



Tailored to fit

THB Separately Managed Accounts



▶ Serving up institutional small cap asset management with individualized attention.

> Why small- and mid-cap SMAs and why now?

Rapid economic changes and adoption of technology has created a vast set of investment opportunities of small- and mid- cap companies. Combine that with today's secular trends (digitalization, work from home, mobile, SaaS, cybersecurity, AI, big data, decarbonization, medical technologies, etc.), which have been accelerated by COVID-19, and the space remains highly attractive. For investors looking for diversified exposure to high-quality companies – potentially in the prime of their corporate life cycles – small- and mid-cap companies can provide an attractive solution.

> Why THB Asset Management?

- > Managing SMAs since its founding in 1982
- > CIO, Christopher Cuesta is in his 20th year with THB
- > PMs have been working together for more than 10 years
- > Active management
- > 25+-year history of managing customized, SRI portfolios
- > Member of UNPRI since 2016
- > ESG considerations fully integrated across all phases of investment process

▶ THB has a proven track record managing small- and mid-cap portfolios.

- > Experience successfully investing through multiple market and economic cycles.
- > Five-year turnover is low (small cap 33%, mid cap 24%), implying a longer holding period and providing potential tax benefits.
- > THB Small Cap Core Strategy has historically outperformed its benchmark 70% of the time during down periods since inception.
- > THB Mid Cap Core Strategy has historically outperformed its benchmark 100% of the time during down periods since inception.

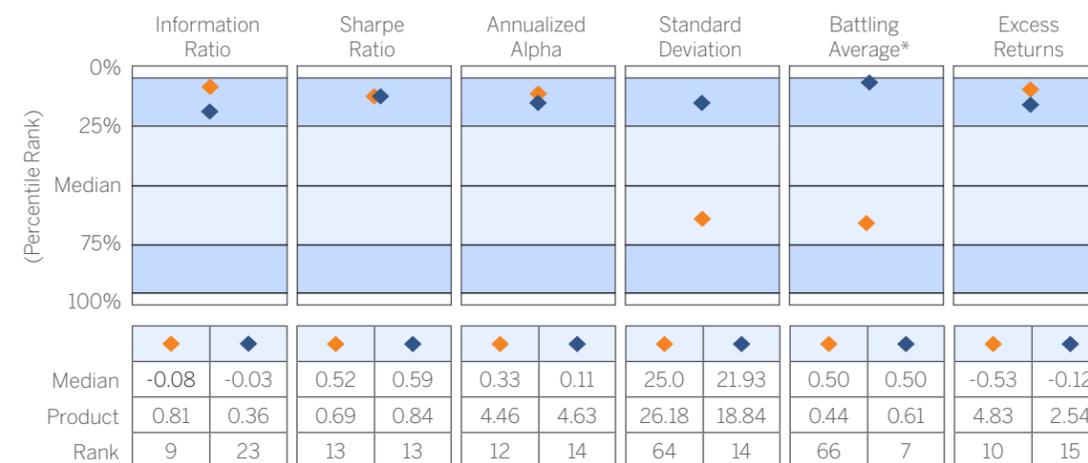
▶ Tenure and expertise.

The graphs further illustrate the team's industry experience and highlight their successful, long-term track record.

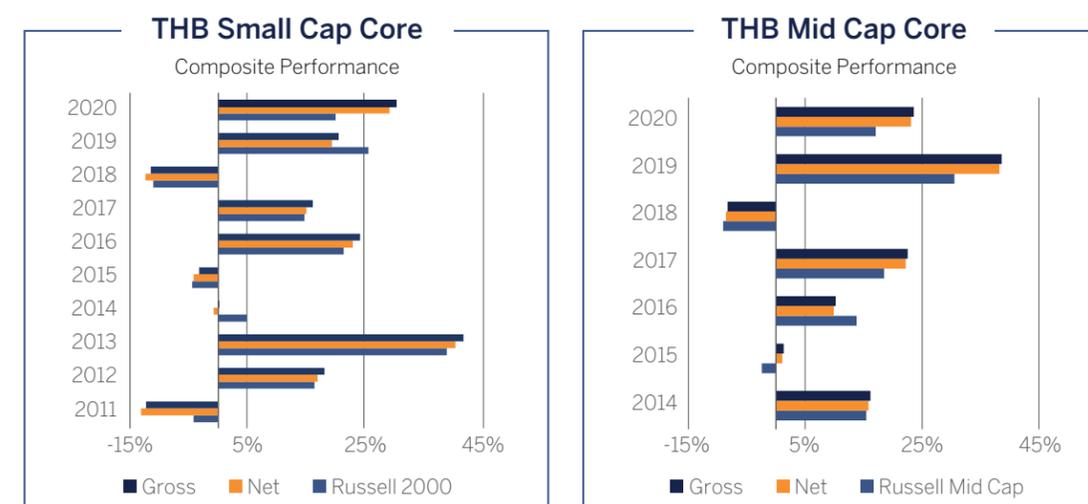
The performance below is based on institutional composites managed by the THB team with similar objectives and strategies to the THB SMAs. Performance and fees of the SMAs will vary and, unlike the composite returns shown, will be affected by wrap fees.

