SECURIAN AM BALANCED STABILIZATION FUND Q1 2022 MARKET COMMENTARY

MARKET SECTOR UPDATE

Q1 of 2022 proved to be an ugly quarter for most asset classes:

Total Return	Q1 2022
S&P	-4.60
Nasdaq	-8.91
Russell 2000	-7.53
Change	
1Y UST	+1.23
10Y UST	+0.83
30Y UST	+0.55
IG Credit Spreads	+0.24
HY Credit Spreads	+0.42

Source: Bloomberg

Inflation continued to be a serious issue, both domestically and internationally, in Q1. Core Personal Consumption Expenditures (PCE) printed 5.40% year-over-year for 02/28/2022, which is the highest value since the 1980s. The Russian invasion of Ukraine, and its obvious impact on commodity markets, exacerbated the inflation problem, and these effects are still unfolding. Also late in Q1, multiple areas of China, including its largest city--Shanghai--went into full COVID lockdowns. We anticipate that these lockdowns will exacerbate the supply side of the inflation equation. To say that risk assets faced some headwinds in Q1 would be putting it diplomatically.

Essentially every asset class, aside from commodities, returned a loss in Q1. Interestingly, while equity saw substantial peak-to-trough drawdowns in Q1 across its various flavors:

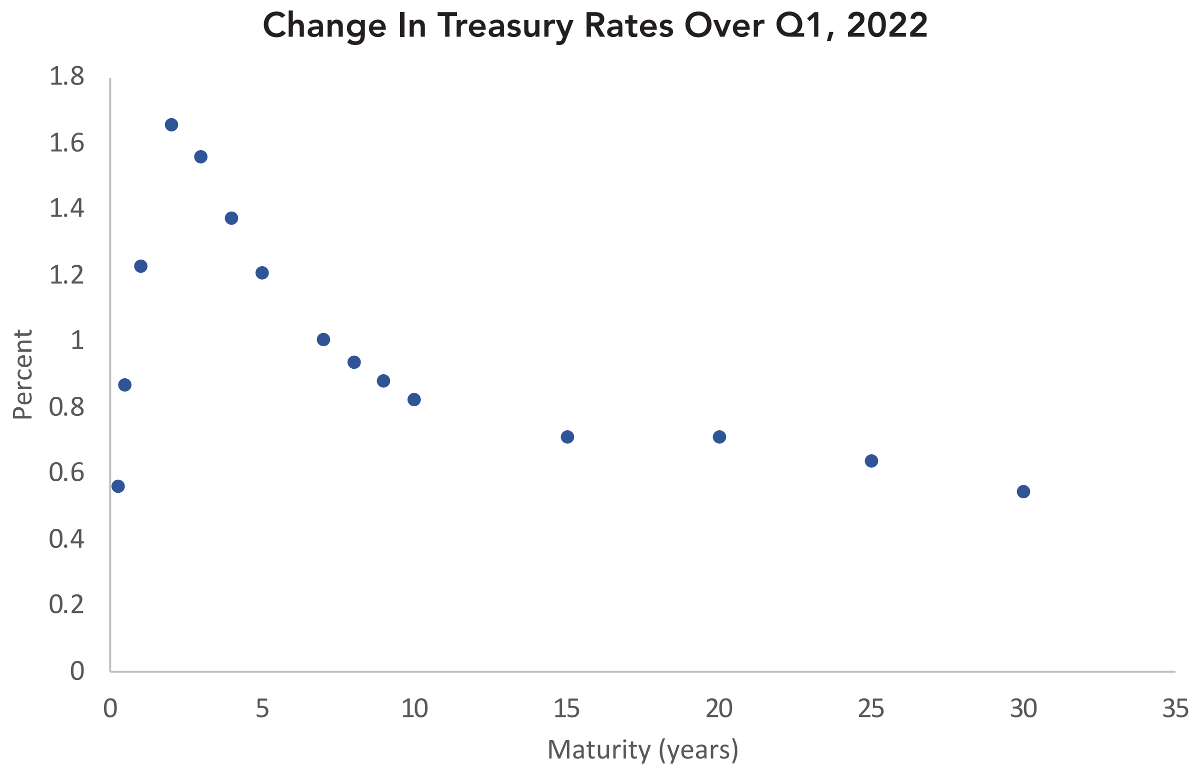
- S&P 500: -12.82%
- Nasdaq: -20.82%
- Russell 2000: -15.00%

Each index managed to claw back an appreciable portion of its initial losses, even in light of the headwinds just described. We address this point further in subsequent sections.

