Hillman Capital Management
2nd Quarter 2021
Focused Advantage Value Equity
Commentary and Portfolio Review

At Hillman Capital Management (HCM), we strive to prudently add value for our clients over the long term. In doing so, we work hard to construct and maintain portfolios appropriate for the goals, risk tolerance and time horizon for each client. Within the equity component of our portfolios, we take a long-term approach, investing in companies that we believe enjoy sustainable competitive advantage. Our goal is to purchase securities of advantaged firms when they sell at a discount to estimates of intrinsic value. We believe that our approach may offer a prudent way to control risk, with the potential to outperform the market over time. Within that context, we offer a quarterly commentary.

During the quarter, investors continued to push equity markets higher, as citizens in developed nations began to return to many of their pre-pandemic habits. The Russell 1000 Value TR Index and the S&P 500 TR Index climbed 5.21% and 8.55%, respectively. U.S. Small Cap Stocks, as measured by the Russell 2000 TR Index, gained 4.29%. Internationally, the MSCI EAFE Index and MSCI Emerging Markets Index increased by 5.38% and 5.12%, respectively.

Keying off the Fed's suggestion that inflationary pressures may be transitory, bond traders pushed the yield on the Ten-Year US. Treasury Note back 34 basis points, to 1.45%. Rates in developed countries were little changed, with the yield on the German Ten Year Government Bond and the Japanese Ten-Year Government Bond settling at -0.203% and 0.054%, respectively.

In the quarter, we benefitted mainly from our excellent performance within and the overweight position of the Energy and Health Care sectors. The most significant negative contributors were the Industrials and Financials sectors, as HCM portfolio holdings lagged the index constituents.

We continue to believe that the road to pandemic and economic recovery will be bumpy, as new strains of COVID-19 appear and hiccups in vaccination distribution slow the road to global herd immunity. Vast sums of public and private debt have been assumed to help corporations and households weather the economic storm. Servicing and repaying these debts over time will have an impact on the economy. The medical profession and the population should eventually prevail, and we caution against investing based upon overly optimistic or unnecessarily dire scenarios. We implore investors to adhere to their long-term asset allocation programs.

We will continue to focus our energies on making prudent long-term investment decisions within the context of our clients' needs. Our equity strategies continue to be driven by our core belief that competitively advantaged companies will outperform their peers through economic cycles and market cycles. Our goal is to invest in great enterprises at attractive prices. We will continue to invest according to this precept for the long-term interests of our clients.

Performance Attribution

The top five contributing stocks:

- Plains All American Pipeline, L.P.
- Biogen Inc.
- Simon Property Group, Inc.
- Wells Fargo & Company
- Anheuser Busch Inbev

The bottom five contributing stocks:

- DuPont de Nemours, Inc.
- AT&T Inc.
- The Boeing Company
- Compass Minerals International, Inc.
- Intel Corporation

Purchases and Sales

Purchased

None

Sold

None

Ongoing Investment Thesis for Top Five Contributing Stocks

Plains All American Pipeline, L.P. (Ticker: PAA)

Plains All American, a midstream energy company, provides transportation (by pipeline, rail, barge, oil tanker, or truck), terminalling, storage, processing, fractionation, and logistical services to oil and gas producers, primarily in the United States and Canada. The company conducts business through three segments, Transportation, Facilities, and Supply and Logistics, with Transportation accounting for more than half of all earnings. In 2019, the latest fiscal year on record, Marathon Petroleum, Exxon Mobil, and Phillips 66 represented a roughly equal share of a combined 33% of total revenue.

We feel Plains All American's competitive advantages stem from its asset base and contracts.

Through an expansive and integrated infrastructure network of assets, which includes more than 30,000 miles of pipeline, more than 30 million barrels of storage capacity, more than 800 trailers, 50 barges, and 20 transport tugs, PAA extracts fees for services rendered when hydrocarbons move throughout its network. An advantaged position in

the lowest-cost U.S. shale basin, Permian Basin, adds to its competitive edge. The combination of physical assets and the Permian Basin position creates an offering difficult for another company to duplicate.

Historically, pipeline construction involves long-term contracts with both producers and shippers. Producers must commit to a long-term contract before construction commences. Shippers must sign a long-term contract as well to enable the builder to recoup construction and development costs. These contracts allow PAA to mitigate business and financial risks by securing partnerships.

Biogen Inc. (Ticker: BIIB)

Biogen develops and delivers therapies for people living with severe neurological and neurodegenerative diseases. Multiple sclerosis (MS) and neuroimmunology, Alzheimer's disease (AD) and dementia, and movement disorders, such as spinal muscular atrophy (SMA) and amyotrophic lateral sclerosis (ALS), represent focal points for the company. Currently, MS and SMA account for more than two-thirds of total revenue, with MS representing the lion's share of that subgroup.

We feel Biogen's competitive advantage resides in its strategic focus, barriers to entry, and research and development.

Neurological disorders rank as the #1 cause of disability and the #2 cause of deaths globally. A company offering some relief to the 72 million people who have dementia, to the 10 million people coping with Parkinson's disease, and to the 2.5 million people living with MS can dramatically change the quality of life for those individuals. Ten years ago, Biogen had the foresight to set a goal of defeating "devastating neurological diseases." Biogen has been leveraging its research and intellectual capital to succeed in a broad swath of neurological disorders as a one field specialist.

Biogen's targeted vision has helped it to become an expert in neurologically based maladies. This focused scope allows the organization to direct time, energy, and money toward gaining a deep understanding of consumer needs, market dynamics, and product deliverables. Of course, the risk is far greater in a singularly focused enterprise, but the reward is greater as well. Growth opportunities abound, from Alzheimer's Disease and stroke to movement disorders (Progressive Supranuclear Palsy and Parkinson's Disease) and neuromuscular disorders (ALS).

Biologics comprise the majority of Biogen's leading drug portfolio, making barriers to entry high. Biologics are extremely difficult to replicate because they are large, complex molecules made in living cells. Given their complexity and the proprietary manufacturing process, competitors must invest heavily in development and manufacturing to produce similar but not identical products, called biosimilars. Biologics are viewed as the standard, while biosimilars are acceptable substitutes. Although biosimilars present a potential threat, the development time frame and the manufacturing process slow competitive challenges, protecting a biologics revenue stream for some time.

A company must consistently commit significant dollars to R&D to compete effectively with the major pharmaceutical companies. This standard industry practice increases the likelihood of a firm developing the next generation of patent-protected drugs. Traditionally, patent-protected drugs provide higher returns and longer development time

for future drugs versus non-patented medications. As a smaller niche player in the industry, Biogen spends more than 20% of sales on R&D, placing it among the top 15 R&D spenders for that metric.

