PHILOSOPHY, PROCESS, PERFORMANCE, PEOPLE, PUBLICITY, PORTFOLIOS, PONTIFICATION . . . *AND MORE!*

"We study, we plan, we research. And yet, somehow, money still remains more of an art than a science."

Investment Edge

AJO Vista was established in 2021 (with 40 years of history!) by combining AJO + HighVista Systematic Strategies. Our union provides a suite of investment opportunities in high alpha, difficult-to-trade equity strategies across the globe and stacks the deck in favor of investor profit.

- Independent + Employee-Owned
- Seasoned + Systematic
- Well-Balanced + Beyond the Numbers
- Communicative + Client-Aligned
- Cost + Capacity Conscious

Flagship Strategies	**$234mm**
Emerging Markets Small Cap*	214
International Small Cap*	9
US Micro Cap*	10
Opportunity-focused Alternatives	**$74mm**
Amplified Opportunities	57
AV Mitra Market Neutral Long/Short*	17
Client-driven Mandates	**$672mm**
ACWI ex-US Large Cap	518
Emerging Markets Large Cap (custom)	154
Client-support Services	**$390mm**
Seven clients*	$1.4 b

*Pooled funds available. Each recorded as a single client. As of 12/31/23

Firm Summary

About us: AJO Vista is an independent, registered investment adviser, employee-owned and backed by AJO, HighVista Strategies, and Missouri LAGERS. We have offices in Philadelphia and Boston. Our inception is 2021, but our history dates to 1984 and the advent of the quant revolution.

We seek superior results in high alpha, difficult-to-trade strategies across the globe. We manage over $1 billion in flagship strategies (Emerging Markets Small Cap, International Small Cap, US Microcap), opportunity-focused alternatives (AV Mitra Market Neutral Long/Short and Global Amplified Opportunities), and client-driven mandates.

Philosophy: We believe an investment approach should be agile enough to react to the complexity of the equity markets. It should also be transparent and intuitive in the execution and explanation of investment decisions. The more direct the path to clarity and conviction, the better the opportunity for long-term success.

Approach: In our flagship strategies, we invest in well-balanced companies with evidence of **value** *and* **quality** *and* **momentum** *and* **stability**. In our opportunity-focused alternatives, we exploit thematic insights and non-traditional investment resources. In all our strategies, our investment decisions are more productive when we focus on smaller companies, look beyond the numbers, and amplify what works within well-defined peer groups.

An investment can be right and still be risky. Leaning skeptically on optimizers and heavily on common sense, we choose where to diversify and what to avoid to minimize uncompensated risks.

We know transaction costs — the ultimate cost of implementing any investment strategy — are higher and more hidden than generally perceived. Controlling transaction costs according to the measure of "implementation shortfall" is our key to holding equity-market profits.

We prize markets complex enough to challenge the experienced investor, yet rich enough to reward success, and we encourage client-driven mandates tailored to meet specific needs.

Investing & Leadership

Ted Aronson
Founder + Business Development

Maarten Ballintijn
Quantitative Analyst

Jesse Barnes
Founder + CEO + CIO

Cortney Botsch
Operations Analyst

Chris Cardi
Quantitative Analyst

Grace Ecclestone
Client Communications

John Jacques
Quantitative Analyst

Paul Koehler
Quantitative Analyst

Ross Koval
Quantitative Analyst

Pete Landers
Head of Trading

Gina Moore
Founder + Business Development

Nik Takmopoulos
CFO + COO

The Rest of the Team

Accounting
Deloitte, Enfusion

Back Office
Constellation

Compliance
Optima

Custodian
Northern Trust

Fund Admin
SS&C

IT
Agio

Legal
Foley Hoag, Maples & Calder

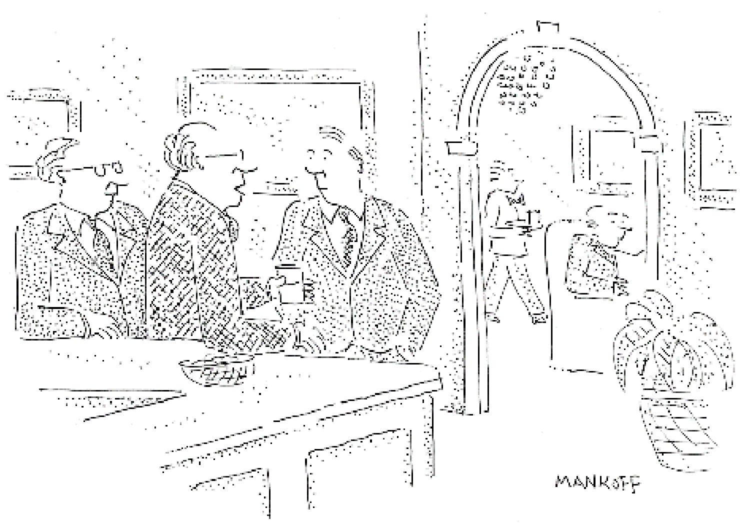
Offerings:

Our objectives for our marketed strategies follow. These objectives do NOT reflect actual account returns and are NOT guaranteed returns. Actual client returns may differ materially, and clients may —*gulp!* — lose money.

	Composite / Benchmark / Inception	Fee Schedule	Fulcrum Return*	Expected Tracking Error	Capacity ($b)
Flagship Strategies	AJO Vista Emerging Markets Small Cap MSCI Emerging Markets Small Cap December 2012	0.8% on all assets	3.5%	4.5%	1.0
	AJO Vista US Micro Cap Russell Microcap September 2019	0.8% on all assets	3.5%	4.5%	1.0
	AJO Vista International Small Cap MSCI World ex USA Small Cap May 2020	0.8% on all assets	3.5%	4.5%	1.0
Opportunity-Focused Alternatives	AJO Vista Amplified Opportunities MSCI ACWI IMI March 2020	Performance-based fees only 17.5% fee on the added-value above benchmark, not to exceed 2% annual fee at the portfolio level	5.0%	8.0%	1.0
	AV Mitra Market Neutral Long/Short Deutsche Bank FFER Total Return July 2019	1.5% management fee + 20% incentive	10.0%	5.0 (vol)	0.1

In addition to alpha, we offer client-aligned fees in a client-friendly atmosphere of transparency and candor. Performance-based fees, using a strategy's return objectives, are available and encouraged for the partnership they create.

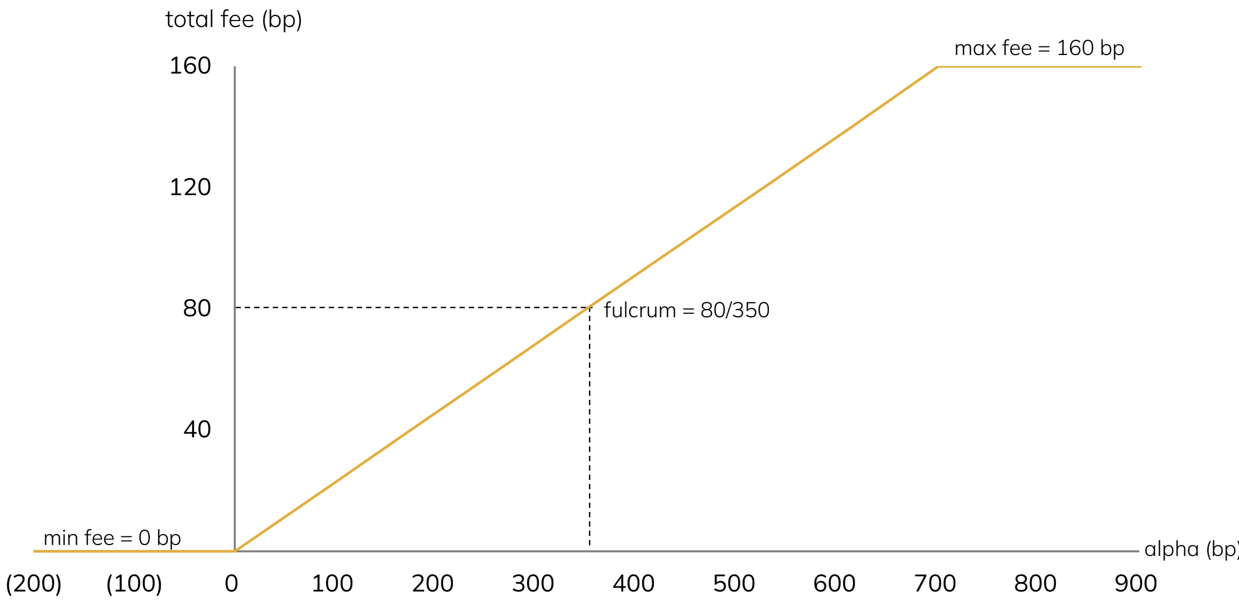
*The **fulcrum return** is an estimate of outperformance derived by AJO Vista, based on empirical evidence, economic logic, and economic intuition. It reflects trading costs, but not investment management fees. We are willing to hold our feet to the fire of the forecast by incorporating the **fulcrum return** directly into the calculation of our performance-based investment management fees — if we don't meet our own forecast, we don't get paid our standard fee!



"Short-term I like cash; mid-term, bonds; long-term, AJO Vista."

Performance-Based Fees

AJO Vista Emerging Markets Small Cap
Illustration: $100 million/zero base
(Bottom line: fee is 23% of alpha, bounded by 0.0% and 1.6%)



While this example highlights our EM small-cap strategy, the formula works with all AJO Vista strategies. In general, we trade a lower minimum or base fee for a higher maximum fee. The tradeoff is usually symmetrical. For instance, if a client desires a base fee of, say, zero, the maximum fee is capped at twice our normal fee. With a minimum and maximum range established, it's easy to sketch a linear profit-sharing arrangement that runs through the fulcrum (our standard fee and targeted excess return).

- Total Fee – The manager's annual fee is calculated quarterly and is a combination of a base fee plus a performance fee, calculated as shown below, times the average market value of the portfolio.

- Performance-Fee Formula – For annualized excess performance ranging from zero to 700 basis points, where excess performance is defined as the gross, time-weighted total return of the portfolio less the return of the benchmark index for an agreed-on interval, the performance-based fee shall be calculated as follows:

  PF = [(NF - BF) ÷ RER] * [PR - BR], where:

  PF = performance fee
  NF = normal fee (80 bp on $100 million)
  BF = base fee
  RER= required annualized excess return to earn NF (350 bp)
  PR = portfolio return, gross of fees
  BR = benchmark return (MSCI Emerging Markets Small Cap)

- Minimum and Maximum Percentage Fees

  Minimum Fee = X% of NF
  Maximum Fee = (200 - X)% of NF

Philosophy

Our investment philosophy defines our view of the equity markets, how best to profit from them, how to hold onto profits, and how we run our business.

Opportunity-Focused

We believe the stock market is reasonably efficient but emotional enough to provide opportunities for the systematic investor. We use modern investment technology and academic research to complement the wisdom of classical investment thinking, fundamental analysis, and experience.

We prize markets complex enough to challenge the experienced investor, yet rich enough to reward success. We encourage client-driven mandates tailored to meet specific needs.

Well-Balanced + Beyond the Numbers

We seek balanced exposure to ***value and quality and momentum and stability***.
Our investment decisions are more productive when we focus on smaller companies, **look beyond the numbers,** and amplify what works within multifaceted peer networks.

An investment can be right and still be risky. We lean skeptically on optimizers and heavily on common sense when we choose where to diversify and what to avoid.
We aim to minimize uncompensated risks.

Transactions cost (sic) — the ultimate cost of implementing any investment strategy — are higher and more hidden than generally perceived. The *implementation shortfall* is our standard of measure and is key to control. In turn, controlling transaction costs is key to holding equity-market profits.

An investment approach should be agile enough to react to the complexity of the equity markets. It should also be transparent and intuitive in the execution and explanation of investment decisions. The more direct the path to clarity and conviction, the better the opportunity for long-term success.

Client-Driven + Owner-Operated

Investing is our ONLY business! And, how we conduct our business is as important to us as how we invest.

AJO Vista Firm Credo*

- ***We aim for alpha*** *— but know costs matter.*
- ***We exercise patience*** *— with our investments and each other.*
- ***We forge partnerships*** *— with our clients and vendors.*
- ***We practice frequent and complete communication.***
- ***We invest in the future*** *— with an emphasis on education.*
- ***We value candor.***
- ***We seek diversity.***
- ***We emphasize mutual respect.***
- ***We prize humor!***

*Inspired by David Salem, Founder and CIO of TIFF, decades ago.

Investment Process

We use a straightforward approach and sophisticated techniques to systematize the work of an analyst — and build profitable portfolios.

- Ensure stocks are suitable, liquid, well-balanced
- Go beyond the numbers, identify what works, amplify what matters
- "Optimize" skeptically — from factors to portfolios
- Recognize, reflect, and reduce "implementation shortfall"

Process Detail

Our approach to equity markets has three goals: *Profit, profit, profit!*

(If there were a fourth, it would be, “don’t forget the first three goals!”)

We know our investment choices are more likely to be profitable when we combine the wisdom of classical security analysis with sophisticated systematic techniques to strike a healthy balance between fundamental depth and quant-enabled breadth.

We focus on four well-known equity-market anomalies:

> **Value** is revealed (or refuted) by the numbers *and letters* of the financial statements . . . and other financial filings.
>
> **Momentum** is the modern equivalent of “Don’t fight the tape!” and is evident in price and fundamentals.
>
> **Quality** measures corporate health and the potential for management success.
>
> **Stability** reminds that higher risk doesn’t always mean higher reward.