Of the eleven Global Industrial Classification Standard (GICS) sectors within the S&P 500, Energy and Utilities were the only two to post a positive return for the quarter. Specifically, Energy, represented by the S&P 500 Energy Index, returned 37.66% in Q1 (price return), massively outperforming everything else. In fact, the spread between the best performing sector (Energy), and the worst performing sector (Communication Services), was 49.77%, which is the largest quarterly differential in the history of the sector-specific S&P 500 indexes (2002-present).

It is perhaps unsurprising that Communication Services, represented by the S&P 500 Communication Services Index, was the worst-performing sector in Q1. Communication Services contains Meta (formerly Facebook), which comprised approximately 14% of the market cap of the sector at the start of the year, and which returned -33.89% for Q1. This excessive concentration in mega-cap tech names is a well-known phenomenon in the current equity market, and it can have negative consequences, as Q1 demonstrated.

Interest rates were up across maturities in Q1. But, as we have previously alluded to, the short-term versus long-term tension continued:



Source: Bloomberg

On the one hand, shorter-term rates were up around 166 (!) basis points (bps) in Q1. Long-term rates were up only 55 bps, continuing to suggest that the market does not see runaway inflation or runaway growth in the decades to come.

From our last update: "The rates market has very clearly spoken, and has said that it believes the Fed will attempt to address inflation via quantitative tightening, and by raising its policy rate. Simultaneously, the rates market has also said that it deems these short-rate maneuverings ineffectual to support long-term growth expectations." The yield curve movement this quarter has reinforced this view, originally articulated for Q4 of 2021.

Realized volatility was up from last quarter, 21.48% vs 13.90%. This 21.48% realized volatility is an 84th percentile value historically. The CBOE Volatility Index (VIX) averaged 25.37 for the quarter, and the average difference between the VIX and realized 20-day volatility was 4.83%, a 56th percentile value. Given prevailing macroeconomic and geopolitical circumstances, we interpret this spread as expressing a theme that coincides with the puzzling juxtaposition of drawdown and total return statistics for multiple equity indexes for the quarter. To wit, we believe an unhealthy investor faith in equities is evidenced by the muted option market response to the many market challenges we have articulated, as well as the equity rally in the second half of March that erased most of the intra-quarter losses demonstrated by the index drawdowns we quoted.

PORTFOLIO STRATEGY

Equity volatility is what 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.

Realized volatility ranged from a low of 13.29% to a high of 26.46% over the first quarter. Consequently, the Balanced Stabilization Fund equity exposure was underweight for the quarter, averaging 47.72%. The maximum equity exposure of the Fund was 49.79%, and the minimum was 35.12%. The Fund closed out the quarter at 36.81% equity exposure.

OUTLOOK

The Federal Reserve (Fed) continues to be in a very difficult spot. Inflation has shown no signs of abating, equity market valuations are still quite elevated, the Russian invasion of Ukraine and its corresponding effect on commodity markets are still unfolding, and the COVID pandemic is not over. The Fed has stopped asset purchases, and it executed its first rate hike--a modest 25 bps on 03/16--in this new tightening cycle. But the bond market has already shown what kind of pain is expected in this round of monetary tightening: the Bloomberg Aggregate Bond Index returned -5.93% in Q1, its third-worst quarter ever, going back to Q2 of 1976. Further, the only two quarters that were worse than Q1 of 2022 were Q1 and Q3 of 1980, arguably the most volatile period ever for interest rates, and a time that saw the 10 year yield in double digits.

