

April 12, 2024



Mesirow Institutional Investment Management, Inc.
Equity Management

353 North Clark Street, Chicago, Illinois 60654

Telephone: 312.595.2279 |
Email: kathy.vorisek@mesirow.com
mesirow.com

ITEM 1 | Cover

Part 2A of Form ADV Firm Brochure

This brochure provides information about the qualifications and business practices of Mesirow Institutional Investment Management, Inc. (MIIM). If you have any questions about the contents of this brochure, please contact Kathryn Vorisek at 312.595.2279 or kathy.vorisek@mesirow.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about MIIM also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. MIIM's CRD number is 319065.

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries, and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. © 2024. All rights reserved.

ITEM 2 | Material Changes

Form ADV Part 2A for the Equity Division of Mesirow Institutional Investment Management Inc. ("MIIM"), currently dated April 12, 2024 and as may be amended from time to time, is MIIM's disclosure document prepared based on the SEC's regulatory requirements. MIIM is required to update this document at least annually, or when an event occurs that may be deemed to have a material impact on MIIM's investment management business and/or on its clients, or when a disciplinary event occurs.

ITEM 3 | Table of Contents

ITEM 1 | Cover Page 1

ITEM 2 | Material Changes..... 2

ITEM 3 | Table of Contents 3

ITEM 4 | Advisory Business 4

ITEM 5 | Fees and Compensation..... 5

ITEM 6 | Performance-Based Fees and Side-By-Side Management..... 7

ITEM 7 | Types of Clients 7

ITEM 8 | Methods of Analysis, Investment Strategies and Risk of Loss 8

ITEM 9 | Disciplinary Information 12

ITEM 10 | Other Financial Industry Activities and Affiliations..... 12

ITEM 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... 13

ITEM 12 | Brokerage Trading Practices 15

ITEM 13 | Review of Accounts 21

ITEM 14 | Client Referrals and Other Compensation 21

ITEM 15 | Custody..... 22

ITEM 16 | Investment Discretion 22

ITEM 17 | Voting Client Securities 22

ITEM 18 | Financial Information..... 23

ITEM 4 | Advisory Business

MIIM, a Delaware corporation, is an investment adviser registered with the SEC with its principal place of business located in Illinois. MIIM was founded in February 2022. Effective July 1, 2022, Mesirow Equity Management (“MEM”) was added as a division within MIIM.

MIIM’s sole shareholder is Mesirow Financial Services, Inc., a wholly owned subsidiary of Mesirow Financial Holdings, Inc. (“MFHI” or the “Firm”).

MIIM, or an affiliated business group, advises Mesirow-branded mutual funds, Registered Investment Companies (“RICs”), Collective Investment Trusts (“CITs”) and Private Funds.

MEM offers investment advisory services and products to clients relating to U.S. equity investments on a discretionary basis. Clients invest through separately managed accounts, RICs, or CITs.

DISCRETIONARY ADVISORY SERVICES

MEM manages portfolios for the following strategies:

Small Cap Value Equity Strategy

The Small Cap Value Equity Strategy seeks maximum long-term total return by investing in U.S. exchange-traded securities on a long-only basis. Under normal circumstances, MEM seeks to achieve its investment objective by investing the portfolio in common stocks of domestic companies that have market caps consistent with the Russell 2000 Index. The account will own a diversified group of stocks in multiple es. The strategy invests mainly in common stocks, but it can also invest in exchange traded funds temporarily to manage client cash flows. The benchmark for the Small Cap Value Equity Strategy is the Russell 2000 Value Index.

SMID Cap Value Equity Strategy

The SMID Cap Value Equity Strategy seeks maximum long-term total return by investing in U.S. exchange-traded securities on a long-only basis. Under normal circumstances, MEM seeks to achieve its investment objective by investing the portfolio in common stocks of domestic companies that have market caps consistent with the Russell 2500 Index. The account will own a diversified group of stocks in multiple industries. The strategy invests mainly in common stocks, but it can also invest in exchange traded funds temporarily to manage client cash flows. The benchmark for the SMID Cap Value Equity Strategy is the Russell 2500 Value Index.

Small Cap Core Equity Strategy

The Small Cap Core Equity Strategy seeks maximum long-term total return by investing in U.S. exchange traded securities on a long only basis. Under normal circumstances, MEM seeks to achieve its investment objective by investing the portfolio in common stocks of domestic companies that have market caps consistent with the Russell 2000 Index. The portfolio will own a diversified group of stocks in multiple industries. The benchmark for the Small Cap Core Equity Strategy is the Russell 2000 Index.

MEM’s advice is currently limited to the Small Cap Value Equity, SMID Cap Value Equity, and Small Cap Core Equity strategies.

MEM manages investment portfolios using discretionary investment powers granted by the client, subject to reasonable restrictions. Investment management services include portfolio construction and management, trading and commission negotiation, cash flow management and rebalancing, proxy voting, and client reporting. Specific agreed upon services are detailed in a written agreement between MEM and the client. MEM provides clients with

quarterly reports that show portfolio holdings, performance and market analysis. Clients can request additional customized reporting and reviews.

MEM does not tailor its investment strategies based on a client's financial profile or objectives. Clients select from investment strategies offered by MEM and can impose reasonable investment restrictions, such as restrictions on investments in certain securities or types of securities, provided they do not materially affect the investment strategy. MEM requires that clients provide a written statement of their investment guidelines and any restrictions.

Advisory and/or Sub-Advisory Services

MEM serves as the sole investment adviser to a Mesirow proprietary mutual fund and CITs. These relationships are covered in more detail in Item 10 of this Brochure. Please refer to the mutual fund's Prospectus and Statement of Additional Information as well as the CIT's Disclosure Memorandum for additional disclosures. Copies of the noted disclosures can be obtained by contacting Kathryn Vorisek at the address or phone number on the front page.

MEM at times provides advisory or sub-advisory services to clients of unaffiliated financial services institutions, including investment companies, banks, and other advisors ("Advisor(s)"). In these circumstances, MEM would manage these accounts on a discretionary basis, similar in manner to its advisory services accounts described above. MEM would be paid an advisory fee directly by these Advisors. MEM would not pay a fee to these Advisors for referring clients.

