

Description

The Julex Dynamic Conservative is a quantitatively-driven strategy designed to provide enhanced return, reduced volatility, and reduced peak-to-trough drawdown compared to naïve buy-and-hold strategies. The portfolio has a long term strategic risk target comparable with a portfolio of 40% equity and 60% fixed income. The strategy may be appropriate for investors who have a high tolerance for risk and the ability to absorb loss of capital.

The strategy holds long term, broadly-diversified strategic positions in U.S. and developed market equities, emerging market equities, U.S. Treasuries and TIPS, corporate bonds and high yield bonds, as well as alternative asset class positions in real estate, energy, commodities, and gold.

Additionally, in order to enhance the risk/return profile of the strategic portfolio, the strategy holds tactical positions in U.S. equities, emerging market equities, income-paying assets, and global multi asset securities through the Julex Dynamic suite of tactical asset allocation strategies.

Julex Dynamic Solutions



Annual Returns (September 30, 2018)

Hypothetical Model Annual Returns



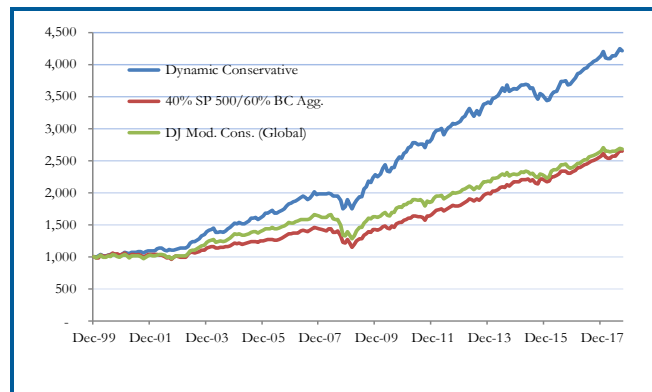
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Dynamic Conservative	3.8%	4.7%	3.8%	22.9%	10.0%	6.8%	12.3%	7.9%	-4.2%	20.4%	14.9%	8.3%	9.7%	9.6%	5.9%	-3.7%	7.6%	10.6%	-0.1%
DJ Moderate Conservative	1.2%	0.5%	-0.4%	20.5%	10.7%	4.1%	8.3%	7.5%	-15.3%	17.2%	11.2%	2.8%	8.4%	8.1%	4.8%	-1.1%	5.7%	10.9%	-0.1%

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Julex Capital Management, LLC (Julex) is a SEC-registered quantitative investment firm dedicated to creating innovative solutions for institutions and individuals. Julex is managed by industry veterans with an average of over 20 years of investment experiences and strong academic credentials. Julex offers a variety of multi-asset, rule-based, and risk-managed total return strategies that are designed to deliver consistent returns with low volatility and drawdowns in both bull and bear markets.

UPSIDE PARTICIPATION
 DOWNSIDE MANAGEMENT

Growth of \$1000 (Gross)



Performance Statistics

Jan. 2000 – Sept. 2018	Dynamic Conservative	DJ Moderate Conservative
Annualized Return	7.9%	5.5%
Standard Deviation	6.3%	6.6%
Sharpe Ratio (2%)	0.93	0.53
Max. Drawdown	-13.4%	-22.8%
Years to Recover	1.7	4.2

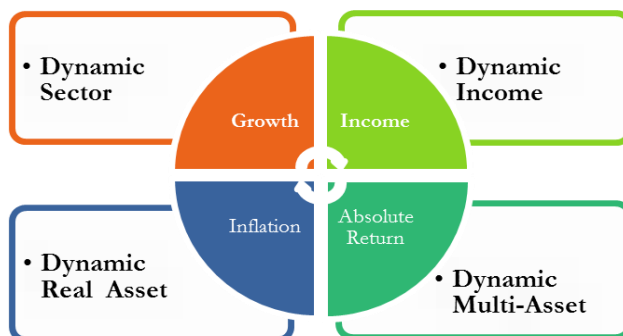
Asset Allocation Range

Asset Classes	Allocation(%)
US Equity	10-40
International Equity	5-25
Fixed Income and cash	30-80
Real Estate & Infrastructure	2-25
Hard Assets	1-15

