



VERACITY
CAPITAL

2021 OUTLOOK

POISED FOR GROWTH

Advisory services through Veracity Capital, LLC, a registered investment advisor.

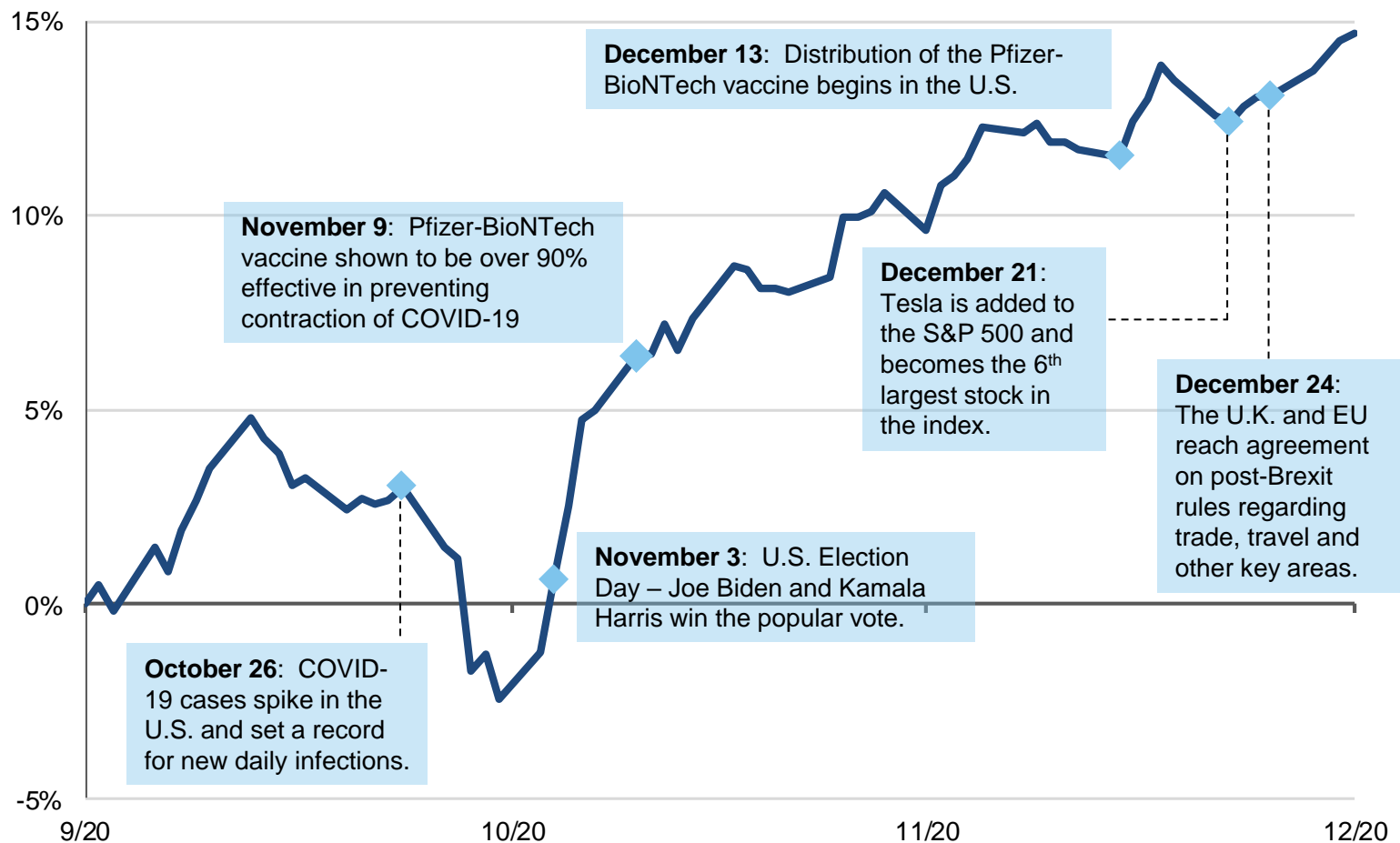
ARE WE TRANSITIONING TO A NEW ECONOMIC REGIME?

Key Observations

- Financial assets produced a remarkable recovery in 2020
- Global economy is poised to achieve strong year-over-year growth
- Maintaining broad diversification remains vital

