

# Global Allocation Risk-Managed

As of December 31, 2019

## OVERVIEW & OBJECTIVE

Global Allocation Risk-Managed (GARM) was built to serve as a comprehensive core global asset allocation solution; it deploys capital tactically *between* and *within* various sub-strategies, each of which rely on independent, multi-layered risk management frameworks. GARM's overall goal is to align capital with select risk-asset momentum in constructive markets, manage drawdowns amid normalized market volatility, and de-risk rapidly when market deterioration is abrupt and severe.

The strategy's objective is to capture long-term upside in equity & high-income asset classes while managing drawdowns and maintaining long-term average allocation comparable to 60/40 portfolio.

## PORTFOLIO CONSTRUCTION IDEAS

- Primary allocation/ core of globally diversified balanced portfolio – complement with individual US stocks & bonds held to maturity
- Rules-based macro overlay to complement existing strategic fund allocations
- Positioned as liquid global macro component of alternatives allocation, especially alongside fundamental strategies

## TACTICAL RANGES

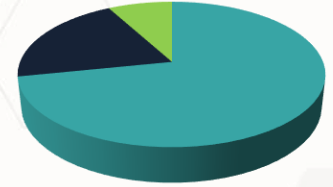
### Equity Segment 0%-65%

- US: 0%-45%
  - Large cap: 0%-25%
  - Mid cap: 0%-10%
  - Small cap: 0%-10%
- Core global & global sectors: 0%-30%
- Developed international: 0%-10%
- Emerging markets: 0%-20%

### Fixed Income Segment, 35%-100%

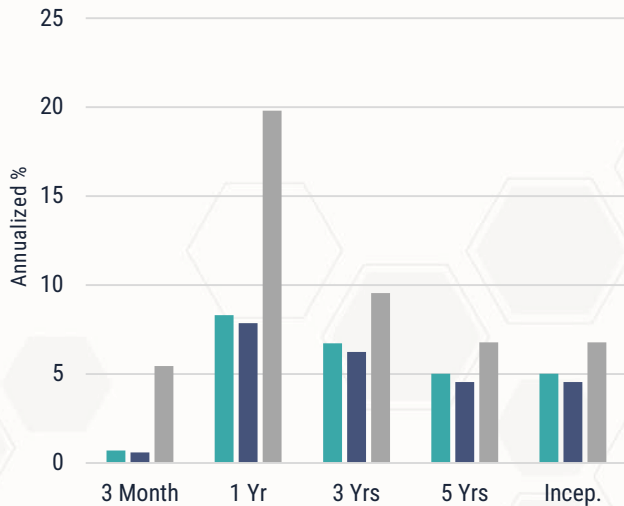
- High yield & specialty income: 0%-35%
- Investment-grade fixed income & cash: 0%-100%

## POSITIONING, DECEMBER 31, 2019



- Income Segment
- Growth Segment
- International Segment
- Value Segment
- Mid Cap Segment
- Small Cap Segment

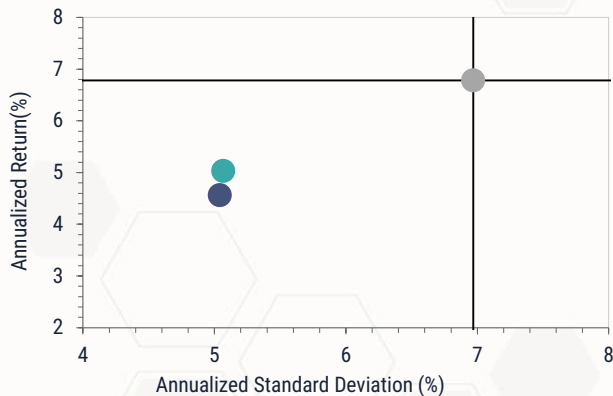
## Performance Summary



Annualized Performance	3 Month	1 Yr	3 Yrs	5 Yrs	Incep.
■ GARM Composite (Gross)	0.71	8.31	6.73	5.03	5.03
■ GARM Composite (Net)	0.60	7.87	6.24	4.56	4.56
■ 60%/ 40% MSCI ACWI - Barclays US Agg	5.45	19.81	9.55	6.78	6.78

