South Atlantic Capital Management Group, Inc.

Investment Management

March 31, 2021 Portfolio Review

COMPOSITE PERFORMANCE SUMMARY

South Atlantic Capital (SACMG) Core Equity Composite[1] versus S&P 500 and Russell 1000 Value
Annualized as of 3/31/2021

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception (1/1/1992)	Total Return Since Inception
SACMG Core Equity (gross)	63.34%	13.67%	15.01%	11.40%	10.22%	10.49%	13.22%	3663.96%
SACMG Core Equity (Net)	61.71%	12.54%	13.87%	10.30%	9.15%	9.41%	12.12%	2724.17%
S&P 500[2]	56.35%	16.78%	16.31%	13.93%	10.02%	8.48%	10.22%	1618.77%
Russell 1000 Value[3]	56.09%	10.96%	11.75%	11.01%	7.69%	7.72%	10.11%	1567.47%

South Atlantic Capital is an independent investment adviser registered with the State of North Carolina and the Commonwealth of Virginia. South Atlantic Capital claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, as well as GIPS® Reports, which are available upon request by calling (910) 763-4113, or emailing info@southatlanticcap.com.. All returns include reinvested dividends and interest. Past results are not indicative of future performance.

Attached is our most recent GIPS verification through December 31, 2019, including the GIPS Composite Report for our Core Equity Composite (as well as necessary disclosures).

This quarter marks the start of the 30th year of our firm and it's off to a very good start as, during 2021's first quarter, our composite gained 15.41% net of fees versus just 6.17% for the S&P 500 and 11.25% for the Russell 1000 Value.

This latest quarter bolstered our already-strong outperformance of the indexes since the inception of our Core Equity Composite. To illustrate the real impact of our since-inception outperformance of the indexes, consider how a $10,000 investment (before taxes, but including our management fee) would have performed over the 29.25 years through March 31:

South Atlantic Capital:	$10,000 grows to	**$282,417**
S&P 500:		$171,877
Russell 1000 Value:		$166,747

Building Trust Through Verified Returns

We are proud of the fact that South Atlantic claims compliance with the CFA Institute's Global Investment Performance Standards (GIPS) in order to gain investor confidence and trust. Since its origin, the CFA Institute has championed ethics in the investment profession. Their Global Investment Performance Standards are accepted around the world as best practices for investment performance reporting and presentation. We believe our twenty-nine-year verified performance record, and adherence to rigorous procedures to provide performance reporting that clients can count on, shows our commitment to strong internal controls and always dealing with clients ethically. Having a verified track record as long as ours provides a valuable benefit to clients by empowering them through a transparent view of how our strategy has performed over many investment cycles. We think a view of results through the cycles is vital to investor success.

Portfolio Review

Positive vaccine results have led to a strong rebound in portfolio values as investors were forced to rethink their outlooks for the companies we're invested in. When viewed clearly in light of the vaccine results, as opposed to through excess fear of the COVID pandemic, investors realized our businesses justified much higher valuations. We are certainly pleased with the first quarter's results especially since 2020 was such a trying time for clients. *We greatly appreciate* your patience during a very difficult period.

It would not be honest to say we enjoyed last year. Our only real investment concern, though, was that the lack of a "flight to quality" that has accompanied previous bear markets might cause many "stay the course" investors to capitulate and sell their holdings at exactly the wrong time. We were not concerned about the long-term values of our companies, as we remained disciplined and focused on our philosophy of investing in resilient, well-financed companies that are able to withstand downturns. This is opposed to disregarding company balance sheets and the durability of cash flows and, instead, relying on economic forecasting to drive investment decisions, which can prove costly in our opinion.

The most recent example of the value of focusing on company fundamentals and sticking to that strategy is our investment performance since October 31, 2020, right about the point stock indexes dipped sharply amidst a lot of pre-election angst. Specifically, from the end of October through this year's first quarter, our Core Equity Composite (net of fees) gained 37.04%. The S&P 500 and Russell 1000 Value indexes returned 22.33% and 31.04%, respectively.

