



KCM Announces 5-Star Morningstar Rating for ESG Fund and Launch of Two Small Cap Funds

ST. LOUIS, MO / ACCESSWIRE / July 20, 2022 / [Kennedy Capital Management, Inc.](#) (KCM), a specialist in small and mid-cap investment management services, announced that its Kennedy Capital ESG SMID Cap Fund (KESGX) has received an initial 5-Star¹ overall Morningstar RatingTM, and its three-year performance ranks in the top 7%. These total return achievements are measured against 576 funds in Morningstar's Small Blend Category as of June 30, 2022.

Kennedy Capital ESG SMID Cap Fund (KESGX)

KESGX is managed by Christian McDonald, CFA[®], a 16-year veteran of KCM. "We are pleased to be rated as a top performer in our Morningstar Category," said McDonald. "We believe that small and mid-cap companies often have greater potential to provide investors more focused exposure to commonly desired environmental and social priorities due to their targeted product or service offerings. As a result, we have seen these smaller companies become innovators in the domain of ESG-related opportunities."

Since inception, KESGX has committed to at least an 80% reduction in carbon emissions and at least a 15% better governance score than its benchmark. Furthermore, small and mid-cap (SMID) portfolio constituents frequently align with one or more climate action, societal, or governance themes. KESGX employs the same investment approach as the Kennedy Capital ESG SMID Cap strategy, established in January 2017. The strategy is fossil fuel free (no companies with carbon reserves) and excludes producers of tobacco, civil firearms and controversial weapons.

Fund Launches – Building on the success of this fund, KCM also announced the launch of two additional open-end mutual funds, each with their own style tilt:

Kennedy Capital Small Cap Value Fund (KVALX)

KVALX, managed by Frank Latuda, Jr., CFA[®], and McAfee Burke, CFA[®], utilizes the same approach as the Kennedy Capital Small Cap Value strategy, established nearly 40 years ago in January 1983. The strategy seeks to identify companies across the value spectrum with compelling return on invested capital profiles.

Kennedy Capital Small Cap Growth Fund (KGROX)

KGROX, managed by Jean Barnard, CFA[®], and Ryan Dunnegan, CPA, utilizes the same approach as the Kennedy Capital Small Cap Growth strategy, incepted in January 2008. The strategy seeks companies with durable business models able to deploy assets into growing sets of opportunities with the potential to generate superior rates of return.

"With investor demand in mind and considering the success of KESGX, we are excited to establish KVALX and KGROX," said Donald Cobin, CFA[®], Chief Executive Officer of KCM. "All three funds seek capital appreciation and are designed to be accessible, cost-effective vehicles for institutions or individuals seeking exposure to our well-established investment approach."

The Kennedy Capital ESG SMID Cap Fund (KESGX) shares are currently available for purchase at Fidelity, Pershing, Schwab, and UMB. Shares of the Kennedy Capital Small Cap Value Fund (KVALX) and the Kennedy Capital Small Cap Growth Fund (KGROX) are available for purchase at UMB.

About Kennedy Capital Management, Inc.

Founded in 1980, St. Louis-based Kennedy Capital Management, Inc. delivers investment strategies to corporate and public pension funds, endowments, foundations, multi-employer plans and high-net-worth individuals. As of June 30, 2022, KCM managed \$3.7 billion in assets. The privately-held 100% employee-owned registered investment adviser specializes in the management of small and mid-cap strategies across the growth-value spectrum. KCM integrates environmental, social and governance (ESG) considerations into its research process and has nearly 20 years' experience managing socially-responsible client accounts. For more information, visit www.kennedycapital.com or email funds@kennedycapital.com.

¹**Past performance is no guarantee of future results.** Rating reflects fee waivers in effect; in their absence, the rating may have been lower.

Investors should consider the Funds' investment objectives, risks, charges and expenses carefully before investing. This and other important information is contained in the Funds' full prospectuses and summary prospectuses, which can be obtained by visiting www.kennedycapital.com or by calling (833) 737-7788. Please read carefully before investing.

