index
PERFORMANCE ANALYSIS - (10 Years									
Alpha %	4.5	3.8	---	2.6	5.8	3.7	11.8	2.7	0.0
Beta	0.9	0.9	---	1.0	0.9	1.0	0.8	1.0	1.0
R-squared %	90.5	92.8	---	95.8	86.8	96.4	63.0	96.6	100.0
Sharpe Ratio	0.6	0.6	---	0.5	0.7	0.6	0.9	0.5	0.4
Treynor Ratio	0.1	0.1	---	0.1	0.1	0.1	0.2	0.1	0.1
Tracking Error %	5.7	5.0	---	3.8	6.6	3.5	12.1	3.4	0.0
Annualized Std Dev %	16.4	16.6	---	18.5	16.6	18.5	19.2	18.1	18.2
Information Ratio	0.7	0.6	---	0.7	0.8	1.0	0.9	0.8	---
Max Drawdown %	-33.1	-30.7	---	-33.0	-27.1	-33.0	-24.9	-32.2	-37.5
Calmar Ratio	0.3	0.3	---	0.3	0.5	0.3	0.8	0.3	0.2
Excess Ann. Return %	4.0	3.4	---	2.7	5.4	3.9	11.6	2.8	0.0
PERFORMANCE TO DATE									
1 Year	-13.4	-8.0	-4.8	-11.5	-1.1	-14.0	38.7	0.4	-14.9
3 Year	3.2	3.0	4.4	-3.1	9.0	-2.1	23.3	1.8	-5.1
5 Year	9.5	7.9	10.2	5.5	14.4	6.4	24.4	8.0	4.1
7 Year	7.2	7.2	---	5.4	10.4	6.2	16.9	6.4	3.3
10 Year	11.1	10.5	---	9.8	12.5	11.0	18.7	9.9	7.1
Common Inception (Jul-14)	5.8	5.7	7.4	3.9	9.6	4.7	18.6	5.3	1.5
CALENDAR YEAR RETURNS									
2019	24.5	26.4	30.4	25.7	36.4	28.6	41.0	25.5	22.4
2018	1.0	-3.2	-6.3	-15.5	-3.7	-13.5	-2.4	-11.0	-12.9
2017	20.9	12.2	13.4	12.2	18.9	13.8	43.1	14.6	7.8
2016	21.8	24.4	35.8	30.2	27.8	29.8	11.0	21.3	31.7
2015	-6.4	-5.2	-8.1	-2.0	-4.3	-4.5	2.8	-4.4	-7.5
2014	6.6	7.2	---	5.8	4.1	7.1	-2.1	4.9	4.2
2013	40.4	41.0	---	38.7	27.9	50.9	48.4	38.8	34.5
2012	19.7	19.3	---	16.0	14.3	19.0	14.8	16.3	18.1
2011	-0.7	-3.3	---	1.6	3.6	-0.6	1.5	-4.2	-5.5
2010	---	25.3	---	25.8	29.3	24.6	29.5	26.9	24.5

Index: Russell 2000 Value Index Returns: Gross of Fees
Data Source: eVestment Alliance Universe: eA Small Cap Value Equity

Rolling performance

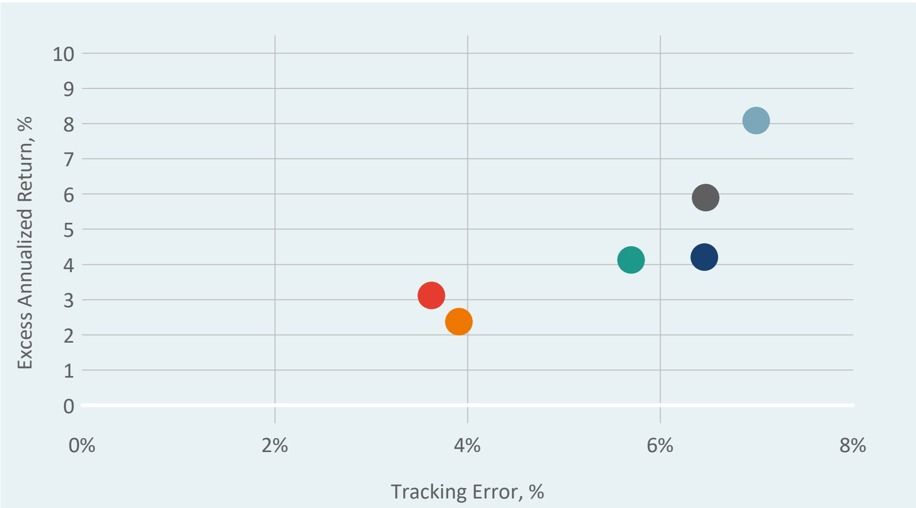




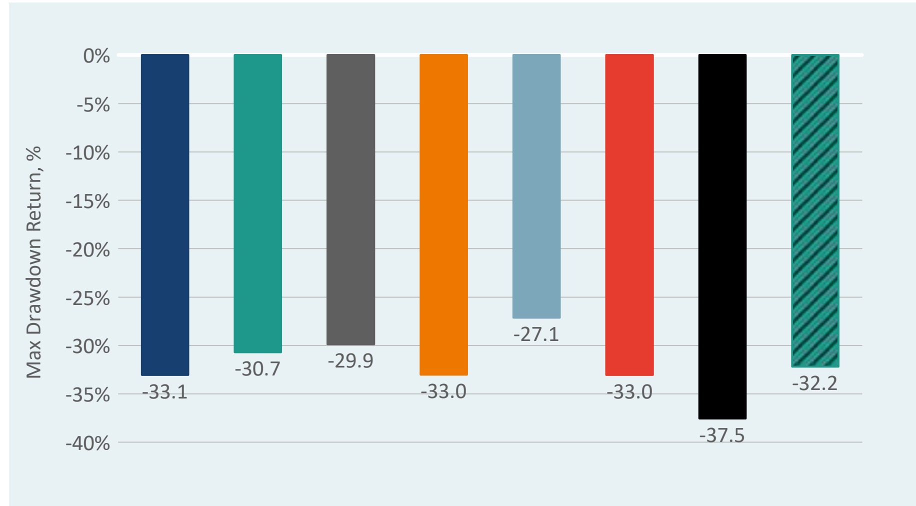
Performance statistics

Reinhart · SBH · SBH Select · Silvercrest · Snyder · Westwood · Russell 2000 Value Index · Russell 2000 Index

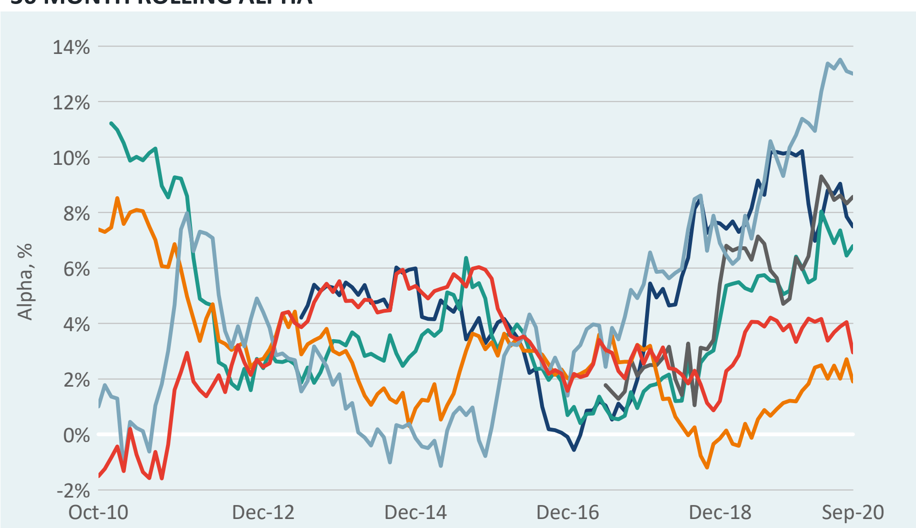
EXCESS PERFORMANCE VS. RISK, JUL-14 TO SEP-20



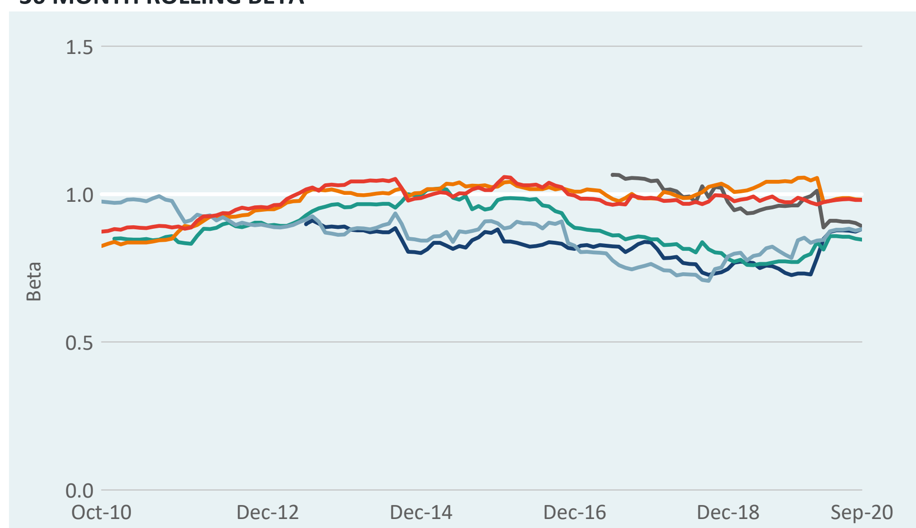
MAX DRAWDOWN RETURN, JUL-14 TO SEP-20



36 MONTH ROLLING ALPHA



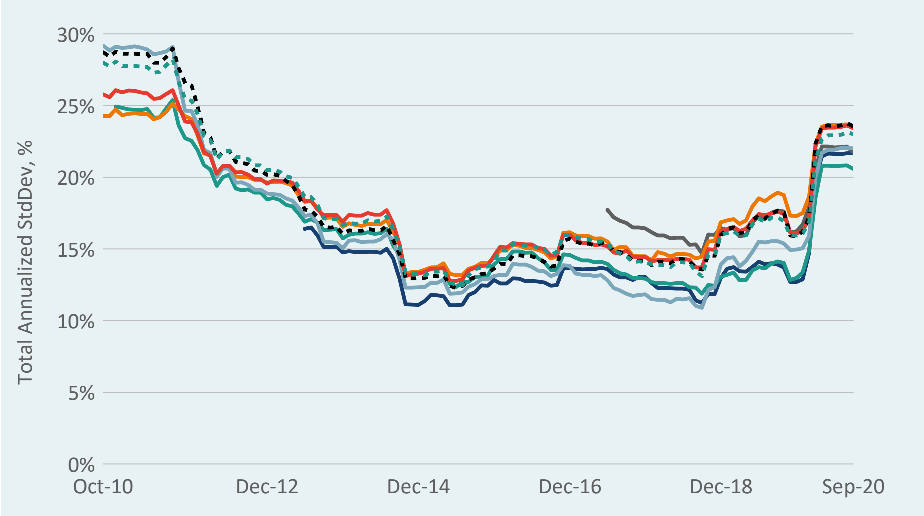
36 MONTH ROLLING BETA



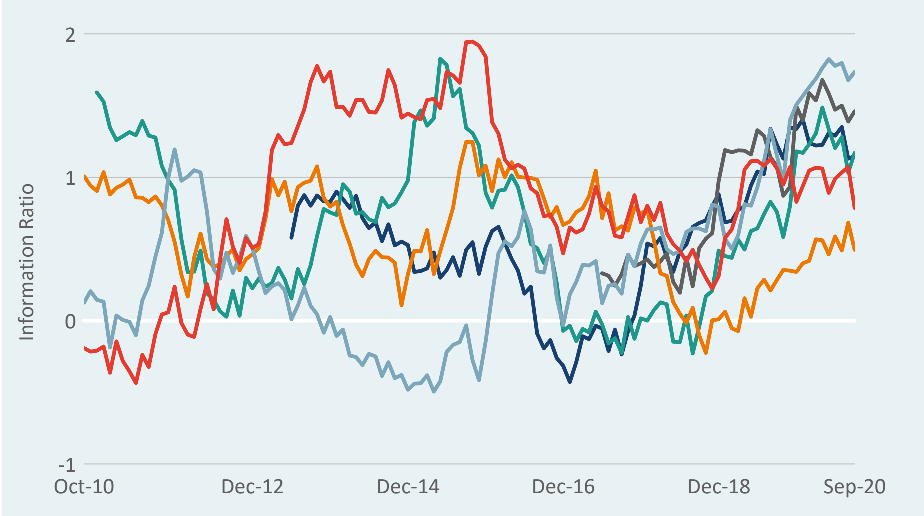
Performance statistics

Reinhart
SBH
SBH Select
Silvercrest
Snyder
Westwood
Russell 2000 Value Index
Russell 2000 Index

