



High Quality Mid Cap Strategy

September 2020



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Executive Summary

Independent employee owned firm with scale



Singular focus on high-quality companies

Disciplined and repeatable investment process



Our research advantage: a long-term mindset

Concentrated, high conviction portfolios
with high active share



Attractive long and near term performance

Firm Overview

- Headquartered in Boston, MA

- A division of Boston Financial Management LLC

- Independent and 100% employee owned

- Approximately \$3B in AUM (as of September 30, 2020)

- Manage two domestic equity strategies
 - High Quality Mid Cap (\$500M in strategy assets)
 - High Quality Dividend Appreciation (\$699M in strategy assets)

- 5 dedicated investment professionals

- Analysts have on average 14 years of professional experience

Advisory services are provided to certain institutional clients through BFM Capital doing business under Boston Financial Management LLC. Boston Financial Management, LLC is a registered investment adviser with the Securities and Exchange Commission. To request a copy of BFM's firm brochure free of charge please contact the firm at 617-338-8108 or info@bmfinvest.com. Additional information about BFM is also available on the SEC's website at www.adviserinfo.sec.gov.

The BFM Capital Difference

What Set Us Apart from Other Active Managers

High Quality

Singular focus on identifying **high-quality** companies

High Conviction

Invest **concentrated** portfolios with **high active share**



Low Turnover

Execute with a **long-term** mindset resulting in **low turnover**

Low Risk

Disciplined on price and focused on **downside protection**

Key Investment Tenets

Focus on Identifying Exceptional
High-Quality Companies

Do Thorough and
Independent Research

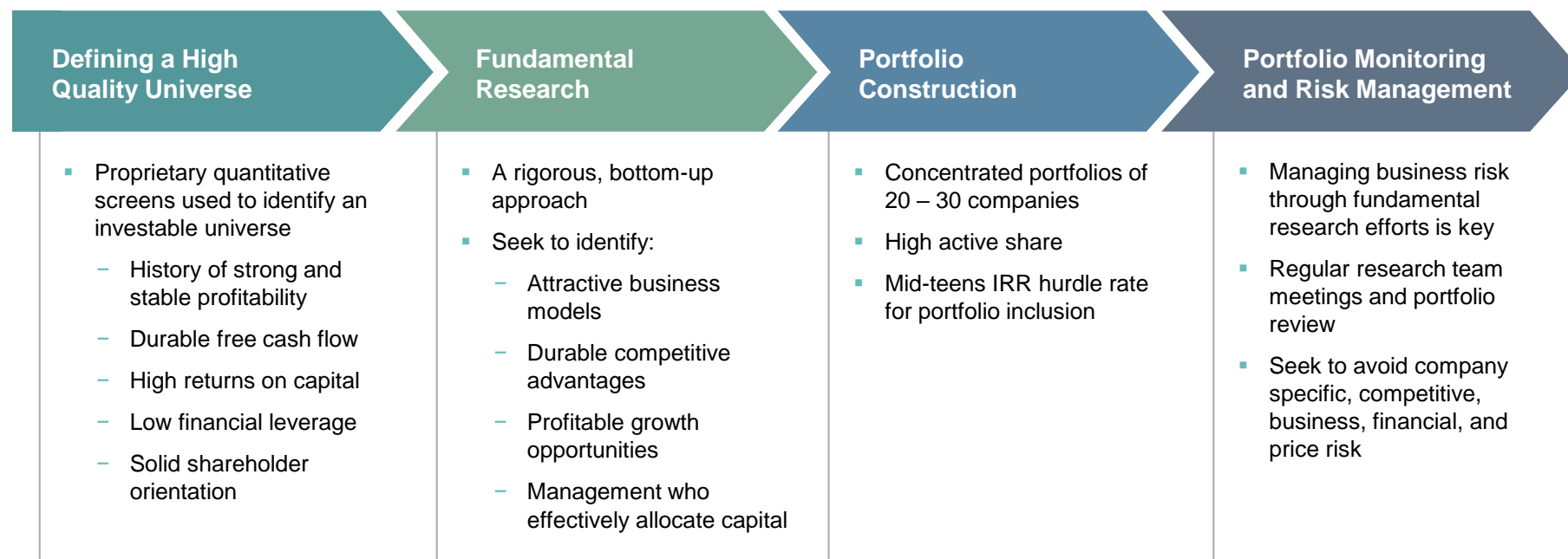
Think
Long-Term

Be Disciplined
on Price

Focus on
Downside Protection

Invest in
Concentrated Portfolios

Investment Process: Overview



Investment Process: Defining a High Quality Universe



Quantitative Evidence of Historical Quality

- High and stable returns on capital
- Profitable growth
- Low financial leverage
- Consistent record of cash flow generation
- Use data to generate proprietary quality rank

