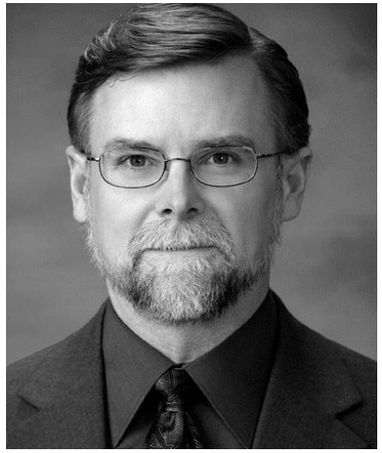
TAA is too complicated to explain to clients

Rob Brown, PhD, CFA

Julex Capital Advisory Board Member, Website www.robbrownonline.com



40 Grove Street, Suite 140, Wellesley, MA 02482

Phone 781-489-5398

Email info@julexcapital.com

Web www.julexcapital.com

"One of the best ways to persuade others is with your ears - by listening to them"

Dean Rusk

TAA - too complicated to explain to clients

JULEX CAPITAL

- I've heard this objection from several advisors

- So . . . I'll offer a few thoughts on how I've seen it successfully communicated

- A framework for approaching this need

Framework for explaining TAA at four different levels

JULEX CAPITAL

Simple	Moderate	Substantive	Deep in the engine room
• **WHAT** • Aspirational - lite	• **WHAT** – go deeper • **HOW** • Aspirational - medium	• **WHY** • **HOW** • Aspirational - heavy	• For the engineer, technician, nerd • Just set up a ZOOM with Henry or Liam

Framework for explaining TAA at four different levels

JULEX CAPITAL

Simple

- **WHAT**
- Aspirational - lite

Moderate

- **WHAT** – go deeper
- **HOW**
- Aspirational - medium

Substantive

- **WHY**
- **HOW**
- Aspirational - heavy

Deep in the engine room

- For the engineer, technician, nerd
- Just set up a ZOOM with Henry or Liam

Simple - Focus on WHAT

JULEX CAPITAL

- "Four to twenty" ETFs
- Weighted
- Bonds more heavily - safety, prudence, conservatism
- "Trade monthly" . . . sometimes less frequently
- Adapting
- Staying best-aligned with ever-changing world

- Aspirational - lite
  - Bear markets are often long and severe
    - -47% 25 months Aug 2000 - Sep 2002
    - -52% 21 months Dec 1972 - Sep 1974
  - You seek a strategy that is designed to eventually get you out of the market and into US Treasury bonds

Simple - Materials to use or leave behind

JULEX CAPITAL

JULEX CAPITAL

Dynamic Series
March 31, 2021

Overview
- Global asset allocation strategies designed to deliver target returns to investors at defined destinations. The strategies are tactically positioned in both domestic and international equity and fixed-income ETF's.

Objectives
- Maximize the probability of achieving a given return within a given time frame.
- Use unique RiskSwitch indicator and proprietary trend model to manage downside risk.

Facts
Inception Date:
06/01/2019

Portfolio Manager:
Henry Ma, Ph. D., CFA

Firm AUM (12/31/2020):
$334 M

Investment Process

Julex uses a trend-following model to determine its position internationally, and an adaptive economic model to determine its position domestically. 40% of the stategy uses the international model, and the remaining 60% uses the domestic model. The strategy trades twice a month, and holds between 20 and 40 positions at a time.

Domestic Model
- **Identify Market Environment** — Economic Fundamentals, Trends, Liquidity and Volatility
- **Invest in the Strongest Performing ETFs** — Multi-period Momentum Decision Process
- **Reduce Volatility** — Volatility Weighted Portfolio Construction

International Model
- **Detect Market Trends from Noisy Data** — Multi-Resolution Trend Analysis
- **Invest in Countries with Positive Trends** — Adapt the Lengths of Trends to Volatility
- **Reduce Volatility** — Volatility Weighted Portfolio Construction

Model Performance Through 3/31/2021 (USD)

	Target Return (Ann.)	Time frame (Years)	1-mo	3-mo	6-mo	12-mo	Since Inc. (Ann.)
Destination 5	7%	21	1.75%	4.07%	20.43%	32.58%	9.53%
Destination 4	6%	16-20	1.40%	3.19%	17.73%	28.65%	9.09%
Destination 3	5%	11-15	1.05%	2.31%	15.06%	24.81%	8.61%
Destination 2	4%	6-10	0.70%	1.44%	12.44%	21.06%	8.11%

