Unconstrained Fixed Income Strategy

Portfolio and Economic Commentary – 3rd Quarter 2020

ALTRIUS
CAPITAL MANAGEMENT
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Unconstrained Fixed Income Strategy Commentary

Based on our macroeconomic outlook over a three to five year period and our cyclical views from quarter to quarter, we employ top-down strategies that focus on yield curve positioning, volatility, and sector rotation. We then utilize bottom-up analysis to drive our security selection process and facilitate the identification of undervalued securities with the potential for above average income. We invest in securities that operate across diversified sectors in the fixed income markets of the United States, primarily those in U.S. dollar denominated high yield and investment grade bonds, including government securities, corporate bonds, and mortgage- and asset-backed. Sources of added value:

Credit Analysis - We emphasize independent analysis and do not rely on credit agencies.

Duration Risk - We avoid long, extreme duration shifts generally operating within a moderate duration range typically between two and four years.

High Income - Our research attempts to identify issues paying above average income.

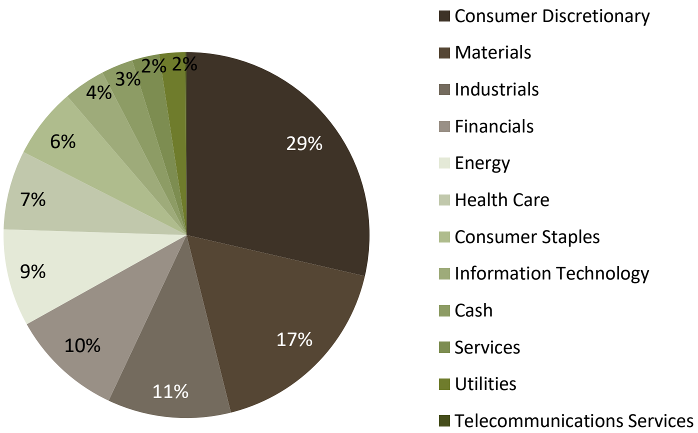
Risk Premium Management - We seek to attain an attractive yield/spread in relation to a five-year treasury within acceptable levels of portfolio risk.

Performance Commentary

All major segments of the broad based US fixed income market posted gains for the third quarter of 2020. Coming off of a resurgent second quarter, investor demand for risk-assets increased driving corporate bond prices higher, resulting in their continued outperformance of all other fixed income market segments since their lows back in late March. High yield corporate bonds were the best performing segment gaining approximately 4.75% in Q3, outpacing their investment grade counterparts by over 250 bps. In fact, the lowest rated high yield bonds, issues with credit ratings of ‘CCC’ or lower, were a large contributor to high yield’s strong results for the quarter, with the sub-segment returning approximately 7.68% in Q3. Shorter dated Treasuries and mortgage-backed securities were the two worst performing segments on the quarter, returning approximately 0.13% and 0.10% respectively.

Having already cut interest rates to near zero at the onset of the pandemic back in March, the Fed in its September meeting further entrenched its dedication to accommodative fiscal policy, declaring that it fully intends to keep its benchmark rate at between 0.0% - 0.25% until at least 2023. Of note and prior to the September meeting, the Federal Open Market Committee in August announced that inflation would be allowed to run “moderately” above its long running goal of 2%, without a change in interest rates to provide further support to the labor market and broader economy as the recovery continues to take shape. Given that

Sector Allocation



Top Ten Holdings	Weight
Wendy’s International Inc. 7.000%	2.84%
Mercer Int’l Inc. 5.500%	2.44%
Pitney Bowes Inc. 4.700%	2.31%
Suburban Propane Partners 5.500%	2.27%
U.S. Concrete, Inc. 6.375%	2.23%
Coeur Mining Inc. 5.875%	2.18%
Park-Ohio Industries Inc. 6.625%	2.10%
Cleveland-Cliffs Inc. 5.750%	2.06%
The Chemours Company 6.6255%	2.05%
Icahn Enterprises LP 6.250%	2.03%