Investment Management Services

As of March 31, 2024, MEM had approximately \$1.15 billion in assets under management on a discretionary basis and no assets on a non-discretionary basis.

MIIM does not provide tax or legal advice. Clients should consult with an expert on tax or legal issues.

ITEM 5 | Fees and Compensation

MEM charges a percentage of a client's assets under management for its services pertaining to separately managed accounts. MEM requires a minimum fee of \$10,000 per account. Fees are negotiable and will vary by client.

Small Cap Value Equity & SMID Cap Value Equity Standard Annual Fee Schedule

0.85% on first \$25 million
0.75% on the next \$25 million
0.60% on the next \$50 million
0.55% on the balance

Small Cap Core Equity Strategy Standard Annual Fee Schedule

0.85% on first \$25 million
0.75% on the next \$25 million
0.60% on the next \$50 million
0.55% on the balance

If MEM agrees to a "most-favored nations" fee arrangement ("MFN"), unless otherwise agreed to in the investment management agreement, any MFN for a separate account will be applied prospectively, applied only

when a subsequent client has the same or larger comparative asset size and strategy and will exclude advisory and sub-advisory clients for comparison, as well as clients acquired through lift-outs and other transactions. Adjustments for MFNs will be made for the calendar quarter following the calendar quarter during which the MFN adjustment was triggered.

MEM generally invoices clients directly but will accommodate client directives to send MEM's invoice directly to (and receive payment of its fees directly from) the client's custodian as authorized by the client. MEM does not accept custody of client assets and does not deduct fees directly from clients' accounts. MEM recommends that clients who request direct billing arrangements timely review their custodian account statements for all activity, including deductions for fees.

The fees are generally paid monthly or quarterly, in arrears. In the event an account terminates, fees will be prorated for the number of days the account was under management.

Limited Negotiability of Advisory Fees

Although MEM has established the aforementioned fee schedule(s), MEM retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These facts, circumstances and needs include, among other factors, the complexity of the client; assets to be placed under management; early-stage (e.g., Founders Class) investments; anticipated future additional assets; related accounts; portfolio style; account composition; and reporting requirements. The specific annual fee schedule will be identified in the offering documents of each fund or in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, are offered to employees, family members and friends of associated persons of MEM.

Termination of the Advisory Relationship

Clients can terminate their investment management agreement upon providing 30 days' prior written notice. Certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees are generally refunded. In calculating a client's reimbursement of fees, MEM prorates the reimbursement according to the number of days remaining in the billing period.

Additional Fees and Expenses

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and by broker/dealers servicing their accounts.

ERISA Accounts

In certain circumstances, MIIM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act of 1974 ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation.

Advisory Fees

In general, clients should note that similar advisory services are (or are not) available from other registered (or unregistered) investment advisers.

Limited Prepayment of Fees

Under no circumstances does MEM require or solicit payment of fees in excess of \$1,200, six months or more in advance of services rendered.

Educational Events

MIIM employees benefit from educational events sponsored by service providers to MIIM, such as law firms, audit firms, and other professional service firms.

ITEM 6 | Performance-Based Fees and Side-By-Side Management

MEM does not currently charge performance-based fees for its products and services but may do so in the future.

Side-by-Side Management: MEM simultaneously manages multiple types of portfolios, including separate accounts, RICs and sub-advised mutual funds according to the same or a similar investment strategy. These portfolios may include proprietary accounts in which MEM, or its partners have an interest. The simultaneous management of these different investment products creates certain conflicts of interest as the fees for the management of certain types of products may be higher than others. Nevertheless, when managing the assets of such accounts, MEM has an affirmative duty to treat all such accounts fairly and equitably over time.

Although MEM has a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that MEM use the same investment practices consistently across all portfolios. In general, investment decisions for each client account will be made independently from those of other client accounts and will be made with specific reference to the individual needs and objectives of each client account. In fact, different client guidelines and/or differences within particular investment strategies may lead to the use of different investment practices for portfolios within a similar investment strategy. In addition, MEM will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of assets under management, investable cash available, different strategies, or different risk tolerances. In addition, some client accounts may purchase long positions in certain securities while other client accounts simultaneously sell short these same securities. As a result, although MEM manages numerous portfolios with similar or identical investment objectives or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Since side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of a client or a group of clients, MEM has procedures designed and implemented in furtherance of its efforts to treat all portfolios fairly and equally over time. By utilizing these procedures, MEM believes that portfolios that are subject to side-by-side management alongside other products are receiving fair and equitable treatment over time.

ITEM 7 | Types of Clients

MEM provides advisory services to client types that include, but are not limited to:

- State or municipal government entities
- Pooled investment vehicles

- Charitable organizations
- Pension and profit sharing plans
- Investment companies
- High net worth individuals
- Corporations or other businesses not listed above

ITEM 8 | Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis

MEM's equity strategies employ a relative value perspective. MEM invests in sectors and companies that have attractive valuations and potential catalysts MEM expects will lead to accelerated earnings and cash flow growth. MEM uses both a macro level approach as well as a company-specific, catalyst-driven philosophy.

MEM uses a macroeconomic approach to identify broad themes and trends that can be exploited through portfolio construction. The MEM investment team analyzes and evaluates the implications of broad macroeconomic data points, market developments, economic indicators, and sector trends.

The team evaluates the general level of economic activity, interest rates, core inflation trends, macro growth and profitability, business input costs, and observations made by the sector analysts. This macro level analysis influences decisions related to sector weights, strategic positioning, tactical portfolio weightings, and management of implicit and explicit risks.

Company-level research drives performance through value-added stock selection, seeking to identify companies with higher-than-average earnings growth, low relative valuations, high relative return on capital, strong balance sheet metrics, and excess cash flow generation capability. The selection process begins with a universe of companies with market capitalizations that are consistent with the companies in the Russell 2000 Index for the Small Cap Value and the Small Cap Core strategies and the Russell 2500 Index for the SMID Cap Value strategy. Companies with negative forecasted earnings per share, negative book value, significantly low prices, and insufficient liquidity, are generally eliminated from the universe.