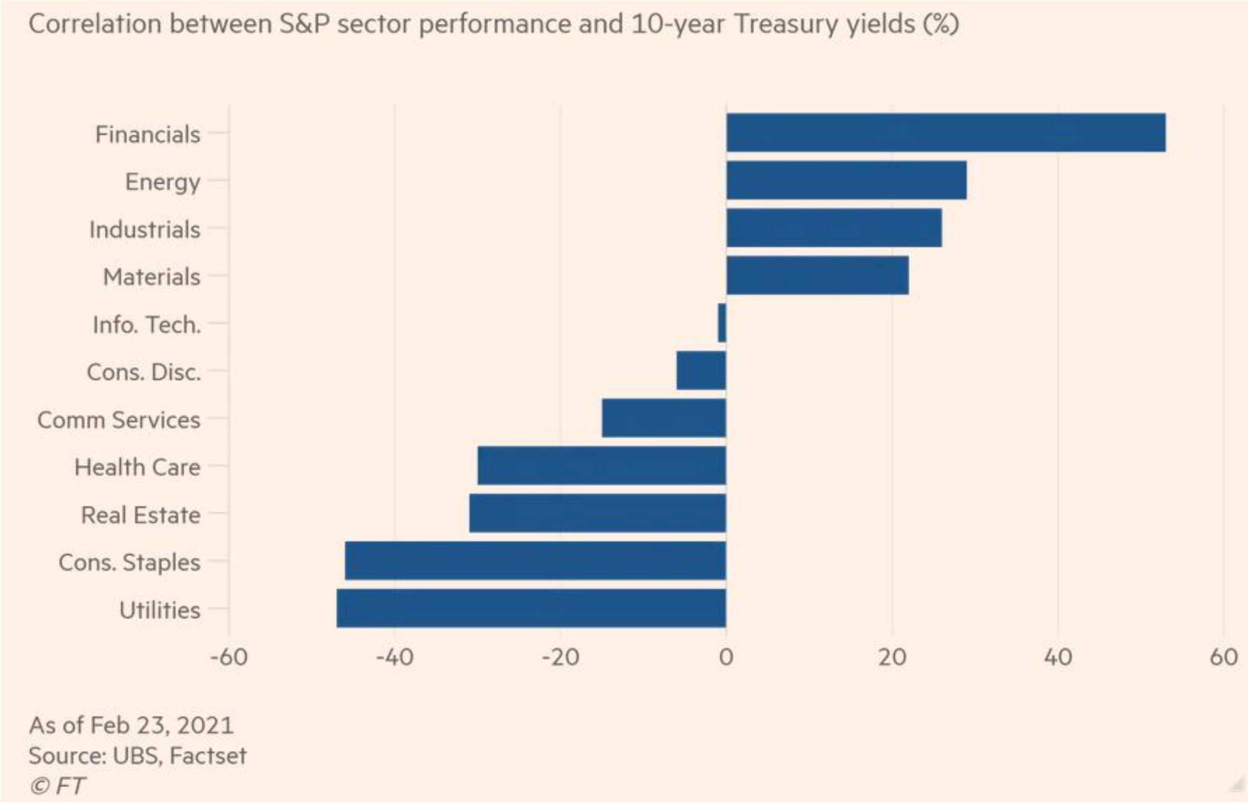
We felt, and mentioned in a newsletter late last summer, that the ultimate end of the pandemic—which has been accelerated by the positive vaccine results and rapid rollout—would refocus investors on how undervalued our companies were and would drive returns more than politics would. At that time, many felt strongly that the election outcome (whichever way it went) would lead to a lengthy period of extraordinary volatility, likely downward. That did not happen. The large run-up in "value" stocks, and certainly our stocks, which the market had incorrectly assumed were greatly harmed by the pandemic, illustrates that the undervaluation of profitable companies made clear by the positive vaccine results has carried much more weight than politics.

Having said that, you can't completely ignore the fact that potential legislative changes might impact a specific company's earnings. However, our strong opinion is that focusing on politics or market calibrations rather than long-term company fundamentals proves costly in the long run. Having done this for a while, our view is that not capturing the large returns since November would have been a mistake your net worth wouldn't likely recover from. As Winston Churchill put it, "***You Can't Reach Your Destination If You Stop to Throw Stones at Every Barking Dog."***

Importantly, we were pleased with how our strategy played out during the most severe downturn since the Great Depression, through the ability of so many companies in the portfolio to maintain access to funds to take advantage of the downturn and come out of it stronger. This is another important tenet of our investment philosophy. Although understandable, its somewhat disappointing that many companies we've invested in had the wherewithal to take advantage of the downturn but chose to err on the side of being conservative. We are pleased that they are now taking advantage of their strong financial position, particularly through stock buybacks.