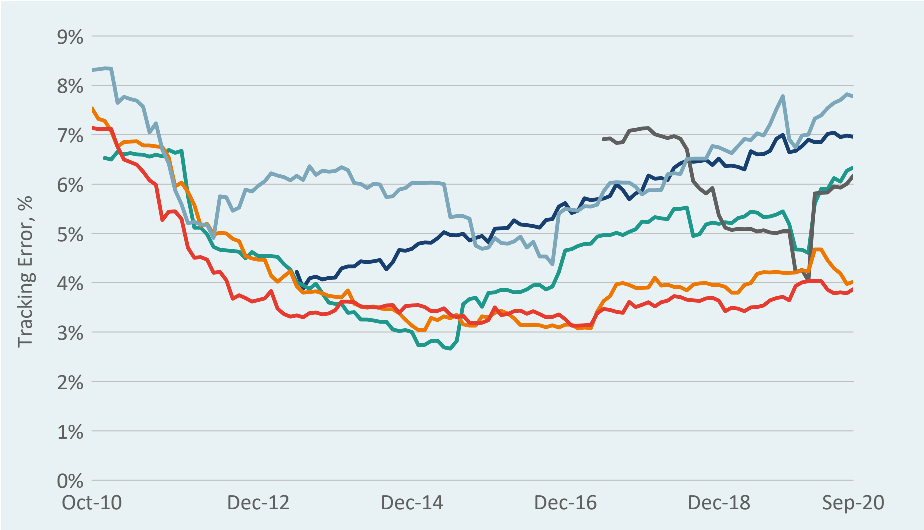
36 MONTH ROLLING RISK



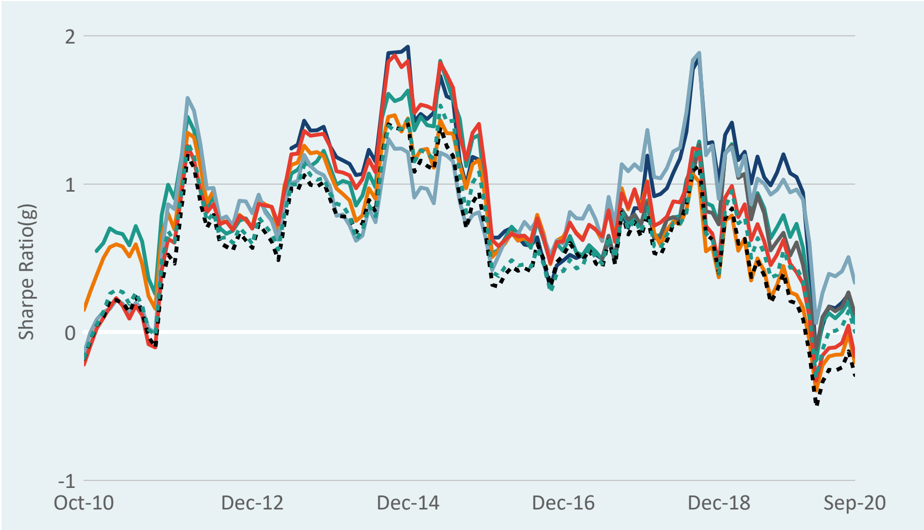
36 MONTH ROLLING INFORMATION RATIO



36 MONTH ROLLING TRACKING ERROR



36 MONTH ROLLING SHARPE RATIO(G)

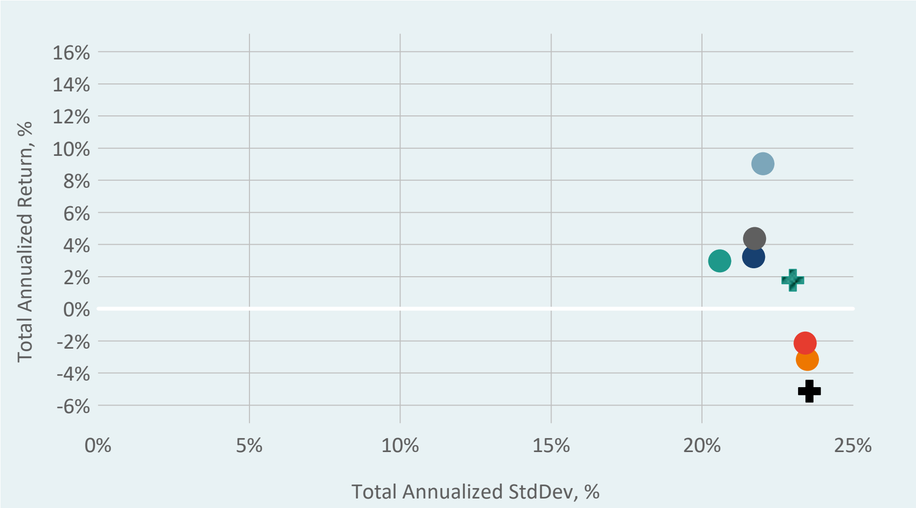


Index: Russell 2000 Value Index Returns: Gross of Fees
Data Source: eVestment Alliance Universe: eA Small Cap Value Equity

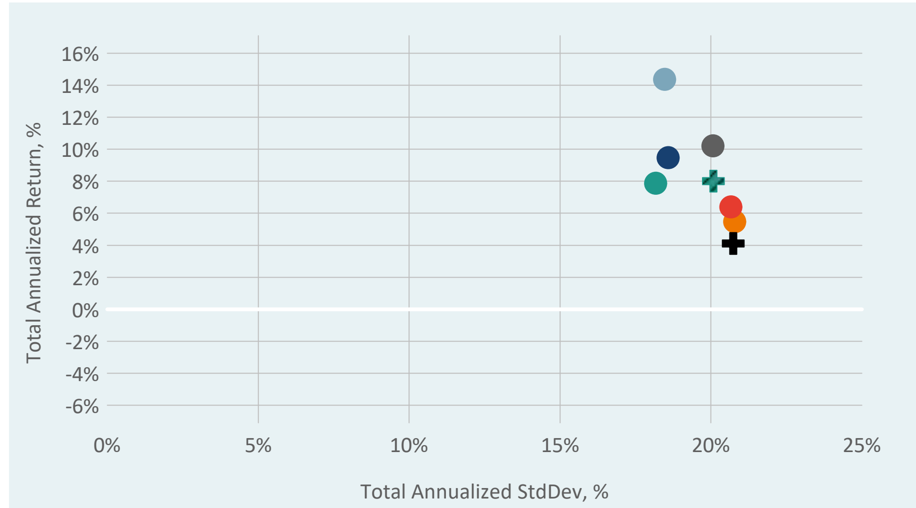
Risk vs. return

Reinhart · SBH · SBH Select · Silvercrest
Snyder · Westwood · Russell 2000 Value Index · Russell 2000 Index

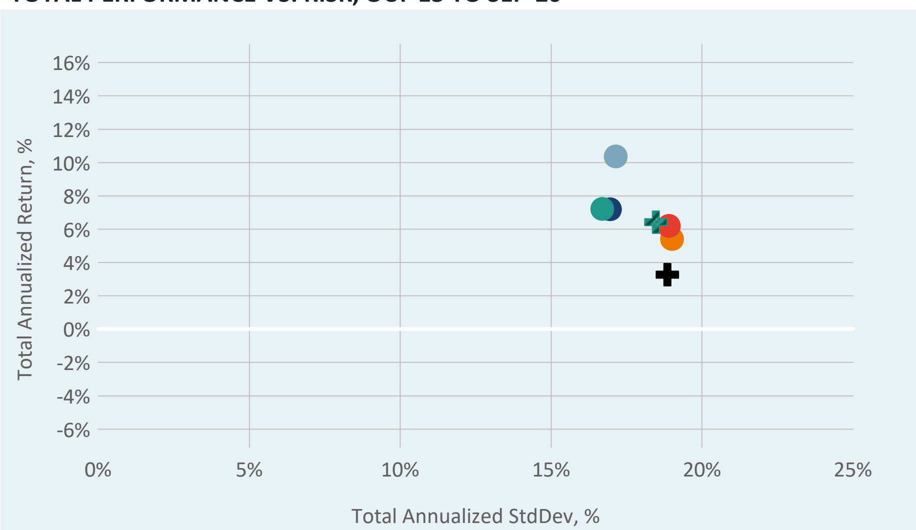
TOTAL PERFORMANCE VS. RISK, OCT-17 TO SEP-20



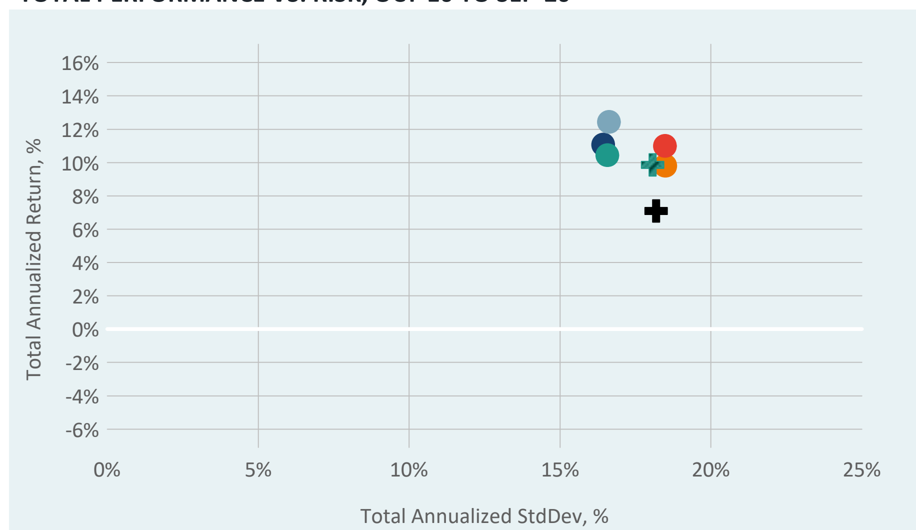
TOTAL PERFORMANCE VS. RISK, OCT-15 TO SEP-20



TOTAL PERFORMANCE VS. RISK, OCT-13 TO SEP-20



TOTAL PERFORMANCE VS. RISK, OCT-10 TO SEP-20

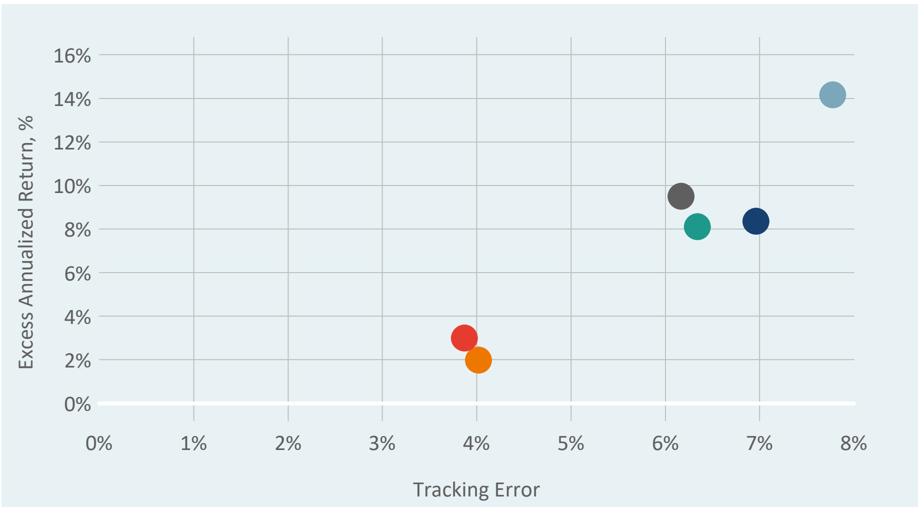


Index: Russell 2000 Value Index   Returns: Gross of Fees
Data Source: eVestment Alliance   Universe: eA Small Cap Value Equity

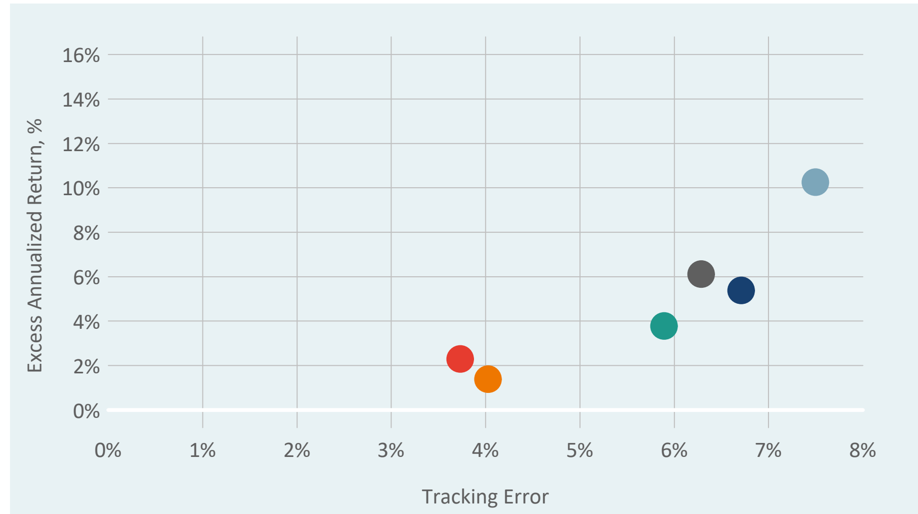
Performance efficiency

Reinhart · SBH · SBH Select · Silvercrest
Snyder · Westwood · Russell 2000 Value Index