Simon Property Group, Inc. (Ticker: SPG)

Simon Property Group, Inc. is the largest shopping mall and retail center owner in the U.S. and the second-largest U.S. real estate investment trust (REIT). As of December 2020, the company owned or held an interest in retail properties across the globe, with a majority (203) located in the United States and Puerto Rico. The founding Simon family continues to manage the enterprise. David Simon, the current chairman of the board and chief executive officer, is the son of one of the founders. His uncle, Herbert Simon, the other founder, oversees management as a board member.

We feel a premium-centric portfolio, network effect, and high occupancy rates form the basis of Simon Property's competitive advantage.

E-commerce has changed the way consumers shop, revolutionizing the retail industry. With growth much higher than brick-and-mortar stores (U.S. Dept of Commerce), e-commerce's expansion rate continues to outpace traditional retail. Surprisingly, despite higher growth, e-commerce accounts for roughly only 13.6% of all retail sales (U.S. Dept of Commerce Q4 2020), indicating that a relatively high proportion of consumers still choose to shop the old-fashioned way.

The Simon Property Group occupies the preeminent position in mall and retail center real estate due to its ownership and management of a slew of top-tier class-A malls. These malls appeal to and attract one of the most sought-after demographics, the affluent shopper. With more wealth, higher income, and a willingness to spend, this shopper is a constant presence in upscale stores, helping high-quality malls thrive in the e-commerce era.

For decades, malls represented the shopping locale of choice, as they offered an efficient way of finding and comparing items and prices. Despite the proliferation of e-commerce, malls remain a viable shopping option. In the premium mall world that Simon dominates, high-quality anchor tenants attract other high-quality tenants and entertainment options, attracting more affluent shoppers, benefitting Simon from the network effect in its mall portfolio. These well-heeled, loyal shoppers deliver foot traffic, allowing SPG to maintain high occupancy rates.

Pre-pandemic, the growing popularity of online shopping forced an overpopulated retail industry to close stores, thereby impacting mall owners. Many observers overstated the problem by failing to discern that the closures varied by the quality of a mall's tenants. Even today, Simon's premium-centric mall portfolio remains a viable retail option, maintaining high occupancy rates for 2018, 2019, and 2020 for U.S. malls and premium outlets of 95.9%, 95.1%, and 91.3%, respectively. The Mills business segment has maintained even higher occupancy rates for 2018, 2019, and 2020 of 97.6, 97.0%, and 95.3%, respectively. With an intense battle for the same premium tenants, high occupancy rates serve as a barrier to entry, locking out would-be competitors.

Wells Fargo & Company (Ticker: WFC)

Wells Fargo & Company, a full-service traditional commercial bank, ranks as one of the four largest banks in the United States. It offers a suite of lending, deposit-taking, and wealth management services. The company operates four reportable business segments: Consumer Banking and Lending, Commercial Banking, Corporate and Investment Banking, and Wealth and Investment Management.

We feel Wells Fargo's competitive advantage stems from cross-selling, business focus, and low funding costs.

Wells Fargo is a cross-selling leader among all major banks. Cross-selling can get customers to purchase multiple products and services, enabling the bank to lock them in by building tight relationships based on repeated interactions. Customers holding multiple accounts raise switching costs because it increases the time involved in and complexity of moving several accounts to another institution. Despite WFC's past fraudulent account scandal, we believe that cross-selling, with the appropriate goals and oversight, remains an effective business-building tool for the company.

Proper cross-selling execution, cost-cutting measures, and a CEO change may have Wells Fargo better positioned to move past its troubles. Charles W. Scharf became the third CEO in three years with his fourth-quarter 2019 appointment. Unlike his two predecessors, WFC veterans, Scharf, the former Bank of NY Mellon CEO, should be freer to challenge long-standing practices and be viewed as a needed change agent.

Wells Fargo focuses on traditional commercial banking business and has largely avoided investment banking and trading income, two areas that have attracted heavy regulatory scrutiny and higher capital requirements. Thus, the bank has fewer capital demands, which lowers its lending costs and increases its ability to pay dividends and buy back shares.

Wells Fargo stands as the largest deposit gatherer in major metropolitan markets across the country. The company has more than $1 trillion in low-cost core deposits that provide virtually free funding. More than one-third of the bank's deposits are in markets in which it has the leading share and the remaining two-thirds are in markets in which the company has a top three share position.

Anheuser Busch InBev (Ticker: BUD)

With operations in more than 50 countries, Anheuser Busch is the largest brewer in the world, selling more than 500 brands. The company's global flagship brands include Budweiser, Stella Artois, Corona, Brahma, and Beck's.

We feel that the company's competitive advantage stems from scale, operational programs, and consumer understanding.

Anheuser Busch's worldwide scale and distribution are massive. With 5 of the top 10 selling brands, 18 brands generating more than $1 billion per year in sales, and industry-leading margins, the company is the undisputed beer industry leader. This dominant leadership position provides considerable cost, distribution, and spending advantages versus other global, regional, and local brewers.

Anheuser Busch has successfully adopted and relies heavily on two programs, Zero-Based Budgeting (ZBB) and Voyager Plant Optimization (VPO), to manage costs in its vast worldwide operations. Under ZBB, all spending decisions require justification from a zero base each year and employee compensation ties to delivering on zero-based budgets. With cost awareness at the core of VPO, this program generates cost savings through greater efficiency and standardization in brewing operations.

A deep understanding of the needs of the beer drinker drives Anheuser Busch's success. In a positioning exercise, Value-Based Brands, the company matches a brand's values to the appropriate target audience. This exercise enables the company to spend efficiently, tailoring a unique marketing message to an identifiable demographic and psychographic consumer segment.

Ongoing Investment Thesis for Bottom Five Contributing Stocks

Du Pont de Nemours, Inc. (Ticker: DD)

DuPont, a diversified chemicals and materials company, sells to consumers, businesses, governments, and industrial companies. A diverse portfolio results in the company serving a broad range of end markets, including aerospace, automotive, semiconductors, medical, construction, electronics, and nutrition. DD has three business lines: Electronics and Industrial; Mobility & Materials; and Water & Protection. The recent spin-off of the Nutrition and Biosciences business focuses the enterprise on its key areas of strength.

We believe DuPont differentiates itself through its patent-protected products and its cost optimization.