The environment has clearly changed tremendously since last summer. The pandemic seems to be receding. Stocks have recovered very quickly. And, the government has injected record stimulus into the economy. There is a real question about whether we've come too far too fast and what the long-term implications are for so much new government debt. Periods of possibly heightened risks cause us to review the portfolio closely and update thoroughly whether the holdings continue to meet our criteria.

Although the outlook for economic growth for the next few years is quite strong, we consider this a period of somewhat heightened risk. We become more selective during these periods which can lead to temporarily higher cash balances. Currently, we see heightened risks in the form of the potential for rising interest rates and higher inflation and are currently reviewing how well our holdings would withstand these risks. We can't accurately predict inflation or higher rates, but we can prepare for them and we intend to reposition part of the portfolio into companies that are good investments based on their own merit but are also investments that we believe are well equipped to manage higher rates and more inflation, in particular through their pricing power if higher inflation occurs. For example, the chart below shows that financial stocks and energy companies tend to do well during periods of rising interest rates, and we are overweight those types of companies now.



Despite our awareness of the risks, in our opinion, the biggest mistake most investors make is to extrapolate the risks we've mentioned or political risk into a decision to sell everything. That is not the way it works. Some stocks will benefit from higher rates, some stocks will benefit from higher inflation and some stocks are undervalued enough to compensate for these risks….which may not materialize.

While higher rates and higher inflation certainly can create headwinds for a specific company's earnings, company specific issues will continue to be our most important consideration.

You can see in the chart below that in terms of the risk of higher interest rates, a move up to 3% on the ten-year treasury typically is good for stocks as it indicates a recovering economy. Above that, valuations for stocks tend to be hurt, but our decision-making process will not be based on market predictions but will always depend on the individual stock, many of whom out of 500 S&P stocks are undervalued and can handle higher rates.

Despite the big run-up in portfolio values, we see little sign of excess valuation in the portfolio. Excessive valuations are a prime risk we consider, but it has to do with the valuation of the company and has nothing to do with the valuation of the market. This lack of excessive valuations despite the large run-up is partly explained below by comparing the annualized returns for the Russell 1000 Value Index ,which is more representative of the stocks we invest in, to returns for the Russell 1000 Growth and S&P 500 Indexes over the past ten years. We think valuations for value-oriented stocks are still catching up.

Years ended March 31,	**Russell 1000 Value**	**Russell 1000 Growth**	**S&P 500**
1-Year	56.09%	62.74%	56.35%
5-Year	11.74%	21.05%	15.99%
10-Year	10.99%	16.63%	13.09%

In the table above, note in particular that, over the past 10 years, the "growth" index has outperformed its "value" counterpart by nearly 6% per year (an unusually large spread). Over much longer stretches of perhaps twenty or thirty years, these two indexes have delivered very similar returns. This fact suggests that we are long overdue for a lengthy favorable period for value stocks such as those we invest in.

It is important to understand the market environment, but too much focus on broad valuation measures takes away from our time to look for attractive individual businesses to invest in. Finding these attractive companies in which to make long-term investments is what will drive your investment returns and ability to have your net worth outpace inflation. Think of the market as like the grocery store; it's simply where you go to pick and choose among the thousands of companies that comprise the market for well-managed, attractively priced companies that offer adequate returns. If you had an enjoyable steak dinner last night, it wasn't because of the grocery store but because you chose the right ingredients (companies) to buy.

Patience

To invest successfully in equities does require patience.

However, we think our defensive bias has made the patience required to invest in equities much more manageable as demonstrated by our journey through the three major market declines we've experienced since 1992 (outlined below):

2000-2002 Tech Bubble Collapse

- The S&P 500 peaked in late March 2000 and it hit its low around September 30, 2002.
- $100,000 invested with us near the market peak (March 31, 2000) never showed a dip below that value at any month-end date during the entire bear market, and ended the period with about $122,000. Meanwhile, an investor in the S&P 500 had only about $56,000 at the market low in September 2002.