Analysts use third-party software and resources to screen the universe for companies with relative valuation and potential growth characteristics, although MEM does not use a quantitative ranking or scoring system. Analysts focus on various fundamental factors including a company's ability to drive revenue growth, new product cycles, industry/sector spending dynamics, incremental margins, margin expansion from internal sources, operating and financial leverage, return-on- capital, and prospective earnings growth. MEM also incorporates consideration of environmental, social and governance ("ESG") factors within their fundamental assessment of macro, sector and company specific trends. MEM believes that certain ESG factors have the potential to reduce the cost of capital, materially lower operating costs or increase the profitability of a company, which can, in turn, lead to higher investment returns.

After identifying potential investment candidates, analysts continue the due diligence process, which include discussions with company management, formulating earnings and cash flow projections, identifying potential catalysts, gaining a market perspective of forward expectations from both proprietary and third-party resources, and assessing both macro- and company-specific risks for the company under consideration.

MEM's equity valuation methodology uses both historic and current relative valuations to help determine the appropriate value of a stock. Once a company is added to the portfolio, it is dynamically monitored. The investment team continually monitors relative performance, updating price targets as necessary. MEM will liquidate an investment based on several factors, including asset valuation, changes in prospective fundamental attributes and the availability of alternative investments with potentially higher returns. MEM generally will not sell a stock merely due to market appreciation, unless it exceeds the strategy's target capitalization range.

MEM portfolios are primarily invested in U.S. exchange-traded domestic common equity securities. MEM defines "domestic" to include companies consistent with the securities in the applicable benchmark indexes that are non-ADRs, trade on U.S. exchanges, file with the Securities and Exchange Commission (SEC), and/or are classified as Benefit-Driven Incorporations. Companies incorporated in certain regions (e.g., Bermuda, Cayman Islands, Bahamas) are considered Benefit-Driven Incorporation companies, because they typically incorporate in these regions for operations, tax, political or other financial market benefits. All companies in the Russell U.S. indices are considered to be domestic securities.

To accommodate client cash flows, MEM purchases Exchange Traded Funds (ETFs), as described below. Under normal market conditions, MEM does not attempt to time the market and portfolios remain fully invested. Investment implementation strategies include long term purchases (securities held at least a year), short term purchases (securities sold within a year), and trading (securities sold within 30 days).

Investment Strategies

The investment objective of the MEM strategies is to achieve total return (i.e., long term growth of capital and high current income) by investing in common stocks which appear to be undervalued relative to the stock market in general at the time of purchase. The objective seeks superior market cycle total returns, with an emphasis on relative performance in difficult market environments.

The investment philosophy upon which our investment process is built postulates that the value of a company is ultimately determined by its cash flow generation and capital allocation. Astute in-depth research can identify mispriced companies whose valuations offer a compelling risk/reward tradeoff.

The goal is to purchase a diversified set of quality stocks that are trading below their intrinsic value and sell these stocks as they return to fair market value.

FORMS OF RISK

Past Performance

Past performance is not necessarily indicative of future results. There can be no assurance that MEM will achieve results comparable to those previously attained or those achieved by MEM in its management of other client accounts (including other private investment partnerships).

General Economic and Market Conditions

The success of any investment activity is affected by general economic conditions, which affect the level and volatility of interest rates and the extent and timing of investor participation in the securities markets. Unexpected volatility or illiquidity in the markets in which MEM (directly or indirectly) holds positions could impair MEM's ability to carry out its investment strategy.

Amount of Funds Under Management

An increase or decrease in assets managed by MEM have an impact on MEM's investment actions or returns.

Active Management Risk

A client's portfolio is subject to active management risk because it relies on MEM's ability to pursue the portfolio's goal. MEM will apply investment techniques and risk analyses in making investment decisions for the portfolio, but there can be no guarantee that these will produce the desired results. Notwithstanding its benchmark, the portfolio buys securities not included in its benchmark or holds securities in different proportions than its benchmark.

To the extent the portfolio invests in those securities, its performance depends on MEM's ability to choose securities that perform better than securities that are included in the benchmark.

Value Investing Risk

Certain equity securities (generally referred to as value securities) are purchased primarily because they are selling at prices below what an adviser believes to be their fundamental value and not necessarily because the issuing companies are expected to experience significant earnings growth.

Although MEM does not invest in securities based solely on absolute valuation, its value strategy portfolios bear the risk that the companies that issued these securities may not overcome the adverse business developments or other factors causing their securities to be perceived by MEM to be underpriced or that the market may never come to recognize their fundamental value and the stock may not increase in price, as anticipated. The strategy of investing in value stocks also carries the risk that in certain markets value stocks will underperform growth stocks.

Exchange-Traded Funds (ETFs) Risk

When significant client contributions or withdrawals are made in a portfolio managed by MEM, can invest in exchange traded funds (ETFs) temporarily, as an efficient way to minimize the potential performance impact of these large cash movements. An ETF is a type of investment company whose shares are bought and sold on a securities exchange. An ETF represents a fixed portfolio of securities designed to track a particular market segment or index. ETFs provide the opportunity to temporarily gain exposure to a portion of the market while awaiting an opportunity to purchase the underlying securities directly or transfer assets out of an account. The risks of owning an ETF generally reflect the risks of owning the underlying securities it tracks, although lack of liquidity in an ETF could result in it being more volatile; and ETFs have management fees that increase their costs. MEM uses only widely traded and highly liquid ETFs that match the investment strategy of the particular portfolio. MEM only uses ETFs as a temporary measure to assist in maintaining exposure in the selected strategy.

IPOs Risk

When consistent with a client's investment guidelines, MEM occasionally purchases securities sold in underwritten public offerings for the client's account (sometimes referred to as "deal securities"). In certain cases, these public offerings constitute over-subscribed offerings in which the offered securities trade, or are expected to trade, at a premium to their offering price upon commencement of secondary market trading. Deal securities, particularly those issued in initial public offerings ("IPOs"), often involve greater volatility and higher risk relative to other types of securities purchased for client accounts.