Hypothetical Back Test Results

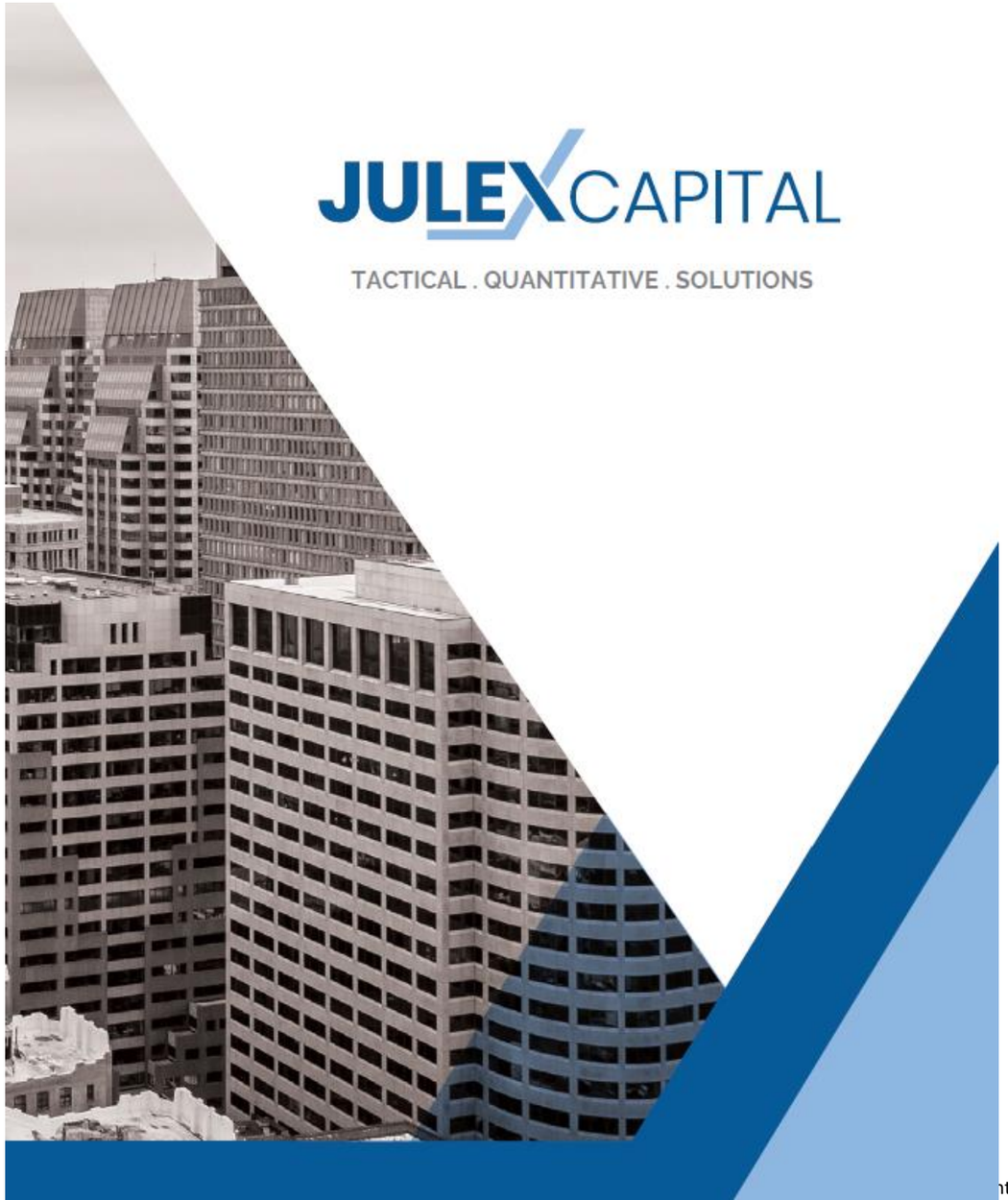
Sept. 2003-May 2019	Dynamic Series 5	Dynamic Series 4	Dynamic Series 3	Dynamic Series 2
2003 (Sept-Dec)	14.6%	13.4%	12.2%	11.0%
2004	8.8%	8.4%	7.9%	7.4%
2005	16.0%	14.5%	13.1%	11.7%
2006	10.8%	10.1%	9.4%	8.7%
2007	13.7%	13.5%	13.2%	13.0%
2008	-1.2%	-0.5%	0.2%	0.8%
2009	18.9%	17.4%	15.9%	14.4%
2010	27.6%	25.3%	22.9%	20.6%
2011	2.0%	2.8%	3.6%	4.4%
2012	17.6%	16.0%	14.4%	12.8%
2013	20.1%	17.8%	15.7%	13.5%
2014	8.9%	9.0%	8.9%	8.9%
2015	2.7%	2.5%	2.2%	2.0%
2016	16.0%	14.3%	12.6%	10.9%
2017	28.8%	25.8%	22.8%	19.9%
2018	-1.7%	-1.2%	-0.7%	-0.2%
2019 (Jan-May)	3.2%	3.4%	3.6%	3.8%

Julex Capital Management, LLC (Julex) is an independent investment management firm registered in the Commonwealth of Massachusetts that is not affiliated with any parent organization. Julex Capital Management, LLC claims compliance with the Global Investment Performance Standards.

y, do not share with clients or prospects

Simple - Materials to use or leave behind

JULEX CAPITAL



JULEX CAPITAL MANAGEMENT, LLC, founded in 2012, is an investment management firm dedicated to creating innovative solutions in the areas of tactical asset allocation and quantitative investing. Julex's mission is to help investors reach their financial goals by delivering attractive performance at a reasonable cost through a systematic and transparent investment process.

OUR PRODUCTS

Tactical ETF Strategies

Julex Capital offers a variety of tactical ETF strategies aiming to limit the downside risk while maximizing the upside potentials. The strategies strive to deliver attractive total returns regardless of market conditions.

Quantitative Equity Strategies

Julex Capital offers factor-based quantitative equity strategies based on its TrueAlpha™ stock selection model. The goal is to generate excess return ("alpha") over an index by investing in a concentrated portfolio of 20-40 undervalued high-quality stocks.

Equity Income Strategies

Julex Capital offers equity income strategies based on a multi-factor approach. The goal is to generate above average dividend income and long-term capital growth by investing in a concentrated portfolio of high dividend or real estate stocks. Our multi-factor model combines size, value, quality and momentum to generate consistent excess returns. In addition, Julex provides a proprietary option overlay strategy to enhance income for any portfolio.

Portfolio Solutions

Julex Capital offers global asset allocation solutions designed to meet specific investment objectives. We combine appropriate core asset class ETFs with Julex Capital's tactical ETF strategies into "all-in-one" investment solutions. Risk-based solutions aim to provide portfolios for varying investor risk tolerance levels. The goal-based solutions aim to provide portfolios for varying investment horizons targeting specific returns objectives.

TACTICAL ETF STRATEGIES

- Dynamic Sector
- Dynamic Income
- Dynamic Multi-Asset
- Dynamic Developed Market
- Dynamic Real Asset

QUANTITATIVE EQUITY STRATEGIES

- TrueAlpha™ Large Cap
- TrueAlpha™ ESG
- TrueAlpha™ Small Cap

EQUITY INCOME STRATEGIES

- Multi Factor Real Estate
- High Dividend
- Option Overlays

RISK BASED SOLUTIONS

- Dynamic Aggressive
- Dynamic Moderate
- Dynamic Conservative
- Dynamic Defensive

GOAL BASED SOLUTIONS

- Destination 0-5 Years - 3%
- Destination 6-10 Years - 4%
- Destination 11-15 Years - 5%
- Destination 16-20 Years - 6%
- Destination 21+ Years - 7%

Framework for explaining TAA at four different levels

JULEX CAPITAL

Simple

- **WHAT**
- Aspirational - lite

Moderate

- **WHAT** – go deeper
- **HOW**
- Aspirational - medium

Substantive

- **WHY**
- **HOW**
- Aspirational - heavy

Deep in the engine room

- For the engineer, technician, nerd
- Just set up a ZOOM with Henry or Liam

Moderate - Focus on WHAT and HOW

JULEX CAPITAL

- You already covered "what" under the simple version
- So start laying in "how"
- Playing field
- Role each player (on the field) plays
- Process for selecting players
  - Bad process . . . crystal ball gazing of the future
  - Good process . . . transparent, testable, non-subjective rules

Moderate - Materials to use or leave behind

JULEX CAPITAL

JULEX CAPITAL

ADAPTIVE INVESTING

Model Update – Dynamic Series

February 1, 2020

Market Review

The performance of global stocks diverged among small cap, large cap, international and EM markets in January. The new Biden administration proposed a $1.9 trillion relief package, but this quantity has received pushback from Republicans. The rollout of vaccines has been much slower than expected. New variants of COVID were discovered in the UK and South Africa. The economic recovery has also shown signs of slowdown with job losses in December and a lower-than-expected GDP growth in Q4. Market volatility was on the rise amid the recent GameStop saga.