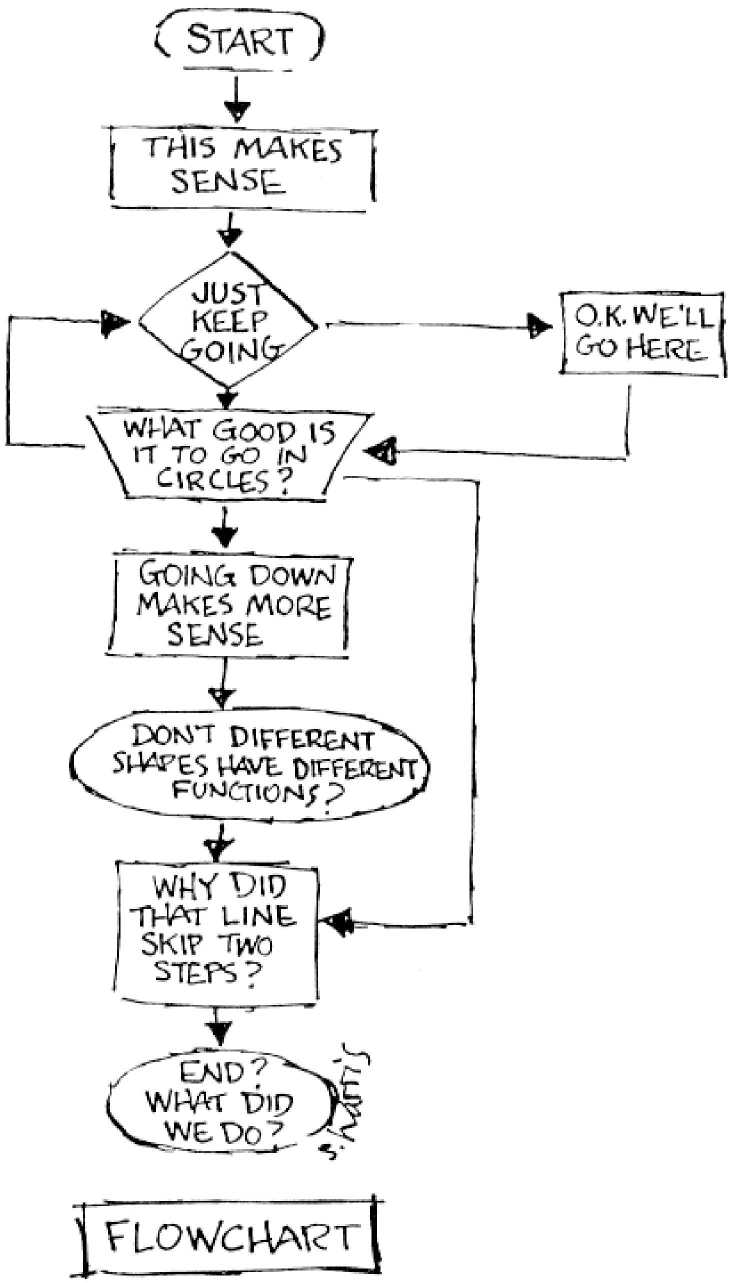
We believe companies with a balanced combination of these characteristics have a better shot at profitability regardless of market conditions. We improve the *relative* potential of our stock selection when we examine and amplify what matters within multifaceted peer networks. Our alpha edge is in the limitless wealth of nuanced information we find when looking beyond the numbers of the traditional financial statements.

When creating portfolios, we rely skeptically on optimizers and heavily on common sense to minimize *un*compensated risks. Our stock choices emphasize our forecasted all-in excess expected return within our designated risk boundaries (fundamental and factor exposures). Portfolios are fully invested, sector- and country-neutral, and well diversified in terms of industry, fundamental characteristics, and various statistical measures of risk. Individual active weights are controlled, resulting in a liquid, well-diversified small-cap portfolio.

We know transaction costs — the ultimate cost of implementing any investment strategy — are higher and more hidden than generally perceived. Measurement is the first step in managing costs. We use our transaction-cost measurements to guide our decisions regarding what to buy and sell and where to execute our trades. Long-standing relationships ensure operational fluidity regardless of market challenges.

ART, SCIENCE, AND ENGINEERING

It is said that investment management is neither art nor science but more a matter of engineering. In that spirit (and with tongue firmly planted in cheek), we end this discussion of our disciplined investment process with a flow chart.



Valuation: Buy (Example)

Haci Omer Sabanci Holding A.S. operates in 13 countries and marketing in Europe, the Middle East, Asia, North America and South America. Offering corporate and investment, private, commercial, SME, retail, and international banking services, as well as payment systems, treasury transactions, insurance brokerage services, asset management services, and financial leasing services and other cross sector holdings.

Country: Turkey   Sector: Banks   Industry: Financials   Growth: Moderate

Contextual Adjustment: ↑ Bank Metrics in Quality ↑ B/P in Value

Expected Return: 99th Percentile   **Result:** Buy

Pillars	Themes	Measures	Stock Value (%)	Industry Value (%)
Value	Traditional	Deep Value	106.0	95.4
	Dividends	EBIT	91.6	16.0
		Earnings	14.5	11.9
		Dividend Yield	2.9	3.3
		Forecast Div Chng	64.8	0.0
		Realized Div Chng	2.3	0.7
Quality	Operating	Asset Turnover	37.7	0.0
	Valuation	FCF Margin	8.0	33.2
	Financial	ROE	15.3	5.7
		Share Buybacks	1.5	0.0
Bank Quality		Loan to Assets	47.6	61.4
		Non perf Loans	0.5	1.7
		Efficiency Improve	19.5	2.4
Momentum & Sentiment	Fundamental	Sales Est Chng	59.7	8.0
	Price	Earnings Est Chng	45.5	1.7
	Network	Earnings Diffusion	7.0	0.0
		Target Price Chng	152.5	7.8
		Price Mom	64.3	11.0
		Network Mom	-9.0	0.0
Stability	Observed	Accruals volatility	8.5	3.2
	Market-implied	Price stability	7.7	49.6

Valuation: Sell (Example)

AllHome Corp. engaged in buying, selling, distributing, marketing, at wholesale and retail, of all kinds of goods, commodities, wares and merchandise across eight key categories comprising furniture, hardware, appliances, tiles, sanitary wares, homewares, linens, and construction materials. AllHome has 45 stores and is aggressively expanding across the Philippines.

Country: Philippines Sector: Discretionary Industry: Specialty Retail Growth: High

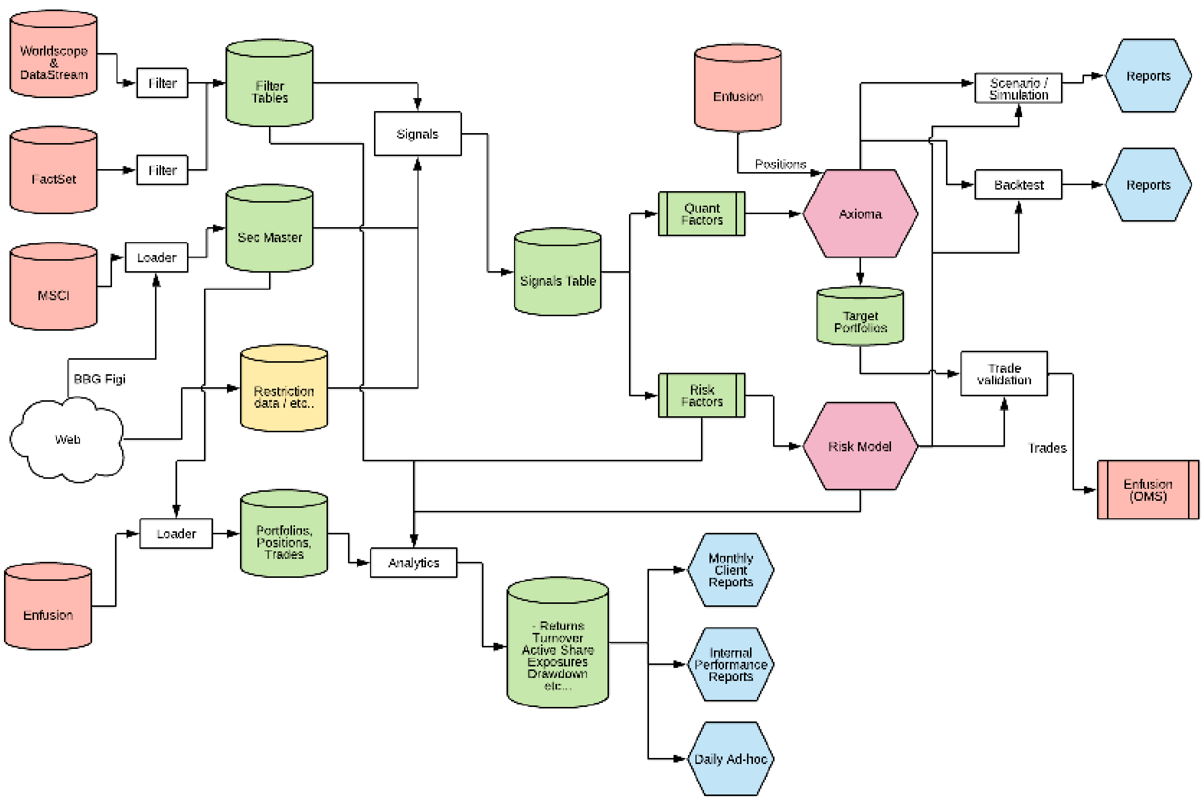
Contextual Adjustment: ↑ Mom — Price & Est ↑ Asset Turnover

Expected Return: 3rd Percentile **Result:** Sell

Pillars	Themes	Measures	Stock Value (%)	Industry Value (%)
Value	Traditional	Deep Value	115.1	6.6
	Dividends	Cash Flow	11.4	0.2
		Earnings	7.9	0.0
		Top Line	23.9	-13.1
		Dividend Yield	1.5	-3.9
		Forecast Div Chng	-16.2	4.8
		Realized Div Chng	0.4	1.7
Quality	Operating	Asset Turnover	-9.0	28.8
	Valuation	FCF Margin	0.9	6.9
	Financial	ROA	7.3	105.8
		Share Buybacks	1.5	0.0
Momentum & Sentiment	Fundamental	Sales Est Chng	-25.2	-6.6
	Price	Earnings Est Chng	26.6	-8.1
	Network	Earnings Diffusion	-26.0	0.0
		Target Price Chng	-75.0	0.0
		Price Mom	-47.8	14.6
		Network Mom	-15.4	0.0
Stability	Observed	Accruals volatility	21.0	-0.5
	Market-implied	Price stability	moderate	moderate

Implementation: From Data to Decisions to Trades

A Structured Weekly Process



Two-Stage Quality Assurance

- Overrides are exceptional

Managing the Implementation Shortfall

- Measuring the drag
- Selecting effective partners
- Settling the trade

PERFORMANCE

Gross and Net Composite Results (%)
December 31, 2023

	Composite / Benchmark	Qtr	YTD	Annualized 1 Yr	3 Yr	5 Yr	10 Yr	Incep	Tracking Error	Years / Incep	Clients / $mm
Emerging Markets	**AJO Vista EM Small Cap (gross)**	**11.8**	**32.3**	**32.3**	**14.7**	**14.7**	**10.3**	**10.2**	4.3	11.0	2
	AJO Vista EM Small Cap (net)	11.5	31.3	31.3	13.8	13.8	9.5	9.3		12/31/12	214
	MSCI EM Small Cap	8.9	23.9	23.9	6.5	9.9	5.3	4.9			
	Added Value (gross)	**2.9**	**8.4**	**8.4**	**8.2**	**4.8**	**5.0**	**5.3**			
	Added Value (net)	2.6	7.4	7.4	7.3	3.9	4.2	4.4			
Micro Cap	**AJO Vista US Micro Cap (gross)**	**21.1**	**19.6**	**19.6**	**10.5**	**—**	**—**	**12.2**	7.1	4.3	1
	AJO Vista US Micro Cap (net)	20.8	18.7	18.7	9.6	—	—	11.3		09/11/19	10
	Russell Microcap	16.1	9.3	9.3	0.6	8.6	5.8	7.5			
	Added Value (gross)	**5.0**	**10.3**	**10.3**	**9.9**	**—**	**—**	**4.7**			
	Added Value (net)	4.6	9.4	9.4	9.0	—	—	3.8			
All Country	**AJO Vista Amplified Opp (gross)**	**12.3**	**19.0**	**19.0**	**19.1**	**—**	**—**	**45.6**	20.7	3.8	1
	AJO Vista Amplified Opp (net)	12.3	19.0	19.0	18.0	—	—	44.1	19.7	03/31/20	57
	MSCI ACWI IMI	11.1	21.6	21.6	10.4	11.5	7.5	23.2			
	Added Value (gross)	**1.2**	**(2.6)**	**(2.6)**	**8.7**	**—**	**—**	**22.4**			
	Added Value (net)	1.2	(2.6)	(2.6)	7.6	—	—	20.9			
International	**AJO Vista Int'l Small Cap (gross)**	**11.5**	**15.9**	**15.9**	**2.3**	**—**	**—**	**9.2**	3.7	3.6	1
	AJO Vista Int'l Small Cap (net)	11.3	14.9	14.9	1.5	—	—	8.3		5/31/20	9
	MSCI World ex USA Small Cap	10.6	12.6	12.6	(0.2)	7.1	4.6	7.8			
	Added Value (gross)	**0.9**	**3.3**	**3.3**	**2.5**	**—**	**—**	**1.4**			
	Added Value (net)	0.7	2.3	2.3	1.7	—	—	0.5			

Please see accompanying Notes (and cartoon).

“To quote my broker, ‘Past results are no guarantee of future performance.’”

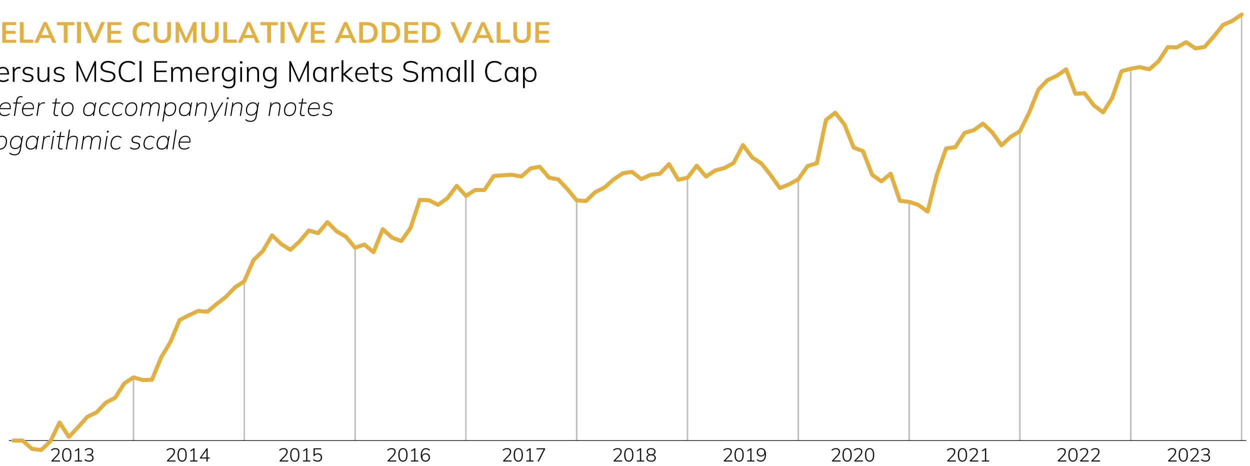
Performance — Returns & Risk

AJO Vista Emerging Markets Small Cap
Net Composite Results (%)
December 31, 2023

Composite/ Benchmark	Qtr	Annualized 1 Year	3 Years	5 Years	10 Years	Since Incep	Tracking Error	Years/ Incep	Clients/ $mm
AJO Vista EM Small Cap	11.5	31.3	13.8	13.8	9.5	9.3		11.0	2
MSCI EM Small Cap	8.9	23.9	6.5	9.9	5.3	4.9		12/12	214
Added Value	**2.6**	**7.4**	**7.3**	**3.9**	**4.2**	**4.4**	4.3		

RELATIVE CUMULATIVE ADDED VALUE

versus MSCI Emerging Markets Small Cap
Refer to accompanying notes
Logarithmic scale



CALENDAR YEARS

	AJO Vista	MSCI EM SC	Added Value
2023	31.3	23.9	**7.4**
2022	(12.4)	(18.0)	**5.6**
2021	27.9	18.8	**9.1**
2020	16.5	19.3	**(2.8)**
2019	11.3	11.5	**(0.2)**
2018	(16.6)	(18.6)	**2.0**
2017	33.2	33.8	**(0.6)**
2016	8.0	2.3	**5.7**
2015	(3.5)	(6.8)	**3.3**
2014	11.8	1.0	**10.8**
2013	8.0	1.0	**7.0**
Annualized	9.3	4.9	**4.4**
Std deviation	17.2	17.2	4.3*

*tracking error

The composite is comprised of separately managed portfolios of institutional investors, including our Emerging Markets Small Cap Fund offering (a private investment fund).

