

HIGHLIGHTS

- Boutique investment management firm
- Firm established in 1990 by Edward D. Nowell, President & Portfolio Manager
- Large cap/mid cap value orientation
- Concentrated approximately 20 holdings
- Objective – exceed the relevant benchmark index return, net of fees, while investing in a risk averse way
- Annual turnover is approximately 35%

Fundamental analysis

Investment process focused on finding companies priced to offer a margin of safety to protect against adverse changes in economic circumstances

Focus on well managed competitively entrenched companies

Emphasis on strong balance sheets, free cash flow, and high return on equity

Seek long term results that are less dependent on the economy due to a disciplined approach to identify mispriced well financed companies

Construct concentrated portfolio

INVESTMENT STRATEGY

Our strategy is value oriented. We run concentrated portfolios comprised of contrarian investments in quality companies trading at free cash flow yields higher than warranted due to a misunderstanding of the company's prospects. This is often driven by the short-term focus of the markets plus an inability for many investors to consider an investment's prospects independently from media driven consensus and unwillingness to patiently hold shares until a more accurate price is realized.

High yields are our best proxy for undervalued situations. We also feel the market underappreciates the opportunity high cash flow relative to market value provides astute management to further widen the gap between value and price as compared to the opportunity provided to management with less relative cash flow.

We have provided downside protection historically by focusing on companies with the resources to withstand and benefit from economic downturns as opposed to managing risk by attempting to predict downturns, which we feel has a low probability of success. Focusing on these types of companies has helped avoid permanent losses and large drawdowns making it easier for clients to stay invested and compound their capital. We also manage to a 10% hurdle which has provided strong sell signals in the past.

STRATEGY INCEPTION: DECEMBER 31, 1991

Statistics vs S&P 500

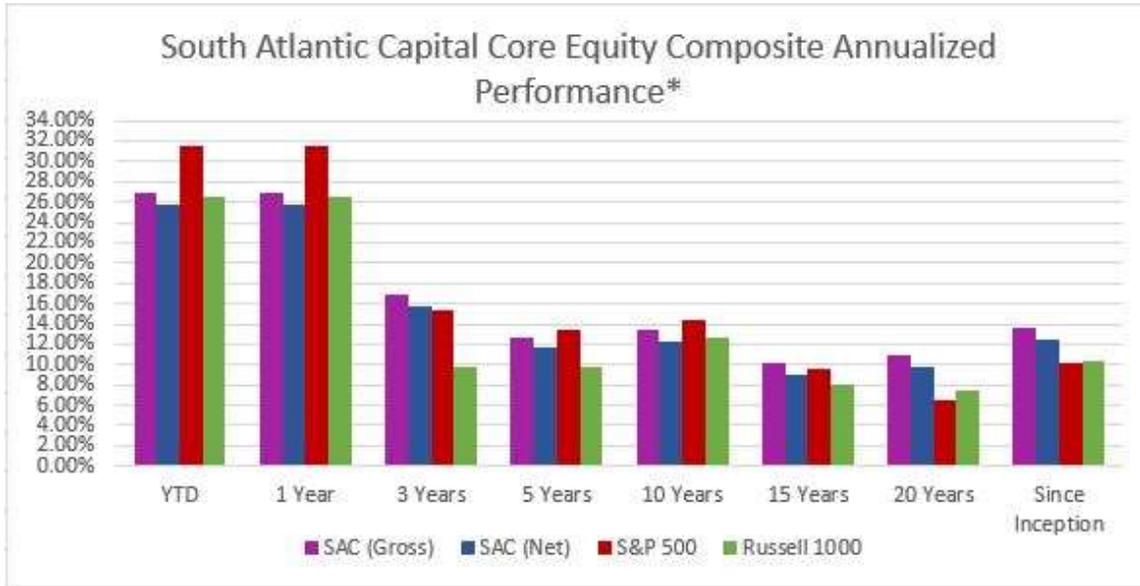
Alpha	4.86	Sharpe Ratio	0.76
Upside Capture	84.50%	Standard Deviation	12.80%
Downside Capture	59.46%	Beta	0.69

PORTFOLIO MANAGER

Edward D. Nowell is President, Founder and sole Portfolio Manager of South Atlantic Capital Management Group, Inc.

Mr. Nowell has over twenty-five 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.