THB Small- and Mid-Cap Composite Performance Results (gross)

- ◆ THB Small Cap Core vs US Small Cap Core Equity vs Russell 2000
- ◆ THB Mid Cap Core vs US Mid Cap Core Equity vs Russell Mid Cap



Source: eVestment. Universes depicted for THB Small Cap Core and THB Mid Cap Core are US Small Cap Core Equity and US Mid Cap Core Equity, respectively for the three-year period ending 3/31/2021.



Past performance does not guarantee future results. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Returns are annualized and expressed in U.S. dollars. Returns are gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings. Net-of-fees returns shown reflect gross performance less actual investment management fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The firm's fees are available on request and may be found on Part II of its Form ADV. High, double-digit returns are highly unusual and cannot be sustained. Investors should be aware that these returns were primarily achieved during favorable market conditions.

SMA's managed by THB Asset Management.

THB is committed to building enduring partnerships with their clients by providing investment products that seek to help achieve each client's long-term goals. THB's entrepreneurial culture and boutique structure allows the team to embrace the unique

needs and preferences of its clients, with a sole focus on providing excellent stewardship of client capital over full market cycles.

All clients have account transparency and are treated with the highest levels of integrity.

Suit up.

Since 1982, THB has specialized in small- and mid-cap niche equity strategies. Led by CIO Christopher Cuesta, the diverse team of eight investment professionals constantly strives to identify the best investment ideas designed to produce outstanding results.

With its robust bottom-up approach, and active engagement of the management teams with which it invests, THB is able to build unique solutions for individual investors that seek to meet their specific investment objectives.

THB believes that diversity of thought leads to better decision making. They foster and support this environment in multiple ways, such as the hiring process, employee management, promotions and continuing education. The team believes that gender, age, international experience and racial diversity contribute to its ability to deliver alpha. Of its eight-person investment team, five have minority backgrounds, five were born and raised outside of the U.S., and four are female.

The portfolio management team



Christopher N. Cuesta, CFA
Chief Investment Officer & Portfolio Manager
> 26 Years Industry Experience
> 19 Years with THB



Manish Maheshwari, CFA
Portfolio Manager
> 22 Years Industry Experience
> 10 Years with THB



Victoria Konstantinova, CFA
Assistant Portfolio Manager
> 10 Years Industry Experience
> 10 Years with THB

- > 2 portfolio managers, 1 assistant portfolio manager
- > 24 years average portfolio manager investment experience
- > 5 research analysts, including 1 dedicated ESG officer
- > 35+ year firm history targeting less efficient areas of the market
- > Micro, small, mid cap and international small cap strategies

How we size up.



Our separately managed accounts are constructed using institutional research processes that suit the individual.

The benefits of our SMA's

- > Professional expertise
- > Tax efficiency
- > Transparency
- > Customization
- > Tailored risk management
- > Deep quality assessment
- > 25+ year history of ESG considerations
- > Strong and consistent performance
- > Competitively low fees

Specialized management. Unique process.

THB SMA's benefit from an established process built over the firm's 35+ year history. THB's process and methods were specifically designed for smaller, less efficient areas of the market.

fundamental analysis and as measures to protect against downside risk, and are fully integrated in the team's research and portfolio construction process.

Three very important proprietary elements of THB's process are its Quality Assessment, Risk Grade and ESG Rating. Each is used in tandem as part of the

These elements are used to adjust economic price targets for securities being analyzed and those currently held in THB's portfolios. The adjusted price targets become a guide for capital allocation.

We screen the entire universe of stocks within the asset class to identify these characteristics:

- ✓ Exceptional management
- ✓ Well capitalized
- ✓ Strong competitive positions
- ✓ Secular tailwinds
- ✓ Near term catalysts
- ✓ Lower risk
- ✓ Positive ESG factors

Proprietary elements working in tandem.



OUR PROCESS



▶ THB Small Cap Core SMA



ASSET CLASS
U.S. Equity



STYLE
Small Cap Blend



MINIMUM ACCOUNT SIZE
\$100K



ACCOUNT FEE
35bps

Our SMA seeks long-term capital appreciation over full market cycles by using a disciplined, bottom-up approach.

The portfolio will be constructed to meet the following criteria:

| | |
|---------------------------|---|
| PORTFOLIO CHARACTERISTICS | <ul style="list-style-type: none"> > Number of Holdings: 70-90 > Portfolio Turnover: 30%-50% > Target Holding Period: 12-24 months > Exposure: High quality, US small capitalization companies > Risk: Standard deviation at or below the Russell 2000 |
| PORTFOLIO GOALS | <ul style="list-style-type: none"> > Seeks long-term capital appreciation over full market cycles by using a disciplined, bottom-up approach. > Seeks to invest alongside proven management teams with sound alignment to shareholder interests. > Focuses on finding companies that have demonstrated a long-term track record of success as measured by their ability to achieve self-funded growth. > Utilizes proprietary risk measurement and expects portfolio risk (as measured by standard deviation) to be similar to or lower than its benchmark. > Seeks to construct a low turnover portfolio, which can potentially provide better after-tax returns. > Targets a core style that seeks to find the best companies regardless of the "style" classification. |

THB Small Cap Core SMA seeks long-term capital appreciation over full market cycles (3-5 years) by using an actively managed, disciplined, bottom-up investment approach. The strategy offers diversified, risk managed exposure to U.S. small capitalization companies and rapidly developing mega trends that are shaping the global economy. The strategy targets a core style and seeks to find the best investment opportunities regardless of style classifications.

