



## Morningstar Features SKBA Capital Management’s Baywood SociallyResponsible Fund

In addition to the recent praise from Barron’s, Morningstar recently wrote a great piece which again highlighted SKBA’s Baywood SociallyResponsible Fund as a strong-performing ESG fund based on total return in 2022. The article linked below was written by Leslie Norton, dated January 12, 2023.

The article discusses the wide dispersion of returns amongst ESG and non-ESG strategies in a very difficult investing environment. The article cites that the Morningstar US Sustainability Index declined 18.9%, yet, the Baywood SociallyResponsible Fund was cited as an outperforming Large Cap ESG fund being down only 0.72% in the same time period.

SKBA’s Director of Institutional Portfolio Management, Matthew Segura, was quoted in the article: “The fund avoids companies with high ESG risk, as well as overvalued companies. It sidestepped some of the worst performers ‘by focusing on governance, which we believe is a leading indicator of how companies act on social and environmental matters.’”

The article further states: “The fund also looks for companies with improving ESG profiles, in addition to traditional metrics that show a company is unloved versus its peers, such as yield and market cap/revenue.”

For over three decades, we have consistently applied our value investment philosophy even as market cycles and fads come and go. As a result, our mutual funds have shown strong performance in difficult market conditions, while also producing competitive returns across the full market cycle.

“We believe we’re at a very long unwinding of the asset bubble created by the Fed’s 10 years of a zero-rate policy,” said Mr. Segura. “Rationality is only beginning to be restored to investment decision-making.”

We would like to thank our clients, shareholders and partners for your dedication. We are proud of the work we do for you and we remain committed to our Active Value investing approach.

[ESG Investing Keeps Pace With Conventional Investing in 2022 | Morningstar](#)

- The Team at SKBA

As of 12/31/2022	1 Year	5 Year	10 Year
Baywood SociallyResponsible (BVSIX)	-0.72%	7.73%	9.23%
Morningstar US Sustainability Index	-18.90%	9.39%	12.26%
Morningstar US Large Value Index	0.26%	7.44%	10.52%

*For standardized performance of the fund, please see the current fact sheets available on the website.*

*Net Expense Ratio: 0.89% Gross Expense Ratio: 3.76%. SKBA Capital Management, LLC (the "Advisor") has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement (excluding all taxes, interest, portfolio transaction expenses, acquired fund fees and expenses, proxy expenses and extraordinary expenses) to 0.89% through January 31, 2023 ("Expense Cap"). The Expense Cap may only be raised or eliminated with the consent of the Board of Trustees. The Advisor may recoup from a Fund fees waived and expenses reimbursed by the Advisor pursuant to the Expense Cap if such recoupment is made within three years of the fee waiver or expense reimbursement, and does not cause the Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement of a class (after the recoupment has been taken into account) to exceed the lesser of (i) the then-current expense cap, and (ii) the expense cap in place at the time the fees/expenses were waived/ reimbursed.*

*The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 1-855-409-2297 or visit the Fund's website at [www.skba.com/baywood-funds](http://www.skba.com/baywood-funds).*

**Mutual fund investing involves risk, principal loss is possible.** Socially responsible investment criteria may limit the number of investment opportunities available to the Fund, and as a result, at times the Fund's investment returns may be lower than those funds that are not subject to such investment considerations. A value style is primarily used to select investments for the Fund. This style may fall out of favor, may underperform other styles and may increase the volatility of a Fund's share price.

Diversification cannot assure a profit or protect against loss in a declining market.

Morningstar US Sustainability Index is designed to reduce environmental, social, and governance risk (ESG) by targeting stocks with low ESG Risk Ratings, representing 50% of the Morningstar US Large-Mid Index by float market capitalization. The Index is rebalanced quarterly and reconstituted semi-annually. The Morningstar US Large Value TR Index measures the performance of stocks issued by large-capitalization companies that have exhibited above average "value" characteristics as determined by Morningstar, Inc.'s proprietary index methodology. It is not possible to invest directly in an index.

Holdings are subject to change and do not represent a recommendation to buy or sell any security. For a list of current holdings click here [www.skba.com/baywood-funds](http://www.skba.com/baywood-funds).

***Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. For a prospectus with this and other information about the fund, please call 1-855-409-2297 or click here [www.skba.com/baywood-funds](http://www.skba.com/baywood-funds). Please read the prospectus carefully before investing.***

Baywood Funds are advised by SKBA Capital Management, LLC and distributed by Foreside Fund Services, LLC.

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*Disclosures: The original analysis was conducted by Morningstar and sourced by Morningstar Direct. SKBA did not pay a fee to be included in the survey nor to be featured in Morningstar.*