

### Morningstar Rating™

Overall Rating as of March 31, 2024



As of 3/31/24, Class I shares rated 5 stars among 675 Moderate Allocation funds, based upon risk-adjusted returns derived from a weighted average of the performance figures associated with 3-, 5- and 10-year (if applicable) Morningstar Ratings metrics.

### Morningstar Sustainability Rating™



Above Average

Sustainability Percentile Rank in Category: 14

Sustainability Score: 20

Based on 100% of AUM out of a universe of 182 Moderate Allocation funds.

Sustainability Score as of 1/31/24.

Sustainability Rating as of 1/31/24.

Applicable for all share classes.

### Morningstar Carbon Risk Score



Per Morningstar as of 3/31/24.

See page 3 for important information about the Morningstar Carbon Risk Score.

### About 1919 Investment Counsel

1919 Investment Counsel is the investment advisor to the 1919 Funds and manages approximately \$22.6 billion in assets as of March 31, 2024. The cornerstone of 1919's investment process is proprietary, fundamental research with an emphasis on quality, risk management and diversification.

In addition to the 1919 Funds, 1919 Investment Counsel provides customized equity and fixed income strategies for institutions, family offices and high net worth individuals.

Portfolio Managers, Ron Bates, Alison Bevilacqua, Aimee Eudy, and Robert Huesman share their latest insights on the management of the Socially Responsive Balanced Fund.

**Q1. The 1919 Socially Responsive Balanced Fund ranked in the top 10% in performance in the Morningstar Moderate Allocation category for multiple periods ended 3/31/24. How are you positioning the portfolio for success in 2024?**

We are pleased with the Fund's top decile performance, which reflects the quality of our equity and fixed income research and our rigorous responsible investing approach (the Fund's Morningstar percentile rank for risk adjusted returns as of 3/31/24 was 7 out of 738 funds for the 1-year period, 9 out of 686 funds for the 3-year period, 6 out of 646 funds for the 5-year period, and 6 out of 487 funds for the 10 year period). We publish the [Socially Responsive Balanced Fund's Impact Profile](#) annually to give additional insight into our approach and the most recent version, as of year-end 2023, is now available on [1919funds.com](#).

As we move forward in 2024, we continue to see great opportunity in the equity market. The Fund's portfolio owns 5 out of the 7 "Magnificent 7" stocks (including NVIDIA, Amazon.com, Microsoft, Apple, and Alphabet, but not Meta or Tesla). Those holdings have significantly contributed to portfolio performance with earnings growth that should continue to drive performance.\*

We have also found compelling opportunities in the broader equity market. For example, we recently added Adobe to the Fund's portfolio. One of world's largest, diversified software companies, Adobe generates growing subscription revenues from Creative Cloud, Document Cloud, and Experience Cloud, among other digital cloud-based design solutions. In addition, Adobe has made great strides in its commitment to diversity and inclusion. "Adobe for All" is the company's commitment to advancing diversity, equity, and inclusion throughout its workforce and communities. For example, the company has increased its population of women employees globally and underrepresented minority employees in the US. It is also making notable progress towards its 2025 goals of increasing the representation of women in leadership positions to 30% globally and doubling the representation of underrepresented minority employees in leadership positions in the US, among other initiatives.

**Q2. Would you please provide some examples of emerging themes you are evaluating as we move forward in 2024?**

The use of AI (artificial intelligence) and the introduction of the SEC's Climate-Related Disclosure Rules are two notable themes on our radar:

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► From a performance perspective, AI should prove to be a driver for increased innovation, productivity, and profitability for industries across multiple sectors. From a responsible investing perspective, further guidelines around the responsible use of AI will need to be developed and we expect robust discussion on this issue to occur over the coming years.

► On March 6, 2024, the U.S. Securities and Exchange Commission (SEC) adopted the long-anticipated Climate-Related Disclosure Rules to enhance transparency and disclosure around climate-related risks and opportunities for U.S. public companies and most foreign private issuers. While some states and businesses believe the new rules go too far, environmental groups say the rules do not go far enough.

This new regulation will impact how companies collect, track, measure, and monitor climate-related risks and opportunities. Companies will need to disclose not only their potential business impacts on the climate but also how their operations are prepared to weather climate change impacts and their strategies for mitigating the associated risks.

### ***Q3. How are you positioning the Fund's fixed income portfolio from a duration, sector, and socially responsible criteria perspective?***

We still maintain a shorter duration in the fixed income portfolio but seek to extend duration as opportunities arise. As of March 31, 2024, the Fund's duration was 4.46 years versus the Bloomberg Aggregate Bond Index's duration of 6.12 years. Currently, approximately 37% of the fixed income sleeve is comprised of Green, Social, and Sustainable ("GSS") bonds. During the quarter, we added the following green bonds to the portfolio:

- Dow Chemical - In February 2024, the company issued bonds under its Green Finance Framework. Net proceeds from this issuance are designated to investments in projects, including circular economy technologies, decarbonization technologies, renewable energy, and energy efficiency.\*\*
- Duke Energy Progress (a subsidiary of Duke Energy Corp) - In March 2024, Duke Energy Progress issued green bonds to fund solar energy investments, including those relating to power purchase agreements for the procurement of solar energy.\* ■

## Portfolio Management Team

### **Ronald T. Bates**

Ron manages the Equity portion of the Fund, is the Director of the Responsible Investing Team, and is a Managing Director at 1919 Investment Counsel. He has over 40 years of industry experience.



### **Aimee M. Eudy**

Aimee manages the Fixed Income portion of the Fund and is a Managing Director at 1919 Investment Counsel. She has over 35 years of industry experience.



### **Alison Bevilacqua**

Alison is the Head of Responsible Investing Research and a Managing Director at 1919 Investment Counsel. As a Responsible Investing Analyst, she specializes in Corporate Responsibility research. She has over 28 years of industry experience.



### **Robert Huesman, CFA, CFP®**

Robert manages the Equity portion of the Fund and is a Managing Director at 1919 Investment Counsel focused on the management of the Socially Responsive Investment strategies. He has over 17 years of industry experience.



## Disclosure

\*NVIDIA, Amazon.com, Microsoft, Apple, Alphabet, Meta, Tesla, and Adobe represented 5.25%, 4.23%, 6.99%, 4.81%, 4.55%, 0%, 0%, and 0.90% of the Fund's equity portfolio as of 3/31/24. Dow Chemical and Duke Energy represented 0.5% and 2.3% of the Fund's fixed income portfolio as of 3/31/24.

The Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. As the hub for the sustainable and impact investment market in the United States, US SIF attracts a broad array of members who are committed to achieving both positive societal and environmental impact and competitive returns. The Green Bond Principles (GBP) and Social Bond Principles (SBP) promote integrity in the Green Bond market through guidelines that recommend transparency, disclosure, and reporting. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

The Morningstar Rating™ for funds, or "star rating" on page 1, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history without adjustment for sales load. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year

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(if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Class I shares of the Fund were rated against 675, 635, and 482 Moderate Allocation funds over the 3-, 5-, and 10-year periods, respectively. With respect to these time periods, Class I shares of the Fund received Morningstar Ratings of 4, 5, and 5 stars as of 3/31/24. Ratings shown are for the highest and lowest rated share classes only, when available. Other share classes have different expense structures and performance characteristics. Classes have a common portfolio.

**The Morningstar Sustainability Rating™ on page 1** is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their financially material environmental, social and governance, or ESG, risks relative to the fund's Morningstar Global Category peers. The Morningstar Sustainability Rating calculation is a five -step process. First, each fund with at least 67% of assets covered by a company-level ESG Risk Score from Sustainalytics receives a Morningstar Portfolio Sustainability Score.

**The Morningstar Portfolio Sustainability Score on page 1** is an asset-weighted average of company-level ESG Risk Scores. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk. Second, the Historical Sustainability Score is an exponential weighted moving average of the Portfolio Sustainability Scores over the past 12 months. The process rescales the current Portfolio Sustainability Score to reflect the consistency of the scores. The Historical Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies with high ESG Risk, on a consistent historical basis. Third, the Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Global Categories in which at least thirty (30) funds receive a Historical Sustainability Score and is determined by each fund's Morningstar Sustainability Rating Score rank within the following distribution: High (highest 10%), Above Average (next 22.5%), Average (next 35%), Below Average (next 22.5%), and Low (lowest 10%). Fourth, then Morningstar applies a 1% rating buffer from the previous month to increase rating stability. This means a fund must move 1% beyond the rating breakpoint to change ratings. Fifth, they adjust downward positive Sustainability Ratings to funds with high ESG Risk scores. The logic is as follows: If Portfolio Sustainability score is above 40, then the fund receives a Low Sustainability Rating. If Portfolio Sustainability score is above 35 and preliminary rating is Average or better, then the fund is downgraded to Below Average. If the Portfolio Sustainability score is above 30 and preliminary rating is Above Average, then the fund is downgraded to Average. If the Portfolio Sustainability score is below 30, then no adjustment is made. The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Since a Sustainability Rating is assigned to all funds that meet the above criteria, the rating it is not limited to funds with explicit sustainable or responsible investment mandates. Morningstar updates its Sustainability Ratings monthly. The Portfolio Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Historical Sustainability Score and the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics' ESG scores from the same month as the portfolio as-of date. Please click on <http://corporate1.morningstar.com/SustainableInvesting/> for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency. Sustainalytics is an independent ESG and corporate governance research, ratings, and analysis firm. Morningstar, Inc. holds a non-controlling ownership interest in Sustainalytics.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

## **Important Information About The Carbon Risk Score On Page 1**

Morningstar Portfolio Carbon Metrics are asset-weighted portfolio calculations based on Sustainalytics company carbon-risk research. The Low Carbon Designation™ badge is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy. In order to receive the Low Carbon Designation, a fund must have a Historical Carbon Risk Score below 10 and a Historical Fossil Fuel Percentage of Covered Portfolio Involved of less than 7%. Carbon metrics that produce peer-based percentile rankings will be subject to a minimum coverage requirement to be calculated. For metrics subject to this requirement, portfolios must have a minimum of 67% of the eligible portfolio covered to receive a calculation. All other carbon metrics will be calculated on the data available with no minimum criterion for coverage applied. All Morningstar portfolio carbon metrics are calculated monthly.

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**Mutual fund investing involves risk. Principal loss is possible. The Fund's social policy may cause it to make or avoid investments for social reasons when it is otherwise disadvantageous to do so. The Fund may invest in foreign and emerging market securities which will involve greater volatility and political, economic and currency risks and differences in accounting methods. The risks are particularly significant for funds that invest in emerging markets.**

**Fixed-income securities involve interest rate, credit, inflation and reinvestment risks; and possible loss of principal. As interest rates rise, the value of fixed income securities falls. The Fund may focus its investments in certain regions or industries, increasing its vulnerability to market volatility. The manager's investment style may become out of favor and/or the manager's selection process may prove incorrect; which may have a negative impact on the Fund's performance.**

**Duration** is a measure of the sensitivity of the price, the value of principal, of a fixed-income investment to a change in interest rates and is expressed as a number of years.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged, market-value weighted index comprised of taxable U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate, asset-backed, and mortgage-backed securities between one and 10 years. One cannot invest in an index.

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectus contains this and other important information about the investment company, and may be obtained by calling 1.844.828.1919. Read it carefully before investing.*

1919 Funds are distributed by Quasar Distributors, LLC.