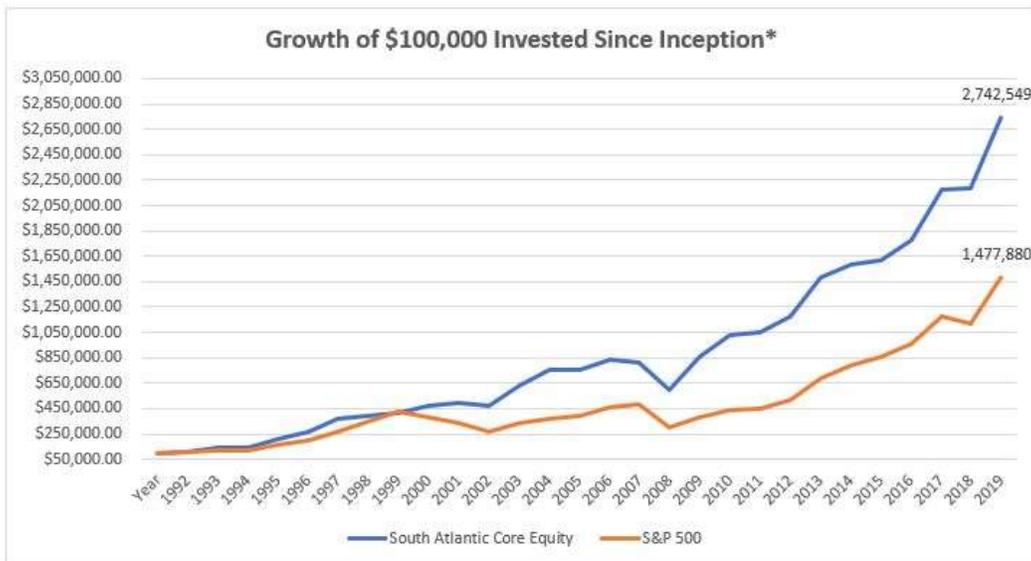
ANNUALIZED PERFORMANCE



SAC(Gross)	26.90%	26.90%	16.83%	12.72%	13.41%	10.08%	10.94%	13.66%
SAC(Net)	25.67%	25.67%	15.67%	11.60%	12.29%	9.01%	9.86%	12.55%
S&P 500	31.50%	31.50%	15.28%	13.47%	14.46%	9.57%	6.48%	10.10%
Russell	26.56%	26.56%	9.68%	9.79%	12.57%	8.13%	7.41%	10.32%

*Inception date of South Atlantic's Core Equity Composite is 1/1/1992

GROWTH OF \$100,000 SINCE INCEPTION



*Inception date of South Atlantic's Core Equity Composite is 1/1/1992

*Performance results in 2019 are through 9/30/2019

*Performance is shown as net of fees

South Atlantic Capital

Management Group, Inc.

CORE EQUITY COMPOSITE

DECEMBER 2019

HISTORICAL RETURNS*

	SAC Core Equity Composite		S&P 500	Standard Deviation**	
	Gross	Net		SAC	S&P 500
2019	26.90%	25.67%	31.50%	12.56%	11.93%
2018	1.49%	0.47%	-4.38%	12.74%	10.80%
2017	23.80%	22.58%	21.84%	13.43%	9.92%
2016	10.65%	9.52%	11.98%	12.81%	10.59%
2015	3.16%	2.13%	9.63%	11.53%	10.47%
2014	8.19%	7.16%	13.69%	7.99%	8.97%
2013	26.97%	25.77%	32.39%	9.88%	11.94%
2012	13.02%	11.94%	16.00%	11.19%	15.09%
2011	3.63%	2.59%	2.11%	15.55%	18.71%
2010	20.19%	19.00%	15.06%	17.94%	21.85%
2009	46.20%	44.76%	26.46%	17.26%	19.63%
2008	-25.98%	-26.68%	-37.00%	12.59%	15.08%
2007	-1.90%	-2.82%	5.49%	9.31%	7.68%
2006	12.11%	11.12%	15.80%	8.75%	6.82%
2005	0.78%	-0.16%	4.91%	11.08%	9.04%
2004	20.38%	19.25%	10.88%	12.60%	14.86%
2003	35.31%	33.93%	28.68%	13.67%	18.07%
2002	-3.21%	-4.22%	-22.10%	14.21%	18.55%
2001	5.18%	4.14%	-11.89%	14.06%	16.71%
2000	13.16%	12.86%	-9.10%	13.65%	17.42%
1999	8.94%	7.89%	21.04%	12.67%	16.52%
1998	6.11%	4.93%	28.58%	12.07%	16.01%
1997	41.04%	39.60%	33.36%	11.12%	11.14%
1996	23.65%	22.40%	22.96%	11.76%	9.58%
1995	48.47%	47.05%	37.58%	10.46%	8.22%
1994	7.76%	6.69%	1.32%	11.05%	7.95%
1993	23.26%	22.05%	10.08%		
1992	13.88%	12.87%	7.62%		

*See final page for important Disclosures.

