SMHCA Core Plus Model Portfolio*

As of 4/30/2023

	SMHCA Core Plus	Barclays Capital Mortgage (75%) / ICE BofA Merrill Lynch U.S. High Yield Cash Pay Index (25%) ("Blended Index")	Barclays Aggregate Index	SMHCA Compared to Blended Index	SMHCA Compared to Agg Index
Initial Investment	$1,000,000	$1,000,000	$1,000,000		
Current Yield	4.69%	4.01%	3.08%	0.68%	1.60%
Annual Income	$46,874	$40,063	$30,830	$6,811.04	$16,044.50
Weighted Yield to Maturity	5.31%	5.46%	4.35%	-0.15%	0.95%
Weighted Yield to Worst	5.37%	5.45%	4.35%	-0.08%	1.02%
Average Maturity	9.30	6.92	8.50	2.37	0.80
Modified Duration	7.76	5.68	6.50	2.08	1.26
Average Rating of Bonds	AA+/Aa2				

ASSET ALLOCATION

AAA Rated	75.0%
High Yield Bonds	20.9%
High Yield Convertible Bonds	2.5%
Cash	0.0%
Total	98.38%

*SMHCA model is designed to show potential yield and not total return.

Platform Program

For Professional Use Only – Not for Distribtion

Definitions, Risks, and Additional Information

Disclosure

Past Performance is not indicative of future results.
SMH Capital Advisors LLC claims compliance with the Global Investment Performance Standards (GIPS®). SMH Capital Advisors LLC is a Registered Investment Advisor and alternative asset manager that provides a range of investment strategies, with an emphasis on fixed income. Request Form ADV Part 2A for a complete descriptionof SMH Capital Advisors LLC's management services. Market and economic factors can change rapidly producing materially different returns. No inference should be drawn that managed accounts will be profitable in the future or that the Investment Team will be able to achieve its objectives. Investing involves risk, you may experience a profit or a loss. Please be aware of the specific risks associated with investing high yield bonds, such as the issuer may not be able to meet its principal and interest obligations. As such, your investments may lose value, or you may lose the principal investment.

Model Disclosure
It can take from 30-90 days to fully invest a client's portfolio. Our model portfolio statistics are based on what SMHCA is attempting to execute for new accounts; actual execution and realization of those goals is dependent upon numerous factors including availability of bonds at the quoted prices in the marketplace. Model statistics and results do not represent actual trading and do not reflect the impact of material economic and market factors that might impact an adviser's decision in the actual management of client accounts. The maturity of the model portfolio stated is assuming that all bonds in the model will reach their final maturity. The annual income assumes that all issuers in the model are able to make interest payments, but actual interest payments cannot be predicted. Market and economic factors can change rapidly producing materially different returns. No inference should be drawn that managed accounts will be profitable in the future or that the Investment Team will be able to achieve its objectives. Credit Ratings are quoted for the "Model Portfolio". Model statistics do not reflect actual client portfolios. The model statistics do not reflect the deduction of fees. Advisory fees can lower the statistics shown by up to 200 basis points which is the model fee for this strategy.