This presentation does not constitute an offer to sell, a solicitation to buy, or a recommendation of any fund or security, or an offer to provide investment advisory or other services by AJO Vista.

Please see accompanying Notes.

WORST/BEST

		AJO Vista	MSCI EM SC	Added Value
THREE MONTHS				
Worst	08/20	17.5	24.0	**(6.5)**
	07/20	17.1	21.9	**(4.8)**
Best	05/21	18.1	10.4	**7.7**
	04/21	21.1	14.1	**7.0**
ONE YEAR				
Worst	03/21	76.6	87.1	**(10.5)**
	02/21	34.7	41.8	**(7.1)**
Best	02/15	18.4	3.4	**15.0**
	02/22	18.8	4.4	**14.4**
THREE YEARS				
Worst	02/21	3.5	4.2	**(0.7)**
	11/20	1.0	1.4	**(0.4)**
Best	07/16	9.3	1.2	**8.1**
	08/16	11.0	3.0	**8.0**
FIVE YEARS				
Worst	11/20	7.4	6.6	**0.8**
	09/20	5.5	4.6	**0.9**
Best	05/18	9.8	3.8	**6.0**
	02/18	10.8	4.9	**5.9**

N.B. – Periods greater than one year are annualized.

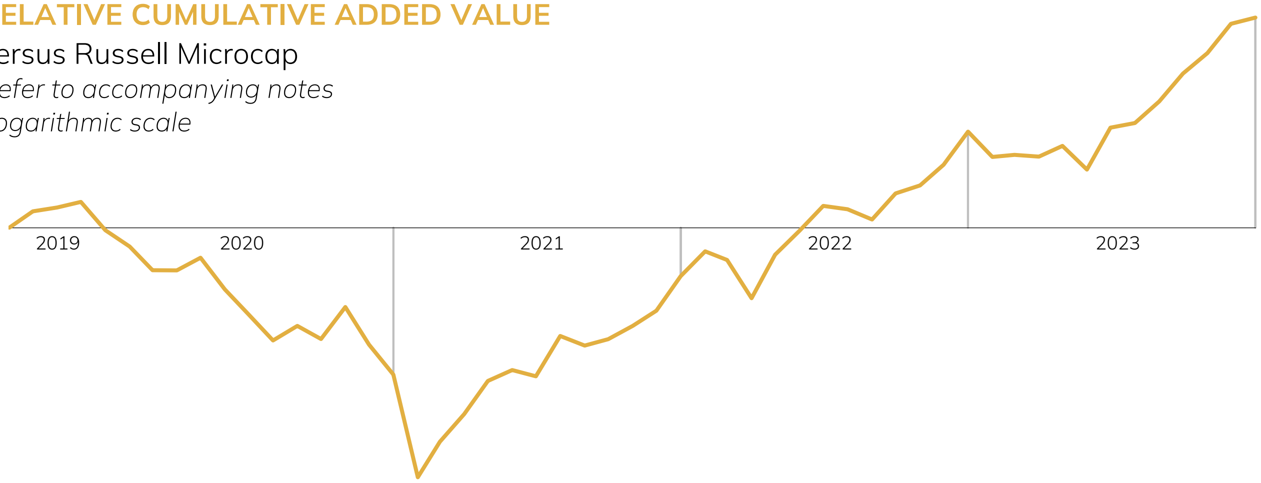
PERFORMANCE — RETURNS & RISK

AJO Vista US Micro Cap
Net Composite Results (%)
December 31, 2023

Composite/ Benchmark	Qtr	Annualized 1 Year	3 Years	5 Years	10 Years	Since Incep	Tracking Error	Years/ Incep	Clients/ $mm
AJO Vista US Micro Cap	20.8	18.7	9.6	—	—	11.3		4.3	1
Russell Microcap	16.1	9.3	0.6	8.6	5.8	7.5		09/19	10
Added Value	**4.6**	**9.4**	**9.0**	**—**	**—**	**3.8**	7.1		

RELATIVE CUMULATIVE ADDED VALUE

versus Russell Microcap
Refer to accompanying notes
Logarithmic scale



CALENDAR YEARS

	AJO Vista	Russell Microcap	Added Value
2023	18.7	9.3	**9.4**
2022	(13.4)	(22.0)	**8.6**
2021	28.1	19.3	**8.8**
2020	9.0	21.0	**(12.0)**
2019 (since 9/11)	10.8	11.0	**(0.2)**
Annualized	11.3	7.5	**3.8**
Std deviation	25.3	27.0	7.1*

*tracking error

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Please see accompanying Notes.

WORST/BEST

		AJO Vista	Russell Microcap	Added Value
THREE MONTHS				
Worst	01/21	31.1	48.2	**(17.1)**
	02/21	21.6	30.4	**(8.8)**
Best	04/21	16.6	8.8	**7.8**
	06/22	(13.4)	(19.0)	**5.6**
ONE YEAR				
Worst	01/21	22.7	44.9	**(22.2)**
	03/21	98.7	120.3	**(21.6)**
Best	01/22	10.9	(5.7)	**16.6**
	02/22	2.4	(10.2)	**12.6**
THREE YEARS				
Worst	08/22	9.9	9.7	**0.2**
	09/22	7.3	6.9	**0.4**
Best	12/23	9.6	0.6	**9.0**
	11/23	6.5	(1.4)	**7.9**

N.B. – Periods greater than one year are annualized.

AJO VISTA

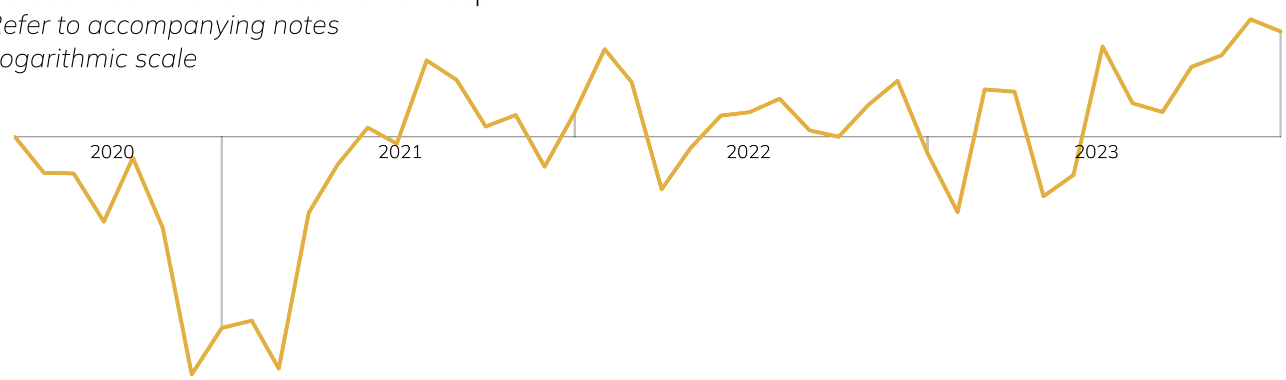
Performance — Returns & Risk

AJO Vista International Small Cap
Net Composite Results (%)
December 31, 2023

Composite/ Benchmark	Qtr	Annualized 1 Year	3 Years	5 Years	10 Years	Since Incep	Tracking Error	Years/ Incep	Clients/ $mm
AJO Vista International Small Cap	11.3	14.9	1.5	—	—	8.3		3.6	1
MSCI World ex USA Small Cap	10.6	12.6	(0.2)	7.1	4.6	7.8		05/20	9
Added Value	**0.7**	**2.3**	**1.7**	**—**	**—**	**0.5**	3.7		

RELATIVE CUMULATIVE ADDED VALUE

versus MSCI World ex USA Small Cap
Refer to accompanying notes
Logarithmic scale



CALENDAR YEARS

	AJO Vista	MSCI World ex USA SC	Added Value
2023	14.9	12.6	**2.3**
2022	(21.1)	(20.6)	**(0.5)**
2021	15.2	11.1	**4.1**
2020 (since 5/31)	27.6	31.7	**(4.1)**
Annualized	8.3	7.8	**0.5**
Std deviation	18.8	19.0	3.7*

*tracking error

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Please see accompanying Notes.

WORST/BEST

		AJO Vista	MSCI World ex USA SC	Added Value
THREE MONTHS				
Worst	12/20	14.2	17.5	**(3.3)**
	11/20	6.1	8.8	**(2.7)**
Best	05/21	13.3	8.8	**4.5**
	04/21	12.4	9.5	**2.9**
ONE YEAR				
Worst	01/23	(10.7)	(8.2)	**(2.5)**
	05/23	(6.1)	(5.2)	**(0.9)**
Best	02/22	4.9	0.0	**4.9**
	01/22	8.6	3.8	**4.8**
THREE YEARS				
Worst	05/23	5.8	6.0	**(0.2)**
	07/23	7.1	6.7	**0.4**
Best	11/23	1.3	(0.3)	**2.0**
	12/23	1.5	(0.2)	**1.7**

N.B. – Periods greater than one year are annualized.

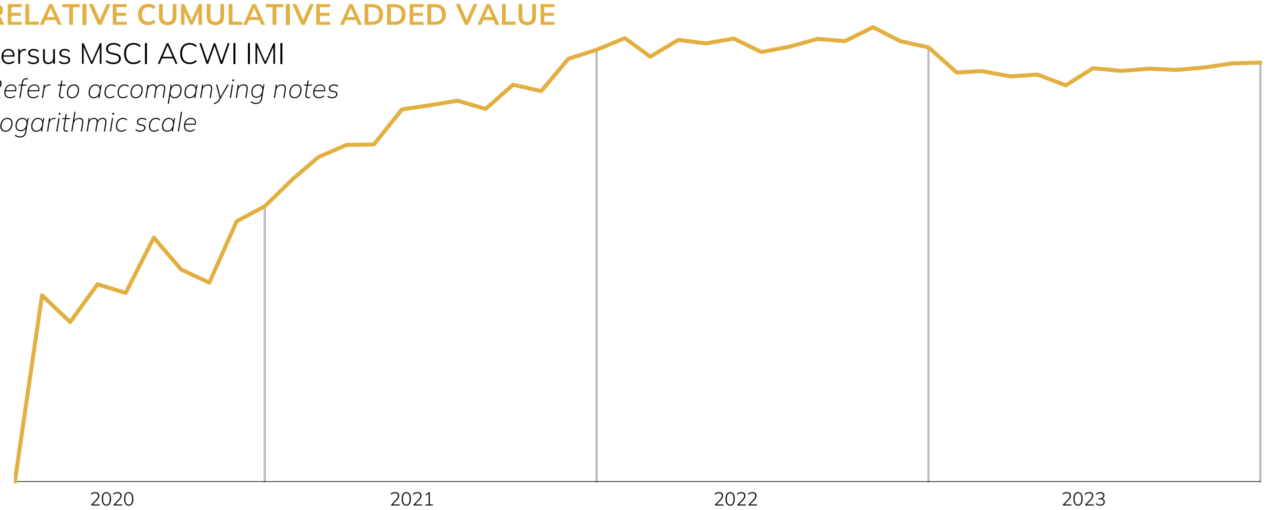
PERFORMANCE — RETURNS & RISK

AJO Vista Amplified Opportunities
Net Composite Results (%)
December 31, 2023

Composite/ Benchmark	Qtr	Annualized 1 Year	Annualized 3 Years	Annualized 5 Years	Annualized 10 Years	Since Incep	Tracking Error	Years/ Incep	Clients/ $mm
AJO Vista Amplified Opportunities	12.3	19.0	18.0	—	—	44.1		3.8	1
MSCI ACWI IMI	11.1	21.6	10.4	11.5	7.5	23.2		03/20	57
Added Value	**1.2**	**(2.6)**	**7.6**	**—**	**—**	**20.9**	19.7		

RELATIVE CUMULATIVE ADDED VALUE

versus MSCI ACWI IMI
Refer to accompanying notes
Logarithmic scale



CALENDAR YEARS

	AJO Vista	MSCI ACWI IMI	Added Value
2023	19.0	21.6	**(2.6)**
2022	(13.5)	(13.8)	**0.3**
2021	59.8	28.3	**31.5**
2020 (since 3/31)	139.3	62.6	**76.7**
Annualized	44.1	23.2	**20.9**
Std deviation	33.5	19.9	19.7*

*tracking error

This presentation does not constitute an offer to sell, a solicitation to buy, or a recommendation of any fund or security, or an offer to provide investment advisory or other services by AJO Vista.

Please see accompanying Notes.

WORST/BEST

		AJO Vista	MSCI ACWI IMI	Added Value
THREE MONTHS				
Worst	01/23	4.3	11.1	**(6.8)**
	02/23	(3.8)	0.4	**(4.2)**
Best	06/20	56.8	18.9	**37.9**
	01/21	56.8	35.5	**21.3**
ONE YEAR				
Worst	05/23	(6.1)	0.3	**(6.4)**
	10/23	3.4	9.4	**(6.0)**
Best	03/21	216.0	97.1	**118.9**
	05/21	141.8	79.4	**62.4**
THREE YEARS				
Worst	12/23	18.0	10.4	**7.6**
	11/23	19.8	11.3	**8.5**
Best	03/23	50.3	24.4	**25.9**
	05/23	32.4	18.5	**13.9**

N.B. – Periods greater than one year are annualized.