High Portfolio Turnover Risk

Small cap and small-mid cap strategies generally have a higher portfolio turnover rate. This involves correspondingly greater brokerage commission expenses and additional capital gains tax liabilities, which can affect investment performance. The portfolio turnover rate will vary from year to year, and within a year.

Smaller and Medium-Size Company Risks

Stocks of smaller and medium companies tend to be more volatile than those of large companies and can underperform stocks of large companies over any given period of time. Equity securities risk and liquidity risk can be greater for securities of smaller and medium-size companies as compared to large companies. These companies may have limited product lines or markets, less access to financial resources or less operating experience, or may depend on a few key employees. Stocks of smaller and medium-size companies may not be widely known to investors and may be more thinly traded or may trade only in certain markets, making it difficult to buy or sell them in large volume.

MEM only invests in exchange-traded securities for which there is a readily available market. However, sometimes a security is deemed to be “illiquid.” All securities undergo a liquidity screen in which MEM examines the relative position size attainable with a 25-35% market participation threshold over 10 trading days. A full position is 1-2% while smaller weightings can be used for securities with liquidity constraints. MEM analyzes the liquidity of the portfolio monthly. If a security falls below this threshold, it is deemed “illiquid.” MEM limits its exposure to these securities to 15 percent of the overall portfolio. Equity portfolios typically hold between 60 and 90 stocks.

Investments in Equity Securities

Common stock and similar equity securities generally represent the most junior position in an issuer’s capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. Warrants and stock purchase rights are securities permitting, but not obligating, their holders to subscribe for other equity securities, and they do not represent any rights in the assets of the issuer. As a result, warrants and stock purchase rights are considered more speculative than other types of equity investments. ETFs can trade at a discount to their NAV and the price of the ETF may not reflect the value of the ETF’s underlying holdings. ETFs are subject to the market fluctuations of their underlying investments. ETFs are subject to management fees and other expenses.

Investment in Thinly Traded Securities

MEM can invest in thinly traded securities. As a result, MEM may be required to hold such securities despite an adverse price movement.

Lack of Liquidity in Markets

Despite the heavy volume of trading in securities, the markets for some securities have limited liquidity and depth. This lack of depth could disadvantage MEM, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Other Clients of MEM

MEM has responsibility for making investment decisions for its clients. MEM and its principals also trade for their own accounts and manage other accounts. These accounts employ different or similar trading strategies and could increase the level of competition for the same trades or positions that MEM might otherwise make, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security at a satisfactory price.

MEM and its affiliates employ investment methods, policies and strategies which differ from those employed on behalf of MEM's clients. Therefore, the results of MEM's trading can differ from those of other accounts managed by MEM and its affiliates.

Suspensions of Trading

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension would render it temporarily or permanently impossible to liquidate positions and could thereby expose MEM's clients to losses.

Risks for All Forms of Analysis

MEM's securities analysis methods would rely on the assumption that the companies whose securities MEM purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While MEM is alert to indications that data may be incorrect, there is always a risk that MEM's analysis can be compromised by limited, inaccurate or misleading information.

Long-term Purchases

MEM generally purchases securities with the idea of holding them in the client's account for a year or longer. Typically, MEM employs this strategy when it believes the securities to be currently undervalued. However, MEM employs whatever holding periods are deemed appropriate.

Risk of Loss

Securities investments are not guaranteed, and clients may lose all invested funds.

ITEM 9 | Disciplinary Information

MEM and its management personnel have no reportable disciplinary events to disclose.

ITEM 10 | Other Financial Industry Activities and Affiliations

Certain employees of MIIM are separately licensed as registered representatives of Mesirow Financial, Inc. ("MFI"). These individuals, in their separate capacity, can and do at times, affect securities transactions for which they will receive separate, yet customary compensation.

While MIIM and these individuals endeavor at all times to fulfill their fiduciary responsibilities to clients, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

As part of its proprietary investing program, MIIM or an affiliate can utilize futures contracts and related options for hedging and yield enhancement purposes.

Certain employees, in their individual capacities, can be agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

The principals of MIIM can be principals of the general partner of funds sponsored by MIIM. The general partner of these funds designates MIIM as having primary responsibility for investment management and administrative

matters, such as accounting tax and periodic reporting, pertaining to the Fund. MIIM and its members, officers and employees will devote to the funds as much time as it deems necessary and appropriate to manage the business. MIIM and its affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the funds. Such activities could be viewed as creating a conflict of interest in that the time and effort of MIIM management personnel and employees will not be devoted exclusively to the business of the funds but could be allocated between the business of the funds and other business activities.

As noted previously, MIIM or its affiliates acts as a general partner or sponsor of various private investment vehicles which MIIM can recommend or sell to its advisory clients. Prior to the sale of any such investments, MIIM will disclose any potential conflicts of interest and recommend the investment only if it appears suitable for the client.

Clients should be aware that the receipt of additional compensation by MIIM and its management persons or employees creates a conflict of interest that potentially impairs the objectivity of MIIM and these individuals when making advisory recommendations. MIIM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. MIIM typically takes the following steps to address and to mitigate any potential conflicts:

- MIIM discloses to clients the existence of all material conflicts of interest;
- MIIM collects, maintains and documents accurate, complete and relevant client background information, including the client's investment mandates, financial goals, objectives and risk tolerance;
- MIIM's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable for the client's needs and circumstances;
- MIIM requires that our employees seek prior approval of any outside employment activity to ensure that any conflicts of interests in such activities are properly addressed;
- MIIM periodically monitors outside employment activities of its employees to verify that any conflicts of interest continue to be properly addressed; and
- MIIM educates its employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

Material Relationships

MIIM serves as the investment adviser to a Mesirow proprietary mutual fund and CITs which are offered through entities affiliated with SEI. MIIM has a significant relationship with SEI which includes services pertaining to Mesirow's proprietary mutual funds and CITs, as well as additional back-office services. MIIM receives an advisory fee based on assets in the mutual fund and CITs. MIIM portfolio managers and other employees are also invested in the Mesirow proprietary mutual fund. MIIM does not recommend to clients or purchase mutual funds on behalf of clients for their separately managed portfolios.