THE FOURTH QUARTER SPRINT

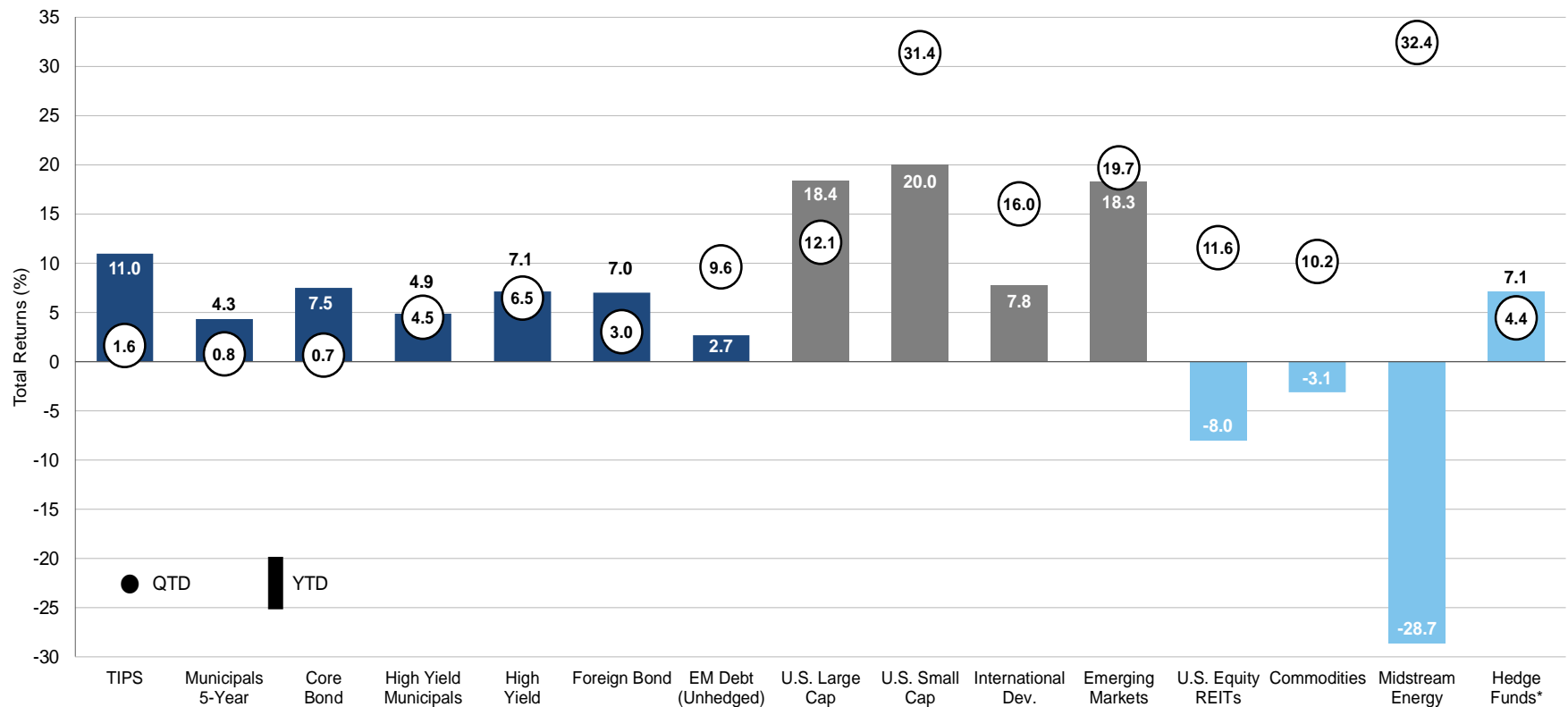
Global Equity Total Return (9/30/20 - 12/31/20)



Source: Bloomberg as of 12/31/20. Global Equity represented by MSCI ACWI Net Total Return USD Index. Past performance does not indicate future performance and there is a possibility of a loss.

ASSET CLASS PERFORMANCE

2020 Annual and Fourth Quarter Returns



*Hedge fund returns are lagged 1 month. Sources: Bloomberg, J.P. Morgan, Russell, MSCI, FTSE Russell, Alerian. Hedge Funds returns as of 11/30/20. All other returns as of 12/31/20.

DRIVERS OF EQUITY PERFORMANCE

Themes and Sectors

S&P 500 vs. NASDAQ vs. International Equities vs. Small Caps

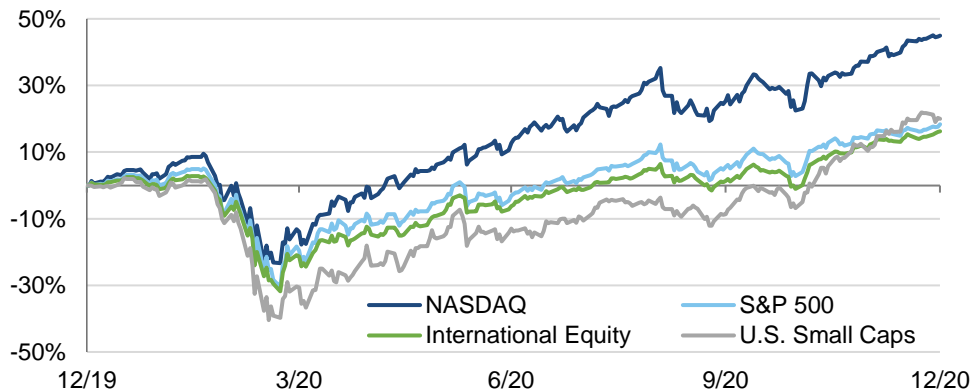


Chart Summary

- While broadly speaking, equities had positive performance on the year. The technology sector was the leader, with a lower drawdown and faster recovery than other broad equity asset classes.

U.S. Equities - Contribution to Return by Sector

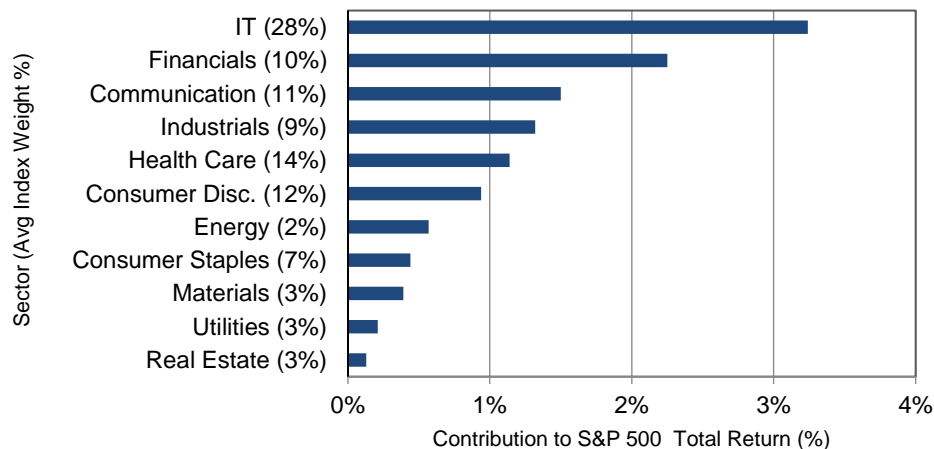


Chart Summary

- In addition to the Technology sector, financial and communications added the most value to S&P 500 Index returns for 2020.