Joe Biden's $1.9 trillion stimulus plan includes proposals to send $1400 checks to millions of American households, raise the federal minimum wage to $15 per hour from $7.25, and expand unemployment benefits. The package will devote $400 billion to speed up Covid-19 vaccinations and school re-openings, and about $440 billion to aid small businesses. Republican Senators Mitt Romney and Lisa Murkowski suggested that it was too early to ascertain if the economy would benefit from Biden's $1.9 trillion stimulus package. They would prefer to examine the effects of Trump's $900 billion relief package before considering new measures.

The global rollout of coronavirus vaccines was slower than expected. All 50 states in the U.S. are reporting shortages as America's fragmented administrative and health care systems struggle to distribute the limited vaccine stocks that have been produced. Europe has also been fighting over the limited supplies. And there is little sign that the developing countries will get access anytime soon.

Figure 1: Asset Class ETF Performance January 2021

JULEX CAPITAL

ADAPTIVE INVESTING

Table 1: Model Portfolio Weightings (February 1, 2021)

ETF	Name	Destination 5	Destination 4	Destination 3	Destination 2
XLB	Materials Select Sector SPDR Fund	-	-	-	-
XLE	Energy Select Sector SPDR Fund	-	-	-	-
XLF	Financial Select Sector SPDR Fund	-	-	-	-
XLI	Industrial Select Sector SPDR Fund	-	-	-	-
XLK	Technology Select Sector SPDR Fund	4.28%	3.86%	3.43%	3.00%
XLP	Consumer Staples Select Sector SPDR Fund	-	-	-	-
XLU	Utilities Select Sector SPDR Fund	-	-	-	-
XLV	Health Care Select Sector SPDR Fund	-	-	-	-
XLY	Consumer Discretionary Select Sector SPDR Fund	-	-	-	-
XLRE	Real Estate Select Sector SPDR Fund	-	-	-	-
XLC	Communication Services Select Sector SPDR Fund	-	-	-	-
IBB	iShares NASDAQ Biotechnology ETF	4.19%	3.78%	3.36%	2.94%
KBE	SPDR S&P Bank ETF	2.56%	2.31%	2.05%	1.79%
FDN	FT Internet	-	-	-	-
IGV	iShares Expanded Tech-Software Sector ETF	4.45%	4.00%	3.56%	3.11%
SOXX	iShares PHLX Semiconductor ETF	4.10%	3.69%	3.28%	2.87%
SPYV	SPDR Portfolio S&P 500 Value ETF	-	-	-	-
SPYG	SPDR Portfolio S&P 500 Growth ETF	-	-	-	-
IWS	iShares Russell Mid-Cap Value ETF	-	-	-	-
IWP	iShares Russell Mid-Cap Growth ETF	4.05%	3.65%	3.24%	2.84%
IWN	iShares Russell 2000 Value ETF	2.99%	2.69%	2.39%	2.09%
IWO	iShares Russell 2000 Growth ETF	3.37%	3.03%	2.70%	2.36%
SPY	SPDR S&P 500 ETF Trust	-	-	-	-
EWA	iShares MSCI Australia ETF	-	-	-	-
EWC	iShares MSCI Canada ETF	-	-	-	-
EWD	iShares MSCI Sweden ETF	4.80%	4.32%	3.84%	3.36%
EWG	iShares MSCI Germany ETF	4.32%	3.88%	3.45%	3.02%
EWH	iShares MSCI Hong Kong ETF	-	-	-	-
EWI	iShares MSCI Italy ETF	4.13%	3.72%	3.31%	2.89%
EWJ	iShares MSCI Japan ETF	-	-	-	-
EWL	iShares MSCI Switzerland ETF	-	-	-	-
EWN	iShares MSCI Netherlands ETF	4.75%	4.28%	3.80%	3.33%
EWP	iShares MSCI Spain ETF	-	-	-	-
EWQ	iShares MSCI France ETF	3.31%	2.98%	2.65%	2.32%
EWS	iShares MSCI Singapore ETF	-	-	-	-
EWU	iShares MSCI United Kingdom ETF	-	-	-	-
DEM	WisdomTree Emerging Markets High Dividend	-	-	-	-
EPI	WisdomTree India Earnings Fund	4.68%	4.21%	3.74%	3.28%
EWT	iShares MSCI Taiwan ETF	5.63%	5.07%	4.51%	3.94%
EWW	iShares MSCI Mexico ETF	3.86%	3.47%	3.09%	2.70%
EWY	iShares MSCI South Korea ETF	4.52%	4.07%	3.62%	3.16%
EWZ	iShares MSCI Brazil ETF	-	-	-	-
FXI	iShares China Large-Cap ETF	-	-	-	-
RSX	VanEck Vectors Russia ETF	-	-	-	-
EEM	iShares MSCI Emerging Markets ETF	-	-	-	-
AGG	iShares Core U.S. Aggregate Bond ETF	15.00%	18.50%	22.00%	25.50%
TIP	iShares TIPS Bond ETF	-	-	-	-
IEF	iShares 7-10 Year Treasury Bond ETF	-	5.00%	10.00%	15.00%
TLT	iShares 20+ Year Treasury Bond ETF	-	-	-	-
SHY	iShares 1-3 Year Treasury Bond ETF	-	-	-	-
SHV	iShares Short Treasury Bond ETF	15.00%	13.50%	12.00%	10.50%
LQD	iShares IBOXX Investment Grade Corp				