Qualitative Due Diligence

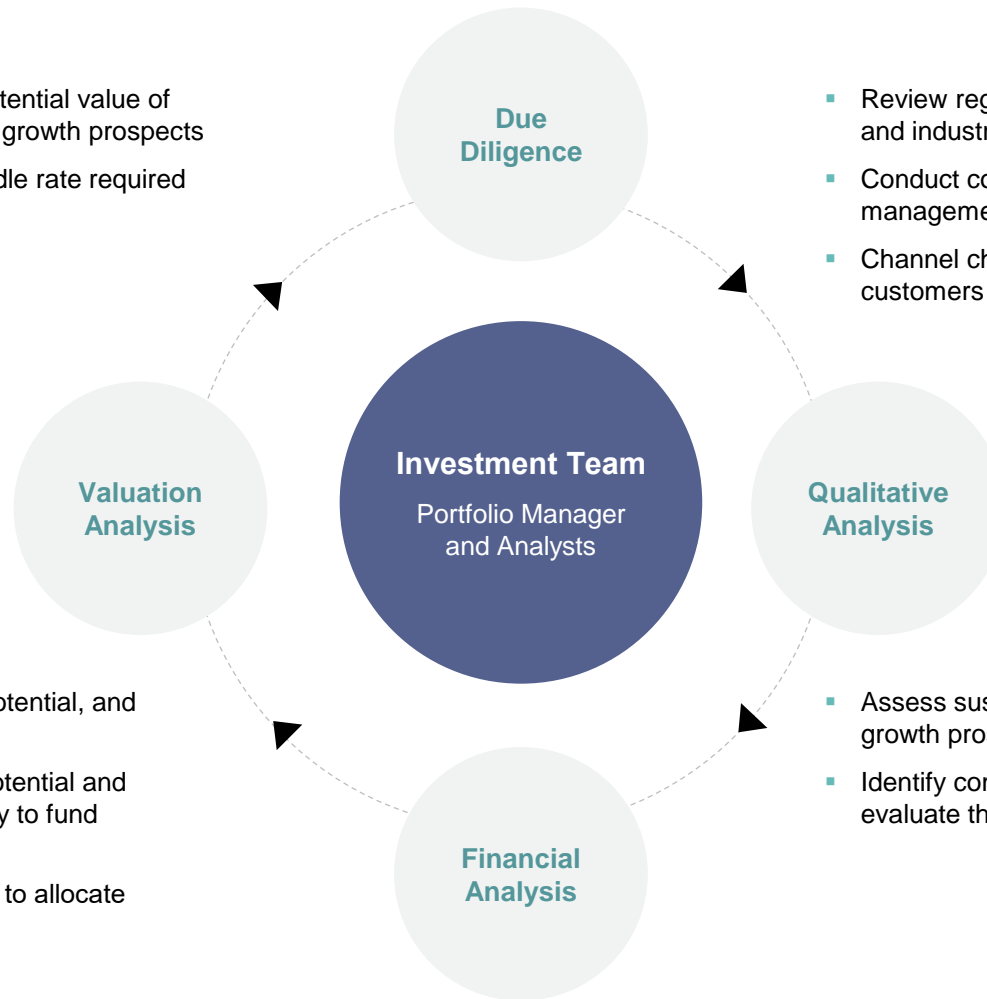
- Competitive analysis
- Business model review
- Growth opportunities
- Identify fundamental drivers
- Quality of management team
- Is the advantage sustainable?