ITEM 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MIIM has adopted a Code of Ethics that sets forth the ethical standards of business conduct that MIIM requires of its employees, including compliance with applicable federal securities laws.

MIIM and its personnel owe a duty of loyalty, fairness, and good faith towards clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code of Ethics.

MIIM's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by MIIM's access persons. MIIM has additional policies and procedures relating to the preclearance of all employee trades (other than securities deemed exempt from this obligation). MIIM's Code of Ethics also provides for oversight, enforcement, and recordkeeping provisions.

MIIM's Code of Ethics further includes policies and procedures governing gifts and entertainment, outside business activities, confidentiality of information and information barriers, and charitable and political contributions. The Code of Ethics also prohibits the misuse of material non-public information and emphasizes the avoidance of conflicts of interest with investors. Each employee must acknowledge the terms of the Code of Ethics on an annual basis. Any employee who violates the Code of Ethics may be subject to possible actions, which may include enhanced supervision, censure, suspension, or termination.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email (maryjo.hayes@mesirow.com) or by phone (312.595.6512).

MIIM is part of a group of affiliated financial services companies that perform a number of different services for a client. MIIM is mindful of the conflicts or potential conflicts that such relationships create. Consequently, MIIM has adopted a Code of Conduct that prescribes standards of conduct required of all employees, regardless of their position or affiliation in the group. The Code prohibits self-dealing and other improper activities, the misuse of material non-public information, and it emphasizes the avoidance of conflicts of interest with clients. Some specific areas of potential conflict are discussed below.

MIIM and/or individuals associated with it can buy or sell for their personal accounts' securities identical to or different from those recommended to our clients. In addition, any related person(s) can have an interest or position in certain securities that may also be recommended to a client. However, it is the expressed policy no personal securities transactions will be cleared if the corresponding entity (1) has a conflicting order pending or (2) is actively considering a purchase or sale of the same security. A conflicting order is any order for the same security, or an option on that order, which has not been fully executed by the particular division.

Except as described below, MIIM does not aggregate employee trades with client transactions.

MIIM, through MFI (an affiliated broker/dealer), may direct the purchase or sale in securities on a principal basis in accordance with Section 206(3) under the Investment Advisers Act of 1940, as amended. MIIM would not place trades with MFI.

As these situations represent actual or potential conflicts of interest to clients, MIIM has established the following policies and procedures for implementing its Code of Ethics, to ensure our firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of MIIM can put his or her own interest above the interest of an advisory client.
2. No principal or employee of MIIM can buy or sell securities for their personal portfolio(s) based on information received as a result of his or her employment unless the information is also available to the investing public.

3. It is the expressed policy that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account by the particular division for which they are employed.
4. MIIM requires prior approval for any IPO or private placement investments.
5. MIIM maintains a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by the appropriate designated supervisor.
6. MIIM has established procedures for the maintenance of all required books and records.
7. For accounts custodied at National Financial Services ("NFS"), with which MIIM's broker/dealer affiliate has a clearing arrangement, clients are fully informed that related persons can receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where MIIM is granted discretionary authority.
9. All of MIIM's principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
10. MIIM requires delivery and acknowledgement of the Code of Ethics by each access person.
11. MIIM has established policies requiring the reporting of Code of Ethics violations to senior management.

Any individual who violates any of the above restrictions may be subject to possible actions, which may include enhanced supervision, censure, suspension, or termination.

Managed Accounts for Employees

Certain employees and officers of MEM or its affiliates (collectively, "employees") invest in MEM's Small Cap Core Equity strategy via separate accounts in the same manner as clients do. Because their accounts are being managed by MEM in the same strategy as clients, the personal trading prohibition of the Code against investing in securities in client portfolios cannot practically apply. These separately managed accounts will generally invest in the same securities at the same time as client accounts. MEM's management of accounts for employees raises a potential conflict of interest that MEM may give preferential treatment to its employees in the allocation of investment opportunities, prices or commission rates. MEM mitigates these conflicts by adhering to established policies and practices designed to allocate opportunities and expenses equitably across all accounts. (See Item 12 below for brokerage policies and practices.)

Other Participation or Interest in Client Transactions

Due to the fact that MIIM is compensated based on AUM, MIIM employees are incentivized to request that clients open accounts and to add assets to new and existing accounts.

ITEM 12 | Brokerage Trading Practices

Best Execution Policy and Practice

MEM's policy is to seek best execution for all client transactions. MEM will seek to execute securities transactions for clients so that the client's total cost or proceeds are most favorable under the circumstances. There is no guarantee that best execution will be achieved for every transaction.

MEM's Compliance Committee reviews trading practices for best execution. This review includes trade execution analysis, broker selection, commissions, soft dollar arrangements, client directed brokerage, trade aggregation and allocation, trade errors and other trading issues.

Selection of Brokers

MEM's overriding mandate with regard to broker selection is the pursuit of "best execution" of clients' transactions. In selecting brokers, MEM considers the full range and quality of a broker's services, including, but not limited to, execution capability, market impact, the value of research provided, commission rates, and any other factors that MEM believes are relevant and add value to the transaction under prevailing market conditions.

The selection of brokers is managed jointly by the investment and trading teams. The portfolio managers, analysts, and traders review existing relationships and potential additions and deletions on a monthly basis and in greater detail semi-annually. MEM periodically and systematically evaluates the performance of brokers executing client transactions. As part of this analysis, they review broker service levels and execution ability. Additional factors used in evaluating brokers include MEM's institutional investment voting for sell-side research, quantity and quality of analyst meetings, quantity and quality of broker-sponsored analyst meetings, MEM's attendance at broker-sponsored conferences, and sales coverage.

MEM does not place trades solely on lower commission costs. MEM pays commission rates for client transactions that it believes to be competitive in light of the products and services received by MEM and its clients, including but not limited to: proprietary research, independent/ third party research, trading systems, and execution service (including trade execution and settlement). Where possible, MEM negotiates commission rates with trading partners that reflect factors such as the degree and complexity of broker involvement, execution venue(s) utilized, facilitation of liquidity, the provision of research and brokerage products and services qualifying under 28(e), the breadth and depth of relationship, and other considerations MEM believes are relevant and provide value to the trade.

