



Managing Credit and Duration Risk to Harvest Income

Next-Generation Solutions for Today's Investors



A quantitative, rules-based complement to traditional fixed income



As of December 31, 2019: 3-Year
Rating in Morningstar SMA
Universe Multi-Sector Bond.

DYNAMIC ALLOCATION

Across Credit & Duration Factors

Positioned as a complement to core bond exposure, CSRSM aims to diversify performance drivers but dampen risk relative to other yield-enhancing strategies. At the overall portfolio level, the strategy aims to improve risk-adjusted results through downside mitigation and stable total return.

MULTI-PURPOSE SOLUTION

Hypothetical blends illustrate recommended use as satellite exposure to core fixed income, or volatility dampener for high yield.

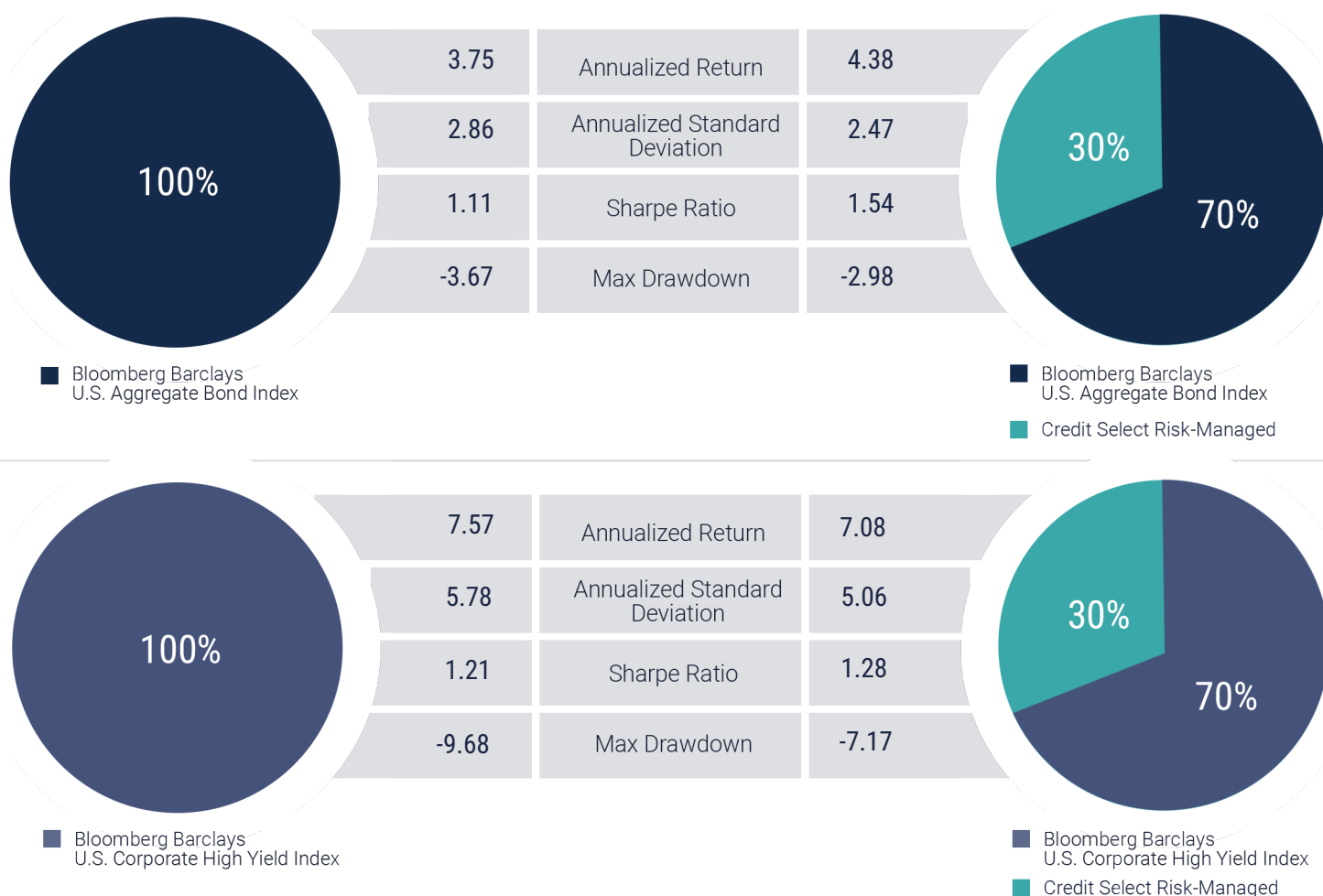
As of December 31, 2019	Credit Select Risk-Managed Strategy (Gross)	Credit Select Risk-Managed Strategy (Net)	BBg Barclays US Corp. High Yield Index	BBg Barclays US Aggregate Bond Index
1 Year	5.86	4.86	14.32	8.72
3 Year	2.77	1.78	6.37	4.03
5 Year	3.76	2.70	6.13	3.05
10 Year	5.50	4.15	7.57	3.75
Since Inception	8.18	6.76	7.45	4.40
Standard Dev.	3.88	3.76	5.78	2.86
Sharpe Ratio	1.27	0.95	1.21	1.11
Max Drawdown	-4.90	-5.40	-9.68	-3.67