FIXED INCOME MARKETS

Lower Yields

U.S. Treasury Curve

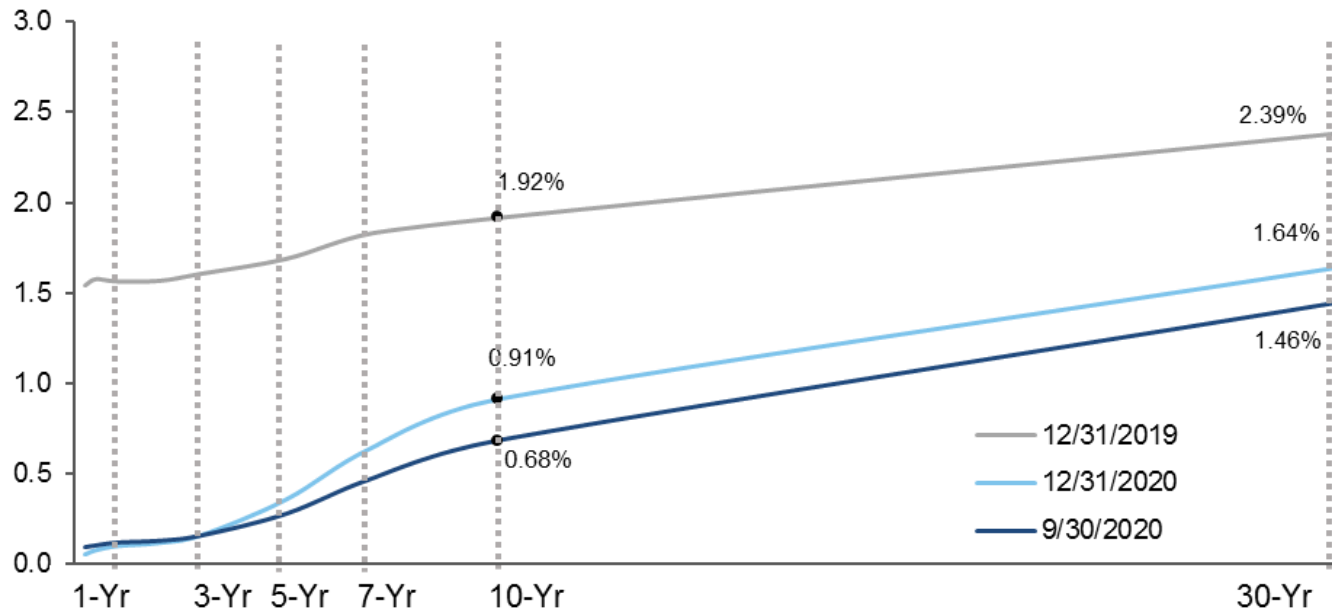


Chart Summary

- The Federal Reserve decreased key short-term interest rates during 2020 in response to worsening economic conditions due to the Covid-19 Pandemic. As shown above in the light blue line, we have seen an increase in rates more recently, indicating higher growth and/or inflation expectations.

REAL ESTATE SECTORS IN 2020

A Wide Range of Returns

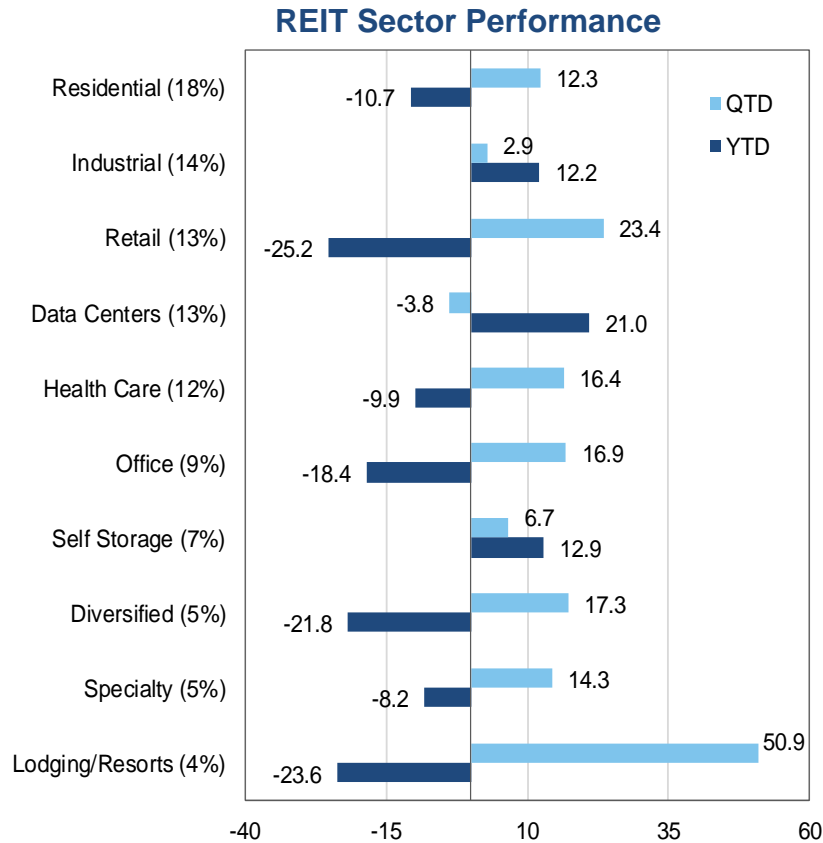


Chart Summary

- Industrial properties represented the strongest real estate sector in 2020.
- Many other sectors have shown signs of recovery in the fourth quarter but are still deep underperforming meaningfully in 2020.
- Real estate and real assets in may play a pivotal part in driving returns for investors, in this low interest rate environment.

