



Fundametrics® Large Cap Equity

1Q 2024 Performance Summary and Observations

	1Q 2024	YTD	1 Year	Latest 3 Years	Latest 5 Years	Latest 7 Years	Latest 10 Years	Inception to Date (9/30/06)
Fundametrics® Large Cap Equity	8.64	8.64	22.87	9.84	12.60	10.98	9.90	8.79
Net of Fees Returns	8.51	8.51	22.27	9.30	11.87	10.15	8.98	7.98
Russell 1000 Value Total Return	8.99	8.99	20.27	8.11	10.32	9.16	9.01	7.58
Russell 1000 Total Return	10.30	10.30	29.87	10.45	14.76	13.85	12.68	10.32

Performance is as of 3/31/2024. All time periods over 1 year are annualized. See attached disclosure for important information regarding returns.

- The Fundametrics Large Cap Equity strategy finished the quarter up 8.64% (gross), which was 35 bps below the Russell 1000 Value Index.
- At quarter end, the 10-year real yields rose by 25 bps to 2%. Historically, this trend tends to favor value stocks over growth stocks, as the higher discount rate penalizes the higher anticipated cash flows of the future. Enthusiasm for Artificial Intelligence (AI) has postponed this trend, but we do believe it will come back into focus.
- The momentum factor played a significant role in first quarter returns. Strong price momentum was an investor favorite, where winners kept winning. Just as important was avoiding bad price momentum. The return spread between high and low momentum was 1070 bps.
- The valuation spread for Large Cap Value stocks vs. the Top 100 largest companies by market cap remains wide and continues to be at levels 2 standard deviations from the historical average.

1Q 2024 Performance Analysis

Relative to the benchmark, selection was negative and allocation effect was a small positive.

The strategy's selection effect is traditionally a strength, but it accounted for this quarter's weakness, with selection only positive in 5 of 11 sectors.

Table 1: Portfolio Attribution

Selection Effect	Impact	Company Contributors	Owned
Technology	-72 bps	Atlassian Corp	Y
		Adobe	Y
		Oracle Corp	N
Consumer Staples	+24 bps	Target Corp	Y
		Kroger	Y
		General Mills	Y
Health Care	+22 bps	Align Technology	Y
		Universal Health Services	Y
		HCA Healthcare	Y

Allocation Effect	Impact	Portfolio Over / Under Weight
Consumer Discretionary	+10 bps	OverWeight
Cash	-13 bps	OverWeight
Energy	-08 bps	UnderWeight

Staples saw the biggest increase in portfolio weight and remains one of the more contrarian areas with large underperformance vs. higher beta companies (Table 2). These changes are a product of the Alpha Composite rankings and Financial Warnings screen and represent where the Fundametrics research model detects increased value. It should be noted that during a quarter of high sector return deviations, relative performance can also play a role in portfolio positioning.