Definitions of Terms on Model
"Initial Investment" – beginning cash deposited into account. **"Current Yield"** – annual income (interest from bonds) divided by the current price of the securities. **"Income"** – interest to be paid by the bond issuers to the bondholders on a specified schedule. **"Par Value"** – value of the account if all the current securities could be sold at par at once. **"Yield to Maturity" (YTM)** – rate of return anticipated on a bond if it is held to the maturity date. **"Weighted Yield to Maturity"** – YTM that has been adjusted to reflect the proportionate percentage of the securities within the portfolio. **"Weighted Yield to Worst"** – calculated similarly to weighted YTM but takes into effect the worst possible bond repayment scenario (lowest quoted yield). **"Average Maturity"** – average interval between the date on the sample portfolio and the maturity dates of all the bonds in the sample portfolio. **"Weighted Average Maturity"** – average maturity that takes into account the proportional relevance of each component, rather than treating each component equally. **"Modified Duration"** – measurable change in the value of a security in response to a change in interest rates. **"Weighted Modified Duration"** – duration that takes into account the proportional relevance of each component, rather than treating each component equally. **"Average Rating of Bonds"** – rating of the bonds within the sample portfolio averaged together, respectivelyby S&P and Moody's. S&P Credit Ratings and Moody's Credit Ratings are financial service companies that rate stocks, as well as corporate and municipal bonds, according to risk profiles. For more information on S&P Credit Ratings please see – www.standardandpoors.com. For more information on Moody's Credit Ratings, please see – www.moodys.com. For the unrated AAA implied bonds within some of the SMHCA strategies, SMHCA uses the rating for the underlying agency of the bonds when calculating an average.

Index
The indices are used for comparison and illustration only. An index is a hypothetical portfolio of securities, the performance of which is often used as a benchmark in judging the relative performance of securities. The performance of indices listed does not take into account any taxes imposed on or any fees, expenses, commissions or other charges that may be incurred by portfolio management or the investor for such a portfolio. Such information was obtained from sources believed to be accurate, but no warranty is made as to the accuracy or completeness thereof. Primary composite benchmarks are defined in GIPS Presentations.

The blended benchmark for the SMHCA Diversified Income and SMHCA Socially Responsible Diversified Income Strategies is a 65/35 blend of the Barclays Capital Mortgage Backed and the ICE BofA Merrill Lynch US High Yield Cash Pay indices, calculated monthly.
ICE BofA Merrill Lynch US High Yield Cash Pay Index: an index consisting of all domestic and Yankee high yield bonds with a minimum outstanding amount of $100 million and maturing over 1 year. The quality range is less than BBB-/Baa3 but not in default (DDD1 or less). Split rated issues (investment grade by one rating agency and high yield by another) are included in this index based on the bond's corresponding composite rating.
Barclays Capital Mortgage-Backed Index: covers the mortgage-backed pass-through securities of Ginnie Mae, Fannie Mae, and Freddie Mac.

Investment Strategy Risks
Investing in securities involves risk of loss that clients should be prepared to bear. SMHCA is a value-oriented investment adviser that specializes in fixed income management. However, SMHCA also offers advice on equity securities, including exchange-listed, over-the-counter, and foreign issuer securities; warrants; corporate debt securities; commercial paper; certificates of deposit; municipal securities; investment company securities, including variable life insurance, variable annuities, and mutual fund shares; Unites States government securities; high yield corporate bonds; and collateralized mortgage obligations ("CMOs").

Collateralized Mortgage Obligations (CMOs):
(SMHCA Diversified Income and SMHCA Socially Responsible Diversified Income). There are specific risks associated with investing in high yield bonds and CMOs. An Investor's Guide to CMOs, outlining the characteristics and risks of CMOs and important issues to consider prior to investing in CMOs is available upon request. This section discusses some of the specific risks inherent in high yield bonds and CMOs, but is not intended to be all-inclusive of such risks. For example, a bond issuer may not be able to meet its principal and interest obligations. In addition, CMOs carry interest rate and prepayment risks and, as such, an investment may lose value. Fluctuations in interest rates may increase or decrease the return of a portfolio. CMOs carry interest rate and prepayment risks although they have an implied AAA-rating (investment grade). This rating however is subject to upgrades and downgrades based on the credit rating of US Government debt. Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates (known as duration extension risk). In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce returns because SMHCA then has to reinvest the money at the lower prevailing interest rates.

High Yield Corporate Bonds: High yield bonds may not be suitable for all clients. As a result of SMHCA's investment in high yield securities and unrated securities of similar credit quality, a portfolio may be subject to greater levels of interest rate, credit and liquidity risk than portfolios that do no invest in such securities. High yield securities are considered predominantly speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for high yield securitiesand reduce SMHCA's ability to sell them without potentially significant price concessions. If the issuer of a security is in default with respect to interest payments or principal payments, the security may lose its entire value. A convertible bond is a corporate bond that can be exchanged by the holder into a pre-determined number of shares of the issuer's common stock.