GLOBAL ECONOMIC GROWTH UPDATE

A Look at Global GDP

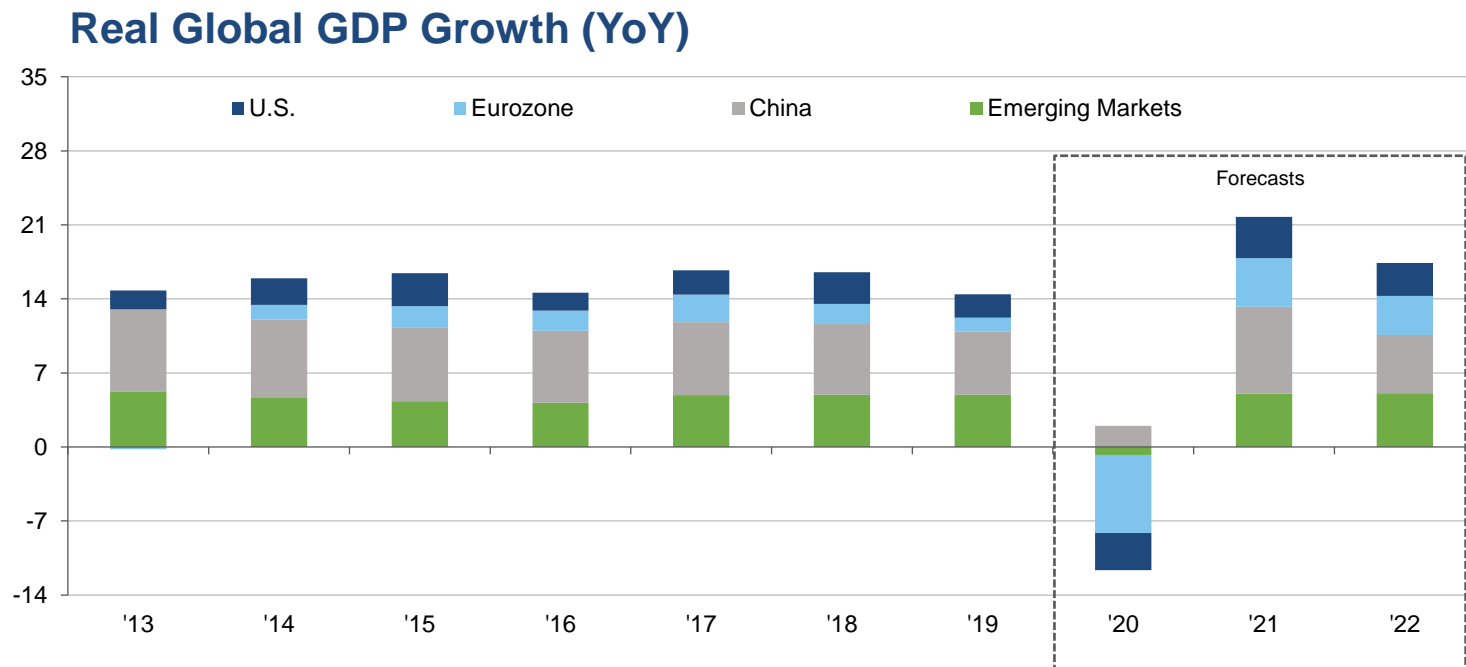


Chart Summary

- In 2020, China was the only major contributor to Global GDP to have positive GDP growth (of ~2%). The US, Eurozone and Emerging Markets are expected to have a strong rebound in 2021 and 2022.