PEOPLE

LEADERSHIP

Jesse Barnes

Founder, CEO & CIO
Firm Governing Board & Investment Committee

- A founder of HighVista, managing partner
- The Investment Fund for Foundations (TIFF)
- Ph.D. candidate in economics at Harvard (Allyn Young teaching prize)
- BYU

Nik Takmopoulos

CFO & COO

- Founder and CEO of LUX Technology
- Director of Operations, Plural Investments
- Goldman Sachs, Prime Brokerage
- Arthur Andersen, CPA

Ted Aronson

Founder
Firm Governing Board & Investment Committee
Co-lead, business development

- Founder and co-CEO of AJO
- Present at the start of the quant revolution (according to Peter Bernstein)
- Addison Capital, Drexel Burnham (a founder of Quantitative Equities Group)
- Managed first SEC-registered fund utilizing MPT
- Lecturer in Finance, Wharton School

Gina Moore

Founder
Firm Governing Board & Investment Committee
Co-lead, business development

- Co-CEO of AJO
- Glenmede Trust, Brandywine, Scott Paper, Price Waterhouse
- CFA, CPA (inactive)
- Founder of Revolution School

Pete Landers

Head of Trading

- AJO, Glenmede, GMO
- Northeastern
- Capital Jury Project researcher (hmm, trend?)

People

Team

Maarten Ballintijn

Quantitative analyst

- ITG, Goldman Sachs
- CERN, MIT
- Ph.D., Free University of Amsterdam

Cortney Botsch

Operations analyst

- AJO, portfolio accounting
- Highfields Capital, State Street Bank

Chris Cardi

Quantitative analyst

- AJO, software engineer
- Proprietary options market-maker

Grace Ecclestone

Client communications

- AJO, partner
- Board Pensions PCUSA, Inst Int'l Research

John Jacques

Quantitative analyst

- Infrastructure, portfolio management
- Tufts, econ and computer science
- Wicked hurricane kick

Paul Koehler

Portfolio manager & Quantitative analyst

- AJO, research
- State Street Associates
- Ph.D., Boston University

Ross Koval

Quantitative analyst

- Goldman Sachs, quant strategies
- GS Equity Alpha Team!
- Columbia, Caltech

PRESS — Extra! Extra! Read all about it!

BLOOMBERG

- *Baloney.com* ('23)

INSTITUTIONAL INVESTOR

- *A Jim Simons Market Mystery — Solved?* ('23)

PENSIONS & INVESTMENTS

- *SBF's interview behavior revealed more than was said* ('22)
- *AJO's Ted Aronson launching new firm with HighVista team* ('21)
- *AJOVista is fourth manager backed by Missouri LAGERS* ('21)

PHILADELPHIA INQUIRER

- *A veteran Philly investor, down to his clients' last $10 billion, is closing his firm* ('20)

WALL STREET JOURNAL

- *There's a Run on Silicon Valley Bank Swag* ('23)
- *GameStop, AMC Drive Big Gains In Value Stocks* ('21)
- *God Told Me to Put Money Into Hertz: How Small Investors Are Upending Wall Street* ('21)
- *The Man Who Returned $10 Billion* ('20)

"At this time, Your Honor, my client wishes to enter a plea of 'No contest,' and throw himself on the mercy of the press."

THE WALL STREET JOURNAL.
Saturday/Sunday, October 24-25, 2020

THE INTELLIGENT INVESTOR | **JASON ZWEIG**

The Man Who Returned $10 Billion

A value investor with a once-great record is calling it quits. What does that mean for bargain hunting?

You can complain about the death of value investing, or you can do something about it.

The discipline of buying cheap stocks, and holding them until they deliver superior returns, has lagged behind the market for so long that most of its practitioners seem to do little but talk about how bad it is and speculate about when it will get better.

Then there's Ted Aronson. He is giving back $10 billion to his investors and shutting down his Philadelphia-based value-investing firm, AJO. That is after more than 30 years in which AJO's returns were often among the best in the business of managing money for pension funds, university endowments and other institutions. They aren't among the best anymore.

RYAN STRAND GREENBERG FOR THE WALL STREET JOURNAL

'Our recent performance sucks,' says Ted Aronson, who is closing his Philadelphia-based firm, AJO.

"Our recent performance sucks," says Mr. Aronson. "And our record over most of the last five years has been so sucky that even if we outperformed mightily over the next five, we would still have—at best—a drab return looking back over those 10 years."

He concedes that he may be getting out of the business with "the exact wrong timing" and that the exit of a firm like his might well signal that value investing's long-awaited comeback is imminent. Even so, given AJO's recent results, Mr. Aronson says he had no choice but to give clients their money back.

How unusual is that? Asset managers return their investors' capital about as often as sharks regurgitate swimmers without a scratch.

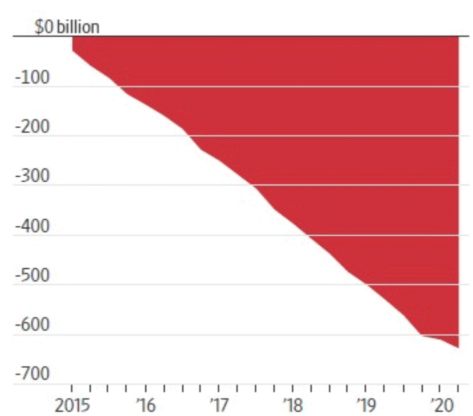
Hedge funds sometimes hand money back to their investors. In early 2000, the last time value stocks performed this poorly, Julian Robertson of Tiger Management LLC shut his main fund and returned several billion dollars to outside clients. In 1969, after speculative stocks soared, Warren Buffett shuttered his partnership, returned his investors' capital and told them, "I don't want to spoil a decent record by trying to play a game I don't understand."

Value investors are running out of patience. Institutional clients have pulled $76 billion more out of U.S. value portfolios than out of growth portfolios since 2015, estimates eVestment, a research firm.

For many decades, value stocks tended to earn higher average returns than the shares of growth companies. Since the late 2000s, however, growth stocks have been beating value to a pulp.

Exodus

Money into and out of various U.S. value investing strategies



Note: Net money added to or subtracted from institutional long-only strategies investing in U.S. value stocks.
Source: eVestment

Low interest rates make investors less averse to holding assets that might not pay off for years to come. Just think of Tesla Inc.'s shares racing even as the company lost nearly $5.4 billion between 2015 and 2019. Only this week did it finally report a profit for the fifth quarter in a row.

And in this year of pandemic, growth industries like technology and health care still boomed, while such value sectors as real estate and financials have been clobbered.

So far in 2020, large U.S. growth stocks have beaten big value stocks by 36 percentage points, as measured by FTSE Russell indexes. That shatters all records: The widest such margin in a previous full year was 26 points in 1999, according to BofA Securities.

Value investors have suffered the anguish of missing out. Across all U.S. companies from large to small, $10,000 invested in growth stocks 10 years ago would have surpassed $47,000 this week. The same amount in value would be worth $25,400, according to FTSE Russell.

Mr. Aronson is a "quant," or quantitative investor, who doesn't analyze such fundamentals as the quality of a company's products, the skill of its executives, the loyalty of its customers or the strength of its competitors. Instead, he and his team look only at the numbers: more than a dozen measures of net income and asset values, profitability, earnings estimates, trading activity and other factors that decades of research has shown can identify cheap stocks.

So far in 2020, large U.S. growth stocks have beaten big value stocks by 36 percentage points.

As recently as 2015, according to AJO, every one of its 15 strategies was outperforming its benchmark since inception—often by at least two percentage points annually for decades.

In 2016, growth stocks started to pull away, and AJO's results never caught up. "Holy shit, it was painful," says Mr. Aronson. "It was all downhill from there—or should I say uphill." By this September, only six of AJO's remaining 13 strategies were beating their benchmarks since inception—and all but two were far behind over the past five years.

"You get to think that all these machines, all this technology, all the data, are the keys to the kingdom," says Mr. Aronson. "Not!"

He pauses, then says in a rush, "It can all work for years, for decades, until or except when the not-so-invisible hand comes down and slaps you and says, 'That's what worked in the past, but it's not going to work now, nope, not anymore.'"Although he is shutting down, Mr. Aronson is convinced value investing isn't dead. When will it come back to life? "All records have been broken, so past experience is meaningless," he says—"except in knowing the drought will end." He bears down hard on the word "except."

Mr. Aronson adds, "There's a lifetime left of finding real companies that continue to produce real stuff. They will retain earnings. They will pay dividends. They will make money."

After so long a run of growth-stock outperformance, "the sheer stretching of the rubber band is bound to make value companies worth buying," he says. "It has to."

September 28, 2021
PIonline.com
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THE INTERNATIONAL NEWSPAPER OF MONEY MANAGEMENT

Money Management

AJO's Ted Aronson launching new firm with HighVista team

By DOUGLAS APPELL

A year after quant manager AJO LP announced it would shut down and return roughly $11 billion to clients amid a crushing five-year drought for value stocks, Ted Aronson, the Philadelphia-based firm's founder, is launching a new boutique in tandem with Boston-based HighVista Strategies LLC's systematic investment team.

Mr. Aronson said in an interview that the new firm — AJOVista — is set to open its doors Oct. 1 with roughly $1 billion in client money, focusing on less efficient market segments such as emerging markets small-cap stocks and U.S. microcap stocks.

The firm is getting off the ground with the backing of a key institutional client, the $10.2 billion Missouri Local Government Employees Retirement System, Jefferson City, which is carrying over roughly $400 million in AJO mandates as well as taking a one-third stake in the venture.

Despite the similarity in names, AJOVista will look radically different from AJO, which at its peak before the global financial crisis had 74 people and $31 billion in assets under management — 90% in the firm's flagship U.S. large-cap value strategy.

This time around, "we're 15 people, all … involved with investing" — roughly equal in size to AJO's investment team. "Everything else is outsourced," Mr. Aronson said.

BACK IN PLAY: Ted Aronson's new firm, AJOVista, is set to open with $1 billion in assets under management, anchored by a Missouri pension plan.

Jesse Barnes, co-managing partner of HighVista, will become CEO of AJOVista, and Chris Covington — who played a key role in launching AJO's emerging markets small-cap strategy in 2013 before joining HighVista five years later to build out its systematic equity capabilities — will be chief investment officer.

Mr. Aronson and Gina Moore, his co-CEO at AJO, will be co-heads of business development and communication, as well as members of the new firm's investment committee.

The quick turnaround for AJO's founder owed a considerable amount to serendipity, with Mr. Covington playing a key role as go-between. He reached out to Mr. Aronson in October 2020 when news of AJO's looming shut down surfaced to ask about the emerging markets strategy he had helped set up there. "I wanted to be respectful of the situation and not come across as a vulture trying to pick over the carrion … but the emerging market process there has been great since day one (and) it would be a shame to see something like that go away," Mr. Covington said in an interview.

Mr. Aronson said AJO's emerging markets small-cap strategy accounted for $1.2 billion of the firm's $10.6 billion in AUM when he and Ms. Moore decided to close the firm.

Brian K. Collett, CIO of Missouri LAGERS, said that his fund had $155 million allocated to AJO's emerging markets small-cap equities strategy — with annualized returns since inception of 335 basis points above the strategy's benchmark — when news of the firm's decision to close came out.

The pension fund's other mandate with AJO, meanwhile, came at the March 2020 depths of the pandemic sell-off when Mr. Collett — anticipating a short, if wrenching, "down and up" market — asked Mr. Aronson to transform an existing $86 million LAGERS allocation to mega U.S. value stocks into a "COVID fund" of companies with strong balance sheets "that were going to make it through this fine," he said in an interview.

AJO began shifting those funds the first week of April and the portfolio "did exactly what we thought it would do," Mr. Collett said. From the March lows through the end of 2020, the portfolio posted a return of 200% — or double the 100% gain for the benchmark Russell 2000 Value index over that period, Mr. Aronson said.

With that positive experience as a backdrop, Mr. Collett said he wasn't eager to take up Mr. Aronson's offer of a refund. Instead, the pension fund CIO urged the money management veteran to "figure out a way to keep the party going."

Mr. Collett told Mr. Aronson that LAGERS had backed other startup managers and it was prepared to back him if he could get enough people to keep LAGERS' two mandates with AJO going.

Or, as Mr. Aronson recalled it, "They said 'well, we're not leaving. We don't want to leave. You guys figure it out. Keep running our mandates and by the way, we wanna invest in your new firm as an equity partner.'"

That turn of events just opened up possibilities, said Mr. Aronson, adding "our heads were spinning."

For HighVista's part, Mr. Barnes, in a separate interview, said the Boston-based firm's roughly $600 million systematic business was "a little bit of an odd duck" vis-à-vis its more than $4 billion alternatives business and there was a sense that at some point down the line it would do better as a separate business.

The AJO "wind down" proved a catalyst, Mr. Barnes said. With the prospect of AJO's emerging markets baby being thrown out with the bath water, "we called them," initially with the thought of just taking it and running it.

But it soon became clear that the two sides "clicked," Mr. Barnes said, with a shared focus on niche segments like emerging markets small cap, EAFE small cap and U.S. microcap; performance-based fees to achieve better alignment with clients; and a belief that equity in the firm should be distributed broadly across the team.

With Mr. Covington having played a key role in both firms' systematic businesses, they had "the same DNA, a lot of cross pollination," Mr. Barnes noted. As the talks between AJO and HighVista progressed, a whole bunch of things quickly lined up, he said.

It was "kind of like a snowball that kept rolling downhill," getting bigger and bigger, Mr. Covington agreed. But he said for him, it was Missouri's decision, back in December, not only to extend mandates to the new venture but to invest in it as well that convinced him "this thing could really happen."

"Since then, we've been working feverishly" to get all of the new firm's ducks in a row and come the first of October, "we will be fully independent," Mr. Covington said.

The new firm, meanwhile, will keep its distance from the large-cap U.S. equity space that AJO built its franchise on from the firm's founding in 1984.

"Small, inefficient markets — that's where we want to make our money," as opposed to U.S. large cap where the eVestment database counts 1,200 active products, Mr. Covington said.

Mr. Aronson said AJOVista will get off the ground offering four main strategies — emerging markets small cap; EAFE small cap; U.S. microcap; and an opportunistic strategy built on the success AJO enjoyed setting up Missouri's COVID-19 fund — with a $1 billion capacity limit for each.

