

ADV Part 2A
DISCLOSURE BROCHURE

CSM Advisors, LLC (dba C.S. McKee)

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This Brochure provides information about the qualifications and business practices of CSM Advisors, LLC ("CSM Advisors", "C.S. McKee" or the "Company"). CSM Advisors, LLC also does business as C.S. McKee. If you have any questions about the contents of this Brochure, please contact Ulf Skreppen, our Chief Compliance Officer, at (412) 566-1234 Uskreppen@csmkee.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

CSM Advisors is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about us is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: SUMMARY OF MATERIAL CHANGES

Below is a list of Material changes to our policies, practices, or conflicts of interest listed in 2A, since our last brochure dated June 21, 2021. You will receive a summary of material changes to this and subsequent Brochures within 120 days of the close of our fiscal year and we may provide other ongoing disclosure updates, as necessary. We will provide you with a new Brochure, as needed at any time without charge.

- CSM Advisors, LLC and CS McKee, LP were both in operation until all clients could sign a contract with or could be assigned to CSM Advisors, LLC. The final client was assigned to CSM Advisors, LLC. on 9/14/20. CS McKee, LP filed their ADV-W, effective 10/27/20.
- CSM Advisors, LLC uploaded its initial CRS on 6/10/21.

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ITEM 4: ADVISORY BUSINESS

CSM Advisors, LLC (“CSM Advisors”, “C.S. McKee” or the “Company”) manages pension funds, profit-sharing plans, reserve funds, endowments and other financial assets for public sector, unions, corporations, foundations, hospitals, schools, religious organizations, and other institutions. As of December 31, 2020, the Company has approximately \$ 7.16 billion under management in 266 fixed income, equity, and balanced fund portfolios.

The Company was established in 2020; however, the Company acquired and is continuing the business of C.S. McKee which was founded in 1931. The Company’s offices are located in Pittsburgh which is where C.S. McKee was located. The Company’s principal owner is CSM Intermediate Holdings, LLC. For purposes of this section, the persons owning twenty-five percent (25%) or more of our firm’s membership interests are our principal owners.

Our Advisory Services

The Company provides portfolio management services tailored to its clients’ investment objectives. Clients may impose restrictions on investing in certain securities or types of securities. Such restrictions must be submitted to the Company in writing. It should be known that client-imposed restrictions may affect the Company’s ability to perform its stated investment strategy and, therefore, investment performance may deviate from other clients managed in accordance with the same strategy but absent such restrictions.

The Company is the sole investment advisor to the McKee International Equity Fund (“Fund”), which primarily invests in equity securities of non-U.S. issuers. The Fund is one of a series of shares that comprise the Advisors’ Inner Circle Funds. The Advisors’ Inner Circle Funds is administered by SEI Investments Global Funds Services and distributed by SEI Investments Distribution Company. Both are located in Oaks, Pennsylvania. SEI also has a brokerage subsidiary.

We provide model portfolio recommendations to other investment advisors, hereinafter referred to as UMA Model Accounts.

We are also the Sub-Advisor for a public and multiple private investment companies.

We offer a variety of services to both existing and prospective clients, including managing pension funds, profit-sharing plans, reserve funds, endowments, and other financial assets for public sector, unions, corporations, foundations, hospitals, schools, religious organizations, and other institutions.

Assets Under Management

We manage client assets on either a discretionary or nondiscretionary basis. As of December 31, 2020, the Company had approximately \$ 7.05 Billion in client assets managed on a discretionary basis and \$ 110 Million in client assets managed on a nondiscretionary basis.

ITEM 5: FEES AND COMPENSATION

The Company receives compensation directly and indirectly for its services.

Direct Compensation comes in the form of payments from clients based upon assets managed. The Company typically bills clients based upon a pre-determined fee schedule using the assets managed as recorded in our system. Variations as to the assets' valuation date, how the asset values are calculated (for examples source may be from our accounts or custodian statements), and invoice period are permissible. There are some sponsors (Unified Managed Assets "UMA", consultants, clients, etc.) that calculate their own fee under the applicable fee schedule and remit payment without requiring an invoice from the Company.

