Unconstrained Fixed Income Strategy

Portfolio and Economic Commentary – 1st Quarter 2021

ALTRIUS
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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.

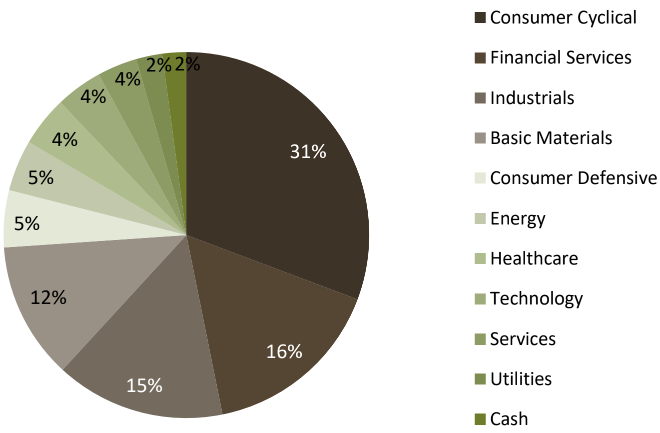
Risk Premium Management - We seek to attain an attractive yield/spread in relation to a five-year treasury within acceptable levels of portfolio risk.

Performance Commentary

The broad based US fixed income markets experienced a significant divergence in results across segments during the opening quarter of 2021 with shorter duration risk assets drastically outperforming their longer dated "less risky" counterparts. Investor confidence in the anticipated strength and sustainability of the reopening of the US economy continued to build throughout the quarter giving way to increased concerns over possible inflationary pressures that although not currently present are now a chief concern for fixed income investors as they eye the future market landscape. As a result, 1-5 year TIPS (Treasury Inflation-Protected Securities) posted a gain of 1.18%, while longer dated US Treasury bonds (treasuries with maturities greater than +10 years) lost 13.94%. In the corporate bond market, the lowest rated and most speculative grade issues (those rated CCC & below) returned 5.21% with high yield bonds in aggregate (all issues with credit ratings of BB+ or lower) posting a gain of 0.85% significantly outperforming investment grade bonds (issues with credit ratings of BBB- or higher) which recorded a loss of 4.69% for the quarter.

The most notable development in the fixed income markets during the first quarter of 2021 was undoubtedly investors' growing concern over the increasing likelihood of inflation developing in the economy largely as a result of continued implementation of unprecedented fiscal stimulus initiatives, most recently Congress's approval of $1.9 trillion of financial aid deployed primarily as direct cash payments to

Sector Allocation (Morningstar)



Top Ten Holdings	Weight
Wendy's International Inc. 7.000%	3.04%
Mercer Int'l Inc. 5.500%	2.77%
Pitney Bowes Inc. 4.700%	2.58%
Park-Ohio Industries Inc. 6.625%	2.53%
Signet UK Finance plc 4.700%	2.35%
Tenneco Inc. 5.375%	2.35%
Cleveland-Cliffs Inc. 5.750%	2.34%
Suburban Propane Partners 5.500%	2.33%
Bed Bath & Beyond 3.750%	2.29%
ServiceMaster Company LP 7.450%	2.27%

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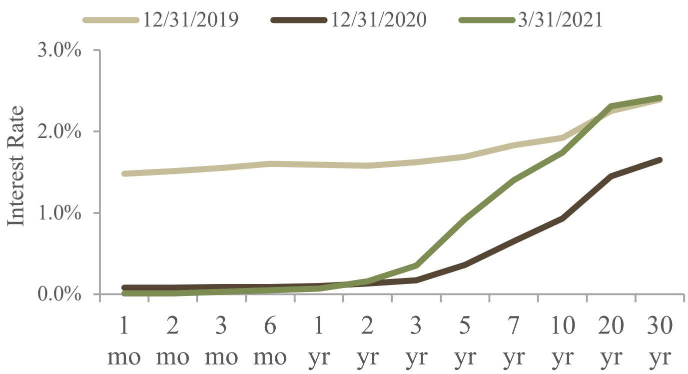
the vast majority of US households. Despite the chairman of the Federal Reserve Jerome Powell acknowledging that the Fed does anticipate some inflationary pressures will likely develop in the markets in the not too distant future, Powell asserted that the Fed does not expect the move up in prices to be long lasting or substantial enough to warrant a raise in rates. As such the Fed left its benchmark interest rate unchanged during the quarter at between 0.0% - 0.25%, and continued to emphasize that no rate increases are expected to be instituted through at least 2023.

The yield curve experienced a drastic and substantial steepening on the long end during the quarter, reflecting market concerns over future inflationary pressures developing in the US economy. The Fed's assurances of no rate hikes occurring through 2023 left rates on the short end of the curve minimally impacted and anchored 2yr rates to a marginal 5 bps increase, while the yield on the 10yr Treasury, which started the year at just 0.93%, rose 81 bps to close the quarter at 1.74%.

US Treasury Yield Curve



The Unconstrained Fixed Income strategy had an exceptionally strong opening quarter to the year, producing a return of 3.64%, gross of fees, while the Morningstar US High Yield Bond index generated a return of 0.85% and the Morningstar US Core Bond index contracted by 3.39% during the quarter.

