RANGER INVESTMENTS

2021 ANNUAL REPORT

ENVIRONMENTAL, SOCIAL, & CORPORATE GOVERNANCE

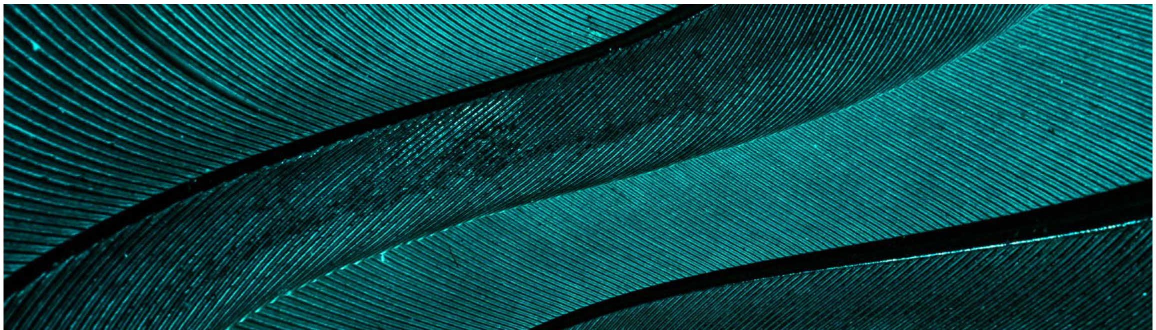
This report is intended for institutional investors or investment professionals only.

"One inescapable reality is that decarbonizing the global economy is a monumental task, with far-reaching economic trade-offs that will challenge countries, industries, companies and individuals.

Another is the growing impact of the ESG movement, as it causes major investors, and the companies they hold in their portfolios, to rethink the risks of traditional business models, and the opportunities for more sustainable value creation in the future."

- James Chalmers
Global Assurance Leader & Partner, PwC UK

CONTENTS



I. ABOUT US

LETTER FROM THE INVESTMENT TEAM

Dear Friends,

We are pleased to present to you Ranger Investments' third annual report on environmental, social and governance ("ESG") research. As we look back on the second year dealing with the global impacts of COVID-19, we continue to find companies that set themselves apart in the way they serve their customers, employees, and communities at large.

No company has been fully immune from the impacts of COVID-19, from inflation and supply chain pressures to the increase in employee turnover now known as the Great Resignation. However, we can point to portfolio companies that experienced lower turnover than their competitors by proactively supporting employees during the most intense periods of the pandemic. We believe these companies retain the talent and institutional knowledge that will leave them better prepared to grow as the economy reopens.

Our companies continued to make advances on ESG reporting over the past year. Across our strategies, the number of companies that published sustainability reports more than doubled in the past year to 29%. This is a significant investment of time and resources that we believe will sharpen management's focus on their ESG goals and priorities.
Ranger Investments is growing stronger in our ESG work as well. During 2021, our engagements covering ESG topics with management teams grew by approximately 25% over the prior year. In addition, this fall, we completed our first climate reporting survey for portfolio companies. We share many of our findings with you on pages 10-11 of this report. Our plan is to conduct this climate survey on a regular basis, with the expectation that we can build a database over time that will track trends and improvements across our portfolios.

Below you will find ESG factor spotlights worthy of attention, reports on both management engagement and proxy voting, and a year in review. We hope you find it insightful, and as always, please do not hesitate to call if you have any questions or if we can be a resource.

Best Regards,

Conrad Doenges	Andrew Hill	Joseph LaBate
CIO	President	Managing Director
Portfolio Manager	Portfolio Manager	Portfolio Manager

LETTER FROM THE ESG ADVISORY COMMITTEE

Hello,

2021 was another year of staggering growth for sustainable investing. After seeing the large steps taken in 2020 toward a goal of comprehensive global reporting, we saw more significant progress in 2021. These global collaborations mark a major advancement toward consistent, standardized, and decision-useful sustainability disclosures.

The events of the last two years have put more ESG topics in the spotlight and companies are allocating more resources toward sustainability – from data gathering and reporting, to hiring ESG-specific personnel, to establishing climate and diversity goals. We are also providing more resources to ESG with newly acquired ESG research platforms, expanded policies and procedures, broadened internal and external ESG reporting, and a new ESG training program for investment professionals. The cross-functional support our committee provides to our ESG process continues to be valuable. In addition, we are proud to share that Melanie Mendoza, the Firm's Chief Compliance Officer, joined our committee in 2021. Melanie's extensive regulatory expertise and ESG involvement within the investment community make her a welcome addition.

The ESG Advisory Committee remains focused on enhancing our process, while ensuring that ESG integration throughout the investment process remains seamless. The enhancements made in 2021 allowed us to better track company improvements, awareness, and progress on initiatives, while establishing baselines that inform engagements. We are proud of our ESG work and believe our rigorous process is a differentiating factor among small cap managers and remain steadfast in continuing to evolve and improve our practices amid this rapidly changing landscape.

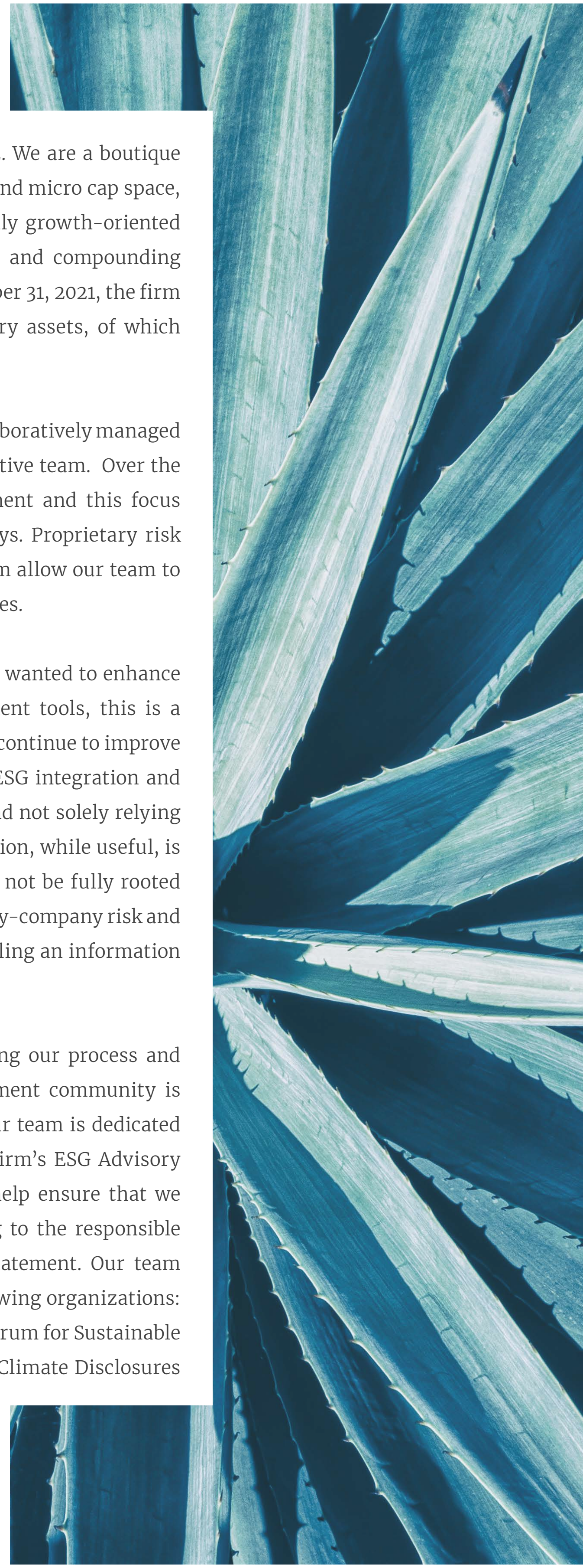
As we continue to prioritize sharing more on our ESG integration process through quarterly presentations, annual reports, and thought pieces, we look forward to more conversations regarding ESG research and integration. Please do not hesitate to contact us at ESG@rangerinvestments.com should you have any questions or comments about our program or ESG materials.