Indirect Compensation comes in the form of payments from our McKee International Mutual Fund ("MKIEX" or the "Fund"). The Company will receive its stated fee (70 bps) less any networking or similar fees charged by the client's platform and/or custodian. These networking or similar fees offset the Company's compensation and all shareholders of the mutual fund pay the same management fee (expense ratio for the applicable a class of shares as listed in the most recent prospectus) regardless of their designated platform and/or custodian.

Additional indirect compensation may come from pooled products that are sub-advised by the Company.

All fees are negotiable. Fees are billed in advance or in arrears according to a written and fully executed management agreement. Fees may be billed separately or directly debited from a client's account. A client must authorize any direct debit arrangements with its custodian. New and terminating clients will have invoices prorated to the nearest day. Refunds may be necessary if client has elected to pay in advance and the termination falls in the middle of a billing cycle. Any refunds will be paid promptly following termination or depending on the arrangements with the client, following the end of the quarter.

Below are the Company's standard fee schedules covering all primary strategies as of the effective date of this brochure.

Domestic (Large-Cap Core, Large-Cap Value & All-Cap Equity Fee Schedule)

0.75% on first \$5,000,000
0.60% on next \$10,000,000
0.50% on next \$10,000,000
0.35% on any amounts thereafter

Domestic (Small-Cap Core Fee Schedule)

0.80% on first \$25,000,000
0.50% on any amounts thereafter

McKee Managed International Equity Portfolio – No Load Fund

0.70% on all assets (Total Fund expenses as of effective date of this Brochure are approximately 1.05 % but will vary.)

Fixed Income Fee Schedule

0.35% on first \$25,000,000*
0.30% on next \$25,000,000
0.25% on next \$50,000,000
0.20% on assets over \$100,000,000

* While all fees are negotiable, we particularly note so is the fee for the first \$10 million.

Balanced Fee Schedule

0.75% on first \$5,000,000
0.50% on next \$10,000,000
0.30% on any amounts thereafter

Public Sector Balanced Fee Schedule

0.75% on first \$5,000,000
0.40% on next \$10,000,000
0.25% on any amounts thereafter

North Square McKee Bond Fund I Shares – No Load Fund

0.24% on all assets (Total Fund expenses as of effective date of this Brochure are approximately 0.28% but will vary.)

For Legacy retail accounts custodied through Fidelity Investments Registered Investment Advisor Group ("Fidelity"), fees are typically as follows:

Assets Under Management Annual Fees

1.25% on first \$1,000,000

0.95% on next \$2,000,000

0.85% on any amounts thereafter

Clients will be charged additional commissions or other brokerage fees when McKee executes trades with 8 broker/dealers other than the sponsor in order to provide favorable execution (step-out trades). Fees are generally charged quarterly in arrears but McKee may enter into arrangements where fees are billed in advance. Typically, fees are charged as a percentage of assets under management and are calculated at the close of each calendar quarter, but McKee may enter into flat fee arrangements with certain clients on a case-by-case basis. Typically, investment management fees charged as a percentage of assets under management are based on account balances at the end of a calendar quarter provided by the custodian. Typically, clients authorize McKee to deduct McKee's fees directly from their account by sending an invoice to the custodian. The account custodian does not check the fee calculation, percentage or amount to be deducted, so the client is responsible for reviewing fee deductions shown on account statements and informing McKee of any suspected errors. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. McKee generally does not offer the services provided under the Program separately. However, clients may be able to purchase services similar to those offered under the Program from other service providers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than the Program, depending on the fees charged by such other service providers.

The Company may purchase pooled products (Mutual Funds, ETFs, Closed-End Funds, etc.) for any strategy. Such products will likely have additional management fees embedded within the product in addition to what the Company charges the client. The Company can purchase any pooled product, including those distributed by North Square Investments and/or its affiliates.