MIIM does have an affiliated broker/dealer, MFI. MEM does not place trades with MFI.

Brokerage for Client Referrals

MEM does not select brokers in exchange for client referrals.

MEM sometimes uses brokers affiliated with firms which have retained MEM as a subadviser and adviser or who have recommended or may recommend MEM or an MEM sub-advised fund to their clients. MEM also pays such entities (both in hard and soft dollars) for business services provided to MEM, such as back-office systems or research services.

While all of these situations create conflicts of interest, in all cases, MEM's policy is to select brokers based on the broker's ability to add value to client transactions. To mitigate any conflicts, MEM follows the same due diligence process on all brokers, whether or not they have affiliates that can retain MEM to provide investment management services.

MEM sometimes purchases securities of publicly traded brokers for client accounts that it also uses for executing client transactions. It is MEM's policy to select securities for client portfolios in accordance with its fiduciary duties to clients and the client's investment restrictions. MEM uses a rigorous process to select investments for clients (See Item 8- Methods of Analysis, Investment Strategies and Risk of Loss).

Soft Dollars

MEM obtains investment research products and services via soft dollar arrangements, including commission sharing arrangements, with brokers. A soft dollar arrangement is one in which a broker provides an adviser with research or other services and products in return for commission dollars paid for executing securities transactions on client accounts, rather than charging the manager a separate fee for the services or products. When MEM uses soft dollars to obtain research or other products or services, MEM receives a benefit because it does not have to pay out of pocket for such expenditures.

In any arrangement that includes soft dollar payments, commission rates are generally higher than rates otherwise available for "execution only" service. SEC regulations under §28(e) of the Securities Exchange Act of 1934 allow and provide a safe harbor under certain conditions for an adviser to pay higher commission rates for research and brokerage services with the commission dollars generated by client account transactions.

In determining whether a service or product can be paid with soft dollars, the service or product must provide lawful and appropriate assistance to the adviser in carrying out its investment decision-making responsibilities for its clients. MEM's policy is to use soft dollars only to pay for research products and services that qualify under the SEC's safe harbor, and to do so exclusively via agency transactions.

Because MEM uses soft dollars, MEM has an incentive to select brokers based on MEM's interest in receiving research products or services. However, MEM's practice is to select the broker it believes to be the most appropriate for the transaction. MEM traders have the discretion to select brokers to execute specific transactions based on factors that they believe will add value to the trade. MEM follows the same due diligence process on all brokers, whether or not they provide research or soft dollar services.

MEM maintains soft dollar arrangements for those research products and services that assist MEM in its investment decision-making process. Research furnished by brokers assists MEM in its investment decision making process, thereby benefitting all clients of the firm. Certain clients will also benefit from eligible products or services even though such clients do not participate in soft dollar arrangements. Some clients, by instruction to MEM, do not participate in generating funds in CCAs and/or proprietary research allocations. The orders for these clients tend to be part of an aggregated order and receive the same pricing that others in the block receive. However, their commissions do not contribute to the research costs borne by the other clients of MEM because they are automatically flagged to be excluded in the calculations for soft dollars. In addition, the orders for these clients may go after an aggregated order and these clients may receive pricing that is less favorable than those clients whose orders are in the block. Furthermore, the orders for these clients may be part of an aggregated order and receive the same security price that others in the block receive, but could receive a lower commission rate (i.e., known as an execution-only commission rate) than the others in the block receive.

MEM sometimes obtains research from entities (or their affiliates) that have recommended or may recommend MEM or MEM advised and sub-advised funds to their clients. In all cases, MEM's decision to obtain research with soft dollars is based on the quality and value of the research to client accounts and not on that entity's (or its affiliate's) potential to recommend MEM to prospective clients. MEM makes a good faith determination that the market value of the services received under soft dollar arrangements are reasonable in relation to the commissions paid.

Where a product or service obtained through a soft dollar arrangement has a mixed use (i.e., can be considered both research and non-research), MEM will reasonably allocate the costs according to its use between the portion that is eligible as research and the portion considered non-research. The portion eligible as research will be paid

for with discretionary client commissions and the non-research portion, which is not eligible for the § 28(e) safe harbor, will be paid for with MEM's own funds. While the mixed-use allocation process itself creates a conflict of interest, MEM would make a good faith effort to determine an appropriate allocation, which must be approved by a member of MEM's Compliance Committee.

The specific payment methodology and metrics used to obtain products and services via soft dollar relationships varies among providers and platforms. Third-party research is generally obtained via payment structures that encompass an explicit execution cost beyond which soft dollar credit is earned, such as Commission Sharing Arrangements, cost-plus models, or the application of a ratio to the known cost. Proprietary research is generally provided in exchange for payment of commissions at various levels which in turn enables differentiated amounts and nature of service. In the case of proprietary research, it is not possible for MEM to identify the specific amount of soft dollar credit included in the bundled commission paid to a particular broker and therefore calculated estimates are used for reporting purposes.

Soft dollar contracts must be approved by a member of MEM's Compliance Committee. Approval is granted to requests that meet the requirements of the federal securities laws and MEM's written policy. Arrangements for soft dollar research are structured such that the agreement for the provision of services, including the payment obligations, meets the safe harbor requirements of §28(e) of the Securities Exchange Act of 1934.

Clients may contact their client service officer at 312-595-2279 to receive a breakdown of total commissions generated on their account by type, including any soft dollar or client recapture program commissions, and the brokers used.

Types of Research

MEM uses both proprietary and third-party research to assist in the investment-decision making process for the management of its clients' assets. This research includes research reports; economic, political and financial data and analysis; financial publications; trading and portfolio management software and services; access to company management and analyst conferences, and industry consultants; and trading and investment seminars.

Directed Brokerage Arrangements

MEM does not recommend, request, or require that clients direct MEM to execute transactions through a specified broker. Directed brokerage arrangements are initiated only at the request of a client.

