All Cap Core

Q1 | 2025

"We believe that the unique perspectives brought forth by both growth and value research will allow for the All Cap Core strategy to capitalize on timely investment opportunities."

- Mary Jane Matts

- U.S. equities (as measured by the Russell 3000) returned -4.7% in the first quarter as investors grappled with uncertainty surrounding the economic outlook. Within the broader indices, large caps outperformed small caps, value outpaced growth, and defensives beat cyclicals/dynamics. The best performing style factors were Liquidity, Earnings Yield, and Leverage, while the worst were Beta, Volatility, and Momentum (source: FactSet Global Equity Risk Model MH). Within the Russell 3000 Index, best performing sectors were Energy, Utilities, Consumer Staples, and Health Care, while the worst were Consumer Discretionary Information Technology, Communications Services, and Industrials. The All Cap Core strategy outperformed the benchmark due to advantageous style factor exposures.
- During the quarter, the largest positive contribution to relative performance came from advantageous style factor exposures, notably an overexposure to Earnings Yield (low p/e), one of the quarter's best performing factors, and underexposures to Beta and Volatility, the worst performing factors. Stock selection was most additive within Information Technology and Consumer Discretionary. Among the largest individual stock contributors was AbbVie (ABBV +19%), which was buoyed by an improving growth story driven by key franchises (Skyrizi/Rinvoq) and an expansion of the pipeline into obesity drugs.
- The largest negative contribution in the quarter came from stock selection, concentrated in Industrials and Financials. Within Industrials, Delta Air Lines (DAL, -27.8%) reacted poorly to a material cut in the outlook for first quarter revenue amid macro uncertainty, a drop in government related travel, and a number of aviation incidents.
- Over 60% of the active risk in the portfolio comes from stock specific risk, with concentrations in Information Technology, Financials, and Health Care, with the most significant individual stock contributions from Universal Health Services (UHS), Alphabet Class A (GOOGL), Apple (APPL), International Business Machines (IBM), and most significantly, not owning Tesla (TSLA) The remainder of the active risk derives from style and industry deviations from the benchmark. The portfolio is positioned somewhat defensively, with overweights to Communications Services, Energy, Real Estate, and Health Care, and underweights to Consumer Discretionary and Information Technology. Among style effects, the weight in small/midcaps is near the 3X max weight vs the Russell 3000, but the impact from that overexposure on active risk is modest. With a significant overexposure to Earnings Yield, the portfolio is currently postured with a value tilt.

Top Five Contributors	Relative Effect on Return (%)
Altria Group, Inc.	0.42
Verizon Communications Inc.	0.31
AbbVie, Inc.	0.29
International Business Machines	0.25
Fox Corporation Class A	0.25

Top Five Detractors	Relative Effect on Return (%)
Alphabet Inc. Class A	-0.36
Delta Air Lines, Inc.	-0.33
Viatris, Inc.	-0.20
Tower Semiconductor Ltd	-0.17
Oracle Corporation	-0.14

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
All Cap Core Composite Gross	-4.25	-4.25	7.93	8.82	17.18	10.54
All Cap Core Composite Net	-4.40	-4.40	7.28	8.17	16.47	9.88
Russell 3000	-4.72	-4.72	7.22	8.22	18.18	11.80

Disclosures

Effective April 25, 2025, CSM Advisors LLC purchased the assets of Foundry Partners LLC. CS McKee is an independent registered investment advisor specializing in institutional and retail investment management services and utilizing a variety of investment strategies and styles; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made. CS McKee maintains a complete list of composite descriptions and broad distribution pooled funds, which is available upon request. On January 10, 2002, C. S. McKee and Co., Inc. completed a senior management led buyback from Old Mutual, plc, resulting in the formation of C. S. McKee, L. P. On March 12, 2020, North Square Investments acquired substantially all the assets of C.S. McKee, L.P., resulting in the formation of CSM Advisors, LLC. CSM Advisors, LLC will continue to do business as CS McKee, and continues to operate independently as an investment advisory division.

The opinions expressed herein are those of CS McKee and may not actually come to pass. This information is current as of the date of this material and is subject to change at any time, based on market and other conditions. Index performance used throughout is intended to illustrate historical market trends and performance. Indexes are unmanaged and do not incur investment management fees. An investor is unable to invest in an index.

The mention of specific securities and sectors illustrates the application of our investment approach only and is not to be considered a recommendation by CS McKee. The specific securities identified and described above do not represent all of the securities purchased and sold for the portfolio, and it should not be assumed that investment in these securities were or will be profitable. There is no assurance that the securities purchased remain in the portfolio or that securities sold have not been repurchased. Charts, diagrams and graphs, by themselves, cannot be used to make investment decisions. The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients. The calculation's methodology along with details on all holding's contribution to the overall account's performance during the measurement period are available upon request. Past performance is no guarantee of future results.

Performance attribution characteristics along with the Sectors and Holdings listed are taken from a representative or model account and may not mirror performance of your account.

Top Five Contributors and Detractors are calculated using the total effect (within attribution) of the portfolios individual stock attribution sorted from greatest positive to least (or negative) and using the top and bottom five.

The "Gross" returns presented are gross of fees. The results do not reflect the deduction of investment management fees; the client's return will be reduced by the management fees and any other expenses incurred in the management of its account. For example, a US $100 million account, paying a .50% annual fee, with a given rate of 10% compounded over a 10 year period would result in a net of fee return of 9.5%. Investment advisory fees are described in Part 2A of CS McKee's Form ADV. Net Performance listed is Net of fees. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results.

The Russell 3000® Index (the "Index") measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. The Index is calculated on a total return basis with dividends reinvested and is not assessed a management fee. It is not possible to invest directly in an index.

This information does not constitute a solicitation or an offer to buy or sell any securities.

CS McKee claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Please see the Composite's GIPS® Composite Report for important additional information. To receive a list of composite descriptions and/ or GIPS® Composite Report that complies with the GIPS® standards, please feel free to download our GIPS® presentation at the following: csmckee.com/gips/

Portfolio Management Team:

Mary Jane Matts, CFA
Director
Large Cap Equities
Industry Start: 1987

Ted Y. Moore, CFA
Senior Portfolio Manager
Large Cap Equities
Industry Start: 1997

Graham P. Harkins, CFA
Portfolio Manager
Large Cap Equities
Industry Start: 2012

Eric J. Holmes, CFA
Director
Micro & Small Cap Equities
Industry Start: 1994

Craig P Nedbalski, CFA
Senior Portfolio Manager
Micro Cap Equities
Industry Start: 1995

Michael K. Barr, CFA
Senior Portfolio Manager
Micro Cap Equities
Industry Start: 1987