

Holding-Based Statistics

	Short Term Fixed Income Plus	Bloomberg Barclays 1-5yr Gov/Credit
Yield to Maturity	2.71%	2.21%
Effective Duration	2.57 years	2.58 years
Average Credit Quality	A	AA

Strategy Statistics

Range of Holdings (Issuers)	100 - 150 est
Annualized Turnover	20% est
Firm Assets	204.14
Product Assets	30.6

Investment Philosophy

The Short Term Fixed Income Plus strategy is managed to provide a high degree of current income with an equal emphasis on price appreciation with limited interest rate risk. The strategy tactically allocates across a broad spectrum of investment grade corporate bonds, high yield corporate bonds, and U.S. Government securities based on relative value. The separate account strategy is actively managed with regards to security selection and yield curve exposure with an objective to generate a total return in excess of the index over a full market cycle.

Portfolio Management Team

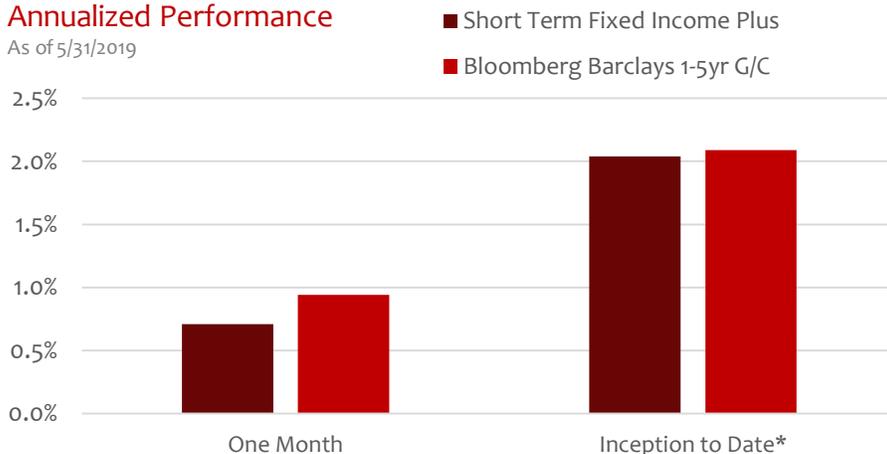
David M. Killian
Joseph D. Shacklock

Inception Date

2/28/2019

Annualized Performance

As of 5/31/2019

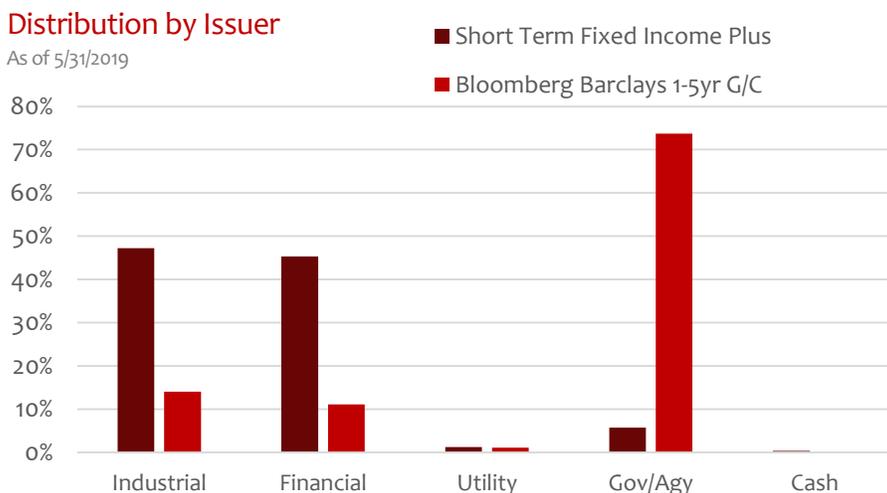


	One Month	Inception to Date*
Short Term Fixed Income Plus	0.71%	2.04%
Bloomberg Barclays 1-5yr G/C	0.94%	2.09%

