

### Holding-Based Statistics

	Intermediate Fixed Income	Bloomberg Barclays G/C Interm
Yield to Maturity	0.93%	0.94%
Effective Duration	3.70 years	4.03 years
Average Quality	AA	AA

### Strategy Statistics

Number of Bonds	96
Trailing 12 Month Turnover	62%
Firm Assets	258.70
Product Assets	106.18

### Investment Philosophy

The Intermediate Fixed Income strategy seeks to add value by capturing market inefficiencies with regards to security selection and sector rotation. Through rigorous credit research and thoughtful analysis of risk/reward, we seek to construct portfolios with a yield advantage to the overall market. Through the compounding of this yield advantage and by minimizing other areas of portfolio volatility, we believe we can offer clients an attractive risk adjusted return through different market cycles.

### Portfolio Management Team

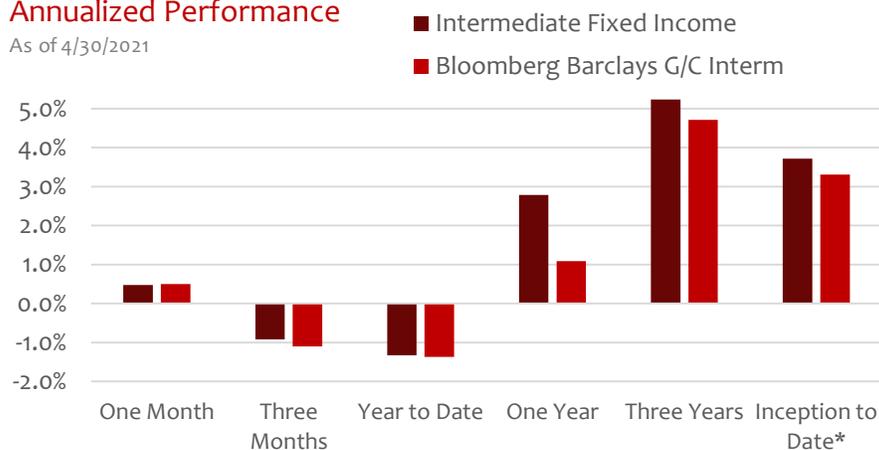
David M. Killian  
Joseph D. Shacklock

### Inception Date

4/30/2017

### Annualized Performance

As of 4/30/2021

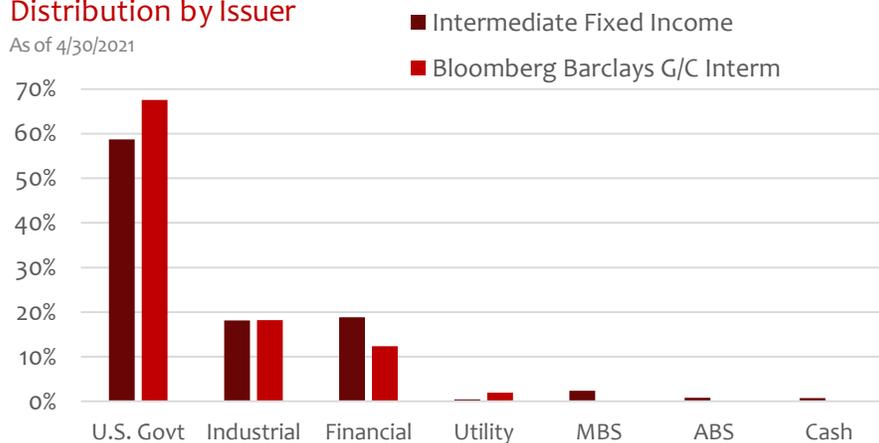


	One Month	Three Months	Year to Date	One Year	Three Years	Inception to Date*
Intermediate Fixed Income	0.48%	-0.92%	-1.33%	2.79%	5.24%	3.72%
Bloomberg Barclays G/C Intermediate	0.50%	-1.10%	-1.37%	1.09%	4.71%	3.31%