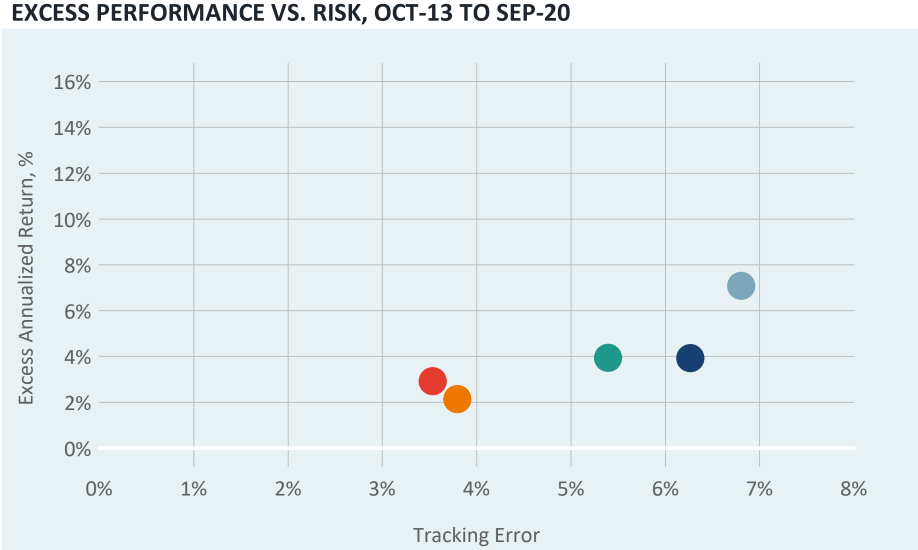
EXCESS PERFORMANCE VS. RISK, OCT-17 TO SEP-20



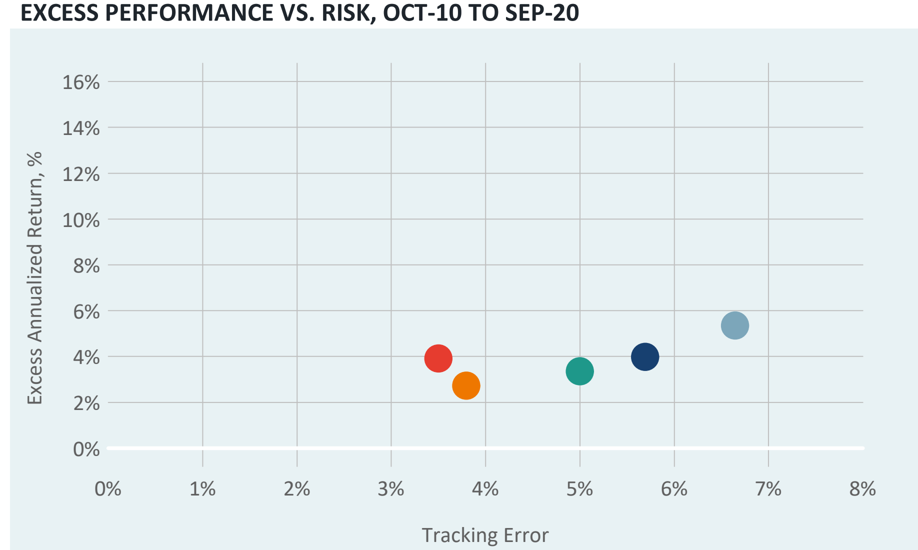
EXCESS PERFORMANCE VS. RISK, OCT-15 TO SEP-20



EXCESS PERFORMANCE VS. RISK, OCT-13 TO SEP-20



EXCESS PERFORMANCE VS. RISK, OCT-10 TO SEP-20

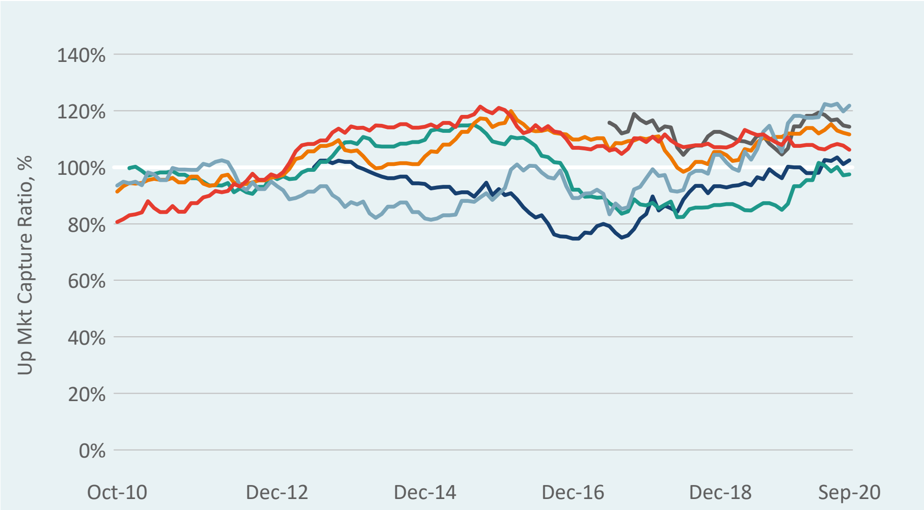


Index: Russell 2000 Value Index Returns: Gross of Fees
Data Source: eVestment Alliance Universe: eA Small Cap Value Equity

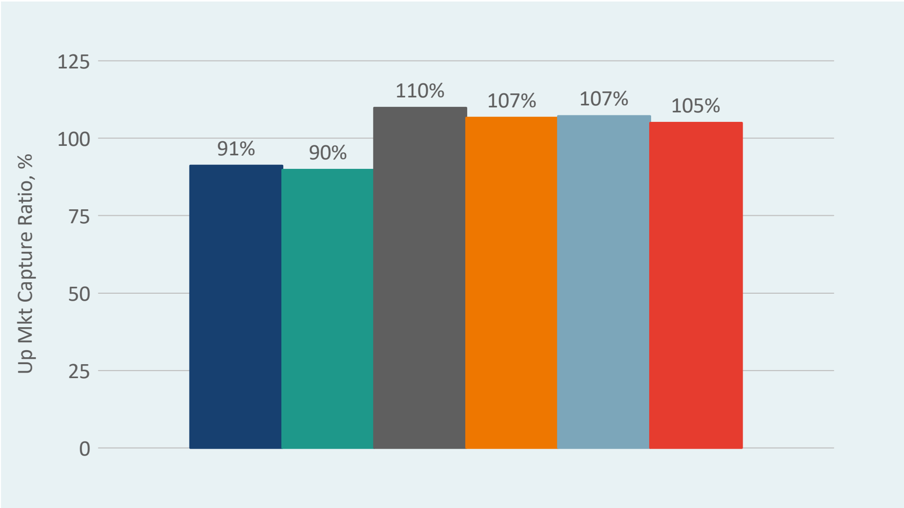
Up & down market analysis (5-year up/down)

Reinhart · SBH · SBH Select · Silvercrest · Snyder · Westwood · Russell 2000 Value Index

36 MONTH ROLLING UP MKT CAPTURE RATIO

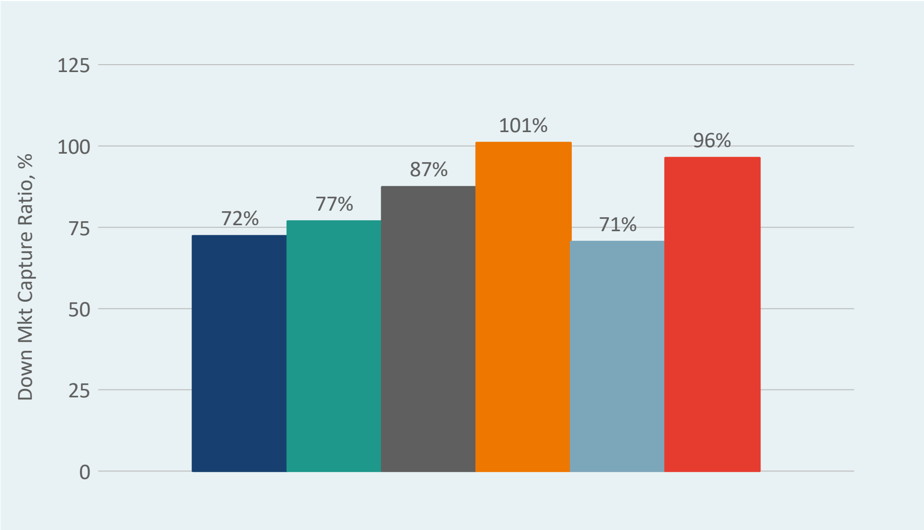


UP MARKET CAPTURE RATIO, OCT-15 TO SEP-20



36 MONTH ROLLING DOWN MKT CAPTURE RATIO

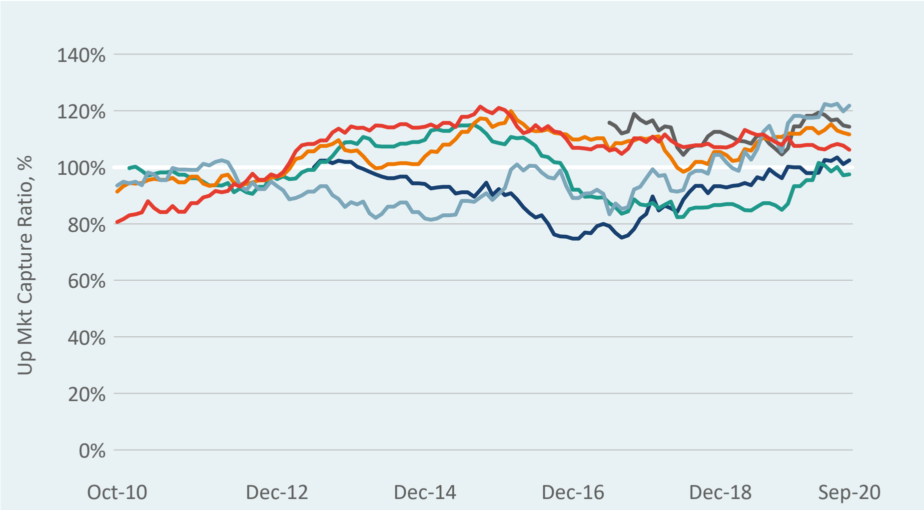
DOWN MARKET CAPTURE RATIO, OCT-15 TO SEP-20



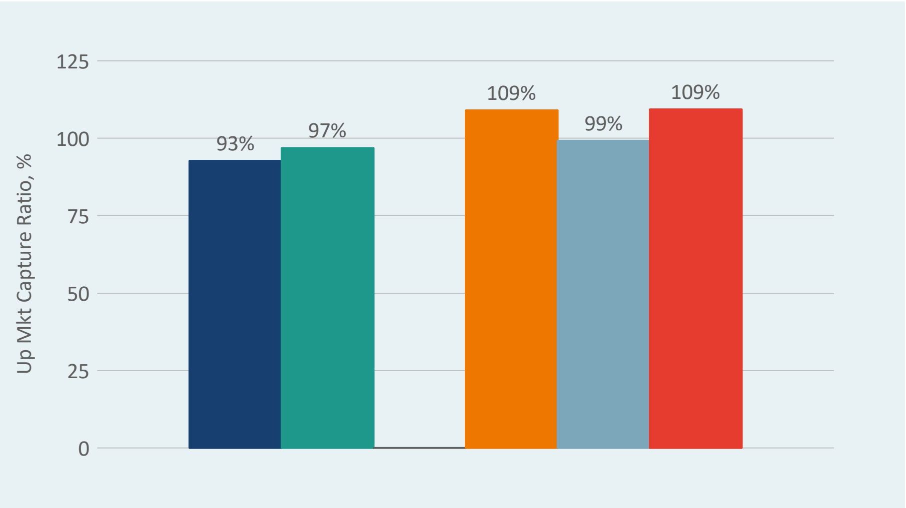
Up & down market analysis (10-year up/down)

- Reinhart
- SBH
- SBH Select
- Silvercrest
- Snyder
- Westwood
- Russell 2000 Value Index

36 MONTH ROLLING UP MKT CAPTURE RATIO

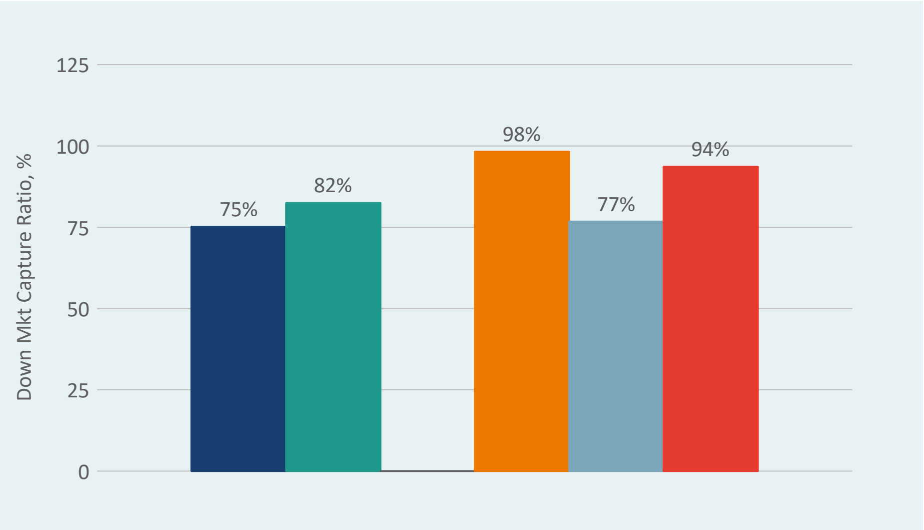


UP MARKET CAPTURE RATIO, OCT-10 TO SEP-20



36 MONTH ROLLING DOWN MKT CAPTURE RATIO

DOWN MARKET CAPTURE RATIO, OCT-10 TO SEP-20



Index: Russell 2000 Value Index Returns: Gross of Fees
Data Source: eVestment Alliance Universe: eA Small Cap Value Equity