Asset Allocation Details

Asset	ETF	Allocation
US Large Cap	SPY	5.0%
US Small Cap	IWM	5.0%
Developed Market Equity	EFA	5.0%
Emerging Market Equity	VWO	2.5%
US REIT	VNQ	1.3%
US Energy MLP	AMLP	1.3%
Gold	GLD	1.3%
US High Yield	JNK	7.5%
US Aggregate Bond	AGG	7.5%
US Inflation Indexed Bond	TIP	7.5%
US Treasury Bond	IEF	7.5%
Dynamic Multi-Asset		12.5%
Dynamic Sector (simplified)*		5.0%
Dynamic Real Asset		1.3%
Dynamic Income		30.0%

Julex Dynamic Alpha Strategies



Julex Dynamic Alpha Investment Process



Disclosure

This fact sheet is for the purpose of information exchange. This is not a solicitation or offer to buy or sell any security. You must do your own due diligence and consult a professional investment advisor before making any investment decisions. The use of a proprietary technique, model or algorithm does not guarantee any specific or profitable results. **Past performance is not indicative of future returns.** The performance data presented are gross returns.

The risk of loss in trading securities can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. All information posted is believed to come from reliable sources. We do not warrant the accuracy or completeness of information made available and therefore will not be liable for any losses incurred.

The investment performance shown on this factsheet HYPOTHETICAL. It is based on the back tests of historical data. Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program.

One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the presentation of hypothetical performance results and all of which can adversely affect actual trading results.

Note on Data

In the back test, we used the index returns in case the historical returns of the ETFs are not long enough. The ETF returns were approximated by index returns subtracted by their respective expense ratios. The following summarizes the detailed calculations:

(1) IWM: Russell 2000 Index - 20bps before 5/31/2000; (2) EFA: MSCI EAFE Index - 34 bps before 8/28/2001 (3) VWO: MSCI EM Index -15 bps before 4/29/2005; (4) VNQ: MSCI US REIT Index - 10 bps before 10/29/2004; (5) MLP: Alerian MLP Infrastructure Index - 85 bps before 5/28/2010; (6) GLD: London Gold Fixing - 40 bps before 12/31/2004; (7) JNK: Barclays Capital US High Yield Index - 40 bps before 1/31/2008; (8) AGG: Barclays Capital US Aggregate Index - 8 bps before 10/31/2003; (9) IEF: Barclays Capital US Treasury Index - 15 bps before 8/30/2002; (10) TLT: Barclays Capital 20+ year US Treasury Index -15 bps before 8/30/2002; (11) SHV: Three-month T-bill before 02/28/2007; (13) DVY: Dow Jones US Select Dividend Index - 39 bps before 12/31/2003; (14) EMB: JP Morgan EMBI Global Core Index - 60 bps before 1/31/2008; (15) PFF: S&P US Preferred Index - 47 bps before 4/30/2007; (16) BKLN: S&P/LSTA Bank Loan Index -65 bps before 4/29/2011; (17) IVE: S&P 500 Value Index - 18 bps before 6/30/2000; (18) IWV: S&P 500 Growth Index - 18 bps before 6/30/2000; (19) IWS: Russell MidCap Value Index - 25 bps before 9/28/2001; (20) IWP: Russell MidCap Growth Index - 25 bps before 9/28/2001; (21) IWN: Russell SmallCap Value Index - 25 bps before 8/31/2000; (22) IWO: Russell SmallCap Growth Index - 25 bps before 8/31/2000; (23) DJP: Dow Jones UBS Commodity Index - 75 bps before 11/30/2006; (24) RWX: Dow Jones Global Real Estate Index -59 bps before 1/31/2007 (Source: Bloomberg, Yahoo, Julex Capital)

The composition of a benchmark index may not reflect the manner in which a Julex portfolio is constructed in relation to expected or achieved returns, investment holdings, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility, or tracking error targets, all of which are subject to change over time. No representation or warranty is made to the reasonableness of the assumptions made or that all assumptions used to construct the performance provided have been stated or fully considered.