DD has developed and nurtured market-leading positions with a group of patented products across several categories, delivering a degree of pricing power. Highly recognized brands developed in-house include Kevlar, Nomex, Corian, Tyvek, and Styrofoam.

DuPont's efficient use of chemical by-products reinforces its low-cost position across many product lines, allowing it to generate healthy operating margins through rigorous cost management.

DuPont shares came under pressure after the company projected higher than expected raw material costs for the remainder of the year. Despite exceeding earnings and revenue estimates, raising full-year guidance for both measures, and posting organic sales growth for all three business segments, inflationary concerns could have weighed heavily on the minds of investors. In response to higher costs on the horizon, DD plans to take pricing action, where appropriate, to lessen the impact. Looking ahead, based on a history of innovation, we believe that Dupont's competitive advantages will allow it to outperform industry peers.

AT&T Inc. (Ticker: T)

AT&T is a diversified media company with an array of offerings, providing wireless and wireline telecommunication, video, and broadband services. Feature films, television, sports, and gaming comprise another substantial revenue stream for the company. Media brands that reside in AT&T's portfolio include HBO, Turner Classic Movies, and

Warner Brothers. Four segments cover all operations: Communications, Warner Media, Latin America, and Advertising and Analytics.

We believe AT&T's competitive advantage stems from scale and breadth of content.

The U.S. wireless market is essentially a duopoly, with the top two companies controlling 70% of the market. With 30% market share, AT&T ranks as a solid #2 behind Verizon's 40%. Due to its size differential versus smaller players (T-Mobile/Sprint), it has a considerable cost advantage, resulting in higher operating margin versus T-Mobile/Sprint. The heavy upfront investment in spectrum and infrastructure and the regulatory landscape provide a considerable barrier to entry for current and aspiring competitors.

A vast library of commercially successful feature films and animated characters, part of the Time Warner acquisition (June 2018), added a range of valuable content and a new revenue stream. As a result, AT&T can monetize its characters and franchises across multiple platforms-movies and merchandising.

AT&T's much better than expected quarterly performance was not enough to overcome investor concerns about the firm. Lingering unease about its debt load, dividend payment, and business wireline sales may have caused the stock to come under pressure. The announcement of the loss of 620,000 video subscribers in the same quarter may have added to that unease. Unfortunately, many highlights seem to have gone unnoticed. The addition of 595,000 net wireless subscribers (more than double expectations), 2.7 million new HBO and HBO Max subscribers, and 235,000 new fiber users contributed to beating analysts' earnings, revenue, and wireless subscriber estimates, recording year over year gains for those metrics. Despite the concerns mentioned above by some in the investment community, AT&T's competitive advantages remain intact. Going forward, we believe that these advantages will continue to drive growth in the wireless and streaming areas, allowing it to reduce debt and maintain a dividend.

The Boeing Company (Ticker: BA)

Boeing, the world's largest aerospace company, is best known for producing commercial jet aircraft, including the 737 narrow-body model and the 747,767, 777, and 787 wide-body models. Four principal segments hold all company operations: Commercial Airplanes (BCA), Defense, Space & Security (BDS), Global Services (BGS), and Boeing Capital (BCC). Through a portfolio of high performing non-commercial airplane products, such as the F-15 fighter jet, KC-46 aerial refueling tanker, AH-64 Apache helicopter, V-22 Osprey military aircraft, CST-100 Starliner spacecraft, and Echo Voyager undersea vehicle, BA addresses the needs of military, science, space, and sea exploration customers. The remaining non-financing segment, BGS, provides aftermarket servicing to commercial and military aircraft. BCC offers financing to customers to buy and take delivery of Boeing products. During the last reported fiscal year, 2020, BCA, BDS, and BGS generated 28%, 45%, and 27% of revenue, respectively.

Manufacturing infrastructure cost, manufacturing complexity, and regulatory compliance create significant barriers to entry, providing multiple sources of competitive advantage in the commercial jet industry. As only one of two major manufacturers of airplanes with a minimum of 130 seats, the company benefits from its duopoly status, competing and winning orders against one company, Airbus. Boeing's current product suite provides its customers with operating cost advantages versus Airbus's comparable models. Product cycles in the commercial aircraft market are relatively long, often spanning multiple decades, raising switching costs.

Two events hurt Boeing's performance in the commercial airplane industry. The grounding of the 737 Max after two crashes in early 2019 and the COVID-19 pandemic negatively impacted BA's business. After addressing the flight control system issues responsible for the crashes, the aircraft was permitted to fly in mid-April 2021 by most regulatory agencies around the world, marking a two-year absence. On the COVID front, with a rise in vaccinations, more people are boarding planes, closely resembling pre-pandemic levels.

On the BDS front, the essential nature of its products, the lengthy duration of product life cycles, and the collaborative nature of the customer/contractor relationship raise switching costs, providing a competitive advantage. This business segment has continued integrating its defense, intelligence, communications, and space resources to deliver unique cost-efficient solutions to its customers. Although governmental budget challenges are likely to be a significant headwind, we believe that BDS will continue to leverage its core capabilities to win domestic contracts while simultaneously expanding into international markets.

Boeing reported missing quarterly earnings and revenue estimates, falling short of commercial aircraft delivery estimates, and pausing 737 Max deliveries (due to an electrical wiring issue), causing shares to underperform. However, we expect that the pending economic resurgence and quick response to technical problems will improve performance. Specifically, with the European Union approving travel within the EU for vaccinated U.S. tourists and U.S. health officials encouraging travel for fully vaccinated people within the U.S., travel should increase considerably. In addition, the Federal Aviation Administration approved 737 Max electrical fixes in late April. That event, coupled with increased travel, should lead to a resumption of aircraft orders. (Note: Before COVID-19, Commercial airplanes, Boeing's most important business segment, accounted for more than about 60% of total revenue and 50% of operating earnings.)

Compass Minerals International, Inc. (Ticker: CMP)

Compass Minerals International Inc. focuses on the extraction, production, and sale of minerals, including salt, sulfate of potash (SOP) specialty fertilizer, and magnesium chloride. Primary uses of the company's products are highway deicing, industrial salt, and specialty fertilizer applications.

We believe CMP differentiates itself through its advantaged resources, low-cost operations, and industry leadership.

CMP operates low-cost sources for both rock salt and SOP fertilizer. The Goderich Ontario rock salt mine, located on Lake Huron, is the largest in the world. High volumes and concentrations of salt at this mine provide the company with low extraction costs. The location of the mine enables inexpensive water transport throughout the Mississippi basin.

