

“Compelling stocks possess a powerful combination of three criteria: statistical cheapness, undervaluation, and timeliness. Our process is dedicated to identifying stocks that meet all three.”

Q1 | 2025

## Investment Approach

- Identify neglected stocks with low expectations trading at low multiples of earnings, book value, cash flow and high dividend yield
- Distinguish between stocks that are merely neglected vs. undervalued by using a fundamentally driven valuation discipline built on our assessment of normalized earnings per share and the level of company-specific risk
- Reduce the risk of value traps by identifying positive catalysts

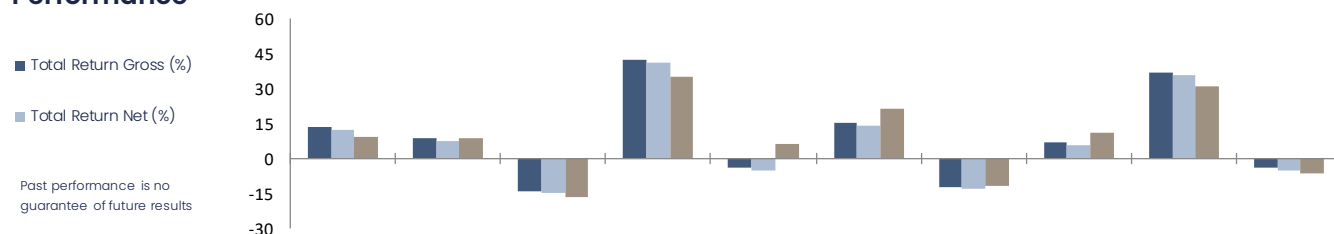
## Sell Discipline

- Holdings must continue to meet buy discipline
- Stocks may be replaced by others with better risk/reward/timeliness characteristics
- The fundamental outlook deteriorates, our fair value estimate is revised downward, and the stock no longer appears undervalued
- Negative catalysts emerge, such as product failure, suspect financial reporting, changes in regulatory environment, or the stock is no longer timely

## Risk Management Strategy

- Team of experienced portfolio managers dedicated to a process-driven approach to stock selection
- Diversified portfolio construction
  - Portfolio holds 90 – 140 stocks
  - Individual positions limited to the greater of 5% or the benchmark weight
  - Maximum sector weight equal to the Russell Micro Cap Value weight plus 10 percentage points
  - Minimum sector weight equal to 1/3 the Russell Micro Cap Value, or 0% if the sector is less than 5% of the benchmark
- Portfolio risk management used to decompose sources of active risk

## Performance



### Calendar Returns

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Return Gross (%)	13.47	8.57	-13.82	42.41	-3.98	14.91	-12.13	6.70	36.61	-4.19
Total Return Net (%)	12.39	7.54	-14.63	41.03	-4.87	13.82	-12.96	5.69	35.34	-5.06
Russell Microcap Value (%)	9.16	8.86	-16.70	34.84	6.34	21.28	-11.96	11.09	30.59	-6.45

### Annualized Returns

	QTR	YTD	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
Composite Gross (%)	-7.90	-7.90	0.96	1.39	16.40	6.29
Composite Net (%)	-8.11	-8.11	0.00	0.43	15.29	5.29
Russell Microcap Value (%)	-12.28	-12.28	-7.59	-3.47	14.27	5.95

## Characteristics (As of 3/31/2025)

	Composite*	Russell Micro-Cap Value
Price/Book	1.04	1.01
Price/Sales	0.69	0.63
Price/Cash Flow	6.96	6.63
Dividend Yield	2.30	2.09
P/E FY1 Est	11.56	14.20
Wtd. Avg. Market Cap (\$M)	\$718.7	\$647.4

## 3 Year Risk Statistics (As of 3/31/2025)

	Composite	Russell Micro-Cap Value
Beta	0.83	1.00
Alpha	4.14	0.00
R-squared	0.92	1.00
Information Ratio	0.65	N/A
Sharpe Ratio	-0.14	-0.32
Tracking Error	7.53	0.00
Standard Deviation	21.57	24.89
Downside Deviation	13.62	16.87

