

Core Fixed Income Commentary

December 31, 2020

MARKET REVIEW

Despite a global pandemic and a horrible start to the year, the capital markets managed to shrug off a deep recession caused by a shutdown of the economy to turn in an impressive performance for the year. Indeed, most every asset class apart from commodities and oil ended the year with positive returns.

Equity markets led the charge with an impressive rebound off the lows seen on March 23. At that point, the S&P 500[®] Index was down 30.3% year to date. Thanks to massive amounts of monetary stimulus—the Fed took interest rates to zero and restarted an aggressive quantitative easing program—and generous fiscal support, the S&P 500 rebounded to finish the year up 18.4%. The technology heavy NASDAQ led the parade, finishing the year up 45.1%. The stimulus was not just limited to the United States as many countries joined the fray by providing monetary and fiscal support. This allowed the MSCI Emerging Market Index to return 18.5% for the year, while its EAFE Index struggled to produce an 8.4% return for the year.*

Most of the major fixed income indices performed well as investment grade bonds, both domestically and globally, had positive returns for the year. Even the Bloomberg Barclays High Yield Bond Index finished the year up 7.1%, despite the default rate climbing significantly during the year. According to CreditSights, the trailing 12-month issuer-weighted high yield default rate moved from a rather pedestrian 3.11% as of 12/31/19 to 7.3% as of 11/30/20.

During the fourth quarter, some interesting pro-cyclical rotations were beginning to take shape in asset allocation that may be setting the stage for new leadership in 2021. Small cap stocks had an impressive 31.4% return during the final quarter of the year to lead stocks. Many of these smaller companies are levered to an economic reopening and they typically perform well in the early stages of economic recovery. Although bonds had a great year, by the fourth quarter, the rally seemed to be running out of steam with the Bloomberg Barclays Aggregate Bond Index returning just 0.7% for the quarter. Even though commodities had a negative return for the year, they did return 13.0% during the fourth quarter as measured by the CRB Commodity Index. These observations of lackluster bond returns, along with stellar commodity return, could be interpreted as the market beginning to sniff out deflation and inflation caused by the massive amounts of money creation and fiscal stimulus provided by monetary authorities and governments.

PORTFOLIO REVIEW

The Core Composite returned 1.42%, net of fees, for the quarter ending December 31, 2020. The Composite's benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index, returned 0.7% during the same period.

The portfolio's allocations to preferred securities and corporate bonds were both positive contributors to relative performance during the quarter. Preferred securities benefited from the market's risk on orientation, outperforming all other fixed income sectors within the portfolio. Corporate bonds benefited from the hunger for yield from investors, resulting in credit spreads tightening throughout the period.

The portfolio's position in U.S. Treasury TIPS was also a positive contributor to relative performance as concerns of inflation and higher interest rates emerged following the U.S. elections.

continued on page 2

STRATEGY INFORMATION

Benchmark	Bloomberg Barclays's U.S. Aggregate Index
Business Minimum	\$15M
Number of Holdings	264
Assets	\$208.21M

PORTFOLIO MANAGEMENT TEAM



Michael J. Martin, CFA

Senior Portfolio Manager
 Industry start date: 1994
 Joined Red Cedar: 2018



David L. Withrow, CFA

Director of Portfolio Management
 Industry start date: 1988
 Joined Red Cedar: 2018



John L. Cassady III, CFA

Chief Investment Officer
 Industry start date: 1987
 Joined Red Cedar: 2018



Jason M. Schwartz, CFA

Senior Portfolio Manager
 Industry start date: 2004
 Joined Red Cedar: 2018



INVESTMENT PHILOSOPHY

“We seek consistent income across the capital structure and in high quality companies.”
 — Michael Martin

Core Fixed Income Commentary

December 31, 2020

A slight drag to relative performance was our overweight to the securitized sector.

The portfolio's allocation to the municipal sector was also a slight drag on performance.

STRATEGY POSITION & OUTLOOK

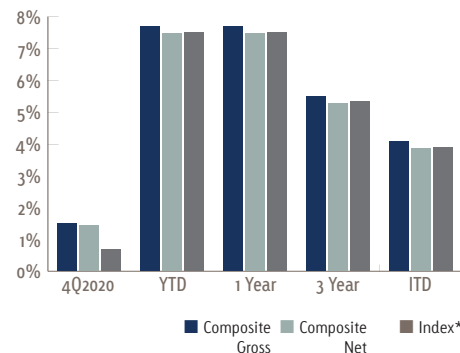
While financial markets may experience some bumps to start the year as political discord continues and widespread distribution of COVID-19 vaccines is not as smooth as planned, we expect risk assets to ultimately continue their outperformance as reflation benefits from the efforts of monetary authorities, fiscal policy, and scientists globally.