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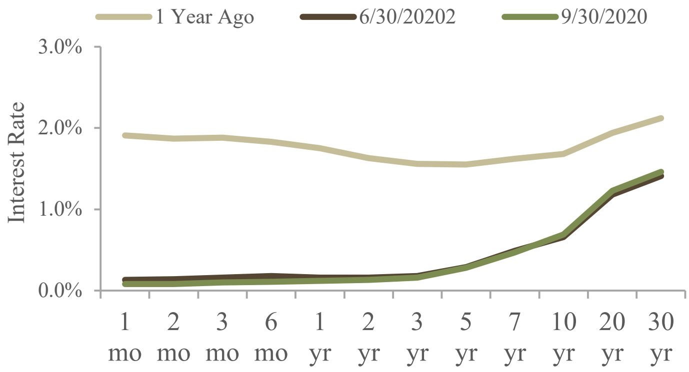
there was little doubt or question in the market as to the Fed's actions during the third quarter, there was essentially no change at all to the shape or position of the yield curve.

US Treasury Yield Curve



The Unconstrained Fixed Income strategy generated a return of 5.03%, gross of fees, for the third quarter of 2020, outpacing both the Morningstar US High Yield Bond and Morningstar US Core Bond indices by 28 bps and 440 bps respectively. However, the Unconstrained Fixed Income strategy remains down 6.70% year-to-date, while the Morningstar US High Yield Bond index returned to positive territory on the year closing out September up 0.62% year-to-date. Despite its relatively modest return of 0.63% generated during the third quarter, the Morningstar US Core Bond index added to its gains on the year and is currently up 6.78% through the nine months ended on September 30th, 2020.

The weight of the first quarter's results following the immediate impact of the COVID-19 pandemic on the global economy in March continues to weigh down the performance of the Unconstrained Fixed Income strategy relative to both the Morningstar US Core and High Yield Bond indices. Our 'tactical divestment' actions in selling off first a large portion of the strategy's exposure to the energy sector back in March, followed by a select number of issues predominantly in the consumer discretionary sector over the prior six months at distressed levels, locked in losses for the strategy that have previously and will continue to be a drag on performance. It was at the time of sale, and continues to remain our belief that selling at the levels we did was the most prudent and conservative action in order to preserve as much of the strategy's invested assets as possible and mitigate further losses, rather than continuing to hold a large portion of the strategy's assets at distressed levels (below 80% of par value) with the prospects for price recovery appearing meager both then and now. Through the combination of the aforementioned selling of at risk issues within the strategy, as well the strong recovery and price appreciation of a large portion of existing holdings, the aggregate percentage of assets in 'distress' based on prevailing market values within the strategy was reduced by approximately 15% from a high of roughly 22.5% at the end of Q1 down to 7.6% as of the close of Q3.

No major changes occurred during the quarter in regard to the strategy's aggregate asset composition and credit characteristics. Consumer discretionary remains the strategy's most heavily weighted sector at approximately 29% of all invested assets, which increased by roughly 3% during the quarter as a result of strong price recoveries of a number of issues, followed by the materials and industrials sectors at 17% and 11% respectively. Most of the strategy's remaining energy issues also experienced swift recoveries to the upside as a result of increased call activity in the market, with the strategy's exposure to the energy sector increasing from approximately 7% at the end of Q2 to just under 9% by the close of Q3. The aggregate credit rating of the strategy remained unchanged at 'B', while duration increased marginally from 2.59 to 2.76, as a result of an initial effort to begin purchasing slightly longer dated maturity issues in order to capture minimum acceptable levels of yield. As previously mentioned, the corporate bond market

