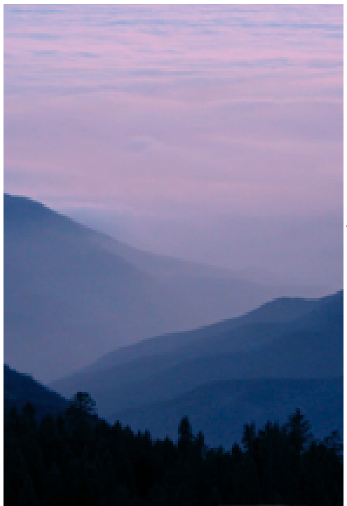


Quarterly Investment Report
June 30, 2021

Dear Investor:

If we are raising flags and thinking about fireworks displays for the upcoming 4th of July celebration, then that must mean we are also halfway through 2021. The year has gone super fast with vaccinations, a return to normal life and good market returns helping to quickly pass the weeks. What a difference a year of incredible scientific advances has made.

Stocks have been on a tear all year so far, with domestic large capitalization stocks gaining 15% on a total return basis. Except for the short-lived pandemic driven bear market in March 2020, this is one heck of a long bull market, that began, with what feels like, eons ago in March of 2009.

For much of the year small and mid capitalization stocks have beaten the S&P 500, but they finished mid year almost on an even basis with large cap stocks. International stocks have lagged in third place all year so far. European and Asian companies advanced more slowly than U.S. companies in the post-pandemic economic reopening and investors have discounted international stock valuations relative to domestic U.S. stocks accordingly. The spread between domestic and international stocks has been in place for more than a year and now that international stocks have become more attractive, it makes sense to increase exposure to them.

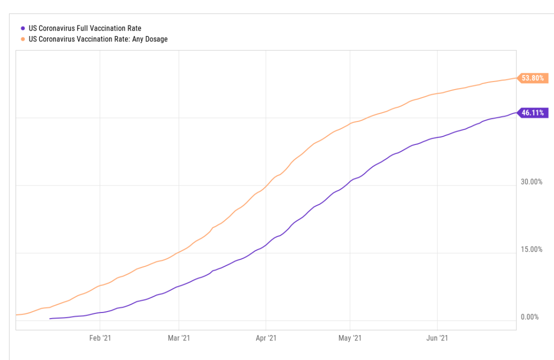
S&P 500 Total Return

Year-To-Date up 15%

Small and Mid cap up 16%

International up 8%

Percentage of U.S. Vaccinated



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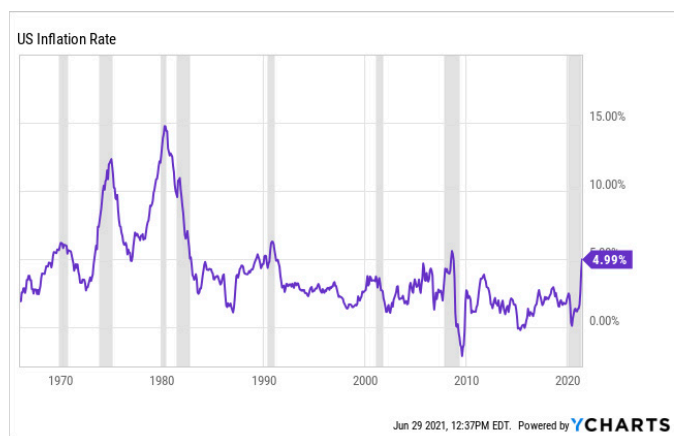
Much has changed in 2021. Major central banks are contemplating when and how to scale back their asset purchases (which have kept credit markets stable and interest rates low). And Federal Reserve interest rate policy changes may come sooner than expected, perhaps as early as the end of 2022. Longer maturity interest rates will continue to move naturally in relation to inflation and inflation expectations.

The Fed has communicated that this recent higher than average inflation rate is temporary and we shouldn't worry that it will get out of hand. Nonetheless, as previously mentioned, the Fed telegraphed an indication that they will tighten money sooner than previously planned and that supply bottlenecks will resolve within a few months. We beg to differ. After recent Covid outbreaks and port shutdowns in China, there are thousands of container ships backlogged across Chinese ports that threaten to keep global trade supply and demand unbalanced for longer than a few months. No one can predict if inflation will climb to troubling levels, i.e., at least high single digits for a sustained period of time.

This evolving reopening of the economy from a partial shutdown has our investment markets in a complicated transition phase. We knew that the economic recovery would cause supply chain and labor shortages as consumers and businesses returned to pre-COVID activities. And the Federal Reserve is hoping that current inflation spikes will be temporary, and prices will fall as supplies loosen up. But right now uncertainty is high. While the pandemic shutdown of a year ago was abrupt, the reopening is more incremental and more uneven. For example, though domestic travel in most countries is heading back to pre-pandemic levels, international travel has not fully restarted. Office buildings are seeing companies bringing office workers back to the office slowly and with more flexible work arrangements. And, as pandemic restrictions ease, consumption - which has been tilted to goods, home improvements, and work from home technologies - is moving back towards services, restaurants, sports events, air and ship travel, etc.

