Enhanced Cash

Q3 | 2026

Strategy Facts

Vehicle Type	SMA
Inception	9/1/2018
AUM	$165 Mill

Investment Philosophy

C.S. McKee's fixed income philosophy is founded upon an opportunistic, yet risk-controlled bottom-up approach. Placing an emphasis on security analysis and selection allows the team to mitigate risk to the portfolio associated with Credit, Duration, or Yield Curve decisions. The portfolio focuses on both absolute and risk-adjusted value creation, with an emphasis on providing enhanced quality and liquidity.

Investment Approach

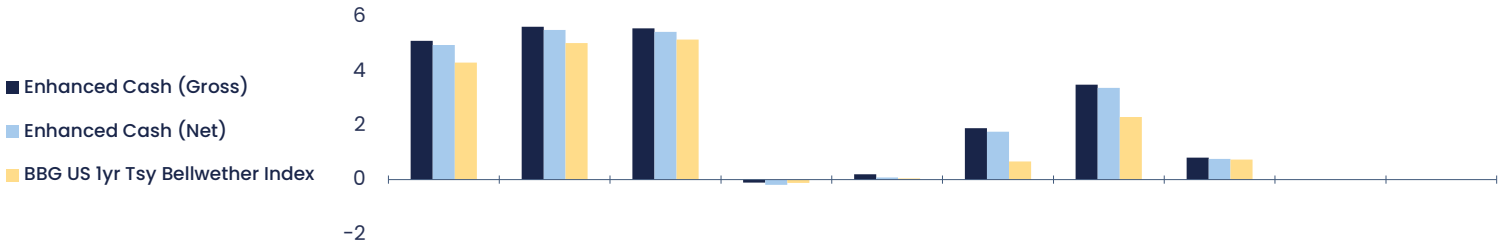
- Quality and Liquidity at the core of every portfolio
- Team Approach, leveraging the sector expertise of the individuals to drive security selection
- Focus on consistency, striving to deliver net of fees benchmark outperformance, with below market volatility
- Bottom-up value creation, primarily through security selection, sector allocation and active risk management
- Principal preservation focus, with an emphasis on downside capture across full market cycles

Government Advantage

- Enhance portfolio yield without credit risk
- Superior performance by expanding of US Government Security types
  - Example security types include: US Agencies (Callable and Bullet), FDIC-Brokered CDs, Floating Rate bonds, US TIPS, Mortgage Securities (MBS & CMO)
- Portfolio Diversification among security types and US Government issuers to reduce risk
- Active sector allocation and Security selection

Risk Management

- Team of experienced portfolio managers dedicated to a risk-aware, disciplined approach to fixed income
- Diversified portfolio construction
  - ❑ Investment Grade only (BBB- or better), with a focus on selecting high-quality bonds
  - ❑ Liquidity equal to or better than benchmark (based upon weighted-avg bid/ask spread)
  - ❑ Duration constraints of 80%-120% of benchmark (typically within 95%-105%)
  - ❑ Curve exposure targets +/- 15% of benchmark
  - ❑ Negative convexity limit of benchmark - 0.75 years
- "Seeking bonds that maximize performance in the economic scenarios with highest probabilities"



Calendar Returns	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Enhanced Cash (Gross)	5.11	5.63	5.57	-0.10	0.19	1.89	3.50	0.81	---	---
Enhanced Cash (Net)	4.96	5.51	5.44	-0.19	0.07	1.77	3.37	0.77	---	---
BBG US 1yr Tsy Bellwether Index	4.31	5.03	5.16	-0.12	0.04	0.67	2.30	0.73	---	---

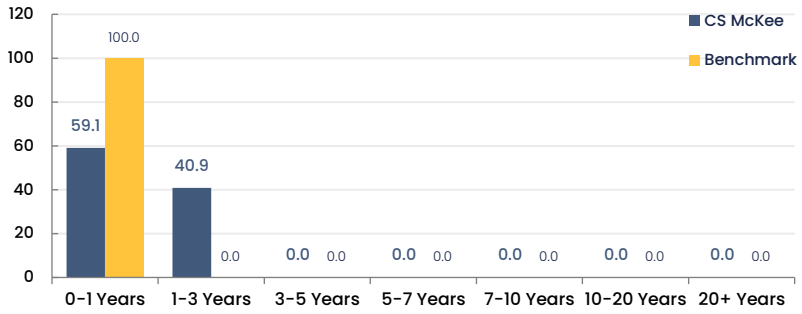
Trailing Returns	QTD	YTD	1yr	3yr	5yr	7yr	10yr
Enhanced Cash (Gross)	0.63	2.20	3.37	5.04	3.64	2.99	0.00
Enhanced Cash (Net)	0.57	2.01	3.12	4.87	3.50	2.85	0.00
BBG US 1yr Tsy Bellwether Index	0.72	2.13	3.17	4.50	3.28	2.51	0.00