Shipping and handling costs are vital elements to maintaining a low-cost position. Given the low value to weight ratio of salt and CMP's water-based access, the company can ship long distances (greater than 150 miles) by water for about half the cost of rail and one-fifth of the trucking cost. The company has established its North American rock salt mines and most of its distribution facilities along navigable waters.

The company is the largest producer of salt used for deicing in both North America and the U.K. It is the only producer of SOP specialty fertilizer in North America. In the SOP area, CMP is the only North American producer of SOP specialty fertilizers. High concentrations of salt brine in the northern portion of the Great Salt Lake minimize production costs, enabling global competitiveness for its SOP products.

Compass missed analysts' revenue estimates and offered a somewhat pessimistic review of winter weather events through the first quarter, causing shares to lag most in the portfolio. Even CMP's superior year-over-year performance (revenue +23% and operating earnings +40%) could not overcome its announcement of an 8% drop in snow events (below the 10-year average) in track representative cities. Going forward, we anticipate that the inventory-depleting deicing events in the U.S. in February and the severe UK winter season will push customers to replenish product, driving the lion's share of revenue to the competitive advantaged industry leader.

Intel Corporation (Ticker: INTC)

Intel, one of the world's biggest computer chip makers, is best known for designing and manufacturing microprocessors for personal computers and data centers. The company makes chips for smartphones and tablets as well. Intel produces semiconductors embedded in products for the industrial, medical, and automotive markets through one of the largest manufacturing systems in the industry.

We believe Intel's competitive advantages stem from its design and manufacturing capabilities, R&D prowess, and financial resources.

Intel's ability to double the number of transistors on integrated circuits provides an edge over competitors. This practice, known as Moore's Law, produces more transistors per chip, increasing manufacturing capacity, lowering unit cost, and providing manufacturing flexibility through higher productivity. Unlike most industry competitors, the company makes its products, allowing it to ramp up capacity quickly without relying on third-party foundries. As the resources needed to manufacture smaller chips increase, Intel's manufacturing expertise presents a formidable competitive advantage, allowing it to pick the most appropriate in-house manufacturing and outsourcing mix.

Intel's focus on R&D has resulted in an accelerated product release schedule known as Tick-Tock. The company shrinks its process node in the first year and optimizes the architecture in the next two years. We believe that this strategy has accelerated the development and manufacturing speed at which products come to market, increasing the pressure on rivals to maintain a similar pace.

INTC supports its strong intellectual commitment with an equally strong financial commitment. In the last three fiscal years (2018-2020), the company spent, on average, approximately 18.4% of sales ($13.5 billion per year) on R&D. In 2020, R&D spending totaled $13.6 billion.

INTC's strong financial position, including $5.9 billion in cash and cash equivalents, gives it the flexibility to acquire assets to keep pace with a constantly evolving technology environment. Recent asset acquisitions were Altera in 2015 (Field Programmable Gate Arrays), Nervana and Movidius in 2016 (Artificial Intelligence related chips), Mobileye in 2017 (Computer Vision chips for cars), and Habana Labs in 2019 (Artificial Intelligence chips).

Intel reported a 41% decline in net income and a considerable impairment charge, dragging down shares. A $2.2 billion impairment charge related to the VLSI patent infringement case, which INTC plans to appeal, compromised results. Aside from the VLSI issue, investors had to digest a 20% revenue dip in the Data Center Group, the company's second most crucial business segment (nearly 30% of total revenue).

Historically, semiconductor companies seem to be more impacted by economic cycles and the pace of innovation. Intel is no exception. The new CEO, Pat Gelsinger, seems to be equipped to help manage the tumultuous times facing the firm. A technology industry veteran of multiple companies, including 30 years at Intel, he appears to have the experience to navigate a post-pandemic world and to minimize the impact of the 7-nanometer delay. Most importantly, armed with an array of competitive advantages, including an all-important technological edge, we believe that Intel should continue to occupy a leadership position in the chip industry.

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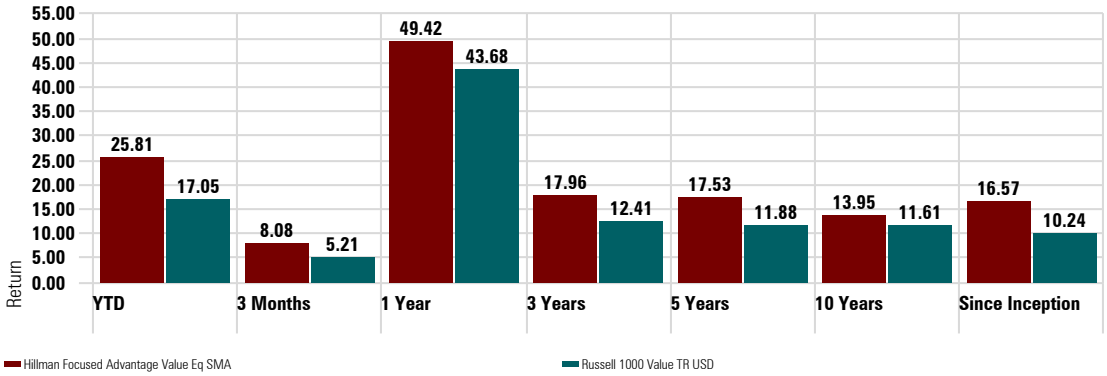
Hillman Focused Advantage Value Eq SMA (Net of Fee)

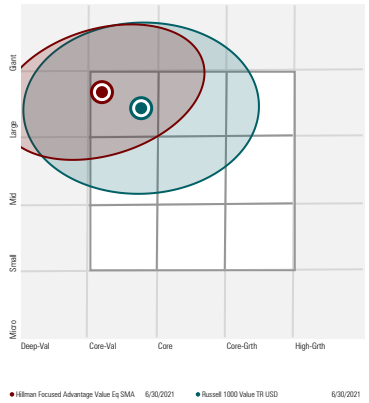
Russell 1000 Value TR USD As of 6/30/2021

Returns - Net

Calculation Benchmark: Russell 1000 Value TR USD



Holdings-Based Style Map



Investment Philosophy: Hillman seeks to invest in strong companies when we believe their stocks are undervalued. The strength of this discipline is derived from our independent research focusing on companies believed to have a sustainable competitive advantage and investing in these companies only when they are trading at a discount to the HCM calculated fair market value of the business.