Table 2: Portfolio Highlights and Sample Trades

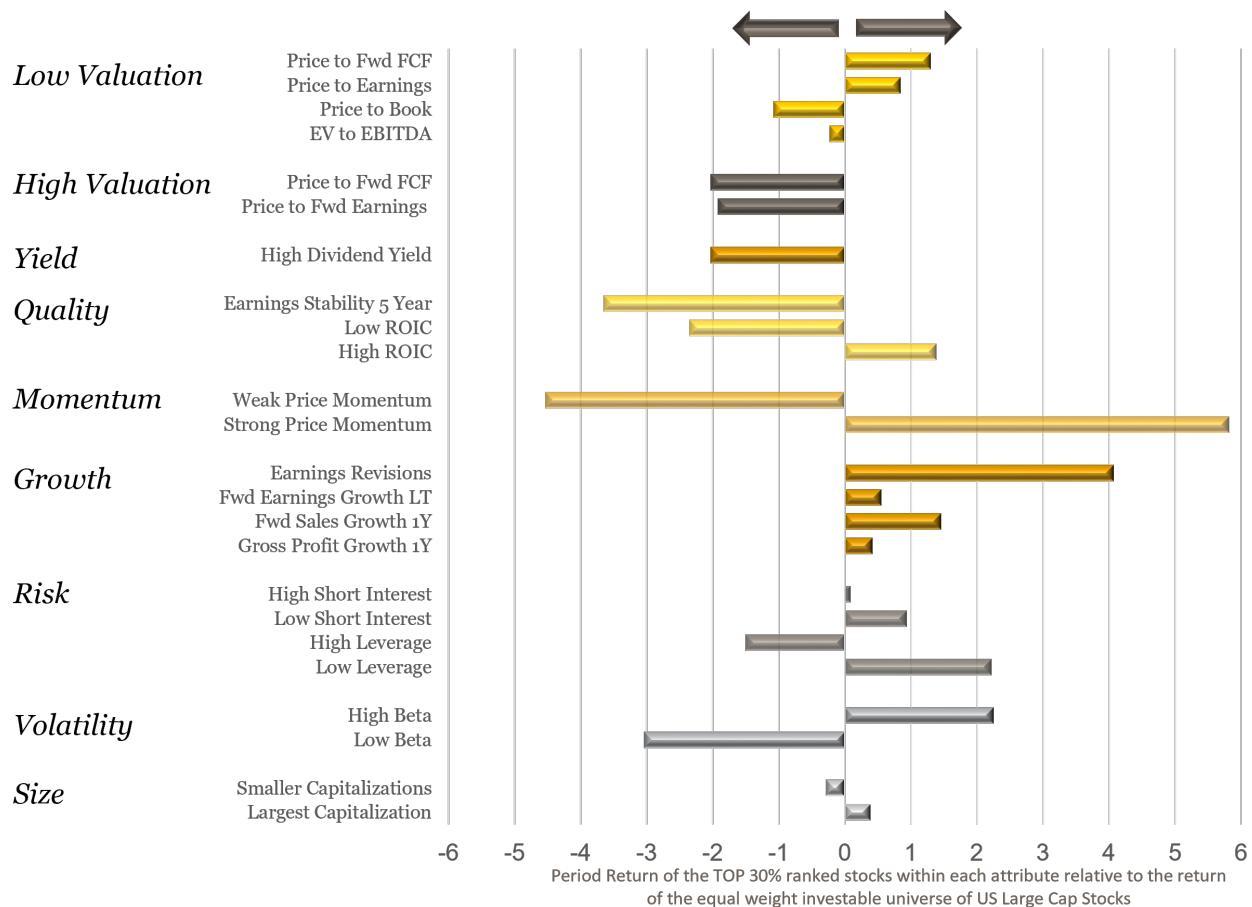
Sector	Change Q to Q	Sample Trades
		Buys
Consumer Staples	+219 bps	General Mills Tyson Foods Kellogg
Energy	+62 bps	Marathon Oil Chevron Corp
		Sales
Industrials	-129 bps	Parker-Hannifin United Airlines Jacobs Solutions
Real Estate	-97 bps	Essex Property Trust Invitation Homes

Factor Performance

Factor performance in the first quarter of 2024 (Exhibit 1) was dominated by price momentum. A strategy of letting the winners ride and selling poor momentum worked well. Neither high nor low valuation provided a material impact. Positive changes in earnings revisions was a strong performing strategy, as was buying high beta while avoiding low beta.

Within the Fundametrics factor library, the investment team also observed high 1-year performance spreads (2300 bps) between high and low beta stocks (Exhibit 2). This is a result of the significant return dispersion between sectors overweight high beta like technology and consumer discretionary and low beta utilities, healthcare, and staples.