Economic Uncertainty/Asset Class Cyclicality: Opportunities in the high yield bond market vary with economic and liquidity conditions and therefore client expectations should be realistic. As perceived deterioration or improvement of the economy occurs, yield spreads over higher quality issues increase or decrease. The combination of spreads (yields) and trading gains or losses result in realized returns which may be above or below investors' expectations. Clients must understand that SMHCA's investment approach can go in and out of favor for several years at a time.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, based on a lack of dealers and traders in the marketplace. Investments in illiquid bonds may reduce a client's return if SMHCA is unable to sell such illiquid securities at an advantageous time or price. Many of the holdings trade over-the-counter and the trading volume in some is relatively low. A client should not expect to get same day liquidity as in listed securities. The sooner the client wants his/her cash, the more detrimental it may be to execute prices. Market values may be volatile in periods of market illiquidity. Depending on the size of the account, a liquidating client often may not receive the full market value of recently priced securities because illiquid securities price less accurately and are typically valued for larger size transactions.

Volatility Caused by Concentration of Holdings: As more names, or diversification, are added to a portfolio, credit risk decreases while systematic risk (correlation with the market) increases. SMHCA's objective is to provide less systematic risk than an index type manager and 'alpha' over a complete cycle. Less names, or a more concentratedportfolio, can bring increased volatility on the upside and downside versus the index or the average high yield mutual fund which might typically hold hundreds of different bonds. SMHCA's fixed income strategies may not be suitable for all clients, and generally should only be a part of the client's total invested assets. Each client should review the client's investment objectives, risk tolerance, tax objectives, and liquidity needs before selecting an investment style or manager. In making an investment decision, a client should utilize other information sources and the advice of their investment professional. All investments carry a certain degree of risk and no one particular investment style or manager is suitable for all types of investments.

AAA Process

(SMHCA Diversified Income, SMHCA Socially Responsible Diversified Income, SMHCA AAA): The AAA or the AAA implied bonds purchased will reflect the current credit rating of the United States Government; subject to changes or upgrades or downgrades in ratings. The AAA implied portion of the portfolio is comprised of Collateralized Mortgage Obligations (CMOs). CMO interest payments are guaranteed by the respective government enterprises, Freddie Mac (FHLMC) and Fannie Mae (FNMA). Agency (or Government Sponsored Enterprise (GSE)) bonds are not normally rated. GSE bonds are not explicitly backed by the full faith and credit of the U.S. Government, but they have implied government backing and an implied Aaa/AAA rating. As of September 7, 2008, FNMA and FHLMC are currently under conservatorship of the Federal Housing Finance Agency and have received financial assistance from the U.S. Treasury. Please request an Investor's Guide to Mortgage Backed Securities and Collateralized Mortgage Obligations (CMOs) for more information.

Additional Disclosure

This document is not intended as and does not constitute an offer to sell or solicit any person to purchase securities. This does not take into consideration the financial objective, risk profile or tax situation of individuals. Individuals are encouraged to discuss SMHCA with their financial advisor to decide if it is right for them. Request Form ADV Part 2A for a complete description of SMHCA management services. Management does not expect to hold all, if most bonds to full maturity. As trading opportunities exist, managers will attempt to maximize the total return over time while maintaining the established risk parameters. High yield bonds rated BB or lower involve greater risks and may not be suitable for all investors. The investment strategy will have prescribed asset allocation ranges in which the manager can allocate the assets. Within these ranges, the manager may have discretion to underweight or overweight allocations to asset classes from a risk perspective. There is no assurance that its decisions in this regard will be successful when the manager determines to do so. This could have a material adverse effect on the ability to implement this portfolio strategy.