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SECURIAN AM BALANCED STABILIZATION FUND Q2 2021 MARKET COMMENTARY

MARKET SECTOR UPDATE

Q2 of 2021 saw a return to market action that rhymed with the initial response to COVID:

Total Return	Q1 2020	Q1 2021	Q2 2021
S&P	-19.60	+6.17	+8.55
Nasdaq	-10.29	+1.76	+11.38
Russell 2000	-30.62	+12.69	+4.29
Change			
10Y UST	-1.25	+0.83	-0.27
IG Credit Spreads	+1.79	-0.05	-0.11
HY Credit Spreads	+5.44	-0.50	-0.42

Source: Bloomberg

In Q1 of 2020, the market first digested the potential impact of COVID. Companies that would benefit most from quarantine measures--largely tech firms--dramatically outperformed the rest of the equity market. Further, rates decreased sharply, and credit spreads widened substantially, as the strong "risk off" tone of early 2020 set in. Concurrently, the Federal Reserve attempted to calm markets with its most extreme monetary policy measures to date. In contrast, Q1 of 2021 saw a modest reversion of these relative movements; small cap stocks outperformed, and rates climbed, as the United States saw its COVID case load decrease, and its vaccine roll out accelerate.

The returns delivered in Q2 reflect, in our view, were an erosion of the optimism implicit in the "economic reopening and inflation" narrative that has been prevalent since late 2020, and which drove returns earlier in this year. More on that in the "Outlook" section.

Turning to some technical considerations, we first note that realized volatility for Q2, 2021 was rather low, coming in at 11.2%, which ranks in the 36th percentile historically. This was driven in part by low sector-sector correlation in the S&P 500; the average 3M sector-sector correlation across the eleven Global Industry Classification Standard (GICS) sectors ranged from 0.36 to 0.50 throughout the quarter, and finished Q1 at 0.42, a 12th percentile value. This low correlation amongst equity sector returns suggests a lack of consensus amongst investors about what portions of the economy have the brightest prospects going forward.

Despite the fairly low realized volatility, and solid risk asset performance, implied volatility continued to be elevated through the quarter. The Cboe Volatility Index (VIX) averaged 18.0 over Q2, a 53rd percentile value, and the average VIX-1M Realized spread for the quarter was 6.5%, an 83rd percentile value.

Finally, the three-month S&P-10Y US Treasury correlation continues to run negative; it closed out this quarter at -0.20. As we mentioned in our previous update, portfolio construction, and the view of fixed income assets as a diversifier of equity risk in a portfolio, relies on this correlation being positive; if equity falls, yields should fall as well, meaning that bond prices rise and thus offset some of the equity losses. The fact that this correlation continues to run negative should give any investor with a balanced portfolio pause.

PORTFOLIO STRATEGY

Equity volatility guides the asset allocation of this strategy. When equity volatility is low, the equity exposure of this strategy will be high. Conversely, when equity volatility is high, the equity exposure of this strategy will be low.

As mentioned, realized volatility for the second quarter, 2021 was rather low, at 11.2%. Consequently, the Balanced Stabilization Fund was overweight equity for most of the quarter, averaging 70.26% equity exposure, and ranging from a low of 52.88% to a high of 80.29%. The Fund closed the quarter out at 72.52% equity exposure.

OUTLOOK

This quarter saw a return to relative asset class performance that was, in some ways, reminiscent of the early market reaction to COVID: tech and growth stocks outperformed the broad equity market, and interest rates declined. Again, this is in sharp contrast with performance in Q1, 2021, during which the small cap stock out performed, and had a large interest rate increase which clearly supported the "inflation and growth" narrative of a world emerging from its COVID hibernation.

The vaccination rate in the US peaked in April, at something like 3.4 million doses per day, and dropped precipitously from there. As-of quarter end, it was only around 550 thousand doses per day, with only roughly 49% of the US population fully vaccinated. Sadly, in relative terms, the US is actually doing well in vaccine deployment; it ranks sixth globally in terms of percentage of population that is at least partially vaccinated. Other than Canada, the UK, Spain, Italy, Germany, the US, France, and Saudi Arabia, no country has more than 50% of its population even partially vaccinated (https://ourworldindata.org/covid-vaccinations -- note that China reports statistics differently; most of their population may be partially vaccinated, but only 16% is known to be fully vaccinated).

Daily COVID cases in the US are now starting to rise off of the recent nadir they had found. Further, the alpha and delta variants of the virus are now very common in the US, and in most locales internationally. Questions of relative symptom severity and lethality aside, we do view this as a clear demonstration of the risk posed by virus mutation, especially because it is possible for a new variant to arise that current vaccines and natural immunity do not protect against. Unfortunately, the confluence of inadequate global policy response, and politicization of belief in basic medical advice, will continue to provide an ample breeding ground for new virus mutations. Thus, we interpret the most recent quarter's performance as manifest demonstration of the market's COVID call: while further lockdowns are unlikely, the expectations of dramatic-and-prolonged GDP growth, surging employment, and surging inflation, may have been overly optimistic. The low global vaccination rate, and the prevalence of virus mutations thus far, could cause economies to struggle to fully reopen in 2021. Further, some consumers, and some business sectors, will continue to rely on governmental support to survive. This support of course comes at a time of record debt and deficit levels, as well as a deeply partisan political climate, all of which cast doubt on proposed infrastructure spending, and further stimulus after the most recent round expires in September. Given these prevailing conditions, we view the current prospects for risk assets as quite uncertain, with more downside than upside risk.