Best Regards,

Jeff Dalton, Chair
Manager of Sustainable Investing & Risk Analysis

Shelby Riggs, Vice-Chair
Senior Associate, ESG & Client Relations

WHO WE ARE



Ranger Investment Management, LP was founded in 2002. We are a boutique owner-operated investment firm specializing in the small- and micro cap space, headquartered in Dallas, Texas. Our team manages long-only growth-oriented domestic equity portfolios with the objective of capturing and compounding returns while managing risk to preserve capital. As of December 31, 2021, the firm managed $2.6 billion in discretionary and non-discretionary assets, of which 97% are institutional investors.

The Investment Team's CIO and Portfolio Managers have collaboratively managed our portfolios for 18+ years and have built a skilled and effective team. Over the years, particular attention has been paid to risk management and this focus has helped strengthen our investment process in many ways. Proprietary risk management tools and a formalized ESG integration program allow our team to reduce risk while achieving client-driven investment objectives.

As more companies focus on ESG and disclose more data, we wanted to enhance and deepen our analysis. Similar to all our risk management tools, this is a process that has evolved over time and one that we expect to continue to improve going forward. We believe original research is essential to ESG integration and to understanding the full profile of our portfolio holdings and not solely relying on third-party ESG reports and scores. Third-party information, while useful, is often dated, has a large-cap bias and scores can sometimes not be fully rooted in financial materiality. By incorporating original company-by-company risk and ESG analysis and engaging managements, we are actively filling an information gap inherent in coverage of many smaller companies.

Firm-wide support has been an important factor for holding our process and team accountable. The rapidly growing responsible investment community is always providing new research, techniques and tools and our team is dedicated to staying abreast of the rapidly changing landscape. The firm's ESG Advisory Committee and responsible investment training program help ensure that we are up to date on industry knowledge and are contributing to the responsible investment community while informing our ESG Policy Statement. Our team holds individual certifications and credentials from the following organizations: The Sustainability Accounting Standards Board (SASB), the Forum for Sustainable and Responsible Investment (US SIF), PRI Academy and the Climate Disclosures Standard Board (CDSB).

II. OUR APPROACH

ESG INTEGRATION IN SMALLER COMPANIES

Entering the fifth year of formalized ESG integration in our investment process, we find ourselves capturing more quality data, refining our policies and procedures, and allocating more resources to ESG research and direct management engagement than ever before. Our program embodies a culture of continuous improvement and over the years, the ESG Advisory Committee and Investment Team have found better ways to document and track improvements in our process and in how ESG risks and opportunities are evaluated at both the portfolio and company level. Here, we share improvements over the last year that help us stay consistent and accountable.

COMPANY LEVEL

ESCALATION STRATEGY

Companies with low Sustainability Assessment scores are subject to ESG-specific engagements with management teams. In these engagements, the ESG Advisory Committee Chair and/or Vice-Chair join the sponsoring analyst to further understand the company's ESG awareness, trends and outlook on risks and opportunities within their business.

PORTFOLIO LEVEL

TRAINING PROGRAM

The ESG Advisory Committee initiated a quarterly training program for Investment Team members. The purpose of these trainings is to ensure continuity across our Investment Team in integrating ESG into the investment process and approaching specific ESG topics. ESG trainings in 2021 included: SASB Financial Materiality, Proxy Voting, and Regulatory.

TRANSPARENCY

CLIENT REPORTING

Prior to the third quarter, we offered bespoke ESG reporting solutions per client requests. As our processes continue to mature and we are able to collect more ESG data points on smaller companies, we believe that all clients should be aware of ESG factors affecting portfolio decision making and the improvements we see over time. Quarterly reporting includes engagement, proxy voting, and carbon footprint summaries.


“These developments are not happening in a vacuum. They reflect a changed world in which sustainability and long-term thinking are increasingly at the heart of business and investor decision-making.”
–Janine Guillot, President
Value Reporting Foundation

III. ESG FACTOR SPOTLIGHTS

REPORTING: A GLOBAL PERSPECTIVE

In August, Working Group I of the Intergovernmental Panel on Climate Change (IPCC) issued key findings to policymakers on the physical science basis of climate change. Hoesung Lee, Chair of the IPCC, comments, "The innovations in this report, and advances in climate science that it reflects, provide an invaluable input into climate negotiations and decision-making." The culmination of this report, along with COP26, serve as a catalyst for governments and their respective regulatory bodies to act. This has prompted many companies to implement new climate initiatives or accelerate progress on goals already established. More global companies are making net zero commitments and acknowledging climate change as something that will materially impact their business.

We have witnessed profound global changes in the last decade pertaining to responsible investing. As this trend continues, ESG-focused companies can deliver meaningful change while understanding the implications of their business on people and the planet. To put the scale of ESG-interest in context, PRI signatories have doubled since 2017, and in the last calendar year grew 26% globally with signatory AUM totaling $121 trillion as of March 31, 2021. Across climate- and more general ESG-reporting, three major themes surfaced in 2021: commitments to net zero, the crackdown from regulatory bodies on ESG disclosures, and an emphasis on social issues given the exacerbated impacts of working conditions during the pandemic.

To date, 59 countries representing 54% of global greenhouse gas emissions have established a net zero emissions target. This includes the world's two largest emitters, the U.S. and China (World Resources Institute). The United Nations reports that some 130+ countries have set or are considering setting net zero initiatives. With pressures from shareholders, regulatory bodies and a warming climate, international efforts to align reporting across companies and regions are in full swing. Still, the overwhelming critique of responsible investing and claiming a "sustainable" business is lack of **transparency** and **reliability**.

We, along with the greater responsible investment community, believe that the solution to ***transparency*** concerns is decision-useful ESG disclosures. Better reporting can 1) help assess how ESG translates into value creation, 2) help investors understand how sustainable business models lead to long-term viability, and 3) help determine whether a company's actions can lead to negative impacts on people and the planet.

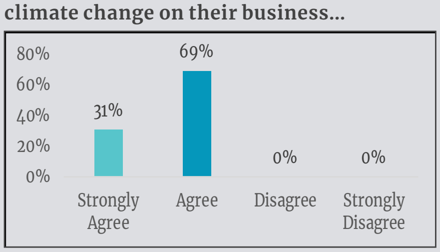
The ***reliability*** of these disclosures can improve with consistent and comparable methodologies for reporting across the board. Luckily, 2021 brought major collaborative initiatives to the forefront. In the **ESG Reporting Matrix** on page 19, we lay out the five reporting entities (or "the Alliance") that have developed a comprehensive global baseline of high-quality sustainability disclosure standards, along with other reputable ESG-focused organizations. More important updates include the newly formed Value Reporting Foundation (VRF), which consists of the Sustainability Accounting Standards Board (SASB) and the International Integrated Reporting Council (IIRC) along with the Climate Disclosures Standard Board (CDSB) are merging into the International Financial Reporting Standards (IFRS). The outcome of this being the International Sustainability Standards Board (ISSB).

