Summit Global Investments

In my last letter, I likened the market to a 9-inning ballgame and stated we were in the 3rd inning. We are now in the next inning and it's a battle. This past week COVID-19 touched closer to home with someone I know contracting the virus and marked the first person I know that has died. Each of you are most likely are going to know someone who contracts this virus. If you haven't yet, you will cry. But I am also continually impressed with the humanity of others. Flights of volunteer health care workers going to NY, Amazing!

This past week, we received notification from *Investor's Business Daily* that SGI was recognized as a top performer (more on that coming in a press release). This is a great recognition and a credit to our team and what we are trying to do at SGI for our clients. ***We would rather simply stop COVID-19!*** Stay safe and continue to social distance.

Though the market can't quite decide if it wants to retest the lows or move higher, we recommend staying with a managed risk approach. We are continuing our defensive positioning as we see the U.S. equity markets potentially retesting recent lows. We see the following headwinds (*details on the following pages*) putting immense pressure on the current rally:

1. Accelerating U.S. infection & death rates, keeping most metropolitan areas in 'lockdown' mode
2. A realization that the massive fiscal stimulus package, though positive, cannot offset the headwinds by COVID-19
3. Upcoming and likely extremely disappointing economic data (unemployment, earnings, projections, etc.)
4. A reemergence of the credit concerns (the Fed has been successful avoiding to-date), but downgrades are accelerating
5. Continued volatility (albeit slightly subsided) and market exuberance (or market disconnection of normal relationships between diversified assets)

In investing it can be, "What have you done for me lately" and past performance means little. It's more about Today and not just the past month (though the past month felt like a whole year!). Taking a step back and seeing consistent top performing and award winning performance (more to come on this soon) can provide confidence to move forward.

To protect our employees and clients, SGI moved to a remote environment over a month ago and we haven't slowed down. In fact, in the past week alone we have had 100+ investment meetings, client meetings, webinars, conference calls and client letter(s). In addition, to provide a more direct connection for our clients to our investment team, we have started a podcasts (located on our website). The idea is to provide information on what we are actually seeing in the current market. We hope this transparent direct access will be informative and useful.

We are 100% committed to your financial success. Again, if you have any questions or need any help, please do not hesitate to reach out to our team through our website, www.sgiam.com, phone, 888-251-4847, or email.

Sincerely,

David Harden

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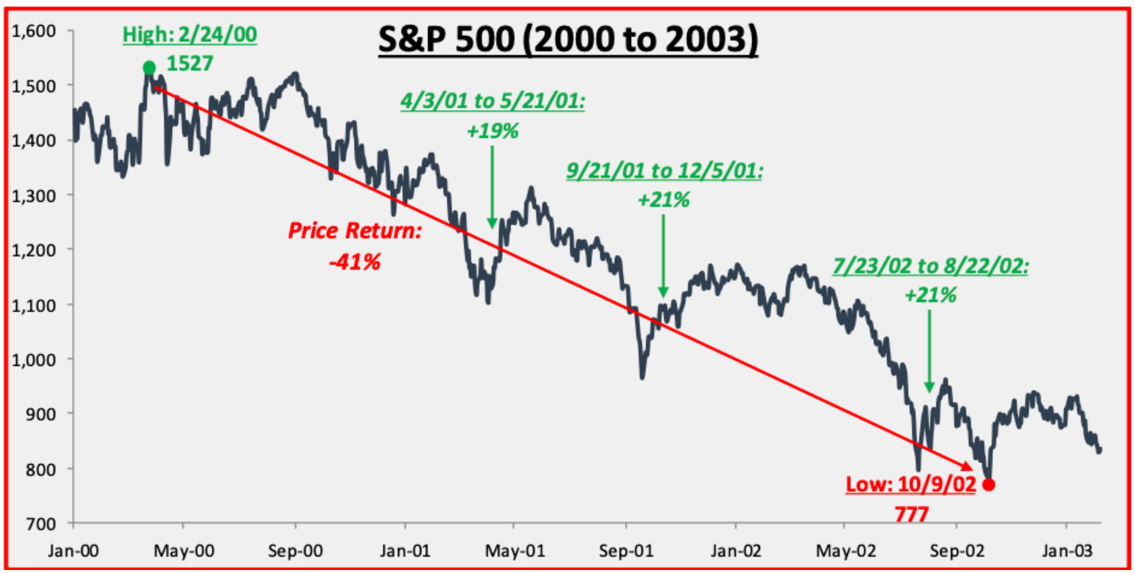
Established in 2010, Summit Global Investments (SGI) is a specialized asset management firm. SGI utilizes a quantitative process to analyze the market and select the best possible stocks with the least amount of adverse surprises. We further incorporate fundamental analysis to examine for idiosyncratic downside risks, while considering ESG characteristics. In short, we refer to this is as a “managed risk approach”. One that is dynamic enough to adjust in different styles, e.g., a growth or value market and in different risks, e.g., a bull or bear market. SGI’s managed risk approach is what helped SGI win multiple awards including two Institutional Asset Management Awards in 2019 by Pension Bridge (ESG Asset Manager of the Year Award and Active US Large Cap Strategy of the Year).