2008-2009 Great Recession

- The S&P 500 started its decline around September 30, 2007 and didn't begin to recover until March 2009 (a 1½-year "bear market").
- While South Atlantic and the S&P 500 both saw meaningful declines through the recession, our losses at each month-end along the way were less than that of the index, and our clients recovered their full beginning value much sooner.
- A $100,000 investment with us had recovered its initial principal by September 30, 2009. That is, within 2 years of the start of the decline.
- The S&P 500, however, was still down about 27% at that point….and didn't reach its pre-bear market level until early 2013 (a nearly 5½ year wait)

2020 COVID market

- Stock values peaked in early February 2020.
- By February of 2021, a typical South Atlantic account would have recovered to its full value at the start of the pandemic.

Many of our clients in retirement understandably take draws from their investment account to supplement their income. Regardless of what the volatility in monthly account values shows, we have been comfortable through the years advising clients in retirement that we can successfully execute our strategy over long periods of time using equities if their required annually draw doesn't exceed 6%. With 2-3% dividend yields and typically having some cash holdings, that level of distributions allows us to invest for the long term while avoiding the need to sell large portions of the portfolio at inopportune times. It would be a mistake to invest 100% in equities if your requirements substantially exceeded 6% annually.

Please let us know if you would like to discuss this further or if your financial situation has changed materially.

Best Regards,

Eddie Nowell

DISCLOSURES

[1]***Core Equity Composite*** *contains all fully discretionary accounts invested in equities excluding accounts that use significant leverage and, for comparative purposes, is measured against the total return for the S&P 500. It includes accounts managed for capital appreciation as well as accounts managed for a combination of capital appreciation and current income. The equity securities are generally large cap value-oriented U.S. equities. The portfolios also include equity securities that provide higher current income such as master limited partnerships, real estate investment trusts and similar securities that "pass through" most of their cash flow as distributions. The portfolios are invested in approximately 20-25 positions but have held fewer than 15 positions in the past.*

[2]***S&P 500 Index*** *has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The market-capitalization-weighted index has over U.S. $11.2 trillion indexed or benchmarked, with indexed assets comprising approximately U.S. $4.6 trillion of this total. The index includes 500 leading companies representing all major industries of the U.S. economy and captures approximately 80% of all U.S. equities. Returns include the reinvestment of dividends.*

[3]***Russell Value 1000 Index*** *is also market-cap weighted and measures the performance of the large-cap "value" segment of the US equity universe. This index originated in 1987.*

Returns are presented gross and net of management fees and include the reinvestment of all income. The U.S. Dollar is the currency used to express performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request, as are GIPS Reports and lists and descriptions of South Atlantic Capital's composites, by emailing Info@SouthAtlanticCap.com or calling (910) 763-4113. Portfolio composition is subject to change at any time and references to specific securities, industries, and sectors in this letter are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk.

The discussion of our firm's investments and investment strategy (including current investment themes, the portfolio managers' research and investment process, and portfolio characteristics) represents the firm's investments and the views of the investment adviser, at the time of this letter, and are subject to change without notice.

Past results are not indicative of future investment performance. An investor should further understand that future results may represent losses for account holders.

EDWARD D. NOWELL

Edward D. Nowell is President, founder and sole portfolio manager of South Atlantic Capital Management Group, Inc.

Mr. Nowell has over thirty years of experience in the finance business. Prior to founding South Atlantic Capital he worked in the structured finance department of Bankers Trust Company, New York as an Assistant Vice President. His primary responsibility was arranging bank financing for leveraged buyouts led by Kohlberg Kravis Roberts & Company. During graduate school, he interned with Merrill Lynch's Capital Markets Group in New York. Later, he served as an institutional fixed income sales representative for Carolina Securities/Prudential Bache Securities and worked with Fox, Graham, and Mintz, Securities. Mr. Nowell graduated from the University of North Carolina with a B.S. in Economics and received his M.B.A. from the University of Virginia.

PHILLIP A. TITZER

Mr. Titzer is Chief Operating Officer & Compliance Officer of South Atlantic Capital Management Group, Inc.

