

Mesirow High Yield Fund



Institutional Shares - MFHIX

Annual Shareholder Report - September 30, 2024

This annual shareholder report contains important information about Institutional Shares of the Mesirow High Yield Fund (the "Fund") for the period from October 1, 2023 to September 30, 2024. You can find additional information about the Fund at <https://www.mesirow.com/mutual-funds>. You can also request this information by contacting us at 1-833-MESIROW (833-637-4769).

What were the Fund costs for the last year?

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

| <u>Fund Name</u> | <u>Costs of a \$10,000 investment</u> | <u>Costs paid as a percentage of a \$10,000 investment</u> |
|---|---------------------------------------|--|
| Mesirow High Yield Fund, Institutional Shares | \$80 | 0.75% |

How did the Fund perform in the last year?

For the fiscal year ended September 30, 2024, the Mesirow High Yield Fund (Institutional Shares) outperformed the Bloomberg U.S. Aggregate Bond Index by approximately 2%. In addition, despite turning in a relatively robust return of more than 13% for the period, the Mesirow High Yield Fund (Institutional Shares) slightly underperformed the Bloomberg U.S. Corporate High Yield Index (a benchmark with similar investment objectives).

During the fiscal year, the market was overshadowed by investor anticipation of when, if, and by how much the Federal Reserve (Fed) would lower interest rates. For our purposes, we stayed our typical course – investing in the bonds of smaller issuers which we believe gives us an advantage in credit selection and buying lower rated bonds that we believe overcompensate us for the risk we are taking, given our stringent risk analysis.

This investment philosophy has driven our strong performance over longer periods. The longer the investment horizon, the more income impacts total return and often eclipses the impact of smaller price movements. However, during shorter time horizons, outside factors that impact price can play larger roles in relative performance, as was the case this past fiscal year.

The main driver of relative underperformance throughout the fiscal year was interest rates. Our duration historically has averaged about half a year to one year shorter than the benchmark, an attribute that aids relative performance as rates rise and impedes relative performance as rates fall. As such, the falling of the 5-Year Treasury by more than 100bps over the period was responsible for the majority of the Fund's relative performance.

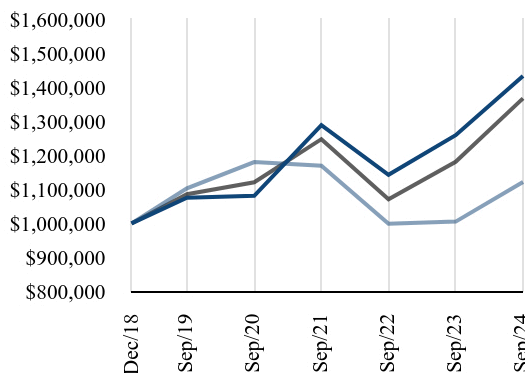
From an industry weighting standpoint, we continue to maintain an overweight position in Basic Industry and Energy as we have consistently been able to find strong relative values in the sectors. By comparison, we are maintaining our underweights to the Communications, Healthcare and Retail sectors, all of which present structural risks that have resulted in above-market defaults in recent years. While these positions either boosted or dampened our performance versus the benchmark over the fiscal year depending on the whims of investors, we are more concerned with their attractiveness on an individual issue basis.

Going forward, corporate fundamentals meanwhile remain strong, and the last twelve-month high yield default rate continues to decrease. We are cautiously optimistic that the Fed's recent rate cuts may help generate additional deal activity which could create more investment opportunities.

How did the Fund perform since inception?

Total Return Based on \$1,000,000 Investment

- Mesirow High Yield Fund, Institutional Shares - \$1,432,777
- Bloomberg U.S. Aggregate Bond Index (USD)* - \$1,121,606
- Bloomberg US Corporate High Yield Bond Index (USD) - \$1,366,900



Average Annual Total Returns as of September 30, 2024

| <u>Fund/Index Name</u> | <u>Annualized Since</u> | | |
|--|-------------------------|----------------|------------------|
| | <u>1 Year</u> | <u>5 Years</u> | <u>Inception</u> |
| Mesirow High Yield Fund, Institutional Shares | 13.80% | 5.91% | 6.36% |
| Bloomberg U.S. Aggregate Bond Index (USD)* | 11.57% | 0.33% | 1.99% |
| Bloomberg US Corporate High Yield Bond Index (USD) | 15.74% | 4.72% | 5.51% |

The line graph represents historical performance of a hypothetical investment of \$1,000,000 in the Fund during the last 10 years. Returns shown are total returns, which assume the reinvestment of dividends and capital gains. The table and graph presented above do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund Shares. **Past performance is not indicative of future performance.** Call 1-833-MESIROW (833-637-4769) or visit <https://www.mesirow.com/mutual-funds> for current month-end performance.

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

Key Fund Statistics as of September 30, 2024

Total Net Assets

\$144,552,038

Number of Holdings

127

Total Advisory Fees Paid

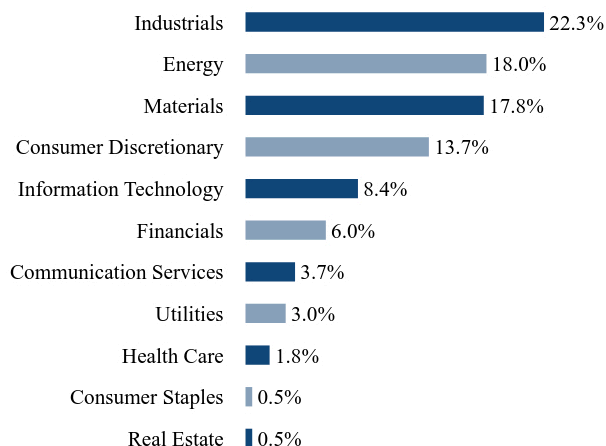
\$248,186

Portfolio Turnover Rate

100%

What did the Fund invest in?

Sector Weightings*



* Percentages are calculated based on total net assets.

Top Ten Holdings

| <u>Holding Name</u> | <u>Percentage of Total Net Assets</u> |
|-------------------------------|---------------------------------------|
| Tenneco | 1.6% |
| ITT Holdings | 1.6% |
| Virtusa | 1.6% |
| Consensus Cloud Solutions | 1.6% |
| Midcap Financial Issuer Trust | 1.6% |
| Borr IHC | 1.5% |
| Rand Parent | 1.5% |
| Venture Global LNG | 1.5% |
| Rain Carbon | 1.5% |
| Allied Universal Holdco | 1.5% |

Material Fund Changes

There were no material changes during the reporting period.

Changes in and Disagreements with Accountants

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

Additional Information

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

- 1-833-MESIROW (833-637-4769)
- <https://www.mesirow.com/mutual-funds>

Householding

Rule 30e-1 of the Investment Company Act of 1940 permits funds to transmit only one copy of a proxy statement, annual report or semi-annual report to shareholders (who need not be related) with the same residential, commercial or electronic address, provided that the shareholders have consented in writing and the reports are addressed either to each shareholder individually or to the shareholders as a group. This process is known as “householding” and is designed to reduce the duplicate copies of materials that shareholders receive and to lower printing and mailing costs for funds. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-833-MESIROW (833-637-4769) to request individual copies of these documents. Once the Fund receives notice to stop householding, we will begin sending individual copies 30 days after receiving your request.