The fact that this bear market selloff occurred at the fastest pace on record reflects the **unprecedented nature of the current crisis and related uncertainties**. During the Great Financial Crisis in 2008, the first bear market rally ran from early-March 2008 to mid-May 2008. The market didn’t sustainably bottom until March 2009 when investors gained conviction that the U.S. economic outlook was going to improve. The same was true during the TMT Bubble.



During bear markets, there are typically several rallies of 15%+. We are still defensively positioned because the U.S. economic outlook is unlikely to have a sustainable turn-around and most experts are now beginning to model the COVID-19 to hit the U.S. again in the fall. And while the Fed has been largely successful at reducing contagion into other non-equity markets, namely interbank lending, commercial paper and investment grade – more problems seem to be brewing in downgrading credit. The Fed is not directly intervening in high yield and EM debt. Given the Triple-B is 3x the size of high yield – a significant downgrade is concerning.

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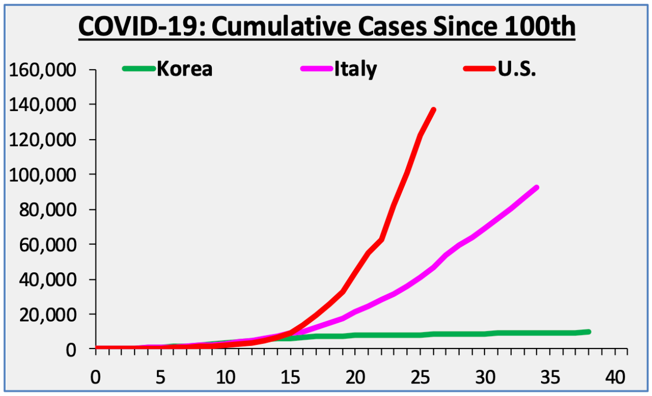
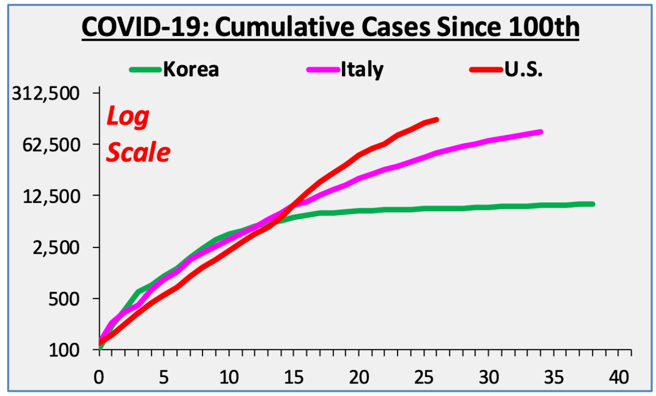
The following five points are critical for SGI to begin to manage risk to the upside instead of the down:

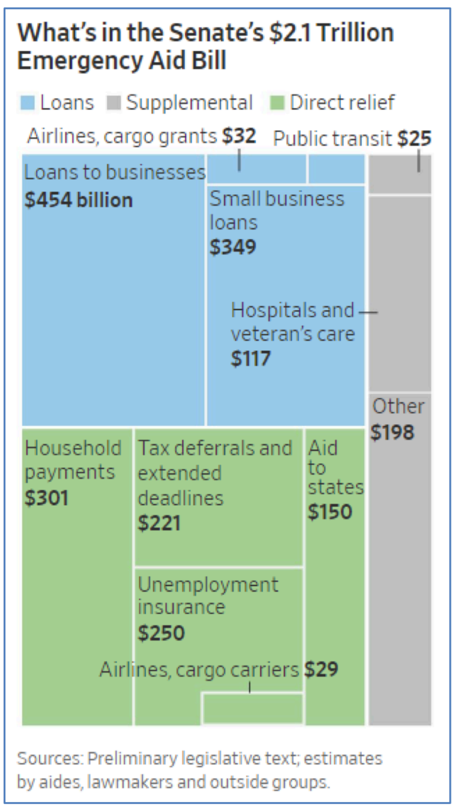
1. Accelerating U.S. infection & death rates, which will keep most major metropolitan areas in 'lockdown' mode;

U.S. Infection Rates Look Scary, Whether or Not Driven by Increased Testing





2. A realization that the massive fiscal stimulus package, though helpful, cannot offset the headwinds created by COVID-19;