Mr. Titzer joined South Atlantic Capital in March 2020, bringing twenty-four years of investing and business operations experience to the firm. As a CFA® charterholder on the advisor's investment committee, he adds additional valuation and investment management experience to the organization. Previously, Mr. Titzer was a portfolio manager and head of investment operations for The Edgar Lomax Company, a large-cap value equity manager in Alexandria, Virginia. There, he directed all research, trading and portfolio administration activities and, along with the firm's founder, managed the Edgar Lomax Value Fund (a mutual fund that earned Morningstar's highest rating of 5 Stars as of December 31, 2019) as well as high-net-worth and institutional separate accounts totaling approximately $1.6 billion. Prior to that, he was a nuclear-trained submarine officer in the U.S. Navy, serving on the U.S.S. Kentucky (SSBN 737) and, later, as a combat control test & evaluation officer for Naval Sea Systems Command. Mr. Titzer holds a B.S. in Mechanical Engineering from Rose-Hulman Institute of Technology and an M.B.A. in Finance from George Mason University.

South Atlantic Capital Management Group, Inc.
Verification and Core Equity Composite Performance Examination Report

December 31, 2019

Verification and Performance Examination Report

Mr. Edward D. Nowell, President
South Atlantic Capital Management Group, Inc.

We have verified whether South Atlantic Capital Management Group, Inc. (the "Firm") has, for the periods from October 1, 2016 through December 31, 2019, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. We have also examined the Firm's Core Equity Composite for the periods from October 1, 2016 through December 31, 2019.

The Firm's management is responsible for its claim of compliance with the GIPS standards, the design and implementation of its policies and procedures, and for the accompanying Core Equity Composite's GIPS composite report. Our responsibilities are to be independent from the Firm and to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards, which includes testing performed on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, for the periods from October 1, 2016 through December 31, 2019, the Firm's policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.

A verification covering the periods from January 1, 1992 through September 30, 2016 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

Also, in our opinion, the Firm has, in all material respects:

- Constructed the Core Equity Composite and calculated the Core Equity Composite's performance for the periods from October 1, 2016 through December 31, 2019 in compliance with the GIPS standards; and
- Prepared and presented the accompanying Core Equity Composite's GIPS composite report for the periods from October 1, 2016 through December 31, 2019 in compliance with the GIPS standards.

A performance examination of the Firm's Core Equity Composite covering the periods from January 1, 1992 through September 30, 2016 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

This report does not relate to or provide assurance on any specific performance report of the Firm other than the Firm's accompanying Core Equity Composite's GIPS composite report, or on the operating effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

Adviser Compliance Associates, LLC

Adviser Compliance Associates, LLC
ACA Performance Services Division
August 11, 2020

