South Atlantic Capital Management Group, Inc.

Investment Management

September 30, 2022 Portfolio Review

COMPOSITE PERFORMANCE SUMMARY

South Atlantic Capital (SACMG) Core Equity Composite[1] versus S&P 500 and Russell 1000 Value
Annualized as of 9/30/2022

	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)	-15.07%	2.72%	7.21%	8.91%	8.97%	9.92%	12.16%	3297.50%
SACMG Core Equity (Net)	-15.91%	1.70%	6.15%	7.83%	7.90%	8.85%	11.06%	2411.14%
S&P 500[2]	-15.47%	8.15%	9.25%	11.71%	8.04%	9.85%	9.41%	1486.46%
Russell 1000 Value[3]	-11.36%	4.35%	5.29%	9.18%	5.70%	8.67%	9.32%	1442.61%

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, 2021, including the GIPS Composite Report for our Core Equity Composite (as well as necessary disclosures).

Performance

Our performance for the third quarter, net of fees, was -4.81% versus a loss of -4.88% for the S%P 500 Index and -5.62% for the Russell 1000 Value.

In our experience, macroeconomic headlines indeed describe real risks, but they often have an exaggerated effect during the 3-month void between company earnings reports since investors are prone to pump a lot of emotion into negative headlines when they aren't receiving information directly from the companies. When the earnings reports do come out, they often serve as a dose of reality as to the extent the economic risks reported on are affecting the earnings of a well-run company. In our view, indiscriminately selling stocks based on media headlines which are meant to grab your attention as much as they are meant to inform you prior to hearing directly from a good company reporting earnings is not a good idea. Don't jump off a bridge based on news reports your girlfriend is going to dump you, wait until you talk directly to her before you decide.

TOP 5 PERFORMERS		BOTTOM 5 PERFORMERS	
CF Industries	12.7%	Phillip Morris	(14.8%)
Ares Capital	10.0%	Warner Bros.	(14.3%)
Liberty/Sirius	5.6%	Lockheed Martin	(9.5%)
Exxon	2.9%	Citigroup	(8.5%)
Lennar	1.9%	Brookfield	(7.9%)

All Weather Investing

While downside protection may be a top concern for many investors, that's probably not enough. What many investors want is downside protection while also participating in up markets—an "all weather" portfolio. Shifting to very conservative holdings, such as cash, to ride out a market downturn can accomplish the goal of downside protection but can get in the way of the goal of participating in up markets. The technical definition for all weather investing would be positive asymmetric risk and returns, where the investment opportunity is unbalanced favorably towards the upside.

We feel investors need to recognize that their odds of capturing the long-term potential for capital appreciation is higher by staying invested through the downturns than by trying to time markets. All weather investing, where the downside is limited but you participate in up markets, can help investors achieve positive results through cycles since limiting the downside helps create the patience to stay invested.

One way to assess whether a fund or portfolio has positive asymmetric risks and returns is to look at their Overall Capture Ratio—Upside Capture/Downside Capture. Our overall capture ratio since our inception is compared below to the average mutual fund. We think not just investing, but consistently investing in a risk averse way, has helped us achieve an asymmetrically positive overall capture ratio since January 1, 1992. We don't believe we would have achieved the same overall capture ratio by trying to time markets or forecast economic environments.

	Downside	Upside	Overall
South Atlantic Capital	59.8%	91.4%	152%
Active Large Cap Blend	101%	94%	93%

Source: PSN Informa and Morningstar

The Capital Group identified three common traits among funds that exhibited strong returns through cycles.

Active Funds. By definition, passive funds replicate the return of an index. They capture 100% of the upside but also 100% of the downside so they provide no downside protection while active funds have that opportunity through their stock selection.

Flexible funds that consider shifting between growth and value stocks for example, versus never investing outside a specific style box, have an opportunity to optimize results by having a larger investment universe to choose from. However, this can create risks if a fund manager invests too far afield from his circle of competence.

Higher yielding funds were found to provide more downside protection in analysis of fund performance since 1993. Funds with the best downside protection (of 85% or less) were found to have higher yields in all time periods studied.

The asymmetry of gains versus losses over time can be significant. Minimizing drawdowns means getting back to square one more quickly, and then moving ahead requires lower returns versus funds with less downside protection. This type of investing can also lead to lower volatility in your returns, thus helping to create the patience to remain invested through inevitable downturns.

Even if you are well invested for "All Weather," there are some important things to proactively take into consideration to prevail through market downturns by avoiding emotional mistakes.

- Try to accept that downturns are a natural part of investing and that they have been common but temporary. Since 1952, 20% downturns happen on average every 6 years or so and last 370 days. Although past events don't guarantee future results, the market has recovered from these downturns every time.

- Studies have shown people put too much emphasis on recent events, ignoring long-term realities such as the historical pattern where markets have recovered from every downturn.

- Measuring from the bottom of the market, the average return during the first year after downturns of at least 15% (since 1929) is 55%, and studies have shown it's very difficult to capture those returns by trying to time markets.

Sources: Capital Group, Rimes, Standard and Poor's (as of 12/31/21).

Summary

We continue to believe forecasting markets, the economy, inflation or interest rates is difficult since there are so many inputs and moving parts in making those forecasts including how will investors react emotionally. Despite our opinion that markets will continue to have higher than normal volatility (including to the downside) because of the uncertainty around so many issues, we are optimistic about our forward returns given the market downturns that have already occurred, as well as our focus on taking these risks into account in our investment selections.

Please feel free to contact us if you would like to discuss your account or if you have had significant changes to your financial situation that might warrant changes to your investment preferences. While we feel forward returns for equities should be higher than a balanced account of both stocks and bonds, we believe the outlook for a 60/40 portfolio of stocks and bonds has improved greatly given the increase in interest rates and bond yields. To oversimplify, in our view, an equity portfolio would have higher expected long-term returns than a balanced portfolio, but it is more volatile and typically provides less downside protection. Before making any significant allocation changes, however, we think it would be better considered once the stock portfolios trade closer to what we think is fair value.

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. $15.6 trillion indexed or benchmarked, with indexed assets comprising approximately U.S. $7.1 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 and other leading private equity firms. During graduate school, he interned with Merrill Lynch's Institutional 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, 2021

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, 2021, 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, 2021.

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, 2021, 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, 2021 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, 2021 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.

ACA Group

ACA Group, Performance Services Division

May 4, 2022

ACA Group, 1370 Broadway, 12th Floor New York, NY 10018
Phone: (212) 951-1030 www.acaglobal.com

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		S&P 500	Composite Dispersion	Three Year Annualized Ex-Post Standard Deviation	
				Gross	Net			Core Equity	S&P 500
2021	66.4	50.1	80	30.19%	28.90%	28.71%	0.95%	21.67%	17.17%
2020	52.8	38.1	71	-2.68%	-3.65%	18.40%	1.84%	22.02%	18.53%
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 invested in approximately 20-25 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, 2021. 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.

The Core Equity Composite has had a performance examination for the periods January 1, 1992 to December 31, 2021. The verification and performance examination reports are available upon request by calling (910) 763-4113, or by emailing info@southatlanticcap.com.

South Atlantic Capital is an independent registered investment adviser registered with the State of North Carolina and the Commonwealth of Virginia. The firm maintains a complete list and description of composites and limited distributed pooled funds, as well as GIPS Reports, which are available upon request by calling (910) 763-4113, or by emailing info@southatlanticcap.com.

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.

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.