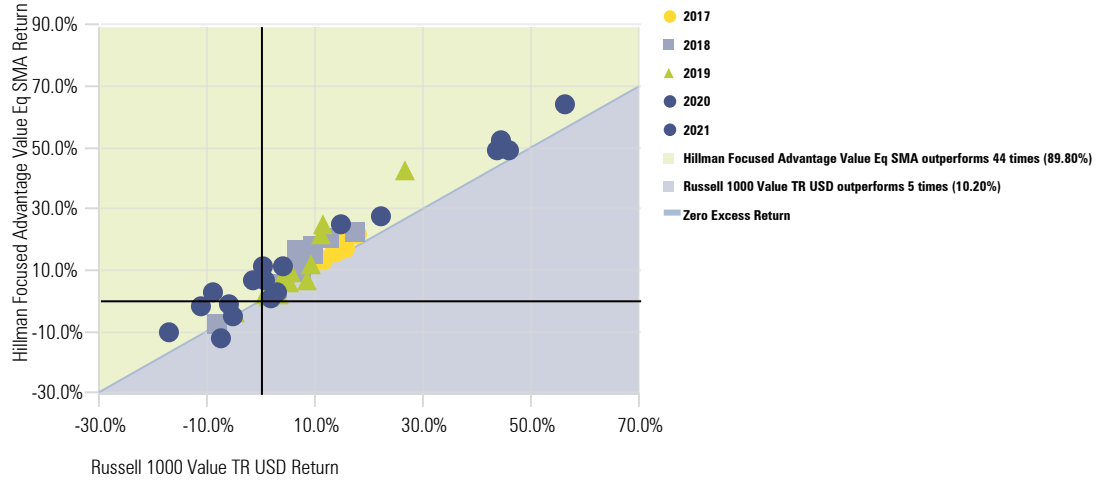
Hillman Total Firm Assets: AUA = $428 Million, AUM = $297.5 Million
Hillman Firm Large Cap Value: AUA = $391.5 Million, AUM = $261.5 Million
Hillman Focused Advantage Value: AUA = $60 Million, AUM = $46.5 Million

Portfolio Characteristics

	Hillman Focused Advantage Value Eq SMA	Russell 1000 Value TR USD
# of Stock Holdings	20	842
ROE %	15.86	14.59
Debt to Capital %	53.02	41.75
P/E	15.33	17.06
P/S	1.64	2.03
P/B	2.38	2.33
P/C	10.28	12.46
Div Yld	2.83	2.06
Inception Date	1/3/1995	1/1/1987

Over/Under Benchmark Performance - Trailing 5 Years

Rolling Window: 1 Year 1 Month shift Calculation Benchmark: Russell 1000 Value TR USD



Risk Metrics - Trailing 5 Yrs

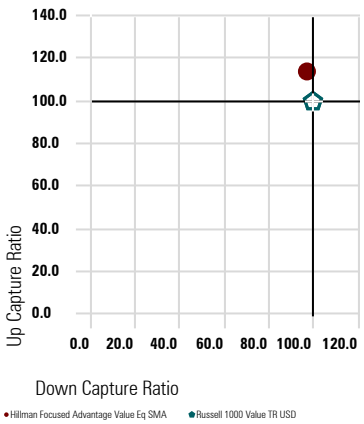
Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 1000 Value TR USD

	Inv	Bmk1
Return	17.53	11.87
Std Dev	18.60	16.20
Sharpe Ratio	0.90	0.71
Sortino Ratio (geo)	1.41	0.95
Information Ratio (geo)	0.78	—
Best Quarter	22.13	16.25
Worst Quarter	-26.88	-26.73