Roughly 64% of the strategy's holdings experienced price appreciations during the quarter, with the value of approximately 18% of the strategy's assets appreciating by more than 4.00%. Call activity in the high yield bond market was exceptionally high during the quarter, with approximately $6 million in par value of strategy assets being called in full, most all of which at premiums relative to par value.

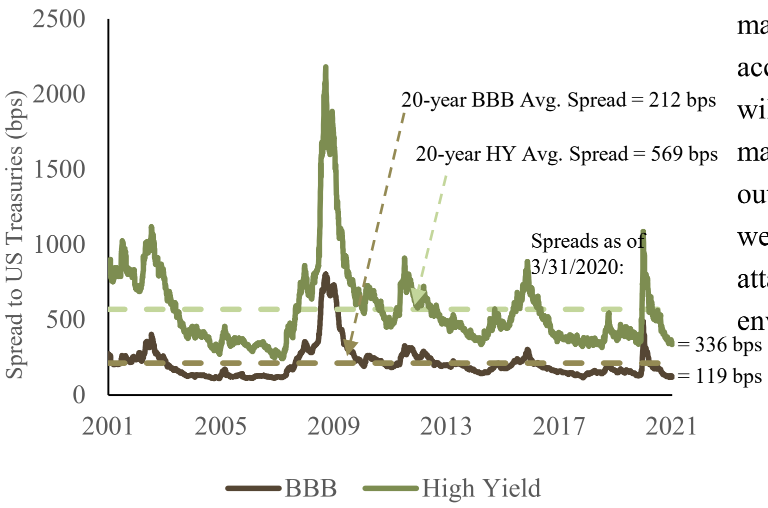
The consumer cyclicals sector remained the strategy's most heavily weighted sector at approximately 31% of all invested assets, a level unchanged over the prior quarter. Exposure to the financials and industrials sectors increased marginally over the quarter to 16% and 15% respectively, while the materials sector declined to 12%. No major changes occurred regarding strategy exposure to the remaining sectors during the quarter.

The aggregate credit rating of the strategy remained unchanged throughout the quarter at 'B+', as no tactical shifts were employed in terms of initiating or increasing the strategy's exposure to investment grade or lower rated high yield bonds. Due to the aforementioned call volume on a sizeable amount of the strategy's lower duration positions, while simultaneously increasing exposure on some of the strategy's longer duration assets, the aggregate duration of the strategy increased from 3.01 to 3.29 during the quarter. Over the prior six months, inventory and availability of short duration corporate bonds in the high yield bond market has been extremely thin to the point of being nonexistent, necessitating the purchasing of longer-dated issues in order to capture minimum acceptable levels of yield, which we are currently holding to a level of 4.00% on a yield to worst basis. As we anticipate call activity will likely continue unabated in the coming year, the aggregate duration on the strategy will also continue to increase, but likely at a lesser degree than experienced over the most recent quarter.

Unconstrained Fixed Income Strategy Commentary

Spreads in the corporate bond market continued to contract during the quarter with high yield bonds experiencing the greatest degree of tightening of any other fixed income market segment with a drop of 50 bps down to 336 bps by the end of the quarter.

BAML OAS High Yield & BBB



Demand for high yield bonds and further spread contraction will likely continue to occur in the months ahead as investors' appetite for risk assets continues to grow on anticipation of a robust and sustained reopening of the US economy fueled by continued fiscal stimulus, increased vaccination rates, and pent-up consumer demand. Heightened M&A activity which has led to higher levels of issuer concentration both in the general high yield bond market and within the Unconstrained Fixed Income strategy will also likely continue to occur throughout the year. As a result we anticipate that single issuer exposure within the strategy will increase, albeit on a marginal level, as the number of issuers in the high yield market declines. Despite a smaller field of prospective investment opportunities going forward, diversification across sectors within the strategy will remain largely unchanged.

Lastly, in regards to inflation concerns, high yield bonds are fundamentally less adversely impacted by inflation as increases in interest rates are generally associated with heightened levels of economic activity and greater investor demand for risk assets, all supportive of high yield bond prices and the underlying operating fundamentals of the issuing companies.

Despite the thin market and historically low yields, high yield bonds remain the most compelling fixed income market segment going forward in order to capture an acceptable level of yield. While concerns over inflation will wreak havoc on the vast majority of fixed income market segments, high yield bonds should continue to outperform in the months and year ahead. 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, 2011 – December 31, 2020

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
2011	4.68	3.47	7.44	7.25	2.82	101	1.58	20,032,911	16.10
2012	12.81	11.47	4.24	4.75	2.41	105	1.17	31,263,431	23.16
2013	8.61	7.40	(1.95)	4.60	2.75	117	1.02	36,479,754	20.95
2014	(4.04)	(5.11)	5.67	4.69	2.62	128	0.71	45,562,658	24.09
2015	(10.55)	(11.56)	0.62	6.19	2.90	114	1.06	34,421,355	18.75
2016	22.06	20.68	2.55	7.91	3.01	137	2.39	59,949,560	22.43
2017	5.51	4.35	3.40	7.29	2.80	147	1.11	60,383,355	17.72
2018	(0.14)	(1.24)	0.13	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
2020	(0.49)	(1.50)	7.50	10.25	3.30	131	0.90	52,534,859	14.62

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.