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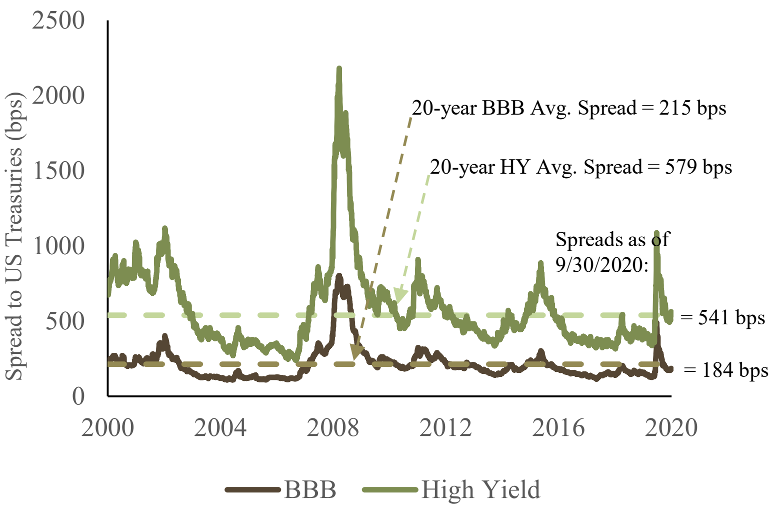
has been on a surge since the lows experienced in late March at the onset of the COVID-19 pandemic. The Federal Reserve's unprecedented action to begin purchasing corporate bonds and providing a hard floor on investment grade issuer prices led to over 10% returns in Q2 for all corporate bond issuers in aggregate, with that segment up around 6.50% year-to-date. Although numerous pockets of distressed securities still remain within the corporate bond market, and bankruptcies are continuing to mount, investor demand for risk-assets returned to the markets with a fury over the preceding six months. Option-adjusted spreads on both high yield and the lowest rated 'BBB' investment grade corporate bonds are trading at 38 bps and 31 bps respectively below their 20-year averages.

BAML OAS High Yield & BBB



It is hard to argue that corporate bonds are not currently richly priced, especially given the amount of distress that is still present in the market. With rates near zero, and expected to remain so over the next two plus years, finding adequate yield at acceptable levels of risk will be a challenge facing all fixed income investors. The current interest rate environment and return of market stability increased call activity in the corporate bond market substantially during the quarter, and we anticipate that trend will continue in the months ahead making 'reinvestment risk' our greatest concern and challenge in investing strategy assets. Despite elevated valuations and limited inventories, there is value to be found in the corporate bond market, and we anticipate to find the best quality issues in the materials, industrials, and financials sectors. As always, we will continue to invest opportunistically in seeking to attain sound risk adjusted returns in this challenging environment.

DISCLOSURES

This report includes candid statements and observations regarding investment strategies, individual securities, and economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. These comments may also include the expression of opinions that are speculative in nature and should not be relied on as statements of fact. Altrius is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy and approach. Our views and opinions include "forward-looking statements" which may or may not be accurate over the long term. Forward-looking statements can be identified by words like "believe," "expect," "anticipate," or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. We disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate.

Past performance does not guarantee future results. The information provided in this material should not be considered an offer nor a recommendation to buy, sell or hold any particular security.

Performance Reporting
Altrius Capital Management, Inc. (Altrius) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Altrius has been independently verified for the periods January 31, 2001 – December 31, 2019 by ACA Performance Service, LLC. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Firm is defined as Altrius Capital Management, Inc. (Altrius), a registered investment advisor with the Securities and Exchange Commission. Altrius was founded in 1997 and manages equity, fixed income and balanced portfolios for high net worth individuals and families.

Composite Characteristics
The Unconstrained Fixed Income Strategy is a subaccount from the Altrius Global Income Composite. A complete list and description of firm composites is available upon request. The composite and subaccount were created in December 2010 with a performance inception date of December 31, 2002. The subaccount strategy is primarily invested in U.S. dollar-denominated investment grade and high yield bonds, including government securities, corporate bonds, and mortgage and asset-backed securities diversified across sectors. The strategy seeks to attain an attractive yield/spread relative to a five year Treasury within acceptable levels of portfolio risk.