Clients can instruct MEM in writing to use a specific broker or brokers to execute a portion of the trades on their accounts. This type of arrangement is considered a "directed brokerage arrangement" and such brokers are "directed brokers". A client's directed brokerage instructions will remain in effect until the client notifies MEM in writing of any change. The client and MEM will agree to either a goal or limit on the percentage of account transactions subject to directed brokerage, and those goals or limits can be different for different clients depending on the investment strategy, directed brokerage firm(s) to be used, and other factors.

ERISA and other employee benefit plan fiduciaries are responsible for determining that these directed brokerage arrangements are in the best interests of the plan participants and do not cause MEM to unknowingly engage in a prohibited transaction.

For all client-directed brokerage arrangements, clients should know that a disparity can exist between the commissions borne by the client's account and the commissions borne by MEM's other clients' accounts that do not direct MEM to use a particular broker. By instructing MEM to execute transactions on behalf of their account

through a directed broker(s), the client can pay higher commission rates or receive less favorable prices than those that MEM might obtain for its other clients through negotiating volume discounts or block (aggregated) trades. In addition, clients who have restricted brokerage to particular brokers may have their orders executed after those accounts that do not have such restrictions, which could negatively influence the price paid/received in certain circumstances.

MEM attempts to use "step outs" where appropriate to accommodate directed brokerage. When appropriate, MEM aggregates the trades of clients who have requested that their brokerage be directed to the same brokerage firm(s), and/or aggregate those blocks with other trades, generally into the largest trade block(s) possible given the participating accounts and nature of the transaction. Those clients whose directed brokers will not accept step-outs and clients who specifically prohibit the use of step-outs, can have all or a portion of their trades executed after the completion of orders of clients who do not direct brokerage or who do not prohibit the use of step-outs (See Step-Out Trades and Trade Aggregation and Allocation below).

Step-Out Trades

MEM uses step-out trades where appropriate and permissible, to accommodate directed brokerage transactions at the request of a client. This means that a broker, other than the broker indicated on a client's trade confirmation as having settled and received commission credit (the "credit broker") for a trade, may have executed the trade (the "executing broker").

In such cases, the executing broker "steps out" credit for the trade to the credit broker and does not receive a share of the commissions on that portion of the trade. MEM believes that using step-outs enhances its ability to seek "best execution" on all transactions and improves its ability to meet clients' requests to direct brokerage by allowing MEM to execute block trade transactions with the broker it believes to be appropriate for that transaction.

Trade Aggregation and Allocation

It is MEM's practice, when appropriate, to aggregate (or "block") multiple orders for the same security in a single transaction for the accounts of several clients in order to seek more advantageous and/or equitable average pricing, lower commissions, execution efficiencies, and other benefits. Generally, MEM believes that aggregating the maximum proportion of individual orders into the largest "block" transaction(s) possible provides the greatest advantage to our clients.

MEM uses "Step-Outs" to accommodate clients' direction of brokerage while allowing them to participate in the benefits of "block" trading. However, orders for client accounts with directed brokerage mandates that preclude step outs may not be included in a block trade and may be executed separately after the block trade. Ultimate discretion is left to the trader as to when a particular order is executed.

Traders may randomly insert these orders based on the trader's experience and view of the market to balance competing client interests, so that no client or client group is systematically favored or disadvantaged over time. Occasionally, certain clients will be excluded from block trades due to individual client account restrictions, including directed brokerage, cash restrictions, or rebalancing issues.

Trades for pooled investment vehicles that are advised or sub-advised by MEM, will also be aggregated with other MEM clients' block trades. (Refer to discussion in Item 4.)

When a block trade is filled entirely, it will be allocated among clients according to the guidelines expressed in the trade order. It is MEM's policy that all clients participating in the aggregated execution receive the same execution

price, generally average share price. To the extent commission negotiation has been left to MEM, transaction costs are shared pro rata based on each client's participation in the trade. Any allocation of price or transaction costs that deviates from policy must be approved by a member of MEM's Compliance Committee.

On partially filled aggregated orders, MEM's traders will make good faith judgments whether it is appropriate to allocate the completed portion of the trade pro rata over all accounts involved, based on the number of shares specified for each account in the allocation report, or if "selected allocation" is appropriate. MEM generally will consider making selected allocations when the number of shares traded on a particular day is less than 20% of the initial order. Trade allocations are subject to a five-share minimum which could result in smaller accounts not receiving an allocation in some instances.

Account-specific circumstances can cause traders to modify the initial allocation. Insufficient cash balances, new account funding, significant contributions or withdrawals, account liquidations, minimum position sizes, small lot orders (less than 500 shares), and the need to raise cash for a particular account, among other factors, result in exceptions to the normal allocation procedure. In any such situations, the reason for the exception to the normal allocation procedure is documented. Approval of a member of MEM's Compliance Committee is not required for these types of exceptions.

Occasionally, MEM will purchase securities for one or more accounts and sell the same securities for other accounts. Upon receipt of trade orders with buy and sell directives for the same securities, MEM traders will collaborate to determine the trade sequencing and method, keeping in mind the best interests of all affected clients. In such instances, MEM will generally place such trades with an alternative trading system such as Instinet to be commingled with other trades and automatically executed in the market. MEM is not a registered broker-dealer, would not have an affiliated broker-dealer through which it trades, and would not engage in either principal or agency cross securities transactions for client accounts.

IPOs and Other Limited Investment Opportunities

MEM will allocate such investments equitably over time to all eligible discretionary client accounts whose investment guidelines are consistent with such securities. MEM does not allocate IPOs on the basis of volume of trades on any particular client's account done with any broker, including the broker allocating the IPO. Therefore, clients can be allocated IPO shares disproportionately greater or lesser in quantity than their share of trading activity, either with the allocating broker or all brokers. IPO allocations are also subject to the five-share minimum allocation, which can result in small accounts not receiving an allocation.

On partially filled IPO transactions, MEM's traders will make good faith judgments whether it is appropriate to prorate the allocation over all accounts involved, based on the number of shares specified for each account in the allocation report, subject to a five-share minimum allocation, or if selected allocation is appropriate. MEM will consider making selected allocations under certain circumstances similar to those described above for other securities trades.