Excess Return Correlations (vs Russell 2000)

1 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG
Reinhart	1.00	0.25	0.00	0.17	0.41	-0.21	0.57
SBH	0.25	1.00	0.90	0.41	0.48	-0.06	-0.06
SBH Select	0.00	0.90	1.00	0.46	0.27	-0.21	-0.25
Silvercrest	0.17	0.41	0.46	1.00	0.11	0.36	-0.45
Snyder	0.41	0.48	0.27	0.11	1.00	0.04	0.49
Westwood	-0.21	-0.06	-0.21	0.36	0.04	1.00	-0.13
Weatherbie SCG	0.57	-0.06	-0.25	-0.45	0.49	-0.13	1.00

3 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG
Reinhart	1.00	0.51	0.14	0.08	0.38	0.37	-0.08
SBH	0.51	1.00	0.80	0.31	0.42	0.30	-0.30
SBH Select	0.14	0.80	1.00	0.50	0.35	0.26	-0.45
Silvercrest	0.08	0.31	0.50	1.00	0.34	0.51	-0.65
Snyder	0.38	0.42	0.35	0.34	1.00	0.35	-0.10
Westwood	0.37	0.30	0.26	0.51	0.35	1.00	-0.45
Weatherbie SCG	-0.08	-0.30	-0.45	-0.65	-0.10	-0.45	1.00

5 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG
Reinhart	1.00	0.45	0.02	0.07	0.47	0.23	-0.16
SBH	0.45	1.00	0.77	0.28	0.41	0.32	-0.27
SBH Select	0.02	0.77	1.00	0.42	0.18	0.34	-0.37
Silvercrest	0.07	0.28	0.42	1.00	0.32	0.60	-0.51
Snyder	0.47	0.41	0.18	0.32	1.00	0.26	-0.08
Westwood	0.23	0.32	0.34	0.60	0.26	1.00	-0.41
Weatherbie SCG	-0.16	-0.27	-0.37	-0.51	-0.08	-0.41	1.00

Excess Return Correlations (vs Russell 2000)

7 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG
Reinhart	1.00	0.42		0.09	0.46	0.29	-0.08
SBH	0.42	1.00		0.29	0.41	0.34	-0.28
SBH Select							
Silvercrest	0.09	0.29		1.00	0.30	0.60	-0.47
Snyder	0.46	0.41		0.30	1.00	0.27	-0.05
Westwood	0.29	0.34		0.60	0.27	1.00	-0.35
Weatherbie SCG	-0.08	-0.28		-0.47	-0.05	-0.35	1.00

10 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG
Reinhart	1.00	0.37		0.09	0.46	0.28	0.02
SBH	0.37	1.00		0.25	0.30	0.28	-0.23
SBH Select							
Silvercrest	0.09	0.25		1.00	0.32	0.52	-0.37
Snyder	0.46	0.30		0.32	1.00	0.22	0.07
Westwood	0.28	0.28		0.52	0.22	1.00	-0.29
Weatherbie SCG	0.02	-0.23		-0.37	0.07	-0.29	1.00

Index: Russell 2000 Value Index   Returns: Gross of Fees
Data Source: eVestment Alliance   Universe: eA Small Cap Value Equity

Return Correlations (vs Russell 2000)

1 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG	Russell 2000 Index
Reinhart	1.00	0.97	0.97	0.99	0.98	0.98	0.94	0.99
SBH	0.97	1.00	0.99	0.97	0.97	0.96	0.88	0.97
SBH Select	0.97	0.99	1.00	0.97	0.95	0.95	0.86	0.97
Silvercrest	0.99	0.97	0.97	1.00	0.97	0.99	0.89	0.99
Snyder	0.98	0.97	0.95	0.97	1.00	0.97	0.94	0.97
Westwood	0.98	0.96	0.95	0.99	0.97	1.00	0.90	0.99
Weatherbie SCG	0.94	0.88	0.86	0.89	0.94	0.90	1.00	0.92
Russell 2000 Index	0.99	0.97	0.97	0.99	0.97	0.99	0.92	1.00

3 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG	Russell 2000 Index
Reinhart	1.00	0.95	0.93	0.95	0.95	0.96	0.83	0.96
SBH	0.95	1.00	0.98	0.96	0.94	0.96	0.79	0.96
SBH Select	0.93	0.98	1.00	0.97	0.94	0.96	0.78	0.96
Silvercrest	0.95	0.96	0.97	1.00	0.96	0.98	0.79	0.98
Snyder	0.95	0.94	0.94	0.96	1.00	0.96	0.83	0.96
Westwood	0.96	0.96	0.96	0.98	0.96	1.00	0.82	0.98
Weatherbie SCG	0.83	0.79	0.78	0.79	0.83	0.82	1.00	0.88
Russell 2000 Index	0.96	0.96	0.96	0.98	0.96	0.98	0.88	1.00

5 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG	Russell 2000 Index
Reinhart	1.00	0.94	0.90	0.93	0.94	0.95	0.79	0.95
SBH	0.94	1.00	0.98	0.95	0.93	0.96	0.77	0.96
SBH Select	0.90	0.98	1.00	0.95	0.91	0.95	0.75	0.95
Silvercrest	0.93	0.95	0.95	1.00	0.95	0.98	0.77	0.97
Snyder	0.94	0.93	0.91	0.95	1.00	0.95	0.80	0.95
Westwood	0.95	0.96	0.95	0.98	0.95	1.00	0.79	0.98
Weatherbie SCG	0.79	0.77	0.75	0.77	0.80	0.79	1.00	0.86
Russell 2000 Index	0.95	0.96	0.95	0.97	0.95	0.98	0.86	1.00

Index: Russell 2000 Value Index Returns: Gross of Fees
Data Source: eVestment Alliance Universe: eA Small Cap Value Equity

Return Correlations (vs Russell 2000)

7 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG	Russell 2000 Index
Reinhart	1.00	0.93		0.92	0.93	0.94	0.79	0.95
SBH	0.93	1.00		0.95	0.93	0.95	0.76	0.95
SBH Select								
Silvercrest	0.92	0.95		1.00	0.94	0.98	0.77	0.97
Snyder	0.93	0.93		0.94	1.00	0.94	0.80	0.94
Westwood	0.94	0.95		0.98	0.94	1.00	0.79	0.97
Weatherbie SCG	0.79	0.76		0.77	0.80	0.79	1.00	0.86
Russell 2000 Index	0.95	0.95		0.97	0.94	0.97	0.86	1.00

10 Years

	Reinhart	SBH	SBH Select	Silvercrest	Snyder	Westwood	Weatherbie SCG	Russell 2000 Index
Reinhart	1.00	0.93		0.93	0.93	0.95	0.82	0.95
SBH	0.93	1.00		0.95	0.92	0.95	0.78	0.96
SBH Select								
Silvercrest	0.93	0.95		1.00	0.94	0.97	0.80	0.97
Snyder	0.93	0.92		0.94	1.00	0.94	0.82	0.94
Westwood	0.95	0.95		0.97	0.94	1.00	0.81	0.97
Weatherbie SCG	0.82	0.78		0.80	0.82	0.81	1.00	0.87
Russell 2000 Index	0.95	0.96		0.97	0.94	0.97	0.87	1.00

Notices & Disclosures

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Small Cap Value Strategy

as of September 30, 2020

Sacramento County Employees' Retirement System

December 9, 2020

101 Mission Street, Suite 1400
San Francisco, CA 94105
(415) 392-3900

Agenda

SNYDER
CAPITAL MANAGEMENT, L.P.

Section One | # General Overview

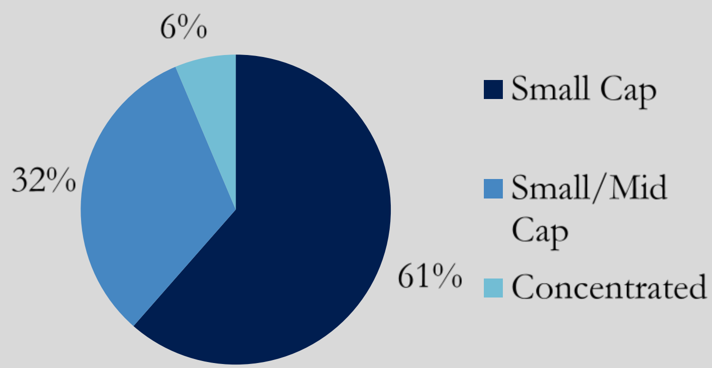
Firm Overview

1	**4**	**35**	**100%**
Philosophy, Process, Team	**Person Portfolio Management Team**	**Years Applying the Same Investment Approach**	**Independently Owned**

"We believe that investing with a long-term perspective in high-quality, sustainable, underappreciated companies should provide consistent, superior returns."

- ✓ We target high-quality businesses that can compound 12-15% annually
- ✓ We perform substantial fundamental research to gain conviction
- ✓ We are long-term investors
- ✓ We aim to compound at a high rate by preserving capital in down markets

$2.4B AUM* as of 9/30/20



*Percentage values are calculated using assets under management for current clients as of September 30, 2020.

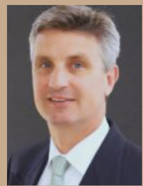
Snyder's Moat

Culture	Deep Fundamental Research	Long-Term Perspective
✓ Snyder Capital is an idea meritocracy. ✓ Investment professionals have an obligation to dissent. We challenge the investment thesis, not the individual. ✓ This culture attracts intellectually rigorous investment professionals who are team players.	✓ We spend significant time performing due diligence before making an investment. ✓ Our differentiated perspective is shaped by the various constituents we speak with regarding a given business. ✓ We seek to identify and assess the downside risks, then to understand the growth opportunities.	✓ Business owner mindset. We are investors, not speculators. ✓ We are long term investors. Longest current holding is 24 years. ✓ Short-term performance is noise; long-term performance is driven by fundamentals. ✓ Our clients are long-term partners; 10+ years on average.*
"You are not your idea, and if you identify too closely with your ideas, you will take offense when they are challenged." *— Ed Catmull, Pixar*	*"Know what you own, and know why you own it."* *— Peter Lynch*	*"The stock market is a device to transfer money from the impatient to the patient."* *– Warren Buffett*

*Based on current clients as December 31, 2019.

Section Two | Investment Team

Experienced team, diverse backgrounds, shared goals → Effective decision making

	 **Peter Eisele** **Portfolio Manager** **Analyst**	 **Gary Rafferty** **Portfolio Manager** **Analyst**	 **Charles Swain, CFA** **Portfolio Manager** **Analyst**	 **Scott Molinaroli** **Portfolio Manager** **Analyst**	 **Peter Pan** **Analyst**
Investment Experience	23 Years	19 Years	25 Years	7 Years	11 Years
Snyder Capital Tenure	23 Years	15 Years	9 Years	6 Years	4 Years
Experience	Lumonics Mees Pierson Capital	Robertson Stephens Prudential Equity Group Sibson & Co. Federal Reserve Board	RCM (Allianz Global Inv.) Brinson Partners McKinsey and Company Ceramic Process Systems	Oliver, Wyman and Co. ZS Associates DemandTec	Wells Fargo Fidelity Mgmt. & Research
Education	Nijenrode University, Netherlands MBA University of Waterloo, Canada BS, Mechanical Engineering	Columbia Business School MBA Trinity College BA	Stanford University Graduate School of Business MBA MIT MS and BS, Chemical Engineering	Stanford University Graduate School of Business MBA Dartmouth College BA	Columbia Business School, Value Investing Program MBA University of California at Berkeley BA

Section Three | # Investment Philosophy

Investment Philosophy

- ✓ **We believe high-quality companies will outperform over time.**
- ✓ **We are patient, long-term investors focused on fundamentals. We take advantage of short-term market noise.**
- ✓ **We look for companies trading at a substantial discount to intrinsic value combined with favorable upside/downside return metrics.**

"The Four Ms" **Four Criteria to Identify High-Quality Companies**	
Moat High and Sustainable Barriers to Entry	**Management** Experienced and Proven Management with Strong Governance
Metrics Strong Financial and Sustainability Metrics	**Model** Strong and Sustainable Business Model

Moat: A defensible moat enables outperformance over the long term

Porter's Five Forces*

- Buyer Power
- Supplier Power
- Threat of Substitutes
- Threat of Entrants
- Competitive Rivalry

Sustainable Economic Moat

Demand Side Competitive Advantage: Customer Captivity

Switching Costs

- ❑ Substantial time, effort, and money to replace
- ❑ Customized, complex offerings
- ❑ Reinforced with network effects

Habit

- ❑ Frequent and automatic
- ❑ Ease of use/purchase

Search Costs

- ❑ Complicated, customized, or mission-critical
- ❑ One-stop shop
- ❑ Time and effort

Supply Side Competitive Advantage: Cost

Economies of Scale

- ❑ Localized dominance
- ❑ Low-cost advantage/operating leverage

Resource Scarcity

- ❑ Intangibles – proprietary technology, patents, process know-how, brands
- ❑ Tangibles – land
- ❑ Control of supply inputs

Cost Advantages

- ❑ Lower input costs
- ❑ Process
- ❑ Learning curve advantage
- ❑ Network effect
- ❑ Strong E&S performance

*Porter's Five Forces refers to an investment model named after Michael E. Porter that was first published in Harvard Business Review in 1979 (Michael E. Porter, "How Competitive Forces Shape Strategy," May 1979 (Vol. 57, No. 2), pp. 137-145).