\*Inception 4/30/2017

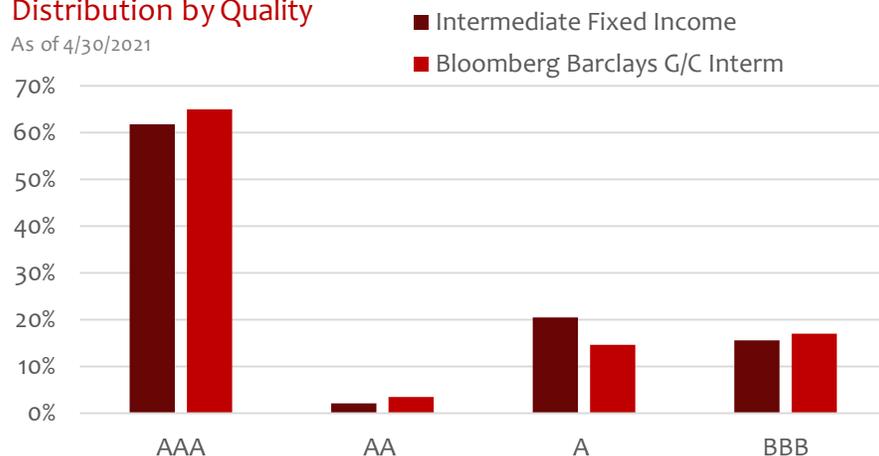
### Distribution by Issuer

As of 4/30/2021



### Distribution by Quality

As of 4/30/2021



## Top 10 Holdings

As of 4/30/2021

US Treasury 2.25% - 11/15/24	4.92%
US Treasury 1.625% - 11/15/22	4.84%
US Treasury 0.25% - 9/30/25	4.24%
US Treasury 1.875% - 4/30/22	3.93%
US Treasury 2.00% - 12/31/21	3.88%
US Treasury 1.125% - 2/29/28	3.83%
US Treasury 0.25% - 10/31/25	3.51%
US Treasury 2.125% - 8/15/21	3.47%
US Treasury 2.875% - 11/30/23	3.28%
US Treasury 2.00% - 2/15/22	3.24%

## 1Q2021 Portfolio Commentary

More than one year removed from the onset of the COVID-19 pandemic in the U.S., the current economic outlook is largely positive. Historic levels of government stimulus, growing consumer confidence, and the general consensus that the pandemic is close to abating has laid the foundation for what will likely be above trend GDP growth for, at a minimum, the balance of 2021. Faster than initially anticipated vaccine rollout and availability is expected to propel consumer spending in the coming quarters as more states lift restrictions and consumers grow more comfortable dining, shopping, and traveling outside of their homes. This anticipated resurgence in both consumer and business spending will be supported by proceeds received from federal stimulus programs as well as increased personal savings accrued during the pandemic. U.S. Treasury yields have responded to the improving economic outlook, moving sharply higher during the quarter reflecting both increased investor confidence in the economic recovery and the associated risks of higher inflation.

The FOMC currently projects annual inflation will reach 2.4% by the end of this year before receding to the central bank's 2% target in 2022. Achieving this elusive 2% inflation objective would be a welcome development by investors, however if inflation were to increase more significantly the Fed may be forced to tighten policy more aggressively than currently planned. The continued steepening of the yield curve is due in part to this uncertain inflationary outlook. The spread, or difference in yield, between the 2-year and 10-year Treasury Notes now stands at 1.58%, an increase of nearly 1.0% from levels seen throughout the summer of 2020. While rates will likely continue to rise modestly in the coming months, we do not expect them to increase as sharply and quickly as they have since the start of the year.

Despite the increased volatility in the U.S. Treasury market, select corporate bond valuations reached all-time highs and the higher yields now available in the sector will likely further add to investor demand. Both high yield and investment grade corporate bonds have performed exceptionally well following the rollout of several Federal Reserve emergency facilities early last year that provided the sector meaningful support. For the twelve months ending March 31, 2021 the Barclays U.S. Corporate Bond Index gained 8.73% while high yield bonds as measured by Barclays U.S. Corporate High Yield index advanced 23.72%, both far outpacing the Barclays U.S. Treasury Index return of -4.43%.

In light of stretched valuations during the quarter, we took the opportunity to realize gains and to increase the portfolio's overall credit quality by reducing exposure to corporate bonds and reinvesting proceeds in U.S. Treasury securities. While the highest quality segments of the corporate bond market have fully retraced the COVID-19 selloff of early 2020, we still find select opportunities in lower rated and more economically sensitive industry groups. As always, we intend to be opportunistic in continuing to realize gains in securities where appropriate while maintaining a high quality and liquid portfolio, well equipped to respond quickly to changing market conditions.

Given our expectation for rising yields, our overall bias continues to be in favor of shorter dated bonds that are less price sensitive to changes in the yield curve. However, given the recent steepening of the curve we have begun to selectively add exposure to longer maturity bonds where the yield differential is increasingly attractive. As yields continue to increase we would expect this repositioning process to continue, which will improve the overall level of portfolio income.



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