Messrs. Aronson, Barnes and Covington all agreed that those capacity limits shouldn't prove an obstacle to AJOVista building an attractive business.

The average fee for U.S. microcap, EAFE small cap and emerging markets small cap is about 1%, Mr. Barnes noted. Managing $2.5 billion at 70 or 80 basis points would translate to $20 million of revenues, depending on AJOVista's success in delivering alpha for clients — a formula for building a great business, he said.

Meanwhile, the new firm will put less emphasis on value as a factor than AJO did, Mr. Aronson noted. "Allowing value to go deeper and deeper and deeper in our portfolios as value got cheaper and cheaper and cheaper" was a fundamental mistake, which set the stage for "extended underperformance after the global financial crisis," he said.

"There are many dimensions that are worth pursuing and we will pursue more of them," Mr. Aronson said. "We will never again pursue value into a rat hole."

September 28, 2021 PIonline.com
Pensions&Investments
THE INTERNATIONAL NEWSPAPER OF MONEY MANAGEMENT

AJOVista is fourth manager backed by Missouri LAGERS

By Douglas Appell

AJOVista LLC will be the fourth money management startup the $10.2 billion Missouri Local Government Employees Retirement System helps get off the ground, said Brian K. Collett, the Jefferson City-based pension fund's chief investment officer since 2005.

Every situation has been a little different, depending on the needs of the general partner, he said.

For Edwardsville, Ill.-based real estate investor Fireside Financial LLC, the first firm Missouri LAGERS backed in 2008, the pension fund didn't take a stake in the newly launched firm. Mr. Collett said in an interview at that point he was still thinking through how the fund could support an investment team it had worked with successfully that was looking to set up shop on its own because he had "never heard of anybody doing it before." Instead, Missouri LAGERS became the new firm's first institutional client, providing it a running start by accepting "normal fees" on its allocations rather than using its scale to squeeze out hefty discounts. Missouri LAGERS also provided Fireside Financial with advice on reporting requirements and "back-office stuff," he said.

For the subsequent three firms — Greenwich, Conn.-based real estate debt boutique Sound Mark Partners LLC in 2013, New York-based real estate equity shop Machine Investment Group LP in 2020 and Boston-based equity boutique AJOVista, which opened its doors on Oct. 1 — Missouri LAGERS acquired stakes of 10% to 33% for between $1 million and $6 million each, Mr. Collett said.

People are sometimes surprised that a public pension plan has the latitude to make such investments, but each plan's situation is different, Mr. Collett said. "Some are very political" but Missouri LAGERS isn't one of them, he said.

"The board has given me investment authority. I'm allowed to invest in equity and this is equity" — even if the fund expects the payoff for those investments to come in the form of alpha rather than capital gains, he said.

AJOVista, which got off the ground on Oct. 1 with roughly $1 billion in assets under management, is the first equity boutique Missouri LAGERS has backed.

If Missouri LAGERS initial backing of Fireside Financial in 2008 had proved problematic, it could have made subsequent efforts to back talented teams more difficult, said Mr. Collett. But instead, the firm ended up being "our best real estate manager," he said.

Helping talented teams garner "some capital to get the lights on … is a little bit like pre-paying fees," and the fund stands to enjoy some upside if firms it backs do well, he said.

With the addition of AJOVista, meanwhile, Missouri LAGERS will be investing roughly $850 million — or more than 8% of its portfolio — with managers the pension fund has backed. At present, it has allocations of roughly

NIMBLE: Brian K. Collett said the board gives investment staff a lot of flexibility.

$400 million with AJOVista, $232 million with Fireside Financial, $204 million with Sound Mark and $28 million with Machine Investment.

Having the flexibility to take advantage of opportunities "describes us in lots of ways," Mr. Collett said. The board has given its investment team room to be "very nimble."

There's a "very large standard deviation" when it comes to how state plans in the U.S. are run, with some becoming investment shops, handling the vast majority of their investments themselves, he noted.

He called Missouri LAGERS a "hybrid, moving slowly to more in-house" investing. For example, he said, his pension plan manages roughly $1.5 billion in derivatives and another $1 billion in co-investments.

Pensions&Investments

THE INTERNATIONAL NEWSPAPER OF MONEY MANAGEMENT | DECEMBER 12, 2022 | PIONLINE.COM | CRAIN COMMUNICATIONS

SBF's interview behavior revealed more than was said

By ERIN ARVEDLUND

How does Wall Street know a CEO is lying? Their lips are moving, or so the joke goes.

Investors such as Gina Moore, a founding partner in AJOVista LLC, a firm backed by the $10.2 billion Missouri Local Government Employees Retirement System, use behavioral analysis as part of their research into companies and chief executives to decipher intent behind what CEOs say -- and don't say.

Sam Bankman-Fried's interviews with DealBook and Good Morning America, Ms. Moore said, are recent examples of "the type of behavioral dissection we incorporate into our stock selection process at AJOVista."

AJOVista studied the Nov. 30 DealBook and Good Morning America interviews with FTX's disgraced chief executive, especially Mr. Bankman-Fried's denials about possible fraudulent use of customer funds. From a behavioral point of view, "Bankman-Fried's failure to cleanly and coherently deny the improper use of customer funds likely corroborates the claim made by former Alameda Research CEO Caroline Ellison that Mr. Bankman-Fried knew FTX deposits were used to pay Alameda's creditors," said Philadelphia-based Ms. Moore. Alameda was FTX's related hedge fund, where customer funds may have been deposited. The crypto exchange FTX is now in bankruptcy.

During the DealBook interview, rather than categorically deny wrongdoing, Mr. Bankman-Fried sprinkled detached admissions of guilt throughout, copping to "things" he wishes he had "done differently" and conceding to a "little mistake" and "oversight."

These make him appear genuine and truthful, yet minimize the gravity of accusations of fraud, Ms. Moore said.

Mr. Bankman-Fried did not reply to requests for comment.

In the GMA interview, George Stephanopoulos drilled down on Mr. Bankman-Fried's knowledge of FTX deposits being used to pay Alameda's creditors. Mr. Bankman-Fried repeated talking points, then pivoted to the size of the Alameda position, rather than addressing his involvement. Mr. Bankman-Fried slowly repeated the question to himself under his breath.

"This is a basic stall technique that also serves to sidestep giving the direct 'yes' or 'no' answer that the question demanded," Ms. Moore said.

Gina Moore, AJOVista LLC

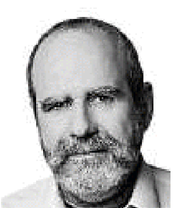
The Philadelphia Inquirer

THURSDAY OCTOBER 15, 2020 BUSINESS INQUIRER.COM

PHILLY DEALS

A veteran Philly investor, down to his clients' last $10 billion, is closing his firm

Ted Aronson (right), with John Bogle in 2017. Aronson says Bogle's index funds helped force him and other stock-pickers out of business. Aronson said $10B sounded like a lot of money,"but it wasn't working out. So we decided, 'Let's set the clients free.'" ERIN ARVEDLUND / Staff



JOSEPH N. DISTEFANO

@PhillyJoeD

Theodore "Ted" Aronson, one of the last of the bargain-hunting Philadelphia "value-stock" investors, is calling it quits.

"We will be shuttering [our firm] AJO on Dec. 31," Aronson, 68, wrote in a note Tuesday to clients who still hold $10 billion at his company on South Broad Street, though that's down from a peak of $30 billion in the early 2000s.

"Our record for the past five years sucks," Aronson added in an interview.

"A 44-person operation, even with $10 billion, sounds like a lot of money. But it wasn't working out. So we decided, 'Let's set the clients free.'"

Aronson said clients have sent mostly positive messages. "Money managers never do this," he said. "They stretch it out. They sell it. I'm looking for that graceful end."

What changed? Aronson, a "quantitative" stock picker, had been a pioneer at using modern computing to update an old strategy, popular at such Philadelphia trust companies as Provident. That approach conserved fortunes for heirs of the city's factory and railroad fortunes by identifying low-priced but solid companies likely to boost investor payouts and gain share value.

He says he earned clients about $2 billion in above-market-index profits — what investors call “alpha” — from its founding in 1984 through 2015.

When he started in the business, Aronson said it was easy for a market-literate, computer-familiar professional to beat the crowds. In that era, he said, a savvy investor could spot a trend early, and watch the trades gain value as the market slowly caught up— trends that today are instantly exploited by high-speed, automated programs.

Aronson began his investment career at the former Philadelphia-based brokerage of Drexel Burnham, where his colleagues included future junk-bond king Michael Milken, and his interns included one Brian L. Roberts, the Comcast heir and future chief executive.

As a quantitative investor, or “quant,” focused on company, market and industry data, he avoiding the schmoozing with top executives that was elsewhere a ritual of big-league stock-picking.

“If CEOs’ lips move, it means they are lying,” Aronson liked to repeat. “Really, that’s a snotty things to say. Some of my best personal friends run elite corporations. They are honorable people. But honorable or not, sometimes the numbers work for an investment, and sometimes they do not.”

His firm’s rapid growth brought in such clients as colleges and the Florida, Oregon and City of Philadelphia pension systems, though the city terminated AJO for poor performance last year.

Aronson, a Wharton grad, was a leader in the Chartered Financial Analysts (CFA) organization and other industry groups. “Ted was an academic advisor for a generation of investment professionals who came out of Wharton,” succeeding the late John Neff, the market-beating stock-picker for the Vanguard Windsor fund, in that role, said Matthew Taylor, senior member at Permit Capital Advisors LLC, Conshohocken and a past fund manager.

The good years, especially, generated management fees that enabled him to hire dozens of analysts and business staff. In turn, Aronson’s share of the profits enabled him and his wife, Barbara, to back charitable causes such as WXPN radio and the Nature Conservancy, and to buy what was in 2010 the most expensive apartment in Philadelphia, the $12.5 million penthouse at 1706 Rittenhouse.

But by then, trends that were to make brave, brilliant stock-picking teams scarce were fast advancing. Automated trading programs and high-volume short-term trades as practiced by firms such as Bala Cynwyd-based Susquehanna International Group made it tougher to find bargains.

Managers also faced competition from low-fee, index-based mutual funds and exchange-traded funds offered by Malvern-based Vanguard Group, founded by Aronson’s longtime buddy John C. Bogle, Aronson’s frequent intellectual sparring partner at industry gatherings.

“If I were to start a firm today, I’d probably halve the expectations,” Aronson said. “That compression in value-added makes for a compression in fees. My late, great friend Jack Bogle had a hand in that. Bogle democratized the markets — he made it easy for investors to get market returns, and difficult to add value."

The stock market’s recent concentration on a handful of large, fast-growing tech companies, Amazon, Apple, Facebook, Google parent Alphabet, and Microsoft, has been hard on “value stocks,” which have fallen far behind. Aronson estimates that AJO accounts have trailed the markets by as much as $1.8 billion since 2015. Stopping now lets him retire with a net positive long-term record, though sharply below his peak.

“We built it by outperforming our benchmarks. We lost it the same way," he concluded. "The last five years have been so painful. ‘Value’ stocks will come back. But we are throwing in the towel.”

Aronson said his managers, including co-CEO Gina Moore and chief investment officer Greg McIntire, are talking about putting a new firm together.

But “AJO’s closing will mark the end of my career,” he concluded in his note to clients. “While I am hanging up my spurs, my partners and colleagues are not. I plan to support them as they prepare to ride again.”

Opinion

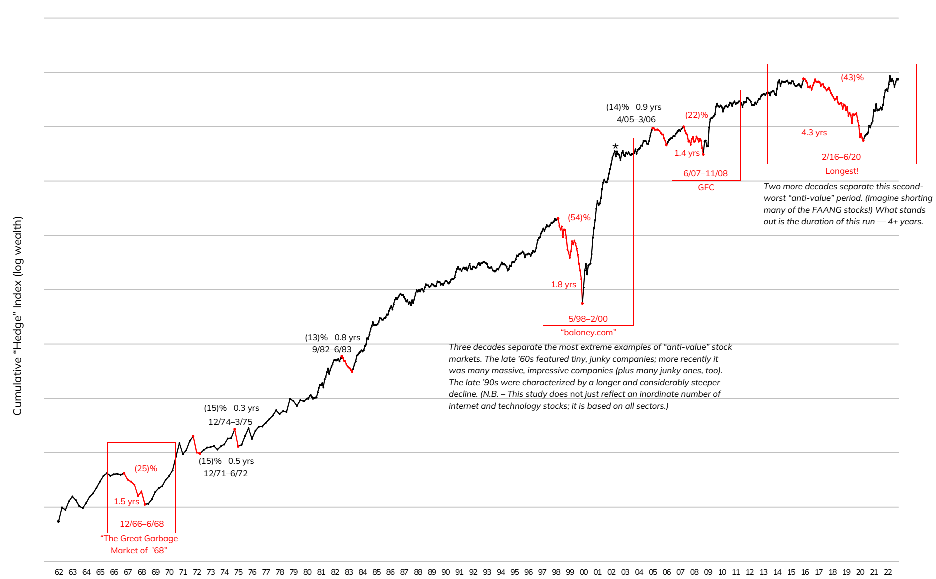
Baloney.com

by John Authers
February 23, 2023

AJO
VISTA

LONG CHEAP DECILE / SHORT RICH DECILE

Trailing P/E: equal-weighted, sector-adjusted returns
March 1962–March 1980, quarterly; March 1980–December 2022, monthly
(N.B. – See note below.)



Sources: AJO Vista, Compustat, FactSet, Wilshire Associates. Jason Zweig coined "baloney.com"; David Dreman coined "The Great Garbage Market of '68." Only loss periods that exceeded (10)% are identified. Over the 60-year history, the annual compound return is 6.9%, with a standard deviation of 13.7%. *The rebound to 6/02 was an astonishing 224% in 2.5 years!
(N.B. – These paper-portfolio returns are the result of an academic exercise and are not the results of any strategy or investment recommendations made by AJO Vista. They do not reflect what would be gargantuan transaction costs in the real world.)

One of my favorite charts of all time has just been updated, and it's worth checking. For decades, the Philadelphia-based fund management group AJO Vista (formerly Aronson+Johnson+Oritz) has kept a chart of returns you would make by consistently shorting the most expensive 10% of US stocks, and putting the money into the 10% cheapest. (It's done using trailing price/ earnings multiples to avoid any contamination from over-optimistic expectations, and is equal-weighted and sector-adjusted to control for extreme excitement such as the dot-com bubble or the more recent era of the FANG stocks. Their universe is the 2,000 largest stocks across all sectors.)