The stock market has become increasingly volatile and range bound with the debate around the future course of inflation and how different sectors will cope with the new environment. It looks ahead at least six months discounting the most likely outcomes for growth, inflation, and other key inputs. With Covid-19 increasingly becoming a non-issue for the markets, investor confidence, at the moment, is betting on red-hot growth and surging prices. Companies with the best brands, strongest balance sheets, most agile managements and innovative cultures will fare well.



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The discussion about inflation and inflation expectations is dominating the news cycle in the aftermath of the May release of the 5% inflation number. Whereas 5% is worthy of note as it is considerably higher than the historical average of 3% over the last 40 years, it's nowhere near the high double digit levels of the late 1970's and early 1980's. For those of you old enough to remember, let's hope we don't need to dust off the old Gerald Ford pins to "Whip Inflation Now (WIN)"!

So much money has accumulated in the pockets of households since April 2020 thanks to government stimulus and unemployment checks, plus people cautiously saving during uncertain times. We're talking about a U.S. savings rate climbing from around 8% in February 2020 all the way to 34% in April 2020. In January 2021 it was still hovering around 21%. It dropped down to 12% this past May as vaccinations calmed nerves and Covid cases fell, unleashing torrents of pent up demand and spending. The savings rate was under 10% for the majority of the past two decades prior to the pandemic.

Democrats and Republicans have made some headway on a $1 trillion bipartisan infrastructure deal over several years. It includes funding for roads and bridges, public transit, passenger and freight rail, electric vehicle infrastructure, clean drinking water, and broadband internet, among a few other areas. We'll learn more details after the July Fourth holiday but can assume that this deal as well as a possible Democrat go-it-alone reconciliation bill for further infrastructure investment, will pump more government funds into companies and the economy and unleash vigorous debate around government spending and taxes. While this could negatively impact inflation it will create more jobs and hopefully serve to make the U.S. more globally competitive.

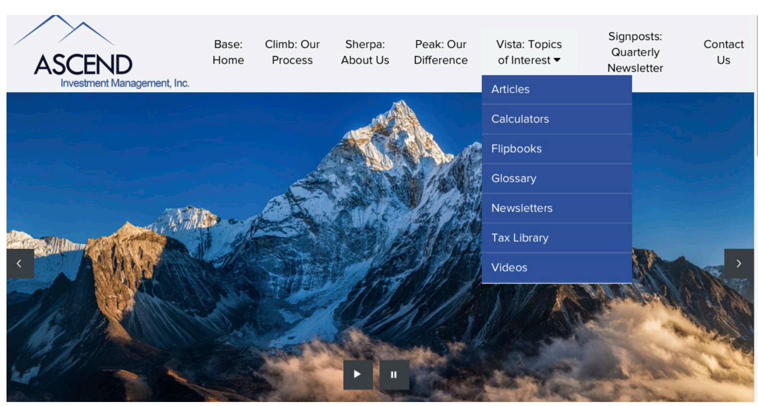
It's certainly an uncertain time. Portfolio managers like us, who live and breathe analyzing asset valuations and the likelihood of a company's ability to grow its revenues, earnings and profit margins, feel the uncertainty the hardest. Today stocks trade at levels that are very high and priced for perfection. Price to earnings multiples now trade over 35 times and even higher for many technology and other growth stocks. For this to make sense, earnings will have to come roaring back and increase by at least 30% over the next twelve months. Of course, there's no time limit for how long markets can stay irrationally expensive, but we prefer to take some money off the table and prepare for an inevitable market correction. In the process, though, we'll stay invested in those innovative companies that have brand muscle and fortress balance sheets.

In closing this newsletter we would like to invite you to check out our newly updated website, www.ascendinvmgt.com. It is chock full of interesting articles, videos, calculators, flipbooks, newsletters, investment glossary and a tax library. It updates frequently. The items can be found under the menu title "Vista: Topics of Interes

Hoping everyone can stay cool from the heat and enjoy a happy Fourth of July holiday with family and friends!

Sincerely,

Ellen P. Le, CFA
President



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FUN FACTS FOR A HAPPY 4TH OF JULY!!!

Although the Declaration of Independence is dated on July 4th, Congress voted for independence from Great Britain on July 2, 1776. And it took till August 2, 1776 for everyone to sign it.

The Liberty Bell in Philadelphia is tapped (in lieu of being rung) 13 times every Independence Day at 2 p.m. to honor the 13 original states.

July 4th didn't become a federal holiday until 1870, almost 100 years after the nation was founded. From 1870 to 1938 the day was an unpaid holiday. In 1938 it became a paid federal holiday.

The tradition of fireworks on Independence Day began on the first anniversary in 1777. John Adams wrote to his wife that he wanted Independence Day to be "celebrated with pomp, parade, shows, and illuminations."

Only two signers of the Declaration of Independence became U.S. presidents - John Adams and Thomas Jefferson.

The total number of people who signed the Declaration of Independence was 56 people.

John Hancock had the largest signature on the Declaration of Independence.

Most of the signers were American born although eight were born in the United Kingdom.

More than half of the signers were lawyers and the others were planters, merchants and shippers.