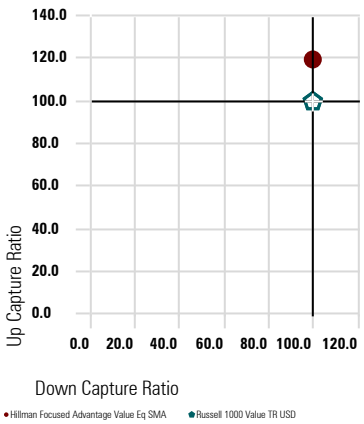
Risk-Reward - Trailing 3 Year

Calculation Benchmark: Russell 1000 Value TR USD



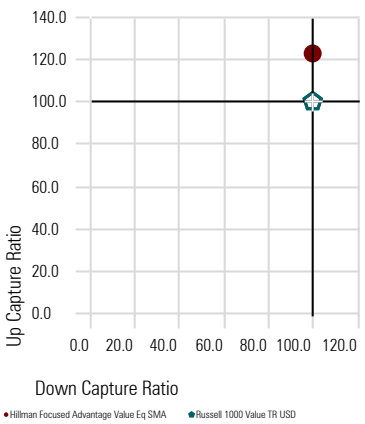
Risk-Reward - Trailing 5 Years

Calculation Benchmark: Russell 1000 Value TR USD



Risk-Reward - Since Inception

Calculation Benchmark: Russell 1000 Value TR USD



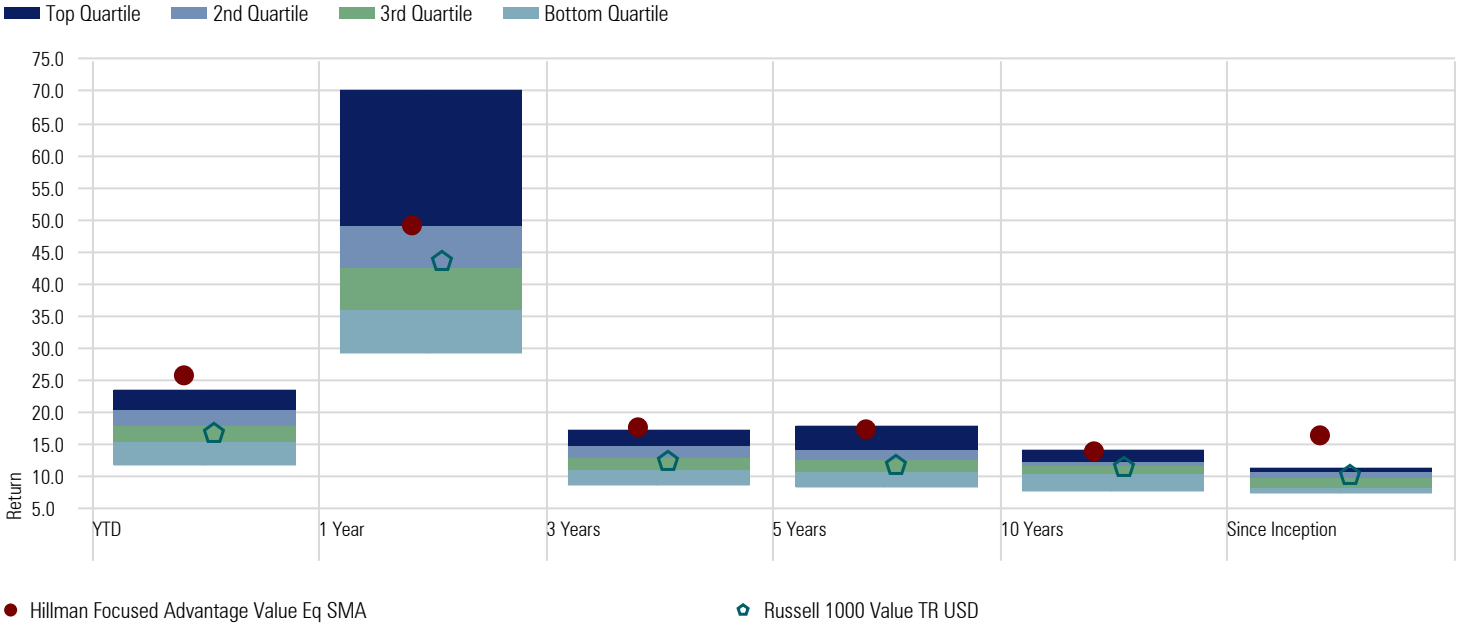
Market Performance - Trailing 5 Yrs

	Inv	Bmk1
Excess Return	5.66	0.00
Alpha	4.46	0.00
Beta	1.08	1.00
R2	88.41	100.00
Tracking Error	6.47	0.00
Up Capture Ratio	119.49	100.00
Down Capture Ratio	100.17	100.00

Source: Morningstar Direct

Performance Relative to Peer Group

Peer Group (5-95%): Separate Accounts - U.S. - Large Value Calculation Benchmark: Russell 1000 Value TR USD



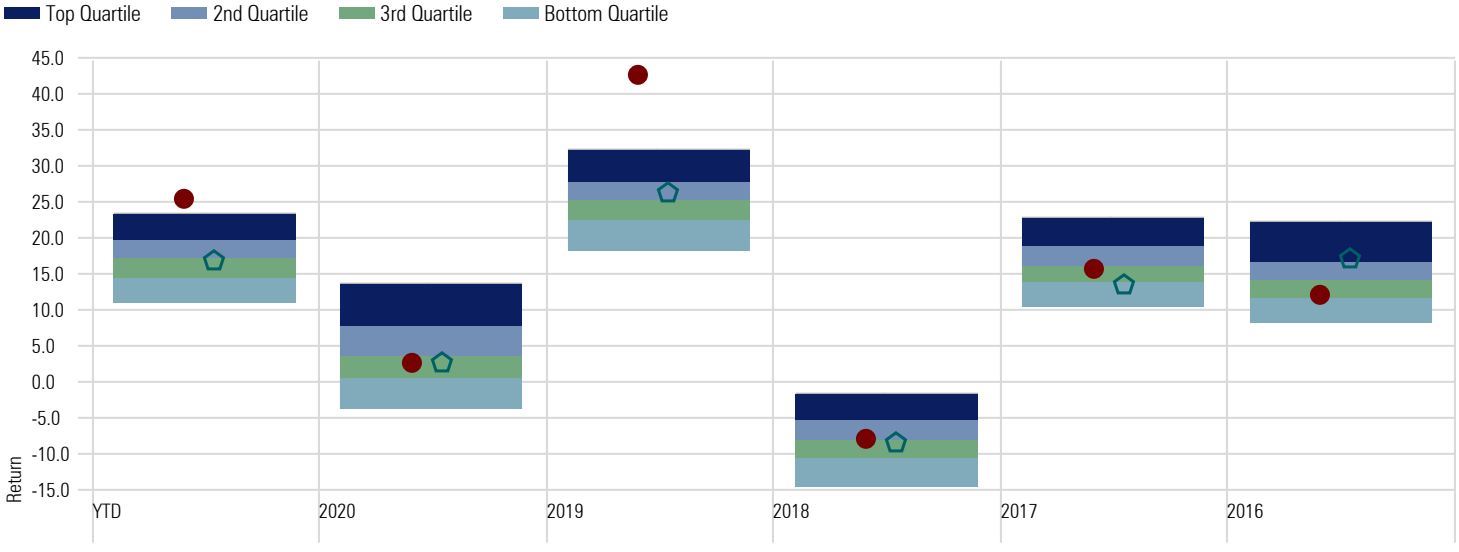
Hillman Advantage Value Equity

Calculation Benchmark: Russell 1000 Value TR USD

	Return	Excess Return
YTD	**25.81**	**8.76**
2020	**2.92**	**0.12**
2019	**42.88**	**16.34**
2018	**-7.54**	**0.72**
2017	**15.92**	**2.26**
2016	**12.42**	**-4.92**

Performance Relative to Peer Group

Peer Group (5-95%): Separate Accounts - U.S. - Large Value Calculation Benchmark: Russell 1000 Value TR USD



Source: Morningstar Direct

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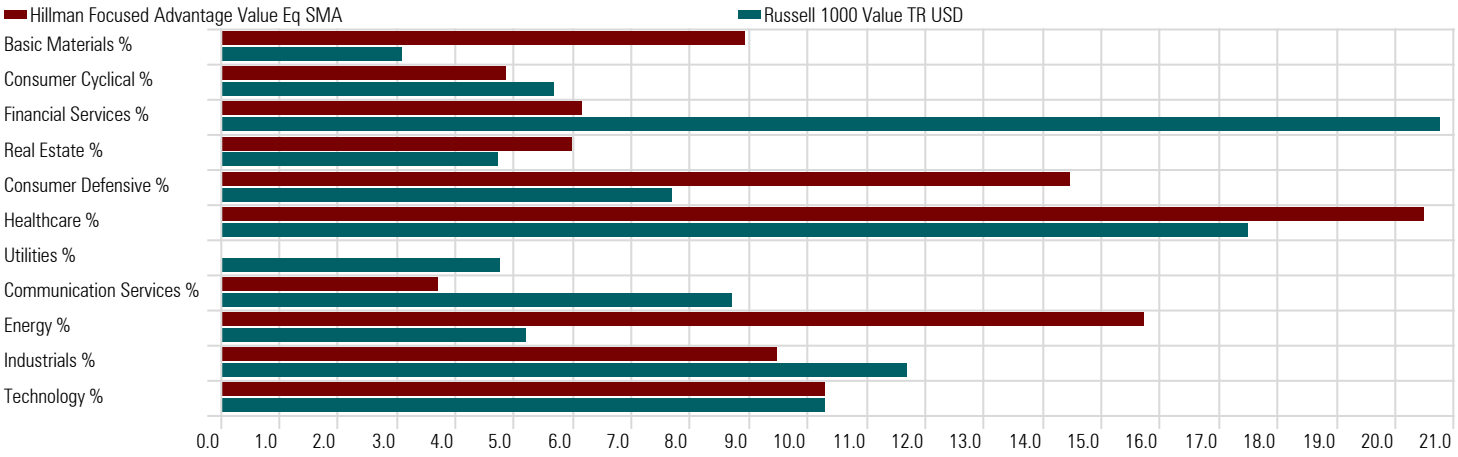
Hillman Focused Advantage Value Eq SMA (Net of Fee)

