

Mountain Pacific Investment Advisers

Domestic Equity: Russell 2500 Benchmark

For the month of:

March

2025

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	-4.86%	-6.02%	-1.83%	6.20%	14.98%
Russell 2500	-6.27%	-7.50%	-3.11%	1.78%	14.91%

Portfolio Attributes

Characteristics	Mtn Pac	RU 2500	Sector Analysis		
Mkt Value (\$m)	718.12	N/A	<u>Over-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
Wtd Cap (\$b)	33.51	7.86	Capital Goods	51.60%	21.29%
P/E	21.74	18.16	Materials	5.83%	3.56%
Beta	0.94	1.00			
Yield (%)	1.01	1.58	<u>Under-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
Earnings Growt	9.12	12.46	Cons. Cyclical	2.59%	14.29%
			Real Estate	0.00%	7.36%
			Energy	0.00%	5.57%

Performance Attribution & Strategy Comments

Tariff-related turmoil and outlook uncertainty largely overshadowed incoming hard economic data. Equities fell early in the month on Canada, Mexico, and China tariff announcements and again later during the run-up to the scheduled April 2 tariff announcement. Economic releases generally indicated increasing consumer and business caution and higher inflation expectations. The FOMC's Statement of Economic Projections (SEP) marked growth down 40 bps, core inflation up 30 bps, and kept a median of two cuts in 2025, although market projections later in the month implied 3+ cuts.

The portfolio decreased 4.86% during the month, outperforming our benchmark, the RU 2500, by 141 bps. Over the past three months, our portfolio has outperformed the index by 148 bps.

Almost all of the outperformance was from selection. Positive selection of about 170 bps in information technology and financial more than offset a drag of about 60 bps from industrial. Healthcare, materials, and consumer discretionary also contributed.

Three information technology names with little tariff risk performed well: Roper Technologies (largely SaaS), Arthur J Gallagher & Co. (insurance brokerage), and Verisk Analytics, Inc. (insurance data). Partly offsetting was a drop in Vertiv (data center power, cooling, and IT solutions) on a bearish analyst industry report and news that China will restrict data center energy use.

Macro visibility has further decreased with day-by-day tariff developments. Corporate earnings expectations will likely have to be reset. Given the difficulty of forecasting demand and component cost, many public companies may withdraw earnings guidance altogether as happened during Covid. The duration of the current uncertainty will be a key factor influencing when the outlook might turn positive.

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	33510	7860	426%	80%	120%	check
B4. Number of issues	40			35	55	ok
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	27.63	25.34	109%	80%	120%	ok
B6b. Beta	0.94	1.00	0.94	0.80	1.20	ok
B6c. Yield	1.01	1.58	64%	80%	120%	check
B6d. Expected Earnings Growth	9.12	12.46	73%	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 \$10.4 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 1	\$ 1,677
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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			