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*Dynamic Sector (simplified) is a simple version of the Dynamic Sector. It trades only SPY rather than the Sector ETFs to reduce turnover and trading costs.

GLOSSARY OF TERMS and BENCHMARKS

Aggressive – A portfolio management strategy that attempts to maximize returns by taking a relatively higher degree of risk.

Asset Allocation – An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon.

Capital – Financial assets or the financial value of assets, such as cash and funds held in deposit accounts.

Capital Gains - An increase in the value of a capital asset (investment or real estate) that gives it a higher worth than the purchase price.

Conservative – A portfolio management strategy that seeks to preserve an investment portfolio's value by investing in lower risk securities such as fixed-income and money market securities, and often blue-chip or large-cap equities.

Cumulative Return - The aggregate amount an investment has gained or lost over time, independent of the period of time involved.

Defensive - A portfolio management strategy aimed at minimizing the risk of losing principal.

Derivatives - A security whose value is derived from or linked to an underlying stock, bond, currency or mortgage.

Dividends - A distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.

ETF (Exchange Traded Fund) - a type of fund that tracks an index and can be traded like a stock.

Equity - the value of the common stockholder's ownership in a company.

GIPS - Ethical standards to be used by investment managers for creating performance presentations that ensure fair representation and full disclosure of investment performance results.

High Quality Bond - Bonds rated investment grade.

High Yield Bond – A bond rated below investment grade, offering higher yields compared to bonds of financially sound companies.

Interest Rates - The amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets.

Leverage - an investment strategy of using borrowed money to generate outsized investment returns.

Maximum Drawdown – The maximum loss from a peak to a trough of a portfolio, before a new peak is attained. An indicator of downside risk over a specified time period.

Multi-Asset - A combination of asset classes (such as cash, equity or bonds) used as an investment.

Sharpe Ratio - The average return earned in excess of the risk-free rate per unit of volatility.

Short Sell - The act of selling a security that is not owned with the intention of buying it back at a later date at a lower price.

Standard Deviation - A measure of the dispersion of a set of data from its mean.

Volatility - A relative measure of a security's price movement during a specific time period.

Yield - The income returns on an investment, such as the interest or dividends received from holding a particular security.

Benchmarks (total return):

Bloomberg Barclay's Aggregate Index – A broad-base benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

Bloomberg Barclay's TIPS Index – Measures the performance of the US Treasury Inflation Protected Securities (TIPS) market.

HFRI Macro (Total) Index – An equal weighted benchmark built on performance of Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets.

MSCI Emerging Market Index (net) – Captures large and mid-cap representation across 23 Emerging Markets (EM) countries. With 832 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI EAFE Index (net) – An equity index which captures large, mid and small cap companies and targets coverage of approximately 99% of the global equity opportunity set outside the US and Canada.

Dow Jones Moderate U.S. Index – an equity index which captures large, mid and small cap companies and targets coverage of approximately 99% of the US equity opportunity. (Typical approximate construction consists of 60% Equity, 35% Fixed-income and 5% Cash)

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S&P 500 Index – A cap weighted index that includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

S&P 500 Risk Control 10% Index – The S&P 500 Index with an overlay of mathematical algorithms to control the index risk profiles at specific volatility targets.

Russell 1000 Index – A subset of the Russell 3000® index, using a float-adjusted, market capitalization–weighting of the first 1000 constituents.

Russell 2000 Index – A subset of the Russell 3000® index, using a float-adjusted, market capitalization–weighting of the last 2000 constituents.



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