INVESTMENT COMMENTARY

As the fourth quarter ended, the world passed the two-year mark of dealing with the Covid-19 Coronavirus, with hopes that 2022 gets us closer to normality. U.S. household balance sheets may be healthier than ever with roughly $2 trillion in checking accounts and stock market and home prices near record levels, all while M1 reached an all-time high of greater than $20 trillion in November. U.S. real gross domestic product (GDP) continued to grow at an annual rate of 2.3% and the Bureau of Labor Statistics (BLS) reported continued declines in the November unemployment rate at 4.2% and U6 unemployment of 7.40%. Against this backdrop, most equity markets produced large gains for the quarter with the S&P 500 returning 11.02% and the tech-heavy NASDAQ 100 jumping 11.28%. Long-term interest rates and credit spreads remained range bound as the Bloomberg U.S. Aggregate index eked out a 0.01% return. However, current elevated levels of inflation appear to be dampening consumer optimism, without giving pause to the "Great Resignation". Inflation concerns remain high as the Consumer Price Index (CPI) rose 0.8% in November to 6.8% year-over-year, the highest level since 1982. The Core PCE Deflator (ex-energy and food) increased 0.5% in November, to 4.9% year-over-year, also a 30-year high. In November the Conference Board Consumer Confidence Index fell to 109.5, down from its recent peak of 128.9 set in June but still well above the 88.60 reading at the end of 2020. The yields of 1-year, 2-year and 3-year Treasuries increased by 31, 46 and 45 basis points, respectively.

The December Federal Open Market Committee (FOMC) statement summarized current risks and thinking as follows, "With progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen. The sectors most adversely affected by the pandemic have improved in recent months but continue to be affected by COVID-19. Job gains have been solid in recent months, and the unemployment rate has declined substantially. Supply and demand imbalances related to the pandemic and the reopening of the economy have continued to contribute to elevated levels of inflation. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses." Additionally, Chairman Powell stated the FOMC will begin doubling the pace of asset "tapering" previously announced at the November FOMC meeting, reducing the monthly purchases of Treasuries by $20 billion and Mortgage-backed Securities by $10 billion beginning in mid-January.

As if the dual mandate of striking a proper balance between full employment and price stability isn't daunting enough, many investors have questioned this Fed's credibility, which now may tenuously rest on its efficacy in returning historically high inflation to acceptable levels, while finding a solution to the "Great Resignation". Credibility is critical for the Federal Reserve, and the Powell-led Fed has recently been criticized for its decision-making. Concerns have arisen regarding the Fed allowing inflation to overshoot the 2% target, thus allowing the economy to overheat. The Fed has also been criticized for misjudging the strength of the labor market, leading to the possibility of irretraceable wage inflation, and appearing overly concerned about disrupting the markets and creating another "taper tantrum". The Fed's tendency to pivot has caught the markets off-guard, including its recent removal of the key word "transitory" from its description of the inflationary backdrop. Lastly, the ongoing accommodative monetary policy and ballooning Fed balance sheet since the Great Financial Crisis, created under all three Fed Chairs, has persisted throughout healthy economies and markets. Nonetheless, we have an alternative and potentially more constructive outlook.

We acknowledge the "Fed Put" that markets have learned to rely on appears to have been replaced by the "Powell Pivot". However, we view this as a constructive transition replacing Fed hubris with Fed courage. The Fed's will to pivot is a will to acknowledge fallibility in the interest of public good. We believe this increases the probability the Fed will complete its asset taper sometime in March as indicated, follow through with the projected 3-4 rate increases in 2022 and potentially begin to draw down the Fed balance sheet by allowing asset runoffs that should have the effect of amplified rate hikes. However, the Fed's courage will be tested with the persistence of the pandemic, the economy already showing signs of slower growth and likely additional headwinds from monetary tightening. 2022 corporate earnings growth forecasts are below 10% and well off 2021 levels, as are GDP expectations, and ISM manufacturing and non-manufacturing recently fell well below expectations, declining month-over-month. The combination of higher rates and slower growth surely portends stock market multiple compression, which should further constrict economic activity and spending as the percentage of households that own stocks as well as the percentage of household wealth tied to the stock market are near all-time

highs according to the Federal Reserve Board Survey of Consumer Finances.

