

Mega Cap Equity

December 31, 2019



FIRM INFORMATION

- Founded in 1992
- 100% Employee-Owned
- 10 Total Employees
- Headquarters in Newport Beach, CA

INVESTMENT TEAM

Senior team has an average of 33 years investment experience.

Gregory Lai, CFA Lead Portfolio Mgr & CEO
B.S. (UCLA); M.B.A. (UCI)

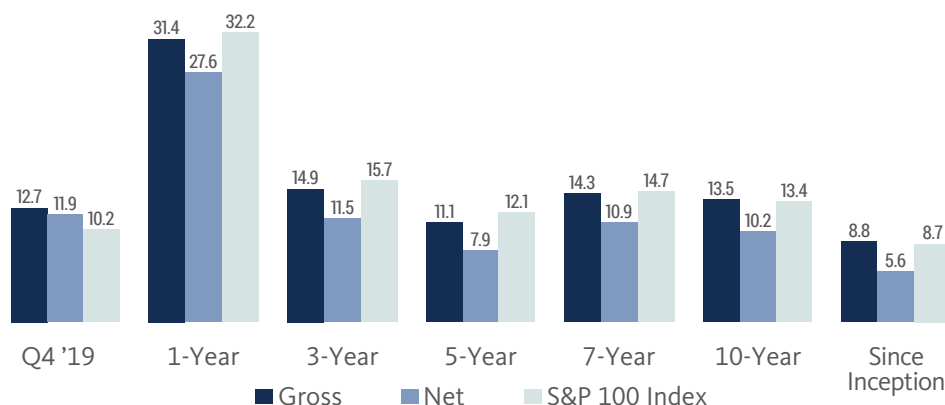
Iman Movahed Sr. Portfolio Manager
B.A. (UCLA), M.A. (Boston University)
M.B.A. (UCLA)

Michael Petrino Sr. Portfolio Manager
B.A. (Amherst) M.B.A. (University of Chicago)

INVESTMENT APPROACH

- Stocks are ranked based on a multi-factor model that includes valuation, improving fundamentals, and momentum.
- Stocks ranked in the top quartile are selected from within 15 Affinity-defined sectors.
- Control for risk factors relative to the benchmark, including sector neutrality, market capitalization, etc.
- Alpha is generated almost entirely from stock selection.

PERFORMANCE BY PERIOD



Past performance is not indicative of future results. Periods less than year are not annualized. Composite inception date is 12/31/2006. All results are dollar denominated. Returns include the reinvestment of dividends and income. Performance shown is for Mega Cap Wrap Composite and Net of Fee assumes Wrap Fees. This information is supplemental to the Composite Disclosures on the back. Individual results may vary.

CHARACTERISTICS

Portfolio Characteristics	Strategy	Index
1-Yr Forward P/E (x)	15.0	18.4
Proj 5-Yr EPS Growth Rate (%)	8.4	10.2
Earnings Est: % Rising	59.0	53.5
Price / Book (x)	4.0	4.3
Dividend Yield (%)	2.4	1.9
Average Market Cap (\$B)	389.9	405.2
Active Share (%)	57.7	—
5-Year Avg Turnover (%)	29.2	—
Number of Securities	39	101
Risk Characteristics (3-Yr Ann)	Strategy	Index
Std Dev	12.6	12.2
Sharpe Ratio	1.0	1.1
Tracking Error (%)	2.7	—

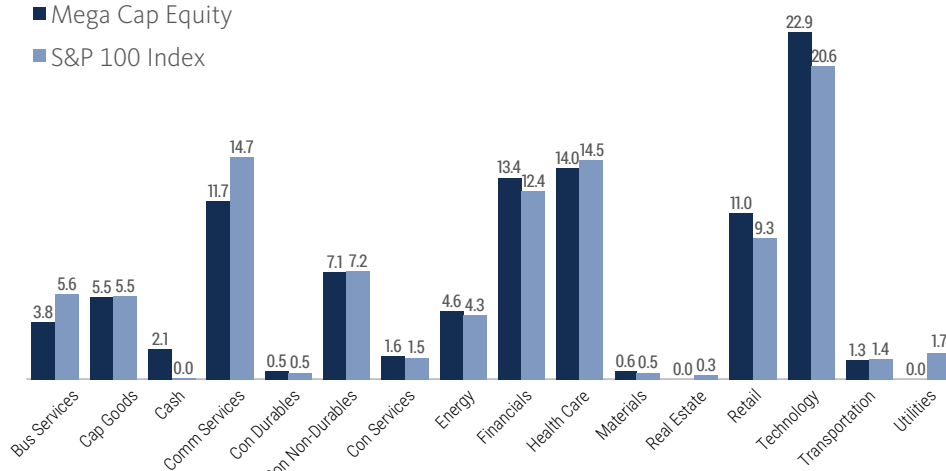
Source: Thomson Reuter Analytics, Morningstar Direct & Affinity Investment Advisors. This information is supplemental to the Composite Disclosures on the back.

TOP 10 HOLDINGS

Microsoft	9.0%
Apple	8.9%
JPMorgan Chase	6.4%
Alphabet Class A	4.8%
Bank of America	3.5%
Philip Morris International	3.2%
UnitedHealth Group	3.1%
Home Depot	2.9%
Chevron	2.8%
Altria Group	2.7%

MEGA CAP EQUITY SECTOR PROFILE

- Mega Cap Equity
- S&P 100 Index



Data may not equal 100% due to rounding.