The strategy emphasizes companies that have strong management teams, low financial risk and

have demonstrated a long-term track record of success as measured by their ability to achieve self-funded growth through market cycles. Proprietary methods are utilized to measure risk and provide good downside protection. ESG factors are incorporated during the entire research process. The strategy has elected to avoid making investments in entities directly involved in the primary manufacture of complete tobacco products, cluster munitions, thermal coal and fossil fuels. Turnover of the strategy is generally low, offering potential tax advantages.

▶ THB Mid Cap Core SMA



ASSET CLASS
U.S. Equity



STYLE
Mid Cap Blend



MINIMUM ACCOUNT SIZE
\$100K



ACCOUNT FEE
25bps

Our SMA seeks long-term capital appreciation over full market cycles by using a disciplined, bottom-up approach.

The portfolio will be constructed to meet the following criteria:

| | |
|---------------------------|---|
| PORTFOLIO CHARACTERISTICS | <ul style="list-style-type: none"> > Average Number of Holdings: 30 > Portfolio Turnover: 10%-20% > Target Holding Period: 36-60 months > Exposure: High quality, U.S. medium capitalization companies > Risk: Standard deviation at or below the Russell Mid Cap / S&P 500 > Carbon footprint (Tons of CO₂e/\$M sales): At or below the MSCI North America Low Carbon Leaders Index |
| PORTFOLIO GOALS | <ul style="list-style-type: none"> > Seeks long-term capital appreciation over full market cycles by using a disciplined, bottom-up approach. > Seeks to invest alongside proven management teams with sound alignment to shareholder interests. > Concentrated strategy allows focused capital allocation to generate high risk-adjusted returns. > Focuses on finding companies that have demonstrated a long-term track record of success as measured by their ability to achieve self-funded growth. > Utilizes proprietary risk measurement and expects portfolio risk (as measured by standard deviation) to be similar to or lower than its benchmark. > Seeks to construct a low turnover portfolio, which can potentially provide better after-tax returns. > Targets a core style that seeks to find the best companies regardless of the "style" classification. |

THB Mid Cap Core SMA seeks long term capital appreciation over full market cycles (3-5 years) by using an actively managed, disciplined, bottom-up investment approach. The strategy offers diversified, risk managed exposure to U.S. medium capitalization companies and rapidly developing mega trends that are shaping the global economy. The strategy targets a core style and seeks to find the best investment opportunities regardless of style classifications.

The strategy emphasizes companies that have strong management teams, low financial risk and

have demonstrated a long-term track record of success as measured by their ability to achieve self-funded growth through market cycles. Proprietary methods research process. The strategy has elected to avoid making investments in entities directly involved in the primary manufacture of complete tobacco products, cluster munitions, thermal coal and fossil fuels. The strategy also undertakes to maintain a low overall Carbon Footprint (Tons of CO₂e/\$M sales) that is generally at or below that of the MSCI North America Low Carbon Leaders Index. Turnover of the strategy is generally low,

Institutional process delivered individually.

A THB SMA from Victory Capital makes it easy for investors to increase diversification, benefit from tax-efficiency and gain exposure to market segments that can be difficult to access.

Importantly, THB provides extensive research expertise and tools that are utilized to actively assess the quality and risk of each individual opportunity. THB believes this active process, combined with their long history of evaluating ESG factors, provides great potential value as alpha drivers to its clients.

Institutional asset management. Individualized attention.

For more information, contact the Victory Capital Sales Desk at 800.991.8191 or visit www.vcm.com

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All investing involves risk, including potential loss of principal. Fixed income securities are subject to interest rate, inflation, credit and default risk. The bond market is volatile. As interest rates rise, bond prices usually fall, and vice versa. The return of principal is not guaranteed, and prices may decline if an issuer fails to make timely payments or its credit strength weakens. The value of your investment is also subject to geopolitical risks such as wars, terrorism, environmental disasters, and public health crises; the risk of technology malfunctions or disruptions; and the responses to such events by governments and/or individual companies.

The eVestment ranking data was generated on July 15, 2021. As of March 31, 2021, the number of observations varied depending on the trailing performance category. The information and statistical data contained in this material were obtained from third party sources believed to be reliable; however, Victory Capital Management does not guarantee the accuracy of the information and data may differ from information provided by Victory Capital Management. Performance numbers may differ due to rounding differences.

*Note: The Small Cap strategy may underperform during periods when higher risk companies lead the market.

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