In the U.S., the SEC took more action in the last year than ever before with SEC Chair, Gary Gensler, publicly stating that climate-related disclosures in public filings is a top priority. We anticipate the SEC will release mandatory disclosure requirements for all publicly-listed U.S. corporations in 2022. As our ESG Policy indicates, we encourage smaller companies to proactively take steps to address an inevitable policy response such as climate-related or more general ESG disclosures in public filings.

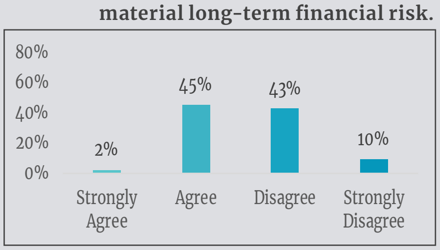
MEASURING CLIMATE IMPACT: RANGER INVESTMENTS' CLIMATE SURVEY KEY FINDINGS

This year, we launched the Firm's first climate survey to portfolio company management teams. We wanted to know how they address climate change issues in their businesses, what obstacles they see in implementing new protocols, and how they view climate risks and opportunities. With a 50% completion rate, we are extremely satisfied with the amount and the quality of responses. This survey helped us gain a broader understanding of climate-related issues unique to our investment universe and will inform our Escalation Policy related to ESG-specific engagements.

100% of respondents consider impacts of climate change on their business...



...but are divided on climate issues posing material long-term financial risk.



When people think about companies heavily exposed to climate issues, we usually think of those in oil and gas, utilities, telecom, and/or basic materials. While more prevalent in large cap value portfolios, these industries comprise a very small portion of small and micro cap growth indices. However, the lower industry exposure does not mean that small cap growth investors are less exposed to climate issues, which are proving to be ubiquitous. According to SASB, climate risk (from physical to transitory to regulatory) is present and deemed financially material in 68 of the 77 SASB-defined industries. This risk impacts many of the companies in small and micro cap indices.

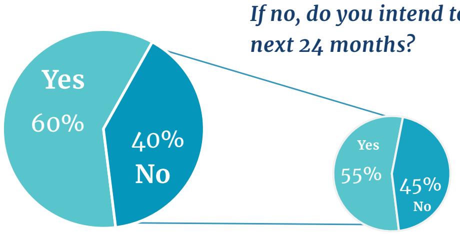
For example, a software company that is heavily reliant on data centers must consider the environmental impact of those facilities. An apparel maker must evaluate its sourcing of raw materials, given how the fashion industry accounts for as much as 10% of global carbon emissions and 20% of wastewater volume (World Bank). A healthcare delivery provider must consider a multitude of climate-related issues such as physical impacts on its facilities along with managing energy and waste.

But for an issue so pervasive and at the top of investors' minds, climate-related risk remains the ESG factor that is most difficult to assess in small companies. Despite the uptake of ESG initiatives at small companies in recent years, comparable and decision-useful climate data is still tough to come by. This is perhaps the largest "gap" to fill in conducting ESG analysis for small companies.

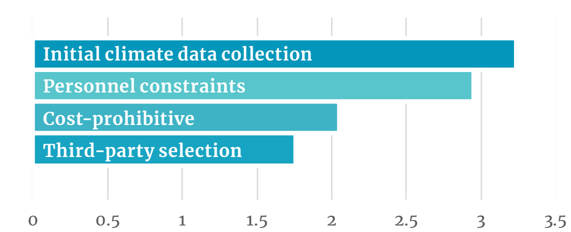
To reduce a carbon footprint, companies must first overcome the challenges of measuring it:

Do you measure your company's carbon footprint?

If no, do you intend to in the next 24 months?

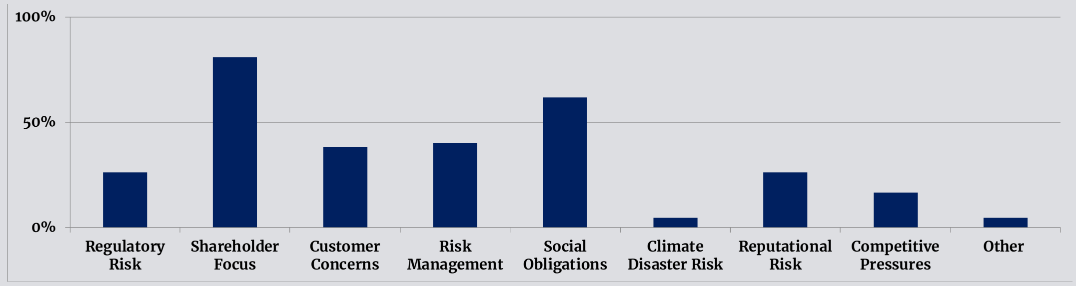


According to our portfolio companies, initial climate data collection ranked as a primary obstacle for adopting more robust initiatives, followed by personnel constraints.



Average ranking score (1-5); a higher score indicates a more preferred choice.

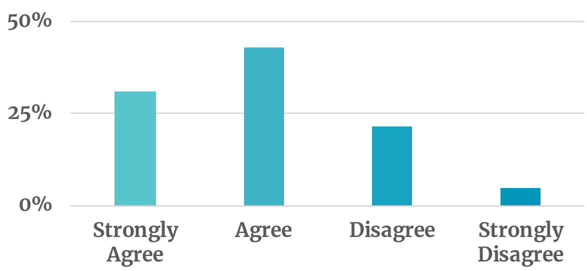
Select the top three (3) motivations for addressing your company's carbon footprint:



Interestingly, companies cited *Shareholder Focus* as a primary motivation for addressing their carbon footprint, followed by *Social Obligations*. This illustrates how focused asset managers are on this issue, along with broader stakeholder groups. It will be particularly interesting to evaluate how responses to this question change over time.

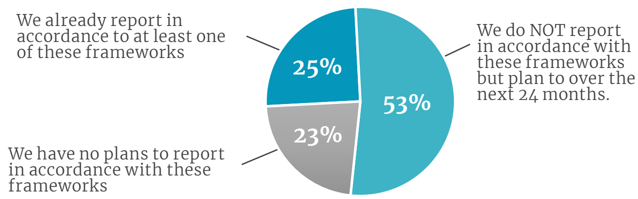
Over 70% of respondents agreed that proper management of climate-related risks and opportunities could lead to a competitive advantage against peers - several citing the potential for a lower cost of capital, ability to recruit and retain talented employees, attract key stakeholders, minimize long-term costs, and increase profitability compared to peers.

"Taking action to manage climate-related risks and opportunities can be a longer-term competitive advantage for our business"



2021 marked a record year for companies in our portfolios publishing inaugural ESG reports. As efforts coalesce around global sustainability reporting standards, which will likely involve some form of the existing frameworks, we continue to encourage adoption of SASB in our engagements with portfolio companies. Our survey indicated about half of respondents do not yet report in accordance with frameworks such as TCFD, SASB, or GRI but plan to do so within the next two years.