Moderate - Materials to use or leave behind

JULEX CAPITAL

ETF	Name
XLB	Materials Select Sector SPDR Fund
XLE	Energy Select Sector SPDR Fund
XLF	Financial Select Sector SPDR Fund
XLI	Industrial Select Sector SPDR Fund
XLK	Technology Select Sector SPDR Fund
XLP	Consumer Staples Select Sector SPDR Fund
XLU	Utilities Select Sector SPDR Fund
XLV	Health Care Select Sector SPDR Fund
XLY	Consumer Discretionary Select Sector SPDR Fund
XLRE	Real Estate Select Sector SPDR Fund
XLC	Communication Services Select Sector SPDR Fund
IBB	iShares NASDAQ Biotechnology ETF
KBE	SPDR S&P Bank ETF
FDN	FT Internet
IGV	iShares Expanded Tech-Software Sector ETF
SOXX	iShares PHLX Semiconductor ETF
SPYV	SPDR Portfolio S&P 500 Value ETF
SPYG	SPDR Portfolio S&P 500 Growth ETF
IWS	iShares Russell Mid-Cap Value ETF
IWP	iShares Russell Mid-Cap Growth ETF
IWN	iShares Russell 2000 Value ETF
IWO	iShares Russell 2000 Growth ETF
SPY	SPDR S&P 500 ETF Trust
EWA	iShares MSCI Australia ETF
EWC	iShares MSCI Canada ETF
EWD	iShares MSCI Sweden ETF
EWG	iShares MSCI Germany ETF
EWH	iShares MSCI Hong Kong ETF
EWI	iShares MSCI Italy ETF
EWJ	iShares MSCI Japan ETF
EWL	iShares MSCI Switzerland ETF
EWN	iShares MSCI Netherlands ETF
EWP	iShares MSCI Spain ETF
EWQ	iShares MSCI France ETF
EWS	iShares MSCI Singapore ETF
EWU	iShares MSCI United Kingdom ETF
DEM	WisdomTree Emerging Markets High Dividend
EPI	WisdomTree India Earnings Fund
EWT	iShares MSCI Taiwan ETF
EWW	iShares MSCI Mexico ETF
EWY	iShares MSCI South Korea ETF
EWZ	iShares MSCI Brazil ETF
FXI	iShares China Large-Cap ETF
RSX	VanEck Vectors Russia ETF
EEM	iShares MSCI Emerging Markets ETF
AGG	iShares Core U.S. Aggregate Bond ETF
TIP	iShares TIPS Bond ETF
IEF	iShares 7-10 Year Treasury Bond ETF
TLT	iShares 20+ Year Treasury Bond ETF
SHY	iShares 1-3 Year Treasury Bond ETF
SHV	iShares Short Treasury Bond ETF
LQD	iShares IBOXX Investment Grade Corp

Moderate - Materials to use or leave behind

JULEX CAPITAL

These are the engine that pulls the train

- **Stocks**
- **Domestic**
- **International**
- **Emerging country**

ETF	Name
XLB	Materials Select Sector SPDR Fund
XLE	Energy Select Sector SPDR Fund
XLF	Financial Select Sector SPDR Fund
XLI	Industrial Select Sector SPDR Fund
XLK	Technology Select Sector SPDR Fund
XLP	Consumer Staples Select Sector SPDR Fund
XLU	Utilities Select Sector SPDR Fund
XLV	Health Care Select Sector SPDR Fund
XLY	Consumer Discretionary Select Sector SPDR Fund
XLRE	Real Estate Select Sector SPDR Fund
XLC	Communication Services Select Sector SPDR Fund
IBB	iShares NASDAQ Biotechnology ETF
KBE	SPDR S&P Bank ETF
FDN	FT Internet
IGV	iShares Expanded Tech-Software Sector ETF
SOXX	iShares PHLX Semiconductor ETF
SPYV	SPDR Portfolio S&P 500 Value ETF
SPYG	SPDR Portfolio S&P 500 Growth ETF
IWS	iShares Russell Mid-Cap Value ETF
IWP	iShares Russell Mid-Cap Growth ETF
IWN	iShares Russell 2000 Value ETF
IWO	iShares Russell 2000 Growth ETF
SPY	SPDR S&P 500 ETF Trust
EWA	iShares MSCI Australia ETF
EWC	iShares MSCI Canada ETF
EWD	iShares MSCI Sweden ETF
EWG	iShares MSCI Germany ETF
EWH	iShares MSCI Hong Kong ETF
EWI	iShares MSCI Italy ETF
EWJ	iShares MSCI Japan ETF
EWL	iShares MSCI Switzerland ETF
EWN	iShares MSCI Netherlands ETF
EWP	iShares MSCI Spain ETF
EWQ	iShares MSCI France ETF
EWS	iShares MSCI Singapore ETF
EWU	iShares MSCI United Kingdom ETF
DEM	WisdomTree Emerging Markets High Dividend
EPI	WisdomTree India Earnings Fund
EWT	iShares MSCI Taiwan ETF
EWW	iShares MSCI Mexico ETF
EWY	iShares MSCI South Korea ETF
EWZ	iShares MSCI Brazil ETF
FXI	iShares China Large-Cap ETF
RSX	VanEck Vectors Russia ETF
EEM	iShares MSCI Emerging Markets ETF

Moderate - Materials to use or leave behind

JULEX CAPITAL

These are the sources of safety

But, against different types of risk that arise

- **Stock bears**
- **Rising interest rates**
- **Rising inflation**
- **Falling US$**
- **Rising energy prices**

AGG	iShares Core U.S. Aggregate Bond ETF
TIP	iShares TIPS Bond ETF
IEF	iShares 7-10 Year Treasury Bond ETF
TLT	iShares 20+ Year Treasury Bond ETF
SHY	iShares 1-3 Year Treasury Bond ETF
SHV	iShares Short Treasury Bond ETF
LQD	iShares IBOXX Investment Grade Corp

Moderate - Focus on WHAT and HOW

JULEX CAPITAL

- You already covered "what" under the simple version
- So start layering in "how"
- Playing field
- Role each player (on the field) plays
- Process for selecting players
  - Bad process . . . crystal ball gazing of the future
  - Good process . . . transparent, testable, non-subjective rules

Moderate - Materials to use or leave behind

JULEX CAPITAL

JULEX CAPITAL ADAPTIVE INVESTING

Table 2: Model Portfolio Weightings (January 1, 2020)