INVESTMENT THEMES FOR 2021

FINANCIAL MARKET CONDITIONS

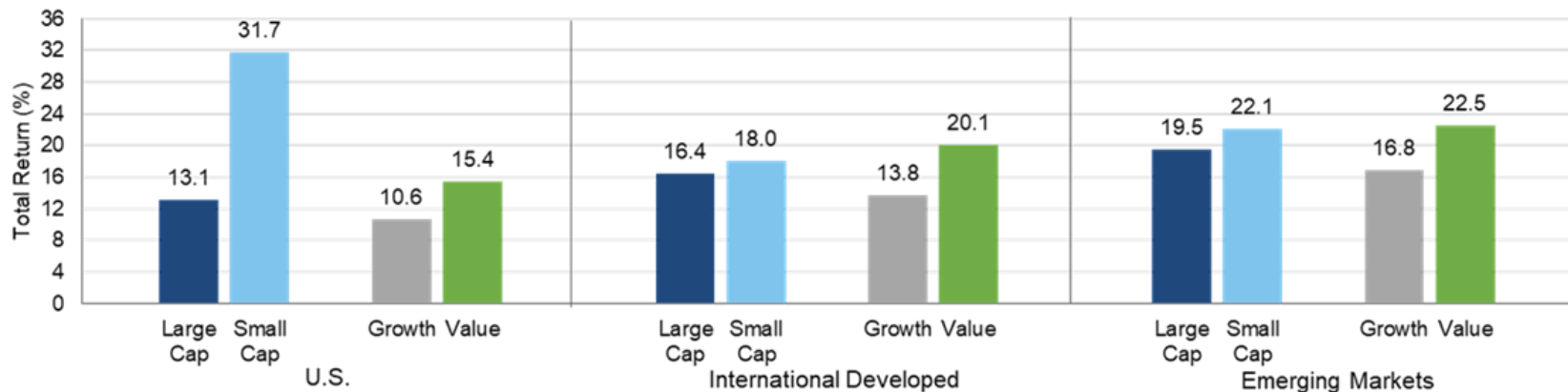
A largely favorable backdrop

- 1** ECONOMIC GROWTH
- 2** MONETARY POLICY
- 3** FISCAL POLICY
- 4** INFLATION
- 5** CURRENCY

1. THE PANDEMIC'S WAKE

Key Observation Beginning 2021 – Q4 2020 Strong Global Equity Performance.

In the fourth quarter of 2020, small cap, international, and value-oriented equities produced substantial returns, improving market breadth heading into 2021.



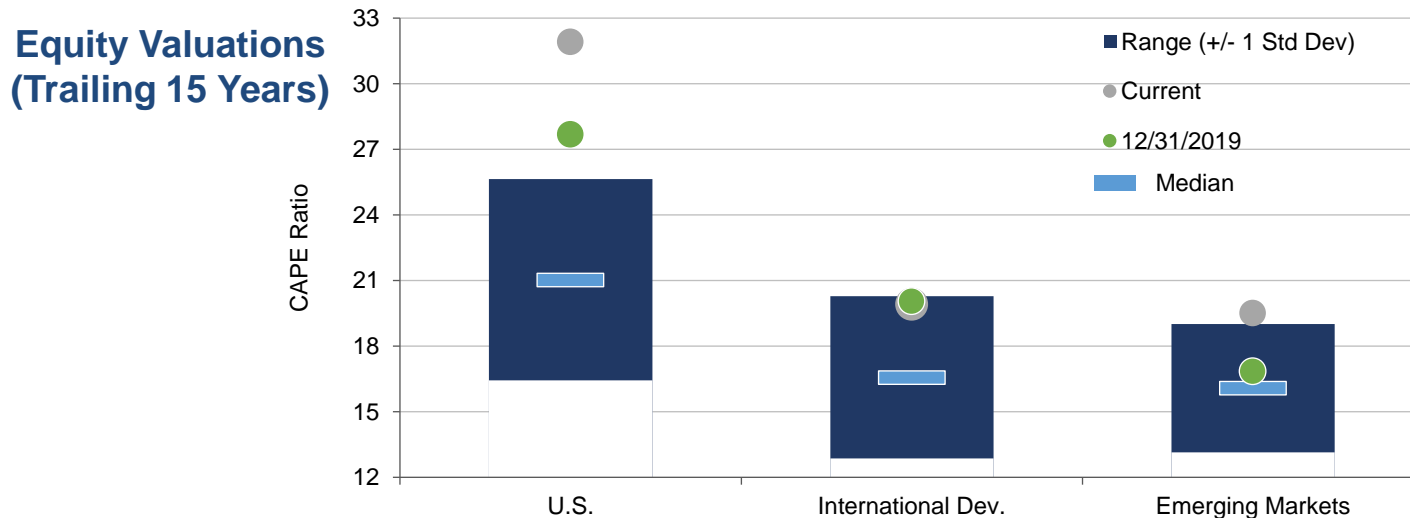
Portfolio impact – Our baseline forecast is that we are early in the next cycle and reaffirms the importance of maintaining broad diversification.

Source: Bloomberg. See disclosures for list of indices representing each asset class. Indices cannot be invested in directly. Performance is reported gross of fees and expenses and assumes the reinvest dividends and capital gains. Past performance does not indicate future performance and there is a possibility of a loss.

2. A CASE FOR GLOBAL EQUITY EXPOSURE

Key Observation Beginning 2021 – Elevated prospects for international developed and emerging market equities.

Relatively more attractive international valuations and the prospects of further U.S. dollar weakness support the prospects of international and emerging market equities.



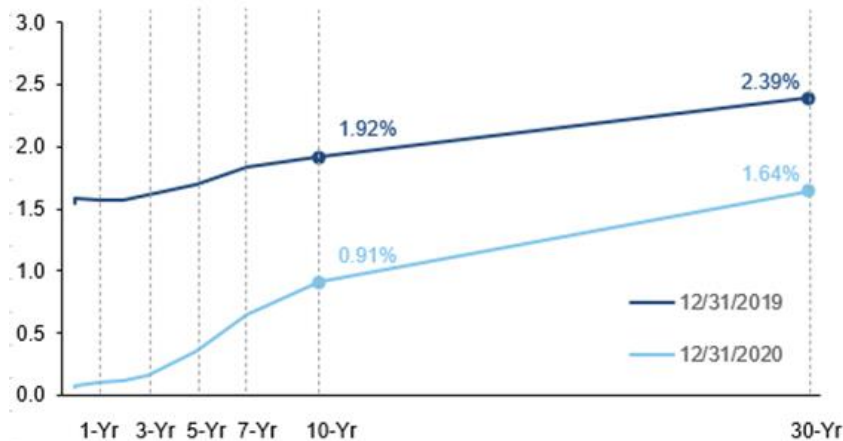
Portfolio impact – Relative valuation advantages persist across equity markets overseas and their compositions posture more favorably.