Accounts are included on the last day of the month in which the account meets the composite definition. Accounts no longer under management are withdrawn from the composite on the first day of the month in which they are no longer under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias.

DISCLOSURES

Benchmark

The benchmarks are the Morningstar US Core Bond and the Morningstar US High Yield. These benchmarks replaced the Barclays Capital Aggregate Bond Index, the Bank of America US High Yield Master II Trust, and the Morningstar US OE Nontraditional Bond Index as of 11/01/2019. Effective 01/01/2017, the Bank of America US High Yield Master Trust Index replaced the Barclays BB+ index. The change was made due to licensing fees being charged by the firms who own the indices. The volatility of the indices may be materially different from that of the performance composite. In addition, the composite's holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent appropriate benchmarks to compare the composite's performance, but rather are disclosed to allow for comparison of the composite's performance to those of well-known and widely recognized indices.

Economic factors, market conditions, and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any particular benchmark.

Altrius Unconstrained Fixed Income Composite Performance

December 31, 2009 – December 31, 2019

Year	Gross Return %	Net Return %	Benchmark Return %	Composite 3-Yr St Dev %	Benchmark 3Yr St Dev %	# of Portfolios	Composite Dispersion %	Total Composite Assets	Percent of Firm Assets
2009	36.79	35.01	5.93	11.24	4.04	97	7.43	16,882,344	15.96
2010	10.12	8.84	6.54	11.40	4.12	103	2.09	16,857,352	14.11
2011	4.68	3.47	7.86	7.25	2.82	101	1.58	20,032,911	16.10
2012	12.81	11.47	4.22	4.75	2.41	105	1.17	31,263,431	23.16
2013	8.61	7.40	(2.02)	4.60	2.75	117	1.02	36,479,754	20.95
2014	(4.04)	(5.11)	5.97	4.69	2.62	128	0.71	45,562,658	24.09
2015	(10.55)	(11.56)	0.55	6.19	2.90	114	1.06	34,421,355	18.75
2016	22.06	20.68	2.65	7.91	3.01	137	2.39	59,949,560	22.43
2017	5.51	4.35	3.54	7.29	2.80	147	1.11	60,383,355	17.72
2018	(0.14)	(1.24)	0.01	5.70	2.89	154	0.32	73,471,882	22.14
2019	10.39	9.21	8.65	3.11	2.86	152	0.91	79,944,999	23.14

DISCLOSURES

Performance Calculations

Valuations and returns are computed and stated in U.S. dollars. Results reflect the reinvestment of dividends and other earnings.

Gross of fees return is net of transaction costs and gross of management and custodian fees. Net of fees returns are calculated using actual management fees that were paid and are presented before custodial fees and but after management fees and all trading expenses. Returns can be net or gross of withholding taxes, depending on how taxes are recorded at the custodian. Some accounts pay fees outside of their accounts; thus, we enter a non-cash transaction in the performance system such that we can calculate a net of fees return. Prior to 01/01/10, cash was allocated to carve-out segments on a pro-rata basis based on beginning of period market values. Beginning 01/01/10, carve-out segments are managed separately with their own cash balance. Carve-out accounts represent 100% of composite assets for periods prior to 01/01/10.

The standard management fee for the Altrius Unconstrained Fixed Income Strategy is 1.40% per annum on the first $500,000 USD, 1.00% per annum on the next $500,000 and 0.80% per annum thereafter. Additional information regarding Altrius Capital Management fees are included in its Part II Form ADV.

Internal dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year; it is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark (Morningstar US Cord Bond) returns over the preceding 36-month period.

There are no non-fee paying accounts in our composites. When a security is purchased or sold, the principal amounts tied to the transaction are net of trading costs; therefore the calculation and market values represent amounts net of trading costs. Dispersion is calculated using asset-weighted standard deviation, gross of fees. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. A complete list and description of firm composites is available upon request.