

"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."

Q2 | 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

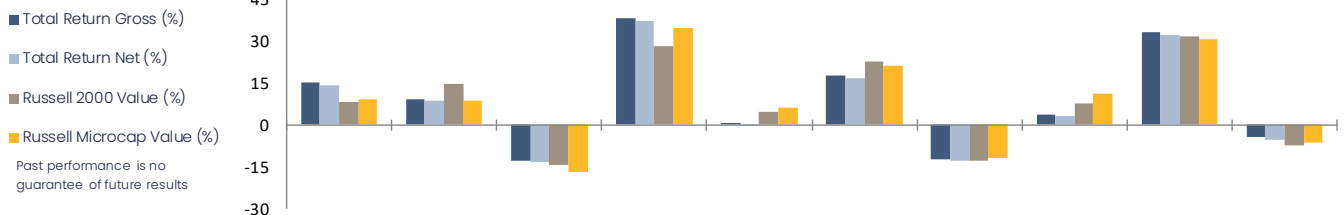
Sell Discipline

- 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 60 – 80 stocks
 - Individual positions limited to the greater of 5% or the benchmark weight
 - Maximum sector weight equal to the Russell 2000 Value weight plus 10 percentage points
 - Minimum sector weight equal to 1/3 the Russell 2000 Value, or 0% if the sector is less than 5% of the benchmark
- Portfolio risk management used to decompose active risk

Performance



Calendar Returns

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Return Gross (%)	15.28	9.27	-12.65	38.03	0.62	17.49	-12.33	3.75	32.87	-4.37
Total Return Net (%)	14.20	8.50	-13.26	37.02	-0.12	16.63	-12.97	3.01	31.89	-5.07
Russell 2000 Value (%)	8.05	14.65	-14.48	28.27	4.63	22.39	-12.86	7.84	31.74	-7.47
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 (%)	5.86	-3.47	4.47	8.33	14.06	6.96
Composite Net (%)	5.74	-3.74	3.82	7.51	13.22	6.17
Russell 2000 Value (%)	4.97	-3.16	5.54	7.45	12.47	6.72
Russell Microcap Value (%)	12.25	-1.53	9.32	6.68	12.21	7.08

Characteristics (As of 6/30/2025)

	Composite*	Russell 2000 Value
Price/Book	1.20	1.13
Price/Sales	0.96	0.77
Price/Cash Flow	7.16	6.34
Dividend Yield	2.52	2.34
P/E FY1 Est	13.44	14.30
Wtd. Avg. Market Cap (\$M)	\$2,079.0	\$2,667.2

3 Year Risk Statistics (As of 6/30/2025)

	Composite	Russell 2000 Value
Beta	0.89	1.00
Alpha	1.72	0.00
R-squared	0.81	1.00
Information Ratio	0.15	N/A
Sharpe Ratio	0.29	0.22
Tracking Error	6.08	0.00
Standard Deviation	13.46	13.56
Downside Deviation	7.81	7.23

Portfolio Management Team:

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

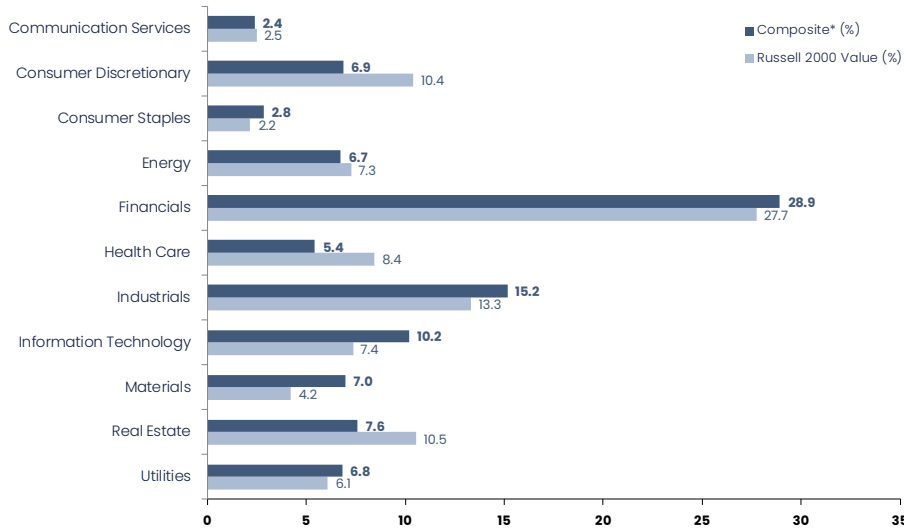
Mark Roach, CFA
Director
Small & Micro Cap Equities
Industry Start: 1995