Management: We seek excellent business operators and stewards of capital

Track Record	Incentives/Shareholder Friendly	Capital Allocation	Intangibles
Operating Performance ❑ Total shareholder return, ROIC, ROE, margins ❑ Industry-specific E&S metrics and assessment	**Incentive Alignment** ❑ Insider ownership/percent of personal wealth ❑ Effective compensation package ❑ Returns-based targets ❑ Insider transaction history	**M&A** ❑ Strategically rational ❑ High ROI from past transactions ❑ Efficient use of capital markets	**Personality Characteristics** ❑ High integrity ❑ Set stretch goals ❑ Hands-on style ❑ Motivator ❑ Leadership ❑ Tone from the top
Performance/Actions During Distress ❑ Downturns, restructurings, etc. ❑ Plan to manage material E&S risk factors	**Transparency** ❑ Timely and complete financial reporting ❑ Open communication and engagement	**Share Buybacks/Issuance** ❑ Appropriate timing ❑ History of post-repurchase share performance	**Manager Characteristics** ❑ Knows hurdle rate ❑ Ranks investments by risk/return ❑ Decentralized execution ❑ Business acumen
Managing the Moat ❑ Competitive response to external factors, internal investments/alignments	**Effective Board of Directors** ❑ Independent, qualified ❑ Strong governance	**Divestitures/Internal Investments** ❑ Rational exits ❑ Invest via free cash ❑ High ROI	

Metrics: Help identify businesses with sustainable moats

Returns	Operating	Company-Specific	Capital Structure
❑ High ROIC ❑ High ROIIC ❑ High ROE ❑ High ROA	❑ Expanding Operating Margins ❑ High Incremental Margins ❑ High Free Cash Flow Generation ❑ High Cash EPS Growth	❑ Favorable Unit Economics ❑ ROI on Internal R&D/Capital Investments ❑ Customer Lifetime Value/Acquisition Costs ❑ Attractive E&S risk/opportunity	❑ Low Financial Leverage

Models: We recognize characteristics that identify quality companies

	Toll Booth	Aggregator	Network/Platform
Definition	Product or service that collects a "toll" for each use	Acquire businesses and create synergies	Facilitate exchanges between two or more groups, while collecting fees from one or more groups
Characteristics	❑ Small piece of overall cost of customer ❑ Mission-critical to customer	❑ Horizontal and vertical integration ❑ Capital allocation experts	❑ Natural monopoly/oligopoly ❑ Network effects
Competitive Advantage	❑ High switching costs ❑ High search costs	❑ Economies of scale ❑ Resource scarcity ❑ Low cost advantage	❑ Economies of scale ❑ Low cost advantage ❑ High search costs

Sustainability/ESG: Considering material ESG issues helps ensure investments are sustainable

- A business' strategy and risk management for tackling ESG issues impacts its economic value and protects against downside risks
- Material ESG issues are identified and serve as an additional basis for differentiating business quality
- ESG issues are evaluated by engaging with senior management and analyzing data from multiple sources
- ESG conclusions are integrated into the investment process when modeling business growth, profitability, and valuation

What We Generally Avoid

Structural Factors	❑ Speculative companies, binary outcomes and uncertain future ❑ Overly sensitive to rapidly shifting technological or regulatory changes ❑ Undifferentiated products/services ❑ Ineffective management teams or weak governance ❑ Complex turnarounds
Quantitative Factors	❑ High financial leverage with high operating leverage ❑ Low predictability of revenue, earnings, and/or cash flow ❑ Poor earnings quality from subjective revenue recognition policies, consistent "one-time" expenses, and/or sales or costs tied to volatile commodity prices ❑ Capital intensive businesses that do not preserve or expand economic moat

Section Four

Investment Process

A repeatable investment process, harnessing our collective experience

Idea Generation		Research and Stock Selection		Portfolio Construction
Independent Sourcing	Initial Discussion	In-depth Analysis	Investment Meetings	
• Industry themes and trends • Keyword searches • Industry conferences • Metrics • Industry mapping • As long-term investors, we are able to leverage portfolio company management for ideas • Watchlist	• Discussion of thesis • The 4 Ms • Potential issues • Roadmap to analysis	• Develop more in-depth understanding of industry, company • Management, stakeholder meetings • Detailed financial modeling • ESG evaluation (See Appendix)	• Challenge thesis • Knowing what you do not know • Identify blind spots and biases • Reality check • Guidance for additional research • Watchlist	• Vote • Weightings • Risk controls

Performed By:

Individual Analyst	Analyst, PM Sponsor	Individual Analyst	Entire Team	Entire Team

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Sell Discipline

Company or Industry Changes	❑ Original investment thesis not unfolding as expected, with lower future likelihood of realization ❑ Deterioration of economic moat due to either "self-inflicted wounds" or a competitor gaining a competitive edge ❑ Value destruction from capital allocation decisions (adding significant financial leverage; poor M&A, etc.) ❑ Adverse government intervention (regulations, litigation, etc.) that have long-term implications
Portfolio Factors	❑ Upgrade to a business with more favorable risk / reward setup ❑ Re-balance within sector parameters
Valuation	❑ Significant premium to intrinsic value

Quarter Ending September 30, 2020

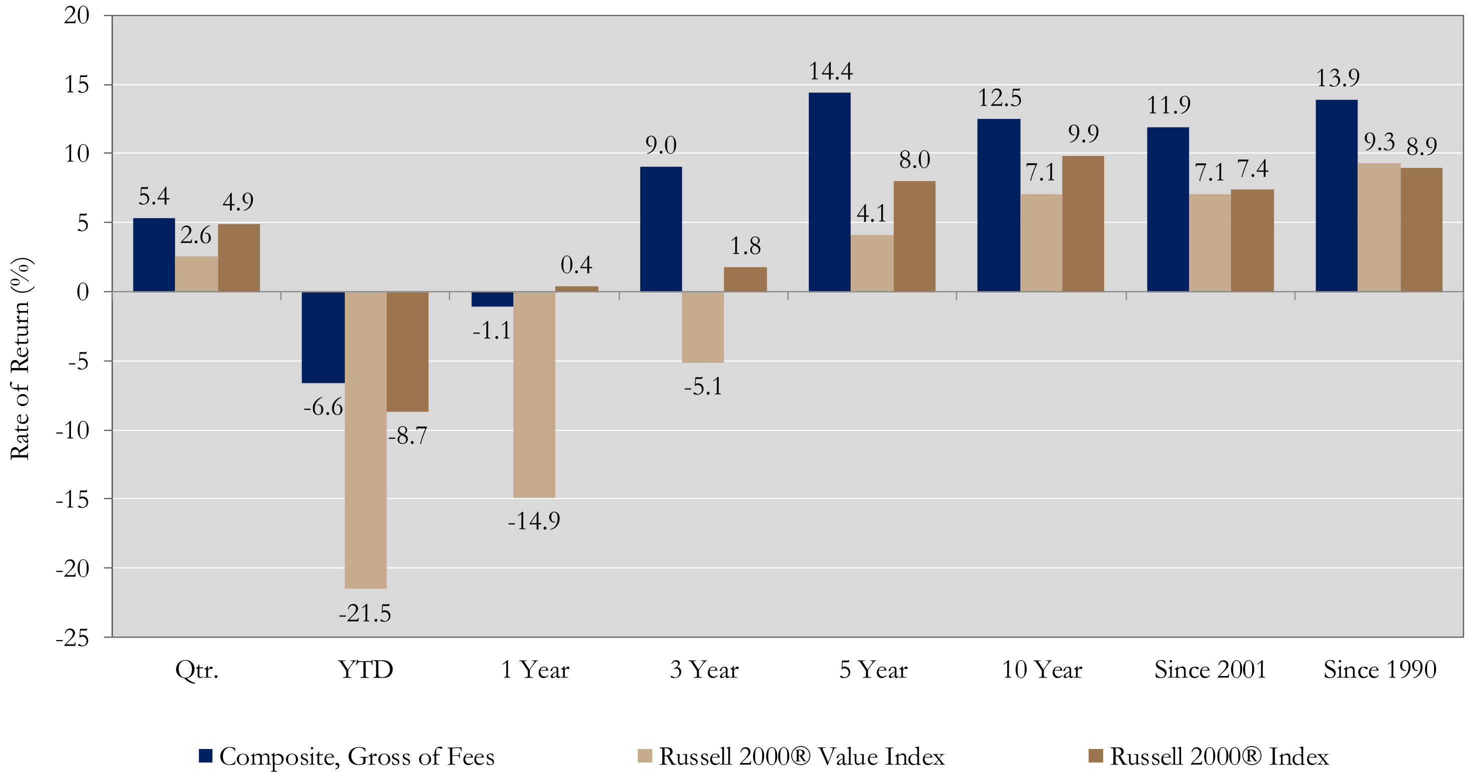
Representative Account

Company	Weight
1. Entegris, Inc.	5.08%
2. Emergent BioSolutions Inc.	4.10%
3. Halozyme Therapeutics, Inc.	3.94%
4. UGI Corporation	3.87%
5. Copart, Inc.	3.81%
6. IDEX Corporation	3.65%
7. Helen of Troy Limited	3.59%
8. Teledyne Technologies Incorporated	3.43%
9. CACI International Inc Class A	3.38%
10. Woodward, Inc.	2.98%
Total	37.85%

Portfolio holdings are subject to change and are not recommendations to buy or sell securities. The securities listed do not represent all of the securities purchased or sold, and it should not be assumed that investments in the securities listed were or will be profitable. The representative account illustrated was chosen because of the following factors: assets greater than $10m, little to no outflows and inflows, nontaxable, standard fees, no material restrictions, client for more than 5 years.

Section Five | # Performance & Analytics

Periods Ending September 30, 2020

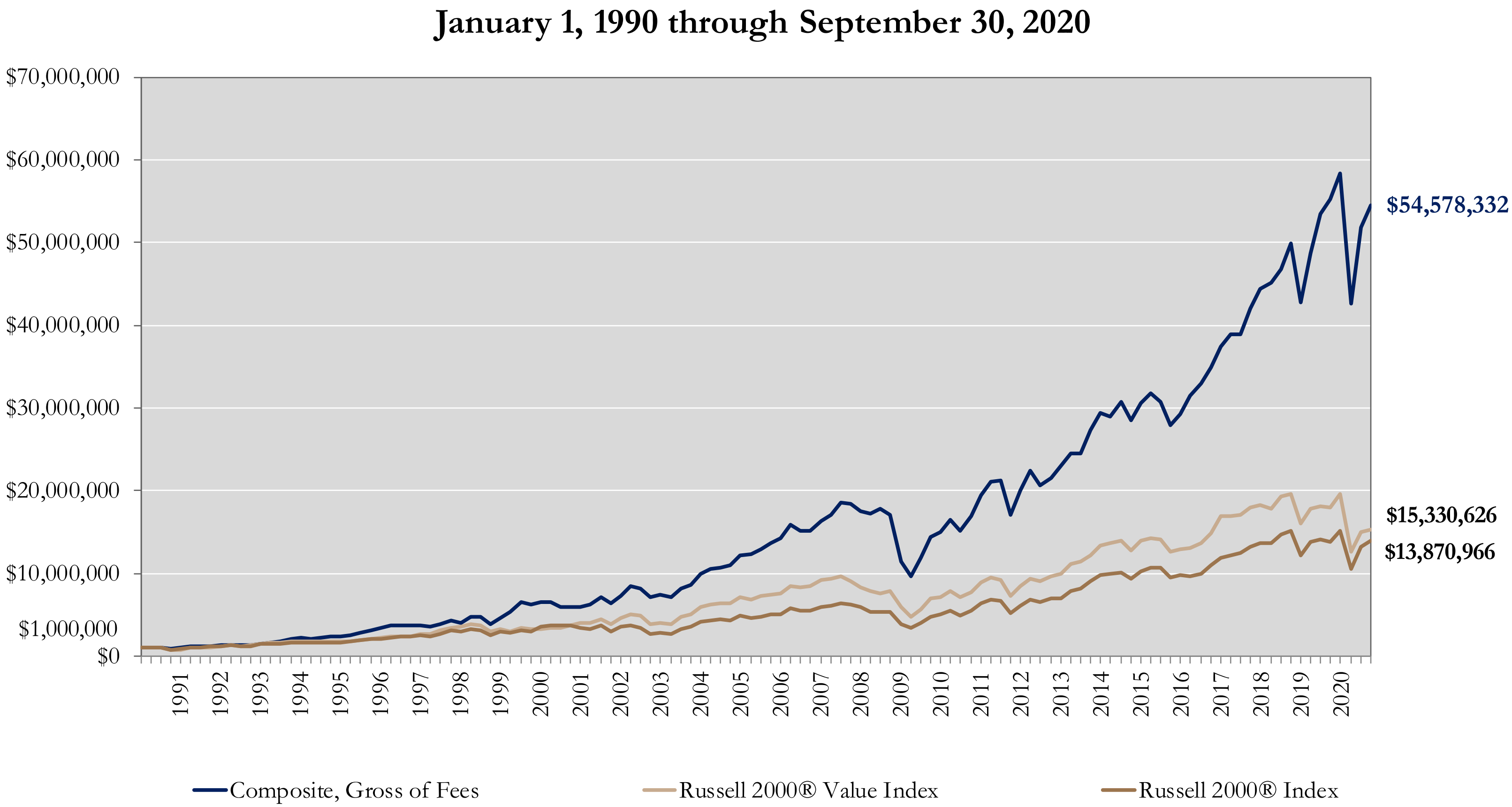


Performance is based on the composite for the period presented and not based on an individual portfolio. The above performance complements the full disclosure presentation included herewith. Returns for periods greater than one year are annualized and do not reflect the deduction of investment advisory fees. Returns will be reduced by Snyder Capital's investment management fees which are disclosed in Part 2A of Form ADV. Over a period of years, deductions for annual investment management fees will reduce the compounding effect on portfolio growth. For example, assuming a 10% annual return for five years and application of the maximum annual fee of 1.00% paid quarterly, a total gross return of 63.86% and a total net return of 56.05% would be generated.