Russell 1000 Value TR USD As of 6/30/2021

Equity Sector Exposure



Hillman Focused Advantage Value Eq SMA - Top Holdings

Portfolio Date: 6/30/2021

Company Name	Ticker	Portfolio Weighting %	Industry
Microsoft Corp	MSFT	6.28	Software - Infrastructure
Wells Fargo & Co	WFC	6.04	Banks - Diversified
Simon Property Group Inc	SPG	5.87	REIT - Retail
Biogen Inc	BIIB	5.71	Drug Manufacturers - General
Exxon Mobil Corp	XOM	5.52	Oil & Gas Integrated
DuPont de Nemours Inc	DD	5.19	Specialty Chemicals
GlaxoSmithKline PLC ADR	GSK	5.09	Drug Manufacturers - General
Enterprise Products Partners LP	EPD	5.06	Oil & Gas Midstream
Plains All American Pipeline LP	PAA	4.90	Oil & Gas Midstream
The Kraft Heinz Co	KHC	4.77	Packaged Foods
Anheuser-Busch InBev SA/NV ADR	BUD	4.77	Beverages - Brewers
Amazon.com Inc	AMZN	4.77	Internet Retail
Bristol-Myers Squibb Company	BMY	4.75	Drug Manufacturers - General
Lockheed Martin Corp	LMT	4.69	Aerospace & Defense
Kellogg Co	K	4.68	Packaged Foods
Boeing Co	BA	4.64	Aerospace & Defense
CVS Health Corp	CVS	4.61	Healthcare Plans
Intel Corp	INTC	3.85	Semiconductors
AT&T Inc	T	3.64	Telecom Services
Compass Minerals International Inc	CMP	3.61	Other Industrial Metals & Mining

Source: Morningstar Direct

This is not a recommendation to buy or sell a particular security. The portfolio characteristics shown relate to the Hillman Focused Advantage Value Equity Composite. Information shown is supplemental only. Please see attached disclosures.

Disclosure Statements

FOCUSED ADVANTAGE VALUE EQUITY COMPOSITE

Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. The portfolio characteristics shown relate to the Hillman Focused Advantage Value Equity Composite (the "Composite") formerly the Hillman Focused Advantage Equity Composite. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Hillman Capital Management, Inc. reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

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The investment objective of the Composite is long-term capital appreciation, utilizing a concentrated portfolio of holdings focusing on 20 securities. The Composite was created April 1, 1998. The Composite's inception date is January 1, 1995. Prior to January 23, 2019, the benchmark of the Composite was the S&P 500. The firm believes the Russell 1000 Value Index is a more appropriate and accurate index against which to compare the Composite's performance than the S&P 500 because the composition of the Russell 1000 Value Index more closely aligns with the Composite's principal investment strategies. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values. It is not possible to invest in this index. The volatility of the Composite may be greater or less than its respective benchmark.

Hillman Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance the GIPS standards. Hillman Capital Management, Inc. has been independently verified for the periods April 1, 1998 through December 31, 2019. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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The U.S. dollar is the currency used to express performance. Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. All returns reflect the deduction of transaction costs and custodian expenses. Net of fee performance was calculated using actual management fees. The annual composite dispersion is an equal-weighted standard deviation calculated for the accounts in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. HCM also licenses models of this portfolio to intermediaries which use the models to manage their client accounts. A list of composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

The fee schedule for Hillman's investment advisory services is 1.00% for the first $5 million, 0.85% for the next $15 million, 0.75% for the next $50 million, and 0.50% thereafter. Actual investment advisory fees incurred by clients may vary. A complete description of Hillman's fee schedule can be found under Form ADV Part 2 at www.hillmancapital.com.

HCM-21-123

	Total Firm			Hillman Focused Advantage Value Composite Assets		Hillman Focused Advantage Value Wrap	Hillman Focused Advantage Value Combined	Hillman Focused Advantage Value Combined	Hillman Focused Advantage Value Combined
Year End	Assets Under Management (M)	Assets Under Management & Advisory Only Assets [1] (M)	Advisory Only Assets [2] (M)	Number of Accounts	USD (M)	Composite Assets [3] (M)	Managed Composite Assets [4] (M)	Advisory Only Assets [5] (M)	Managed Assets & Advisory Only Assets [6] (M)
2020	209,232	254,093	41,187	Five or fewer	17,308	21,966	39,274	3,259	42,533
2019	156,703	179,540	22,837	Five or fewer	16,670	18,811	35,481	3,792	39,273
2018	85,758	90,468	4,710	Five or fewer	11,643	11,511	23,154	2,870	26,024
2017	87,678	95,436	7,758	Five or fewer	12,587	10,383	22,970	3,722	26,692
2016	76,431	83,195	6,764	Five or fewer	12,111	11,646	23,757	3,133	26,890
2015	76,852	84,252	7,400	Five or fewer	10,751	11,255	22,006	3,089	25,095
2014	77,240	85,315	8,075	Five or fewer	10,329	7,072	17,401	3,108	20,509
2013	77,477	85,387	7,910	Five or fewer	9,282	12,503	21,785	2,545	24,330
2012	63,536	92,136	28,600	Five or fewer	14,330	9,305	23,635	18,000	41,635
2011	155,861	193,471	37,610	6	24,039	36,257	60,296	0	60,296

Annual Performance Results						
Year End	Hillman Focused Advantage Value Composite Gross	Hillman Focused Advantage Value Composite Net	Hillman Focused Advantage Value Composite 3-yr St Dev	Russell 1000 Value Index	Russell 1000 Value 3-yr St Dev	Hillman Focused Advantage Value Composite Dispersion*
2020	3.65%	2.92%	22.66%	2.79%	19.62%	NM
2019	43.91%	42.64%	13.74%	26.54%	11.85%	NM
2018	-6.97%	-7.55%	12.33%	-8.27%	10.82%	NM
2017	16.93%	15.91%	12.53%	13.66%	10.20%	NM
2016	13.36%	12.42%	12.55%	17.34%	10.77%	NM
2015	2.50%	1.58%	12.20%	-3.83%	10.68%	NM
2014	11.75%	11.21%	11.55%	13.45%	9.20%	NM
2013	42.14%	41.23%	15.09%	32.53%	12.70%	NM
2012	14.06%	13.72%	17.63%	17.51%	15.51%	NM
2011	-5.15%	-5.59%	21.43%	0.39%	20.69%	5.12%

NM - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. HCM also licenses model portfolios of this strategy to intermediaries which use the models to manage their client portfolios.