Source: Bloomberg. Past performance does not indicate future performance and there is a possibility of a loss.

3. OPPORTUNITIES IN A LOW-INTEREST RATE ENVIRONMENT

Key Observation Beginning 2021 – Very modest fixed income return expectations on a go-forward basis.

Low-interest rates and tight credit spreads portend lower forward-looking returns in traditional fixed income



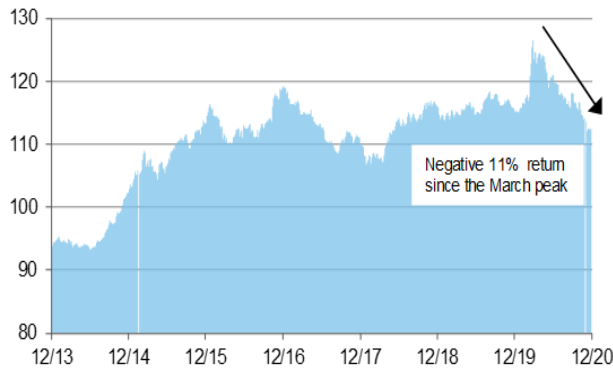
Portfolio impact – Expect nimbleness and selectivity to be key. “Dynamic” bond mandates can have a role to play.

Source: Bloomberg. Past performance does not indicate future performance and there is a possibility of a loss.

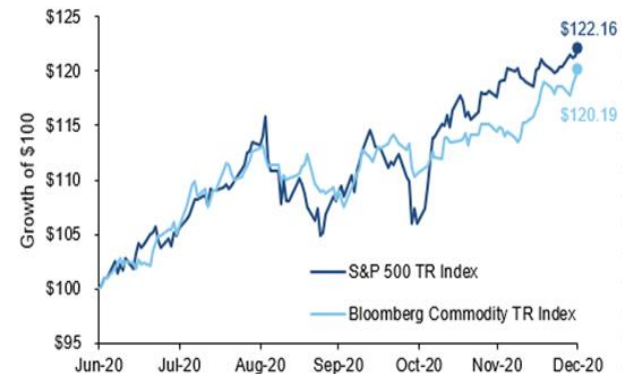
4. RETURNS FROM REAL ASSETS

Key Observation Beginning 2021 – Inflation measures have remained stubbornly low.

Fiscal policy, in coordination with existing monetary policy, put downward pressure on the U.S. dollar which benefitted commodity prices in the second half of 2020.



Source: Federal Reserve based on H.10 exchange rate data.

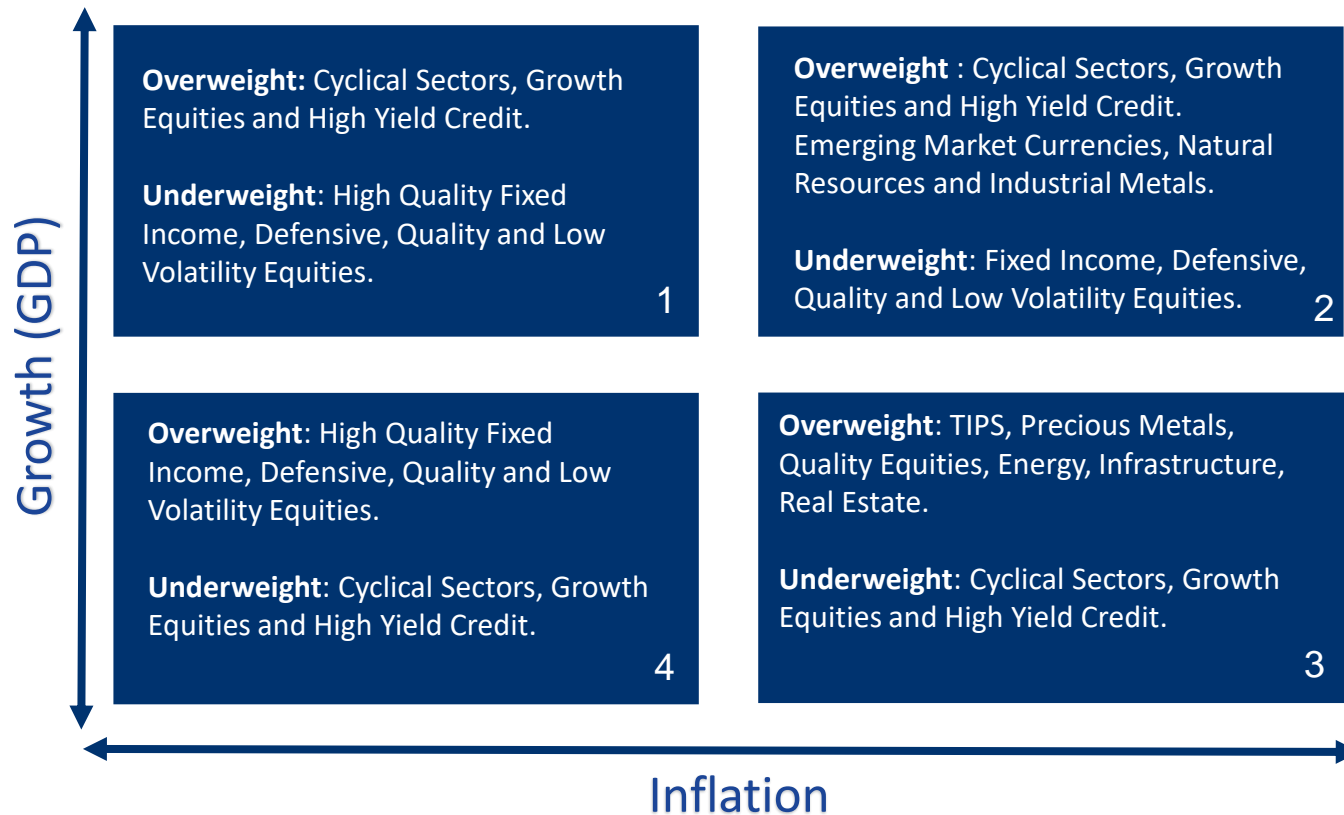


Source: Bloomberg.