Waiting for the Right Opportunity

- Finding what others are missing
- Estimate intrinsic value and expected return
- Identify catalysts
- Manage risk drivers of portfolio
- Invest with path to mid-teens IRR

Investment Process: Fundamental Research

- Determine the current and potential value of the business based on future growth prospects
- Mid-teens multi year IRR hurdle rate required for portfolio inclusion



- Review regulatory filings, press releases, and industry data
- Conduct comprehensive interviews with management
- Channel checks - competitors, suppliers, customers

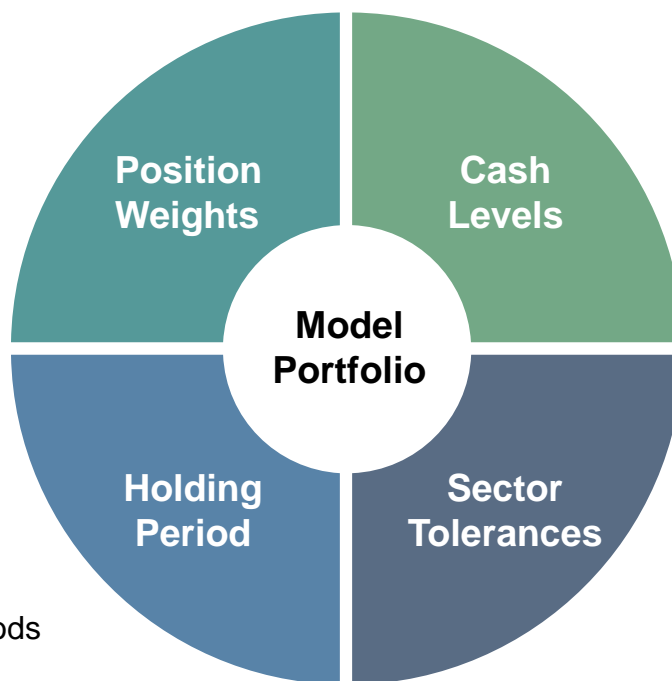
- Analyze long-term growth potential, and reinvestment opportunities
- Forecast cash generation potential and capital investment necessary to fund operations and growth
- Judge management's ability to allocate capital effectively

- Assess sustainability of business model growth prospects, and durability of profits
- Identify competitive advantages and evaluate the resiliency

Investment Process: Portfolio Construction

- 20 – 30 holdings
- 4 - 6% average position size
- 8% maximum initial position size (at cost)
- 15% maximum position size (at market)

- Portfolio turnover typically 10 - 20% annually
- Implies 5 - 10 year holding periods



- A function of bottom-up opportunity set
- Aim to be fully invested

- Sector agnostic, driven by bottom-up selection
- Manage to business exposure first
- Maximum absolute sector weight of 35% for risk control

Investment Process: Risk Management & Portfolio Monitoring



Investment Philosophy

- Focus on high quality companies
- Avoid unnecessary financial leverage
- Emphasis on downside protection, stress test adverse scenarios
- Company's business risk is a primary risk control factor



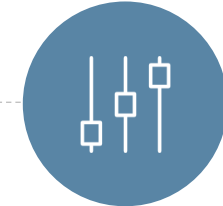
Trading Guidelines

- Extensive communication between Chief Investment Officer and Trading Team
- Limit trading activities as percentage of daily trading volume (typically no more than 20%)
- Post trade analysis done by CIO
- Quarterly best execution committee meetings to review procedures



Position Reviews

- Position Review report when a portfolio holding declines 10% relative to the market
- Re-validate reasons for original purchase or sell position
- Maintain a sell discipline based primarily on changes in the fundamental business outlook



Portfolio Level Controls

- Maximum sector weight of 35%
- Individual security weights held to a maximum of 15% at market and 8% at cost

Fee Structure

For BFM Capital's services, the Client agrees to pay an annual fee based on the portfolio value of the combined Client accounts:

Portfolio Value	Annual Fee
First \$50 Million	0.8%
\$50 Million - \$100 Million	0.7%
Above \$100 Million	0.6%

The fee will be debited quarterly based on the annual percentage. The account(s) will be valued on the last day of each calendar quarter, and the fee will be paid in advance. BFM Capital is authorized to receive payments of the fee by instructing the custodian to withdraw the amounts from the cash and then from the proceeds of securities then sold for that purpose. If BFM Capital manages an account(s) for a portion of a quarter, BFM Capital will be paid a pro-rated share of the fees based on an actual calendar day quarter. The above fee schedule is specific to institutional clients acquired on or after March 15, 2019. BFM defines institutional clients as entities with \$10 million or more in investable assets. The fee schedule used and referenced in the accompanying GIPS presentation is used for non-institutional clients.