Source: Affinity Investment Advisors. This information is supplemental to the Composite Disclosures on back. Provided for informational purpose only and should not be deemed as a recommendation to buy or sell securities shown above. The reader should not assume that an investment in the securities identified was or will be profitable. Subject to change daily.

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IMPORTANT DISCLOSURES

Risk Considerations

There is no assurance that a separately managed account will achieve its investment objective. Separately managed accounts are subject to market risk, which is the possibility that the market values of securities owned will decline and that the value of the shares may therefore be less than what you paid for them. Accordingly, you can lose money investing in a separately managed account. Please be aware that this strategy may be subject to certain additional risks.

Equity. In general equity securities' values also fluctuate in response to activities specific to a company.

Concentration. The strategy may also focus its investments on certain industries and/or sectors, thereby increasing its vulnerability to any single industry/sector or regulatory development. As a result, the strategy's returns may be considerably more volatile.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market. A separately managed account may not be suitable for all investors. Please consider the investment objectives,

risks and fees of the strategy carefully before investing. A minimum asset level is required. For important information about the investment manager, please refer to Form ADV Part 2.

Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. This material does not constitute an offer to buy or sell any financial instrument or to participate in any trading strategy.

WRAP COMPOSITE DISCLOSURES

Year	Gross Composite Return* (%)	Net Composite Return (%)	S&P 100 Index Return(%)	Composite 3 yr. Ex-Post Standard Deviation (%)	S&P 100 3 yr. Ex-Post Standard Deviation (%)	Weighted Average Standard Deviation (%)	Number of Accounts	Market Value (\$M)	Firm Assets (\$M)
2019	31.40	27.60	32.24	12.65	12.24	N/A	<5	0.3	337
2018	(7.40)	(10.16)	(3.87)	10.97	10.96	N/A	<5	0.3	673
2017	24.55	20.93	21.95	10.29	10.45	N/A	<5	0.3	978
2016	8.35	5.16	11.37	10.61	10.95	N/A	<5	0.3	1,235
2015	3.23	0.18	2.63	10.74	10.94	N/A	<5	0.3	1,233
2014	13.82	10.49	12.77	9.56	9.03	N/A	<5	0.2	1,109
2013	31.77	27.96	30.38	12.08	11.58	N/A	<5	0.2	840
2012	15.94	12.55	16.05	15.40	14.96	N/A	<5	0.2	896
2011	4.76	1.67	3.13	18.11	18.40	N/A	<5	0.1	791
2010	14.99	11.62	12.50	21.22	21.15	N/A	<5	0.3	727

*Gross returns are supplemental to net returns as they are not reduced by transaction costs or commissions

**On May 1, 2007, Morgan Stanley Investment Management (MSIM) acquired all of the assets of Affinity Investment Advisors, LLC (Affinity). Returns for the period May 1, 2007 to May 31, 2010 represent the accounts managed by the Affinity investment team members while employed by MSIM. On June 1, 2010, MSIM sold part of its investment management business to Invesco Ltd. (Invesco). Returns for the period June 1, 2010 to October 31, 2010 represent the accounts managed by the Affinity investment team members while employed by Invesco. Substantially all of the investment decision makers were employed by MSIM and Invesco and there was no change to the investment decision-making process.

The Mega Cap Equity Wrap Composite contains fully discretionary mega cap equity wrap accounts. The composite strategy seeks superior returns relative to the S&P 100 Index by employing a time-tested quantitative strategy with a fundamental overlay. The creation date of this composite was December 31, 2006. For the period March 1, 2010 through March 31, 2010, the composite comprised of one non-wrap account. For the period December 31, 2006 to February 28, 2010 and beginning April 1, 2010, wrap fee accounts make up 100% of the composite.

Affinity claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS

standards. Affinity has been independently verified for the period July 1, 1992, through December 31, 1992, by BDO Seidman and the periods January 1, 1993, through April 30, 2007 and November 1, 2010 through December 31, 2016 by Ashland Partners & Company LLP. For the period January 1, 2017 to December 31, 2018, Affinity has been independently verified by ACA Performance Services, LLC. MSIM has been independently verified for the period May 1, 2007 through May 31, 2010 by Ernst & Young LLP. Invesco has been independently verified for the period June 1, 2010 through October 31, 2010 by Ernst & Young LLP.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Mega Cap Equity Wrap composite has been examined for the period January 1, 2007 through April 30, 2007 and November 1, 2010 through December 31, 2018. The verification and performance examination reports are available upon request.

Affinity Investment Advisors, LLC is a registered investment adviser as defined by the 40 Act. The firm's list of composite descriptions is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns presented include the reinvestment of all income. Gross returns for wrap fee portfolios are gross of all fees and transaction costs. For the period March 1, 2010 through March 31, 2010, a non-wrap-fee portfolio was included in this composite and gross returns for that portfolio was reduced by transaction costs. Wrap accounts pay an all-inclusive fee. This fee includes all charges for trading costs, portfolio management, custody, and other administrative fees. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Net composite returns are reduced by the maximum of 0.25% per month (3% per annual). The annual composite dispersion presented is an asset-weighted standard deviation calculated for the constituents in the composite managed for the entire calendar year. Policies for valuing portfolios, calculating performance and preparing compliance presentations are available upon request.

The current management fee schedule for the Mega Cap Equity product is as follows:
0.65% on the first \$5,000,000
0.60% on the next \$20,000,000
0.50% on the next \$25,000,000
0.45% on the next \$50,000,000
0.40% on excess over \$100,000,000