Important Risk Information: Mutual fund investing involves risk, including loss of principal. Equity securities (stocks) are generally more volatile and carry more risk than fixed income securities (bonds) and money market investments. The net asset value per share of a mutual fund will fluctuate as the value of the securities in the portfolio changes. Common stocks and funds investing in common stocks generally provide greater returns over long-time periods than fixed-income securities. The Funds are comprised primarily of equity securities and are subject to market risk. Stocks may decline due to general market and economic conditions or due to company-specific circumstances. The Funds are comprised of small-mid capitalization ("SMID cap") stocks. SMID cap stocks typically carry additional risk since smaller companies generally have a higher risk of failure and historically have experienced a greater degree of volatility. Small-mid capitalization companies generally have a greater risk of failure, and their stocks generally have greater volatility than large companies.

Risks specific to KESGX: ESG criteria may affect the Fund's exposure to risks associated with certain issuers, industries and sectors which may impact the Fund's investment performance. The Fund may forgo some market opportunities available to funds that do not use these criteria.

Risks specific to KVALX: Value investing is subject to the risk that the market will not recognize a security's inherent value for a long time or at all. The Fund is newly organized and thus has no track record of its own on which to base an investment decision.

Risks specific to KGROX: Growth securities may be particularly sensitive to market conditions. The Fund is newly organized and thus has no track record of its own on which to base an investment decision.

Index definitions and technical terms: The Russell 2500™ Index is used as the benchmark for the Kennedy Capital ESG SMID Cap Fund and strategy. The Russell 2500™ Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500™ Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. You cannot invest directly into an index.

Carbon Emissions (Scope1 Wtd. Avg., mt.) is a weighted average of companies' reported or estimated Scope 1 greenhouse gas emissions measured in metric tons. Scope 1 emissions are those from sources owned or controlled by the company. The assessment is sourced from MSCI's Carbon Metrics database. Companies not included in the MSCI Carbon Metrics database are not included in the weighted average calculation for the portfolio or the benchmark. The Fund is assessed quarterly compared to the weighted average emissions (reported or estimated as sourced from the MSCI Carbon Metrics database) of the Russell 2500™ index. The Fund's weighted average emissions will be at least 80% lower than that of the index.

The Governance Score refers to the ISS Governance QualityScore, which is derived from publicly disclosed data on a company's governance practices and for which a lower score is preferable. The Score is calculated as a weighted average for the Fund and compared to the weighted average score for the Russell 2500™ Index. Companies not included in the ISS Governance QualityScore database are not included in the weighted average calculation for the portfolio or the benchmark. The QualityScore provides an indication of relative governance quality supported by factor-level data. The Fund's weighted average QualityScore will be at least 15% lower (better) than that of the index. Companies receive an overall QualityScore and a score for each of four categories: Board Structure, Compensation/ Remuneration, Shareholder Rights and Audit & Risk Oversight. A score in the 1st decile indicates relatively higher quality governance practices and relatively lower governance risk, and conversely, a score in the 10th decile indicates relatively higher governance risk.

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The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. As of 6/30/2022, KESGX was rated against 576 Small Blend funds for the 3-year period. KESGX received 5 stars for this period. The Small Blend Category includes funds that invest in stocks of small companies where neither growth nor value characteristics predominate. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap.

Morningstar Category % Rank is a fund’s total-return percentile rank relative to all funds in the same category. The highest (or most favorable) percentile rank is one and the lowest (or least favorable) percentile rank is 100. As of 6/30/2022, KESGX ranked in the top 30% among 605 Small Blend funds for the 1-year period based on total returns. Past performance is no guarantee of future results.

Kennedy Capital Management, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission and the adviser to the Funds.

The Funds are distributed by IMST Distributors, LLC.

Safe Harbor Statement

This press release shall not constitute an offer to sell or a solicitation to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer or solicitation or sale would be unlawful prior to registration or qualification under the laws of such state or jurisdiction.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain statements that may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are “forward-looking statements.” Although Kennedy Capital Management, Inc. believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in the Fund’s reports that are filed with the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required by law, Kennedy Capital Management, Inc. does not assume a duty to update this forward-looking statement.

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