

## APS U.S. Equity Strategy

### Firm Overview

APS Labs, LLC (“APS”) specializes in the evaluation and monitoring of U.S. and International long only equity managers. Combining concentrated and highly focused areas of investment, which APS refers to as Mandates, from high-quality and experienced investment managers in providing a complete equity allocation with an objective to outperform the broad equity market over a full market cycle. APS employs a rigorous, proprietary due diligence process that balances qualitative and quantitative metrics, in order to identify outstanding people, firms, and strategies. APS uniquely identifies and isolates consistent pockets of alpha production from within existing strategies and then creates new sub-strategies (mandates) around those areas. By combining concentrated and differentiated mandates, APS believes that it is possible to outperform the broad market over a full market cycle. Each APS Strategy is differentiated by its combination of focus and concentration and representing a completely long-only equity exposure with high transparency, ample liquidity, and a meaningful level of diversification, while remaining a truly actively-managed portfolio.

### Firm Investment Philosophy

- APS believes in active management: stock-pickers can add value in specific areas if they have demonstrated investment skill on a consistent, long-term basis.
- APS believes in concentration and diversification at the mandate level, investing in concentrated sections of a manager’s portfolio should enhance an active manager’s ability to add value. Diversification by manager, at the overall strategy level, enables the aggregate Strategy to have a high correlation and moderate tracking error, while maintaining a very high Active Share score.

### Strategy Overview

The APS U.S. Equity Strategy utilizes managers by having them specialize in a particular sector(s), as opposed to employing their full strategy; managers are hired in the specialized area(s), where they have historically been able to create the most consistent alpha. Within the chosen Mandate(s), managers are unconstrained:

- Market Capitalization – holdings are All-Cap, both within mandates and at the aggregate Strategy level
- Holdings can be any investment style within a sector
- The number of holdings by Mandate can be concentrated as a manager feels appropriate

The Strategy is designed to be generally sector neutral to the broad U.S. equity market - not taking bets amongst or between the different sectors, either tactically or strategically.

- Russell 3000 correlation is > 85%
- Active Share is high at > 80% to all major indices (best-fit or broad)

### Current Mandate and Sector Weightings

Sector	APS U.S. Equity	Russell 3000 Index
Communication Services	9.0%	9.7%
Consumer Discretionary	11.5%	12.1%
Consumer Staples	6.9%	6.3%
Energy	2.3%	1.8%
Financials	10.5%	9.5%
Health Care	14.7%	14.1%
Industrials	9.9%	8.8%
Information Technology	25.8%	27.1%
Materials	1.1%	2.7%
Real Estate	2.2%	3.2%
Utilities	1.9%	2.8%

### Top 10 Positions

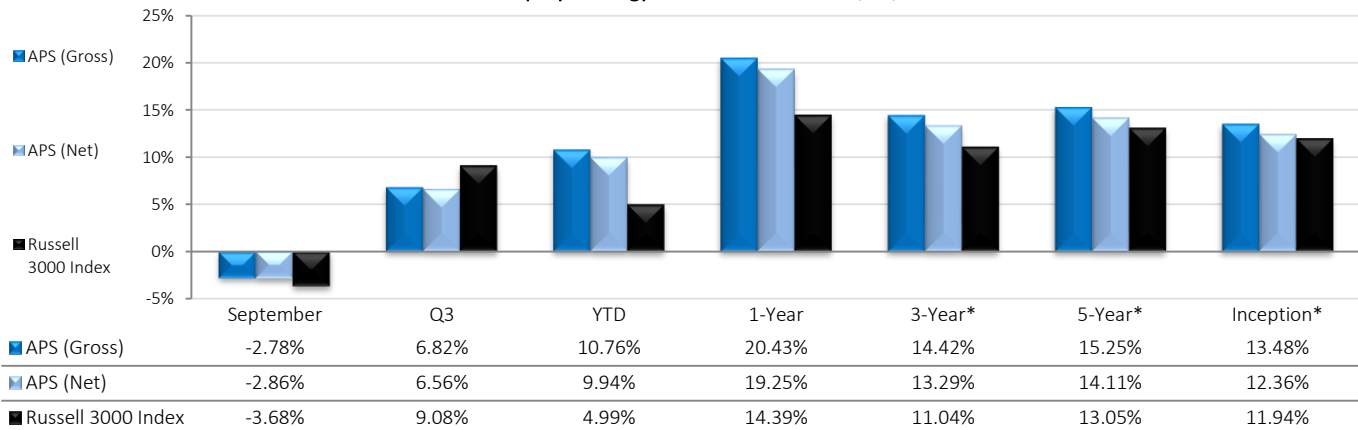
Holding	Weight (%)
Amazon.com Inc	6.14%
Microsoft Inc	5.71%
NVIDIA Corp	3.14%
The Estee Lauder Companies Inc	2.50%
Alphabet Inc Class A	2.27%
Twilio Inc	2.20%
Blackstone Group LP	2.13%
MasterCard Inc	2.13%
Global Payments Inc	2.01%
Horizon Therapeutics PLC	1.98%