* Prior to June 12, 2020, Composite Dispersion for 2010 and 2011 were incorrectly reported, due to system limitations, as 0.88% and 0.25%.

[1] Represents assets under advisement which include firm assets under management and advisory only assets (models for multiple portfolios that HCM licenses to intermediaries). This is supplemental information.

[2] Represents advisory only portfolios which are models representing multiple strategies that HCM licenses to intermediaries. This is supplemental information.

[3] Represents assets under management in the Focused Hillman Focused Advantage Value Composite which is constructed of accounts invested in the Hillman Focused Advantage portfolio that are in bundled-fee arrangements.

[4] Represents combined assets under management in the Hillman Focused Advantage Value Wrap Composite and the Hillman Focused Advantage Value Composite. This is supplemental information.

[5] Represents Hillman Focused Advantage Value Assets under advisement which are models that HCM licenses to intermediaries. This is supplemental information.

[6] Represents Hillman Focused Advantage Value Assets managed assets and assets under advisement which includes Hillman Focused Advantage Value wrap and non-wrap accounts under management as well as advisor only accounts which are models that HCM licenses to intermediaries. This is supplemental information.

Statistic Descriptions

ROE %: or Return on Equity, is the percentage a company earns on its total equity in a given year. The calculation is return on assets times financial leverage.

Debt to Capital %: or Debt-to-Capital Ratio, applies to a fund's underlying stock holdings, is calculated by dividing each security's long-term debt by its total capitalization (the sum of common equity plus preferred equity and long-term debt) and is a measure of the company's financial leverage.

P/E: or Price/Earnings Ratio, is a stock's current price divided by the company's trailing 12-month earnings per share from continuous operations.

P/B: or Price/Book Ratio, is the ratio of a fund is the weighted average of the price/book ratios of all the stocks in a fund's portfolio. Book value is the total assets of a company, less total liabilities (sometimes referred to as carrying value). A company's book value is calculated by dividing the market price of its outstanding stock by the company's book value, and then adjusting for the number of shares outstanding (stocks with negative book values are excluded from this calculation).

P/C: or Price/Cash Flow Ratio, represents the amount an investor is willing to pay for a dollar generated from a particular company's operations and attempts to provide an internationally standard measure of a firm's stock price relative to its financial performance

P/S: or Price/Sales Ratio, is the stock's current price divided by the company's trailing 12-month sales per share.

Div Yld: also know as the Dividend Yield Percentage, represents the dividends per share of the company over the trailing one-year period as a percentage of the current stock price.

Return: the amount of money your investment made for you, usually presented as a percentage.

Standard Deviation: a statistical measure of dispersion about an average which depicts how widely the returns varied over a certain period of time.

Sharpe Ratio: a risk-adjusted measure, calculated by using standard deviation and excess return to determine reward per unit of risk. It is calculated for the past 3 year (or 36-month) period by dividing a fund's annualized excess returns by the standard deviation of a fund's annualized excess returns. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance.

Sortino Ratio: a variation of the Sharpe Ratio, differentiates harmful volatility from volatility in general by using a value for downside deviation. It is calculated by taking the excess return over the risk-free rate divided by the downside semi-variance, and so it measures the return to "bad" volatility. (Volatility caused by negative returns is considered bad or undesirable by an investor, while volatility caused by positive returns is good or acceptable.)

Information Ratio (geo): a geometric measure of risk-adjusted performance. The Information Ratio is a special version of the Sharpe Ratio, but unlike the Sharpe Ratio, the benchmark doesn’t have to be the risk-free return.

Best Quarter: the highest quarterly return of the investment since its inception or for as long as data is available.

Worst Quarter: the lowest quarterly return of the investment since its inception or for as long as data is available.

Excess Return: is the fund's achieved rate of return minus the return for 91-day government treasury bills over the same period.

Alpha: a measure of the difference between a portfolio’s actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative alpha indicates the portfolio has underperformed, given the expectations established by beta. Alpha is calculated by taking the excess average monthly return of the investment over the risk free rate and subtracting beta times the excess average monthly return of the benchmark over the risk free rate.

Beta: a measure of systematic risk with respect to a benchmark. Systematic risk is the tendency of the value of the composite and the value of the benchmark to move together. Beta measures the sensitivity of the composite’s excess return (total return minus the risk-free return) with respect to the benchmark’s excess return that results from their systematic co-movement. It is the ratio of what the excess return of the composite would be to the excess return of the benchmark if there were no composite-specific sources of return. If beta is greater than one, movements in value of the composite that are associated with movements in the value of the benchmark tend to be amplified. If beta is one, they tend to be the same, and if beta is less than one, they tend to be dampened. If such movements tend to be in opposite directions, beta is negative. Beta is measured as the slope of the regression of the excess return on the composite as the dependent variable and the excess return on the benchmark as the independent variable. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a portfolio's excess return over T-bills to the benchmark's excess return over Tbills, so a beta of 1.10 shows that the portfolio has performed 10% better than its benchmark in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the portfolio's excess return is expected to perform 15% worse than the benchmark’s excess return during up markets and 15% better during down markets.

R-Squared: Reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.

Tracking Error: measures how closely a fund tracks a benchmark by comparing the performance of the fund to that of the benchmark.

Upside Capture Ratio: measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security’s upside capture return and dividing it by the benchmark’s upside capture return.

Downside Capture Ratio: measures a manager's performance in down-markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. In essence, it tells you what percentage of the down-market was captured by the manager. For example, if the ratio is 110%, the manager has captured 110% of the down-market and therefore underperformed the market on the downside.