SOUTH ATLANTIC CAPITAL MANAGEMENT GROUP, INC.
CORE EQUITY COMPOSITE
GIPS COMPOSITE REPORT

Year End	Total Firm Assets (millions)	Composite Assets (USD) (millions)	Number of Accounts in Composite	Annual Performance Results Composite Gross	Net	S&P 500	Composite Dispersion	Three Year Annualized Ex-Post Standard Deviation Core Equity	S&P 500
2019	54.9	44.8	82	27.23%	25.96%	31.49%	1.11%	12.57%	11.93%
2018	46.1	36.2	77	1.52%	0.51%	-4.38%	0.72%	12.74%	10.80%
2017	41.6	37.6	77	23.79%	22.57%	21.83%	1.20%	13.43%	9.92%
2016	35.6	29.7	71	10.66%	9.56%	11.96%	1.63%	12.81%	10.59%
2015	42.0	23.4	70	(4.41%)	(5.36%)	1.38%	1.11%	11.57%	10.47%
2014	40.7	26.8	67	8.19%	7.16%	13.69%	0.98%	7.99%	8.97%
2013	37.2	23.1	55	26.97%	25.77%	32.39%	2.15%	9.88%	11.94%
2012	28.6	17.3	46	13.02%	11.94%	16.00%	1.69%	11.19%	15.09%
2011	25.3	15.2	42	3.63%	2.59%	2.11%	2.48%	15.55%	18.71%
2010	22.0	14.4	40	20.19%	19.00%	15.06%	3.42%	17.94%	21.85%
2009	18.6	13.0	36	46.20%	44.76%	26.46%	5.32%	17.26%	19.63%
2008	12.4	8.4	38	(25.98%)	(26.68%)	(37.00%)	2.30%	12.59%	15.08%
2007	17.4	11.9	37	(1.90%)	(2.82%)	5.49%	3.03%	9.31%	7.68%
2006	22.4	12.6	36	12.11%	11.12%	15.80%	2.52%	8.75%	6.82%
2005	12.4	10.8	33	0.78%	(0.16%)	4.91%	3.12%	11.08%	9.04%
2004	12.3	11.1	30	20.38%	19.25%	10.88%	3.37%	12.60%	14.86%
2003	9.2	8.5	23	35.31%	33.93%	28.68%	4.38%	13.67%	18.07%
2002	6.9	6.4	21	(3.21%)	(4.22%)	(22.10%)	6.43%	14.21%	18.55%
2001	7.6	6.7	17	5.18%	4.14%	(11.89%)	2.36%	14.06%	16.71%
2000	7.1	5.9	14	13.89%	12.86%	(9.10%)	3.77%	13.65%	17.42%
1999	6.4	5.4	13	8.94%	7.89%	21.04%	10.61%	12.67%	16.52%
1998	6.5	5.4	13	6.11%	4.93%	28.58%	5.60%	12.07%	16.01%
1997	5.1	4.7	11	41.04%	39.60%	33.36%	5.15%	11.12%	11.14%
1996	3.6	3.3	8	23.65%	22.40%	22.96%	3.34%	11.76%	9.58%
1995	2.9	2.7	6	48.47%	47.05%	37.58%	3.31%	10.46%	8.22%
1994	2.0	1.9	5	7.76%	6.69%	1.32%	8.02%	11.05%	7.95%
1993	1.8	1.7	4	23.26%	22.05%	10.08%	3.33%		
1992	1.3	1.2	3	13.88%	12.87%	7.62%	0.00%		

***Core Equity Composite* contains all fully discretionary accounts invested in equities excluding accounts that use significant leverage and, for comparative purposes, is measured against the total return for the S&P 500. It includes accounts managed for capital appreciation as well as accounts managed for a combination of capital appreciation and current income. The equity securities are generally large cap value-oriented U.S. equities. The portfolios also include equity securities that provide higher current income such as master limited partnerships, real estate investment trusts and similar securities that "pass through" most of their cash flow as distributions. The portfolios are typically invested in 15-25 positions but have held fewer than 15 positions in the past. The minimum account size for this composite is $50,000. The composite has an inception date of January 1, 1992. The Core Equity composite was created on March 1, 2011.**

South Atlantic Capital Management Group, Inc. ("South Atlantic Capital") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. South Atlantic Capital has been independently verified by Ashland Partners & Company LLP for the periods January 1, 1992 to September 30, 2016 and by ACA Performance Services for the periods September 30, 2016 to December 31, 2019. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report

The Core Equity Composite has had a performance examination for the periods January 1, 1992 to December 31, 2019. The verification and performance examination reports are available upon request by calling (910) 763-4113, or by emailing info@southatlanticcap.com.

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Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite policy requires a three month, temporary removal of any portfolio incurring a client initiated external significant cash inflow of at least 25% of portfolio assets. The temporary removal of such an account occurs at the end of the prior month in which the external significant cash flow occurs and the account re-enters the composite at the end of the second full month after the cash flow. Effective 12/1/1992 - 7/1/2014, net of fee performance was calculated using actual management fees. In 2014, South Atlantic Capital switched to a new database reporting software and switched our composite fee calculation methodology to utilize model fees, using the highest fee in the composite, 1.0%, effective 7/1/2014 - Present. Additional information regarding the treatment of significant cash flows is available upon request. 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 management fees and include the reinvestment of all income. Returns are presented after trading expenses but before any applicable taxes. The annual composite dispersion presented is a size-weighted standard deviation calculated for the accounts in the composite the entire period. The annual dispersion and the standard deviation were calculated based on net returns prior to 12/31/2014, and gross of fees beginning 1/1/2015. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request, as are GIPS Reports and lists and descriptions of South Atlantic Capital's composites and limited distributed pooled funds, by emailing info@southatlanticcap.com or calling (910) 763-4113.

South Atlantic Capital's management fee schedule for accounts with assets up to $5,000,000 is generally set at 1.0% per annum, and is negotiable for accounts with assets over $5,000,000. Actual investment advisory fees incurred by clients may vary.