Other Fees

As noted above, clients invested in pooled products, including any mutual funds managed by the Company, will incur and be responsible for additional fees referred to as an expense ratio, which includes among other things, investment management fees and administrative costs. Administrative costs are used to pay custodian, legal, accounting, printing, and other miscellaneous charges. If these are managed by the Company, we only receive a portion of the expense ratio for providing portfolio management services. Additionally, in all cases, clients should be prepared to incur additional costs such as brokerage and custodian fees. Please refer to Item 12 for our brokerage practices.

Initial 408(b)2 disclosure for prospective clients

C.S. McKee's[Company] 408(b)2 Disclosure (EIN 84-3346426)

This document provides an overview of the investment management services provided to your plan by the Company, the compensation received by the Company for and in connection with those services, and other information required by the Department of Labor regulation under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (ERISA). Under ERISA, a plan sponsor or other fiduciary has a fiduciary responsibility to prudently select and monitor those hired to provide services to the plan, to ensure, among other things, the reasonableness of the service arrangement and of the compensation to be received by the service provider. This document is designed to assist you in meeting that fiduciary responsibility.

(A) Services

The Company proposes to manage assets for your plan.

For more information regarding the proposed service arrangement with your plan, please refer to our proposal and Item 4 of this Form ADV Part 2A.

(B) Status

In connection with providing the services to your plan, the Company would be a fiduciary with respect to the plan under ERISA and is acting as an SEC Registered Investment Advisor.

(C) Compensation

Direct Compensation

The current and future annual charges would be outlined in any management agreement. Standard fee schedules are provided within Item 5 of this ADV Part 2A.

The Company directly bills plans for separately managed accounts.

If you were to select a mutual fund, fees would be received directly from the sponsor. Again, please see Item 5 of this ADV Part 2A for detailed fee schedules.

Indirect Compensation

Soft dollar credits will vary based upon trading volume but will change very little year over year. Each client will be sent actual soft dollar credits generated along with its 408 (b) 2

disclosures to assist with its form 5500 filing. Please refer to Item 12 for more information regarding our soft dollar practices.

The Company does not currently, nor in the future, expect to receive soft dollar credits for the management of fixed income products, or other forms of indirect compensation in connection with the services being provided to your plan.

Gifts and Other Non-Monetary Compensation

From time to time, the providers of various products and services used by The Company for its investment management clients may provide The Company and its personnel with non-monetary gifts and gratuities, such as promotional items (i.e., coffee mugs, calendars or gift baskets), meals and access to certain industry related conferences (collectively, "gifts"). The receipt of these gifts is not dependent on or otherwise related to the assets invested by your plan or any of our other clients in or with the products or services of the provider. Nevertheless, The Company has implemented policies and procedures intended to identify, quantify, track and restrict gifts received by it and its personnel. Pursuant to rules established by the U.S. Department of Labor, the Company has implemented a policy for allocating the value of a gift among multiple clients, where applicable. Under such policy, where potentially reportable compensation is received by the Company (including its personnel) in connection with several clients, the Company will first divide the fair market value of the gift by its client assets under management to which such gift is reasonably applicable, and then allocate the result to each affected client, in proportion to the client's assets under management, to determine if it exceeds the *de minimis* threshold under the Section 408(b)(2) regulation and related and associated guidance. Based on historic trends, the Company does not expect to receive gifts in excess of the *de minimis* threshold under these rules with respect to your plan.

(D) Termination

The Company does not charge a termination fee. If the Client is billed in advance, we will reimburse the Client for unused services. The reimbursement is based upon the termination date provided to us by the Client (the calculation for reimbursement is total days remaining in the quarter, divided by total days in the quarter, multiplied by the account fee). If the Client is billed in arrears, the last invoice will be prorated to the termination date provided to us by Client.

(E) Certification of Disclosures under ERISA Section 408 (b) (2)

- The information provided herewith (a) has been compiled by the Company in good faith using reasonable diligence, and (b) represents, to the best of the Company's knowledge, the full and complete disclosure of the services and compensation related to the Company's contract or arrangement with the client in compliance with the requirements of the Department of Labor's regulation at 29 CFR Section 2550.408b-2(c).
- The Company will disclose to the Plan any change to the information disclosed herewith as soon as practicable and, unless precluded by extraordinary circumstances beyond the Company's control, not later than 60 days from the date that the Company is informed of such change.
- The Company will disclose to the Plan any correction to the information provided herewith that is necessary to correct an error or omission in such information as soon as practicable and not later than 30 days from the date on which the Company becomes aware of such error or omission.