Source: FactSet. Returns annualized for periods greater than one year; risk and risk-adjusted performance statistics measured for 10 years ended December 31, 2019. Since inception return measures period from strategy inception, March 31, 2006.

Illustration: Impact of CSRSM

HYPOTHETICAL BLENDS OF INDEX & STRATEGY PERFORMANCE

10 Years Ended December 31, 2019



Source: FactSet, representing a hypothetical historical blend of index and strategy performance. Past performance is no guarantee of future results. Please see following page for additional disclosures.

Credit Select Risk-Managed: How it works

SEQUENTIAL ALLOCATION

Based on Yield Trends

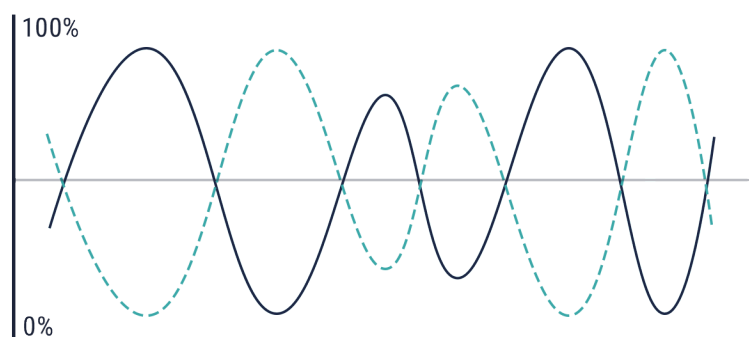
A rules-based framework guides tactical maneuvers to participate in high yield when trends are constructive and step away from high yield when volatility exceeds opportunity.

The Core Segment serves as a tail risk hedge and, when the strategy is conservatively allocated, provides a mechanism for duration management in investment-grade sectors.

DYNAMIC REBALANCE

Daily and Monthly

Daily adjustments focus on managing systematic risk. Monthly shifts aim to reduce asset class risk. The strategy is executed through ETFs, leveraging structural strengths such as higher levels of liquidity, transparency and cost-efficiency.

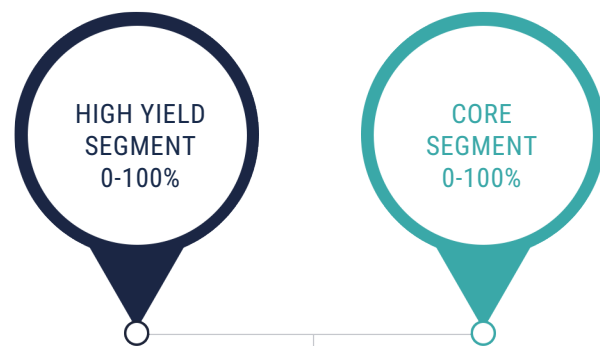


TACTICAL ALLOCATION:

Strategy shifts in positioning

■ High Yield
■ Core

Chart and narrative for illustrative purposes only. No investment strategy can fully eliminate risk, and all investing involves the risk of total loss of capital.