"Do you report or have you considered reporting sustainability data based on standards such as TCFD, GRI, or SASB?"



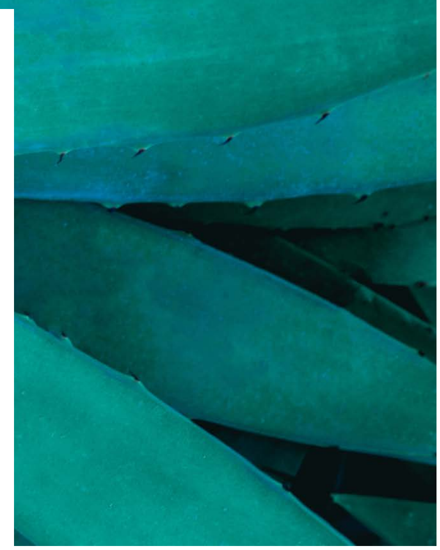
These results are encouraging as more ESG disclosures from smaller companies, especially those that adhere to these frameworks, will help investors and other stakeholders assess these risks and opportunities in their research.

The survey, which will deploy every 18-months, provides valuable insight into how portfolio companies address climate issues specific to their business. Even though initial data collection is the primary obstacle, companies who consider, and ultimately measure, climate factors are better positioned to implement change and should be rewarded in the long-term.

Briefly describe how actions taken in managing climate risks and opportunities can be a competitive advantage:

"Our focus on sustainability is a virtuous circle... the more recycled material we use, the better for the environment, the lower our carbon footprint, the better for our profitability, the better for our brand reputation, the better for employee, customer, investor and broader stakeholder engagement."

"Effectively managing climate risks will allow [us] to minimize long-term costs and business risk (regulatory compliance, supply chain, product & technology, litigation, reputation, natural/climate-related disasters) and optimize our ability to attract and retain key stakeholders (clients, investors, employees, vendors)."



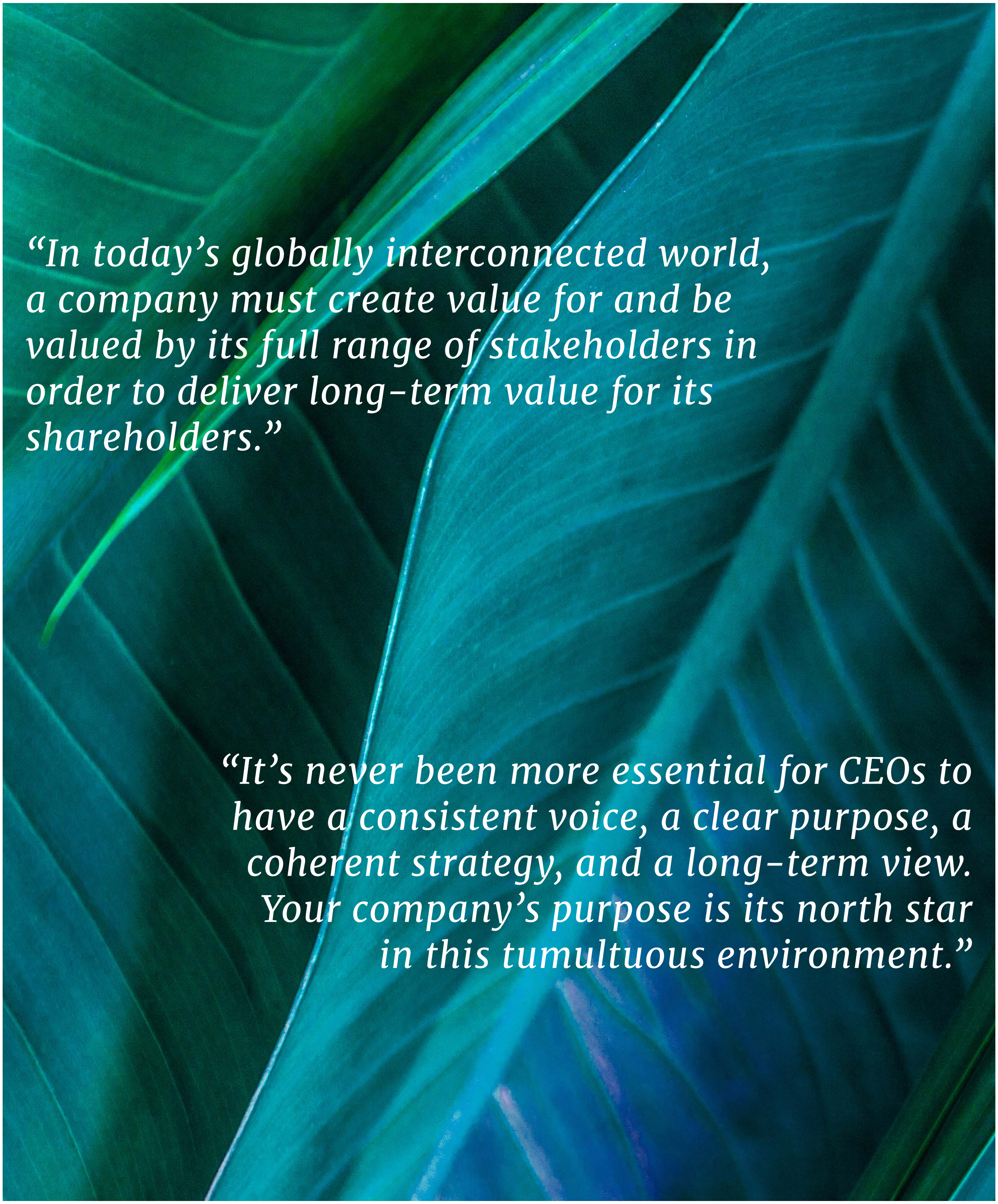
THE DOMINO EFFECT OF ‘S’ IN ESG

The conditions of working and living in year three of a global pandemic have brought social issues to the forefront of responsible investing. The Great Resignation occurring in the U.S. is a function of many factors, including dissatisfaction with working conditions that in prior years might have been tolerated – difficult work environments, racial and gender biases, low compensation, poor corporate responses to COVID – the list goes on. In our 2020 Annual Report, we emphasized that human capital is not only a critical resource, but a strategic component to building sustainable and resilient business models and creating long-term value.

In the coming years, we expect to see management teams increasingly focus on ‘S’ and ‘E’ factors. As more companies reduce their carbon footprint and provide resources to social issues, markets will reward those companies’ improving corporate governance.

Years into the Black Lives Matter and #MeToo movements, governments and institutions are stepping up to meet public standards for racial and gender equality while simultaneously addressing the skewed impacts of COVID-19 on the global workforce. At the Federal level, President Biden reinstated a Gender Policy Council to address gender diversity across all federal government offices. In corporate America, we’re seeing record numbers of DEI initiatives, Chief Diversity Officer appointments, and EEO-1 filings (workforce diversity, not just board or management). Further, Institutional Shareholder Services (ISS) ESG reports that social controversies dominated in 2021, making up 62% of ESG news.

Other constituents are evolving as well, including the exchanges and proxy voting service providers. The Board Diversity ruling from NASDAQ requiring gender diversity on boards and the recent ISS and Glass Lewis guidelines on racial and gender diversity should help sharpen company management team’s focus on diversity at the board level. These publicly disclosed mandates and guidelines further support the notion that diversity (even beyond racial and gender) in leadership positions supports better decision-making and widens the potential for innovation and growth opportunities.