The portfolio is overweight corporate bonds relative to the benchmark. We intend to maintain this exposure, seeking to opportunistically taking advantage of market conditions by adding to exposure on market weakness and selling positions when price targets are reached.

The portfolio is overweight the financial sector. We believe the companies in this sector will benefit from a steeper yield curve that results from global reflation.

U.S. investment grade corporate bond issuance topped \$1.8 trillion in 2020, breaking all records. Issuance for 2021 is expected to be around \$1.4 trillion as of 12/31/20, similar to 2019 levels.

PERFORMANCE



Period	Composite Gross	Composite Net	Index*
4Q2020	1.48%	1.42%	0.67%
YTD	7.68%	7.46%	7.51%
1 Year	7.68%	7.46%	7.51%
31 Year	5.47%	5.26%	5.34%
ITD	4.07%	3.84%	3.88%

Inception Date 8/1/2014

Periods greater than 12 months are annualized

*Bloomberg Barclays's U.S. Aggregate Index

Red Cedar Investment Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions and/or a presentation that complies with the GIPS standard, contact Red Cedar Investment Management at (513)345-4414.

Red Cedar Investment Management LLC is a Registered Investment Adviser with the U.S. Securities Exchange Commission under the 1940 Act, founded in 2013 as a Limited Liability Corporation in the State of Michigan.

DISCLOSURES

*All end-of-year index data noted is as of 12/31/20.

Red Cedar Investment Management is an investment advisor registered under the Investment Advisors Act of 1940. Registration as an investment advisor does not imply any level of skill or training. The information is current as of the date of this presentation and is subject to change at any time, based on market and other conditions. Although taken from reliable sources, Red Cedar Investment Management cannot guarantee the accuracy of information received from third parties. There is no guarantee that these objectives will be achieved. This presentation is a general communication and educational in nature. This presentation is for informational purposes only and is not designed to be a recommendation of any specific investment product, strategy, plan design or for any other purpose. By providing this presentation, none of Red Cedar Investment Management or its employees has the responsibility or authority to provide or has provided impartial investment advice. This presentation does not suggest taking or refraining from any course of action. In addition, this presentation should not be viewed as an investment recommendation because it is provided as part of the general marketing and advertising of Red Cedar Investment Management.

The mention of specific securities and sectors illustrates the application of our investment approach only and is not to be considered a recommendation by Red Cedar. The specific securities identified and described above do not represent all of the securities purchased and sold for the portfolio, and it should not be assumed that investment in these securities were or will be profitable. There is no assurance that the securities purchased remain in the portfolio or that securities sold have not been repurchased.

The opinions expressed herein are those of Red Cedar and may not actually come to pass. Charts, diagrams and graphs, by themselves, cannot be used to make investment decisions. The rankings and/or awards listed may not be representative of any one client's experience because of the way in which the rankings and awards are calculated. The rankings and awards are independently granted. The rankings and awards are not indicative of RCIM's future performance, or any future performance pertaining to its clients' investments.

These rankings and awards or any other recognition by unaffiliated rating services and/or publications should not be construed as a guarantee that a client will experience a certain level of results or satisfaction if RCIM is engaged, nor should it be construed as a current or past endorsement by any of its clients. Index performance used throughout this presentation is intended to illustrate historical market trends and is provided solely as a representative of the general market performance for the same period of time. Indices are unmanaged, may not include the reinvestment of income or short positions, and do not incur investment management fees. An investor is unable to invest in an index.

Index Definitions: Bloomberg Barclays U.S. Aggregate Bond Index: Broad-based, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the U.S. S&P 500 Index: Broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. MSCI Emerging Markets Index captures large and mid-cap representation across 27 EM countries. The index covers approximately 85% of the free-float-adjusted market capitalization in each country. EAFE Index is a stock market index that is designed to measure the equity market performance of developed markets outside the U.S. and Canada. CRB Commodity Index is a commodity futures price index. It acts as a representative indicator of today's global commodity markets. Bloomberg Barclays High Yield Bond Index measures the USD denominated, high yield, fixed rate corporate bond market. NASDAQ Composite: Market capitalization-weighted index of over 3,000 common equities listed on the NASDAQ stock exchange.

The performance shown may not reflect a Red Cedar portfolio. The performance characteristics shown are taken from a representative or model account. Net performance shown reflects the reduction of management fees. A client's return will be reduced by the management fees and any other expenses incurred in the management of its account. For example, a US \$100 million account, paying a .50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net of fee return of 9.5%. Investment advisory fees are described in Part 2A of Red Cedar Investment Management, LLC Form ADV.