

**Higher Yielding Liquid Alternatives for Income Over Increasing Life Spans**

It's no secret medical and technological advances are prolonging life expectancies. While a positive overall for humankind, it presents financial challenges such as outliving financial resources. Adding to the economic stress of living longer, current historically low interest rates on traditional savings vehicles continue to weigh heavily on savers and those in need of income to supplement social security and other fixed income sources.

Many higher yielding, income-producing alternative investments are available, including Real Estate Investment Trusts (REITs), Business Development Companies (BDCs), Master Limited Partnerships (MLPs), higher yielding credit and options-based strategies to name a few. The Integra Liquid Alternatives High Yield Portfolio is a strategically managed portfolio of these types of alternative investments that seeks to provide high levels of current income. While these investments may be volatile from time to time, our goal is to control the volatility through the asset allocation strategy.

**Portfolio Construction Process**

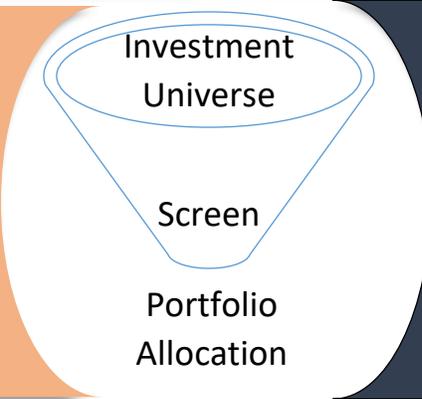
**ALTERNATIVE ASSET CLASSES**

Alternative assets include a wide variety of investment types that provide exposure to income producing asset types other than traditional stocks and bonds.

**ALTERNATIVE STRATEGIES**

Alternative strategies employ traditional asset classes but add tactics to increase income and potentially reduce volatility.

- Real Estate Investment Trusts
- Business Development Companies
- Master Limited Partnerships
- Listed Private Equity
- Non-Traditional Credit



- Options-Based Income Strategies
- Closed-End Funds
- Long/Short Tactical-Credit Funds

**The Contribution of Income to Total Return**

Many studies have shown that the return from income, such as dividends from common stocks, provide a significant portion of the total return over time. We believe the same about alternative asset classes such as highlighted above. Unlike stocks where yields tend to be lower and long-term capital gains higher, the investments we target have higher yields that we expect to be the majority of the total return, providing usable current income.

While often, the term "alternative" is used in the context of low volatility, which is not the case here. We seek to control volatility to a level less than the stock market, but price fluctuations may be significant at times. We think investors with the patience to collect the current income and accept moderate price fluctuation will succeed with this approach over time.

**Investment Strategy**

The strategy invests across alternative asset classes and strategies to generate high levels of current income and a secondary goal of long-term capital appreciation. The allocation is adjusted to seek opportunity and control risk through the economic and market cycle. During periods of market stress, we may hold a higher allocation to higher quality, lower volatility credit funds.

**Liquid Alternatives High Yield Portfolio – Wrap Composite**  
Since Inception to (9/30/2020)

	<b>Portfolio Return (% Gross)</b>	<b>Portfolio Return (% Net<sup>1</sup>)</b>	<b>Blended Benchmark</b>
Return	-9.14	-11.83	-6.46
Standard Deviation	30.33	30.26	24.15
Sharpe Ratio	-0.19	-0.29	-0.21
Alpha	0.31	-2.70	-----

<sup>1</sup> % Net is the gross portfolio return minus the maximum wrap fee which could be charged to a client by their financial advisor. The maximum wrap fee is 3% annually. Most clients pay a lower fee – discuss with your financial advisor.

Source: Morningstar Direct™

Note: The “Maximum 3% Wrap Fee” indicated in this fact sheet in “Net” performance data, is the **maximum** fee that an advisor may charge to a client account using the Liquid Alternatives High Yield Portfolio. Fees charged by advisors are usually lower, and will vary. Discuss with your financial advisor.