"In today's globally interconnected world, a company must create value for and be valued by its full range of stakeholders in order to deliver long-term value for its shareholders."

"It's never been more essential for CEOs to have a consistent voice, a clear purpose, a coherent strategy, and a long-term view. Your company's purpose is its north star in this tumultuous environment."

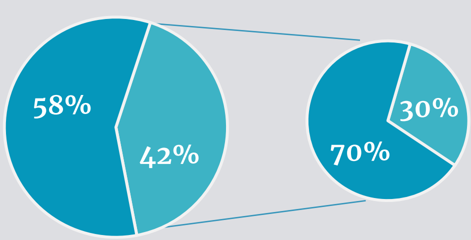
- LARRY FINK, BLACKROCK CEO
2022 ANNUAL LETTER TO CEOS

IV. ENGAGEMENT OVERVIEW

MANAGEMENT ENGAGEMENT

Management engagement continues to be a foundational pillar of our investment process. Meeting with management teams helps us understand how they approach competitive challenges, navigate changing market environments, and prioritize long-term business initiatives. Engagement also helps us learn how companies manage ESG risks and opportunities and allows us to fill the information gap that often exists in conducting ESG analysis in small companies. We learn first-hand about ESG initiatives or topics that often go unaddressed in SEC filings and presentations, how management approaches these topics, and how they see them evolving. This informs our proprietary Sustainability Assessments, establishes a baseline for future conversations, and can potentially identify topics that are not getting enough attention from management teams. These conversations involve members of our Investment Team and ESG Advisory Committee, company C-suite representatives, and at times, company board members.

ESG CONVERSATIONS TOOK PLACE IN 42% OF ENGAGEMENTS, WITH RIM INITIATING 70% OF THE TIME.



Engagements with management teams have always been tracked, but in 2019 we began noting specific ESG discussions. We record if ESG topics are discussed and note who initiates those conversations. Every year, we see increased levels of ESG discussions. In the 309 company meetings held in 2021, E/S and/or G was discussed in about 42% of the total. About 70% of these discussions were initiated by a member of the Investment Team.

2021 MANAGEMENT ENGAGEMENTS

	Small Cap	Micro Cap	Firm-wide
Number of Engagements	53	51	309
Number of Governance Conversations	22	28	116
Percent of Governance Conversations	42%	55%	38%
Number of E/S Conversations	20	23	90
Percent of E/S Conversations	38%	45%	29%

PROXY VOTING SUMMARY

Proxy voting is a critical part of active ownership, and we continue to evaluate each proposal and cast our vote on behalf of clients for 100% of the proxy proposals submitted. In 2021, we voted on 1,061 proposals across 116 companies. While most of the proposals are routine in nature, we voted against management in about 11% of the proposals and disagreed with our proxy advisor in 3% of cases. Votes against management typically concerned compensation, with proposed plans being outsized or not aligned with shareholders.

For votes concerning director elections, which accounted for about two-thirds of votes cast, we refined our approach in 2021. As we discussed in our 2021 ESG thought piece, "Enhancing Quality: Proxy Voting & Director Elections", we found that engaging management teams on the governance items that garner "withhold/against" votes from proxy advisors may often be a more productive solution than voting against a company's directors. The potential loss of a director because of these issues may present a greater risk than the issues at hand, which may include a classified board structure, supermajority voting rights, or a dual-class share structure. Potentially losing diverse board members or those with a strong strategic role can often pose larger risks, especially as small companies evolve in their ESG practices. In fact, we identified 15 companies across our small and micro cap portfolios that were impacted by this dynamic in 2021, eight of which concerned diverse directors. Our discussions show that companies are generally receptive to addressing these issues and moving toward best practices. We will continue to monitor this trend and evaluate the progress of the companies we engage with on this topic, but we believe that with continued engagement, these changes and other ESG enhancements may come faster without disrupting the board.

If you'd like to read more about this topic in our thought piece, a copy can be found on our sustainable investing webpage, here.

2021 PROXY VOTING

	Small Cap	Micro Cap	Firm-wide
Number of Proxies Voted	410	340	1,061
Percent of Proxies Voted	100%	100%	100%
Number of Votes Against Management	27	30	114
Number of Votes Against ISS	14	12	30

V. YEAR IN REVIEW

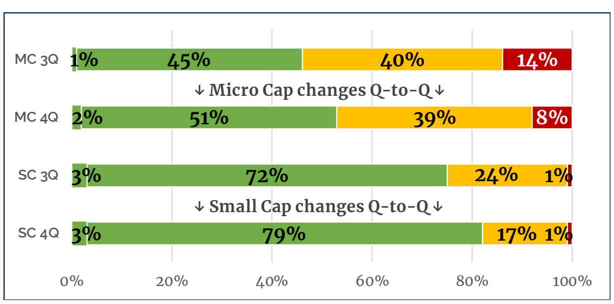
PROPRIETARY ANALYSIS

We remain focused on improving our process across the following three pillars: conducting original research, engaging management teams, and focusing on financial materiality. Given the rate of change we see in small companies adopting formal ESG practices, our proprietary scoring tool, the *Sustainability Assessment*, is scaling alongside them. This past year, we began to formally rate each company in terms of "ESG Awareness." Unlike most large-cap companies who are more ESG-aware and have dedicated ESG resources, smaller companies' "awareness" spans a much wider range – from companies with little to no disclosures to those who have embedded ESG principles since their founding and regularly report standardized metrics.

Our process emphasizes small companies making improvements to their ESG profile and we believe that improvement is directly linked to awareness. By acknowledging where a company resides on a scale of awareness, we can gain more insight into the improvements they are making to their ESG profiles though a more contextual framework. We rate each company in our portfolios, and those under consideration, on this five-point scale:

Foundational | Aware, Active | Aware, Inactive | Unaware, Positive Attributes | Unaware

Since assigning these categories, we've seen the following progress in ESG Awareness across micro (MC) and small cap (SC) portfolios:

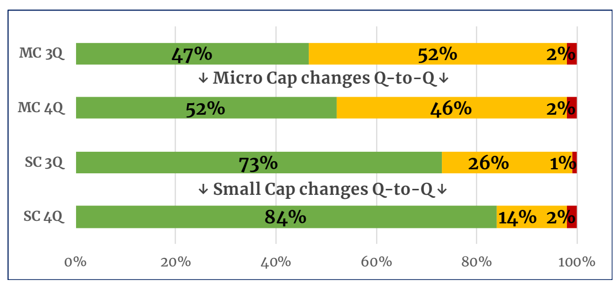


A byproduct of this process is identifying companies for engagement through our Escalation Policy. We prioritize companies ranking in the "unaware" categories for engagements. Since implementation, targeted engagements have been productive as we gain a larger understanding of how companies assess ESG risks and opportunities. In several cases, this led us to positively revise our assessment of ESG awareness for the company. These meetings also serve as a resource to portfolio companies in discussing how we evaluate ESG factors in our investment process and help us encourage their adoption of a reporting framework such as SASB. We believe this approach will continue to add value to our analysis as we spearhead these conversations.

