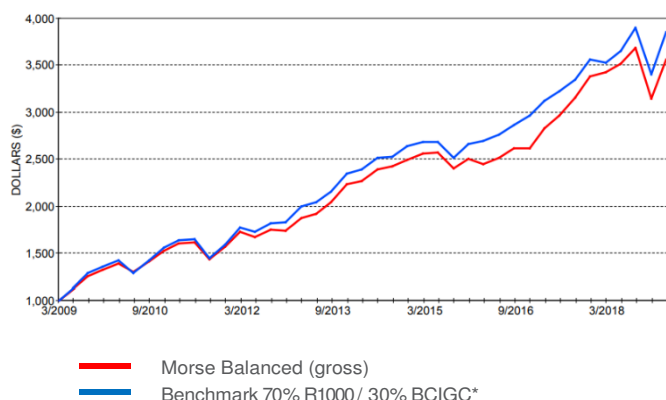


## Overview

The Balanced Strategy is actively managed by the Morse Asset Management team and aims to provide long-term growth and income with stability of returns. A strategic asset allocation between equities and bonds is based primarily on client objectives and guidelines. The equity portion of the portfolio provides the growth impetus. The fixed income portion of the portfolio provides a reduction of risk exposure and contributes to a prescribed level of income.

## Growth of Investment (gross of fees)

March 31, 2009 through March 31, 2019



## Philosophy

Our investment philosophy is rooted in fundamental and qualitative analysis, experience, and time-tested metrics that are proven over long periods and multiple market cycles. Positive results are the outcome of a well-defined and consistent investment process.

Our equity investment approach adheres to a long-term active growth style. We invest in companies that are characterized by above average growth potential, relative to their industry and competition.

Our fixed income investment approach generally uses investment grade bonds and preferred stocks with strategic shifts dependent on economic and market conditions.

## Annualized Total Returns

	1 Year	3 Years	5 Years	10 Years	15 Years
Morse Balanced (gross)	4.10%	13.25%	9.42%	13.55%	8.84%
Morse Balanced (net)	3.39%	12.39%	8.68%	12.92%	8.25%
70% R1000 / 30% BCIGC**	8.95%	12.54%	9.92%	14.43%	8.20%

## Statistics (15 year)

Standard Deviation	11.76
Alpha	1.41
Beta	0.87
R-Squared	0.92

Data as of March 31, 2019

## Process

**Equity:** The primary source of added value is stock selection using fundamental and quantitative research. It is a combination of market sense and bottom-up analysis. Companies must demonstrate growth potential with a reasonable forward valuation. Emphasis is placed on accelerating earnings, revenues and cash flow and industry leadership. Companies should also exhibit superior financial strength (return on equity, leverage and margins) and be led by quality management. Proprietary tools provide an added dimension of discipline to our process, validating forward growth prospects.

**Fixed Income:** During periods of low or no real interest rate returns, preservation of principal becomes the overriding concern. When these circumstances prevail, we would aim for a short to intermediate maturity schedule. Conversely, during periods of actual or anticipated high real interest rates (greater than 3%), duration of cash-flow returns become the primary concern. Prudence would then dictate a maturity ladder beyond ten years for at least a portion of the portfolio.

## Portfolio

Top Equity Holdings	(%)	Equity Sector Weights	(%)	Portfolio Allocation	(%)
Amazon.com Inc.	6.3	Information Technology	24.4	Common Stock	88.4
Home Depot Inc.	4.6	Industrials	20.0	Preferred Stock	2.5
Paypal Holdings Inc.	3.5	Consumer Discretionary	19.9	Bonds	6.2
Disney Walt Co. Disney	2.8	Health Care	13.0	Cash & Equivalents	2.9
Microsoft Corp.	2.7	Communication Services	10.2	TOTAL	100.0
Johnson & Johnson	2.6	Energy	4.2		
Alphabet Inc. Cap Stock Cl. A	2.4	Financials	2.7		
Boeing Co.	2.4	Consumer Staples	1.7		
NXP Semiconductors NV	2.3	REIT	1.7		
Lockheed Martin Corp.	2.3	Materials	1.2		
TOTAL	31.7	Utilities	1.0		
		TOTAL	100.0		

