

MID-CAP STRATEGY

INVESTMENT PHILOSOPHY

Incepted in 1999, the Mid-Cap Strategy utilizes a disciplined, fundamental bottom-up, valuation-based process to select companies that are inefficiently priced relative to the earnings growth outlook over the next three to five years. We have a preference for companies with products or services that make their customers more efficient or profitable, and are critical to their success. We look for a compelling business model, experienced management, financial strength and attractive valuation.

INVESTMENT PROCESS

The investment process includes in-depth internal research, enabling us to identify financially sound companies that offer solid growth prospects, while selling below what we believe is their intrinsic value. Ideas are generated from a variety of sources including SEC filings, industry publications, conferences, sell side research, screens, talking to industry leaders, user experience and competitors of existing holdings. The Portfolio Managers investable universe includes primarily U.S. companies with market capitalizations similar to the mid-cap indices.

We use a combination of quantitative screens and qualitative fundamental research to narrow the initial universe of approximately 1100 securities to the 45-50 securities held in the portfolio. We screen on the following quantitative criteria: top line growth, Price/Earnings, Price/Revenue, and Price/Cash Flow and low leverage; all relative to the company's own history, competitors and the market.

In addition to quantitative measures, we look for companies with the following characteristics:

- Industry leaders in focused businesses with the ability to grow market share
- Proven, effective management
- Strong or improving balance sheets

An integral part of our investment analysis is interaction with management teams. Meetings and conference calls with management typically focus on issues related to the business outlook, market share/competitive positioning,

Engagement

As long-term investors with a focus on mid-cap stocks, Fairpointe tends to get greater access to management. Our investment professionals engage with company management teams regarding all aspects of their business and actively vote proxies. In 2019:



- Over 35 in-person meetings with company management teams
- Over 85 follow-up calls with companies regarding earnings
- Over 50 meetings/calls with prospective portfolio holdings



- Over 40% of the portfolio's holdings have Boards that meet the 30% threshold (30% or greater female Directors) compared to 20% for the S&P 400 Index.

The Fairpointe Mid-Cap Portfolio vs. the S&P 400 Index



- The portfolio's holdings have 54% less carbon intensity than the S&P 400 Index and 73% less than the Russell MidCap Index.



- The portfolio's holdings have **zero** exposure to tobacco.



- The portfolio's holdings have **zero** exposure to controversial weapons.



- The portfolio's holdings have **zero** exposure to gambling.



- The portfolio's holdings have **zero** exposure to nuclear power.

Fairpointe Capital is 100% employee-owned; majority women-owned, and a certified WBENC business*.



* Certified by The Women's Business Enterprise National Council which is the largest third-party certifier of businesses owned, controlled and operated by women in the United States.

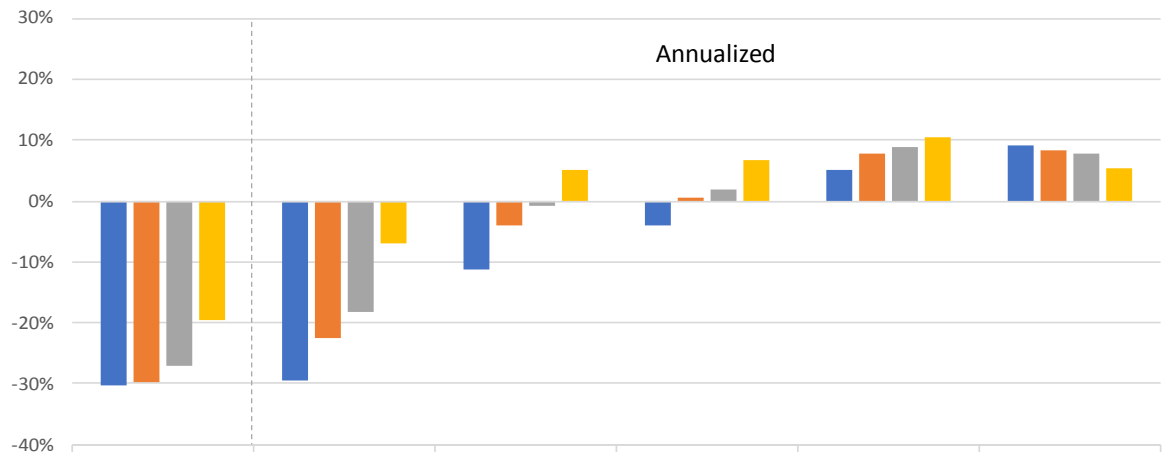
PORTFOLIO MANAGERS

Thyra E. Zerhusen
CEO and Chief Investment Officer
Swiss Federal Institute of Technology, MS
University of Illinois, MA in Economics
43 Years Industry Experience