Further, the yield curve closed out Q1 with the 3 year and 5 year yields higher than the 30 year yield. Historically, we have focused on the 10 year-3 month spread to signal a true inversion, as the 3 month rate is tightly coupled to the Fed funds target rate. While that spread is nowhere near inversion yet, we assume that it will become inverted as the Fed takes the actions that are already priced in for 2022.

The backdrop of an ongoing pandemic, geopolitical conflict that will almost certainly keep oil and natural gas prices elevated for the foreseeable future, and a Federal Reserve that we believe has to tighten monetary policy--for the sake of public and political opinion of the institution, not because its monetary policy can actually cure the inflation society is currently witnessing--portends a grim immediate future for the risk markets. Further, traditional portfolio construction, which relies on fixed income to be a portfolio bulwark against equity volatility, could be severely challenged in the coming quarters. As mentioned, bonds have already suffered historic losses, and with over two hundred basis points of additional Fed rate hikes priced into the market for the rest of 2022, the less volatile portion of balanced portfolios is poised for more pain. In addition, essentially all equity valuation models rely on a discount rate of some kind; as rates rise, so will that discount rate and, correspondingly, equity “fair values” should decrease. At this point, the remainder of 2022 seems a year where there are few places to invest money and expect a positive return. And, if any particular investor is still bullish on equities, in our view 2022 seems the ideal year to consider a Stabilization strategy that provides equity exposure while simultaneously managing volatility and downside risk.

In terms of equity volatility, we anticipate that tightening monetary conditions, and unresolved geopolitical conflicts, will result in higher volatility in the remainder of 2022 than what was realized in 2021, making for a rocky ride for equity investors.

Ordinarily, this strategy carries high equity exposure in low volatility periods, and low equity expo-sure in high volatility periods. In terms of linear exposure, this approach will continue. But in times like the ones we currently find ourselves in, we will endeavor to have additional downside risk management positions in place.

PERFORMANCE AS OF 3/31/2022

	Q1 2022	YTD	1 Year	3 Years	5 Year	Ann ITD*	*Inception
Institutional Class	-4.73%	-4.73%	5.70%	9.89%	9.74%	10.12%	9/28/2015
Balanced Stabilization Custom Benchmark	-5.07%	-5.07%	7.50%	12.14%	10.59%	10.90%	
S&P 500 Index	-4.60%	-4.60%	15.65%	18.92%	15.99%	16.64%	

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 expens-es so that total annual fund operating expenses do not exceed 0.95%. The contractual agreement is in effect until December 31, 2023. Without the contractual agreement, performance would have been lower. Net expenses are applicable to the investor. Because of ongoing market volatility, Fund performance may be subject to substantial short-term changes.*

Top Holdings as of 3/31/22 (% of Net Assets Excluding Cash)

iShares Core S&P 500 ETF 49.61%,iShares iBoxx $ Investment Grade Corporate Bond ETF 9.35%,Takeda Pharmaceutical Co Ltd 0.74%, Abbott Laboratories 0.47%, AT&T Inc 0.43%, Sherwin-Williams Co/The 0.42%, Florida Gas Transmission Co LLC 0.42%, Comcast Corp 0.37%,Essex Portfolio LP 0.41%, and Valero Energy Corp 0.35%.

Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security.

Before investing you should carefully consider the Securian AM Balanced Stabilization Fund's investment objectives, risks, charges and expenses. This and other information is 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: T**he 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. **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. **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. **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. **Short Sales Risk:** In connection with establishing a short position in an instrument, the Fund is subject to the risk that it 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. **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. 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.

The Balanced Stabilization Custom Benchmark consists of 60% S&P 500 Index and 40% Bloomberg 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 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 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. Basis Point: One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001. **Quantitative Tightening** is a contractionary monetary policy applied by a central bank to decrease the amount of liquidity within the economy. **Yield** is a return measure for an investment over a set period of time, expressed as a percentage.

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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