Complementary to ESG Awareness, we implemented "ESG Trends," a directional indicator that assesses if a company's ESG profile is *Evolving, Stable, or Deteriorating* over the past twelve months.

Since assigning these categories to portfolio companies, we've seen the following progress in ESG Trends:

Evolving | Stable | Deteriorating



While changes to a company's ESG profile get recognized in our proprietary scores, we find a directional snapshot helpful in assessing the progress small companies are making.

This assessment is also informed by the context provided by the awareness scale. For example, a company at the lower end of the awareness scale can evolve its ESG profile by establishing new environmental or diversity initiatives, assign board-level responsibility for ESG factors, or make new disclosures. Companies at the top of the awareness scale often improve their profiles by making progress on existing initiatives, such as lowering carbon intensity.

PORTFOLIO INTEGRATION

Small companies made large steps in adopting and enhancing their ESG practices in 2021. This includes companies formalizing ESG processes for the first time, assigning board-level oversight responsibilities, hiring ESG-focused personnel, setting new targets for environmental or diversity initiatives, and making formal alignments with the Sustainable Development Goals (SDGs). Disclosures voluntarily offered in SEC filings have improved and become more specific, and companies are emphasizing ESG factors on their public websites and presentations. Many small companies went even further and introduced inaugural formal ESG reports. ***In fact, in 2021 there were 10 companies in our Small Cap strategy and five in our Micro Cap strategy that published these reports for the first time.*** While some reports are more comprehensive than others, we are very pleased with this trend. Not only does it show an increased acknowledgment and awareness of ESG issues impacting their businesses, but also a commitment to continue to report on these factors going forward.

In 2020, we assessed basic ESG disclosures across our small and micro cap portfolios, which together contain about 90 stocks, and showed how the vast majority of these holdings have disclosures that discuss one or more high-level ESG-related topics. We used this study to establish a baseline for tracking ESG disclosures at the portfolio level going forward. Not surprisingly, the portfolio-level metrics improved in 2021. The most meaningful improvement was the increase in companies who now publish formal sustainability reports from 13% to 29% of our combined portfolios. With more small companies being "ESG-aware", disclosing more data on these topics, or adopting a reporting framework such as SASB or GRI, we will likely create more granular and industry-specific topics going forward to track portfolio-level progress, as most small companies in our portfolios have evolved well beyond our original high-level categories. The table below shows this evolution.

% of portfolios	2020	2021
Workforce Betterment Programs	71%	75%
Sustainability Initiatives	70%	71%
Quality Management Initiatives	57%	62%
Community-based Programs	45%	50%
Formal Sustainability Reports	13%	29%

PRI REPORTING

The United Nations-backed Principles for Responsible Investment (PRI) spearheads global ESG reporting for asset managers and asset owners, with nearly 4,000 signatories joining since 2006. Ranger Investments joined in 2018, and as signatories, we work to understand the investment implications of ESG factors and to support the PRI six principles and incorporate them into our investment and ownership decisions.

The six principles are as follows:

1) Incorporate ESG issues into investment analysis and decision-making processes.
2) Be active owners and incorporate ESG issues into our ownership policies and practices.
3) Seek appropriate disclosure on ESG issues by the entities in which we invest.
4) Promote acceptance, implementation of the Principles within the investment industry.
5) Work together to enhance our effectiveness in implementing the Principles.
6) Report on our activities and progress towards implementing the Principles.

In 2021, PRI initiated a pilot reporting platform to better address signatory feedback and to reframe signatory scores to adhere to the rapidly changing responsible investment landscape. Feedback from the newly renovated platform indicated that the content of the framework better captures responsible investment activities than prior versions. This pilot, while significantly more user- and team-friendly, came with several dataset challenges that materially altered the reporting and assessment time frame.

What began with a delayed due date in the spring ended in an additional confirmation period, delayed 2021 Assessment results, and an eventual postponement of 2022 reporting to 2023. The challenges that PRI faced this year are monumental, but the investment community still sees this organization as the leading proponent of responsible investing reporting for asset managers and asset owners. We hope that our 2022 Annual Report will bring better news and a refreshed reporting and scoring system. Until then, we will continue to share our most recent scoring from PRI in the table below:

Signatory of: PRI Principles for Responsible Investment	Median Score	Ranger Investments
Strategy & Governance	A	A+
Listed Equities - Incorporation	A	A+
Listed Equities - Active Ownership	B	A

VI. DOCUMENTS

ESG REPORTING MATRIX

	ABOUT	CLIMATE	GENERAL ESG
The "Alliance"	In September 2020, the group of five or "Alliance," authored a joint statement that they will work together to engage key organizations around the world to work toward a goal of comprehensive corporate reporting. They communicated a vision of a single global set of reporting standards that can satisfy all stakeholders and their differing needs . These entities include: SASB, IIRC, CDSB, CDP, and GRI.	X	X
Value Reporting Foundation (VRF) Sustainability Accounting Standards Board (SASB) International Integrated Reporting council (IIRC)	In 2020, SASB and the IIRC merged to form the VRF. This merger answers the call for simplification and better positions the organization to support key reporting efforts. SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the Standards identify the subset of environmental, social, and governance ESG issues most relevant to financial performance in each industry. The IIRC is an international cross section of leaders from the corporate, investment, accounting, securities, regulatory, academic and standard-setting sectors. This group formed the Integrated Reporting framework which enhances and consolidates existing reporting practices.	X	X
International Financial Reporting Standards Foundation (IFRS) Climate Disclosure Standards Board (CDSB) Task Force on Climate-related Financial Disclosures (TCFD)	The IFRS was established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards. The CDSB has now consolidated into the IFRS Foundation. This consolidation confirms the closure of the CDSB and as it will be fully integrated into the ISSB, no further technical work or content will be produced. TCFD guides companies on disclosing climate-related financial risks to investors, lenders, insurers, and other stakeholders. This guidance identifies multiple climate-related risks and opportunities to disclose.	X	
International Sustainability Standards Board (ISSB)	At COP26, IFRS Foundation Chair announced the formation of ISSB. The ISSB will develop a comprehensive global baseline of high-quality sustainability disclosure standards to meet investors' information needs and will see the consolidation of the Climate Disclosure Standards Board and the Value Reporting Foundation into the Foundation.	X	X
Global Reporting Initiative (GRI)	GRI created the first set of sustainability standards in the world. The newest GRI Standards developed three series (economic, environmental, and social) of 34 topic-specific standards to help companies report on the most material issues to their investors and other stakeholders. GRI has teamed with the IIRC to consolidate reporting using the Integrated Reporting framework.	X	X
Carbon Disclosure Project (CDP)	CDP manages a global environmental disclosure system used by more than 8,400 companies.	X	

ESG ADVISORY COMMITTEE

Objective: Ranger Investments is committed to ESG integration across all investment strategies through bottom-up fundamental research, stewardship and engagement activities. The ESG Advisory Committee provides cross-functional support and training to the Investment Team. This includes ESG integration in the investment process, collaborative engagements within the investment community, and relevant reporting obligations. The Committee consists of five (5) voting representatives from across the Firm, including senior management and investment professionals. This structure allows for a thorough and transparent responsible investing initiative.