**Portfolio Trailing Period Performance**

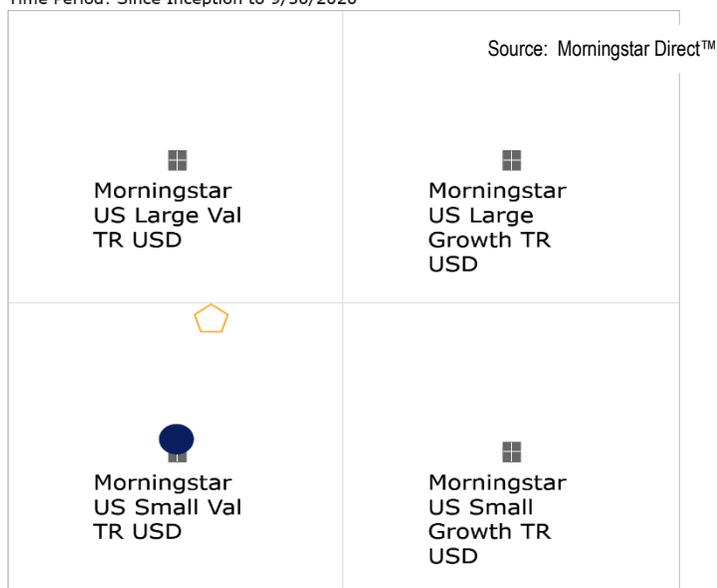
<b>Time Period</b>	<b>Portfolio Return (% Gross)</b>	<b>Portfolio Return (% Net)</b>	<b>Blended Benchmark</b>
YTD	-27.75	-29.36	-21.37
Since Inception <sup>1</sup>	-9.14	-11.83	-6.46
2019	19.73	16.20	17.19

\*Returns over more than a 12- month period are annualized.

<sup>1</sup> Inception date of portfolio is June 1st, 2018 Source: Morningstar Direct™

**Returns-Based Style Map**

Time Period: Since Inception to 9/30/2020



**Portfolio Size & Style**

In terms of market capitalization, most of the portfolio components appear to fall into the small cap value category. However, it is far more important to evaluate an investment’s size and style characteristics by the way the portfolio acts over time. The graphic to the left is a returns-based size and style analysis that demonstrates the portfolio displays more of a large cap value-blend return profile. This is due to the source of total returns generated by the portfolio; namely a high level of return from income.

When constructing portfolios it is more important to understand the return characteristics expected from an investment, rather than just the market capitalization of the investment.

● Integra Liquid Alts High Yield Port

○ Integra Liquid Alternatives High Yield Benchmark

**Integra Capital Alts High Yield Port – Top Holdings**

Portfolio Date: 9/30/2020

	<b>Current Yield %</b>
RiverPark Floating Rate CMBS	3.32
Global X MLP & Energy Infrastructure	10.12
Monroe Capital Corp	17.14
Global X MLP	16.68
Saba Closed-End Funds ETF	9.19
American Beacon Frontier Mkt Bond	8.15
AB High Income	6.64
Arbor Realty Trust	10.81
Ares Capital Corp	11.42
Apollo Commercial Real Estate Finance	17.07

Source: Morninastar Direct™

The top 10 portfolio holdings provides a good example of the diversification among alternative, or non-traditional, asset classes and strategies. Position yields fluctuate with price, operating results and payout ratios. The 12-month yields shown in the table at left are as of quarter end September 30, 2020. Weightings within the portfolio will deviate from targeted model weightings due to market value fluctuations.

The gross yield of the portfolio as of September 30, 2020 is 9.66%.

**The Role of Non-Traditional Credit**

The non-traditional credit segment of the portfolio will usually be the lowest yielding part of the allocation. The purpose for including this component is to reduce portfolio volatility during periods of stock market corrections which are often unpredictable, and which may impact the other parts of our portfolio allocation. Non-traditional credit may include exposures to mortgage backed securities, high yield and floating rate corporate credit, international and emerging market bonds. The portfolio segment may also include other debt-based investments that may be less correlated to traditional U.S. government and high quality U.S. corporate debt securities.

We will attempt to increase the exposure to the non-traditional credit allocation when we believe riskier assets may be at risk, in order to reduce the risk in the portfolio. It should be noted that investing in non-traditional credit instruments does not insulate the portfolio from decline, but seeks to minimize such an occurrence.