Team Bios

Professional	Title	Professional Experience	Education
Investment Team			
Brad M. Weafer, CFA	Chief Investment Officer	18 Years	Bachelor of Arts in Economics – University of Vermont Master of Business Administration – Babson College
Timothy J. Farina, CFA	Research Analyst	7 Years	Bachelor of Science in Business Administration – Boston University
Timothy M. Robinson, CFA	Research Analyst	17 Years	Bachelor of Arts in Economics – Tufts University
Trading Team			
Jay P. Nicholls, CFA	Head Trader	5 Years	Bachelor of Science in Finance – Framingham State University
Kevin M. Perniciaro	Trading and Research Assistant	5 Years	Bachelor of Science in Finance – Louisiana State University, Master of Science in Finance – University of Massachusetts, Boston
Executive Management			
Michael L. Brown, JD, CPA	President and Chief Executive Officer	25 Years	Bachelor of Arts in Economics – College of the Holy Cross, Juris Doctor – New England School of Law
Charles J. Zambri	Chief Operating Officer and Chief Compliance Officer	12 Years	Bachelor of Science in Business Administration – Saint Michael's College, Master of Business Administration, Master of Science in Finance – Boston College

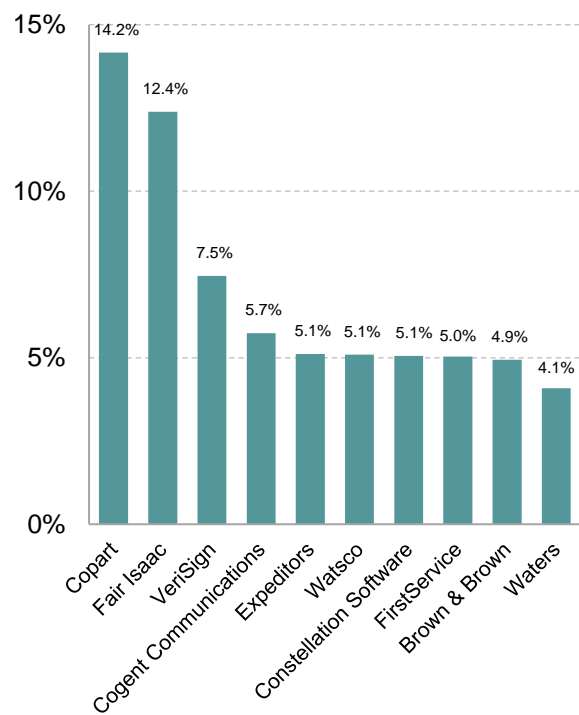
High Quality Mid Cap

(\$500M in strategy assets)

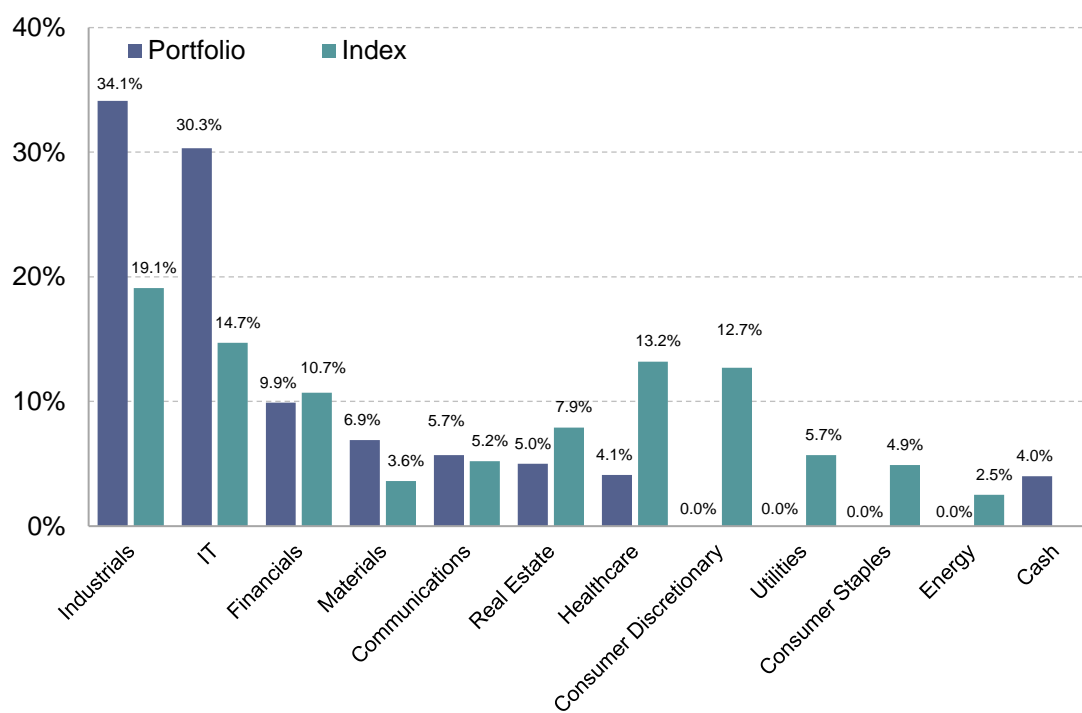
High Quality Mid Cap Holdings & Exposure

