FOLIOBEYOND FIXED INCOME COMMENTARY FOR JUNE 2020

Performance Summary

FolioBeyond's algorithm underlying the S-Network FolioBeyond Optimized Fixed Income Index ("SNFBFI") returned +0.15% (net of 30bp annual fee assumption) in June versus +0.63% for the Bloomberg Barclays U.S. Aggregate Bond Index ("AGG"). Over longer time periods, SNFBFI continues to outperform or match both AGG and Morningstar's US Fund Multisector Bond category as shown below for 5-year and 10-year holding periods. Risk levels have remained modestly volatile as the uncertainty regarding the pace of economic recovery remained in the spotlight. Model allocations shifted between changes in High Yield Credit exposure and Treasuries as additional increases in short duration High Yield Credit was accompanied by a credit barbell position in longer Treasuries.

STRATEGY	1-Month Return	YTD 2020 Return	1-Year Return	3-Year Return	5-Year Return	10-Year Return
S-Network FolioBeyond Optimized Fixed Income Index ("SNFBFI")*	0.15%	-1.04%	3.45%	4.80%	4.75%	4.61%
Morningstar US Fund Multisector Bond Category Average	1.74%	-1.85%	0.66%	2.71%	3.30%	4.61%
SNFBI Percentile Ranking**	94	46	24	10	6	51
US Fund Multisector Bond Category Universe	324	324	316	300	267	176
Bloomberg Barclays U.S. Aggregate Bond Index ("AGG")	0.63%	6.14%	8.74%	5.32%	4.30%	3.82%

Source: Morningstar

** SNFBFI's returns are net of underlying ETF fees and 30 bp assumed management fee. Although information herein is believed to be reliable, FolioBeyond makes no representation or warranty as to its accuracy, and information and opinions reflected herein are subject to change at any time without notice. The past performance information presented herein is not a guarantee of future results.*

*** The Rank is calculated using the total return of the S-Network FolioBeyond Optimized Fixed Income Index ("SNFBFI") ranked against the closing total returns of the open end mutual funds in Morningstar's US Fund Multisector Bond Category. Percentile Rank is the total-return percentile rank of SBFBFI relative to all funds in the defined Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.*

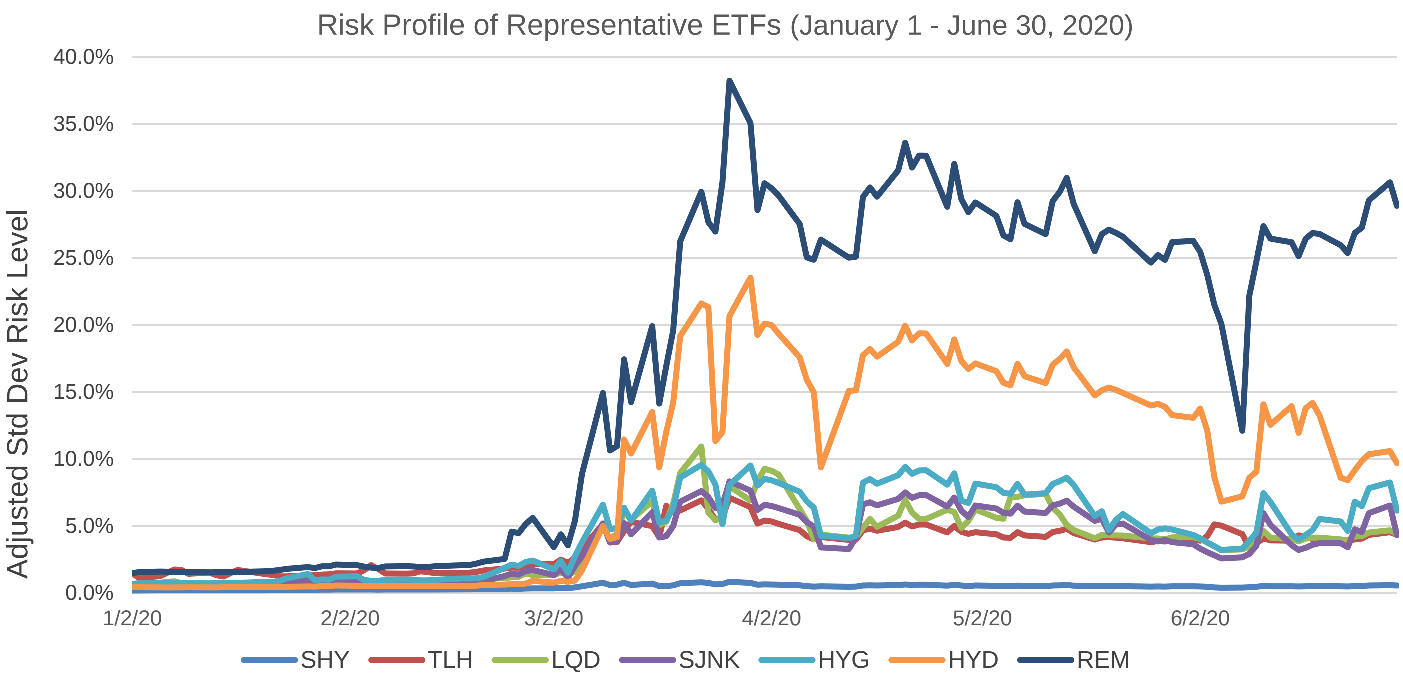
The primary driver of returns in June were long duration Treasuries and short duration High Yield Corporate Bonds. The markets are likely to continue to respond to any significant changes related to the Coronavirus in conjunction with the pace of the reopening of the economy supplemented with any new government/Fed stimulus actions.

Highlight: Sector Model Volatility Measures

Effective portfolio optimization involves a comprehensive approach for properly capturing constantly changing sector volatility levels. FolioBeyond's underlying algorithm quantifies the volatility of each Fixed Income sector ETF before they are included in the overall optimization framework that incorporates correlation effects and applies various model constraints.

In order to demonstrate the changing risk dynamics experienced in recent months, we provide a high-level view of recent trends of our model volatility measures for representative sectors across the spectrum of ETFs in our investible universe. The volatility measures we show in the graph below represent the overall risk measure of each ETF quantified independently (before correlation effects are considered). These risk measures incorporate both historical and current implied volatility levels as well as momentum effects. The graph shows that while certain sectors like long Treasuries (TLH) and Investment Grade Corporates (LQD) have come back closer to pre-March risk levels, many sectors are still exhibiting elevated risk levels, especially at the higher end of the risk spectrum, as shown for High Yield Municipals (HYD) and Agency Mortgage REITs (REM). Given this backdrop of individual sector ETF risk levels, the model would require additional reductions in volatility levels to enable a full risk allocation to the higher risk sectors, as it did for a large part of 2019. This overall result is consistent with many Fixed Income investors' qualitative views of the current state of the Fixed Income markets – specifically that valuations may have gotten ahead of the fundamental risks still facing the economy.

SECTOR ETF MODEL RISK COMPARISON



Source: Morningstar for underlying data on ETFs

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Model portfolios need to utilize a consistent approach for properly measuring the multi-dimensional aspects of Fixed Income risk to deliver superior risk-adjusted returns over time. FolioBeyond's advanced algorithms allow investors to maintain their desired target portfolio risk levels while optimizing the allocations to maximize returns within this context.

Please contact us to explore how our low-cost, efficiently executed multi-factor strategy can play a critical role in your Fixed Income bucket. We can also customize the model to suit your specific investment needs.

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