

Mountain Pacific Investment Advisers

Domestic Equity: Russell 2500 Benchmark

For the month of:

June

2025

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	1.60%	6.34%	6.87%	13.79%	12.49%
Russell 2500	4.61%	8.59%	9.91%	11.30%	11.45%

Portfolio Attributes

Characteristics	Mtn Pac	RU 2500	Sector Analysis		
Mkt Value (\$m)	765.09	N/A	<u>Over-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
Wtd Cap (\$b)	34.40	7.82	Capital Goods	54.07%	21.72%
P/E	23.13	19.99	Materials	5.53%	3.83%
Beta	0.94	1.00			
Yield (%)	0.94	1.50	<u>Under-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
Earnings Growt	9.09	12.86	Cons. Cyclical	3.41%	14.30%
			Real Estate	0.00%	6.83%
			Health Care	6.43%	11.43%

Performance Attribution & Strategy Comments

Fed commentary after the uneventful June FOMC meeting suggested that, while a few members (Waller and Bowman) were open to a July rate cut, consensus remained very much in wait-and-see mode. Labor market fundamentals showed gradual weakening, and inflation prints remained subdued. Equities rose steadily during the month, especially cyclicals and large cap technology.

The portfolio gained 1.60% during the month, underperforming our benchmark, the RU 2500, by 301 bps. Over the past three months, our portfolio has underperformed the index by 225 bps.

Selection, mostly in industrials and financials, drove most of the underperformance in June. Allocation yielded a minor positive offset.

Market rotation away from quality in June penalized our holdings generally across sectors. Global insurance broker Arthur J. Gallagher & Co. fell 8% in this rotation and was also impacted by its premium valuation and a tepid investor day. As an offset, data center related industrial and IT names turned in strong performances again in June. Visibility into the macro economy remains low as tariff negotiations continue and lags accompany their implementation. In addition to tariff uncertainty, equity multiples are again elevated. Corporate earnings guidance in 1Q25, however, was remarkably stable with 57% of S&P members holding, 25% raising, and only 15% cutting guidance. We are closely watching the evolution of the labor market and its effect on interest rates as key drivers.

Manager Style Summary

Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.

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Portfolio Guideline Compliance

Portfolio Guideline:	Mtn Pac	RU 2500	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)				\$100.0	\$7,500.0	ok
B3. Wtd Avg Cap	34400	7816	440%	80%	120%	check
B4. Number of issues	38			35	55	ok
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	29.69	28.92	103%	80%	120%	ok
B6b. Beta	0.94	1.00	0.94	0.80	1.20	ok
B6c. Yield	0.94	1.50	63%	80%	120%	check
B6d. Expected Earnings Growth	9.09	12.86	71%	80%	120%	check
E2. Commissions not to exceed \$0.06/share						ok
E3. Annual Turnover	9%				60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation. The median cap of the portfolio is \$12.1 BN.

B6c. Yield: Our yield is below that of the benchmark as we have been adding companies that reinvest more for growth than pay dividends.

B6d. Earnings Growth: Earnings growth expectations for the portfolio were recently revised downward.

Assets Under Management (\$m) as of:

Qtr 2

\$ 1,716

Organizational/Personnel Changes

None

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m)	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m)	\$	-
	Reason(s):	N/A			