In 2022, we expect supply chain disruptions to improve modestly, and we expect the shift in demand from goods to services will continue to normalize, helping to reduce the inflation caused by short-term inelastic demand. We anticipate that lower inflation, slower growth and tighter monetary policy will collectively contribute to a flattening of the yield curve, with "short-term" rates rising more than long rates. We expect 10-year Treasury yields to increase in 2022 but to face some resistance as risk assets deal with tightening policy.

The fund is currently positioned with a neutral duration relative to the benchmark and an overweight in corporate credit. The industrial and financial credits in the fund provide incremental risk-adjusted yield and offer attractive compensation for their sector volatility and the utility credits provide additional portfolio diversification with low sector volatility. The fund's allocation to floating rate securities was increased during the period, in anticipation of increases in the Federal Funds Rate by the Federal Reserve in 2022. The fund also maintains an allocation to agency mortgage-backed securities and senior tranches of select asset-backed and commercial mortgage-backed securities, as we believe these sectors offer long-term value on a risk-adjusted basis.

PIA Investment Strategy Group

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The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-251-1970 or visiting www.PIAMutualFunds.com. Read it carefully before investing.

Mutual Fund investing involves risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in Asset Backed and Mortgage Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. The Fund may invest in derivatives, which may involve risks greater than the risks presented by more traditional investments. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities that the ETF or mutual fund holds. It will also bear additional expenses, including operating expenses, brokerage costs and the potential duplication of management fees. These risks are fully disclosed in the Prospectus.

M1 is the money supply that is composed of currency, demand deposits, other liquid deposits—which includes savings deposits.

Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of the country's economic health.

Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

Consumer Confidence Index (CCI) is a survey, administered by The Conference Board, that measures how optimistic or pessimistic consumers are regarding their expected financial situation.

The Bureau of Labor Statistics (BLS) is a federal agency that collects and disseminates various data about the U.S. economy and labor market.

The personal consumption expenditure (PCE) measure is the component statistic for consumption in gross domestic product (GDP) collected by the United States Bureau of Economic Analysis (BEA). The less volatile measure of the PCE price index is the core PCE (CPCE) price index, which excludes the more volatile and seasonal food and energy prices.

The Conference Board (CB) is a not-for-profit research organization that distributes vital economic information to its peer-to-peer business members.

The Federal Open Market Committee (FOMC) is the branch of the Federal Reserve System (FRS) that determines the direction of monetary policy specifically by directing open market operations (OMOs).

Monetary - consists of the actions of a central bank, currency board or other regulatory committee that determine the size and rate of growth of the money supply, which in turn affects interest rates.

Basis point (bp)- A unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument.

Yield - The income return on an investment. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost.

Tapering (Taper) refers to policies that modify traditional central bank activities.

Spread - The difference in yields between two fixed-income securities with the same maturity, but originating from different investment sectors.
Interest rate is the amount a lender charges for the use of assets expressed as a percentage of the principal.

Duration - A commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

Tranches are segments created from a pool of securities—usually debt instruments such as bonds or mortgages—that are divvied up by risk, time to maturity, or other characteristics in order to be marketable to different investors.

Benchmark - The ICE BofAML 1-Year US Treasury Note Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury note that matures closest to, but not beyond, one year from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date. You cannot invest directly in an index.

Bloomberg U.S. Aggregate Bond Index is an unmanaged index that covers the investment grade fixed rate bond market with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The issues must be rated investment grade, be publicly traded, and meet certain maturity and issue size requirements. You can not invest directly in an index.

S&P 500 Index – The S&P 500 index includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. You can not invest directly in an index.

The NASDAQ-100 Index is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ. No security can have more than a 24% weighting. The index was developed with a base value of 125 as of February1, 1985. Prior to December 21, 1998 the Nasdaq 100 was a cap-weighted index. You can not invest directly in an index.

The U-6 rate, or U6, includes discouraged, underemployed, and unemployed workers in the country.

Past performance is not a guarantee of future results.
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