FOURTH QUARTER 2020

Short Term Bond Fund Commentary

December 31, 2020

MARKET REVIEW

Despite a global pandemic and a horrible start to the year, the capital markets managed to shrug off a deep recession caused by a shutdown of the economy to turn in an impressive performance for the year. Indeed, most every asset class apart from commodities and oil ended the year with positive returns.

Equity markets led the charge with an impressive rebound off the lows seen on March 23. At that point, the S&P 500® Index was down 30.3% year to date. Thanks to massive amounts of monetary stimulus – the Fed took interest rates to zero and restarted an aggressive quantitative easing program – and generous fiscal support, the S&P 500 rebounded to finish the year up 18.4%. The technology heavy NASDAQ led the parade, finishing the year up 45.1%. The stimulus was not just limited to the United States as many countries joined the fray by providing monetary and fiscal support. This allowed the MSCI Emerging Market Index to return 18.5% for the year, while its EAFE Index struggled to produce an 8.4% return for the year.

Most of the major fixed income indices performed well as investment grade bonds, both domestically and globally, had positive returns for the year. Even the Bloomberg Barclays High Yield Bond Index finished the year up 7.1%, despite the default rate climbing significantly during the year.

During the fourth quarter, some interesting pro-cyclical rotations were beginning to take shape in asset allocation that may be setting the stage for new leadership in 2021. Small cap stocks had an impressive 31.4% return during the final quarter of the year to lead stocks. Many of these smaller companies are levered to an economic reopening and they typically perform well in the early stages of economic recovery. Although bonds had a great year, by the fourth quarter, the rally seemed to be running out of steam with the Bloomberg Barclays Aggregate Bond Index returning just 0.7% for the quarter. Even though commodities had a negative return for the year, they did return 13.0% during the fourth quarter as measured by the CRB Commodity Index. These observations of lackluster bond returns, along with stellar commodity return, could be interpreted as the market beginning to sniff out reflation and inflation caused by the massive amounts of money creation and fiscal stimulus provided by monetary authorities and governments.

PORTFOLIO REVIEW

The Fund returned 0.39% for the quarter ended December 31, 2020, as calculated by the net asset value with all distributions reinvested. The Fund's benchmark, the Bloomberg Barclays 1-3 Year U.S. Government/Credit Index, returned 0.21% during the same period.

Stimulus measures combined with progress on vaccine development proved to be the perfect cocktail to drive investors into previously unloved sectors of the market.

Commercial mortgage-backed securities (CMBS) were the primary driver of relative performance during the period. Bonds backed by hotel, retail and office properties offered attractive yield for AAA rated securities that could not be found elsewhere, and investors snatched them up.

The strategy further benefited from corporates best positioned to profit from a full reopening of the economy. Holdings in autos, airlines, energy, and homebuilders were top performers.

continued on page 2

FUND INFORMATION

Benchmark	Bloomberg Barclays 1-3 Yr U.S. Gov/Credit
Ticker (Class I)	RCSTX
Expense Ratio (Gross/Net)*	0.69%/0.45%
Inception	11/15/19

PORTFOLIO MANAGEMENT TEAM

Jason M. Schwartz, CFA
Senior Portfolio Manager
16 years of investment experience

Michael J. Martin, CFA
Senior Portfolio Manager
26 years of investment experience

Patricia S. Younker
Senior Portfolio Manager
32 years of investment experience

John L. Cassady III, CFA
Chief Investment Officer
30 years of investment experience

INVESTMENT PHILOSOPHY

"We seek income producing opportunities while preserving capital by focusing on securities that have demonstrated superior risk-adjusted returns over time."
—Jason Schwartz

*Red Cedar Investment Management, LLC (the "Adviser") has contractually agreed to reduce the Management Fee and reimburse Other Expenses until November 1, 2021 to the extent necessary to limit Total Annual Fund Operating Expenses to an amount not exceeding 0.45% of the Fund's average daily net assets.