As of September 30, 2020

Top Ten Holdings (69% of Total)



Sector Weightings



Case Studies

Copart (CPRT)



High Quality Characteristics:

- Market share leader in oligopoly market
- Network effect business model
- Demand for service not reliant on traditional economic cycle
- Management history of effective capital allocation
- Generates attractive returns on capital
- Minimal debt
- Significant insider ownership

Company Overview:

Dallas based Copart is a leading provider of auto salvage auction services. Copart provides a marketplace for insurance companies to dispose of wrecked automobiles and sell them to auto dismantler and rebuilder customers worldwide. Insurance companies generate the highest returns when matched with deep pools of buyers while buyers gravitate to the largest quantity of merchandise. As such, the salvage auction industry has developed into a duopoly between Copart and IAA (a division of KAR Auction) who collectively hold over 80% of the market.

Investment Thesis:

BFM has held a position in Copart since the strategy's inception in early 2015. Copart has over 40% market share in a very attractive industry. Auction volumes are driven by accident rates and total loss frequency (as determined by insurers) and do not follow the general economic cycle. Operating an agent model, the business requires little capital to run and assets require relatively low levels of capital to maintain. The result is a highly cash generative business with stable profitability over time.

Copart's auction platform has thousands of registered members that participate in auctions. This is a network effect business meaning the more participants in the auctions, the more valuable the auction marketplace becomes. Copart has rapidly expanded their international buyer base over time, to the benefit of Copart's insurance customers. This growing user base creates a large barrier to entry for new entrants and improves profitability per car for Copart and their customers.

Copart's management team has a very strong track record of capital allocation. Today the company is making significant investments in capacity expansion in the U.S. and growing their business in Europe, specifically Germany. Domestic yard expansion supports significant growth in salvage volume that is benefiting from an increase in accident frequency and higher content value of automobiles. In Europe, Copart recently entered the greenfield market of Germany, which represents a material opportunity in a region with no competition. We expect these investments to earn returns in line with historical levels and drive growth in cash flow for years to come.

Case Studies

Aramark (ARMK)



BFM Capital Sell Discipline:

- Fundamental outlook or competitive position deteriorates
 - Aramark's competitive positioning and underlying profitability were not as strong as we initially believed.
- Management credibility is impaired
 - Management's actions appear highly unethical and show a clear disdain for key stakeholders.
- Risk of significant downside scenarios outweigh potential reward
 - Heightened regulatory and reputational risk if management actions were to surface more widely, risk damaging firm profitability and could bring political scrutiny.

Company Overview:

Philadelphia based Aramark is a leading provider of outsourced food and support services globally, serving clients in education, healthcare, business and industry, sports, leisure, and corrections clients in North America and Internationally.

Investment Thesis:

We began accumulating shares in March 2017. BFM was originally attracted to the industry because it benefits from the long-term trend of outsourcing, and we liked its defensive business model characterized by a recurring revenue base supported by long-term contracts and high retention rates. We also thought the company had a long runway for margin expansion and felt that its business would receive a valuation in-line with its high-quality peers as its profitability and leverage profile improved.

What Happened:

We sold our position in February 2019 after news came to light that suggested management (1) engaged in accounting shenanigans to meet incentive compensation targets for senior management and at the same time (2) violated the trust of its employees by cancelling incentive bonus compensation for certain tiers of US frontline management despite reporting record financial results and being a significant beneficiary of US tax reform. After conducting a detailed forensic review of its financial statements, speaking with employees and senior management, contacting the local news writer who first broke the story, and learning of the resignations of both the chief accounting officer and general counsel, we determined the allegations had merit. As our result of our findings, we felt that the fundamental outlook for the company was diminished while the risk of an adverse outcome from political or regulatory scrutiny was elevated, and our trust in management was impaired. Thus, we opted to immediately sell out of our entire position.