Trade Error Policy

While MEM has policies and procedures in place to minimize the risk of trading errors, MEM recognizes that errors occur. MEM's policy and practice is to monitor and reconcile all trading activity, identify and resolve any trade discrepancies promptly, document each trade error with appropriate supervisory approval, and maintain a trade error file. The Compliance Committee must be notified immediately of any trade error. MEM defines a trade

error as a mistake in implementing a trade order, which in turn has a financial impact on a client's account, for which MEM is responsible.

In the event a trading error results from MEM's unintentional mistake and causes a loss to a client's account, MEM will promptly notify the client of the error and the amount of any reimbursement to be made to the client as a result of the error. If an error occurs in a client(s)' account and results in a gain, the client's account will be allocated the benefit of the gain.

ITEM 13 | Review of Accounts

INVESTMENT SUPERVISORY SERVICES PORTFOLIO MANAGEMENT

MIIM has dedicated supervisors, as well as compliance, operational and internal audit staff, who monitor and provide oversight of the investment activities of supervised personnel. The supervisors, or their designees, review and monitor the activities of the portfolio managers and/or investment adviser representatives. Such activities include, but are not limited to, adhering to client guidelines and objectives, employee trading, investment product due diligence and marketing and advertising.

ITEM 14 | Client Referrals and Other Compensation

Client Referrals

MIIM periodically enters into solicitor's arrangements with unrelated third parties ("Solicitors") where MIIM agrees to pay a portion of the fees derived from an account to the individual or entity that referred the account. Unless otherwise disclosed, the client is not charged any amount in addition to the customary advisory fee charged by MIIM. There is no differential between the amount of or level of advisory fee charged by MIIM to the client, attributable to the existence of any Solicitor's arrangement and that charged to other clients of MIIM. MIIM also pays referral compensation to its affiliates and/or their employees. Whenever MIIM pays a referral fee, it requires the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with MIIM;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to MIIM by the client will be above our normal fees in order to compensate the Solicitor.

The advisory fees paid to MIIM by clients referred by solicitors, or by affiliates of MIIM and/or their employees, are not increased as a result of any referral fee.

MIIM may act as a sub-adviser or provide other services to other investment advisers or pooled investment vehicles, including Mesirow- branded pooled investment vehicles, and as such will be paid a fee based on a percentage of the assets of the pooled investment vehicle. MIIM, or an affiliate, may also sell the shares in the pooled investment vehicles to its clients and will receive compensation from the investment adviser or fund family.

It is MIIM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales, awards, or other prizes, from a non-client in conjunction with the advisory services MIIM provides to clients.

ITEM 15 | Custody

MIIM does not have physical custody of any client assets. MIIM clients choose which custodian will custody their assets. Such custodians may be broker-dealers, banks, trust companies, or other qualified institutions. The qualified custodian will typically provide the client with at least quarterly account statements relating to the assets held within the managed account. Each client should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the client's account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to MIIM and the qualified custodian.

MIIM does not recommend any specific custodian. Choice of client's custodian is solely the responsibility of the client.

ITEM 16 | Investment Discretion

Discretionary authority is outlined in the advisory agreement between MIIM and the client.

Clients generally give MIIM full investment discretion to direct transactions in client accounts, subject to reasonable restrictions or limitations.

This means that, subject only to the client's investment guidelines and MEM's fiduciary obligations, MEM has full authority to determine, without prior client consent, the securities and amount of securities to be bought or sold, the brokers used, and the commission rates paid. A client's imposition of restrictions can cause investment performance to differ from the model portfolio for the selected strategy and from other MEM client accounts. Client investment guidelines, including any directed brokerage instructions, must be provided to MEM in writing prior to MEM's management of the assets.

For registered investment companies, public funds, and ERISA accounts, MEM's authority to trade securities can also be limited by other federal, state, and local laws that impose other restrictions.

ITEM 17 | Voting Client Securities

PROXY VOTING POLICIES AND PROCEDURES

Proxies are voted solely in the best interests of Mesirow clients; namely, the Mesirow mutual funds, separate account clients, and where employee benefit plan assets are involved, in the interests of the plan participants and beneficiaries (collectively, "Advisory Clients") that have properly delegated such responsibility to Mesirow. Voting proxies on behalf of our clients is established by Mesirow advisory contracts or comparable documents, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations. Except as otherwise agreed to in writing with a client, Mesirow has no authority or obligation to take any action or render any advice with respect to the voting of proxies on behalf of a client.

Mesirow has designated its Senior Managing Director of Operations as responsible for administering and overseeing the proxy voting process. Mesirow utilizes Institutional Shareholder Services ("ISS") an independent third-party proxy voting service. There are three (3) separate sets of guidelines that are utilized by MEM which are established by ISS, utilizing its expertise and standing within the financial services industry, as well as our own. In general, MEM has instructed ISS to vote Taft-Hartley and other union related accounts in accordance with the Taft-Hartley proxy voting guidelines and Public Fund accounts in accordance with the Public Fund proxy voting

guidelines, each as established by ISS to be responsive to their particular concerns. All other accounts are generally instructed to be voted in accordance with the standard proxy voting guidelines established by ISS.

Directors and employees of Mesirow are sensitive to the possibility that their interests may conflict with the interests of Advisory Clients. Even while a proxy may involve an entity with which a relationship exists, generally the matters put to vote do not cause a conflict of interest between Mesirow and the client. There may be some instances when Mesirow believes its client's best interest is served by abstaining or not voting certain proxies.

Additional information is provided in the procedures. Clients may obtain a copy of our procedures by contacting us at proxyoperations@mesirow.com. In the event that a client of Mesirow requests information as to how a particular proxy had been voted on that client's behalf, Mesirow will provide said information to the client in a timely manner. Under no circumstance will Mesirow disclose to a third party how a proxy had been voted on behalf of a client without that client's expressed, written consent.

ITEM 18 | Financial Information

MIIM has no additional financial circumstances to report.

MIIM has not been the subject of a bankruptcy petition at any time during the past 10 years.