## Portfolio Management Team:

**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

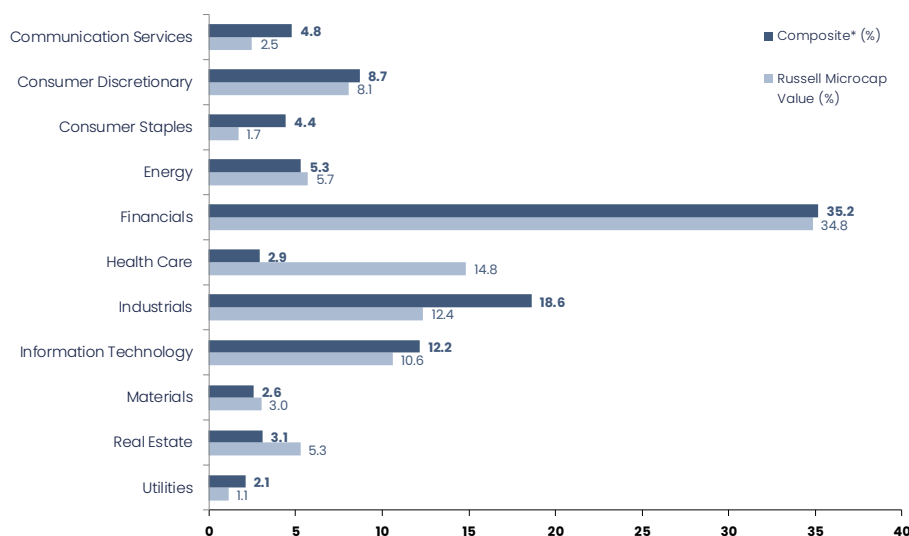
**Michael K. Barr, CFA**  
 Senior Portfolio Manager  
 Micro Cap Equities  
 Industry Start: 1987

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. Indices are unmanaged and do not incur investment management fees. An investor is unable to invest in an index. The Composite\* data listed is Supplemental Information, as a model portfolio is used.

Sources: FactSet, eVestment

For Institutional Investors Only

## Strategy Overview (Sector Allocation is Ex Cash - All Information as of 3/31/2025)



Composite Assets (\$M)	376.6
Benchmark	Russell Microcap Value
Number of Holdings	92
Active Share	88.8
12 Month Turnover	39.3%

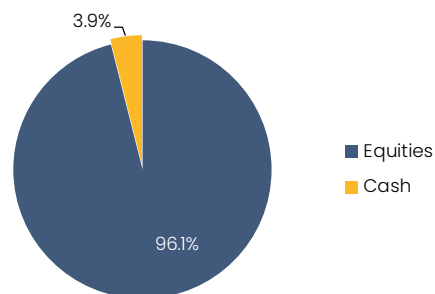
## Top Ten Holdings

Company	Composite* (%)
Whitestone REIT	213
Federal Agricultural Mortgage C	1.88
Global Ship Lease, Inc. Class A	1.85
Northeast Bank	1.82
Unitil Corporation	1.82
IMAX Corporation	1.77
Dime Community Bancshares, Ir	1.75
Independent Bank Corporation	1.74
Barrett Business Services, Inc.	1.73
Northwest Pipe Company	1.71

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. Indices are unmanaged and do not incur investment management fees. An investor is unable to invest in an index. The mention of specific securities illustrates the application of our investment approach only and is not to be considered a recommendation by CS McKee. This information does not constitute a solicitation or an offer to buy or sell any securities. The Composite\* data listed is Supplemental Information, as a model portfolio is used. The Top 10 holdings shown are based off the largest ten positions (as a percentage of portfolio assets) as of the date indicated and do not correspond to any performance metric.

All information is as of 3/31/25

Sources: FactSet, eVestment



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 securities discussed do not represent the Composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The information presented in this material is general in nature and not designed to address your investment objectives, financial situation, or particular needs. Prior to making any investment decision, you should assess, or seek advice from a professional regarding whether any particular transaction is relevant or appropriate to your individual circumstances. The mention of specific securities and sectors illustrates the application of our investment approach only and is not considered a recommendation by CS McKee. There is no assurance that the securities purchased remain in the portfolio or that securities sold have not been repurchased. The opinions expressed herein are those of CS McKee and may not actually come to pass.

All information and performance are reported in US dollars.

The "Net" returns presented are 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 "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 the account. For example, a US \$100 million account, paying a 0.50% 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%. Management fees are described in Part 2A of CS McKee's Form ADV Part 2A. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results.

The information herein was obtained from various sources. CS McKee does not guarantee the accuracy or completeness of information provided by third parties. The information in this report is given as of the date indicated and believed to be reliable. CS McKee assumes no obligation to update this information, or to advise on further developments relating to it.

Effective February 1, 2013, all accounts, regardless of size, are included in the Composite. Terminated accounts are included in the historical performance of the Composite through the last full month the account was managed. The Micro Cap Value strategy seeks to outperform the Russell Microcap® Value Index over a market cycle using a fundamental investment approach. The strategy invests primarily in domestic and limited foreign stocks of very small capitalization companies (typically with a market value of \$700 million or less). The Composite's inception date is March 31, 1998, and the Composite's creation date is September 30, 2003.

The benchmark is The Russell Microcap® Value Index (the "Index") measures the performance of the microcap value segment of the U.S. equity market. It includes those Russell Microcap® Index companies with lower price-to-book ratios and lower forecasted growth values. 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.

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/](http://csmckee.com/gips/)