Drives returns when conditions are constructive for non-investment grade assets

Defensive and investment-grade fixed income allocation designed to preserve capital and manage duration

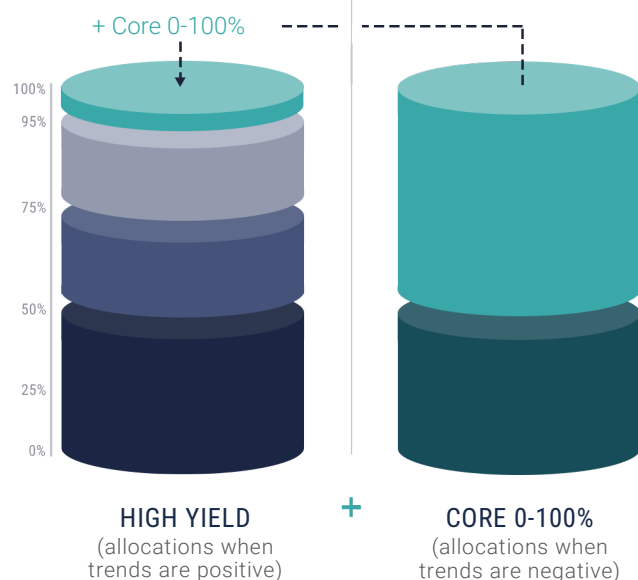


TABLE 1 | U.S. AGGREGATE INDEX VS. 70/30 BLEND WITH CSRM
(Impact Indicated as %, Factor for Sharpe)

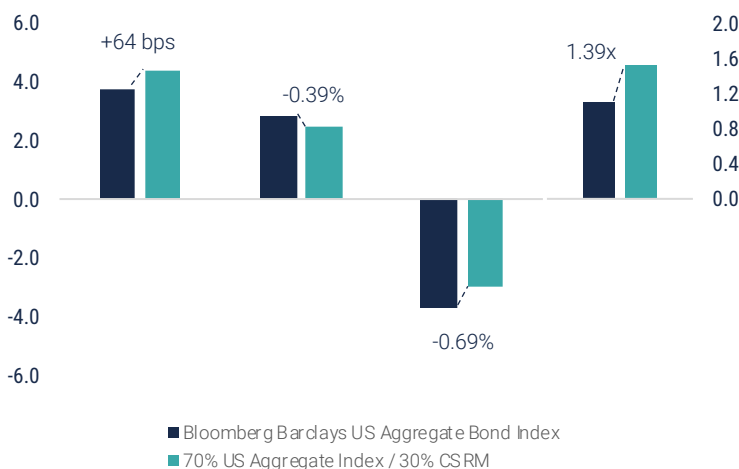
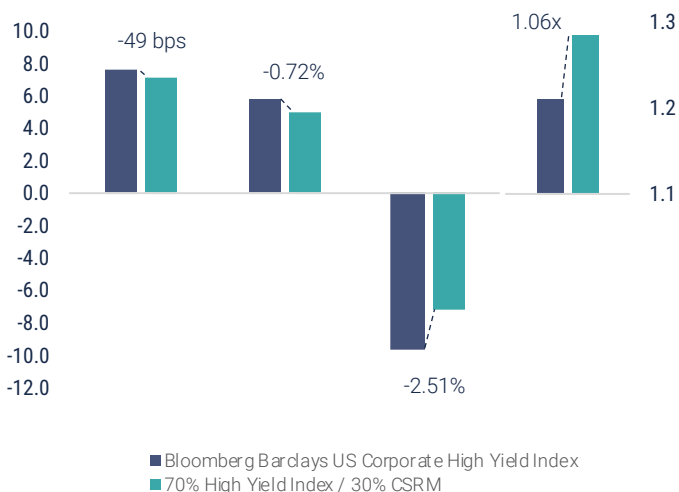