The Company will also provide, upon request, a detailed 408(b)2 disclosures to its ERISA clients to support their FORM 5500 filings. Clients not covered under ERISA can also request a similar Fee disclosure Statement by emailing mckeecompliance@csmckee.com.

ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As discussed in the fee section, all fee schedules are negotiable. At the time of this Brochure, the Company does not have any clients that have performance-based fees. The Company does not have a standard performance-based fee schedule but is willing to consider any proposals that a client may suggest.

Side-by-Side Management:

There would be the potential to favor clients that have performance-based fees because the incentive can be higher than that attainable based on our standard fee schedules. However, the incentive-based fee portfolios would be managed, within specific guidelines, in accordance with the same process and discipline and against the same model portfolio as all similar clients. The Chief Compliance Officer (CCO hereafter) or delegate, together with appropriate portfolio managers, analyze returns each month for all clients. Material outliers to the composite require the Portfolio Manager to provide a reason for the under/over performance. Reports on all material outliers are reviewed, endorsed and filed monthly by compliance staff. These reports are also distributed to the Marketing Managers and Executives to alert them of any potential

issues. No issues regarding the accounts that previously employed a performance-based fee schedule have occurred prior to the effective date of this Brochure.

ITEM 7: TYPES OF CLIENTS

The Company primarily works with Institutional Clients.

As of the date of this Brochure, client types include high net worth individuals, investment companies, pension and profit-sharing plans, charitable organizations, state or municipal government entities, insurance companies, and corporations.

The standard account minimum account is \$5,000,000, but exceptions will be made based upon a multitude of factors including the size of the relationship, the ability of the Company to invest a smaller amount effectively in an existing current strategy, level of service required, the strategy requested, and the potential for gaining additional future assets.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Although the Company seeks to reduce the potential loss to a client by diversifying its investments within all its strategies, clients should be prepared to bear losses. Leverage is not used for our strategies.

Small Accounts: Accounts that are smaller than our standard minimum may have significantly different results than other accounts invested in the same mandate.

Significant Cash Flows: Accounts that have numerous and/or large cash flows may have significantly different results from those than those invested in the same mandate.

EQUITY METHODOLOGY

Quantitative models looking at fundamentals, technical factors, and risks coupled with comprehensive qualitative analysis are involved in the stock selection process.

Stock Selection: Three distinct models are used as components of the Company's quantitative analysis. These models are run concurrently against a universe comprised of stocks in the specific product's appropriate benchmark index. Each model generates a top-to-bottom ranking of all stocks in the universe.

- The Fundamental Model seeks to determine the best combination of economic earnings and future growth. We are attempting to buy the assets and cash flows of companies at a discount to the fair value, paying less for both the historical and projected earnings streams. This model focuses on a variety of factors, including P/E-to-growth and dividend rate ratios, price-to-cash flow ratios and price-to-earnings ratios. The model is

unique in its application of a proprietary valuation model measuring enterprise value to EBITDA versus the growth of the company.

- The Technical Model focuses on standard trend indicators such as price momentum and earnings per share momentum. This identifies catalysts for change and provides confirmation from the market that the undervaluation is not permanent.
- The Risk Assessment Model is internally designed and implemented. It examines a wide range of business factors such as, as applicable, bond spread, bond rating, tax rate (actual and GAAP) and pension fund status. It provides a proprietary measurement of the relative business risk of the company and is an essential element of the process because it may provide a very different ranking for the company than the fundamental or technical models.

The rankings that result from the quantitative process are validated through comprehensive qualitative analysis by the Company's Portfolio Managers/Sector Specialists. A detailed examination of the company is conducted through 10K and 10Q research, conference calls, visits with management if deemed necessary, an assessment of business fundamentals, and a confirmation of the company financials. Nearly 100 factors are reviewed and presented as a part of each buy and sell decision. Each Portfolio Manager votes on every decision and individual contribution to portfolio performance is monitored constantly. It is common for fixed income specialists to participate in meetings involving the purchase or sale of a stock when there are questions concerning corporate debt.

