

HANCOCK HORIZON DIVERSIFIED INCOME FUND

INSTITUTIONAL CLASS: HHIIX

INVESTOR CLASS: HHIAX

PORTFOLIO MANAGEMENT INSIGHTS

- The Hancock Horizon Diversified Income Fund maintained its relatively higher exposure to the stock market as well as high yield bonds over the second quarter. With higher stock market exposure, the fund was able to participate to a greater degree in the strong market gains for last year, but understandably exposed the fund to the declines of the market in 2020. The fund rebounded to a degree ending the quarter up 10.25%.
- At the end of the 2nd quarter of 2020 the fund had the following exposures to asset classes in descending order of magnitude: high yield bonds 35%, dividend paying stocks 32%, preferred stocks 18%, real estate investment trusts 14%, master limited partnerships 0%, and variable rate securities and cash about 1%.
- All asset classes in the fund ended the quarter in positive territory. Strongest performers were preferred stocks, REITs, and dividend paying stocks.
- We probably won't make large strategic changes going forward at this point. The looming election, pervasive uncertainty regarding the direction of the virus and a cure or therapeutic treatments urges caution.

PERFORMANCE

Average Annual Total Returns

	Last Quarter	Year-to-date	1 Year	3 Year	5 Year	Since Inception
Institutional Class	10.30%	-12.13%	-7.72%	-0.96%	0.35%	1.36%
Investor Class	10.25%	-12.19%	-7.88%	-1.19%	0.11%	1.13%
50/50 Hybrid of the following indexes:	6.50%	-8.67%	-4.00%	2.36%	4.73%	5.77%
Dow Jones US Select Dividend Index	10.86%	-21.68%	-15.15%	-0.44%	5.43%	8.45%
Bloomberg Barclays Intermediate US Aggregate Index	2.13%	4.67%	6.60%	4.28%	3.40%	2.67%

Inception date is September 26, 2012. The gross total expense ratio for Investor Class is 1.40% and the net total expense ratio is 1.18%. The gross total expense ratio for Institutional Class is 1.15% and the net total expense ratio is 0.93%. The Advisor has contractually agreed to waive fees and reimburse expenses until May 31, 2021. In the absence of current fee waivers total return would be reduced.

The performance quoted herein represents past performance. Past performance 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, and current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please visit www.hancockhorizonfunds.com. Fund returns include change in share value and reinvestment of distributions, unless otherwise indicated.

FUND MANAGERS



Greg Hodlewsky, CFA
8 years with firm
30+ years in industry



Nathan Grant, CFA
11 years with firm
20+ years in industry

ABOUT THE HANCOCK HORIZON FUNDS

Hancock Horizon Funds, founded in 2000, manages 9 mutual funds in equity, state specific tax-free, and liquid alternative funds.

NOT INSURED

NOT GUARANTEED

MAY LOSE VALUE

HANCOCK HORIZON DIVERSIFIED INCOME FUND

To determine if the Fund is appropriate for you, carefully consider the Fund's investment objectives, risks and charges and expenses. This and other information including additional share classes offered can be found in the Fund's full or summary prospectus which can be viewed by visiting www.hancockhorizonfunds.com. Read it carefully before you invest or send money.

Mutual fund investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, REIT investments are subject to changes in economic conditions, credit risk and interest rate fluctuations. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. Mortgage-backed securities are subject to prepayment and extension risk and therefore react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. MLP's interests are all in a particular industry and the MLP will be negatively impacted by economic events adversely impacting that industry. The risks of investing in a MLP are generally those involved in investing in a partnership as opposed to a corporation, such as a limited control of management, limited voting rights and tax risks. MLP's may be subject to state taxation in certain jurisdictions, which will have the effect of reducing the amount of income paid by the MLP to its investors. The potential benefits of investing in MLPs depend on them being treated as partnerships for federal income tax purposes. Further, if the MLP is deemed to be a corporation then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. A company may reduce or eliminate its dividend, causing losses to the fund.

The Dow Jones U.S. Select Dividend Index screens stocks by dividend per share growth rate, dividend payout percentage rate, and average daily dollar trading volume, and stocks are selected based on dividend yield. Bloomberg Barclays Intermediate U.S. Aggregate Index consists of publicly issued, dollar-denominated U.S. Government, agency, or investment grade corporate fixed income securities with maturities from 1 to 10 years. The comparative market index is not directly investable and is not adjusted to reflect expenses that the SEC requires to be reflected in the fund's performance. Index returns do not reflect any management fees, transaction costs, or expenses. It is not possible to invest in an index.

This material represents the manager's assessment of the market environment at the time of this writing and should not be relied upon by the reader as research or investment advice regarding any security, nor is it intended to be a forecast of future events or a guarantee of future results. Current and future holdings are subject to risk.

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