INDICES	Dec-19	Jan-20	Feb-20	Mar-20
National				
ISM Manufacturing PMI	47.8	50.9	50.1	Apr-01
ISM Non-Man. PMI	54.9	55.5	57.3	Apr-03
NAHB Housing Index	76.0	75.0	74.0	72.0
Regional				
Empire Mfg	3.3	4.8	12.9	-21.5
Philly Fed	2.4	17.0	36.7	-12.7
Richmond Fed	-5.0	20.0	-2.0	2.0
Kansas City Fed	-5.0	-1.0	5.0	-17.0
Dallas Fed	-3.2	-0.2	1.2	Mar-30
Milwaukee Mfg	45.1	52.3	49.4	Mar-31
Chicago PMI	48.2	42.9	49.0	Mar-31
Houston PMI	47.4	52.5	50.2	Apr-10

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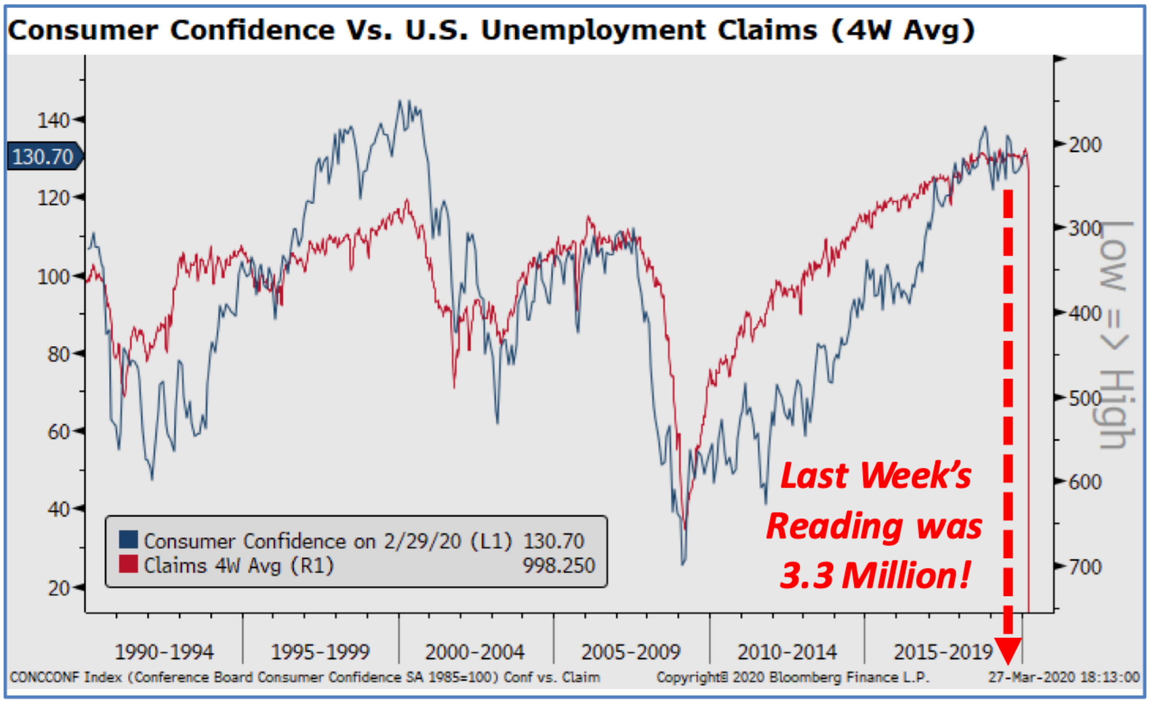
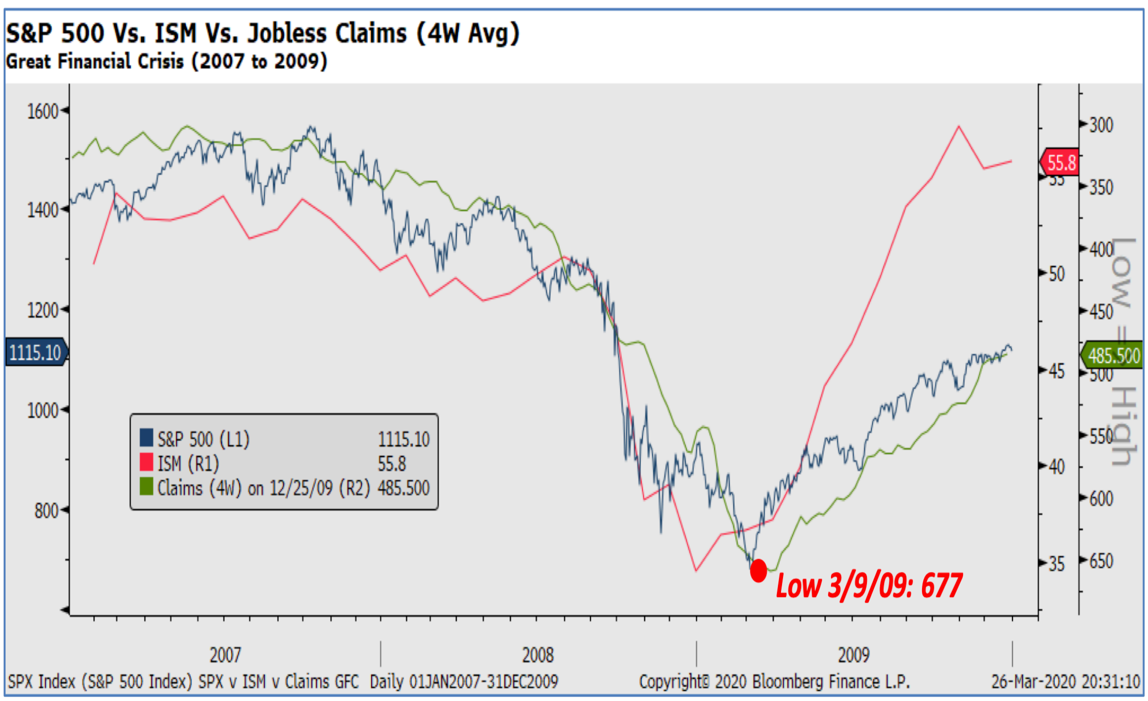
Economic Releases | Surveys/Cyclical Indicators | View Agenda | Wee