Jeff Dalton, Manager of Sustainable Investing & Risk Analysis - *Committee Chair*
Committee Role: Responsible for monitoring, analyzing and reporting to the committee on any ESG issues related to investments.
Credentials: SASB - FSA Credential; US SIF - Fundamentals of Sustainable and Impact Investment; and CDSB - Recommendations of the TCFD

Shelby Riggs, Senior Associate - ESG & Client Relations - *Committee Vice-Chair*
Committee Role: Manages ESG reporting, marketing and committee initiatives. Develop and cultivate relationships in the ESG/Responsible Investment community on behalf of RIM.
Credentials: US SIF – Fundamentals of Sustainable and Impact Investment Certificate; CDSB: 1) Introduction to Climate Related Disclosures & 2) Recommendations of the TCFD; PRI Academy Certifications: 1) Understanding Responsible Investment & 2) Applied Responsible Investment

Andrew Hill, President & Portfolio Manager - *Committee Member*
Committee Role: Provides direction and oversight to the committee as it pertains to ESG and responsible investment policies, with specific responsibility to represent the Investment Team from a Partner/Portfolio Manager's perspective.
Credentials: CDSB - Introduction to Climate Related Disclosures

Brian Busby, Head Trader - *Committee Member*
Committee Role: Manages the Trading Desk and reports to the committee on proprietary and third-party screening tools related to client-directed investment guidelines. Additionally, he represents the Investment Team from a Partner/Head Trader perspective.
Credentials: CDSB - Introduction to Climate Related Disclosures

Melanie Mendoza, Chief Compliance Officer - *Committee Member*
Committee Role: Provides guidance and makes decisions on compliance-related matters.

Noah Gipson, Investment Team Intern - *Ex Officio Member*

2022 RIM ESG POLICY STATEMENT

PHILOSOPHY
Ranger Investment Management has a fiduciary duty to act in the best interests of our investors. Our priority is to act as stewards of the capital with which we have been entrusted, with the goal of long-term capital appreciation. Our approach to ESG in this process is non-concessionary, meaning that we do not actively sacrifice performance over any ESG criteria, but that we consider ESG criteria as an integral part of the investment and risk mitigation process. We do this because our experience has shown that investments in companies that pass our screening criteria, including ESG criteria, tend to exhibit long-term performance with less risk than those that do not. A positive consequence of this approach is that our investments can, and often do, promote positive economic, social and environmental change while maintaining our investment mandate.

SCOPE
This policy applies to all Ranger Investments strategies. It provides a framework for the Investment Team to analyze financially material ESG factors throughout the investment process. For this reason, we commit to updating this policy as industry or internal expectations progress. This policy is reviewed at least semiannually, and any material updates or modifications will be approved by the ESG Advisory Committee.

COMMITMENT
We are a signatory of the United Nations-backed Principles for Responsible Investment (PRI) and the Investor Stewardship Group (ISG) and have an active and engaged ESG Advisory Committee. This Committee provides cross-functional support and consists of senior level representatives from management, the Investment Team, compliance, marketing and investor relations, including the firm's President and Portfolio Manager, Chief Compliance Officer and our Manager of Sustainable Investing and Risk Analysis. Within this team are members with certifications or credentials from the Sustainable Accounting Standards Board (SASB) FSA, the Forum for Sustainable and Responsible Investment (US SIF), PRI Academy and the Climate Disclosure Standards Board (CDSB) for TCFD. The Committee meets at least quarterly to review and discuss all responsible investment initiatives, goals, and reporting requirements.

Our ESG commitment embodies a culture of continuous improvement. This includes encouraging and sponsoring employees' efforts to participate in ESG-related collaborative events and continuing education or certification opportunities.

ESG INTEGRATION
The Investment Team integrates ESG analysis throughout the investment process. As part of the Team's due diligence on investment candidates, we research and review material ESG factors and compile them in a proprietary research tool we call the Sustainability Assessment which provides a proprietary score (scale 1-10). As part of this process, additional proprietary "ESG Trend" and "ESG Awareness" scores are assigned to establish a baseline and assess improvements over time. This assessment, in addition to the fundamental research that is core to the investment process, is reviewed by the Investment Team when evaluating new investment ideas. We use third-party ESG research and analysis as a supplement to our proprietary work including MSCI, Bloomberg, Morningstar, ISS, SASB, and TCFD. Third-party scores, analysis and summaries are included in each Sustainability Assessment, as well as quantitative governance data from financial data providers such as Bloomberg. ESG integration is present throughout the investment process, and helps with identifying trends, evaluating securities, portfolio construction, shareholder engagement, proxy voting and client reporting.

Values alignment screening and monitoring is also an integral part of the portfolio's investment assessment, selection, and risk management process. Our Investment Team has the ability to tailor ESG and/or values alignment screening to fit client needs, and the screens may vary between client accounts according to client-specific guidelines.

CORE CONSIDERATIONS
In all investment opportunities, we consider ESG criteria as an integral part of the investment and risk mitigation process. Our team seeks the following core considerations:

ENVIRONMENTAL FACTORS
As investors who believe that ESG factors can be financially material, we seek companies who consider the risks and opportunities of environmental factors in their business and act as environmental stewards. We believe climate change poses a material risk to financial markets and therefore consider the impact of climate-related factors in our investment process.

While acknowledging the ubiquity of climate-related factors, we recognize some industries are more heavily impacted than others, and therefore rely on the materiality framework set forth by SASB. Our analysis of environmental factors includes performance in the areas of energy consumption, water and waste management, air quality, responsible sourcing of resources, and the overall ecological impact of a company's business. We consider how companies navigate the energy transition and environmental regulatory risks, such as those related to an Inevitable Policy Response, which is a project pioneered by PRI to prepare investors for associated portfolio risks. Our team supports and encourages, where applicable, companies that adopt policies and/or disclosures aligning with global frameworks such as SASB, GRI, TCFD or science-based targets as referenced in the Paris Agreement.

SOCIAL FACTORS
We believe human capital is not only a critical resource, but a strategic component to building sustainable and resilient business models and creating long-term value. Human capital management can have clear financial impacts and we believe engaged employees with equitable pay levels and opportunities for advancement are typically more productive. A more diverse workforce, executive team and board can help attract and retain the best talent which can improve and attract new sources of revenue and garner more innovation while reducing employee turnover.

While some industries are more prone to specific social risks, key factors we generally evaluate and encourage management teams to focus on are labor practices, employee health and safety, employee engagement, diversity, equity and inclusion, product quality and safety, and data security and privacy.

GOVERNANCE FACTORS

We believe that a correlation exists between the implementation of sound corporate governance practices and the ability of a company to add long-term value. At the heart of these practices are the concepts that (i) the objectives of a company should be driven by the interests of its shareholders and beneficiaries, (ii) a company should implement structures and mechanisms which create a culture of transparency and accountability, and (iii) practices are implemented to ensure that management and the board have the ability to effectively oversee employee behavior and lead the company in an effective, ethical and accountable manner. To that end, we have isolated five key principles to identify sound corporate governance:

1. Corporate Leadership: A company's board and management team should be comprised of capable leaders who can effectively direct the company in meeting its business purposes in both the short and long term. Factors evaluated by the Firm to isolate a company's adoption of this principle include, but are not limited to:
   - Management background, experience and tenure with the company.
   - Relationship between management and the board, management and employees.
   - Insider ownership of the company at both the board and management level.
   - Lack of any director conflict of interests and/or relationships which would compromise true independence and alignment to shareholder interests.
   - Substantiation of ability of the board to impose true oversight and direction.