Portfolio impact – Fiscal and monetary support may finally spur inflation in commodities and real assets. A diversified portfolio should include a thoughtful allocation to tangible assets.

Past performance does not indicate future performance and there is a possibility of a loss.

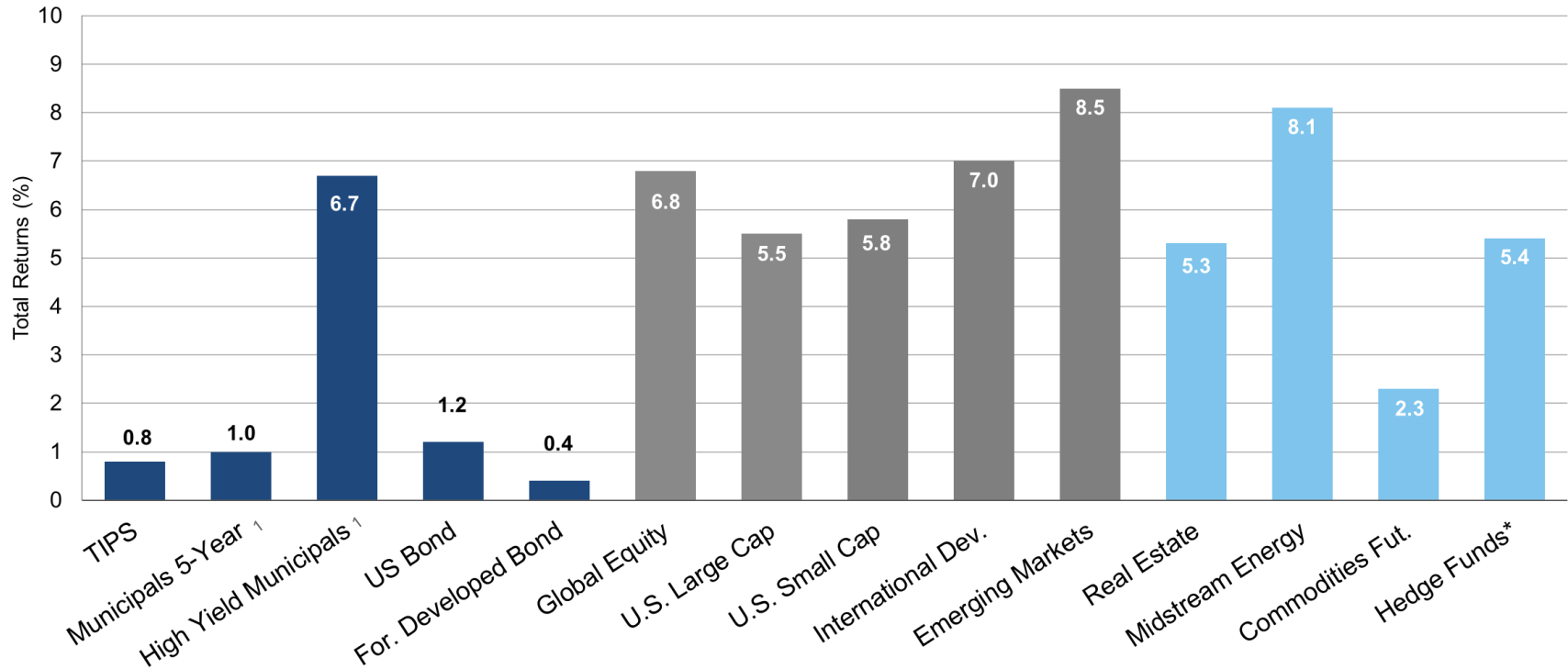
ECONOMIC GROWTH AND INFLATION PLAYBOOK



This playbook is a guide to investing through different market environments, with slowing or rising growth and inflation.

Tracking the trend of inflation and GDP can provide valuable insight into the asset classes that have historically performed well.

10-Year Asset Class Return Forecast



These return forecasts are based on our capital market assumptions and to be used as a long-term view of potential returns. For more information on expect returns and volatility, please contact your Veracity Capital Advisory Team.

¹Tax equivalent yield based on highest marginal tax rate (37%).

*Represents Hedge Fund of Funds/Multistrategy

A CAUTIOUS BUT CONSTRUCTIVE VIEW

The Big Picture and Playbook Notes

- Cash: Remains an expensive opportunity cost.
- Bonds: Flexible mandates are preferred as increasing credit, duration or liquidity risk may enhance yields.
- Global Equities: Markets are showing signs of confidence, improving earnings and macro tailwinds.
- Real Assets: Remain an important diversifier.
- Midstream return assumptions are down materially as the asset class has appreciated dramatically off the COVID-induced (March) lows. We expect the asset class to remain volatile in 2021.
- Review your portfolio allocation, drawdown risks and liquidity to ensure you're properly positioned.

DISCLOSURES

Past performance is no guarantee of future returns. This is Veracity Capital's current assessment of the market and may be changed without notice. The visuals shown are for illustrative purposes only and do not guarantee success or certain level of performance. This material contains projections, forecasts, estimates, beliefs and similar information ("forward looking information"). Forward looking information is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified herein.