The stocks selected for qualitative analysis and possible inclusion in the portfolio are drawn from the top 30% as ranked by the Fundamental Model. Holdings that fall below the top 30% are candidates for review and watch. Holdings that fall into the bottom 30% become candidates for immediate sale.

The overall equity selection process is stock specific, in that we constantly seek companies that the results of our analysis indicate have the highest probability of adding value to a client's portfolio. Sector weightings are an important, but secondary, consideration. The process is highly disciplined, and couples proprietary quantitative technology with the individual judgment of our analysts. Every investment idea is presented by the sector analyst to the equity group. Lead manager for the product makes the final investment decision.

Risks specific to stock investing

Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of both rising and falling prices. The value of a stock may decline due to general weakness in the stock market or due to specific factors that affect a given company or industry.

FIXED INCOME METHODOLOGY

The Company's fixed income methodology incorporates a bottom-up approach that is opportunistic, yet risk-controlled. Our focus on security analysis and selection is designed to mitigate risk associated with credit, duration, or yield curve decisions.

Economic Outlook: We assess multiple economic/interest rate scenarios using raw economic data from a variety of sources. The intent here is to create a broad framework for portfolio scenario analysis and optimization.

Security Selection and Sector Exposure: Alpha relative to the benchmark is expected to result primarily from strong security selection. We ascertain whether client portfolios would be adequately compensated (in terms of yield) for owning each security and may work with Wall Street firms and government agencies to create securities specifically for our client portfolios. Current and potential holdings are analyzed on both a relative and historical basis versus the Treasury and Swap curves to determine fair value. Simulations are run to measure performance across the range of economic assumptions. Sector weightings, while monitored carefully, are largely a function of the security selection decision. The credit portion of the portfolio focuses on active trading of what we consider to be the highest quality, most liquid issuers.

Duration and Yield Curve: These decisions represent the most challenging areas in which to consistently add value and can expose the portfolio to unnecessary risk. We operate within a duration range of 80% - 120% versus the benchmark, and the purpose of duration decisions and yield curve positioning is to help convert the yield advantage gained through the security selection process into excess return.

Maturity Structure: Short-term and long-term interest rates seldom change by the same amount (parallel shift of the yield curve). As a result, opportunities exist to add return by identifying the changing shape of the curve and searching for arbitrage opportunities. Fundamental and technical analyses determine what we believe is the optimal maturity structure (highest expected return/least risk) for the expected changes in rates.

Portfolio Construction and Risk Control: The Company first establishes with each client an appropriate, quantifiable policy benchmark (generally a market index) against which performance results can be measured. The benchmark incorporates the client's tolerance for risk, defined in terms of the variability of returns, as well as the client's long-term objectives and return expectations.

Four Portfolio Managers and two analysts work as a team to manage all accounts. They concentrate on economic and risk analysis and are responsible for the implementation of overall strategy.

Portfolio risk is measured in terms of duration, maturity structure, sector exposure, and the estimated tracking error of the portfolio relative to the appropriate benchmark. We use option-adjusted, key rate duration when examining both the market index and our client portfolios. This is required because many market indices contain callable bonds, and our portfolios often include mortgage-backed securities whose durations depend upon prepayment assumptions.

Duration, maturity structure and sector weightings for all accounts are compared to client-specific strategy targets. Risk characteristics, tracking error and performance attribution are calculated on a monthly basis. Proposed modifications are subjected to the same type of analysis in order to determine the amount of risk and cost involved in a given restructuring, and to minimize the introduction of unnecessary and unintended risks in the portfolio.

The quality of the portfolio is high, and the number of securities is controlled to manage transaction costs. Cash levels of approximately 2% or less of the total portfolio are maintained. Annual turnover will normally range between 75% and 125%, depending upon market conditions.