Past performance is not indicative of future results.

Growth of $1,000,000

Small Cap Value Strategy



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Past performance is not indicative of future results.

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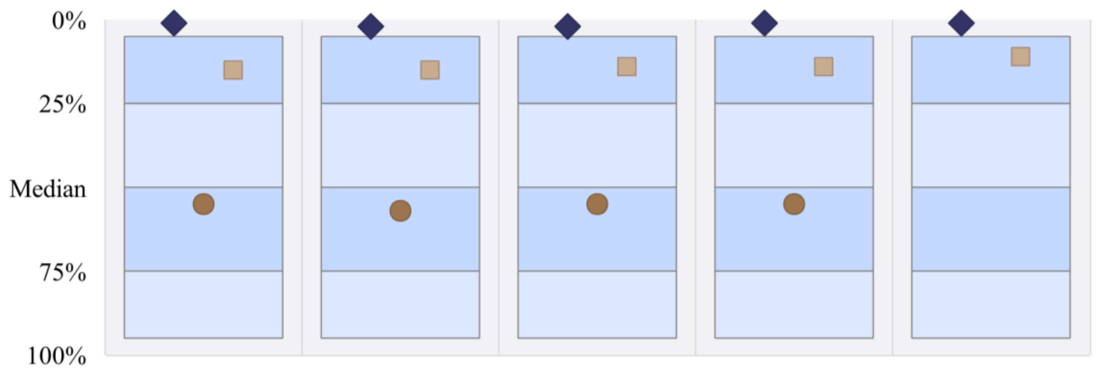
October 1, 2015 through September 30, 2020



Universe: eVestment US Small Cap Value Equity

	Returns	Rk	Treynor Ratio[1 2]	Rk	Sortino Ratio[2]	Rk	Sharpe Ratio[2]	Rk	Information Ratio[1]	Rk
5th percentile	10.38		10.55		0.62		0.42		0.92	
25th percentile	6.15		5.44		0.30		0.23		0.40	
Median	4.39		3.31		0.17		0.14		0.05	
75th percentile	2.82		1.66		0.09		0.07		-0.24	
95th percentile	0.85		-0.30		-0.02		-0.01		-0.66	
# of Observations	235		235		235		235		235	
◆ Composite, Gross of Fees	14.37	1	16.61	2	0.95	2	0.68	1	1.27	1
● Russell 2000® Value	4.11	55	2.95	57	0.16	55	0.13	55	---	---
■ Russell 2000®	8.00	15	7.09	15	0.41	14	0.30	14	0.73	11

Results displayed in USD using Spot Rate (SR).

[1]Russell 2000 Value; [2]FTSE 3-Month T-Bill

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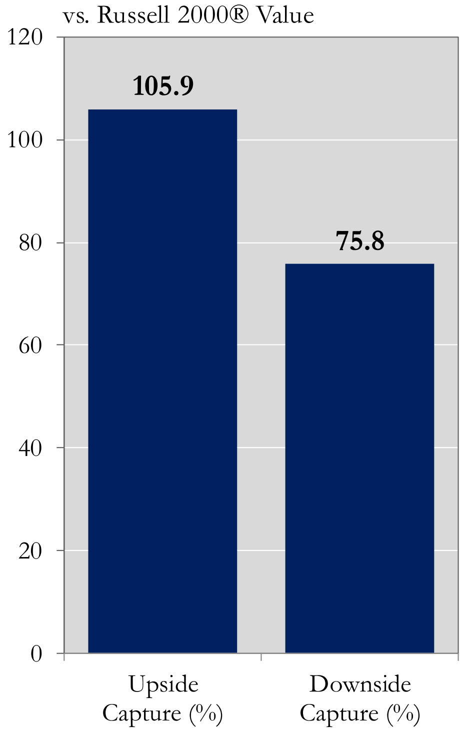
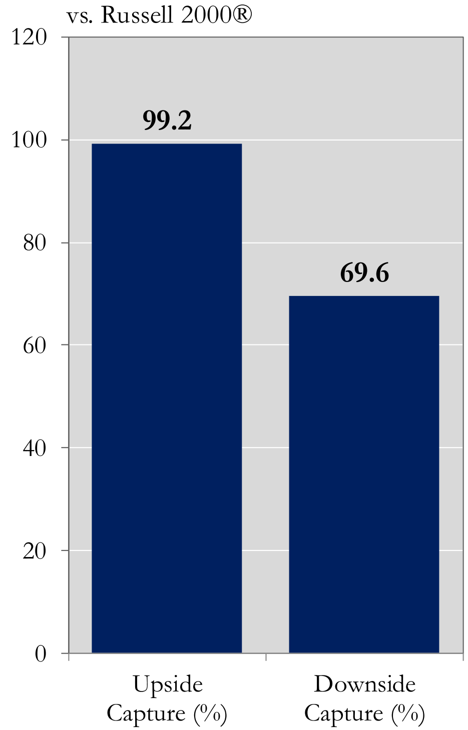
Past performance is not indicative of future results.

January 1, 2001 through September 30, 2020
Composite, Gross of Fees



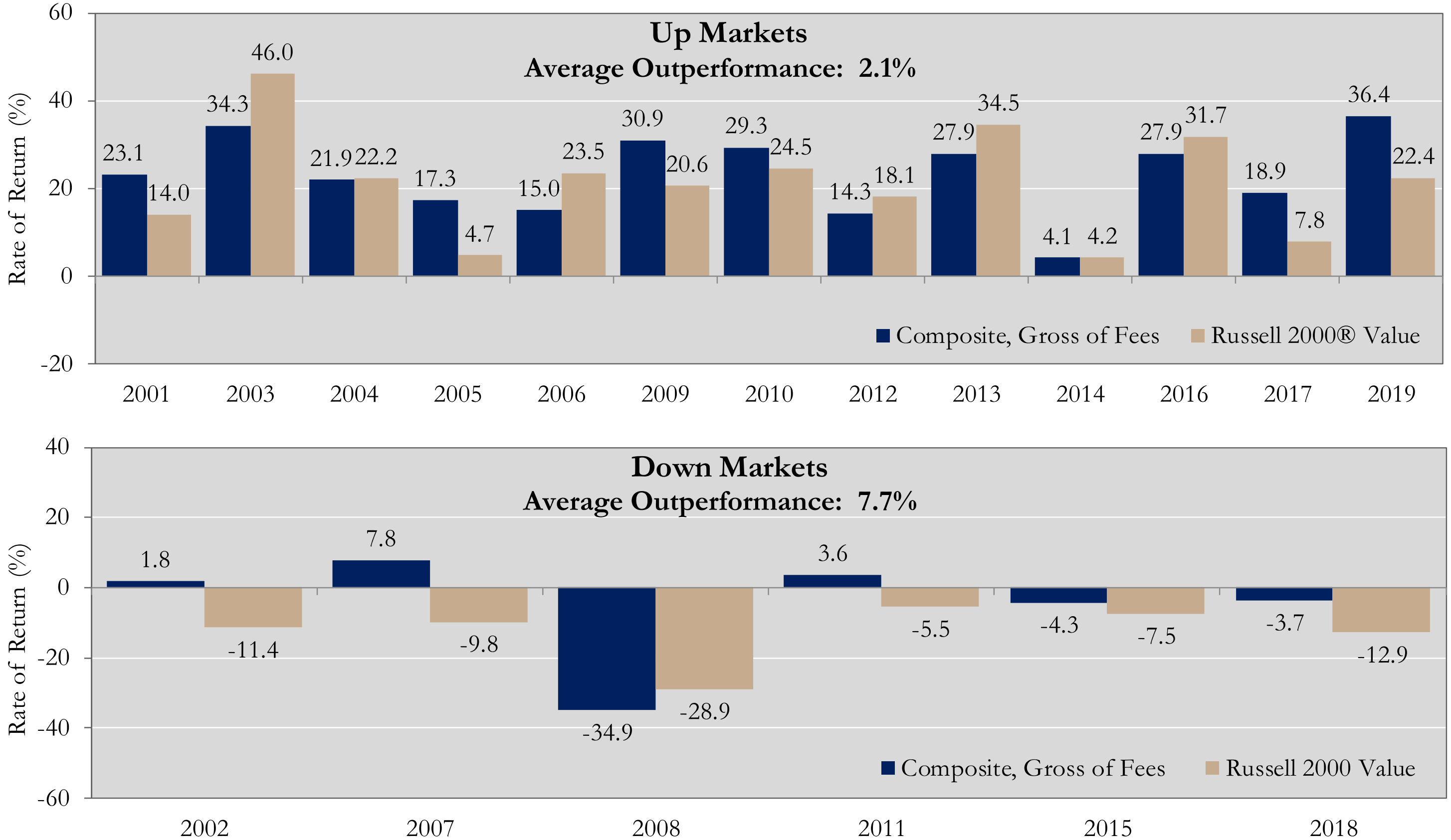


Performance is based on the composite for the period presented and not based on an individual portfolio. The above performance complements the full disclosure presentation included herewith. Returns for periods greater than one year are annualized and do not reflect the deduction of investment advisory fees. Returns will be reduced by Snyder Capital's investment management fees which are disclosed in Part 2A of Form ADV. Over a period of years, deductions for annual investment management fees will reduce the compounding effect on portfolio growth. For example, assuming a 10% annual return for five years and application of the maximum annual fee of 1.00% paid quarterly, a total gross return of 63.86% and a total net return of 56.05% would be generated.

Past performance is not indicative of future results.

Relative Performance in Up/Down Markets

Small Cap Value Strategy



Performance is based on the composite for the period presented and not based on an individual portfolio. The above performance complements the full disclosure presentation included herewith. Returns for periods greater than one year are annualized and do not reflect the deduction of investment advisory fees. Returns will be reduced by Snyder Capital's investment management fees which are disclosed in Part 2A of Form ADV. Over a period of years, deductions for annual investment management fees will reduce the compounding effect on portfolio growth. For example, assuming a 10% annual return for five years and application of the maximum annual fee of 1.00% paid quarterly, a total gross return of 63.86% and a total net return of 56.05% would be generated.

Past performance is not indicative of future results.