2. Board Structure, Independence and Engagement: The board should have an appropriate mix of skills, experience and independence to enable its members to discharge their duties and responsibilities effectively. Factors evaluated by the Firm to isolate a company's adoption of this principle include, but are not limited to:
   - Size and diversity of board relative to its peers.
   - Suitable independence, experience and skill set of the company's board of directors to ensure that the board has sufficient understanding and command over the actions of the Company to serve as fiduciary watchdogs on behalf of shareholders.
   - Board attendance, responsiveness and other indicators reflecting board engagement in the oversight of the company.

3. Accountability: Management and the board should adopt principles of transparent reporting and communication, whereby they communicate to the company's shareholders at reasonable intervals, a fair, balanced and understandable assessment of how the company is achieving its business purpose and meeting its other responsibilities. Factors evaluated include, but are not limited to:
   - Executive compensation structures that align with shareholder interests, including compensation structures which do not inadvertently give rise to adverse incentives.
   - Policies and history relating to transparent reporting and communication, including timely reporting on financial results and audit related policies and procedures.
   - A history of commentary related to future financial results that are reasonably in line with actual performance, candid and open commentary, as well as management accountability, during periods of underperformance.
   - Bylaws and capitalization structures which do not shield a board from accountability and replacement, including dual class stocks when used for control purposes, hyper-voting structures, classified boards and poison pill equivalents.

4. Sustainability: Management and the board should consider the long-term sustainability and value of the company's enterprise. They should guide the business to create value and allocate it fairly and sustainably for reinvestment and distribution to shareholders, employees and communities. Factors evaluated include, but are not limited to:
   - Adherence to industry-specific regulatory requirements.
   - Attention to changing consumer and commercial expectations.
   - Responsibility and accountability at the board level to assess sustainability risks and opportunities in the business, such as frequency of management and board discussions, strategic planning to assess sustainability risks in the business, and openness to innovation.
   - Responsiveness to shareholder concerns.

5. Integrity: Management and the board should lead the company to conduct its business in a fair and transparent manner that can withstand scrutiny by stakeholders. Factors evaluated include, but are not limited to:
   - A Code of Conduct/Ethics outlining expected behavior by executives, employees, and the board.
   - An expectation or policy outlining behavior of suppliers or vendors.
   - An active whistle-blower policy (although this is often included in code of conduct/ethics).

STEWARDSHIP

Engagement: As part of our investment process, we seek opportunities to engage with companies to help inform our views on potential investment candidates and portfolio holdings. As a significant shareholder in many of the companies in which we invest, we are often afforded access to the management teams of these companies. This gives our Investment Team an opportunity for dialogue to form a potentially more robust view on company fundamentals, including ESG factors and how well they are managed. Further, we believe this dialogue can potentially have the positive effect of keeping ESG risks and opportunities in focus for management teams. This includes holding management teams accountable for their actions as well as encouraging positive behavior that aligns with our clients' long-term interests.

Engagement activities are regularly shared across the organization, specifically with other members of the Investment Team to inform investment decision making.

Engagements are recorded, notating which party initiated environmental, social, and/or governance topics.

Escalation Policy: As part of our proprietary ESG scoring process, we identify and prioritize companies for specific ESG engagements. Any company that falls in the bottom two tiers of our ESG Awareness Scale is included in an escalation list, where engagement is prioritized. Our intention with escalated engagements is to gather information from management and/or board members about how companies approach specific ESG topics, and which financially-material factors are being addressed or not addressed. These conversations help establish baselines for tracking company improvements going forward and allow us to convey to portfolio companies how we integrate ESG analysis into our process. Results of escalated engagements are discussed with other members of the Investment Team and incorporated into our proprietary ESG scoring system.

Proxy Voting Policy: We review each proxy statement on an individual basis and recognize that environmental, social and corporate governance factors could present material risk to portfolio investments. The designated Investment Team member bases voting decisions exclusively on his or her judgment of what will best serve the financial interests of the beneficial owners of the security. Regarding securities lending programs as it relates to proxy voting, most of Ranger Investments' clients utilize separate accounts, and matters of security lending as it relates to proxy voting are decisions that are made between the client and their chosen custodian. For accounts where Ranger Investments manages the custodial relationship, securities that may be on loan during an upcoming proxy vote may be recalled on a case-by-case basis for a vote that the Investment Team deems material. In these cases, the custodian notifies us of upcoming votes for stock on loan and we have the option to recall that stock.

We retain Institutional Shareholder Services (ISS) to provide proxy voting services. ISS provides logistical support as well as advisory services. We utilize two ISS policies as a reference tool in proxy voting research: the ISS Benchmark Policy and the ISS Sustainability Policy. On most matters of corporate governance, such as board independence, director tenure, or CEO/Chairman structure, the two policies are in alignment. Both policies offer guidance based on a commitment to create and preserve economic value and to advance principles of good corporate governance.

On matters of environmental or social import, ISS' Proxy Voting Sustainability Policy seeks to promote support for recognized global governing bodies promoting sustainable business practices advocating for stewardship of the environment, fair labor practices, non- discrimination, and the protection of human rights.

Generally, ISS' Sustainability Policy will take as its frame of reference internationally recognized sustainability-related initiatives such as the United Nations Environment Programme Finance Initiative (UNEP FI), United Nations Principles for Responsible Investment (PRI), United Nations Global Compact, Global Reporting Initiative (GRI), Carbon Principles, International Labour Organization Conventions (ILO), CERES Principles, Global Sullivan Principles, MacBride Principles, and environmental and social European Union Directives. Each of these efforts promote a fair, unified and productive reporting and compliance environment. We believe they advance positive corporate ESG actions and promote practices that present new opportunities or that mitigate related financial and reputational risks. We also have the ability to engage ISS to provide additional specialty research based on client objectives such as Catholic/faith-based plans, Taft-Hartley plans or public fund plans.

REPORTING

Annual Reporting: As a Signatory to the Principles for Responsible Investment, we are required to report on our responsible investment activities annually. This rigorous reporting process allows our team to publicly demonstrate a commitment to responsible investing, while promoting accountability and continuous improvement of our practices. Additionally, we produce an annual ESG report highlighting topics such as management engagement, proxy voting activities, portfolio spotlights, and ESG factor trends, which is made available to all clients and publicly through the firm website.

Quarterly Reporting: We provide quarterly updates to all clients with information that includes but is not limited to ESG highlights in the portfolio, meaningful engagement with management teams, a proxy voting summary and a carbon footprint analysis.

Investors in separately managed accounts and/or private funds wishing to customize their ESG reporting experience are encouraged to evaluate investment management agreements, reporting content and frequency.

COMPLIANCE

Pursuant to the Investment Advisers Act of 1940, we are required to review on an annual basis the effectiveness of the firm's policies and procedures, which include those related to responsible investing. Additionally, the firm's compliance program is designed to ensure adherence to all applicable reporting requirements for any progress or initiative, including ESG. This is primarily accomplished through quarterly, annual and ad-hoc compliance testing of this Policy and its components, to evaluate its effectiveness and implementation.

RANGER INVESTMENT MANAGEMENT

8115 Preston Road, Suite 590
Dallas, Texas 75225

www.rangerinvestments.com | ESG@rangerinvestments.com | (214) 871-5260