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

Mario Tufano, CFA
Senior Portfolio Manager
Small Cap Equities
Industry Start: 2002

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

Strategy Overview (Sector Allocation is Ex Cash – All Information as of 6/30/2025)



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.

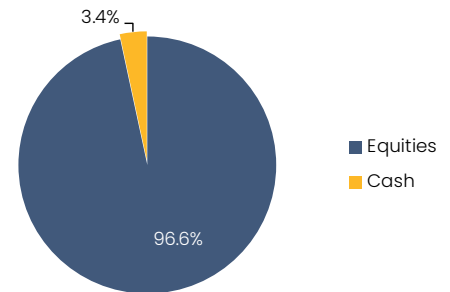
All information is as of 6/30/25

Sources: FactSet, eVestment

Composite Assets (\$M)	9.1
Benchmark	Russell 2000 Value
Number of Holdings	76
Active Share	92.5
12 Month Turnover	74.4%

Top Ten Holdings

	Composite* (%)
WisdomTree, Inc.	24.8
Kemper Corp	2.25
Enterprise Financial Services Co	2.14
Ducommun Incorporated	2.10
Silicon Motion Technology Corp	2.03
Coeur Mining, Inc.	2.01
Dime Community Bancshares, Ir	1.90
Old National Bancorp	1.88
Cheesecake Factory Incorporate	1.85
Standard Motor Products, Inc.	1.84



CS McKee is an independent registered investment adviser specializing in institutional and retail investment management. Registration does not imply a certain level of skill or training. On April 25, 2025, CS McKee acquired the assets of Foundry Partners LLC. Historical Foundry performance has been retained for all Foundry strategies that were adopted by CS McKee. A list of composite descriptions and broad distribution pooled funds are available upon request.

Effective with the acquisition of Foundry Partners LLC, CS McKee created the CS McKee Micro Cap Value Plus Composite, which includes the prior performance history of Foundry's Micro Cap Value Plus strategy and CS McKee's performance from the acquisition date forward. The legacy Foundry composites continue to be managed in a similar manner by the same portfolio managers, with no accounts excluded from the composites shown. Accordingly, the performance presented includes historical/predecessor performance.

The securities or positions shown or discussed do not represent a complete listing of portfolio holdings. Actual holdings will vary based on account size, client-imposed restrictions, cash flows, and other factors. There is no assurance that any securities discussed remain in the portfolio or that securities sold have not been repurchased. It should not be assumed that past decisions were or will be profitable. A complete list of holdings is available upon request.

Performance is presented in U.S. dollars and reflects total returns. "Gross" returns are shown before deduction of investment management fees, while "Net" returns are after deduction of such fees. For illustrative purposes, a \$100 million account paying a 0.50% annual management fee, with a 10% gross return compounded over 10 years, would yield a 9.5% net return. Fees are detailed in Part 2A of CS McKee's Form ADV. Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal.

Information shown is as of the date indicated. All data, including top holdings and characteristics, is subject to change without notice. Holdings shown are for illustrative purposes only and are not a recommendation to buy or sell any security. Holdings and characteristics may differ between client accounts managed under the same strategy. CS McKee does not guarantee the accuracy of third-party data.

Benchmark returns are shown for comparison and reflect reinvested dividends. Benchmarks are unmanaged, not investable, and do not incur fees or expenses. Strategy differences—such as risk, holdings, or asset mix—may materially affect results. Benchmark data is from sources believed reliable, but accuracy is not guaranteed.

CS McKee claims compliance with the Global Investment Performance Standards (GIPS®). Composite characteristics, including the number of accounts, assets under management, and dispersion measures, are provided in the GIPS® Composite Report. Please refer to the report for additional important information or to view a list of composite descriptions by visiting: <https://csmckee.com/gips/>