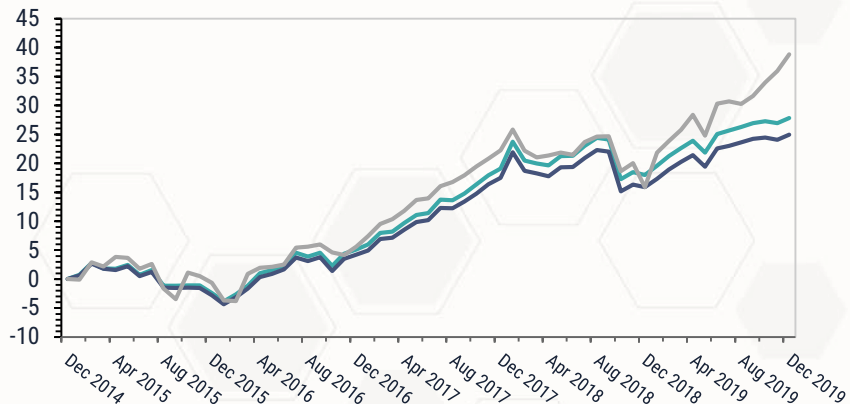
Key Statistics (annualized since inception)	GARM Composite (Gross)	GARM Composite (Net)	60%/ 40% MSCI ACWI - Barclays US Agg
Since Inception Return	5.03	4.56	6.78
Standard Deviation	5.07	5.04	6.97
Beta	0.56	0.55	1.00
Sharpe Ratio	0.78	0.69	0.82
Max drawdown	-6.44	-6.84	-7.92
Max run-up	32.91	30.62	44.27
Composite AUM	55MM	55MM	-

## Return vs. Risk Since Inception



- Global Allocation Risk-Managed Composite (Gross)
- Global Allocation Risk-Managed Composite (Net)
- 60% MSCI ACWI Index/ 40% Barclays US Aggregate Bond Index

## Cumulative Return Since Inception



- Global Allocation Risk-Managed Composite (Gross)
- Global Allocation Risk-Managed Composite (Net)
- 60% MSCI ACWI Index/ 40% Barclays US Aggregate Bond Index

Source: WST Capital Management, Orion. Exposures shown represent the historical exposures of the Global Allocation Risk-Managed Model, based off of which are run the strategy and all accounts constituting the Global Allocation Risk-Managed Composite. "Income Segment" is a summarized allocation of assets invested in cash and the WSTCM Diversified Income strategy, while the Equity Segment contains ETFs holding global and international equity assets. Source for performance information: FactSet. Annualized statistics since strategy inception date, 12/31/2014; relative statistics vs. primary benchmark

Calendar Year	2015	2016	2017	2018	2019
Global Allocation Risk-Managed Composite (Gross)	-2.39	7.70	13.28	-0.90	8.31
Global Allocation Risk-Managed Composite (Net)	-2.82	7.23	12.74	-1.39	7.87
60% MSCI ACWI Index/ 40% Barclays US Aggregate Bond Index	-0.66	6.28	15.77	-5.22	19.81

## ABOUT OUR FIRM:

WST Capital Management is a division of Wilbanks Smith & Thomas Asset Management, LLC – a firm that has, since 1990, prioritized solutions-seeking research as a way to better serve clients.

Endeavoring to offer the Bridge Between Protection and Growth through Risk-managed ETF strategies, WSTCM has cut an innovative path in the pursuit of next-generation investment approaches for today's investors. We embrace the science of investing in the effort to provide investors with a balance of protection and growth, encouraging confident participation over the long-term.

## ABOUT OUR TEAM:

The team's iterative design process brings together a depth of experience in portfolio management, product design, quantitative academic research and computational methods to create robust strategies designed to solve critical problems in portfolio construction.