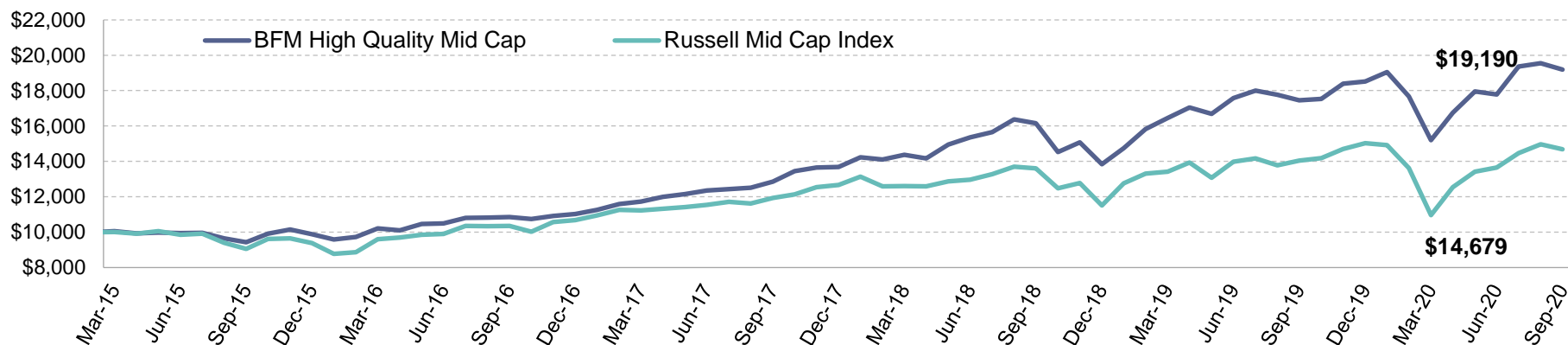
High Quality Mid Cap Metrics (as of September 30, 2020)

	High Quality Mid Cap	Russell Mid Cap Index
Quality		
Return on Invested Capital (3 year average)	15%	9%
Debt-to-EBITDA	1.7x	2.5x
Growth		
Revenue (5 year)	8%	3%
Free Cash Flow (5 year)	18%	4%
Dividend (5 year)	11%	5%
Valuation		
Free Cash Flow Yield	4.0%	4.7%
EV/EBITDA (TTM)	22.9x	11.7x
Dividend Yield	0.8%	1.6%
Market		
Market Cap	\$12.2B	%6.0B
Beta	0.8	1.0

Source: BFM estimates, Capital IQ, Bloomberg, Results are median weighted with the exception of dividend yield and Beta.

Performance (as of September 30, 2020)

Growth of \$10,000



	Year to Date	One Year	3 Year Annualized	5 Year Annualized	Since Inception Annualized
BFM Capital High Quality Mid Cap (gross)	4.11%	10.79%	15.48%	16.00%	12.99%
BFM Capital High Quality Mid Cap (net)	3.61%	9.97%	14.73%	15.28%	12.36%
Russell Mid Cap Index	-2.35%	4.53%	7.13%	10.13%	7.10%

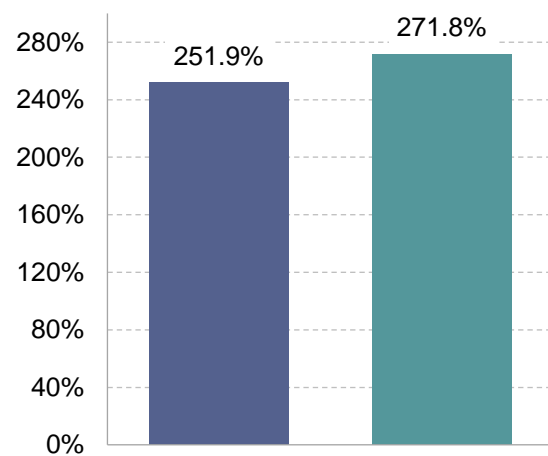
Source: IDC and BFM Capital Data, calculated by Tamarac as of 9/30/2020. Inception date is February 28, 2015.