Assuming the you were able to execute this ultimate crude value trade, and had the discipline to keep rebalancing, such a strategy would have been stunningly consistent, and successful, over time. They calculated the numbers back to 1962; during those 38 years, it made an average of 5.5% annually, a remarkable achievement when it was always betting against the most richly valued companies in the market.

But what's most interesting is what tends to happen after the few periods when it loses money. I first saw this chart in 2000, when the-then AJO wanted to point out the madness of the internet craze, which it referred to as Baloney.com. There have been four periods of negative performance before 2000, the worst being the "Great Garbage Market" of 1968. In all cases – and in spades after 2000 – a huge snap back in favor of cheap stocks followed.

With the latest update, we see that the last four years of the long, weird QE-driven market that came before the pandemic was also the longest period of underperformance for the strategy. It felt bizarre at the time, and this is another way of illustrating it. Only now is the strategy back near its heights. If the past is any guide, it's fair to expect cheap stocks to keep outperforming the rich ones for a while yet.

THE WALL STREET JOURNAL.

Wednesday, March 15, 2023

There's a Run on Silicon Valley Bank Swag

SVB's collapse resurrected a niche online market: financial-disaster merchandise

By Alyssa Lukpat & Caitlin Ostroff

SVB-branded items now for sale on Bay include a set of wine cups and a bottle, socks, and a Yeti mug. EBAY

Silicon Valley Bank has collapsed, but branded company gear such as socks, hats and wine tumblers are selling like crazy.

Soon after the second-biggest bank failure last week, people who owned SVB swag—and some people who didn't—got to work. They listed merchandise that was once free at job fairs and company events for sometimes hundreds of dollars on eBay, Etsy and other online retailers. Other people have been making shirts or other swag poking fun at the collapse, hoping to capitalize on the hype.

"Own a piece of bank history!" a seller wrote on an eBay Inc. listing for an SVB tumbler.

Sellers have cashed in on SVB's infamy to make money on all sorts of company merch they may have once neglected. On Wednesday, there were eBay listings for an SVB-branded blanket ($26), a purse hook ($12.50) and a cheese board ($200). Also for sale: SVB laptop bags, a branded apron and a cardboard box with the bank's logo.

SVB's collapse brought a niche industry, financial-disaster swag, back into the spotlight. Oftentimes when a well-known company falls apart, some people list their official merch online. Entrepreneurial designers join the craze by making unofficial T-shirts and apparel to poke fun at a corporate giant's implosion.

People collecting this gear could sport items from SVB as well as FTX, the crypto company that imploded in November, and Melvin Capital, the hedge fund that closed last year after betting against meme stocks. The collapse of Lehman Brothers in the 2008 financial crisis spawned its own trade of real and fake merch that is still thriving today.

SVB, Etsy and eBay didn't return requests for comment.

David Coley, a 40-year-old options trader in Raleigh, N.C., bought a parody SVB T-shirt from Etsy Inc. on Tuesday. It says, "Silicon Valley Bank Risk Management Department."

"Not that there's humor in economic collapse, but it is somewhat funny," he said, "especially the risk-management department. Like, where were they in all of this?"

Much of the parody SVB gear has mocked the company's risk-management practices. The bank disclosed last week that it didn't have a risk officer for the majority of last year.

Other parody SVB shirts have advertised a fake race called "Bank Run 2023," joking about how customers created a run on the bank last week by asking to withdraw billions of dollars.

Mr. Coley likes that these parody shirts can be a conversation starter in public. He said an older man once stopped him at a baseball game to talk about his T-shirt. It said, "Lehman Brothers Risk Management Department 2008." The investment bank helped spark the global financial crisis when it filed for bankruptcy.

Ted Aronson, a long-time value investor, estimated he has spent $25,000 on financial memorabilia over decades. He displays the items for laughs at his company's office in Philadelphia.

Mr. Aronson, 71, has a framed picture of Bernie Madoff, the Ponzi-scheme mastermind; a stock certificate from a 19th-century business, Keely Motor Company, which was built around a fake technology; and an Enron code of ethics booklet.

He said older people crack up when they see the Enron Corp. booklet, recalling the energy company that imploded two decades ago after one of the worst accounting scandals in history. "It's hysterical," he said of the booklet, which his office displays in its reception area.

Mr. Aronson said he isn't sure if he wants to add SVB gear to his collection. "I didn't rush out and buy the SVB crap," he said. "Maybe I will in the future."

Apparel referencing another fallen

Ted Aronson's financial memorabilia includes an Enron mug and booklet. TED ARONSON

company, FTX, has made appearances in New York society. Anna Sorokin, a convicted con artist, was known for wearing couture while she posed as a German heiress. At a party she held at her apartment in December, she traded the luxury clothes for an ugly Christmas sweater that read, "FTX Risk Management Dept. 2022."

She said she put it on later in the evening when the cold New York air came in through the open windows. Her friends immediately got the joke.

"People loved it," she said. "People who know me know I'm sarcastic and I don't take myself too seriously. No one thinks I'm a fan of FTX."

She said she had bought the sweater on Etsy earlier that month while she was looking for something to stylize her ankle monitor. (She has been on house arrest while fighting a deportation order to Germany.) She didn't find any adornments but found the sweater instead.

"I wore it ironically and the irony is definitely not lost on me," said Ms. Sorokin, 32 years old.

Around the time FTX collapsed, Drew Kasemeyer, who runs an Etsy shop called CryptoDesignsCo, said the FTX Risk Management hoodie was his most popular item. He said 30% of his shop's sales were for FTX swag.

"You laugh because if you don't, you're gonna cry," he said. "I think the best way to kind of cope and move on is to make it into a lesson but joke about it."

Ms. Sorokin said her FTX sweater isn't the only tongue-in-cheek piece of clothing she owns. A friend bought her a Melvin Capital sweater. The hedge fund had been among the top-performing in the world until it bet against GameStop Corp., ending up pulverized after individual investors rallied to buy its shares.

She wore the sweater recently to a U.S. Immigration and Customs Enforcement hearing, she said. Ms. Sorokin said she ordered a Silicon Valley Bank hoodie this week, adding to her growing collection of financial-disaster swag.

Institutional Investor

February 7, 2023 • Institutionalinvestor.com

PORTFOLIO

A Jim Simons Market Mystery — Solved?

A secretive investment fund backed by the legendary quant displays a penchant for biotech stocks. There's a good reason for that.

By Richard Teitelbaum

Is Jim Simons, founder of Renaissance Technologies and quant whiz extraordinaire, really a closet stock-picker?

The question springs to mind on account of an investment fund backed by Simons called Euclidean Capital, which is widely reported to be his family office. The fund reports at least some of its public stock holdings quarterly in Securities and Exchange Commission filings.

That's catnip for Simons-trackers who scrutinize his market moves in hopes of gleaning insight into Renaissance investment tactics. In the case of the flagship Medallion Fund, those have generated annualized after-fee returns of 39 percent for decades, making Simons the veritable overlord of quant-based investing.

"Simons is one of a kind," said Theodore Aronson, partner at quantitative money manager AJO Vista, in an email. "He's made more money than God, and has made more money than God for others."

Euclidean itself is a cipher — with no ready information on its assets, strategy, or how closely Simons is involved. He launched the fund as he stepped down as CEO of Renaissance in 2010, according to one person close to the firm.

An email to Simons seeking comment was not returned. A spokesman for Renaissance declined to comment on the record.

The fund has disclosed ownership of ten stocks — mostly biotechnology companies and many lacking revenues.

Biotech is a curious sector to trawl from a quantitative investing standpoint, according to Charles Lee, former global head of equity research at Barclays Global Investors and a finance professor at Stanford Graduate School of Business.

"They are typically among the worst in terms of quant rankings. And for good reasons," Lee wrote in an email. "Historically small biotech startups are among the worst performers in public equity."

The ten positions as of October 30 totaled just $107.7 million, though that is likely only a part of the fund.

That's small beer for Simons, whose net worth is estimated by Bloomberg Billionaires at $25 billion. Euclidean Capital's positions ranked by valuation on October 30 were:

1. 23andMe Holding. Markets direct-to-consumer genomic testing services. (Euclidean Capital's investment: $29,295,000)
2. PMV Pharmaceuticals. Developing oncology therapies to eliminate cancer cells. ($27,809,000)
3. Foghorn Therapeutics. Focuses on treatments in oncology, virology, autoimmune disease, and neurology. ($10,822,000)
4. Rapt Therapeutics. Developing treatments for cancer and inflammatory diseases. ($10,416,000)
5. NGM Biopharmaceuticals. Focuses on therapeutics to treat cardio-metabolic, liver, ophthalmological, and other diseases. ($9,766,000)
6. Alector. Developing therapeutics for neurodegeneration. ($9,279,000)
7. First Financial Bancorp. An outlier, this is a midsized Cincinnati-based regional bank holding company. ($3,659,000)
8. Tenaya Therapeutics. Seeks cures for heart disease and its underlying causes. ($2,656,000)
9. Oric Pharmaceuticals. Focuses on therapies to counter resistance mechanisms in cancer. ($2,392,000)
10. Surrozen. Develops biologics to treat disease-related tissue injuries. ($1,622,000)

Unlike Medallion, known for rapid fire trading, Euclidean turnover appears low, with no entries or exits in the portfolio since the previous June. Euclidean sold only two of its ten holdings during the nine months and stood pat in its eight remaining positions, while adding two. For the record, the biotech holdings' nine-month losses as of September 30 ranged from 26.14 percent to 78.23 percent, versus a drop of 19.75 percent for the Invesco Nasdaq Biotechnology ETF.

Investors would be wise not to blindly pile into these names, according to a person familiar with Euclidean. This person described the stocks as "residuals" from the fund's venture capital investments, which it made when the companies were private and held on to after they went public. The stocks represent just a small part of Euclidean's portfolio, this person says.

Still, scrutinizing the technologies and businesses that Euclidean invests in makes sense, given Simons' scientific bonafides. He worked as a National Security Agency codebreaker, founded Stony Brook University's renowned math department, won an Oswald Veblen Prize for his work as a geometrician and co-authored the Chern-Simons Theory, a building block for string theory.

And Simons has serious cred as a technology investor, having helped to found or fund such one-time prominent companies as Franklin Electronic Publishers, Cylink, and Segue Software, as well as serving on the board of Symbol Technologies.

In filings, Euclidean's address is in the same building as the Simons Foundation, which supports basic and discovery-driven science, and across the street from Simon's Flatiron Institute, which bankrolls computational research in astrophysics, biology, mathematics, neuro-science, and quantum physics. Somewhat curiously, given its secrecy, the fund has a LinkedIn profile, including the names of its president and some of its 23 employees.

These include analysts, a scientist, as well as technology, legal, compliance and risk officers.

Most prominently, Ashvin Chhabra is president and chief investment officer. A former head of quantitative research at JPMorgan Chase, he served as chief investment officer for Merrill Lynch Wealth Management as well as the Institute for Advanced Study in Princeton, New Jersey.

"I suspect Simons, who is affiliated with that prestigious organization, got an opportunity to see Ashvin at work and liked what he saw," wrote Andrew Lo, a finance professor at MIT's Sloan School of Management, in an email. "There's a reason Simons recruited him, among all the potential CIOs that would have jumped at the chance to work for one of the most successful hedge fund investors in the world."

AJO 230 SOUTH BROAD STREET, 20TH FLOOR | PHILADELPHIA, PA 19102-4102 | 215.546.7500/7506 FAX | AJOPARTNERS.COM

MEMORANDUM

FROM: Ted Aronson

DATE: June 4, 2021

RE: GUILTY AS CHARGED!

A money manager friend took umbrage that I called him a monkey. To save our friendship, I reminded him:

- *I called myself a monkey, too.*
- *The laws of evolution usually put the monkey on top.*

In any event, GameStop is now the largest name in the Russell 2000 Value Index.

Anyone for blindfolded monkeys throwing darts at a stock page?!

TRA
aronson@ajopartners.com

gce

THE WALL STREET JOURNAL.

Thursday, May 27, 2021

'God Told Me to Put Money Into Hertz': How Small Investors Are Upending Wall Street

Spring resurgence in so-called meme stocks is latest triumph for retail traders long derided as 'dumb money'

By Gunjan Banerji and Alexander Osipovich

Many small investors are beating Wall Street pros at their own game.

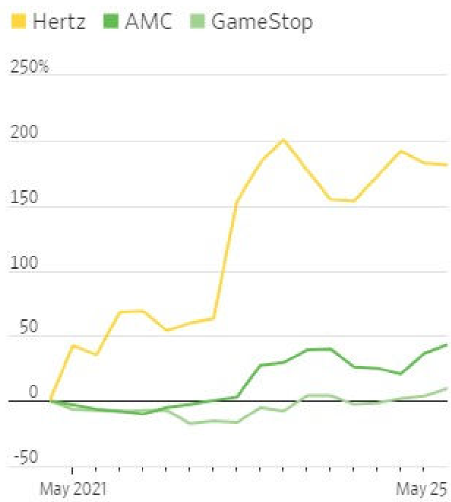
A basket of stocks favored by individuals has outperformed the broader market since March of last year, according to Vanda Research. This group, which includes behemoths like Apple Inc. and Tesla Inc. alongside electric-vehicle maker NIO Inc. and digital-payments company Square Inc., has gained 68% since the beginning of March 2020, far outpacing the S&P 500's roughly 36% climb.

Basket of stocks popular with individual investors versus the broad market

Source: Vanda Research (retail basket), FactSet (S&P 500)

And meme stocks popular with individual investors have been on a tear again. Shares of movie-theater operator AMC Entertainment Holdings Inc. jumped 19% Wednesday, putting them on track to almost double this month. GameStop Corp. has advanced 40% this month, far outpacing the S&P 500's gain of 0.4%. Shares of Hertz Global Holdings Inc. have nearly tripled in May.

Meme stocks' performance



Source: FactSet

Short sellers who bet against GameStop, Hertz and AMC—a group targeted by many smaller investors who have favored these stocks—have lost more than $8 billion this year, according to data provider S3 Partners.

"It feels great," said Daniel Shin, a 35-year-old individual investor based in Edison, N.J., who bought shares of AMC in January and has added to his positions since. "It feels like us against them. Like retail against Wall Street."

This year's reversal has riveted the financial industry and fueled a surprising revival for some apparently moribund businesses, helping AMC narrowly avert bankruptcy and paving the way for GameStop to raise money by issuing shares. Those episodes were the ultimate victory for small Main Street investors who are often derided in markets as "dumb money."