### Portfolio Design & Product Management

- Roger Scheffel
- Elizabeth Marchetti
- Neal Ritter

### Quantitative Research

- David Abrams
- Tom McNally, CFA, CMT

### Relationship Management

- Wade Monroe, CIMA®, CFP®

### Product Support & Marketing

- Ryan Stallard
- Maria Marmion

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## Important disclosures

Wilbanks, Smith & Thomas Asset Management, LLC ("WST" or the "Firm") is defined as an SEC registered investment adviser headquartered in Norfolk, Virginia. WST claims compliance with the Global Investment Performance Standards (GIPS®). Prospective clients can obtain a GIPS-compliant presentation and/ or the firm's list of composite descriptions by contacting WST with the contact information referenced above.

Investment advisory fees are described in Wilbanks Smith & Thomas Asset Management, LLC's Form ADV 2A. To illustrate the possible effect of fees on the total return of an account, what follows is an illustration: A client investing in the comparative index S&P 500 over the last 10 years (as of December 31, 2015) would have earned 7.31% return on an annualized basis. With the effect of fees at 2.00% per year, this client can then expect their net return to be 5.16% per year compounded over the same time period.

The Global Allocation Risk-Managed Composite has an inception date of December 31, 2014 and consists of all fee-paying, fully discretionary accounts under active management at WST that adhere to the Global Allocation Risk-Managed strategy. The strategy utilizes a tactical approach built on a proprietary quantitative framework that is designed to achieve attractive risk-adjusted returns through capital appreciation and income. The strategy generally invests 65% of the portfolio in a diversified global equity portfolio and 35% in an income strategy focused on the broad range of the corporate capital structure, debt to equity. In addition to a broad capital structure mandate, the strategy overlays a diverse asset class base such as Real Estate Investment Trusts ("REITs"), Master Limited Partnerships ("MLPs"), Dividend Strategies and High Yield Debt. During less favorable environments or when attractive investment opportunities are limited, the strategy has the flexibility to invest in an actively managed investment grade bond fund, treasuries or investment grade floating rate notes. This strategy is generally implemented through the trading of a limited universe of individual stocks or exchange-traded funds. Prior to October 24, 2016, the Global Allocation Risk-Managed strategy was referred to by WST as the WST Asset Manager – Global Balanced strategy. The composite was created October 2016. Eligible accounts are included in the strategy group of accounts in the month following the month of account inception. Closed accounts are included through the completion of the last full month. Results portrayed reflect the reinvestment of dividends, capital gains and other earnings when appropriate. During the period(s) shown, there were no material market or economic conditions which affected the results portrayed. With the exception of several market corrections during the period(s), the overall market as measured by the S&P 500 was generally rising. If such trends are broken, the clients may experience real capital losses in their managed accounts. The performance results portrayed during the period: 12/31/2014 (strategy inception)-6/30/2016 relate only to a limited group of the adviser's clients selected based on suitability and risk tolerance. This factor did not have a material effect on performance but could have led to the termination of the composite in the event of significant outflows.

Comparison with market indices- The composite is measured against a blended benchmark comprised of 60% of the MSCI ACWI Index Gross Returns and 40% of the Bloomberg Barclays U.S. Aggregate Bond Index. The blended benchmark is rebalanced monthly. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Bloomberg Barclays U.S. Aggregate Bond Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

Standard Deviation of return measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager. Correlation is a measure of how two securities move in relation to each other. The Sharpe Ratio measures excess return per unit of risk which relates the difference between the portfolio's return and the return of the risk free rate to the standard deviation of the portfolio returns for the same period. Alpha is the mean of the excess return of the manager over beta times the benchmark. Beta is a measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta. Maximum Drawdown is the maximum loss (compounded, not annualized) that the manager ever incurred during any sub period of the entire time period. Conceptually, the calculation looks at all sub periods of the time period in question and calculates the compound return of the manager over that period. The maximum drawdown is the minimum of zero and all these compound returns. Maximum Run-up is the opposite of Maximum Drawdown and shows the maximum gain the manager incurred during any sub period of time. Up and Down Capture is a measure of how well a manager replicates or improves on phases of positive benchmark returns and how the manager is affected by phases of negative benchmark returns. Commodities and futures generally are volatile and are not suitable for all investors. The value of commodity funds relate directly to the value of the futures contracts and other assets held within the fund and any fluctuation in the value of these assets could adversely affect an investment in commodities. Exchange Traded Funds (ETF's) trade like stocks, are subject to investment risk and will fluctuate in market value.