Gross and net returns shown are actual composite returns. The High Quality Mid Cap Composite contains only accounts fully invested in the strategy. Past performance is not indicative of future results. It should not be assumed that future performance of any investment strategy, including the investment or investment strategies recommended by BFM or in this presentation will be profitable or will correspond to any index or past performance.

Cumulative Performance in Up & Down Markets

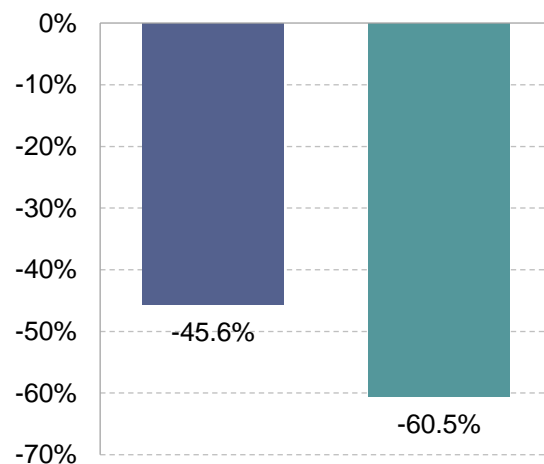
December 31, 2014 – September 30, 2020

Up Market



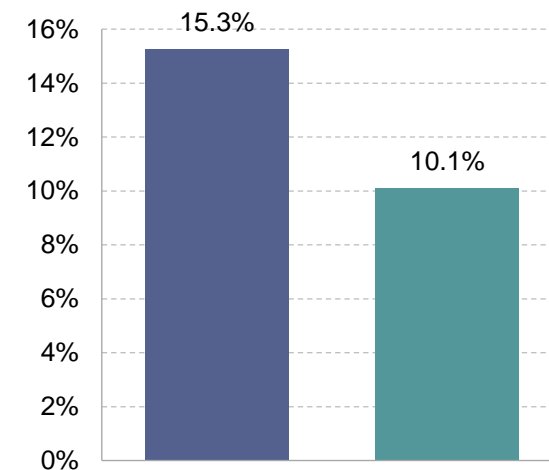
Upside Capture: 93%

Down Market



Downside Capture: 75%

Annualized Since Inception



Annualized Alpha: 5.2%

■ BFM High Quality Mid Cap ■ Russell Mid Cap Index

Up-Down Market measure composite performance (net of fee) relative to index during periods when index has risen/fallen. Calculated using monthly returns. Source: Morningstar, BFM Estimates

Appendix

Strategy Holdings (as of September 30, 2020)

Holding	Ticker	Industry	Date Added	Strategy Weight	Dividend Yield
A.O. SMITH CORP	AOS	Building Products	1/16/2019	2.4%	1.8%
BROWN & BROWN INC	BRO	Insurance	3/19/2020	4.9%	0.8%
BOYD GROUP SERVICES	BYDGF	Commercial Services and Supplies	1/14/2020	2.1%	0.3%
COGENT COMMUNICATIONS	CCOI	Diversified Telecommunication Services	4/29/2015	5.7%	4.7%
CONSTELLATION SOFTWARE	CNSWF	Software	1/21/2016	5.1%	0.4%
COPART INC	CPRT	Commercial Services and Supplies	2/6/2015	14.2%	0.0%
AMDOCS LIMITED	DOX	IT Services	4/7/2015	2.7%	2.3%
EXPEDITORS	EXPD	Air Freight and Logistics	2/6/2015	5.1%	1.1%
FAIR ISAAC & CO INC	FICO	Software	6/5/2015	12.4%	0.0%
FIRSTSERVICE	FSV	Real Estate Management and Development	2/20/2018	5.0%	0.5%
GODADDY	GDDY	IT Services	8/28/2020	2.8%	0.0%
HEICO	HEI	Aerospace and Defense	2/20/2018	3.0%	0.2%
INTERACTIVE BROKERS GROUP INC	IBKR	Capital Markets	9/25/2018	1.5%	0.8%
LENNOX INTERNATIONAL	LII	Building Products	2/26/2018	2.2%	1.1%
MOODY'S CORP	MCO	Capital Markets	8/24/2015	3.4%	0.8%
SHERWIN WILLIAMS CO	SHW	Chemicals	11/11/2016	3.8%	0.8%
SCOTTS MIRACLE GROW CLASS A	SMG	Chemicals	9/9/2016	3.1%	1.5%
VERISIGN INC	VRSN	IT Services	10/25/2016	7.5%	0.0%
WATERS CORPORATION	WAT	Life Sciences Tools and Services	2/6/2015	4.1%	0.0%
WATSCO INC	WSO	Trading Companies and Distributors	3/6/2015	2.1%	3.0%
Cash	-	-	-	4.0%	0.1%