Exhibit 1: 1st Quarter Style Points

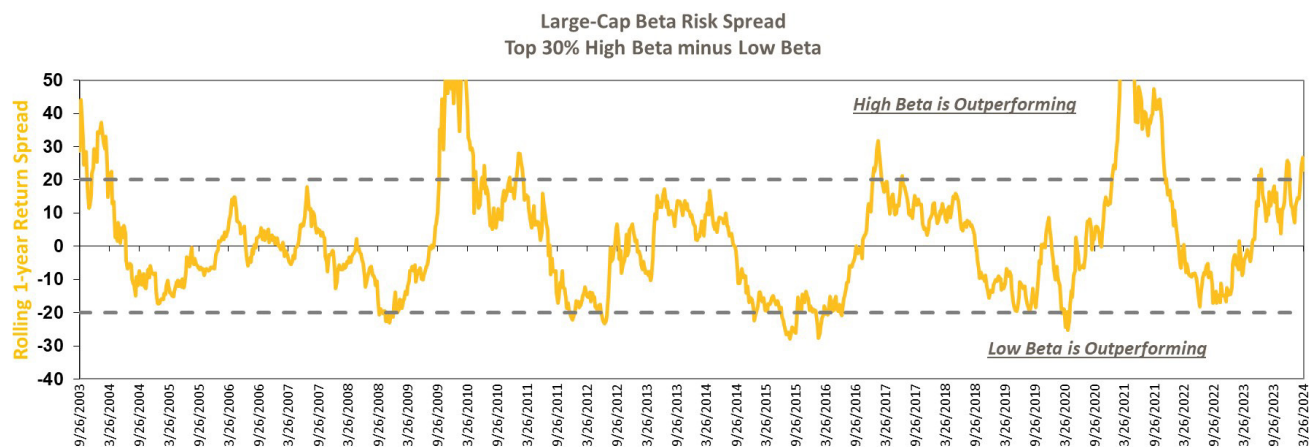


Source: CornerCap Fundametrics® Research

Data: Large Cap Investable Universe = Approximately 500 of largest market capitalization domestic stocks trading on US exchanges. *TOP 30% ranked stocks within each factor relative to the return of the equal weight investable universe of US Large Cap Stocks.

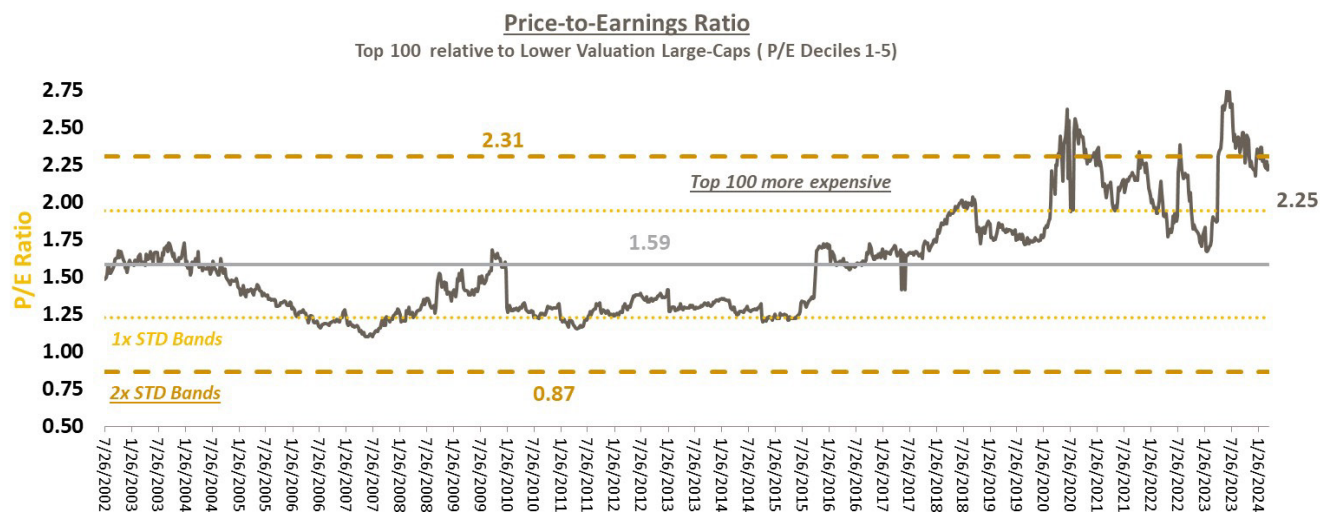
Valuations for the Top 100 largest market cap companies in the US remain expensive relative to other parts of the market. There are opportunities with attractive valuations, as evidenced by the valuation ratio between the Top 100 and lower valuation (P/E Deciles 1-5) Large Caps, where the price-to-earnings multiple is half that of the Top 100.