Meanwhile, hedge funds—the "smart money" of years past—have continued to make a lackluster showing. From January through April, a weighted index tracking the performance after fees of about 1,300 hedge funds climbed 8.7%, according to data provider HFR. That lagged behind the S&P 500, which rose 11% over the same period.

The market's upside-down turn, featuring a sustained rally in smaller companies with shaky financials and easy fortunes made by some early buyers of these shares, doesn't make everyone happy. Analysts and portfolio managers recall that the market meltdowns of 2000 and 2008 were preceded by roaring bull markets in speculative areas such as dot-com startups and mortgage finance. When those manias ended, the broader economy paid the price.

Millions of individual investors stampeded into the market last year, enticed by zero-commission brokerages and easy-to-use investing apps, and their interest helped fuel the post-pandemic rally. That, and the fervor with which many small investors have piled into market winners, have potentially set the stage for severe selloffs if spooked investors flee hot stocks en masse.

That is in part because they are

riding one of the most powerful forces in markets over the past year: momentum investing, or buying assets simply because the price is rising. The rising prices of assets from dogecoin, a cryptocurrency created as a joke, to Hertz shares have attracted buyers, whose demand has driven prices even higher. That, in turn, has drawn even more buyers, in part because of a behavior dubbed FOMO—the fear of missing out.

Data from Vanda Research show individual investors tend to pour far more money into stocks with high momentum than low momentum.

Paktra Som, a 35-year-old pilot based in Los Angeles, said he jumped into the market for dogecoin in 2019 and has since kept buying, looking to ride its continued ascent. Dogecoin has skyrocketed more than 6700% this year despite a recent pullback.

"If there is a large increase in volume in something and there is a clear trend of direction that it is going…the result is typically rewarding as long as you know when to sell," Mr. Som said. "Dogecoin had no solid fundamentals to [base] my investing strategy on. But the volume of buyers was always there."

Other investors aren't tracking trading volumes or momentum. Rather, they are relying on their gut.

"God told me to put money into Hertz," said Damien Roscoe, a 42-year-old electronic technician in Glenwood, Ill. "I know it sounds crazy."

Mr. Roscoe says he made about $8,000 in profits from buying Hertz shares this spring.

The car-rental company has become one of the most unlikely success stories. Hertz declared bankruptcy last year as coronavirus lockdowns and travel restrictions devastated its business. Financial professionals fretted as

A bankruptcy court recently approved a winning auction bid in which Hertz stockholders would get more than $7 a share. The stock was below $1 in March.

PHOTO: TAYLOR GLASCOCK FOR THE WALL STREET JOURNAL

individual investors snapped up the shares, warning that stock in insolvent companies usually ends up worthless.

But buyers had the last laugh after a bankruptcy court this month approved a winning auction bid in which Hertz stockholders would get more than $7 a share. The stock was trading at less than $1 in March.

"Everyone was, 'Y'all are stupid for buying stock in a bankrupt company,'" Mr. Roscoe said. "But driving around…I just believed in it."

In one sign of how powerful the run for meme stocks like Hertz has been, investors who didn't hold GameStop shares this year would have lagged behind the Russell 2000 value index by almost 1 percentage point even if they held every other stock in the gauge, according to Ted Aronson, a longtime value investor and founding partner of AJOvista, his new investment firm. Value investors seek to buy shares at a discount to their net worth, essentially sifting through out-of-favor assets for bargains.

Mr. Aronson gave $10 billion back to investors at AJO, his old firm, after a stretch of underperformance.

He compared the recent run in meme stocks and other speculative bets to the internet craze in the late 1990s.

"You just have the herd mentality bidding stuff up based on rumor or Reddit or TikTok," Mr. Aronson said. "This is just payback for a long time when we had it relatively easy, when value investing worked really well and any monkey could do it."

THE WALL STREET JOURNAL.

Tuesday, September 14, 2021

GameStop, AMC Drive Big Gains In Value Stocks

BY GUNJAN BANERJI

Meme stocks are distorting the way some investors see parts of the market.

The Russell 2000 value index, designed to follow shares of small companies that are viewed as bargains relative to the rest of the market, is up 22% this year. Meanwhile, the Russell 2000 growth index, populated with companies whose earnings are expected to flourish faster than the rest of the market, has increased only 5.2%.

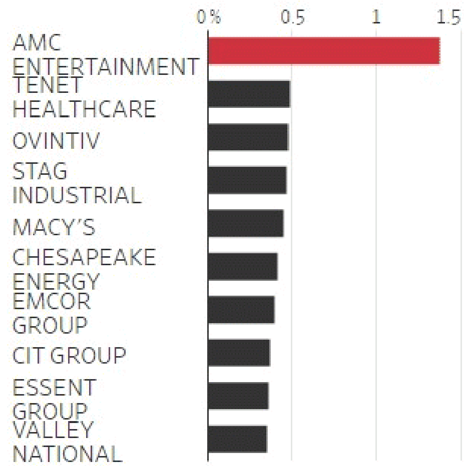
Look to another set of indexes, though, and a different picture emerges: The S&P 500 growth index, for example, is outperforming its value peer by around 6 percentage points in the year to date.

What gives? The Russell 2000 value index's gains this year have been powered by some meme stocks such as AMC Entertainment Holdings Inc. That stock's rally of more than 2,000% this year has helped the Russell 2000 value index outperform the Russell 2000 growth benchmark by the widest margin since 2002, according to Dow Jones Market Data.

Of course, many investors have embraced value stocks this year. They have snapped up shares of cyclical companies and ones in corners of the market benefiting from a booming economy. The S&P 500 value index is up around 15% this year.

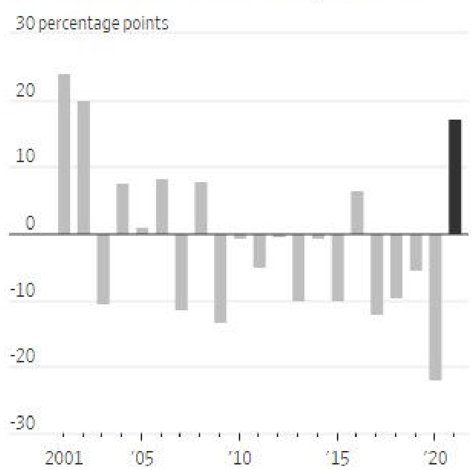
But the meme companies have had an outsize effect in some indexes. Take GameStop Corp., which became a battleground stockearlier this year as individual investors drove the retailers' shares ever higher. After those gains, GameStop was dropped from the Russell 2000 value index in June. Even so, it remains the second-biggest contributor to that index this year. AMC is first, according to calculations by investment firm AJOVista as of Friday. Small-cap value investors avoiding the two stocks would have trailed the value gauge by almost 2 percentage points in 2021.

Biggest weightings in the iShares Russell 2000 Value ETF



Note: Figures as of Sept. 9
Source: iShares

Yearly spread between the Russell 2000 value index and Russell 2000 growth index



Note: Figures are yearly through Sept. 13.
Source: Dow Jones Market Data, FactSet

AMC still belongs to the value index, puzzling some investors who say that it is a misfit. Shares of AMC already appear pricey after their meteoric gains this year, according to some investors.

"It doesn't make sense," said Chris Covington, head of investments at AJOVista. "It's really all a nuance of the index construction process."

FTSE Russell, the index provider, says in materials provided to investors that the value index is designed to include companies with lower price-to-book ratios and lower expected growth in the future.

A spokeswoman for the index provider didn't respond to a request for comment.

AMC's place in the value index means the movie giant's shares crop up in exchange-traded funds tracking value stocks. AMC is the biggest holding in the roughly $16 billion iShares Russell 2000 Value ETF—one of the biggest tracking the sector—and the roughly $1 billion Vanguard Russell 2000 Value ETF.

As of early September, the company's $22 billion market value made it almost 14 times bigger than the iShares fund's average holding, according to Dow Jones Market Data. It also is the largest holding in the iShares Russell 2000 ETF, which tracks small companies in the U.S. stock market regardless of whether they are considered value or growth stocks.

AMC rallied more than 2,000% this year and helped the Russell 2000 value index beat the Russell 2000 growth gauge by a wide margin.

JEENAH MOON/BLOOMBERG NEWS

A fact sheet for the Russell 2000 value index says the index is updated annually. "It is representative of market demand," said Stephanie Hill, head of index at Mellon, of meme stocks' growing influence on the benchmarks.

AMC's heft in the value index and several ETFs is the latest sign of how the meme stock craze has upended traditional investing.

GameStop's surge this year landed it a promotion to the Russell 1000 growth benchmark, sitting alongside tech heavyweights including Apple Inc., Tesla Inc. and Microsoft Corp.

Portfolio Characteristics

December 31, 2023

	AJO Vista Emerging Markets Small Cap	MSCI Emerging Markets Small Cap
Number of securities	277	1,982
Number of countries	20	22
Top 10 holdings (%)	13.9	2.9
Active share (%)	87.3	
Average market cap ($m)	$2,888	$1,830
Median market cap ($m)	$1,395	$994
Beta (1y, weekly)	0.92	
Tracking error % (3y, weekly)	4.7	
Market Cap Distribution (%)		
< $100 million	0.0	0.0
$100 – $500 million	4.7	4.6
$500 – $1000 million	18.4	23.6
$1000 – $5000 million	61.4	70.8
> $5000 million	15.6	1.0
Value (%)		
Dividend yield	3.8	2.4
Earnings yield	9.9	6.5
EBITDA/Enterprise value	17.3	11.1
Cash flow yield	17.2	12.3
Growth (%)		
Asset growth	11.7	13.1
Earnings growth	26.9	21.8
Momentum (%)		
Average tr-12 stock return	51.5	32.6
Risk (%)		
Average tr-12 stock volatility	34.1	35.7
Leverage	22.5	25.8
Earnings risk	2.2	2.6
Quality (%)		
Operating margin	26.8	26.3
Return on equity	19.8	13.1
Sector Exposure (%)		
Communication services	4.3	3.8
Consumer discretionary	12.0	11.6
Consumer staples	4.3	6.5
Energy	3.4	1.9
Financials	12.6	10.5
Health care	7.8	9.4
Industrials	18.7	16.8
Information technology	20.1	17.6
Materials	10.9	12.3
Real estate	4.3	6.2
Utilities	1.6	3.4
Country Exposure — Min/Max (%)		
Min: India	24.6	25.7
Max: South Korea	15.1	13.4

PORTFOLIO CHARACTERISTICS

December 31, 2023

	AJO Vista US Micro Cap	Russell Microcap
Number of securities	260	1,497
Number of countries	1	1
Top 10 holdings (%)	10.0	6.9
Active share (%)	70.7	
Average market cap ($m)	$769	$883
Median market cap ($m)	$614	$234
Beta (1y, weekly)	0.98	
Tracking error % (3y, weekly)	6.5	
Market Cap Distribution (%)		
< $100 million	2.3	3.5
$100 – $500 million	37.2	34.7
$500 – $1000 million	33.2	36.1
$1000 – $5000 million	27.4	24.0
> $5000 million	0.0	1.7
Value (%)		
Dividend yield	1.3	1.2
Earnings yield	9.7	8.0
EBITDA/Enterprise value	16.7	13.0
Cash flow yield	17.5	14.6
Growth (%)		
Asset growth	13.7	13.2
Earnings growth	28.9	19.3
Momentum (%)		
Average tr-12 stock return	29.2	14.3
Risk (%)		
Average tr-12 stock volatility	51.4	54.9
Leverage	28.9	28.4
Earnings risk	3.9	4.1
Quality (%)		
Operating margin	21.6	23.4
Return on equity	-11.8	-17.0
Sector Exposure (%)		
Communication services	1.5	2.9
Consumer discretionary	11.9	10.1
Consumer staples	3.2	1.7
Energy	4.3	5.8
Financials	20.4	21.7
Health care	26.8	25.3
Industrials	14.3	13.3
Information technology	10.0	10.6
Materials	5.4	3.7
Real estate	2.2	3.9
Utilities	0.0	1.0

Portfolio Characteristics

December 31, 2023

	AJO Vista International Small Cap	MSCI World ex USA Small Cap
Number of securities	278	2,386
Number of countries	19	22
Top 10 holdings (%)	11.4	2.3
Active share (%)	85.7	
Average market cap ($m)	$2,801	$2,873
Median market cap ($m)	$1,724	$1,285
Beta (1y, weekly)	0.93	
Tracking error % (3y, weekly)	4.2	
Market Cap Distribution (%)		
< $100 million	0.0	0.0
$100 – $500 million	3.0	1.9
$500 – $1000 million	20.4	12.2
$1000 – $5000 million	61.0	73.6
> $5000 million	15.6	12.4
Value (%)		
Dividend yield	3.8	2.9
Earnings yield	9.8	7.4
EBITDA/Enterprise value	18.3	13.3
Cash flow yield	16.9	13.5
Growth (%)		
Asset growth	10.0	10.3
Earnings growth	23.6	14.5
Momentum (%)		
Average tr-12 stock return	23.2	11.5
Risk (%)		
Average tr-12 stock volatility	31.3	31.5
Leverage	30.9	31.5
Earnings risk	2.3	2.1
Quality (%)		
Operating margin	24.5	24.4
Return on equity	15.1	10.6
Sector Exposure (%)		
Communication services	2.2	3.7
Consumer discretionary	13.7	12.0
Consumer staples	4.6	6.1
Energy	3.7	4.8
Financials	13.0	11.2
Health care	6.7	6.0
Industrials	21.1	22.3
Information technology	11.3	9.6
Materials	12.8	10.9
Real estate	8.8	10.5
Utilities	2.2	2.9
Country Exposure — Min/Max (%)		
Min: Japan	29.4	30.5
Max: Canada	10.5	9.2

Portfolio Characteristics

December 31, 2023

	AJO Vista Amplified Opportunities	MSCI ACWI IMI
Number of securities	301	9,079
Number of countries	1	1
Top 10 holdings (%)	16.0	16.3
Active share (%)	54.2	
Average market cap ($m)	$400,255	$417,207
Median market cap ($m)	$70,759	$2,357
Beta (1y, weekly)	0.95	
Tracking error % (3y, weekly)	7.6	
Market Cap Distribution (%)		
< $5 billion	3.2	8.8
$5 – $25 billion	13.6	18.6
$25 – $100 billion	36.4	27.3
$100 – $250 million	20.8	17.4
> $250 billion	25.6	27.9
Value (%)		
Dividend yield	2.2	2.1
Earnings yield	6.2	5.7
EBITDA/Enterprise value	9.0	8.9
Cash flow yield	9.7	9.1
Growth (%)		
Asset growth	7.8	8.9
Earnings growth	14.4	14.1
Momentum (%)		
Average tr-12 stock return	27.4	23.5
Risk (%)		
Average tr-12 stock volatility	26.9	27.8
Leverage	37.9	36.9
Earnings risk	1.6	1.6
Quality (%)		
Operating margin	30.3	29.7
Return on equity	21.3	20.3
Sector Exposure (%)		
Communication services	7.0	6.9
Consumer discretionary	10.8	11.3
Consumer staples	6.5	6.5
Energy	4.7	4.5
Financials	15.7	15.7
Health care	10.7	11.1
Industrials	12.1	11.6
Information technology	21.2	21.7
Materials	5.3	4.9
Real estate	3.0	3.0
Utilities	2.8	2.6

NOTES

AJO Vista, LLC is an independent, registered investment adviser, registered with the SEC on 8/13/21. AJO Vista was formed from the combination of AJO, LP, registered with the SEC from 1984 through 2021, and HighVista Systematic Strategies, a former subsidiary of HighVista Strategies registered since 2004. The responsibility for performance results of strategies existing prior to the formation of AJO Vista is identified in the table below.