GIPS Composite

Year	Annual Performance Results Composite Gross	Annual Performance Results Composite Net	Equity Benchmark	Composite Dispersion	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Number of Accounts	Composite Assets (USD) (Millions)	% of Firm Assets
2019	37.36%	36.36%	30.55%	0.86%	12.65%	14.88%	57	\$11.7	0.43%
2018	1.09%	0.50%	-9.06%	0.33%	10.89%	11.98%	40	\$7.7	0.35%
2017	24.13%	23.38%	18.52%	0.46%	N/A	N/A	28	\$5.6	0.26%
2016	11.51%	10.87%	13.80%	0.35%	N/A	N/A	22	\$2.3	0.12%
2015*	-1.09%	-1.22%	-6.09%	N/A	N/A	N/A	14	\$1.1	0.10%

* All Returns are for the period February 28, 2015 through December 31, 2015

Boston Financial Management, LLC (doing business as BFM Capital) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Boston Financial Management, LLC has been independently verified for the periods 1 January 2011 through 31 December 2018. The verification and performance examination reports 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. Verification does not ensure the accuracy of any specific composite presentation.

Boston Financial Management (BFM) is an independent wealth management firm that provides investment management, financial planning, estate planning, and trust services to financially successful individuals, families and endowments. BFM is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. BFM manages a variety of equity, fixed income, and balanced assets for clients located primarily but not exclusively in the United States.

Future results may or may not equal these historical results. The actual return and value of an account will fluctuate and at any point could be worth more or less than the amount invested. Individual account performance will vary according to individual client investment objectives.

GIPS Composite (cont.)

The High Quality Mid Cap composite includes all portfolios that follow BFM's High Quality Mid Cap strategy. The composite strategy follows a disciplined approach to high-quality small and mid cap equity investing. We seek to buy high quality businesses with competitive advantages for less than intrinsic value and earn excess returns compared to passive indexes over a full market cycle with lower risk. The benchmark is the Russell Mid Cap Index, which measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. The index is unmanaged and does not reflect the deduction of advisor fees. It is impossible to duplicate the returns of the benchmark indices. Benchmark returns are not covered by the report of independent verifiers.

The composite was created on March 31, 2015, and has an inception date of February 28, 2015. The U.S. Dollar is the currency used to express valuations and performance. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Gross-of-fee returns are presented before management fees but after all trading expenses. Net-of-fee returns are calculated using actual management fees. Composite returns are presented gross of withholding taxes on foreign dividends. Benchmark returns are presented gross of withholding taxes on foreign dividends. The Number of Accounts and Composite Assets columns include only the accounts that were in the composite at the end of the year. The annual composite dispersion presented is an asset-weighted standard deviation calculated only for the accounts in the composite for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. **Past performance is not indicative of future results.**

BFM's management fee schedule for institutional clients is as follows: 0.80% on the first \$50 million in assets, 0.70% on \$50 million to \$100 million in assets, and 0.60% on assets over \$100 million. BFM's management fee schedule for high-net-worth and other non-institutional clients is as follows: 1.20% on the first \$2 million, 1.0% on assets between \$2 million and \$4 million, and 0.80% on assets between \$4 million and \$6 million and 0.60% thereafter, with an annual minimum fee of \$24,000. Wrap program total fees can be up to 3.00% based on assets under management. Wrap program fees include management fees, transaction costs, custodial fees, and consulting services. Actual investment advisory fees incurred by clients may vary. Additional information on BFM's investment management fees can be found on Part 2A on form ADV.

Returns shown are actual composite returns. The High Quality Mid Cap Composite contains only accounts fully invested in the strategy. Past performance is not indicative of future results. It should not be assumed that future performance of any investment strategy, including the investment or investment strategies recommended by BFM or in this presentation will be profitable or will correspond to any index or past performance.

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