* Inception 2/28/2019

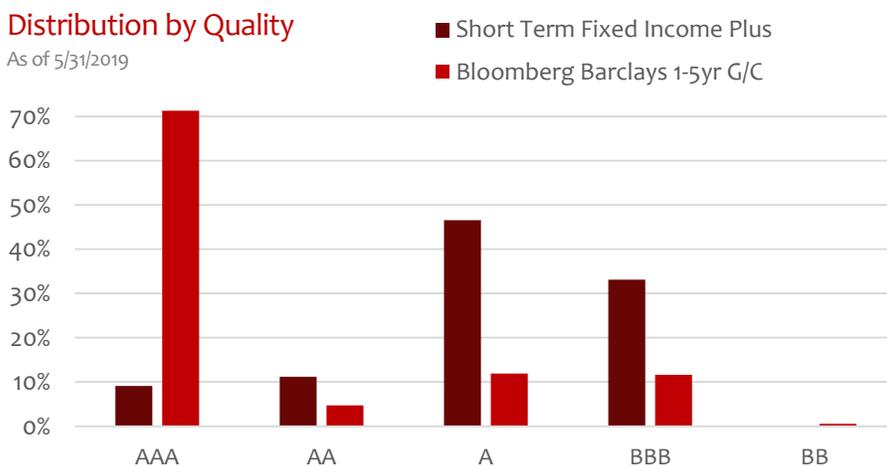
Distribution by Issuer

As of 5/31/2019



Distribution by Quality

As of 5/31/2019



Top 10 Holdings

As of 5/31/2019

US Treasury 2.50% - 1/31/21	3.48%
Ford Motor Credit Co 5.875% - 8/2/21	1.98%
Goldman Sachs Inc 5.75% - 1/24/22	1.59%
Wells Fargo & Co 3.625% - 10/22/21	1.52%
Bank of America Corp 2.625% - 4/19/21	1.49%
Goldman Sachs Inc 2.625% - 4/21/21	1.48%
HSBC Holdings PLC 3.95% - 5/18/24	1.48%
Wells Fargo & Co 2.10% - 7/26/21	1.47%
Microsoft Corp 1.55% - 8/8/21	1.46%
US Treasury 1.50% - 5/31/20	1.31%

1Q 2019 Portfolio Commentary

Despite current expectations that real GDP is expected to slow in the coming year to a range of 2%-2.5% from close to 3% last year, the S&P 500 still managed to gain 13.65% during the first quarter; the largest quarterly advance in nearly ten years. During the period the S&P recovered fully from the decline experienced during the December selloff. Positive market catalysts included an oversold technical position as we entered the year, better than expected corporate earnings, and continued progress in U.S./China trade negotiations. The market strength was further supported by the results of the March 19th FOMC meeting after which the Fed Chair indicated that no further interest rate increases would occur this year. The Fed's abrupt shift in policy stemmed from three key factors: tighter financial conditions during the fourth quarter, a significant slowdown in global growth, and limited inflation pressures. Given increasing concern among investors that the Federal Reserve may move too aggressively in raising interest rates, this surprise announcement was welcome news to the market. Interest rates declined for the period with the Ten-Year U.S. Treasury yield ending the quarter at 2.4%, down from the year end level of 2.68%. Contrary to the positive sentiment driving higher stock prices, bond market indicators are signaling a more cautious outlook. As per the fed funds futures, market investors are now expecting the Fed to cut rates this year to combat a slowing economy. This view is also consistent with the recent behavior of the yield curve, which continues to flatten and in some instances invert. The Fed's pivot to a more dovish stance, while positive in the near term, may prove insufficient to overcome both a meaningful slowing in the global economy, particularly China, and the lagged effect of prior rate hikes.

Our overweight position to investment grade corporate bonds benefitted results for the period. Given the late stage of the current expansion, we remain biased towards higher quality issuers with a particular emphasis on financials. We continue to monitor high yield corporate bond valuations and will increase exposure to this segment of the market when the risk return outlook improves. We believe the combination of stable monetary policy and attractive relative value on short term bonds presents a meaningful opportunity for both a high degree of current income and price appreciation in 2019.



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Birch Run Investments claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Birch Run Investments has been independently verified for the period ending September 30, 2018.

The performance data quoted represents past performance; past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

To receive a complete list and description of Birch Run Investments composites and/or presentation that adheres to the GIPS standards, please contact David Killian by phone 610-321-3453, email info@birchruntime.com, or by mail 211 Welsh Pool Rd, Suite 234 Exton, PA 19341.