ETF	Name	Destination 5	Destination 4	Destination 3	Destination 2
XLB	Materials Select Sector SPDR Fund	-	-	-	-
XLE	Energy Select Sector SPDR Fund	-	-	-	-
XLF	Financial Select Sector SPDR Fund	-	-	-	-
XLI	Industrial Select Sector SPDR Fund	-	-	-	-
XLK	Technology Select Sector SPDR Fund	4.28%	3.86%	3.43%	3.00%
XLP	Consumer Staples Select Sector SPDR Fund	-	-	-	-
XLU	Utilities Select Sector SPDR Fund	-	-	-	-
XLV	Health Care Select Sector SPDR Fund	-	-	-	-
XLY	Consumer Discretionary Select Sector SPDR Fund	-	-	-	-
XLRE	Real Estate Select Sector SPDR Fund	-	-	-	-
XLC	Communication Services Select Sector SPDR Fund	-	-	-	-
IBB	iShares NASDAQ Biotechnology ETF	-	-	-	-
KBE	SPDR S&P Bank ETF	2.56%	2.31%	2.05%	1.79%
FDN	FT Internet	4.19%	3.78%	3.36%	2.94%
IGV	iShares Expanded Tech-Software Sector ETF	4.45%	4.00%	3.56%	3.11%
SOXX	iShares PHLX Semiconductor ETF	4.10%	3.69%	3.28%	2.87%
SPYV	SPDR Portfolio S&P 500 Value ETF	-	-	-	-
SPYG	SPDR Portfolio S&P 500 Growth ETF	-	-	-	-
IWS	iShares Russell Mid-Cap Value ETF	-	-	-	-
IWP	iShares Russell Mid-Cap Growth ETF	4.05%	3.65%	3.24%	2.84%
IWN	iShares Russell 2000 Value ETF	2.99%	2.69%	2.39%	2.09%
IWO	iShares Russell 2000 Growth ETF	3.37%	3.03%	2.70%	2.36%
SPY	SPDR S&P 500 ETF Trust	-	-	-	-
EWA	iShares MSCI Australia ETF	4.32%	3.88%	3.45%	3.02%
EWC	iShares MSCI Canada ETF	-	-	-	-
EWD	iShares MSCI Sweden ETF	4.80%	4.32%	3.84%	3.36%
EWG	iShares MSCI Germany ETF	-	-	-	-
EWH	iShares MSCI Hong Kong ETF	-	-	-	-
EWI	iShares MSCI Italy ETF	4.13%	3.72%	3.31%	2.89%
EWJ	iShares MSCI Japan ETF	-	-	-	-
EWL	iShares MSCI Switzerland ETF	-	-	-	-
EWN	iShares MSCI Netherlands ETF	4.75%	4.28%	3.80%	3.33%
EWP	iShares MSCI Spain ETF	-	-	-	-
EWQ	iShares MSCI France ETF	-	-	-	-
EWS	iShares MSCI Singapore ETF	-	-	-	-
EWU	iShares MSCI United Kingdom ETF	-	-	-	-
DEM	WisdomTree Emerging Markets High Dividend	-	-	-	-
EPI	WisdomTree India Earnings Fund	4.68%	4.21%	3.74%	3.28%
EWT	iShares MSCI Taiwan ETF	5.63%	5.07%	4.51%	3.94%
EWW	iShares MSCI Mexico ETF	3.86%	3.47%	3.09%	2.70%
EWY	iShares MSCI South Korea ETF	4.52%	4.07%	3.62%	3.16%
EWZ	iShares MSCI Brazil ETF	-	-	-	-
FXI	iShares China Large-Cap ETF	-	-	-	-
RSX	VanEck Vectors Russia ETF	-	-	-	-
EEM	iShares MSCI Emerging Markets ETF	3.31%	2.98%	2.65%	2.32%
AGG	iShares Core U.S. Aggregate Bond ETF	15.00%	18.50%	22.00%	25.50%
TIP	iShares TIPS Bond ETF	-	-	-	-
IEF	iShares 7-10 Year Treasury Bond ETF	-	5.00%	10.00%	15.00%
TLT	iShares 20+ Year Treasury Bond ETF	-	-	-	-
SHY	iShares 1-3 Year Treasury Bond ETF	-	-	-	-
SHV	iShares Short Treasury Bond ETF	15.00%	13.50%	12.00%	10.50%
LQD	iShares IBOXX Investment Grade Corp				

JULEX CAPITAL ADAPTIVE INVESTING

Table 1: Model Portfolio Weightings (February 1, 2021)

ETF	Name	Destination 5	Destination 4	Destination 3	Destination 2
XLB	Materials Select Sector SPDR Fund	-	-	-	-
XLE	Energy Select Sector SPDR Fund	-	-	-	-
XLF	Financial Select Sector SPDR Fund	-	-	-	-
XLI	Industrial Select Sector SPDR Fund	-	-	-	-
XLK	Technology Select Sector SPDR Fund	4.28%	3.86%	3.43%	3.00%
XLP	Consumer Staples Select Sector SPDR Fund	-	-	-	-
XLU	Utilities Select Sector SPDR Fund	-	-	-	-
XLV	Health Care Select Sector SPDR Fund	-	-	-	-
XLY	Consumer Discretionary Select Sector SPDR Fund	-	-	-	-
XLRE	Real Estate Select Sector SPDR Fund	-	-	-	-
XLC	Communication Services Select Sector SPDR Fund	-	-	-	-
IBB	iShares NASDAQ Biotechnology ETF	4.19%	3.78%	3.36%	2.94%
KBE	SPDR S&P Bank ETF	2.56%	2.31%	2.05%	1.79%
FDN	FT Internet	-	-	-	-
IGV	iShares Expanded Tech-Software Sector ETF	4.45%	4.00%	3.56%	3.11%
SOXX	iShares PHLX Semiconductor ETF	4.10%	3.69%	3.28%	2.87%
SPYV	SPDR Portfolio S&P 500 Value ETF	-	-	-	-
SPYG	SPDR Portfolio S&P 500 Growth ETF	-	-	-	-
IWS	iShares Russell Mid-Cap Value ETF	-	-	-	-
IWP	iShares Russell Mid-Cap Growth ETF	4.05%	3.65%	3.24%	2.84%
IWN	iShares Russell 2000 Value ETF	2.99%	2.69%	2.39%	2.09%
IWO	iShares Russell 2000 Growth ETF	3.37%	3.03%	2.70%	2.36%
SPY	SPDR S&P 500 ETF Trust	-	-	-	-
EWA	iShares MSCI Australia ETF	-	-	-	-
EWC	iShares MSCI Canada ETF	-	-	-	-
EWD	iShares MSCI Sweden ETF	4.80%	4.32%	3.84%	3.36%
EWG	iShares MSCI Germany ETF	4.32%	3.88%	3.45%	3.02%
EWH	iShares MSCI Hong Kong ETF	-	-	-	-
EWI	iShares MSCI Italy ETF	4.13%	3.72%	3.31%	2.89%
EWJ	iShares MSCI Japan ETF	-	-	-	-
EWL	iShares MSCI Switzerland ETF	-	-	-	-
EWN	iShares MSCI Netherlands ETF	4.75%	4.28%	3.80%	3.33%
EWP	iShares MSCI Spain ETF	-	-	-	-
EWQ	iShares MSCI France ETF	3.31%	2.98%	2.65%	2.32%
EWS	iShares MSCI Singapore ETF	-	-	-	-
EWU	iShares MSCI United Kingdom ETF	-	-	-	-
DEM	WisdomTree Emerging Markets High Dividend	-	-	-	-
EPI	WisdomTree India Earnings Fund	4.68%	4.21%	3.74%	3.28%
EWT	iShares MSCI Taiwan ETF	5.63%	5.07%	4.51%	3.94%
EWW	iShares MSCI Mexico ETF	3.86%	3.47%	3.09%	2.70%
EWY	iShares MSCI South Korea ETF	4.52%	4.07%	3.62%	3.16%
EWZ	iShares MSCI Brazil ETF	-	-	-	-
FXI	iShares China Large-Cap ETF	-	-	-	-
RSX	VanEck Vectors Russia ETF	-	-	-	-
EEM	iShares MSCI Emerging Markets ETF	-	-	-	-
AGG	iShares Core U.S. Aggregate Bond ETF	15.00%	18.50%	22.00%	25.50%
TIP	iShares TIPS Bond ETF	-	-	-	-
IEF	iShares 7-10 Year Treasury Bond ETF	-	5.00%	10.00%	15.00%
TLT	iShares 20+ Year Treasury Bond ETF	-	-	-	-
SHY	iShares 1-3 Year Treasury Bond ETF	-	-	-	-
SHV	iShares Short Treasury Bond ETF	15.00%	13.50%	12.00%	10.50%
LQD	iShares IBOXX Investment Grade Corp				