AJO Vista claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AJO Vista has been independently verified for the periods 5/1/21-12/31/22. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether (1) the firm's policies and procedures related to composite construction and pooled fund maintenance meet the requirements of GIPS standards on a firmwide basis, and (2) the calculation, presentation, and distribution of performance have been designed in compliance with the GIPS standards and have been implemented on a firmwide basis. Verification does not provide assurance on the accuracy of any specific performance report.

The following composites have been examined for the periods indicated:

Composite	Examination Period	Responsible Firm	Verification	Associated Record
AJO Vista Emerging Markets Small Cap	1/1/13-12/31/22	AJO Vista	ACA Group	5/1/21-12/31/22
		AJO LLC	ACA Group & Ashland Partners	1/1/13-4/30/21
AJO Vista US Micro Cap	9/11/19-12/31/22	AJO Vista	ACA Group	5/1/21-12/31/22
		HighVista Systematic Strategies	ACA Group	9/11/19-4/30/21
AJO Vista International Small Cap	6/1/20-12/31/22	AJO Vista	ACA Group	5/1/21-12/31/22
		HighVista Systematic Strategies	ACA Group	6/1/20-4/30/21
AJO Vista Amplified Opportunities Fund	4/1/20-12/31/22	AJO Vista	ACA Group	5/1/21-12/31/22
		AJO LLC	ACA Group	4/1/20-4/30/21

Composite and limited distribution pooled fund descriptions are available upon request.

The AJO Vista Emerging Markets Small Cap composite is the successor composite to the AJO Emerging Markets Small Cap composite. This composite is benchmarked to the MSCI Emerging Market Small Cap Index (net of withholding tax) and invests in small cap equities aligning with the risks and market cap range of the index. The minimum account size for inclusion in this composite is $1 million dollars.

The AJO Vista US Micro Cap composite is the successor to the HighVista Systematic Strategies US Micro Cap Carve-Out composite. Since its inception, AJO Vista US Micro Cap has been managed like a standalone equity strategy, investing in micro-cap equities aligning with the risks and market cap range of the benchmark, the Russell Microcap Index. Through 12/31/2021 the composite reflects a daily NAV equal to the market value of the holdings plus a 0.50% fixed cash allocation and is therefore labeled a carve-out. As of 1/1/2022 the composite only reflects standalone accounts, including previous accounts in a restructured standalone format. The minimum account size for inclusion in this composite is $3 million dollars.

The AJO Vista International Small Cap composite is the successor to the HighVista Systematic Strategies International Small Cap Carve-Out composite. Since its inception, AJO Vista International Small Cap has been managed like a standalone equity strategy, investing in small-cap equities aligning with the risks, countries, and market cap range of the benchmark, the MSCI World ex US Small Cap Index (net of withholding tax). Through 12/31/2021 the composite reflects a daily NAV equal to the market value of the holdings plus a 0.50% fixed cash allocation and is therefore labeled a carve-out. As of 1/1/2022 the composite only reflects standalone accounts, including previous accounts in a restructured standalone format. The minimum account size for inclusion in this composite is $3 million dollars.

The AJO Vista Amplified Opportunities composite is the successor to the AJO Rebound Value composite. This composite is benchmarked to the ACWI IMI Index (net of withholding tax) and invests in equities aligning with the risks and/or countries and market cap range of the index. Prior to 5/18/2022 the strategy was benchmarked to the Russell 2000 Value Index. The minimum account size for inclusion in this composite is $3 million dollars.

The AJO Vista Emerging Markets Large Cap Client Restricted composite is the successor to the HighVista Systematic Strategies Emerging Markets Large Cap Client Restricted composite. This is a non-marketed composite. It is benchmarked to a custom index that changed from the MSCI Emerging Markets Index (net of withholding tax) to the MSCI Emerging Markets ex India Index (net of withholding tax) on 3/1/2019. The minimum account size for inclusion in this composite is $3 million dollars.

The AJO Vista All Country World ex US composite is the successor to the HighVista Systematic Strategies All Country World ex US composite. This is a non-marketed composite. It is benchmarked to the MSCI ACWI ex US Index (net of withholding tax) and invests in large cap equities aligning with the risks and countries and market cap range of the index. The minimum account size for inclusion in this composite is $3 million dollars.

The AV Mitra Market Neutral Long/Short Fund is the descriptive name for AV Mitra, LP. It is the product of a joint venture between AJO Vista and Mitra Capital, LLC. AJO Vista is partial owner and sole operator of AV Mitra, LP. AV Mitra, LP is not a registered investment advisor and does not claim compliance with the GIPS Standards. It has the following history: Prior to July 1, 2022, AV Mitra, LP was Mitra Capital, LP with annual net results from **July 1, 2019 – December 31, 2021 of 12.9%, 1.4%, and -10.4%, respectively. Portfolio management and the investment strategy transitioned with the joint venture on July 1, 2022. The long/short results involve a degree of “leverage”: borrowed stocks are sold short; short sale proceeds and long stocks become collateral. Long/short can be riskier than long-only investing since both the long and short sides can simultaneously lose value.

All composites listed are calculated in US$, asset-weighted, and presented gross and net of investment management fees. All portfolios are fee-paying, fully discretionary accounts included from the first full month following completion of initial funding to the present or to the month prior to termination. The performance impact of flows is mitigated using a temporary new-account methodology. Composite creation date for all strategies is 5/1/2021. Returns use trade-date accounting and are time-weighted total returns including cash and equivalents and reinvestment of income for portfolios that reinvest. Internal dispersion is not shown because there are five or fewer portfolios in the composite for the full year. The composite rolling three-year annualized ex-post standard deviation is calculated using gross returns. When rolling-three-year standard deviation is not presented, it is because the composite does not have a three-year history. Composite returns are net of withholding taxes for the international composites.

A portfolio's gross return considers transaction costs but not investment management fees and other expenses incurred in account management. Net returns reflect the deduction of the standard fee schedule in effect for the respective period to each account in the composite. For example, in the AJO Vista Emerging Markets Small Cap composite, net-of-fees returns are calculated by reducing monthly composite returns by a standard fee of 0.0667%. This equates to a standard annual fee of 0.8%, which is the highest tier of the standard fee schedule. For certain periods, accruals for performance-based-fee accounts may cause net returns to appear under- or overstated or to exceed gross returns. Current fees are reflected below and in the firm's ADV.

The systematic investment process of AJO Vista is supported by proprietary computer code, third-party software, and ongoing data feeds from third-party data providers, and may not operate correctly in all market conditions. As with any data-driven investment process, errors may occur in coding, software, and/or data feeds.

AJO Vista employees have personal assets invested in the Emerging Markets Small Cap composite.

To receive a complete list and description of AJO Vista's composites and details regarding policies for valuing investments, the treatment of cash flows, calculating performance, and preparing GIPS Reports, or for a copy of AJO Vista's verification report, please contact Nik Takmopoulos at 917.596.5219 or at info@ajovista.com.

Returns represent past performance and are not indicative of future results.

Accompanying performance presentations are intended only for the recipient.

Fees

Performance-based fees are available, and their structure is negotiable.

AJO Vista Emerging Markets Small Cap
AJO Vista US Micro Cap
AJO Vista International Small Cap
AJO Vista All Country World ex US
AJO Vista Emerging Markets Large Cap
0.80% on all assets

AJO Vista Amplified Opportunities
Performance-based fees only
17.5% fee on the added-value above benchmark, not to exceed 2% annual fee at the portfolio level

Pooled Funds

AJO Vista Emerging Markets Small Cap Fund, Ltd.
80bps Mgmt Fee + (up to) 50bps Fund Expenses = 130bps Expense Ratio (maximum)

AJO Vista US Micro Cap Fund, Ltd.
80bps Mgmt Fee + (up to) 20bps Fund Expenses = 100bps Expense Ratio (maximum)

AJO Vista International Small Cap Fund, Ltd.
80bps Mgmt Fee + (up to) 25bps Fund Expenses = 105bps Expense Ratio (maximum)

Composite History

		Annual Total Return (%)			Rolling 3-Year Standard Dev (%)							
Composite / Inception / *Benchmark*	Year	AJO Vista Gross (%)	AJO Vista Net (%)	Bench (%)	AJO Vista Gross (%)	Bench (%)	Accounts (#)	Clients (#)	Assets ($mm)	Firm Assets ($mm)	Firm Assets (%)	Carve-Outs (%)
AJO Vista All Country World ex US	2023	20.7	19.8	15.6	16.6	16.3	1	1	518	1,353	38	0
3/1/19	2022	(14.3)	(15.0)	(16.0)	19.5	19.5	1	1	431	1,488	29	0
MSCI ACWI ex USA	2021	10.5	9.6	7.8	—	—	1	1	505	967	52	0
	2020	4.8	4.0	10.7	—	—	1	1	458	—	—	0
	2019	8.4	7.6	10.8	—	—	1	1	439	—	—	0
AJO Vista Emerging Markets Small Cap	2023	32.3	31.3	23.9	17.6	15.8	2	2	214	1,353	16	0
12/31/12	2022	(11.7)	(12.4)	(18.0)	23.5	24.3	2	2	128	1,488	9	0
MSCI Emerging Markets Small Cap	2021	29.0	27.9	18.8	20.8	22.2	2	2	135	967	14	0
	2020	17.4	16.5	19.3	21.5	23.8	1	1	189	—	—	0
	2019	12.2	11.3	11.5	13.2	13.2	2	2	398	—	—	0
	2018	(15.9)	(16.6)	(18.6)	14.8	14.2	3	3	410	—	—	0
	2017	34.3	33.2	33.8	15.4	14.6	3	3	480	—	—	0
	2016	8.9	8.0	2.3	15.6	14.5	4	3	483	—	—	0
	2015	(2.7)	(3.5)	(6.8)	13.9	13.7	4	3	391	—	—	0
	2014	12.7	11.8	1.0	—	—	2	2	165	—	—	0
	2013	8.9	8.0	1.0	—	—	2	2	166	—	—	0
AJO Vista US Micro Cap	2023	19.6	18.7	9.3	21.5	23.6	1	1	10	1,353	1	0
9/11/19	2022	(12.7)	(13.4)	(22.0)	26.2	28.5	1	1	9	1,488	1	0
Russell Microcap	2021	29.1	28.1	19.3	—	—	1	1	10	967	1	100
	2020	9.9	9.0	21.0	—	—	1	1	25	—	—	100
	2019	11.0	10.8	11.0	—	—	1	1	23	—	—	100
AJO Vista International Small Cap	2023	15.9	14.9	12.6	18.6	18.2	1	1	9	1,353	1	0
5/31/20	2022	(20.5)	(21.1)	(20.6)	—	—	1	1	8	1,488	1	0
MSCI World ex USA Small Cap	2021	16.1	15.2	11.1	—	—	1	1	10	967	1	100
	2020	28.2	27.6	31.7	—	—	1	1	13	—	—	100
AJO Vista Emerging Markets Large Cap	2023	12.7	11.8	7.9	18.2	19.1	1	1	154	1,353	11	0
Client Restricted Composite	2022	(19.2)	(19.9)	(21.8)	20.5	21.2	1	1	139	1,488	9	0
4/1/18	2021	4.1	3.3	(5.6)	17.4	18.7	1	1	172	967	18	0
MSCI Emerging Markets ex India	2020	5.9	5.0	18.5	—	—	1	1	165	—	—	0
	2019	14.9	14.0	18.3	—	—	1	1	156	—	—	0
	2018	(15.9)	(16.4)	(15.8)	—	—	1	1	50	—	—	0
AJO Vista Amplified Opportunities	2023	19.0	19.0	21.6	20.0	17.7	1	1	57	1,353	4	0
3/31/20	2022	(12.9)	(13.2)	(13.8)	—	—	1	1	118	1,488	8	0
MSCI ACWI IMI	2021	62.7	59.8	28.3	—	—	1	1	136	967	14	0
	2020	142.6	139.3	62.6	—	—	1	1	150	—	—	0

Parting Thoughts

Systematic Investors — with the emphasis on "Investor"

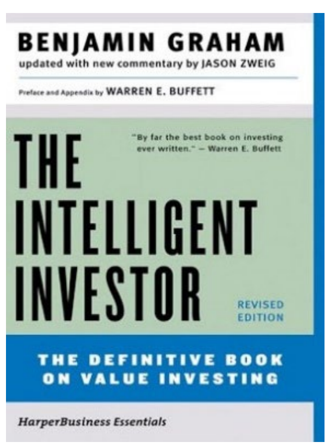
- Value *and* Quality *and* Momentum *and* Stability are important
- Multifaceted peer comparisons help us amplify what matters
- Investing requires understanding beyond the numbers

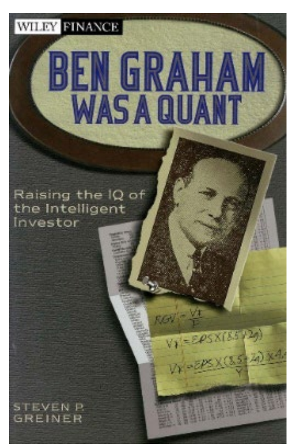
Opportunity-focused — with the emphasis on "Alpha"

- Our approach to research and portfolios is well-balanced
- Common sense complements skeptical optimization
- Controlling the implementation shortfall is the key to holding profits

Client-focused — with a "Fair Shake" approach

- Performance-based fees are available — in fact, encouraged
- Capacity limits are enforced
- Transparency and candor create a client-friendly atmosphere





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