**Three year annualized ex-post standard deviation has been calculated beginning 1994 and is available for full year periods only.

PERFORMANCE DURING DOWN MARKETS***

Cumulative Net Returns

	2000-2002	2008-2009
SAC	Gain of 13.2%	Gain of 6.1%
S&P 500	Loss of 37.6%	Loss of 19.7%

***Supplemental information- see final page for important disclosure

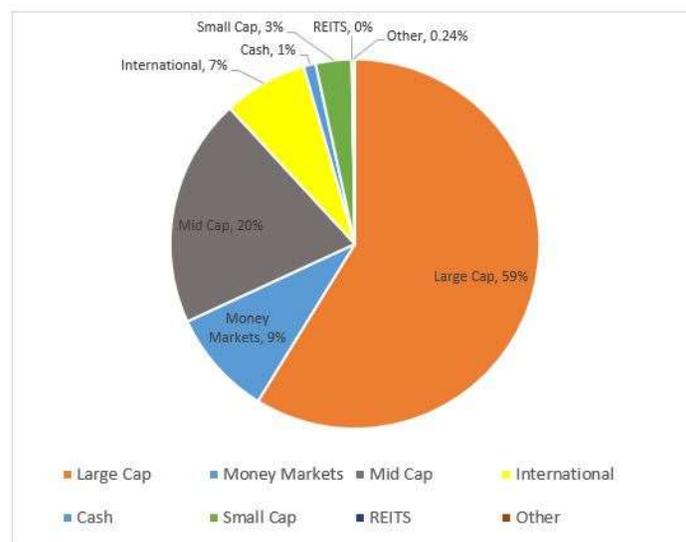
STATISTICAL ANALYSIS***

	as of 12/31/2019		
	Trailing 5 Years [†] SAC	Trailing 10 Years [†] SAC	Since Inception [‡] SAC
Return	12.72%	13.41%	13.66%
Standard Deviation	13.84%	12.19%	12.82%
Sharpe Ratio	0.85	1.05	0.87
Alpha	-0.70%	1.05%	5.85%
Beta	0.99	0.84	0.70

[†]Statistical data in the table above is presented gross of fees.

^{‡‡‡}Supplemental information- see final page for important disclosures.

MARKET CAPITALIZATION OF HOLDINGS***



***Supplemental information- see final page for important disclosure

TOP 10 HOLDINGS

Description as of 12/31/2019	% of Holdings
Enterprise Product Partners	11.94%
Disney	9.76%
JP Morgan	8.20%
Charles Schwab Value Advantage Money Fund	7.84%
Brookfield Asset Management	7.38%
CF Industries	5.86%
Berkshire Hathaway	5.72%
Fox Corp	5.26%
Delta Air Lines	5.22%
Bank of America	4.70%
Total % of Holdings	71.70%

***Supplemental information- see final page for important disclosure

South Atlantic Capital Management Group, Inc. claims compliance with the *Global Investment Performance Standards (GIPS®)*.

See final page for important Disclosures.

DISCLOSURES

1. **South Atlantic Capital Core Equity Composite** contains all fully discretionary accounts invested in equities excluding accounts that use significant leverage. For comparative purposes it 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 typically mid cap and large cap value oriented U.S. equities and ADR's of similar capitalization. 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 may from time to time invest in fixed income securities and various hedges such as gold backed ETF's as conditions warrant. The portfolios are typically invested in 15-25 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 index has over U.S. \$4.83 trillion benchmarked, with index assets comprising approximately U.S. \$1.1 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities and includes the reinvestment of dividends of companies in the S&P 500.
3. **Supplemental Information** provided is based on actual separately managed accounts from South Atlantic's Core Equity Composite that are representative of the firm's investment strategy for this composite. This information is provided as a supplement to the GIPS® compliant presentation.
4. **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® compliant presentations, which are available upon request. Ashland Partners & Co., LLP, our previous independent verifier, verified South Atlantic Capital's compliance on a firm-wide level for the period of January 1, 1992 to September 30, 2016. ACA Performance Services has verified our firm-wide compliance for the period of September 30, 2016 to July 30, 2018. GIPS compliant presentations and lists and descriptions of South Atlantic Capital's composites, by emailing Info@SouthAtlanticCap.com or calling (910) 763-4113.
5. Returns are presented net of management fees, unless noted otherwise, 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 is GIPS compliant presentations 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 referenced in this letter are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk.
6. 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.
7. Past results are not indicative of future investment results. An investor should further understand that future results may result in losses for account holders.
8. South Atlantic Capital's minimum account size is \$250,000.