Framework for explaining TAA at four different levels

JULEX CAPITAL

Simple	Moderate	Substantive	Deep in the engine room
• **WHAT** • Aspirational - lite	• **WHAT** – go deeper • **HOW** • Aspirational - medium	• **WHY** • **HOW** • Aspirational - heavy	• For the engineer, technician, nerd • Just set up a ZOOM with Henry or Liam

Moderate - Materials to use or leave behind

JULEX CAPITAL

JULEX CAPITAL

Dynamic Series 2
September 30, 2020

Overview

- A global asset allocation strategy designed to deliver target returns to investors at defined destinations. The strategies are tactically positioned in both domestic and international equity and fixed-income ETF's.

Objectives

- Maximize the probability of returning 4% annually net of fees within 7.5 years.
- Use unique RiskSwitch™ indicator to manage downside risk.

Facts

Inception Date:
06/01/2019

Portfolio Manager:
Henry Ma, Ph. D., CFA

Firm AUM 9/30/2020):
$324 M

Process

Julex utilizes a trend-following model to determine its positioning internationally, and an adaptive economic model to determine its positioning domestically. 40% of the strategy uses the international model, and the remaining 60% uses the domestic model. The strategy trades twice a month, and holds between 4 and 20 positions at a time.

Domestic Model

Identify Market Environment
Economic Fundamentals, Trends, Liquidity and Volatility

→ **Invest in the Strongest Performing ETFs**
Multi-period Momentum Decision Process

→ **Reduce Volatility**
Volatility Weighted Portfolio Construction

International Model

Detect Market Trends from Noisy Data
Multi-Resolution Trend Analysis

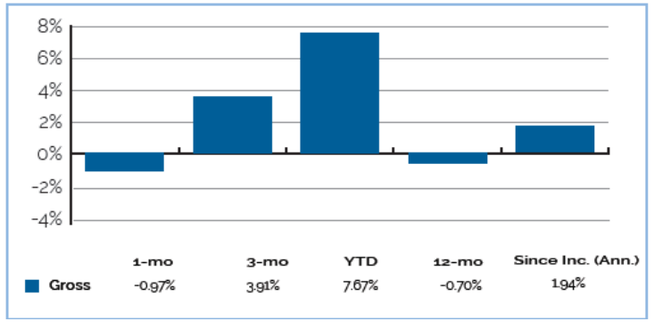
→ **Invest in Countries with Positive Trends**
Adapt the Lengths of Trends to Volatility

→ **Reduce Volatility**
Volatility Weighted Portfolio Construction

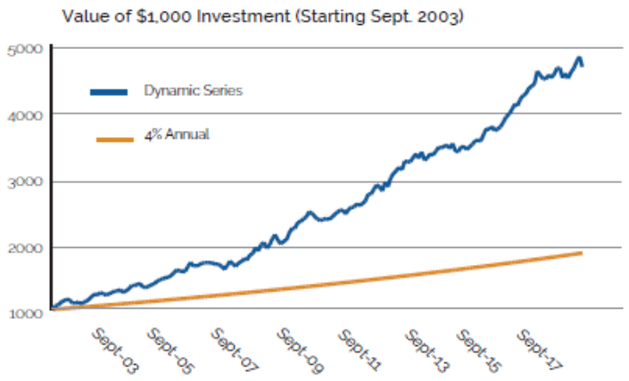
Top Holdings 3rd Quarter 2020

Name of Security	Ticker	Weights
US Aggregate Bond	AGG	15.0%
Intermediate-Term Treasuries	IEF	15.0%
Short-Term Treasuries	SHV	14.0%
Investment Grade Corporate	LQD	7.0%
Switzerland	EWL	4.0%
Taiwan	EWT	3.9%
Consumer Discretionary	XLY	3.4%
Japan	EWJ	3.4%
Netherlands	EWN	3.3%

Julex Model Trailing Returns Through 9/30/2020 (USD)



Hypothetical Back Test Results



Investment Universe

U.S. ETF's	International ETF's
Sectors and Subsectors	Developed and Emerging
Bonds	
Treasuries and Investment-grade	

Sept. 2003-May 2019	Dynamic Series 2
2003 (Sept-Dec)	11.0%
2004	7.4%
2005	11.7%
2006	8.7%
2007	13.0%
2008	0.8%
2009	14.4%
2010	20.6%
2011	4.4%
2012	12.8%
2013	13.5%
2014	8.9%
2015	2.0%
2016	10.9%
2017	19.9%
2018	-0.2%
2019 (Jan-May)	3.8%

Moderate - Materials to use or leave behind

JULEX CAPITAL

PERSPECTIVES ON TACTICAL ASSET ALLOCATION (AKA SECTOR ROTATION)