Monitor Performance: The BondEdge platform, along with the Company's internal measurement systems, provide us with the tools to monitor and attribute portfolio performance. Duration, yield curve, sector allocation and security selection are measured and analyzed. This lets us monitor that portfolio performance matches internal expectations and dispersion among accounts is minimized.

Risks Specific to Fixed Income Investing:

Bonds have two main sources of risk. *Interest rate risk* is the risk that a rise in interest rates will cause the price of a debt security to fall. Securities with longer maturities typically suffer greater declines than those with shorter maturities. Mortgage-backed securities can react somewhat differently to interest rate changes because falling rates can cause losses of principal due to increased mortgage prepayments and rising rates can lead to decreased prepayments and greater volatility. *Credit risk* is the risk that an issuer of a debt security will default (fail to make scheduled interest or principal payments), potentially reducing income distributions and market values. This risk is increased when a security is downgraded, or the perceived creditworthiness of the issuer deteriorates.

ITEM 9: DISCIPLINARY INFORMATION

There are no material disciplinary or legal events to report as of the effective date of this Brochure.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Company may make recommendations for clients to utilize the McKee International Equity Fund. Although the Company, Union Bank, and SEI (the current administrator of the Fund) do not

bill clients directly, all parties are compensated per agreements in place between the companies.

The Company, at its expense, pays Foreside Fund Services, LLC ("Foreside"), an unaffiliated FINRA registered broker-dealer, a fee for certain distribution-related services for the Fund so that employees of the Adviser may serve as registered representatives of Foreside to facilitate the distribution of Fund shares.

The Company may enter into contracts with financial intermediaries as a sub-advisor, dual contract manager, and/or money manager with the written permission of the client. In these arrangements, the client would receive multiple ADV Part 2A offerings on an annual basis.

As a result of being under the control of an affiliate of Estancia, the Advisor is also affiliated with each of the following: (i) Estancia GP II, L.P., the general partner of the Estancia Fund, (ii) Estancia GP, LLC, the general partner to a private fund advised by Estancia and (iii) each of the following entities that is owned by a private investment vehicle under the control of an affiliate of Estancia: (a) North Square Investments, LLC, (b) Snowden Capital Advisors LLC, (c) Snowden Account Services LLC, (d) Snowden Insurance Services, LLC, (e) Sapience Investments, LLC and (f) Abel Noser, LLC. The Advisor does not believe that its affiliation with any of the foregoing creates a material conflict of interest with its advisory business.

ITEM 11: CODE OF ETHICS

We have adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act describing the standards of business conduct we expect all officers, directors, employees and advisory representatives to follow. The Code includes provisions relating to confidentiality of client information, a prohibition on insider trading, reporting of gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Company must acknowledge the terms of the Code annually, or as amended.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of the Company will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the Company's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The firm's employees may, from time to time, buy or sell securities for their own accounts that are the same as, similar to or the opposite of those that the firm recommends to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance and the timing of

purchases and sales. Employee trading is continually monitored under the Code to reasonably prevent conflicts of interest between the Company and its clients. The Chief Compliance Officer of our firm, receives and reviews the quarterly brokerage statements belonging to all access persons for possible conflicts of interest.

Our Code is in place and enforced as a key means to prevent employees from taking advantage of their position or placing their own interests above that of our clients. Clients or prospective clients can request a full copy of the Code by contacting Ulf Skreppen, our Chief Compliance Officer, at (412) 566-1234 Uskreppen@csmtree.com.

ITEM 12: BROKERAGE PRACTICES

Research and Other Soft-Dollar Benefits Brokers

Brokers are chosen for executing trades based upon, but not limited to, the following considerations:

- knowledge of the local market and/or the specific security;
- liquidity of the security; and
- ability to achieve best execution including, but not limited to, best price, low commission and market impact costs; and ability to accurately follow instructions.

Soft-Dollar Brokers

The Company, if given the option, will use soft-dollar brokers for some of its equity trades. Currently, three soft dollar arrangements are in place with Instinet, Gateway, and Jefferies.