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Calendar Year Performance			
	APS U.S. Equity (Gross)	APS U.S. Equity (Net)	Russell 3000 Index
2020 YTD	10.76%	9.94%	4.99%
2019	36.07%	34.76%	30.29%
2018	-4.19%	-5.15%	-5.76%
2017	20.27%	19.08%	20.46%
2016	11.15%	10.04%	12.05%
2015	-1.20%	-2.18%	-0.10%
2014	8.43%	7.35%	11.93%
2013	40.02%	38.63%	32.78%
2012	23.13%	21.91%	15.69%
2011	-3.73%	-4.69%	0.44%

Portfolio Characteristics <sup>1</sup>		
	APS U.S. Equity	Russell 3000 Index
Wtg. Avg. Market Cap as of 9/30/2020 (\$mm)	\$301,979	\$394,086
Beta	0.9	1.0
Alpha	4.2	0.0
Information Ratio	0.6	-
Up Capture Ratio	91.4	100.0
Down Capture Ratio	72.6	100.0
Tracking Error	5.1	0.0
Active Share <sup>2</sup>	80%	N/A

APS U.S. Equity Strategy vs. Benchmark as of 9/30/2020



## Strategy Facts

<b>Strategy Objective</b>	Combining concentrated alpha-producing mandates from high-quality and experienced investment managers in order to provide a complete U.S. equity allocation and consistently outperform the broad U.S. equity market over a full market cycle.
<b>Investment Universe</b>	The Strategy only invests in U.S. market traded stocks and cash. The Strategy will not “short” stocks nor invest in illiquid securities or interests.
<b>Inception Date</b>	January 1, 2011
<b>Composite Assets</b>	\$10.6 million
<b>Benchmark</b>	Russell 3000 Index
<b>Number of Current Mandates</b>	7
<b>Number of Holdings</b>	74
<b>Holdings Per Mandate</b>	6 – 17

## Investment Terms

<b>Minimum Investment</b>	\$250,000
<b>Structure</b>	Separately Managed Accounts
<b>Management Fee</b>	1.00%

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<sup>1</sup>Annualized

1 Information Ratio, Beta, Alpha, Up Capture Ratio, Down Capture Ratio, and Tracking Error are 3 Year statistics. Information Ratio measures the risk-adjusted return of a financial security (expected active return/tracking error). Beta reflects the sensitivity of the strategy's return to fluctuations in the market index. Alpha refers to excess return on an investment relative to the return on a benchmark index. Up Capture Ratio is the statistical measure of an investment manager's overall performance in up-markets. Down Capture Ratio is the statistical measure of an investment manager's overall performance in down-markets. Tracking error is the difference between a portfolio's returns and the benchmark or index it was meant to mirror or beat.