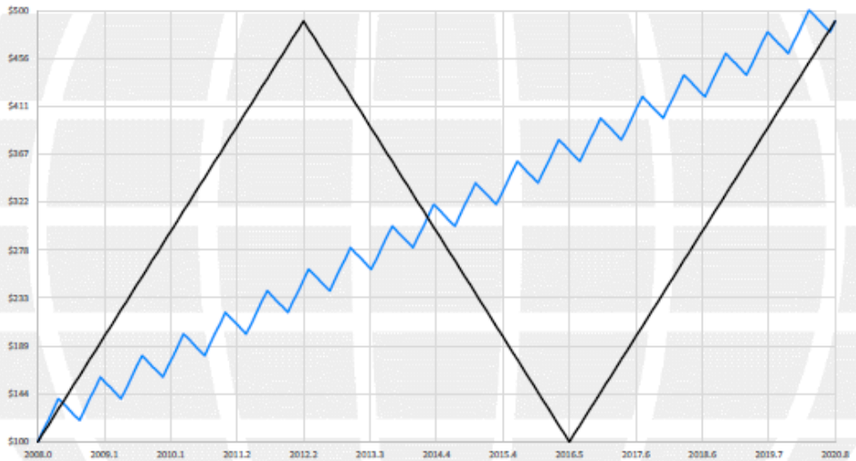
JULEX CAPITAL

Sometimes people just don't fact-check

Some have falsely claimed that market cycles are getting shorter

Tactical Asset Allocation (TAA) relies on trending or momentum for its success. Some have falsely claimed that market cycles are getting shorter, and therefore TAA no longer has the inherent advantage that it once did. Let's fact-check this claim in order to determine its truth or falsehood.

But first, let's work to better understand this issue. The following graph shows two different market paths. Each starts and ends at the same spot, and therefore both generate the same total return after many years.



The **black line** represents a market experiencing long extended cycles (bulls and bears). In contrast, the **blue line** shows a lack of market cycles, and instead just whipsaws back and forth as it moves ever higher. TAA has a large inherent advantage if the market follows the **black line**, and is meaningfully disadvantaged if it follows the **blue**. Why is this? Because TAA's reliance on trending allows it to adopt a more beneficial dynamic asset mix, since the trends last for such extended periods of time (with the **black line**).

Are stock market cycles shorter today?

There have been 16 bull markets for U.S. stocks since 1853. The table below shows the typical (median), average (mean), and the current still ongoing bull markets.

	Cumulative percentage gain, unannualized	Duration in years	Start date	End date	Volatility, annualized standard deviation of monthly returns	Percentage of monthly returns that were positive	Annualized return during BULL market
Median BULL market	176.7	5.1			12.3	67	20.8
Mean BULL market	342.2	8.6			15.8	67	20.2
Current BULL market, not yet ended	479.2	12.1	Feb 2009	?	14.1	68	15.6

For greater detail and full disclosure, visit www.robbrownonline.com

The current bull market (still ongoing) is significantly longer than the typical or average bull. In fact, it is longer than 73% of all past bull market cycles.

Are bond market cycles shorter today?

For solid and well understood macroeconomic and political reasons, bond bull and bear markets last considerably longer than one finds for stocks. The table below identifies the typical, average, and just-ended bond bull markets.

	Cumulative percentage gain, unannualized	Duration in years	Start date	End date	Volatility, annualized standard deviation of monthly returns	Percentage of monthly returns that were positive	Annualized return during BULL market
Median BULL market	379.2	20.7			5.2	70	6.1
Mean BULL market	534.4	25.6			4.7	70	5.9
BULL market just ended	1007.6	38.8	Sep 1981	Jul 2020	6.8	61	6.4

For greater detail and full disclosure, visit www.robbrownonline.com

Once again, the recent bond bull market (that ended in the third quarter of 2020) was significantly longer than the median or average bull.

Framework for explaining TAA at four different levels

JULEX CAPITAL

Simple

- **WHAT**
- Aspirational - lite

Moderate

- **WHAT** – go deeper
- **HOW**
- Aspirational - medium

Substantive

- **WHY**
- **HOW**
- Aspirational - heavy

Deep in the engine room

- For the engineer, technician, nerd
- Just set up a ZOOM with Henry or Liam

Substantive - Focus on HOW and WHY

JULEX CAPITAL

- You already covered "how" under the moderate version
- So start layering in "why"

- For me . . . If I'm going the substantive route . . . I skip the "what" and start with "why"

WHY

JULEX CAPITAL

- Tactical asset allocation is essentially a passive approach
- Passive versus active
  - Active relies on crystal ball gazing, forecasts/predictions of the future
  - Passive avoids such problematic guesses about the future
- Historically, passive has outperformed 80% of all investors and investment management strategies
- TAA starts with a passive buy and hold asset mix
- But then overlays that with the recognition that
  - Winners win for just one more period
  - Losers lose for just one more period
- Therefore, we will significantly
  - Overweight recent winners
  - Underweight recent losers
- But, the average long-run asset mix . . . Won't change

WHY - why do markets trend?

JULEX CAPITAL

- Why do winners and losers repeat
- In other words . . . Why do markets trend

- Information
  - How long it takes to develop
  - Get noticed
  - Analyzed
  - Acted upon

Substantive - Materials to use or leave behind

JULEX CAPITAL

PERSPECTIVES ON TACTICAL ASSET ALLOCATION (AKA SECTOR ROTATION)

JULEX CAPITAL

A Pretty Good Outcome

Let's try a thought experiment - What if . . .

What if we build a passive portfolio from the 32 asset categories shown in the graphic below using the following weighs: 30.3% US stocks, 29.3% international stocks, 5.0% US Treasury bonds, 31.5% US investment grade corporate bonds, 1.4% international bonds, 1.3% gold, and 1.2% other commodities. Over the last 102 years (ending 1/31/2021) this portfolio would have delivered 11.53% per annum. That's pretty good.

But none of us can wait for 102 years to pass. Maybe we only have 7½ years to wait. Maybe we need to spend the account 7½ years from today. What then?

Over the typical (or median) 7½ year investment time window, this portfolio returned 11.8%. But that's the typical result. Maybe you only needed to earn say 5%. If you put a blindfold on and randomly selected a 7½ year time window (from out of the last 102 years), what was your chance of earning 5% (or better), the answer is 99.9%.

Instead, maybe you needed to earn 6%, in which case the probability was 99.0%. Or 7% which resulted in 96.0% probability. Or even 7½% where the likelihood fell to 92.4%. In fact, if you only needed to earn 4.82%, then selecting a random 7½ year investment time window from out of the last 102 years gave you a 100.0% probability of success. Not bad. In fact, the typical or median outcome is for an initial $100 investment to grow to $231 by the end of the 7½ year period.