FOURTH QUARTER 2020

Short Term Bond Fund Commentary

December 31, 2020

Treasury inflation protected securities (TIPS) received a lift from increasing inflation expectations. Multiple forces were at play. The Federal Reserve shift to average inflation targeting, fiscal stimulus, vaccine hopes, and supply chain shortages make the short list of reasons that prices could increase in the coming years.

STRATEGY POSITION & OUTLOOK

While the ride is likely to be bumpy in the near term, the investment team expects a vaccine-led recovery. The powerful combination of monetary and fiscal stimulus will bridge the gap in the meantime. This favors a steepening yield curve and assets best positioned for an economic recovery.

The Fund rotated out of corporate bond positions with limited upside and into more cyclically driven sectors. Positions were added in banks, autos, energy, and airlines further spread tightening potential.

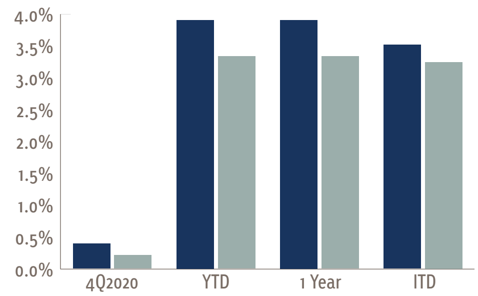
The overall allocation to investment grade corporate bonds decreased in favor of securitized products. CMBS was increased as the investment team expects further spread tightening potential from that sector. Specifically, the exposure to single asset single borrower (SASB), deals was increased as that sectors has lagged in the recovery.

The portfolio structure was adjusted to position for rising interest rates in intermediate yield curve maturities. Short maturities are likely to be anchored by the Federal Reserve and expectations, if taken at its word, that it will not increase rates for years to come.

PORTFOLIO CHARACTERISTICS

Subsidized SEC 30-Day Yield	0.95%
Unsubsidized SEC 30-Day Yield	0.52%

PERFORMANCE



	Fund	Index*
4Q2020	0.39%	0.21%
YTD	3.90%	3.33%
1 Year	3.90%	3.33%
ITD	3.51%	3.24%

Inception Date 11/15/2019
*Bloomberg Barclays 1-3 Yr U.S. Gov/Credit Index

Performance data quoted reflect past performance and are no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investors may obtain performance data current to the most recent month-end by calling 888-626-8575.

DISCLOSURES

Investment results assume all distributions are reinvested and reflect applicable fees and expenses. Performance data quoted reflect past performance and are no guarantee of future results. Current performance may be higher or lower than the performance quoted. The investment return and principal value of an investment in the Fund will fluctuate so that shares, on any given day or when redeemed, may be worth more or less than their original cost.

The Fund may invest in mortgage- and asset-backed securities which may be subject to prepayment risk and thus may be more sensitive to interest rate changes than other types of debt securities. The Fund may also invest in U.S. dollar denominated securities issued by foreign issuers which involve additional risks including political and economic instability, differences in financial reporting standards and less regulated securities markets. While the U.S. government has historically provided financial support to various U.S. government-sponsored agencies, no assurance can be given that it will do so in the future if it is not obligated by law. All investments carry risk, including loss of principal. In a rising interest rate environment, the value of fixed-income securities generally decline and conversely, in a falling interest rate environment, the value of fixed income securities generally increase. Indices are unmanaged and direct investment is not possible.

Due to the active management of the Fund by the Advisor, the Fund could underperform its benchmark index and/or other funds with similar investment objectives and strategies.

Mutual fund investing involves risk, including the possible loss of principal.

Before you invest in the Fund, please refer to the prospectus for important information about the investment company, including investment objectives, risks, charges and expenses. You may also obtain a hard copy of the prospectus by calling 888-626-2575. The prospectus should be read carefully before you invest or send money.

Red Cedar Investment Management, LLC ("Red Cedar") is the adviser to Red Cedar Funds, which are distributed by Ultimus Fund Distributors, LLC

RED CEDAR
MUTUAL FUNDS

333 Bridge St. NW, Suite 601, Grand Rapids, Michigan 49504
www.redcedarim.com (513) 345-4414

RCIM-2020-12

12097504-UFD-2/5/2021