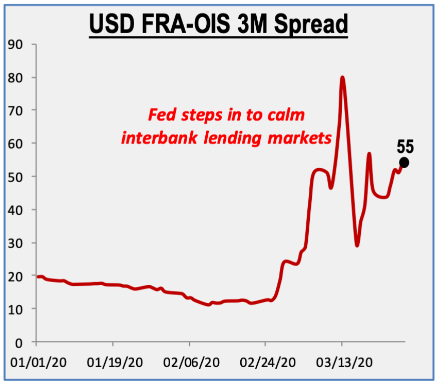
	Date Time	Event	Period	Surv(M)	Actual	Prior
21)	03/30 10:30	Dallas Fed Manf. Activity	Mar	-10.0	--	1.2
22)	03/31 09:45	MNI Chicago PMI	Mar	40.0	--	49.0
23)	03/31 10:00	Conf. Board Consumer Confidence	Mar	110.0	--	130.7
24)	03/31 10:00	Conf. Board Expectations	Mar	--	--	107.8
25)	03/31 10:00	Conf. Board Present Situation	Mar	--	--	165.1
26)	04/01 09:45	Markit US Manufacturing PMI	Mar F	48.0	--	49.2
27)	04/01 10:00	ISM Manufacturing	Mar	45.0	--	50.1
28)	04/01 10:00	ISM New Orders	Mar	--	--	49.8
29)	04/01 10:00	ISM Prices Paid	Mar	41.8	--	45.9
30)	04/03 09:45	Markit US Composite PMI	Mar F	--	--	40.5
31)	04/03 10:00	ISM Non-Manufacturing Index	Mar	44.0	--	57.3

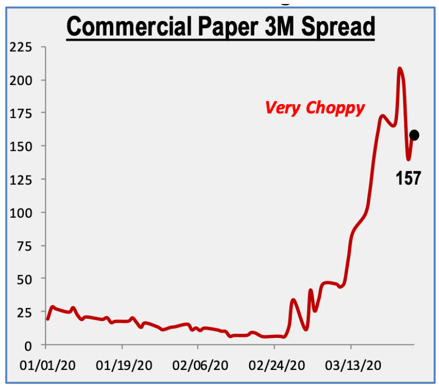
3. Upcoming economic data (unemployment, earnings, projections, etc.) which we see as extremely disappointing;

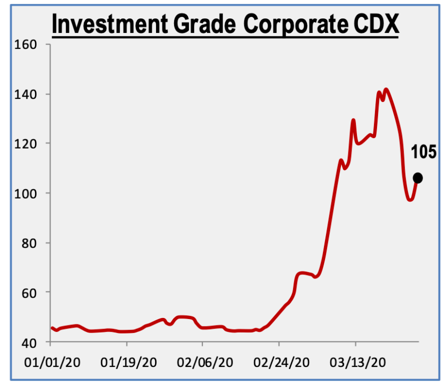




4. A reemergence of the credit concerns from two weeks ago (The Fed has been successful to-date), but derating of debt has started. Companies having their debt downgraded to junk include Boeing, Ford, American Airlines, Delta Airlines, and many energy companies.







5. Continued (though subsided slightly) volatility and market exuberance (or market disconnection of normal relationships between diversified assets);