TABLE 2 | HIGH YIELD INDEX VS. 70/30 BLEND WITH CSRM
(Impact Indicated as %, Factor for Sharpe)



Source: FactSet. Information shown corresponds to actual index performance for the Bloomberg Barclays US Aggregate Bond Index and Bloomberg Barclays US Corporate High Yield Index, and hypothetical blends of these public non-investable indices with Credit Select Risk-Managed Strategy performance, gross of fees, for the ten-year period ended December 31, 2019. The hypothetical blends assume quarterly rebalance to the weights indicated. Portfolio returns are hypothetical and do not reflect actual trading results. CSRM strategy returns used are gross of fees. Actual management fees may vary. Hypothetical performance should not be considered a representation of what a client's performance experience might have been for the period shown, as one cannot invest directly in an index. Past performance is no guarantee of future results. Please see notes & disclosures for additional information.

CALENDAR YEAR RETURNS	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Credit Select Risk-Managed Strategy (Gross)	5.20	5.74	40.46	14.04	2.47	11.85	6.13	2.44	-0.51	11.34	3.33	-0.79	5.86
Credit Select Risk-Managed Strategy (Net)	3.37	4.65	38.48	11.95	0.52	9.90	4.97	1.25	-1.70	10.25	2.29	-1.72	4.86
Bloomberg Barclays US Corporate High Yield Index	1.88	-26.16	58.21	15.12	4.98	15.81	7.44	2.45	-4.47	17.13	7.50	-2.08	14.32
Bloomberg Barclays US Aggregate Bond Index	6.97	5.24	5.93	6.54	7.84	4.21	-2.02	5.97	0.55	2.65	3.54	0.01	8.72

Source: FactSet.

ABOUT OUR FIRM:

WST Capital Management is a division of Wilbanks Smith & Thomas Asset Management, LLC – a firm that has, since 1990, prioritized solutions-seeking research as a way to better serve clients.

Endeavoring to offer the Bridge Between Protection and Growth through Risk-managed ETF strategies, WSTCM has cut an innovative path in the pursuit of next-generation investment approaches for today’s investors. We embrace the science of investing in the effort to provide investors with a balance of protection and growth, encouraging confident participation over the long-term.

ABOUT OUR TEAM:

The team’s iterative design process brings together a depth of experience in portfolio management, product design, quantitative academic research and computational methods to create robust strategies designed to solve critical problems in portfolio construction.

Portfolio Design & Product Management

- Roger Scheffel
- Elizabeth Marchetti
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- Tom McNally, CFA, CMT

Relationship Management

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Product Support & Marketing

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- Maria Marmion

Important Disclosures

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Performance calculations & other information: Information shown throughout the presentation comprises: calendar year; and annualized performance; risk statistics; and risk-adjusted statistics for the ten-year period ended December 31, 2019, for the Bloomberg Barclays US Aggregate Bond Index (“US Aggregate Index”, Bloomberg Barclays US Corporate High Yield Index (“High Yield Index”), and the Credit Select Risk-Managed Strategy, all defined below. Past performance is no guarantee or indicator of future results. This presentation also includes hypothetical blends using actual returns; these blends are intended to illustrate the differences between the returns of the US Aggregate Index and High Yield Index, and the return of hypothetical portfolios that blend those indices with the Credit Select Risk-Managed Strategy at a weight of 70%/ 30% rebalanced quarterly. While the portfolio return assumptions used in this hypothetical are based on actual historical returns of a strategy comprising all fee-paying accounts managed according to the Credit Select Risk-Managed strategy, this material overall represents the hypothetical combination of an actual strategy with a public, non-investable index. As such, this material should not be considered representative of performance experience a client could have expected had they invested within and according to the timeframe and guidelines outlined herein. Back-tested performance results have certain inherent limitations. Results do not reflect actual trading in an account related to the distribution activity, so there is no guarantee that an actual account adhering to this distribution schedule would have achieved the results shown. As with any investment strategy, there is potential for profit as well as the possibility of loss. WST does not guarantee any minimum level of investment performance or the success of any index or investment strategy. All investments involve risk and investment recommendations will not always be profitable.