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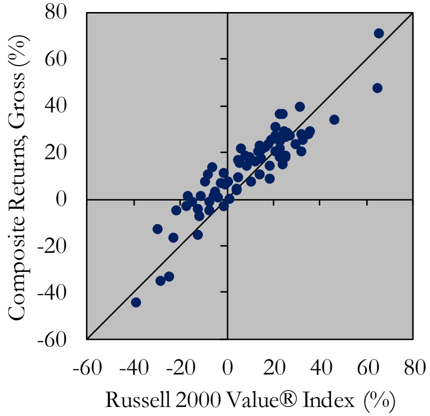
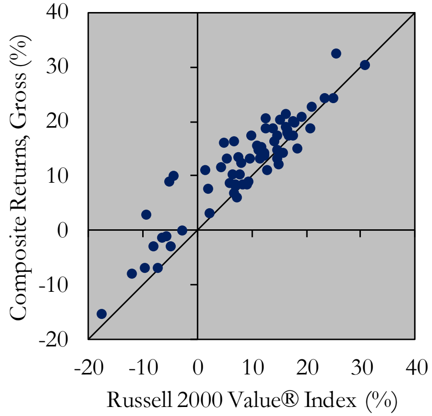
January 1, 2001 through September 30, 2020
Composite, Gross of Fees

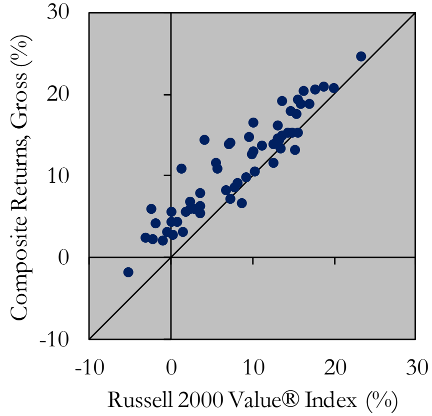
One Year Rolling



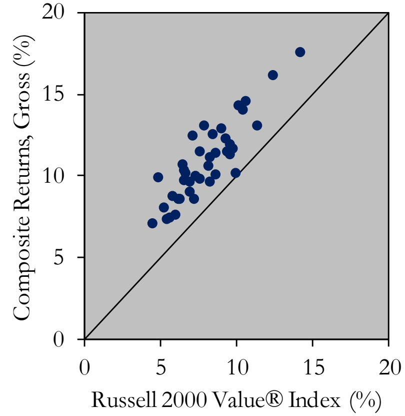
Three Year Rolling



Five Year Rolling



Ten Year Rolling



	Russell 2000® Value Index	
	Time Periods Outperformed	Avg. Excess Performance
Quarter - 79 Periods	**61%**	**1.05%**
1 Year - 76 Periods	**66%**	**4.06%**
3 Years - 68 Periods	**84%**	**3.36%**
5 Years - 60 Periods	**92%**	**3.12%**
10 Years - 40 Periods	**100%**	**2.96%**

	Russell 2000® Index	
	Time Periods Outperformed	Avg. Excess Performance
Quarter - 79 Periods	**59%**	**0.96%**
1 Year - 76 Periods	**68%**	**3.79%**
3 Years - 68 Periods	**81%**	**2.99%**
5 Years - 60 Periods	**80%**	**2.64%**
10 Years - 40 Periods	**98%**	**2.23%**

Performance is based on the composite for the period presented and not based on an individual portfolio. The above performance complements the full disclosure presentation included herewith. Returns for periods greater than one year are annualized and do not reflect the deduction of investment advisory fees. Returns will be reduced by Snyder Capital's investment management fees which are disclosed in Part 2A of Form ADV. Over a period of years, deductions for annual investment management fees will reduce the compounding effect on portfolio growth. For example, assuming a 10% annual return for five years and application of the maximum annual fee of 1.00% paid quarterly, a total gross return of 63.86% and a total net return of 56.05% would be generated.
Past performance is not indicative of future results.

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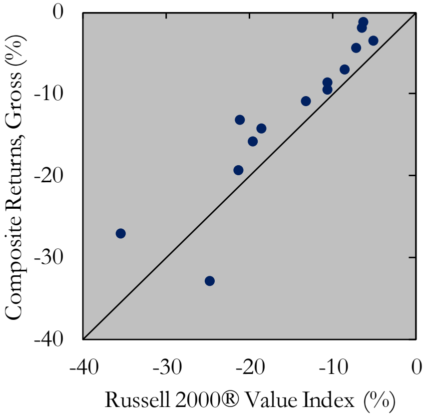
Performance in Different Environments

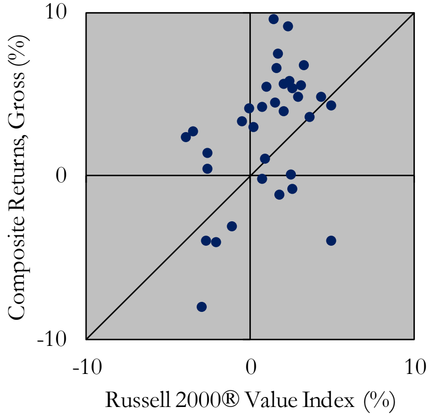
Small Cap Value Strategy

January 1, 2001 through September 30, 2020
Composite, Gross of Fees

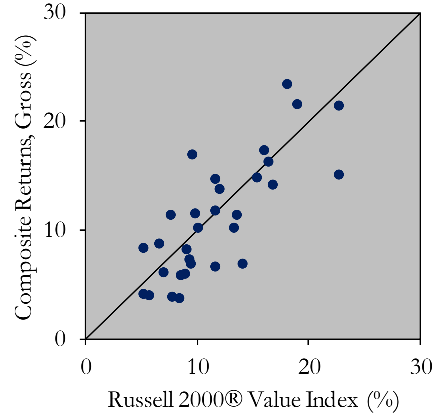
"Extreme" Down Markets
Quarterly Returns <-5%



"Normal" Markets
Quarterly Returns Between -5 & 5%



"Extreme" Up Markets
Quarterly Returns >5%



	Russell 2000® Value		
	"Extreme" Down Markets	"Normal" Markets	"Extreme" Up Markets
Average Excess Performance	**2.94%**	**1.75%**	**-0.57%**
Median Excess Performance	**2.71%**	**2.84%**	**-0.78%**
Quarters Outperfomed	**93%**	**68%**	**39%**

	Russell 2000®		
	"Extreme" Down Markets	"Normal" Markets	"Extreme" Up Markets
Average Excess Performance	**4.02%**	**1.75%**	**-1.47%**
Median Excess Performance	**3.50%**	**1.41%**	**-1.28%**
Quarters Outperfomed	**87%**	**71%**	**33%**

The market is represented by the Russell 2000® Index and Russell 2000® Value Index as labeled.

Performance is based on the composite for the period presented and not based on an individual portfolio. The above performance complements the full disclosure presentation included herewith. Returns for periods greater than one year are annualized and do not reflect the deduction of investment advisory fees. Returns will be reduced by Snyder Capital's investment management fees which are disclosed in Part 2A of Form ADV. Over a period of years, deductions for annual investment management fees will reduce the compounding effect on portfolio growth. For example, assuming a 10% annual return for five years and application of the maximum annual fee of 1.00% paid quarterly, a total gross return of 63.86% and a total net return of 56.05% would be generated.

Past performance is not indicative of future results.

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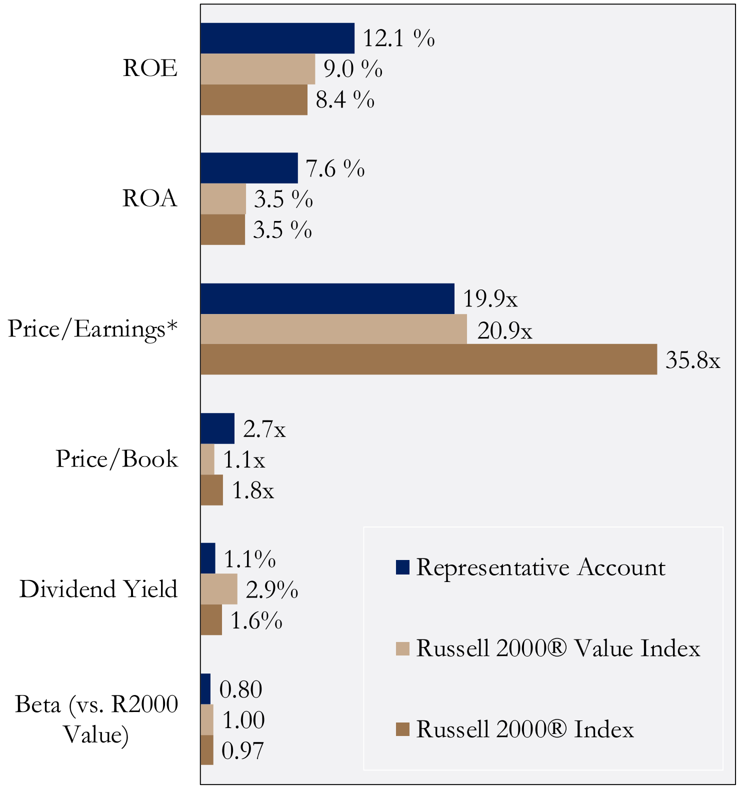
Quarter Ending September 30, 2020

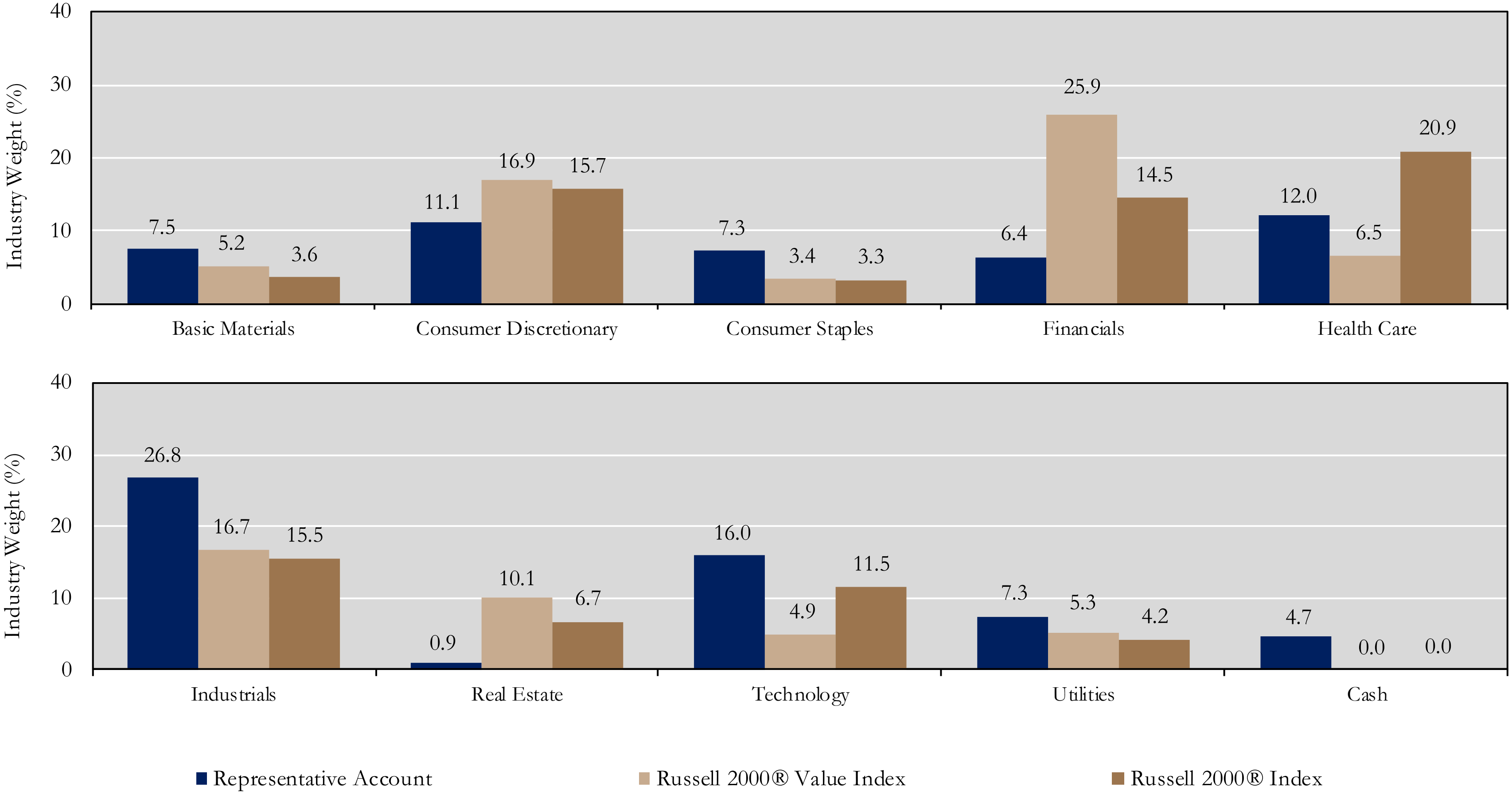


Market Capitalization Statistics	Representative Account	Russell 2000® Value Index	Russell 2000® Index
Wtd. Average	$6.1B	$1.9B	$2.5B
Wtd. Median	$4.9B	$1.6B	$2.1B
Lowest	$371.9M	$32.7M	$28.2M
Highest	$24.7B	$10.0B	$10.0B

The representative account illustrated was chosen because of the following factors: assets greater than $10m, little to no outflows and inflows, nontaxable, standard fees, no material restrictions, client for more than 5 years.
Source: Factset, most recent quarter-end data available
*Forward 12 Months

Section Six | Appendix

Quarter Ending September 30, 2020



Most holdings are categorized according to Russell classification. Holdings not classified by Russell are categorized according to Factset classification.
The representative account illustrated was chosen because of the following factors: assets greater than $10m, little to no outflows and inflows, nontaxable, standard fees, no material restrictions, client for more than 5 years.
Source: Factset

SNYDER CAPITAL MANAGEMENT, L.P.