Characteristics

	Composite*	Benchmark
Average Coupon	3.95	0.00
Yield to Maturity	4.76	4.42
Yield to Worst	4.75	4.42
Average Maturity	1.00	0.00
Effective Duration	0.95	0.00
Convexity	-0.004	0.000
Option Adjusted Spread	20	0
Credit Quality	Aa1/AA+	Aa1/AA+

Note: the Enhanced Cash strategy was launched mid-2018, the Index performance for 2018 shown above is for the whole year. The partial period Index return to match the strategy was 0.82%.

Term Structure



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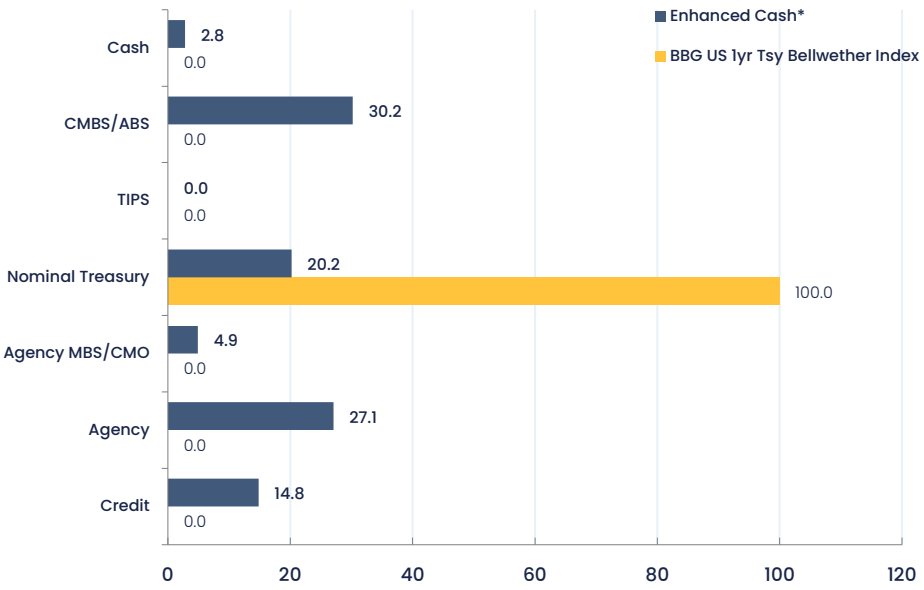
Sector Allocation



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All information is as of 9/30/26

Sources: Bondedge, eVestment

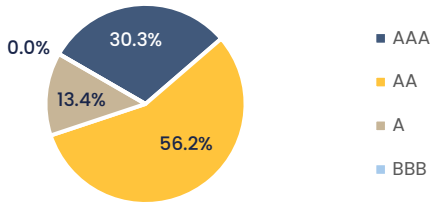
Product Summary

Composite Assets ($M)	$165 Mill
Benchmark	BBG US 1yr Tsy Bellwether
Number of Holdings	65
Yield to Maturity (YTM)	4.76
Effective Duration	0.95

3-year Risk Statistics

	Composite*	Benchmark
Beta	1.07	1.00
Alpha	0.56	0.00
R-Squared	0.96	1.00
Info Ratio	4.28	N/A
Sharpe Ratio	0.63	-0.26
Tracking Error	0.20	0.00
Standard Deviation	0.99	0.91
Downside Deviation	0.32	0.50

Note: Due to limited data on the BBG Bellweather Index, the primary Index (non risk-free) for benchmark data is ICE BofAML 1-Year US Treasury



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.

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 reflect the deduction of actual investment management fees charged to client accounts included in the composite, which may vary. For illustrative purposes only, a $100 million account paying a 0.50% annual management fee and earning a 10% gross return compounded over 10 years would result in an approximate 9.5% net return. This example is hypothetical and not representative of actual client performance or fee arrangements. 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: www.csmckee.com/gips

Portfolio Management Team:

Jack P. White, CFA
Director, Fixed Income
Industry Start: 1997

Brian S. Allen, CFA
Chief Investment Officer (CIO)
Industry Start: 1987

Bryan R. Johanson, CFA
Senior Portfolio Manager
Industry Start: 1987

Zachary K. Hubert, CFA
Portfolio Manager
Industry Start: 2010