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Indices used to generate historical risk and return metrics	Most Recent Index	Index Dates		Linked Index 1	Index Dates		Linked Index 2	Index Dates		Linked Index 2	Index Dates	
Cash	FTSE Treasury Bill 3 Mon USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
ST Bonds	BBgBarc US Govt/Credit 1-3 Yr TR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
TIPS	BBgBarc US Treasury US TIPS TR USD	11/20	- 3/97	BBgBarc USAgg Bond TR USD	2/97	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Muni Bond	BBgBarc Municipal 5 Yr 4-6 TR USD	11/20	- 1/88	BBgBarc USAgg Bond TR USD	12/87	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Muni High Yield	BBgBarc HY Muni TR USD	11/20	- 11/95	BBgBarc Municipal 5 Yr 4-6 TR USD	10/95	- 1/88	BBgBarc USAgg Bond TR USD	12/87	- 1/79	N.A.	N.A.	- N.A.
US Bond	BBgBarc US Agg Bond TR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
US Bonds - Dynamic	BBgBarc US Agg Bond TR USD	11/20	- 2/90	BBgBarc USAgg Bond TR USD	1/90	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
For. Dev. Bond	50%CMWGB NonUSD Hdq 50%CMWGB NonUSD	11/20	- 1/85	BBgBarc USAgg Bond TR USD	12/84	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
HY Bond	BBgBarc US Corporate High Yield TR USD	11/20	- 7/83	BBgBarc USAgg Bond TR USD	6/83	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
EM Bond	JPM GBI-EM Global Diversified TR USD	11/20	- 1/03	JPM EMBI Global Diversified TR USD	12/02	- 1/94	BBgBarc US Corporate High Yield TR USD	12/93	- 7/83	BBgBarc USAgg Bond TR USD	6/83	- 1/79
Bank Loans	S&P/LSTA Leveraged Loan TR	11/20	- 12/96	BBgBarc US Corporate High Yield TR USD	11/96	- 7/83	BBgBarc USAgg Bond TR USD	6/83	- 1/79	N.A.	N.A.	- N.A.
Global Bonds	BBgBarc Global Aggregate TR Hdq USD	11/20	- 2/90	BBgBarc USAgg Bond TR USD	1/90	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Global Equity	MSCI ACWI GR USD	11/20	- 1/88	S&P 500 TR USD	12/87	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
US Equity (AC)	Russell 3000 TR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
US Equity (LC)	S&P 500 TR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
US Equity (MC)	Russell Mid Cap TR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
US Equity (SC)	Russell 2000 TR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Non-US Equity (ACWI)	MSCI ACWI Ex USA GR USD	11/20	- 1/88	MSCI EAFE GR USD	12/87	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Int'l Dev. Equity	MSCI EAFE GR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
EM Equity	MSCI EM GR USD	11/20	- 1/88	MSCI EAFE GR USD	12/87	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Real Estate	Wilshire US RESI TR USD	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Broad Real Assets	*Custom Real Assets Index	11/20	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Midstream Energy	Alerian MLP TR USD	11/20	- 1/96	BCI+AGG-CASH	12/95	- 1/91	BCI+AGG-CASH	12/90	- 1/79	N.A.	N.A.	- N.A.
Commod. Fut.	BCI+TIPS-CASH	11/20	- 3/97	BCI+AGG-CASH	2/97	- 1/91	BCI+AGG-CASH	12/90	- 1/79	N.A.	N.A.	- N.A.
Global Infrastructure	DJ Brookfd Global Infra TR USD	11/20	- 2/03	Alerian MLP TR USD	1/03	- 1/96	Wilshire US RESI TR USD	12/95	- 1/79	N.A.	N.A.	- N.A.
HFoF Multi-Strat	HFRI Fund of Funds Composite USD	11/20	- 1/90	HFRI Hedge Fund Aggregate Average	12/89	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.
Private Equity	Cambridge PE 67% Buyout vs. 33% Venture	11/20	- 4/86	Russell 2000 TR USD	3/86	- 1/79	N.A.	N.A.	- N.A.	N.A.	N.A.	- N.A.

DISCLOSURES

Index	Country	Asset Class
S&P 500 Total Return Index	U.S.	Large Cap
Russell 2000 Total Return Index	U.S.	Small Cap
Russell 3000 Growth TR Index	U.S.	Growth
Russell 3000 Value TR Index	U.S.	Value
MSCI EAFE Large Cap Net Total Return USD Index	International Developed	Large Cap
MSCI EAFE Small Cap Net Total Return Total Return USD Index	International Developed	Small Cap
MSCI World ex USA Growth Net Total Return USD Index	International Developed	Growth
MSCI World ex USA Value Net Total Return USD Index	International Developed	Value
MSCI Emerging Markets Large Cap Net Total Return USD Index	EM	Large Cap
MSCI Emerging Markets Small Cap Net Total Return USD Index	EM	Small Cap
MSCI Emerging Markets Growth Net Total Return Index	EM	Growth
MSCI Emerging Markets Value Net Total Return Index	EM	Value

Benchmarks: The index / indices used by Veracity Capital have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized indices. Indices are not available for direct investment, are unmanaged and do not incur fees or expenses. Detailed information regarding the indices is available upon request. The volatility of the indices may be materially different than that of the portfolio.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Not FDIC insured. All investment strategies have the potential for profit or loss.

Historical data may use proxies to represent investments and asset classes. These proxies may have holdings and performance that vary from the investments or asset classes over time. Proxies include but are not limited to: