



TRADITION ASSET MANAGEMENT

A LUXON FINANCIAL COMPANY

All-Cap Advantage

March 2019

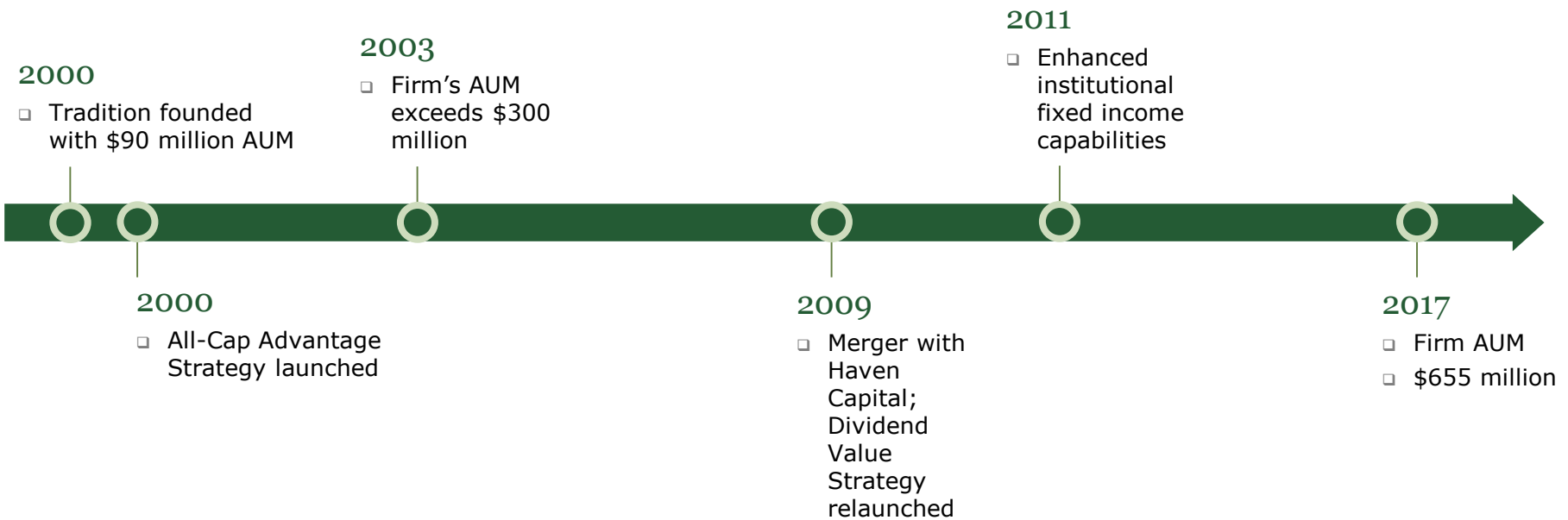
About Tradition Asset Management

- ❑ Summit, NJ based boutique asset manager founded in 2000
- ❑ 22 employees; 7 investment committee professionals averaging 31 years of experience
- ❑ Rich history of traditional research-driven investing
- ❑ A proven track record of success (GIPS® verification)
- ❑ Personal assets invested with clients
- ❑ Firm-wide client-centric culture
- ❑ \$680 million in Assets Under Management (AUM)
- ❑ Approx. \$180 million in All-Cap Advantage Strategy

Tradition Investment Strategies

- ❑ U.S. Equity Strategies
 - All-Cap Advantage
 - Dividend Value
- ❑ Tax-Efficient Portfolios
- ❑ Customized Portfolios
- ❑ Balanced Portfolios
- ❑ Fixed Income Portfolios

Tradition Timeline



Strategy Offerings*



TRADITION ASSET
MANAGEMENT

A LUXON FINANCIAL COMPANY

All-Cap Advantage

The All-Cap Advantage Strategy (ACA) is a long-term, fundamentally-driven investment approach whose goals are to generate an attractive risk-adjusted rate of return and to outperform the S&P 500 index over time. The strategy's primary tenet is that a stock represents an ownership interest in a business. Our goal is to identify quality businesses and to buy their stock at a discount to our estimate of its intrinsic worth. ACA portfolios typically hold 40-60 positions. The strategy's long-term orientation results in low portfolio turnover and tax efficiency, making the strategy particularly attractive for taxable investors.

Dividend Value








The Dividend Value investment process is based on the belief that a portfolio of stocks with above-average dividend growth plus an above-average dividend yield should outperform the broader market and experience less downside volatility over a full market cycle. An increased dividend is the most meaningful evidence of management's confidence that a company has reached a higher sustainable level of future cash earnings and operating cash flow. Our research suggests this is a highly reliable indicator that management's optimism is well-founded. As a group, companies with a commitment to pay out a meaningful portion of cash earnings as dividends typically impose more financial discipline on management and are indicative of successful businesses that build shareholder value.

Fixed Income

Tradition's Fixed Income portfolios are actively managed to outperform a benchmark index over the long-term while mitigating risk. We accomplish this through interest rate anticipation, sector allocation and security selection. This strategy is appealing to investors who require higher yields and can accept moderate price volatility. All maturities and sectors are utilized in this strategy as is duration management. Typical duration for a core portfolio ranges between 3 and 7 years depending upon our outlook for the direction of interest rates. Yield curve management is utilized as well. The overall portfolio quality is typically AA-. Fixed income portfolios are constructed to meet specific client needs and mandates.

*Tradition also offers balanced portfolios and other fixed income portfolios that can be customized for specific client objectives.

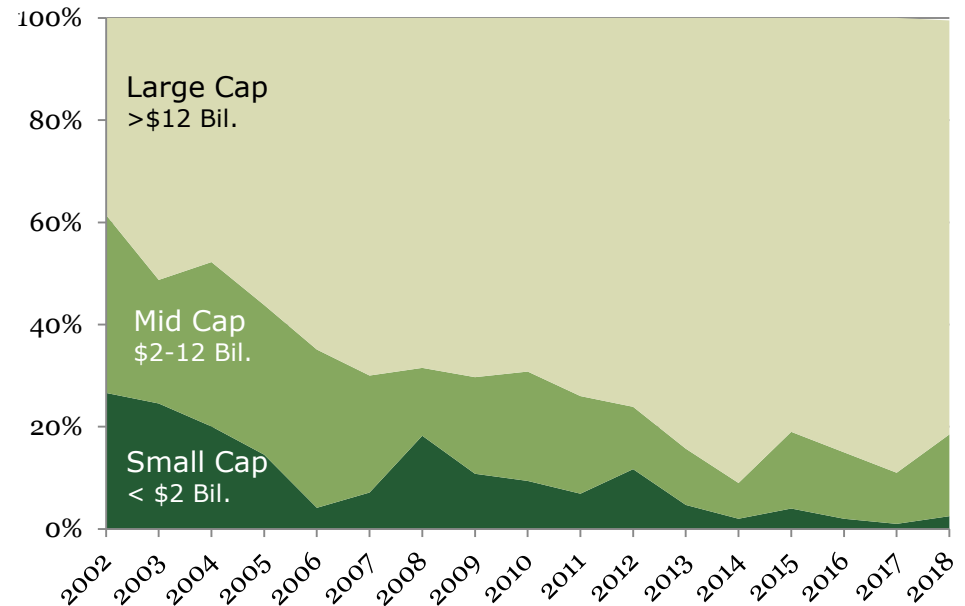
Investment Committee

	Name	Role	Education	Tenure
	Benjamin C. Halliburton, CFA Managing Director	Chief Investment Officer	Vanderbilt University, BS Duke University (Fuqua), MBA	2000
	Alan J. Reef Managing Director	Portfolio Manager	U. of Pennsylvania (Wharton), BS New York University (Stern), MBA	2012
	Denis M. Turko Managing Director	Portfolio Manager	Yale University, BS Columbia University, MBA	2009
	Christopher J. Trompeter, CFA Managing Director	Portfolio Manager	St. Lawrence University, BA	2000
	Stephen Ely Managing Director	Portfolio Manager	Princeton University, BA New York University (Stern)	2009
	John W. Feaster Managing Director	Portfolio Manager	Fordham University, BS Rutgers University, MBA	2019
	Marc L. Davis, CFA Senior Vice President	Senior Analyst	Columbia College, BA New York University (Law School), JD	2002

Tradition All-Cap Advantage Strategy

- ❑ “Best Ideas” portfolios
- ❑ Strategy seeks alpha across the entire capitalization spectrum
 - Bottom-up stock selection from focus research list
 - Capitalization exposure will vary over time depending on valuations
- ❑ Research-driven, contrarian insights
- ❑ Consistent long-term track record of alpha generation
- ❑ Consistently high risk-adjusted returns
- ❑ Achieved a 4-star rating from Morningstar (SMA large blend peer group)

Historical Market Cap Distribution

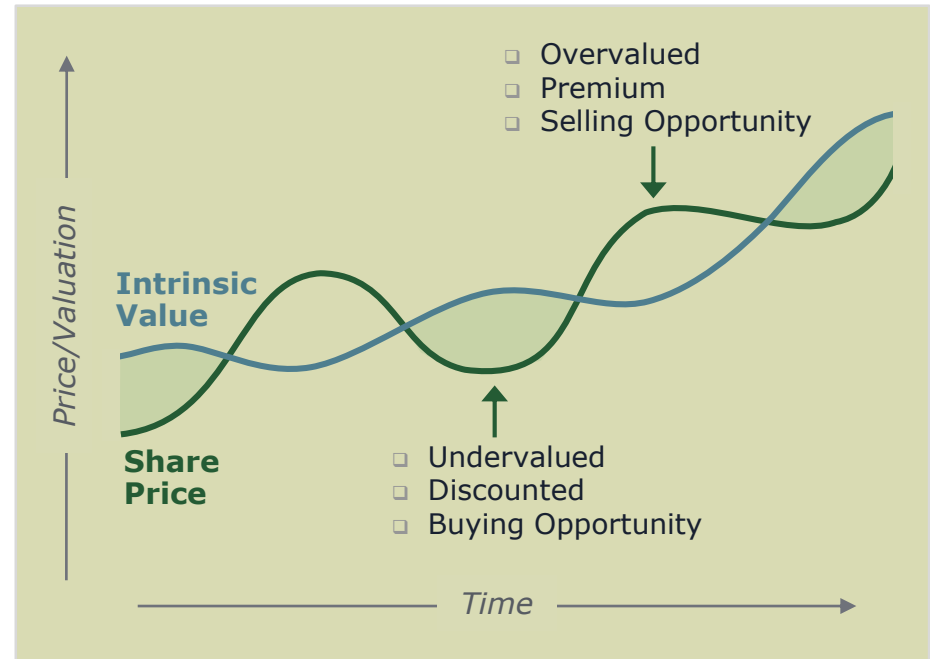


As of December 31, 2018

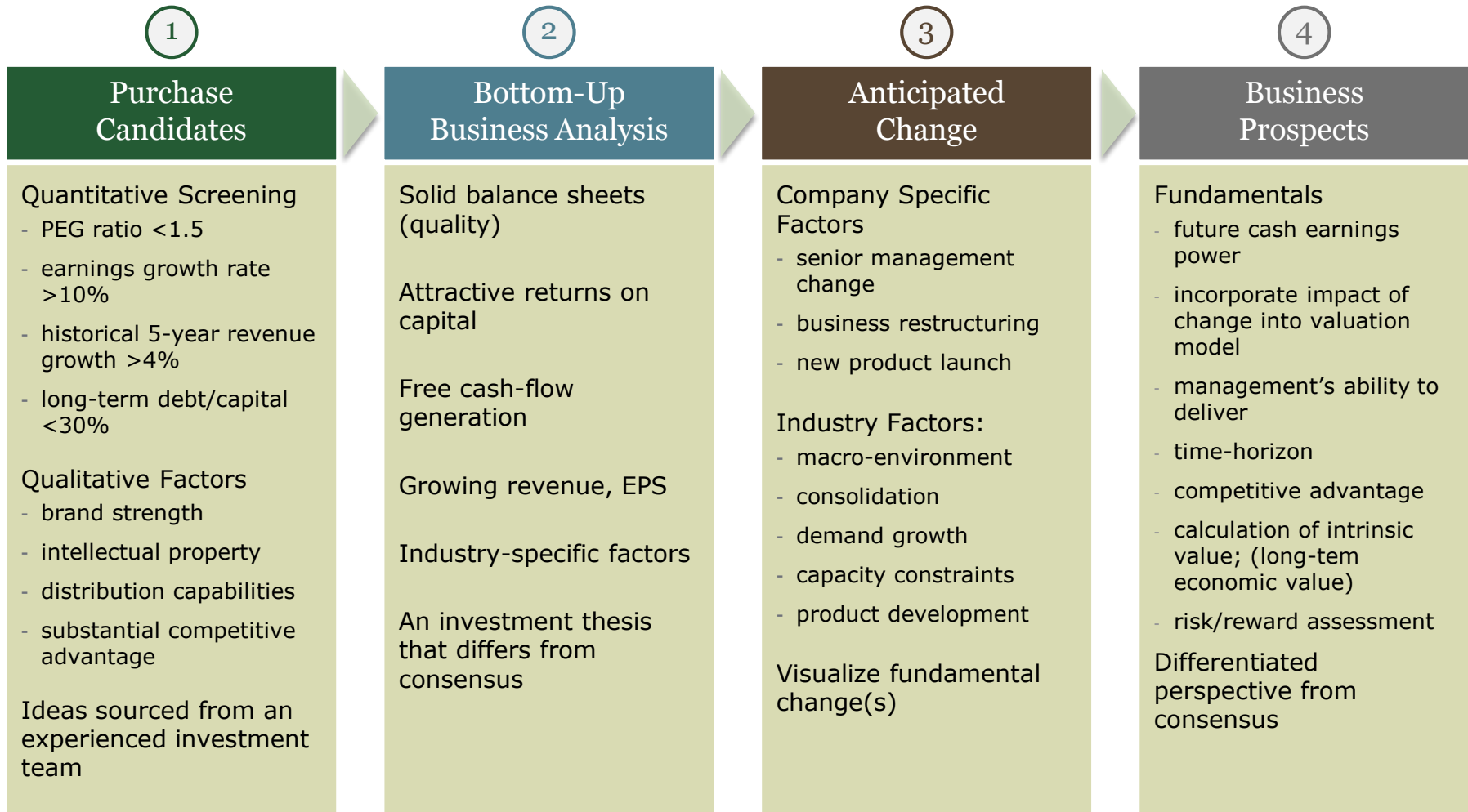
Tradition's Investment Philosophy

A Proven Approach

- ❑ Markets are inefficient in the short term; fear and greed create opportunities for the longer term investor
- ❑ Share prices often fluctuate above/below their intrinsic value (i.e., our estimate of a company's economic worth)
- ❑ Fundamental research uncovers the greatest opportunities to capitalize and to manage risk
- ❑ We invest only if our proprietary research suggests a stock is undervalued
- ❑ This approach offers a higher probability of success

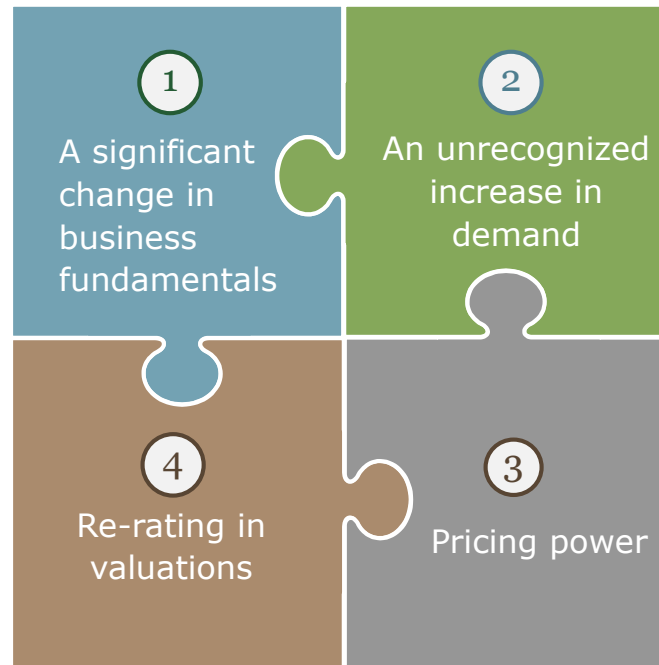


Research Process: Identifying “Best Idea“ Alpha Generators



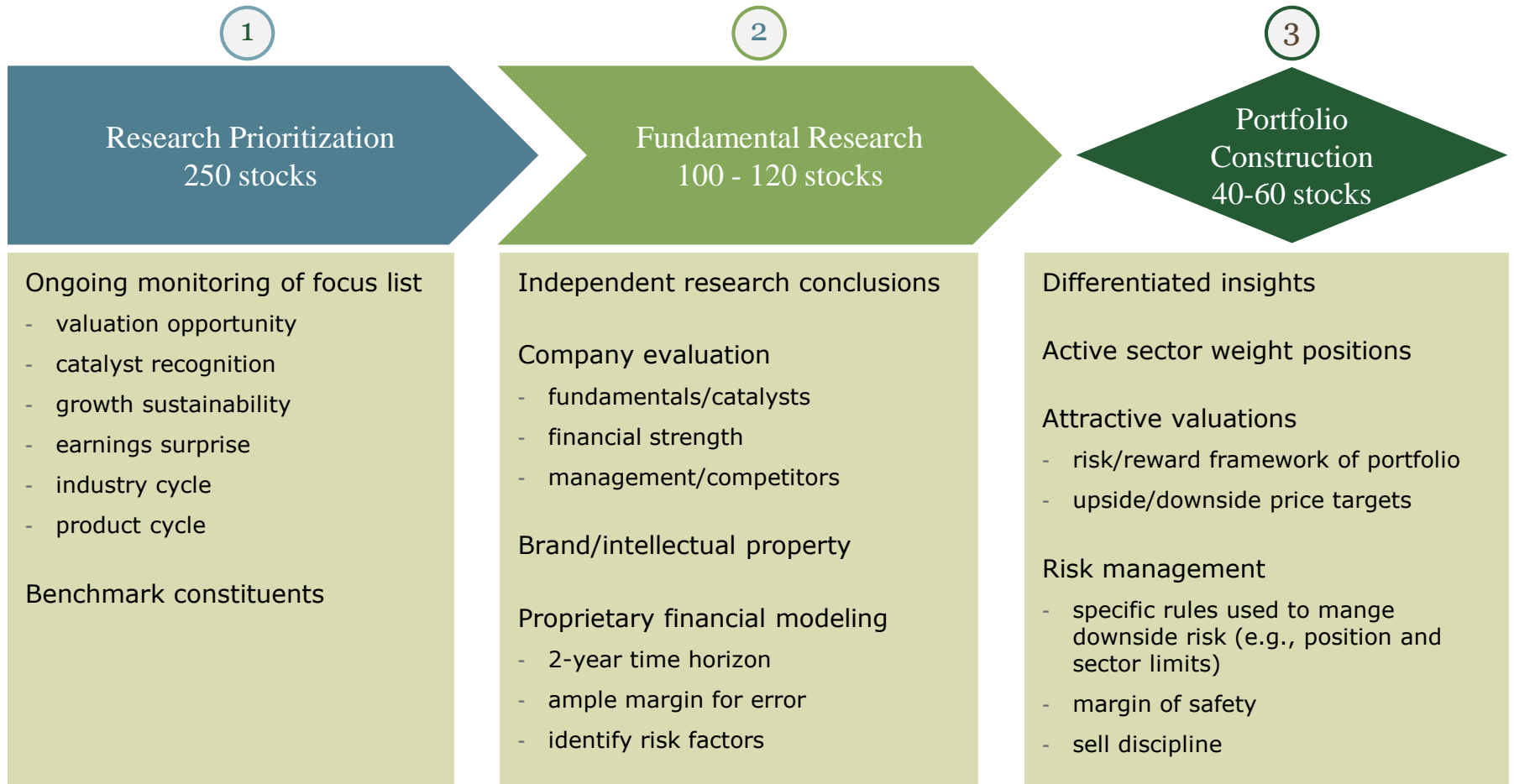
All-Cap Advantage's Keys to Success

Key Drivers



A Repeatable and Sustainable Investment Process

Translating Research Insights Into Alpha



A Rigorous Sell Discipline



Representative Portfolio

Basic Materials

- Avery Dennison

Consumer Goods

- Colgate-Palmolive
- Diageo
- Hain Celestial Group
- Kimberly-Clark
- Nestle
- Unilever
- Whirlpool

Oil & Gas

- Encana
- Halliburton Company
- Range Resources
- Suncor Energy

Consumer Services

- Alibaba Group Holding
- CarMax
- Lowes Companies
- Norwegian Cruise Line
- Walt Disney

Health Care

- Abbott Laboratories
- AbbVie
- Becton Dickinson
- Bristol-Myers Squibb
- Johnson & Johnson
- Merck
- Novartis
- Stryker
- Thermo Fisher Scientific
- Zimmer Biomet Holdings
- Zoetis

Industrials

- 3M Company
- Airbus
- Boeing Company
- Canadian Solar
- FedEx
- First Solar
- Granite Construction
- Landstar System
- Packaging Corp of America

Utilities

Technology

- Alphabet Inc. Class C
- Apple
- Baidu
- Cisco Systems
- DXC Technology
- Facebook
- Intel
- Microsoft
- NVIDIA
- NXP Semiconductors

Financials

- American Express
- Aon
- Citigroup
- Citizens Financial Group
- Everest Re Group
- Goldman Sachs Group
- JP Morgan Chase
- Marsh & McLennan
- PNC Financial Services
- Prudential Financial
- Willis Towers Watson

As of March 31, 2019

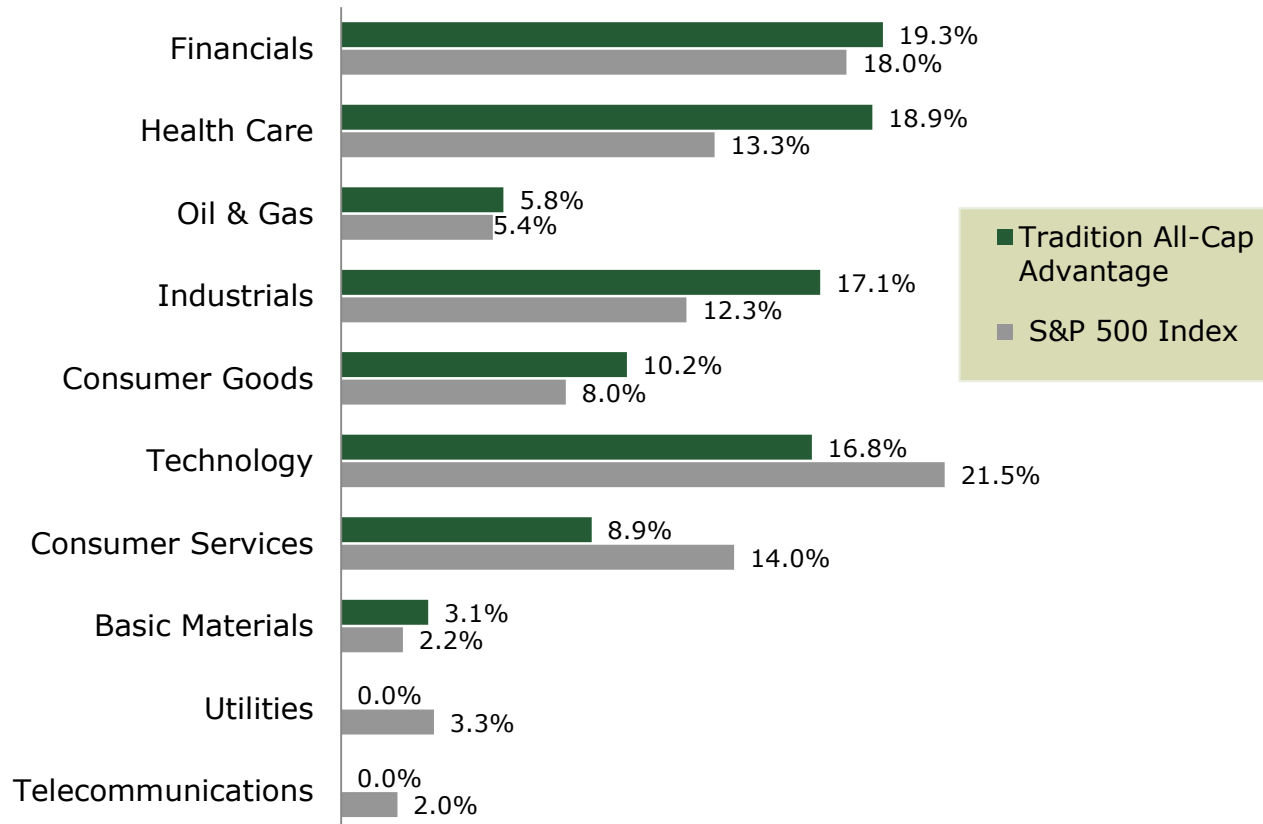
The portfolio holdings are not investment recommendations and may no longer be held in an account. For supplemental purposes only.

Top Ten Holdings

	Sector	Percent of Portfolio
Avery Dennison	Basic Materials	3.10%
Willis Towers Watson	Financials	3.04%
Citizens Financial	Financials	3.01%
AbbVie	Health Care	3.00%
Citigroup	Financials	2.79%
Thermo Fisher Scientific	Health Care	2.64%
Bristol-Myers Squibb	Health Care	2.58%
Everest Re Group	Financials	2.39%
Alphabet Inc. Class C	Technology	2.37%
Norwegian Cruise Line	Consumer Services	2.25%

As of March 31, 2019; representative portfolio

Sector Weightings



As of March 31, 2019; representative portfolio

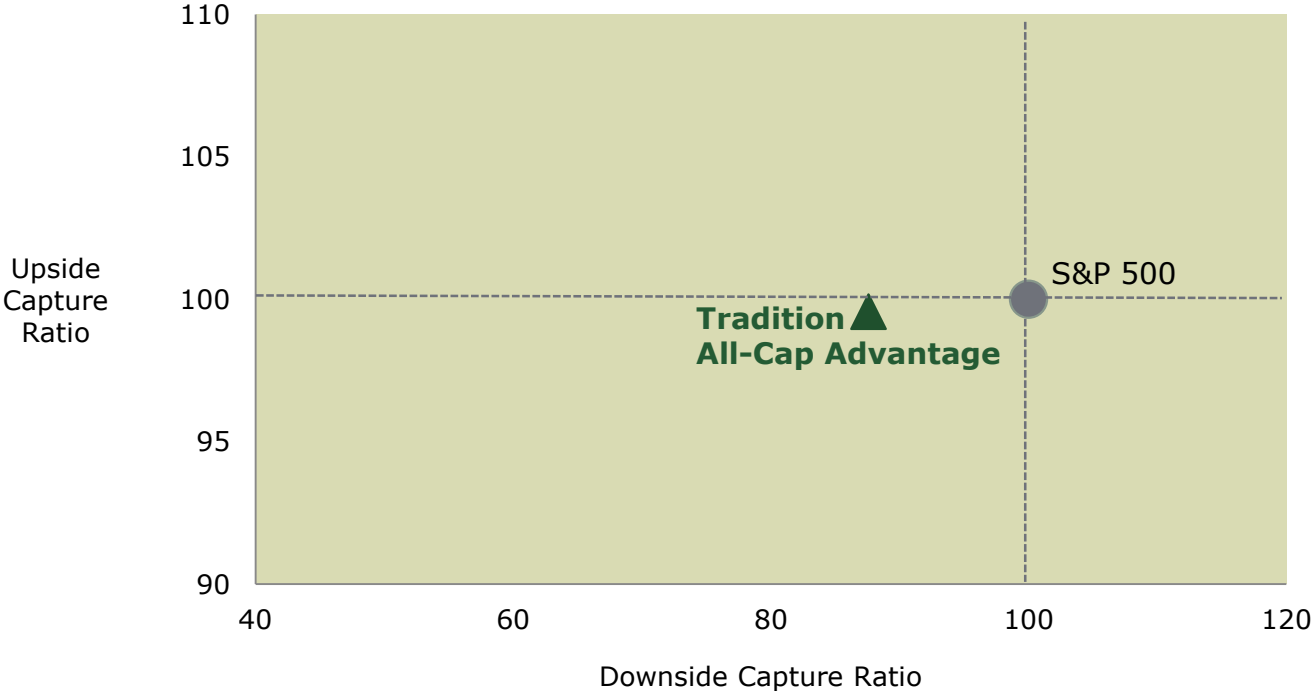
Portfolio Characteristics

	Tradition All-Cap Advantage	S&P 500
Return on Equity	20.0%	15.3%
Long-Term Earnings Growth	11.0%	6.0%
Debt to Capital Ratio	40.9%	40.2%
Price/Earnings Ratio (forward 1 yr estimate)	15.9	16.4
Price/Earnings Divided by Growth Rate (PEG)	1.4	2.7
Weighted Average Market Cap (\$ BIL)	145.4	230.3
Number of Stocks	58	500

As of March 31, 2019; data shown is for a representative portfolio

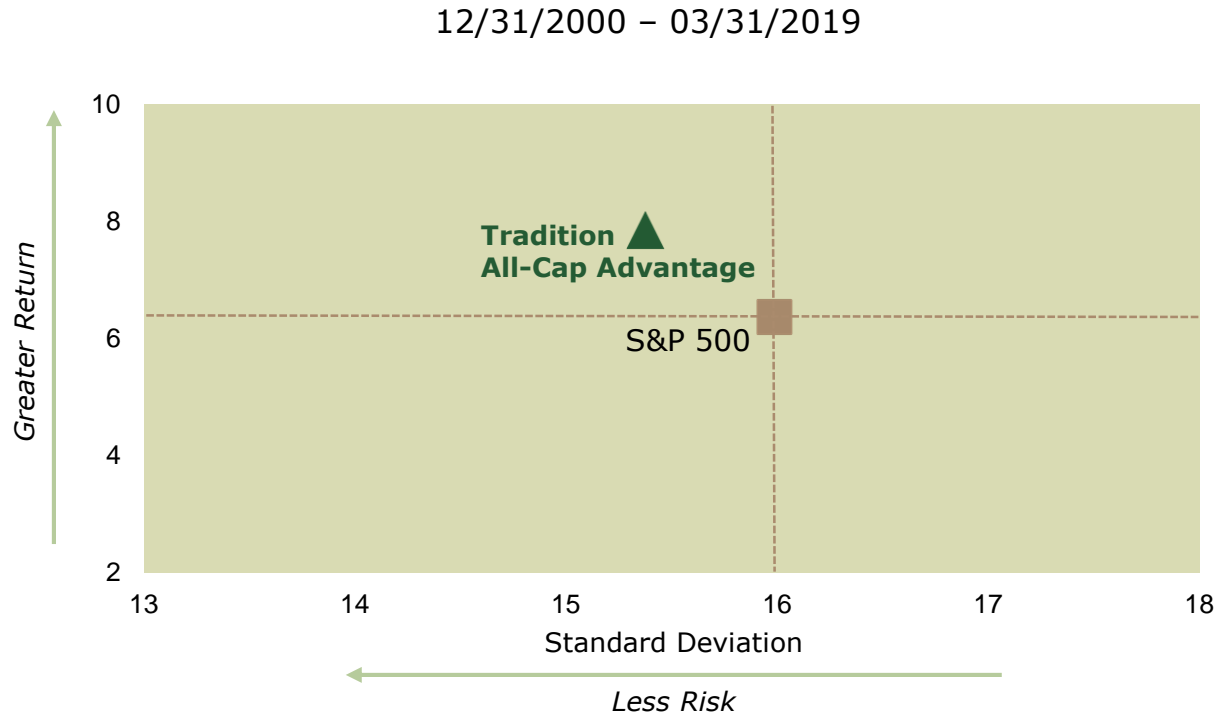
Upside/Downside Capture Analysis

12/31/2000 – 03/31/2019



Upside capture ratio greater than 100 has outperformed the index during up-market periods; downside capture ratio of less than 100 has outperformed the index in down market periods. Please read the firm's full performance disclosure on the last page of this presentation. Past performance is not indicative of future results. Source: PSN

Long-Term Risk and Reward Metrics

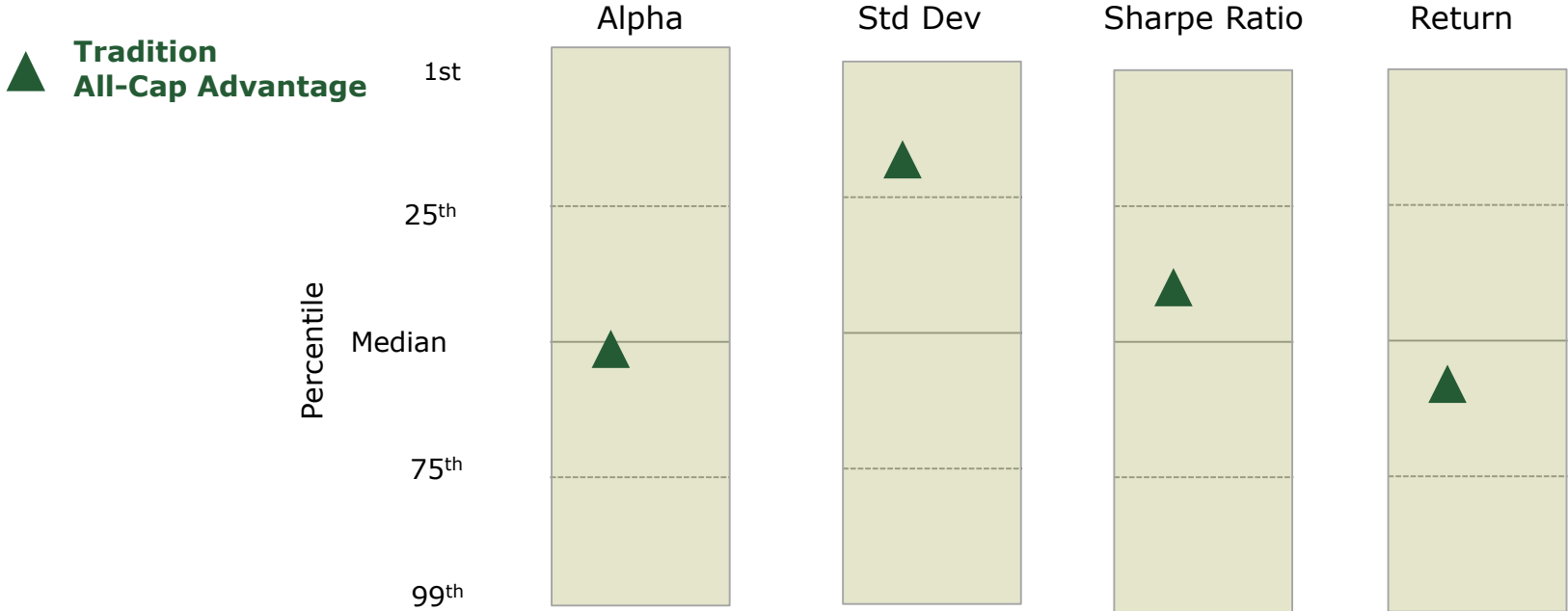


	Return	Std Dev	Alpha
All-Cap Advantage	7.86%	15.48	1.78
S&P 500	6.36%	16.12	0.00

Source: PSN Please read the firm's full performance disclosure on page 22 of this presentation. Past performance is not indicative of future results.

Risk-Return Statistics: Peer Group Comparison

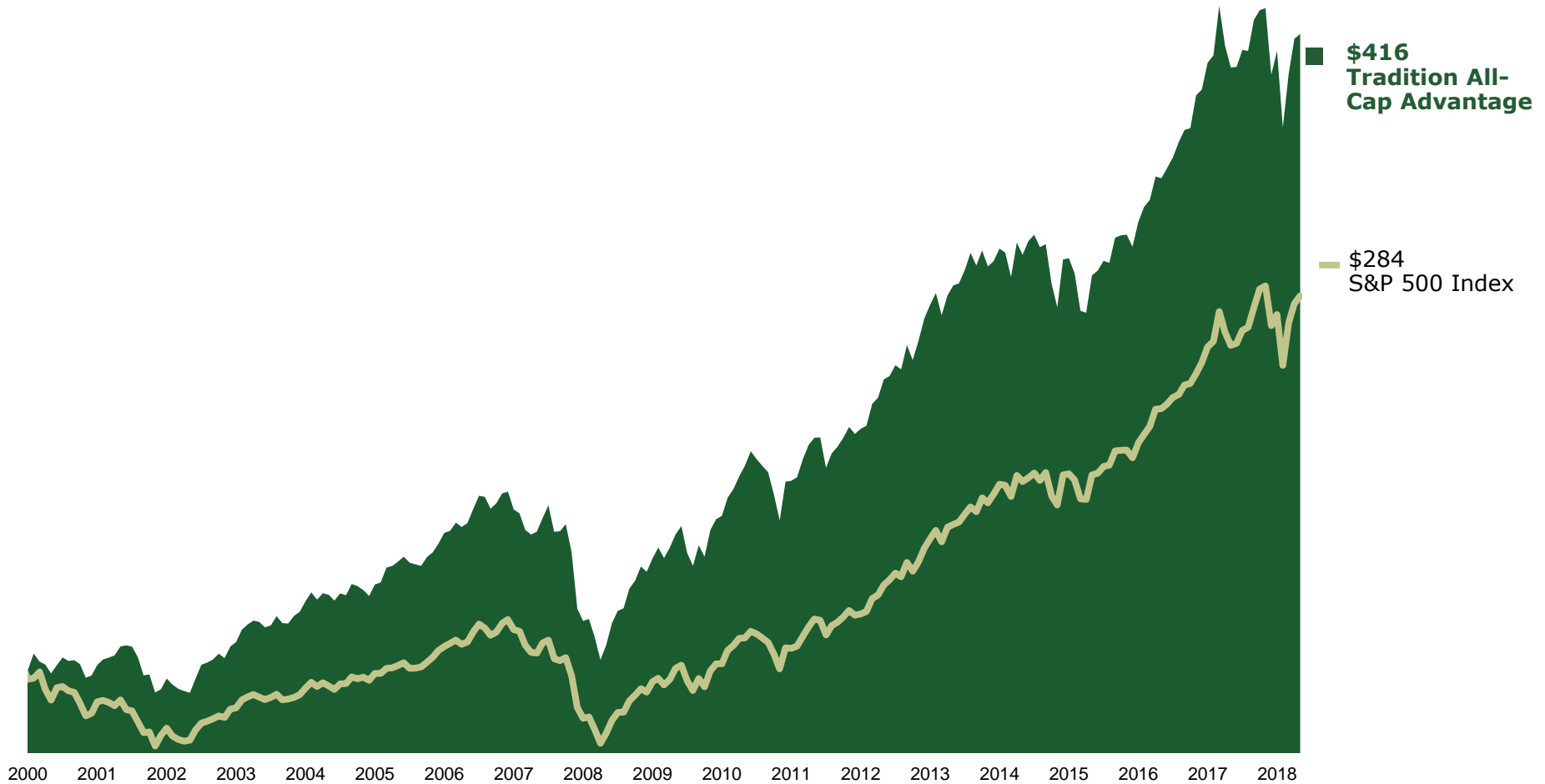
12/31/2000 – 03/31/2019



Source: PSN All Cap peer group as of 03/31/2019. Past performance is no guarantee of future returns.

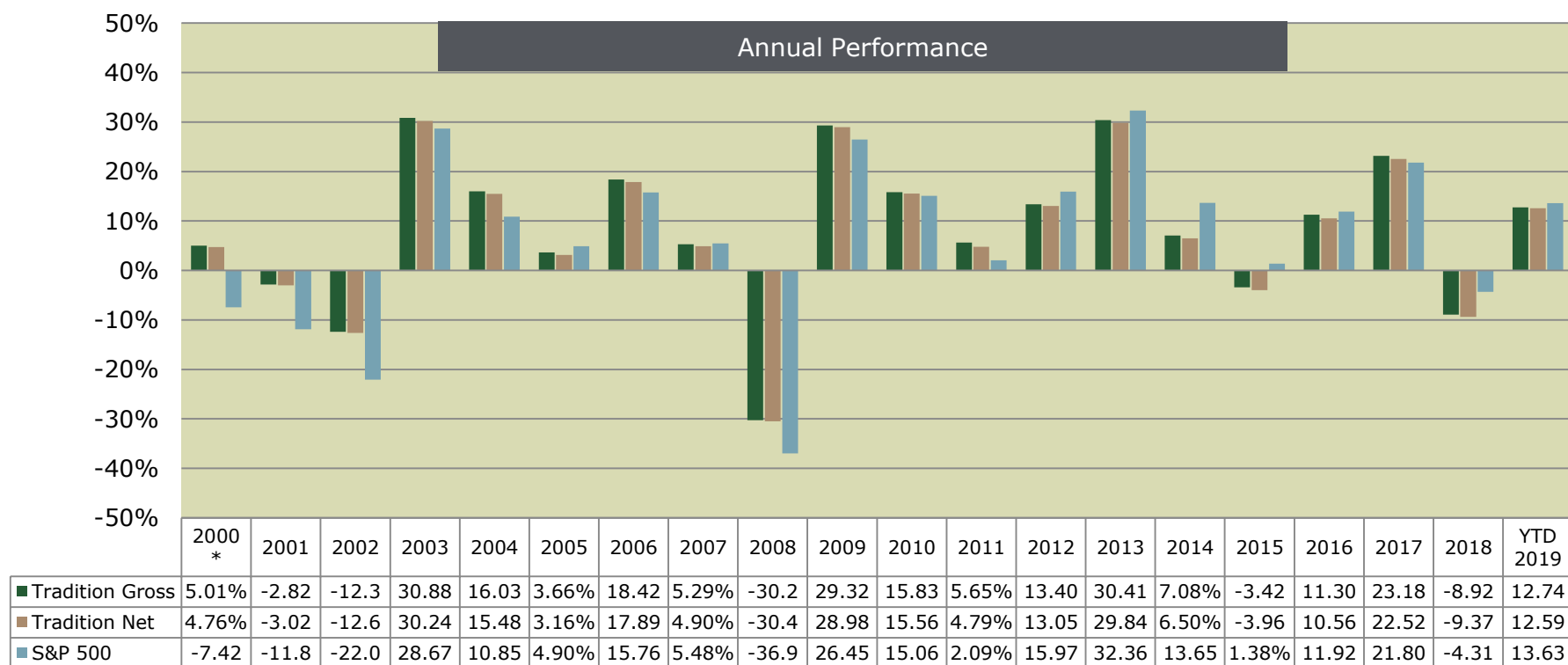
All-Cap Advantage Performance

Growth of \$100
10/31/2000 - 03/31/2019



Please read the firm's full performance disclosure on page 22 of this presentation. For supplemental purposes only.

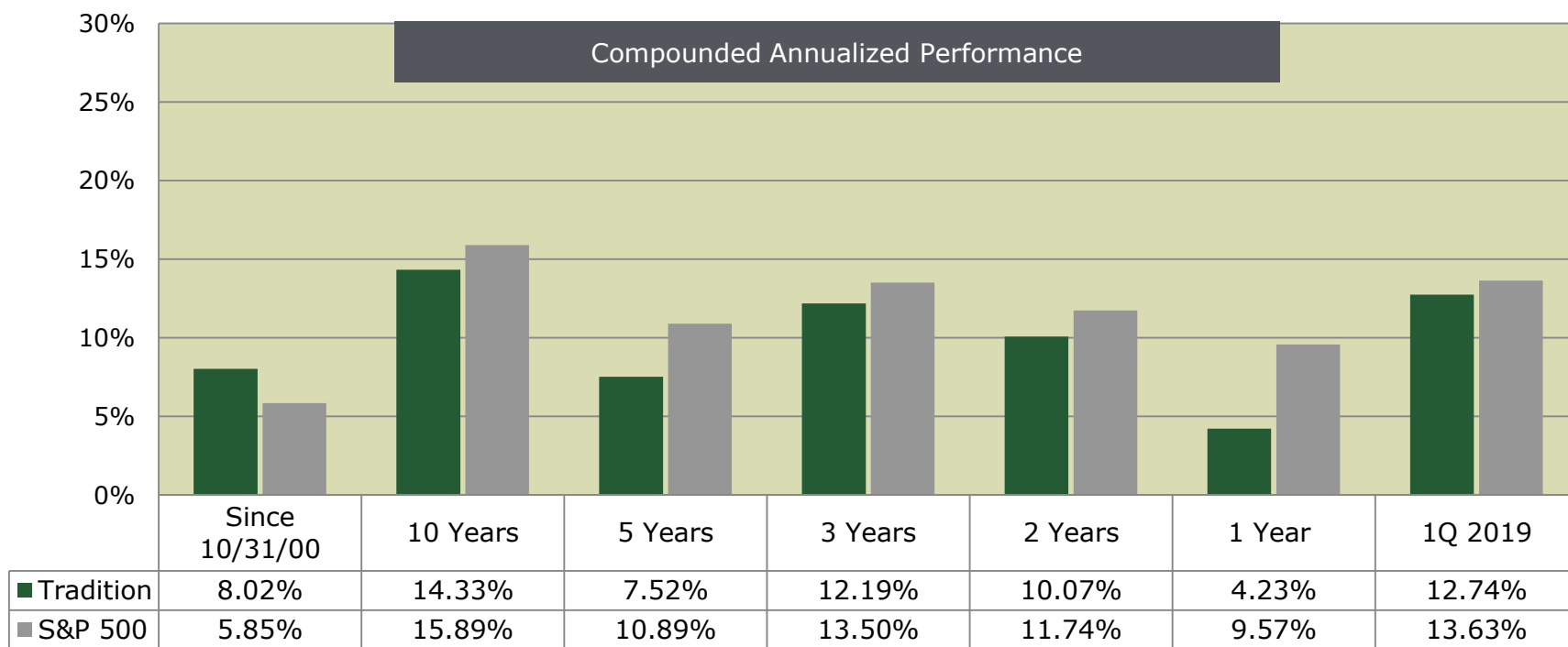
All-Cap Advantage Performance



*Tradition All-Cap Advantage Since: 10/31/2000.

Please read the firm's full performance disclosure on page 22 of this presentation. For supplemental purposes only.

All-Cap Advantage Performance



Please read the firm's full performance disclosure on page 22 of this presentation. For supplemental purposes only.

All-Cap Advantage Performance Disclosure

Period	Assets (mm)			# of Composite Accounts	Gross	Net	S&P 500	Composite Dispersion	3-Yr Std Deviation	
	Total Firm	Strategy Assets	Composite Assets						Composite	S&P 500
2019	680	180	72	70	12.7%	12.6%	13.6%	N/A	N/A	N/A
2018	616	150	66	71	(8.9%)	(9.4%)	(4.3%)	1.7%	11.9%	10.8%
2017	655	183	85	79	23.1%	22.6%	21.8%	2.3%	11.1%	9.9%
2016	535	171	78	86	11.3%	10.6%	11.9%	1.5%	11.5%	10.6%
2015	526	195	117	104	(3.4%)	(3.9%)	1.4%	1.4%	11.1%	10.5%
2014	465	225	137	123	7.1%	6.5%	13.6%	1.2%	9.1%	9.0%
2013	462	N/A	32	6	30.4%	29.9%	32.4%	1.3%	12.1%	11.9%
2012	423	N/A	26	6	13.4%	13.1%	16.0%	1.2%	14.7%	15.1%
2011	400	N/A	23	6	5.7%	4.8%	2.1%	1.1%	17.9%	18.7%
2010	456	N/A	22	6	15.8%	15.6%	15.1%	0.8%	-	-
2009	514	N/A	20	6	29.3%	28.9%	26.5%	N/A	-	-
2008	414	N/A	6	5 or fewer	(30.3%)	(31.0%)	(37.0%)	N/A	-	-
2007	542	N/A	123	5 or fewer	5.3%	4.9%	5.5%	N/A	-	-
2006	463	N/A	117	5 or fewer	18.4%	17.9%	15.8%	N/A	-	-
2005	410	N/A	98	5 or fewer	3.7%	3.2%	4.9%	N/A	-	-
2004	352	N/A	95	5 or fewer	16.0%	15.5%	10.9%	N/A	-	-
2003	308	N/A	88	5 or fewer	30.9%	30.2%	28.7%	N/A	-	-
2002	226	N/A	67	5 or fewer	(12.4%)	(12.6%)	(22.1%)	N/A	-	-
2001	254	N/A	77	5 or fewer	(2.8%)	(3.0%)	(11.9%)	N/A	-	-
2000*	89	N/A	110	5 or fewer	15.7%	15.4%	(7.4%)	N/A	-	-

N/A: Is not statistically meaningful due to insufficient number of portfolios in the composite for the entire year. Tradition Asset Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Tradition Asset Management, LLC has been independently verified for the periods October 17, 2000 through December 31, 2015. A copy of the verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Tradition Asset Management is the successor of Tradition Capital Management LLC effective April 30, 2019. Tradition Asset Management is a wholly owned subsidiary of Luxon Financial LLC. Tradition Asset Management is the trade name used by Tradition Asset Management LLC and is an SEC (Securities and Exchange Commission) Registered Investment Adviser under the Federal Investment Advisers Act and provides portfolio management and related services for a fee. Verification does not ensure the accuracy of any specific composite presentation. Verification does not ensure the accuracy of any specific composite presentation. The All-Cap Advantage composite, previously known as Institutional All-Cap and renamed in December 2013, is made up of all equity discretionary equity accounts with the objective of all-cap and with a minimum account level of \$ 200 thousand. Prior to 2013 the minimum was \$500 thousand. Prior to January 1, 2007, the minimum account size for this composite was \$1 MM. For comparison purposes is measured against the S&P 500 and index. The S&P 500 index returns are before taxes. Prior to October 2005 the composite was compared against the Wilshire 4500. The account must have been managed for at least a full calendar quarter and a month during the relevant time periods. The firm maintains a complete list and description of composites, which are available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results and the performance of a specific individual client account may vary substantially from the performance results reflected above. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees. The net performance results reflect time-weighted rates of return, the re-investment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, as well as Tradition's management fee. Gross performance includes all of the aforementioned criteria except for the deduction of Tradition's management fee. Net of fee performance was calculated using actual management fees. In addition to a management fee, some accounts pay an all-inclusive fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes portfolio monitoring, consulting services, and in some cases, custodial services. Tradition's investment management annual base fee schedule is as follows: 1.0% on the first \$5MM, 0.8% over \$5MM. Actual investment advisory fees incurred by clients may vary. Gross returns of wrap accounts are reduced by all transaction costs and other expenses incurred; net returns for all accounts have been reduced by all actual fees incurred. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. For purposes of this composite, we've included assets in fee-based commissioned accounts as wrap assets. Portfolio and composites will be revalued if external cash flow is greater than 10%. The annual composite dispersion is an asset-weighted standard deviation calculated when there are more than five accounts in the composite for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request by contacting Tradition through their website at www.traditioncm.com. If an account has a 15% of total portfolio withdrawal/deposit, over a 2 month period, account will be taken out of the composite at the end of the month preceding the withdrawal/deposit and won't be put back in for 3 months. As of 1/1/2009 the cash flow policy changed from 15% to 25%. The All-Cap Advantage composite was originally created by Haven Capital Management on April 1, 1983. Haven Capital Management joined Tradition Asset Management in March 2009, the shaded area above reflects the composite levels at Haven Capital Management. Performance results shown prior to January 1, 2002 have undergone an abbreviated firm-wide verification by a predecessor verifier in accordance with Standards in effect at that time, and are included as part of a completed disclosure presentation. Results for the full historical period are time weighted. From January 1, 1984 through December 31, 1992, composite results were a simple average; the firm was not in compliance during this time period. Beginning January 2007 a non-fee paying account is included in this composite: In 2007, 7.7%; in 2008, 95% of the composite is comprised of a non-fee paying account. As of June 2009, no non-fee paying accounts are in composite. Strategy assets is for supplemental purposes only. The assets include all accounts that are managed under the All-Cap Advantage strategy whether or not they qualify for the composite. On December 31, 2013 Tradition Asset consolidated variations of their All-Cap strategy into one composite. **Partial year from Oct 2000 to Dec 2000. On August 31, 2015, Candor Wealth Advisors merged into Tradition Asset Management.

The Pursuit of Alpha: Key Drivers of Success

Success Drivers	Tradition
Investment team structured for accountability	✓
Disciplined decision-making process	✓
Repeatable and transparent	✓
Disciplined analytical skills	✓
Proactive sell discipline	✓
Agility of a “boutique” manager	✓
Co-investments with clients	✓
Focus	✓
Experience	✓
Strong performance over full market cycles	✓
Risk controls	✓



Appendix

Tradition's Core Values

- ❑ Our clients' best interests always come first
- ❑ The highest ethical standards must be adhered to at all times
- ❑ Exceeding client expectations is an ongoing process that builds greater trust in our firm
- ❑ Achieving excellence is our firm's most important business objective

Client Service Approach: Resourced to be Responsive

- ❑ Understanding of client information needs
 - Useful and timely written reports
 - Useful formal and informal review meetings

- ❑ Experienced and capable relationship managers
 - Deep industry experience / lengthy firm tenure
 - Frequency of personal contact
 - Strong relationships with consultants, custodian banks and broker dealers
 - Team based

- ❑ Direct access to investment professionals

Fee Schedule

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$5,000,000	1.00%
Over \$5,000,000	0.80%

This is the firm's discretionary investment advisory only fee schedule
Please see form ADV-2A for additional information on fee schedule

Contact Information

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