Exhibit 2: Beta 1-Year Return Spread



Source: CornerCap Fundametrics® Research System,
Data: Equal weighted returns

Exhibit 4: P/E of Top 100 Stocks Relative to Lower 50% Valuation



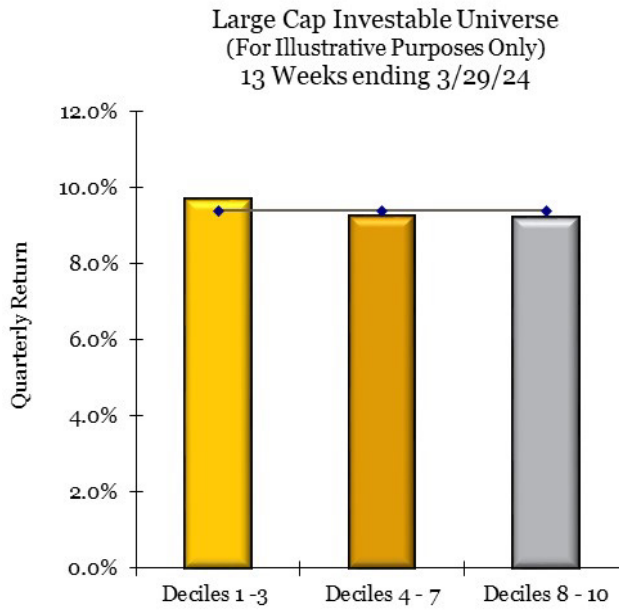
Source: CornerCap Fundametrics® Research System, Excludes REITs, Excludes Unprofitable Companies
Data: Excludes REITs and Unprofitable Companies
Lower Valuation Large-Caps Trimmed Mean bottom 5%
Top 100 Capitalization Weighted

Performance within the Model: Alpha Composite and Financial Warnings

The Alpha Composite model was relatively flat across the relative rankings showing little discrimination this quarter. Deciles 1-3 ranked stocks (buys) produced similar results to the decile 4 – 7 group (holds) and the decile 8-10 group (sells) (Exhibit 5).

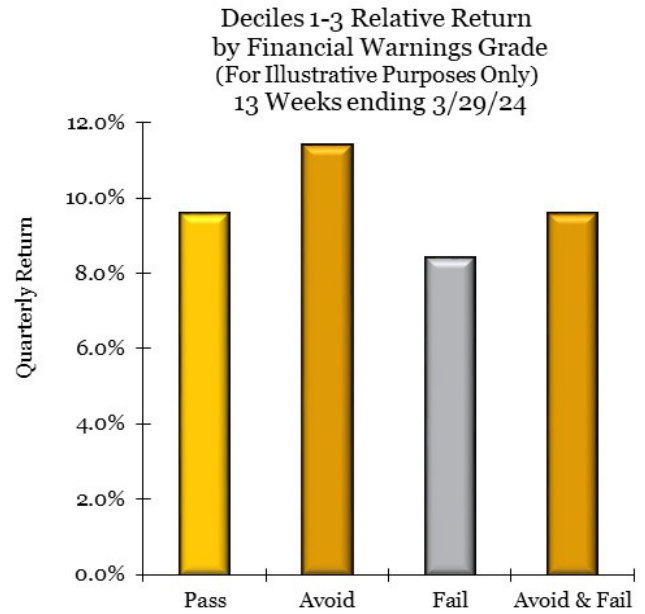
The Financial Warnings Overlay pass-rated stocks outperformed the higher risk fail group and was similar to combined avoid / fail group (Exhibit 6).

Exhibit 5: Large Cap Investable Universe: Returns by Decile Rank



Source: CornerCap Fundametrics® Research System
Excludes REITs

Exhibit 6: Deciles 1 – 3 Relative Return by Financial Warnings Grade



Source: CornerCap Fundametrics® Research System
Excludes REITs

Large Cap Investable Universe = Approximately 500 of largest market capitalization domestic stocks trading on US exchanges. For illustrative purposes only. Past Performance is no guarantee of future results. This is not meant to represent actual results.

Bottom Line

Equity markets have gotten off to a good start so far in 2024, introducing a level of worry for investors who wonder if it's ahead of itself. Inflation is being closely watched for signs of trending higher and economic data needs to be good but not too good to keep the Fed on target for rate cuts in the second half of the year.

We do not expect a smooth path as investor's expectations for rate changes oscillates. This will likely lead to volatility in equity markets and can present opportunity for active management. The combination of the CornerCap approach to diversified portfolios to mitigate some of the broader market volatility and continued attractive valuations outside the largest companies gives the investment team confidence in the fund's investment approach for the remainder of 2024.

The Alpha Composite Model, Peer Group Composites, Financial Warnings Models, and individual attributes are components of the Fundametrics investment process. They are not a substitute for performance of the Fund and do not represent related performance. Model returns are not back tested and include an annual management fee of 1% and commission costs of 0.25%.

Past performance is no guarantee of future results, and CornerCap's strategies, like most investment strategies, involve the risk of loss. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable. All investors are advised to fully understand the risks associated with any kind of investing they engage in.