Median Equity Characteristics	Balanced	S&P 500*
EPS Growth (Est %)	11.8	9.9
Return on Equity	24.2	16.3
Long Term Debt / Total Capital (%)	36.1	38.3
P/E	20.6	17.8
Dividend Yield	1.4	2.0
Market Cap (\$Mil)	47,156	21,677

Data as of March 31, 2019. Portfolio composition is subject to change and may have changed since the date specified. Totals may not sum due to rounding.

## Percentile Rank within PSN US Balanced Universe\*\*

	1 Year Rank	3 Year Rank	5 Year Rank	10 Year Rank	15 Year Rank
Morse Balanced (gross) Ranking	55	1	1	2	2
PSN US Balanced Universe Constituents	201	198	189	141	94

\*\* PSN Enterprise Universe as of May 16, 2019

## Important Notice:

Past performance is no guarantee of future results; inherent in an investment is the potential for loss. The performance results of the Balanced Strategy composite prior to November 1, 2013 were attained by Mr. Robert P. Morse while Sr. Portfolio Manager and Partner at Evercore Wealth Management, LLC ("EWM"). The performance results of the Balanced Strategy composite prior to May 1, 2010 were attained by Mr. Morse while CEO/CIO at Morse Williams, & Co., Inc. ("MWC"). No other person outside these firms played a significant part in achieving the performance of the composite during that time. While under the management of EWM and MWC, the investment objectives, policies, and strategies of the Balanced Strategy composite were substantially similar in all material respects to the composite now managed by Morse Asset Management, Inc. ("MAM"), successor to CG Asset Management LLC ("CGAM"). The portfolio manager intends to use the same analytical methods for identifying potential investments for the composite as was used at CGAM, EWM and MWC. The performance results are based upon the returns of all institutional balanced accounts with at least a value of \$1 million or more in assets that are managed by Robert P. Morse with similar investment objectives, policies and strategies, are reported gross and net of fees (gross returns exclude management fees and are net of transaction costs, net returns reflect the deduction of transaction costs as well as the actual advisory fees) and assume the re-investment of all dividends and capital gains. For more information on advisory fees, please refer to Part 2 of Form ADV of MAM, which is available upon request. One of the accounts, which represented 1.5% of the assets in this composite, did not pay a management fee until the third quarter of 2005. Some accounts have been invested in the Balanced Strategy since inception. MAM manages its client portfolios according to each client's specific investment needs and circumstances. The returns of each account participating in the Balanced Strategy will vary due to a variety of form factors, including the timing of trades by MAM, market conditions, cash availability, and timing of client deposits and withdrawals. Therefore, prospective clients should not assume that similar performance results to those shown would have been achieved for their accounts had they been invested in this strategy during the period.

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\* The Russell 1000 index ("R1000") and Barclays Capital Intermediate Government Credit index ("BCIGC") are the Balanced Strategy's benchmarks. The Russell 1000 index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents over 90% of the US market. The BCIGC measures the performance of the intermediate (1-10 year) government and corporate fixed rate debt issues rated investment grade or higher. The S&P 500 index is a market capitalization weighted index of 500 widely held common stocks. Equity characteristics of the index are included for comparison purposes. The S&P 500 index is not the benchmark of the composite. You cannot invest directly in the indices. Index results assume the re-investment of all dividends and capital gains. In addition, the accounts' holdings will differ from the securities that comprise the indices. MAM managed other discretionary accounts (excluded from the composite) that do not reflect the style or meet the criteria of this composite.

\*\* The content of the PSN Database is intended for use by qualified investment professionals. PSN is an investment manager database and is a division of Informa Investment Solutions, Inc. The PSN peer groups were created using the information collected through the PSN investment manager questionnaire and uses only gross of fee returns.