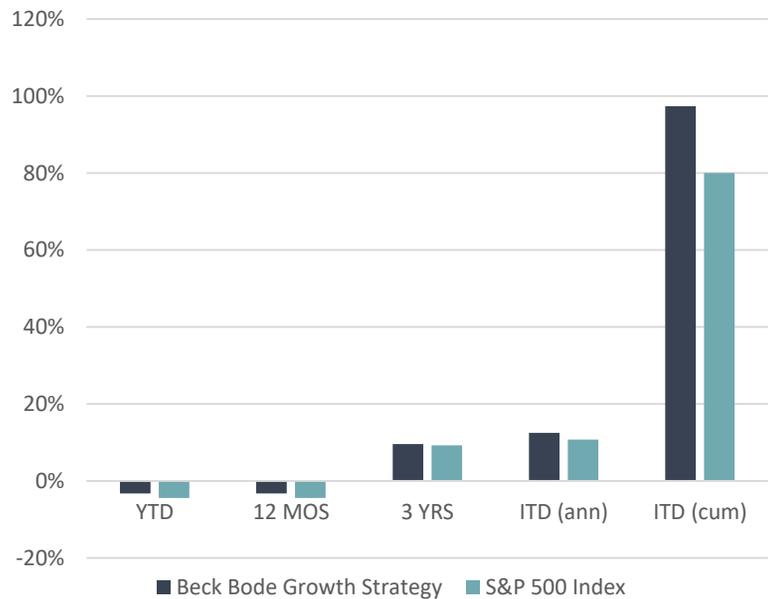


Q 4 2018 COMMENTARY & YEAR END REVIEW
2018 MARKET RECAP

The markets offered a wild ride in 2018, providing strong opportunities for growth throughout the first three quarters of the year, and giving it all back in the fourth quarter. Despite a challenging 4th quarter, what we know is that the market has withstood many corrections of this type, exceeding 10% or more, then shifting back into a more 'normalized' environment. What might be more interesting about this time period is how good the market looks right now, with rates still at historical lows and company data strong across a wide variety of measures. Coming on the heels of a several year equity run, it should surprise no one that a correction was inevitable despite strong company fundamentals across most sectors. And when we are inside of a correction, they all feel like 2008, However they are not all the same and Q4 2018 is a good example of this with company fundamentals indeed positive, earnings estimates being revised upwards in many cases throughout the year.

BECK BODE GROWTH STRATEGY*


In terms of activity within various segments of the market, there was significant divergence between asset class and cap weight performance for the year. At Beck Bode, we are cap weight agnostic in our investment approach, focusing on the best ideas we can find on behalf of our clients. However, we do see U.S. large caps as perhaps more insulated, more globally infused, more diversified and more stable in challenging market environments and Q4 2018 proved no exception. As a result, it is not surprising that U.S. large caps lost less than other segments of the market including small caps and international companies in the fourth quarter of 2018.

2018 BECK BODE GROWTH PORTFOLIO RECAP

We had some significant drivers for 2018. With a concentrated, best ideas portfolio, everything has the opportunity to be a driver, but there are always some stand outs and 2018 was no exception despite the significant market swings of the year. Nvidia was such a leader for the first three quarters of the year; however we did exit the position in Q4. Edwards Lifesciences, Boeing and a few others provided some strong support through the challenging last quarter of the year. Our largest holdings over the past four to five years have been drivers of return and Q4 of 2018 did not alter that. Perhaps one reason for the long term consistency of holdings at Beck Bode is that we don't jump on earnings estimates—we wait and look for a continued upward trend in estimates. We might give up a little upside as a result of this diligence, however we tend to get the meat of the run and when we look at the total return of these holdings. Over the long term these core positions provide significant upside even through downturns in the market. As a confirmation of our process, we are a buy and hold manager, yet our approach to 'buy and hold' is different. We buy and hold when estimates are being revised *upwards* consistently. This benefited us again in 2018, giving up only a few hundred basis points v. the market over the course of the year and we believe positioning us well for growth in 2019.

Related to short term events, there was some sector impacts that we largely avoided, particularly technology's downturn. While our largest holding is in technology, the overall exposure in the portfolio is relatively low in relation to the benchmark. We are cognoscente of sector and industry exposures; however our ultimate focus is company specific. We simply want the best ideas over the long term. While our initial screening universe for potential investments is 4000 companies, we track about 125-150 companies that meet our criteria. In this specific universe, we really did not see significant downward earnings estimate revisions. Why is this? Perhaps analysts don't see the downside in these companies despite the market noise. This is another reason we remain highly optimistic about the markets and the market opportunity overall.

*The above chart indicates performance net of management fees and other charges based on all accounts held by Beck Bode as of 12.31.2018. Please see full disclosures on the following page.

LOOKING AHEAD

As the market continues to grapple with issues like free trade, Brexit, and other challenges of global import, we anticipate continued volatility yet remain confident in the markets and the opportunity set before us. We are still in an environment where interest rates are historically low. While the political climate has created a lot of noise, the larger drivers have not changed. For example, the US and China are interdependent; this is unlikely to change. Generally, we find analysts to be relatively reactionary when it comes to price movement. On the contrary, we do not move based on price. This has benefited our strategy over the long and short term. We anticipate seeing estimates raised, not lowered, as we move ahead. While we can't predict what the markets will bring next (what fun would that be?), what we do know is that the world will be different tomorrow than it is today. We continue to be focused on companies that are positioned to be stronger, ready to face whatever the market brings.

DISCLOSURES

The information provided in this commentary should not be considered a recommendation to purchase any particular security. There is no assurance that any securities included herein will remain in the portfolio or that the information provided herein will remain the same at the time you receive this material. The securities portfolio does not represent all of the securities recommended for purchase by Beck Bode. It should not be assumed that investments in all securities were or will be profitable. All investments in securities involve risk and the potential for loss of capital. Potential investment risk also include, but are not limited to, investments in illiquid securities, the lack of diversification, and the potential conflicts of interest in managing multiple portfolios. Past performance is not a guarantee of future success. Figures are not audited and are subject to change. The information provided in this commentary should not be considered a recommendation to purchase any particular security. There is no assurance that any securities included herein will remain in the portfolio or that the information provided herein will remain the same at the time you receive this material. The securities portfolio does not represent all of the securities recommended for purchase by Beck Bode. It should not be assumed that investments in all securities were or will be profitable. All investments in securities involve risk and the potential for loss of capital. Potential investment risk also include, but are not limited to, investments in illiquid securities, the lack of diversification, and the potential conflicts of interest in managing multiple portfolios. Past performance is not a guarantee of future success. Figures are not audited and are subject to change.