Representative Account
Quarter Ending June 30, 2020

Sector/Sub-Sector/Company	Port. Weight
Consumer Discretionary	**7.31**
Auto & Auto Parts	**1.15**
Dorman Products, Inc.	1.15
Consumer Services	**6.16**
IAA, Inc.	3.28
KAR Auction Services, Inc.	2.88
Consumer Staples	**7.84**
Food, Beverage & Tobacco	**4.15**
Hostess Brands, Inc. Class A	1.49
Ingredion Incorporated	2.66
Personal Care, Drug & Grocery Store	**3.69**
Helen of Troy Limited	3.69
Energy	**0.55**
Non-renewable Energy	**0.55**
PDC Energy, Inc.	0.55
Financial Services	**8.43**
Banks	**5.71**
Prosperity Bancshares, Inc.(R)	1.72
TCF Financial Corporation	2.47
United Community Banks, Inc.	1.52
Insurance	**1.65**
RLI Corp.	1.65
Real Estate Investment Trusts	**1.07**
Brixmor Property Group, Inc.	1.07
Health Care	**11.10**
Pharmaceuticals & Biotech	**11.10**
Avid Bioservices, Inc.	1.07
Emergent BioSolutions Inc.	4.44
Halozyme Therapeutics, Inc.	4.23
Ligand Pharmaceuticals Incorporatec	1.36
Materials & Processing	**9.40**
Building Materials	**1.51**
Simpson Manufacturing Co., Inc.	1.51
Chemical & Synthetics	**4.34**
Cabot Corporation	1.96
Ingevity Corporation	1.02
Sensient Technologies Corporation	1.36
Metals & Minerals	**3.55**
Minerals Technologies Inc.	0.89
RBC Bearings Incorporated	2.66
Producer Durables	**27.13**
Commercial Services	**5.74**
Brink's Company	1.18
Copart, Inc.	3.18
Kaman Corporation Class A	1.38
Machinery	**5.34**
Graco Inc.	2.31
Woodward, Inc.	3.04
Manufacturing & Production	**2.42**
BWX Technologies, Inc.	2.42
Scientific Instruments & Services	**7.62**
Clean Harbors, Inc.	3.03
Covanta Holding Corporation	0.78
IDEX Corporation	3.34
Thermon Group Holdings, Inc.	0.48
Transportation & Freight	**6.00**
HEICO Corporation Class A	2.37
Teledyne Technologies Incorporated	3.63
Technology	**20.18**
Electronics	**13.27**
Cabot Microelectronics Corp.	2.15
Cognex Corporation	2.07
Coherent, Inc.	1.05
Entegris, Inc.	4.89
Power Integrations, Inc.	3.10
Information Technology	**6.91**
Agilysys, Inc.	1.02
CACI International Inc Class A	3.04
Mercury Systems, Inc.	1.36
PDF Solutions, Inc.	1.49
Utilities	**3.73**
Utilities	**3.73**
UGI Corporation	3.73
Cash	**4.34**
Cash	**4.34**
Dividends - USD	0.11
U.S. Dollar	4.23
Total	**100.00**

Source: Factset
Portfolio holdings are subject to change and are not recommendations to buy or sell securities. The securities listed do not represent all of the securities purchased or sold, and it should not be assumed that investments in the securities listed were or will be profitable. The representative account illustrated was chosen because of the following factors: assets greater than $10m, little to no outflows and inflows, nontaxable, standard fees, no material restrictions, client for more than 5 years.

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Identify material ESG issues to research*

Identify ESG Issues → Evaluate ESG Issues → Integrate ESG Issue Conclusions

Environmental	Social	Governance
E = the energy a company consumes and the waste it discharges	S = the relationships between a company and its employees and communities	G = the internal practices, controls and procedures a company follows to make good decisions
❑ GHG Emissions	❑ Human Rights & Community Relations	❑ Strategic business decisions
❑ Energy Management	❑ Data Privacy & Security	❑ Capital reinvestment decisions
❑ Air Quality	❑ Product Quality	❑ Management ethics and integrity
❑ Water Management	❑ Labor Practices	❑ Financial reporting accuracy and transparency
❑ Waste Management	❑ Employee Health & Safety	❑ Board composition, oversight and independence
❑ Ecological Impacts	❑ Diversity & Inclusion	❑ Performance incentive and management control systems
❑ Climate Change Physical Impacts	❑ Supply Chain Management	

*Representative list of major issues. Other issues incorporated based on materiality.

Gather information to evaluate material ESG issues

Identify ESG Issues → **Evaluate ESG Issues** → Integrate ESG Issue Conclusions

SUSTAINABILITY REPORTS
Company report
TCFD
SASB

DATA VENDORS
Bloomberg
FactSet

GOVERNANCE SERVICE
ISS

NEWS SOURCES
Google searches
Trade publications

FINANCIAL REGULATORS
SEC
CFTC

REGULATORY AGENCIES
FINRA
EEOC
EPA

MANAGEMENT DISCUSSIONS
Company visits
C-level meetings

Integrate material ESG conclusions into company evaluation

Identify ESG Issues → Evaluate ESG Issues → **Integrate ESG Issue Conclusions**

Metric	Initial	+	ESG Impact	=	Final
Revenue Growth Rate	+4.0%		-0.5%		+3.5%
Operating Margin	20.0%		-2.0%		18.0%
Capital Spending	4.5% sales		0.5% sales		5.0% sales
Valuation Multiple	18.0x		-1.0x		17.0x

For Illustrative Purpose Only

Potential ESG impacts in select industries

- **P&C Insurers:** Higher frequency and severity of floods and hurricanes will likely drive rising **Climate Change Physical Impacts** and thus a secular increase in catastrophy losses
- **Electric Utilities:** A secular decline in electricity demand is possible due to rising consumer and corporate **Energy Management** initiatives
- **Renewable Energy:** Renewable energy tax incentives and rising regulation of heavy **GHG Emissions** coal, oil and gas industries will drive secular increases in wind and solar use and thus scale economies
- **Auto Industry:** Increasing fuel economy and related **GHG Emissions** regulations will likely drive a transition from internal combustion engines (ICE) to electric vehicles (EV)
- **Pharmaceuticals:** Rising "fair pricing" and "transparent pricing" regulations may drive slower revenue growth and lower margins due to this **Industry-Specific** Social issue
- **Restaurants and Food:** Increasing demand for organic and natural products will create winners and losers due to this Industry-Specific Social issue
- **Retailers:** Evolving **Labor Practices** designed to reduce income inequality are likely to drive rising minimum wage and benefit levels, and thus rising costs

January 1, 2010 through December 31, 2019

Year	Return (%) Gross	Return (%) Net	Return (%) Russell 2000®	Return (%) Russell 2000® Value	3 Yr. Standard Deviation (%) Gross	3 Yr. Standard Deviation (%) Russell 2000®	3 Yr. Standard Deviation (%) Russell 2000® Value	Internal Dispersion (%)	Number of Portfolios in Composite	Composite Assets ($ mm)	Firm Assets ($ mm)
2010	29.31	28.17	26.85	24.50				0.49	62	1,652	2,230
2011	3.59	2.67	-4.18	-5.50	24.29	24.99	26.05	0.43	54	1,215	1,741
2012	14.32	13.34	16.35	18.05	18.59	20.20	19.89	0.27	55	1,348	1,896
2013	27.86	26.79	38.82	34.52	14.84	16.45	15.82	0.61	50	1,627	2,161
2014	4.11	3.21	4.89	4.22	12.14	13.12	12.79	0.24	52	1,633	2,007
2015	-4.31	-5.15	-4.41	-7.47	12.92	13.96	13.45	0.25	47	1,253	1,538
2016	27.90	26.79	21.31	31.74	13.62	15.76	15.50	0.24	47	1,387	1,734
2017	18.95	17.95	14.65	7.84	11.66	13.91	13.97	0.19	46	1,588	2,177
2018	-3.68	-4.64	-11.01	-12.86	13.70	15.79	15.76	0.14	43	1,346	1,927
2019	36.44	35.12	25.53	22.39	14.75	15.71	15.68	0.13	40	1,468	2,662

Small Cap Value Strategy composite GIPS notes continued on following page.

Small Cap Value Composite Notes

Snyder Capital Management, L.P. ("SCM") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SCM has been independently verified for the periods January 1, 1990 through December 31, 2019. 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 Small Cap Value Composite has had a performance examination for the periods January 1, 1990 through December 31, 2019. The verification and performance examination reports are available upon request.

- The firm is defined as Snyder Capital Management, L.P. ("SCM"). Effective January 1, 2016, the firm is independently owned. Previously, the firm was owned by Natixis Global Asset Management, L.P. A list of composite descriptions and policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

- The Small Cap Value Composite includes all discretionary accounts invested in this strategy. SCM's small cap value strategy seeks investments that combine a minimum of downside risk with opportunities for substantial price appreciation. Accounts normally hold between 40-55 stocks. Prior to 2002, the composite included accounts that had more concentrated portfolios - normally holding between 20-30 stocks. SCM generally defines our investable universe as companies listed on U.S. exchanges that meet at least one of the two following criteria: a member of the Russell 2000 Index, or has a market cap within the range of the Russell 2000 Index when it was last reconstituted. The composite was created in June 1993 and incepted in January 1990. For 2012 through 2017, the composite included one non-fee paying account that represented less than 1% of the composite assets.

- Performance calculations are time weighted rates of return based on trade date valuations, accrual-based accounting for income, and are net of transactions costs and gross of non-reclaimable withholding taxes. All returns reflect the reinvestment of dividends and interest. As of May 1, 2014, composite returns are calculated daily. Prior to May 1, 2014, composite returns were calculated monthly by weighting monthly portfolio returns by beginning market values plus weighted cash flows, and accounts were revalued for any cash flow that exceeded 10% of the account's market value. Performance results are expressed in U.S. dollars.

- Performance results are presented both before and after management fees. Beginning January 1, 2018, the net returns shown are net of model fees and are calculated by reducing the monthly gross return by either the highest tier of the fee schedule in effect for the respective period or the highest fee paid by any account in the composite, whichever produces a more conservative return. Prior to January 1, 2018, net returns are net of actual management fees. Management fees are not greater than 0.25 basis points per quarter.

- The internal dispersion is measured by the asset weighted standard deviation of annual portfolio gross returns for those portfolios included in the composite for the full year.

- The benchmarks are the Russell 2000® Index and the Russell 2000® Value Index. These indices are unmanaged and include the smallest 2000 securities in the Russell 3000 Index. These indices do not incur expenses and are not available for investment. Index returns reflect the reinvestment of dividends. The benchmark returns are not covered by the report of independent verifiers.

- The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmarks over 36-month periods. The three-year annualized ex-post standard deviation is not required to be presented for periods prior to 2011.

- The performance presented herein represents past performance and is not an indicator of future results.

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Definitions

Statistical Measurements

- **Alpha** measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index.
- **Beta** is a measure of the degree of change in value in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one generally exhibits more volatility than its benchmark index, and a portfolio with a beta of less than one generally exhibits less volatility than its benchmark index.
- **Down-market capture ratio** is a measure of manager's performance in down markets relative to a benchmark. The lower the manager's down-market capture ratio, the better the manager capitalized on a declining market.
- **Information ratio** is a measure of the value added per unit of active risk by a manager over an index. A positive ratio would indicate efficient use of risk by a manager.
- **Price/Book** reflects the value that market participants attach to a company's equity relative to its book value of equity.
- **Price/Earnings** measure a company's current share price relative to its per-share earnings. A high price/earnings value suggests that investors are expecting higher earnings growth in the future.
- **ROA** represents return on average assets. It is an indicator of how well a company utilizes its assets. A higher ROA indicates more asset efficiency.
- **ROE** represents return on average total equity. It is a measure of how effectively management is using its assets.
- **Sharpe ratio** is a measurement of efficiency utilizing the relationship between annualized risk-free return and annualized standard deviation. The higher the ratio, the greater efficiency produced by this manager.
- **Sortino ratio** measures how well the manager invests, while not penalizing them for upside volatility (outperformance). The higher the ratio, the better. A ratio of 1 is better than a ratio of 0.5.
- **Standard deviation** is a measure on how widely investment returns vary over a certain period of time. The higher the standard deviation, the higher the variance will be between each price and the mean.
- **Treynor ratio** evaluates whether the manager is being rewarded with additional return for each additional unit of risk being taken with risk being defined by Beta, a measure of systematic risk. A higher ratio means a portfolio is a more suitable investment.
- **Up-market capture ratio** is a measure of manager's performance in up markets relative to a benchmark. The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market.

Indexes

- **The Russell 1000 Index** is an index that represents the largest 1,000 stocks in the Russell 3000 Index. The Russell 1000 generally serves as a benchmark of large-cap stocks in the United States.
- **The Russell 2000 Index** is an index that represents the smallest 2,000 stocks in the Russell 3000 Index. The Russell 2000 generally serves as a benchmark of small-cap stocks in the United States.
- **The Russell 2500 Index** is an index that includes the smallest 2,500 stocks in the Russell 3000 index. The Russell 2500 generally serves as a benchmark of small/mid-cap stocks in the United States.
- **The Russell 3000 Index** is an index that represents the largest 3,000 stocks in the United States. The Russell 3000 generally serves as a benchmark of the entire U.S stock market. The Russell 3000 index components and weightings are determined by FTSE Russell.
- **The S&P 500** is a U.S. stock market index generally based on 500 large companies in the United States. It generally serves as a benchmark of large-cap stocks in the United States. The S&P 500 index components and their weighting are determined by S&P Dow Jones Indices.
- **The FTSE 3-month Treasury bill Index** is an unmanaged index that is generally representative of 3-month U.S. Treasury bills, consisting of an average of the last three 3-month U.S. Treasury bill issues.

Investors cannot invest directly in an index. Indexes are unmanaged and do not reflect management fees or expenses. Past performance is not indicative of future results.