Frances E. Tuite, CFA
Portfolio Manager
Miami University, MBA
University of Cincinnati, BBA
37 Years Industry Experience

Brian Washkowiak, CFA
Portfolio Manager
University of Illinois, BA
25 Years Industry Experience

For the period ended March 31, 2020



	1Q2020	1 Year	3 Year	5 Year	10 Year	Since Inception**
■ Fairpointe Mid-Cap*	-30.24%	-29.46%	-11.20%	-4.12%	5.13%	9.00%
■ S&P 400 MidCap Index	-29.70%	-22.51%	-4.09%	0.56%	7.88%	8.25%
■ Russell MidCap Index	-27.07%	-18.31%	-0.81%	1.85%	8.77%	7.82%
■ S&P 500 Index	-19.60%	-6.98%	5.10%	6.73%	10.53%	5.38%

* Net of Fees ** Performance represented from April 1, 1999

Source: Axys

TOP TEN HOLDINGS

1. Juniper Networks
2. Molson Coors Beverage
3. Teradata
4. Corning
5. Adtalem Global Education
6. Mattel
7. Agilent Technologies
8. Northern Trust Corporation
9. Scholastic
10. Tegna

PORTFOLIO CHARACTERISTICS

2020 Calendar P/E	10.2
P/Revenue (forward 1-year)	0.7
Long Term Debt/Capitalization	34%
Return on Equity - 5-year Average	12%
Long-Term Earnings Growth Rate (3-5 year)	9%
P/E to Long-Term Earnings Growth Rate	1.3
Average Mkt Cap (\$mil)	\$7,060
Dividend Yield	2.8%
Turnover (3-year annualized)	21.8%
Alpha (3-year)	-6.14
Beta (3-year)	1.06

The above information is based on a representative account.

HOLDINGS BY SECTOR

Sectors	% of Equity Portfolio	% of S&P 400 Index (ETF)	Over/Under
Communication Services	14.7	1.9	12.8
Consumer Staples	8.9	3.7	5.3
Consumer Discretionary	17.2	12.1	5.1
Information Technology	20.1	16.6	3.5
Industrials	17.1	16.1	1.1
Health Care	12.2	11.9	0.3
Energy	0.0	1.0	-1.0
Materials	2.5	5.9	-3.4
Utilities	0.0	5.1	-5.1
Financials	7.1	15.8	-8.7
Real Estate	0.0	9.9	-9.9

The above information is based on a representative account.

DISCLOSURE

The Mid-Cap Composite contains fully discretionary equity accounts that follow the mid-cap style. The Mid-Cap Composite represents portfolios that seek long-term total return through capital appreciation by investing primarily in mid-cap stocks. For comparison purposes the composite is measured against the S&P MidCap 400 and Russell MidCap indices. The S&P MidCap 400 is a market value weighted total return index that represents the performance of the medium-capitalization sector of the U.S. Securities market. The Russell MidCap is a market value weighted total return index that represents the mid-cap segment which measures the performance of the 800 smallest companies in the Russell 1000 index. Both indices are representative of the types of equity assets invested by Fairpointe Capital. Market indices are unmanaged and do not reflect the deduction of fees. You cannot invest in an Index and the performance of the index does not represent the performance of any specific investment. The minimum account size for this composite is \$2.5 million. Prior to May 1, 2011 the account minimum was \$5 million. Effective March 31, 2013, the account minimum has gone back to \$5 million. The Mid-Cap composite was created January 1, 2005. Performance presented prior to May 1, 2011 occurred while the Portfolio Management Team was affiliated with prior firms and the Team was solely responsible for selecting the securities to buy and sell.

Fairpointe Capital is an independent registered investment adviser.

The firm maintains compliant presentations and a complete list of composite descriptions which are both available upon request. Please send inquiries to mkatauskas@fairpointecapital.com or call 312-477-3300.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. Market, economic, company, and industry specific conditions are considered during the investment selection process. This was a period of generally rising security prices.

The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and include the reinvestment of all dividends, capital gains, and other earnings. Net of fee performance is calculated using actual fees.

Policies for valuing portfolios, calculating performance, preparing compliant presentations and a list of all holdings since inception of Fairpointe are available upon request.