Use of Soft-Dollar Credits

The Company only uses the credits for products and services that qualify for the safe harbor in section 28(e) of the Securities and Exchange Act. These credits are used to obtain both broker and third-party research.

Examples of soft-dollar expenses include Bloomberg, Bridge, and Charles River Order Management and Trading.

Conflicts of Interest

There exist numerous potential conflicts when an investment manager accepts soft-dollar credits:

- The Company may have an incentive to select brokers not for best execution but to obtain the credit.
- If the Company did not accept soft-dollar credits, it would have to pay for additional research expenses out-of-pocket.
- The Company cannot allocate soft dollar credits among specific users.

- Clients that don't generate soft-dollar credits receive the same benefits as clients that do, since research is used for all clients.
- In addition to clients that do not generate soft dollar credits benefiting from soft dollar research, multiple other parties may benefit as well. If the Company pays for data with soft dollars, it is more than likely that it will be incorporated into numerous reports, and/or assist parties with "decision making". So indirectly as a result of its general use, consultants, prospects, outside businesses of Company employees (if any) disclosed in our ADV, the Company's employees, and even the general public can benefit from the soft dollar credits. As an example, some employees trading in their own accounts may have access to the data purchased with soft dollars and that may assist with their "decision making" for their own investment accounts. In addition, if you consider that we use all the tools at our disposal to create reports and analysis that may be posted on our public website, it can be inferred that soft dollar credits benefit the users of these reports or, as it is in this case, the general public.
- The Company may cause a client to pay-up on commissions to obtain soft dollar credits considering the benefit of that research and other permitted factors.

Mitigating Conflicts of Interest

Most brokers allow soft-dollar credits. The Company chooses brokers first on the criteria listed previously and soft-dollar programs are not part of this consideration. The research obtained is valuable and necessary to fulfill the Company duties as a fiduciary for its clients. The trader and CCO review the soft-dollar expenditures on a monthly basis.

Direct Brokerage

- Clients have the right to direct brokerage.
- Clients must direct the Company, in writing, in order to direct brokerage.
- Clients understand that directing brokerage may cost the client more in the form of higher commissions and/or higher execution prices.

Trading Order Aggregation

Whenever possible, discretionary trading orders are aggregated by the Company to seek to obtain the most favorable terms for both equity and fixed income clients. The allocations of aggregated orders are done fairly by using the average price for the entire order. Discretionary, Directed, and UMA/Wrap accounts, as applicable, are traded in rotation and based on an asset-weighted random program that generates a daily automatic email to the Traders/Portfolio Managers. Directed and UMA clients are also assigned a random rotation by our systems within their groups. The Company reserves the right to modify the rotation for any reason to allow for trades to execute in a timely manner. Procedures dictated by the client, directed broker, and/or sponsor that require us to execute trades in a fashion significantly different from our normal procedures, may force us to adjust the order rotation in certain situations.

ITEM 13: REVIEW OF ACCOUNTS

Staff Accountants – The Company’s accountants reconcile its internal books with custodian statements on a monthly basis with respect to transactions and holdings. Differences are researched and resolved on an ongoing basis. All reconciliations are documented and kept on file for review.

Relationship Managers – Client Relationship Managers review client statements on a quarterly basis.

Portfolio Managers – The investment team monitors portfolios daily. The Company uses Charles River Compliance to check clients’ accounts for any violations of their investment policies. These verifications are run on a nightly and pre-trade basis. Alerts and warnings are generated if there is a suspected violation, and the investment team is instructed to resolve these situations immediately. Audit trails of alerts are maintained electronically and available for review for appropriate parties.

Chief Compliance Officer – The Compliance Department, including outside consultants, review client information on an ongoing basis. The review may include a variety of items, from monthly outlier reports to sampling of invoices, etc.

Client Statements – The Company has numerous client reports which can be distributed by mail, email, or loaded to a secure website hosted by the client. They can be delivered in Excel, Word, PDF, or any type of text delimited file that is required. Custom reports and the timing of these reports are at the discretion of the client. At a minimum, clients receive a standard quarterly package from the Company that includes holdings, transactions, and performance reporting.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

The Company does not utilize third party solicitors.