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<sup>2</sup>Active Share represents the fraction of portfolio holdings that differ from the benchmark index, thus emphasizing stock selection. Tracking error is the volatility of Strategy return in excess of the benchmark, so it emphasizes bets on systematic risk.” (K.J. Martijn Cremers, Antti Petajisto, How Active is Your Strategy Manager? A New Measure That Predicts Performance, Yale School of Management, October 3, 2007)

## APS U.S. Equity Strategy Disclaimers & Disclosures

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## APS U.S. Equity Strategy Disclaimers & Disclosures

Year End	Total Firm Assets  (USD) (millions)	Composite Assets  (USD) (millions)	Number of Accounts	Annual Performance Results Composite		Russell 3000 Net Index	Composite Dispersion	Composite 3 Yr St Dev	Russell 3000 3 Yr St Dev
				Gross	Net				
2019	17.9	10.7	9	36.07%	34.76%	30.29%	N.A.1	10.51%	12.21%
2018	32.1	30.9	<5	-4.19%	-5.15%	-5.76%	N.A.1	11.38%	11.17%
2017	77.5	30.2	<5	20.27%	19.08%	20.46%	N.A.1	11.43%	10.08%
2016	64.3	25.8	<5	11.15%	10.04%	12.05%	N.A.1	12.59%	10.87%
2015	47.2	23.0	<5	-1.20%	-2.18%	-0.10%	N.A.1	12.22%	10.57%
2014*	24.9	24.9	<5	8.43%	7.35%	11.93%	N.A.1	11.71%	9.29%
2013*		7.5	<5	40.02%	38.63%	32.78%	N.A.1	15.92%	12.54%
2012*		8.4	<5	23.13%	21.91%	15.69%	N.A.1	N.A.2	N.A.2
2011*		5.3	<5	-3.73%	-4.69%	0.44%	N.A.1	N.A.2	N.A.2

N.A.1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N.A.2 - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2011 through 2012 due to less than 36 months of composite and benchmark data.

\* - Performance presented prior to August 1, 2014, was achieved by the portfolio manager while affiliated with a prior firm.

**U.S. Equity Composite** consists of an actively managed strategy in which stock-pickers add value in specific areas if they have demonstrated investment skill on a consistent, long-term basis and expressed conviction as measured through high Active Share scores. The composite is diversified by manager, at the overall Strategy level, enables the aggregate Strategy to have a high correlation and moderate Tracking Error, while maintaining a very high Active Share score. The strategy represents U.S. equity exposure of 100%. The benchmark includes 3000 stocks representing all major industries of the U.S. economy. Prior to 1/1/2019, the minimum account size for this composite (1/1/2011 to 12/31/2018) was \$50 thousand. The U.S. Equity Composite was created January 1, 2011.

APS Labs, LLC ("APS"), formerly known as Belridge Capital, LLC, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. APS has been independently verified for the periods August 1, 2014 through December 31, 2019. The verification report is 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.

APS Labs, LLC is a registered investment adviser with the United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. For GIPS purposes, APS Labs, LLC defines the firm as all assets solely managed by APS Labs, LLC, this excludes any assets in sub advisory agreements. The firm's list of composite descriptions is available upon request. The primary benchmark for this composite is the Russell 3000 Index. The Russell 3000 Index is a capitalization-weighted stock market index, maintained by the Russell Investment Group that seeks to be a benchmark of the entire U.S. stock market. It measures the performance of the 3,000 largest publicly held companies incorporated in the American based on market capitalization.

**Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite returns represent investors domiciled primarily in the United States. Past performance is not indicative of future results.**

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees in addition to administration fees, operating expenses, legal fees, custodian fees, wire fees, and other software expenses. The annual composite dispersion presented is an asset-weighted deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Prior to 2019 net returns were calculated using actual fees. 2019 forward net returns were calculated using a highest fee of 1.00% applied monthly.

The investment management fee schedule for the composite is as follows: First \$2,000,000 - 1.00%, Next \$3,000,000 - 0.90%, Next \$5,000,000 - 0.75%, Next \$5,000,000 - 0.65%, and Over \$15,000,000 - 0.50%. Actual investment advisory fees incurred by clients may vary.