The Credit Select Risk-Managed Strategy has an inception date of March 31, 2006 and consists of fee-paying, fully discretionary accounts under active management at WST that adhere to the Credit Select Risk-Managed strategy. The strategy has the flexibility to invest in any combination of high yield bonds, intermediate U.S. Government securities, and short-term treasuries, or 100% in short-term treasuries. This strategy is generally implemented through the trading of mutual funds or exchange-traded funds. Prior to January 1, 2011 accounts that used exchange traded funds were excluded from the strategy group of accounts, only accounts that traded open end mutual funds were included. Beginning January 1, 2011, the strategy group of accounts includes accounts using open end mutual funds and exchange traded funds. Eligible accounts are included in the strategy group of accounts in the month following the month of account inception. Closed accounts are included through the completion of the last full month. Prior to December 31, 2016, the Credit Select Risk-Managed strategy was known as WST Asset Manager – U.S. Bond. Prior to December, 2009, the Credit Select Risk-Managed Strategy was referred to by WST as the DAA High Yield Strategy, from December 2009 to December, 2012, it was referred to by WST as the WST Dynamic Total Return Strategy, and from December 2012 to May, 2013, as the Dynamic Portfolio Manager – Total Return Bond Strategy. Results portrayed reflect the reinvestment of dividends, capital gains and other earnings when appropriate. During the period(s) shown, there were no material market or economic conditions which affected the results portrayed. With the exception of several market corrections during the period(s), the overall market as measured by the S&P 500 was generally rising. If such trends are broken, the clients may experience real capital losses in their managed accounts. The performance results portrayed during the period: 3/31/2006 (strategy inception)-12/31/2010 relate only to a limited group of the adviser’s clients selected based on suitability and risk tolerance. This factor would not have a material effect on performance but could lead to the termination of the strategy group of accounts in the event of significant outflows.

The strategy is benchmarked primarily against The Barclay’s U.S. Corporate High Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. The index return assumes reinvestment of interest. The Barclay’s U.S. Aggregate Index is a broad based unmanaged bond index that is generally considered to be representative of the performance of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index return assumes reinvestment of interest. Market indices are unmanaged and do not reflect the deduction of fees or expenses. You cannot invest directly in an index such as these and the performance of an index does not represent the performance of any specific investment strategy. We consider an index to be a portfolio of securities whose composition and proportions are derived from a rules based model.

Investment advisory fees are described in Wilbanks Smith & Thomas Asset Management, LLC’s Form ADV 2A. To illustrate the possible effect of fees on the total return of an account, what follows is an illustration: A client investing in the comparative index S&P 500 over the last 10 years (as of December 31, 2015) would have earned 7.31% return on an annualized basis. With the effect of fees at 2.00% per year, this client can then expect their net return to be 5.16% per year compounded over the same time period.

Standard Deviation of return measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager. The Sharpe Ratio measures excess return per unit of risk which relates the difference between the portfolio’s return and the return of the risk free rate to the standard deviation of the portfolio returns for the same period. Alpha is the mean of the excess return of the manager over beta times the benchmark. Beta is a measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager’s return series to match that of the benchmark used to measure beta. Maximum Drawdown is the maximum loss (compounded, not annualized) that the manager ever incurred during any sub period of the entire time period. Conceptually, the calculation looks at all sub periods of the time period in question and calculates the compound return of the manager over that period. The maximum drawdown is the minimum of zero and all these compound returns. Maximum Run-up is the opposite of Maximum Drawdown and shows the maximum gain the manager incurred during any sub period of time. Exchange Traded Funds (ETF’s) trade like stocks, are subject to investment risk and will fluctuate in market value.