ITEM 15: CUSTODY

Clients receive statements at least quarterly from the broker-dealer, bank or other qualified custodian that holds and maintains the client’s investment assets. We urge clients to carefully review such statements and compare such official custodial records to the account reports that we provide to clients, as described in Item 13, “**REVIEW OF ACCOUNTS**”.

ITEM 16: INVESTMENT DISCRETION

If a client grants us discretionary authority, that authority will be in writing in the agreement signed between the client and our firm. This discretionary authority gives us the power to determine, without obtaining specific client consent, the securities to be bought or sold for the portfolio, the amount of securities to be bought or sold, and in most cases, the broker-dealer to be used. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account and by considering the size of the client's account and the client's risk tolerance. Our discretionary authority only permits us to transfer funds or securities in the client's name. We do not maintain custody of client accounts. Clients will likely sign an agreement with their custodian recognizing our power to authorize trades on the client's behalf and direct the purchase and sale of securities within the client's account.

When selecting securities and determining amounts, we observe the investment objectives, limitations and restrictions of the clients for which we advise. As described in more detail in Item 4, "**ADVISORY BUSINESS**", clients may establish written investment guidelines and restrictions.

ITEM 17: VOTING CLIENT SECURITIES

The Company will accept the authority to vote proxies on behalf of the client.

Objective

The objective of the Company's proxy voting process is to maximize the long-term investment performance of its clients.

Policy

Vote all proxy proposals in accordance with management recommendations except in instances where the effect of resolutions could adversely affect shareholder value. In such cases, it is the Company's policy to vote against these proposals. Examples of proposals that could negatively impact shareholder interest include, but are not limited, to the following:

- Anti-takeover amendments such as fair price provisions and staggered board provisions;
- Poison pill provisions designed to discourage another entity from seeking control;
- Greenmail attempts;
- Golden parachutes and related management entrenchment measures; and
- Oversized stock option grants and strike price revisions.

The Company engages in some equity securities lending. It is the Company's practice to generally not recall securities for proxy votes unless there is a specific issue that we feel warrants forfeiting the securities lending income. It is generally believed that in most cases the certainty of the securities lending income outweighs the potential, but unknown benefit, of the proxy vote.

Procedures

Our procedure for processing proxy statements is as follows:

- Upon receipt, all proxy material will be forwarded to the Senior Vice President of Equities for his/her review. Specifically, proxies will be reviewed for material conflicts of interest and in such cases will be addressed by the Compliance Department to seek that resolutions are voted in the best interest of shareholders.
- The Senior Vice President of Equities or delegate will vote the resolutions. The vote will be reviewed and signed by the Senior Vice President of Equities or delegate.
- If any proposals are considered to have a potentially negative impact on investment performance, the Senior Vice President of Equities will review the resolutions thoroughly with the Equity Portfolio Manager responsible for the investment.
- After this review, if the Senior Vice President of Equities determines that specific proposals could have a negative impact on investment performance, they will vote against those proposals.
- Copies of all proxy material, along with our voting record, will be maintained and can be obtained by emailing mckeecompliance@cs McCormick.com.
- The Senior Vice President of Equities will review our proxy voting record with the Investment Committee annually, or more often if necessary.

Authorization to Vote Proxies

- The default will be for the Company to vote all proxies for securities that it currently owns that are received via mail or electronic proxy service. It is the client's responsibility to make sure that proxies are forwarded to our attention. No reconciliation is made to the proxies received and the shares owned by any client. Voting is completed on a best effort basis.
- Clients must notify the Company in writing if they do not want the Company to vote proxies. These notifications will be kept on file. If the Company is not authorized to vote proxies, the client will receive their proxy statements directly from their custodian.
- Clients may direct the Company to vote any solicitation by contacting their relationship manager.
- In the event of a conflict of interest, the Company shall notify the client to determine the best course of action.

ITEM 18: FINANCIAL INFORMATION

The Company does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. Therefore, the Company is not required to include a balance sheet for its most recent fiscal year. The Company is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, the Company has not been the subject of a bankruptcy petition at any time.