**Portfolio Credit Allocation Characteristics (as of 9/30/2020)**

<b>Measure</b>	<b>Liquid Alts HY Portfolio Credit Segment</b>
Average Effective Duration	3.21
Average Effective Maturity	5.44
Average Weighted Coupon	5.81
Average Weighted Price	93.38

Source: Morningstar Direct™

**Portfolio Management Team****Thomas H. Breiter, RICP®**

(since 6/30/2004)

President &amp; CEO

**Charles (“Brad”) Campbell, CFP®, CFA®**

(since 10/1/2017)

Executive Vice President | CIO

**General Disclosure:**

Past performance may not be indicative of future results. All investments come with risks, including the risk of loss. Model performance results are subject to a number of limitations, and do not reflect the results of any actual client accounts, which may be materially different than those of the model. The performance of an actual client account will likely vary from the above investment model for several reasons, including custodial costs and other fees, actual transaction costs in a client account being higher or lower than the model transaction costs (to the extent such transaction fees are incurred in the management of a client account), market conditions during trading, investment selection availability, and/or other factors.

Net of fees performance information shown above reflects the reinvestment of dividends and other earnings (to the extent applicable), and is net of transaction fees (to the extent applicable), the maximum investment management and platform fee charged by the wrap program sponsor (3.00%), and any other related account expenses with the exception of custodial fees. Gross of fees performance information shown above is presented for comparison purposes only and does not reflect the deduction of any applicable transaction fees, investment management and platform fees, and any other related account expenses. Gross of fees performance would be reduced by deductions of any such expenses.

Model performance information has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Integra has relied upon information and calculations provided by Envestnet and Morningstar Direct. Please defer to formal tax documents received from the account custodian for cost basis and tax reporting purposes.

The comparative benchmark index is comprised of four equally weighted indices, the Algerian MLP Total Return, Bloomberg Barclays Bond Composite U.S. Total Return, FTSE EPRA NAREIT Developed Total Return, and MVIS US Business Development Company Net Return. This is an approximate representation of the allocation used in the strategy over time. The Algerian MLP Total Return index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The Bloomberg Barclays Bond Composite U.S. Total Return index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The FTSE EPRA NAREIT Developed Total Return index is designed to represent general trends in eligible real estate equities worldwide. The MVIS U.S. Business Development Company Net Return index tracks the performance of the largest and most liquid companies which are treated as Business Development Companies (BDCs).

Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

No current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or equal to past performance levels. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark for measuring the performance of a portfolio. Asset allocation and diversification do not ensure or guarantee better performance and cannot eliminate the risk of investment losses. Past performance is no guarantee of future results.

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**Key Terms:**

**Standard Deviation:** a statistical measure that, when applied to the annual rate of return of an investment, can indicate the historical volatility of that investment. A greater standard deviation generally means higher historical volatility.

**Alpha:** the measure of the difference between an investment strategy’s actual returns and its expected performance, given its level of risk as measured by beta (see below). A positive alpha indicates that the investment strategy has performed better than its beta would predict, while a negative alpha indicates that the investment strategy has underperformed, given the expected performance as established by beta.

**Beta:** the measure of a security or investment strategy’s performance and volatility relative to a benchmark index. The beta of the benchmark index is set to 1.00 by default. A beta of more than 1.00 reflects an investment strategy which performed better than its benchmark index in rising markets and worse than its benchmark index in declining markets. Conversely, a beta below 1.00 reflects an investment strategy which performed worse than its benchmark index in rising markets and better than its benchmark index in declining markets.

**Sharpe Ratio:** a measure of the performance of an investment strategy compared to the risk free rate of return, after adjusting for the investment strategy’s risk. The higher the Sharpe Ratio, the better the investment strategy’s historical risk-adjusted performance.

**Top Ten Holdings Disclosure:** The above-referenced securities represent the top holdings by portfolio weight held in the Liquid Alternatives High Yield model. The securities identified do not represent all of the securities purchased, sold, or recommended for advisory clients during the reporting period. The reader should not assume that investment in the securities identified and discussed were or will be profitable.