As always, we will continue to use our volatility metrics to inform the equity allocation of the Fund. We will aim to de-risk when we believe volatility will be high, and aim to re-risk when we believe volatility will be low.

As of June 30, 2021 the Fund's Top 10 holdings were as follows: iShares Core S&P 500 ETF (47.08%), iShares iBoxx $ Investment Grade Corporate Bond ETF (8.30%), United States Treasury Note/Bond (4.67%), Takeda Pharmaceutical Co Ltd (0.82%), E*TRADE Financial Corp (0.70%), Abbott Laboratories (0.54%), AT&T Inc (0.48%), Sherwin-Williams Co (0.46%), Florida Gas Transmission Co LLC (0.45%), Comcast Corp (0.43%).

PERFORMANCE AS OF 6/30/2021

	Q2 2021	YTD	1 Year	3 Years	5 Year	Ann ITD*	*Inception
Institutional Class	5.20%	7.46%	19.56%	12.10%	11.63%	11.43%	9/28/2015
Balanced Stabilization Custom Benchmark	5.84%	8.28%	23.02%	13.64%	11.89%	12.10%	
S&P 500 Index	8.55%	15.25%	40.79%	18.67%	17.65%	17.71%	

Performance data quoted represents past performance and does not guarantee future results. The 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. Fund performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 800-207-7108. *Returns showing less than one year are cumulative. The gross and net operating expense ratio for the Institutional Shares are 1.07% and 1.01% respectively. The Fund's advisor has contractually agreed to waive its fee and/or pay operating expenses so that total annual fund operating expenses do not exceed 0.95%. The contractual agreement is in effect until December 31, 2023. Net expenses are applicable to the investor. Because of ongoing market volatility, Fund performance may be subject to substantial short-term changes.*

Before investing you should carefully consider the Securian AM Balanced Stabilization Income Fund's investment objectives, risks, charges and expenses. This and other information in the prospectus and summary prospectus, a copy of which may be obtained by calling 800 -207-7108 or by visiting the Fund's website at www.libertystreetfunds.com. Please read the prospectus or summary prospectus carefully before investing.

RISK AND OTHER DISCLOSURES:

An investment in the Fund is subject to risk, including the possible loss of principal amount invested and including, but not limited to, the following risks: **Market Turbulence Resulting from COVID-19:** The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund. **Managed Volatility Strategy Risk:** The securities used in the strategy are subject to price volatility, and the strategy may not result in less volatile returns for the Fund relative to the market as a whole, and they could be more volatile. **Fixed Income Securities Risks:** Investments in debt securities typically decrease in value when interest rates rise. The risk is usually greater for longer-term debt securities. **Derivatives Risk:** Derivatives involve special risks including leverage, correlation, counterparty, liquidity, operational, accounting and tax risks. These risks, in certain cases, may be greater than the risks presented to more traditional investments. **Rule 144A Securities Risk:** The Fund may invest in illiquid securities which involve the risk that the securities will not be able to be sold at the time or prices desired by the Fund, particularly during times of market turmoil. **Short Sales Risk:** In connection with establishing a short position in an instrument, the Fund is subject to the risk that they may not always be able to borrow the instrument, or to close out a short position at a particular time or at an acceptable price. **ETF Risk:** The market price of an ETF fluctuates based on changes in the ETF's net asset value as well as changes in the supply and demand of its shares in the secondary market. It is also possible that an active secondary market of an ETF's shares may not develop and market trading in the shares of the ETF may be halted under certain circumstances. **ETN Risk:** ETNs are unsecured debt obligations and are subject to the credit risk of their issuers, and will lose value if the issuer goes bankrupt. ETN returns are linked to the performance of designated indices which fluctuate due to market changes as well as economic, legal, political and geographic events. The market price of ETNs fluctuates as their returns fluctuate and as the level of supply and demand for the ETNs change.

The Fund may not be suitable for all investors. We encourage you to consult with appropriate tax and financial professionals before considering an investment in the Fund.

Basis Point: One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001. Correlation: A statistic that measures the degree to which two variables move in relation to each other. **Spread:** The difference between two prices, rates, or yields.

The Balanced Stabilization Custom Benchmark consists of 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index. **The S&P 500® Index** consists of 500 large cap common stocks which together represents approximately 80% of the total U.S. stock market. It is a float-adjusted market-weighted index (stock price times float-adjusted shares outstanding), with each stock affecting the index proportion to its market value. **The Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). **The S&P 500 Energy Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector. **The S&P 500® Information Technology Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector. **The S&P 500 Value Index** measures value stocks using three factors: the ratios of book value, earnings, and sales to price. **The S&P 500 Growth Index** measures growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum. **The CBOE Volatility Index (VIX)** is a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 index**. One cannot invest directly in an index.**

The views in this material were those of the Fund's Sub-advisor as of the date written and may not reflect its views on the date this material is first disseminated or any time thereafter. These views are intended to assist shareholders in understanding the Fund's investment methodology and do not constitute investment advice.

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