So, what's the trick?

For this passive portfolio to deliver an 11.8% annualized return over the typical or median 7½ year time window (selected from out of the last 102 years), there must be a gimmick or a trick. Well, there isn't.

So, what's the rest of the story? Think about other popular passive indices, for example, the S&P 500 for US stocks, the Bloomberg Barclays Aggregate Bond for bonds, or the MSCI EAFE for international stocks. Each of these is a passive Buy&Hold index. But each also follows pre-specified rules that drive their continuous redefinition and rebalancing. For example, sometimes the S&P 500 has 495 stocks, sometimes it has 508 stocks, companies are coming and going from the index regularly, the weights

PERSPECTIVES ON TACTICAL ASSET ALLOCATION (AKA SECTOR ROTATION)

JULEX CAPITAL

Why doesn't BlackRock offer TAA?

If TAA is so good, then why doesn't everyone offer it?

First off, BlackRock, Nationwide, Invesco, and Fidelity all offer TAA products. Nevertheless, the investment industry widely appreciates that TAA is not commercially viable, i.e., it won't sell well. How do we understand this seeming contradiction? As we explore this question, keep in mind the distinction between a product selling well in a commercial setting . . . and that same product being the best possible investment solution for an individual investor. The two have little if any overlap. Let's begin.

To address this question in a substantive fashion, we must examine a specific example, one that anyone could replicate with ease and simplicity. We'll call our specific example the thought-experiment portfolio. It's a passive portfolio built from the 31 asset categories shown in the graphic below using these weighs: 33.0% US stocks, 39.4% international stocks, 8.9% US Treasury bonds, 4.2% US investment grade corporate bonds, 1.6% international bonds, 2.1% gold, and 10.8% other commodities. Over the last 102 years (ending 1/31/2021) this portfolio would have delivered 14.5% per annum. That's pretty good.

But there's a bit more to the portfolio's construction. Since it's a TAA portfolio, it overweights recent winners and underweights recent losers - that's what TAA does. Specifically, it reconstitutes itself once each month, selecting the seven asset categories (drawn from the 31 shown below) that trended most strongly over that last eleven months (with a slight bias against last month's winners). These seven are then equal-weighted. This portfolio construction technique is the very essence of quite literally all TAA portfolios.

Failure to launch

The average annual return of 14.5% would seem to suggest a robust basis for stellar commercial success. But it's not. No investor can wait 102 years. Instead, there are two impediments to commercial success: (1) the short-term and (2) the occurrence of episodic eras. Let's consider each in turn.

Substantive - Materials to use or leave behind

JULEX CAPITAL

PERSPECTIVES ON TACTICAL ASSET ALLOCATION (AKA SECTOR ROTATION)

JULEX CAPITAL

What happens when interest rates rise?

How does TAA perform during rising/falling interest rate environments?

To answer this question, we must:

- Identify a time period to examine,
- Specify how we define rising and falling interest rate environments,
- Identify a simple transparent TAA portfolio that anyone could replicate, and
- Provide comparative passive index benchmarks.

Identify a time period to examine - Historically, interest rates proceeded through long "40-year" bull and bear markets, i.e., through multi-decade long regimes of rising and then falling interest rates. Therefore, any useful answer must examine the long span of time. Here, we examine the period from 12/31/1919 through the present. This allows use to identify performance during remarkably different interest rate environments. Our definition of "interest rates" is the current yield on the 10-year US Treasury bond.

Specify how we define rising and falling interest rate environments - The time period examined provides monthly returns. We broke these months into four equal-sized groups identifying periods of rapidly rising, moderating rising, moderately falling, and rapidly falling interest rates. Each group covers 25.3 years.

Identify a simple transparent TAA portfolio that anyone could replicate - Our TAA thought-experiment portfolio was constructed from 32 asset categories and had an average asset mix of: 21.7% US stocks, 25.6% international stocks, 13.5% US Treasury bonds, 33.6% US investment grade corporate bonds, 0.6% US high yield corporate bonds, 1.6% international bonds, 1.2% gold, and 2.1% other commodities. The thought-experiment portfolio is passive in that it eschews forecasts, predictions, or estimates of the future. Instead, it makes use of a simple observation, i.e., relative winners have a tendency to repeat for just one more month. And the same is true for relative losers. As a consequence, the thought-experiment portfolio heavily overweights the seven asset categories exhibiting the greatest relative trending over the last eleven months and strongly underweights (or excludes) the rest.

As a consequence, this portfolio has the average asset allocation described above, but at any instant in time, will deviate from this average so as to heavily overweight recent relative winners (and exclude or underweight the rest). The thought-experiment portfolio is continuously reshaping itself so as to remain in strong alignment with what has been working in the recent past.

To make the results more realistic, we assumed transactions costs for each trade - examples include 37 bps (0.37%) for a one-way trade of Palladium or 3½ bps (0.035%) for a one-way trade of generally investment grade international bonds.

Provide comparative passive index benchmarks - Three comparative benchmarks are provided. A simple narrow benchmark utilizing only the S&P 500 and the 10-year US Treasury bond. A broad domestic benchmark ultra-diversified across all US stock and bond categories. And a broad global benchmark ultra-diversified across all US and foreign stock and bond categories. All benchmarks are allocated 25% to stocks and 75% to bonds. This means that the three benchmarks are consistent and appropriate for a Bucket-2 investment solution, one serving spending needs that are between five and ten years in the future.

PERSPECTIVES ON TACTICAL ASSET ALLOCATION (AKA SECTOR ROTATION)

JULEX CAPITAL

But has TAA worked better than bonds?

Is TAA versus bonds the right comparison?

Probably not. But to answer this question, we must first identify the all-important investment timeframe. I'm assuming here that the investor is targeting needs arriving between 5 and 20 years in the future. Therefore, their investment holding period or time horizon is 5 to 20 years.

For such an investor, a pure 100% bond portfolio won't work. It won't be able to generate the needed returns. Similarly, a pure 100% stock portfolio won't work. It'll be too volatile, exposing the investor to an undue likelihood of having to liquidate at an unfortunate point in time (when their account value is down).

The common-place solution has been the balanced portfolio. A portfolio that maintains an allocation to both stocks and bonds. Within such a portfolio, the role that bonds play is **NOT** to generate current income. Such suggestions are misleading and counter-productive. They're just plain wrong.

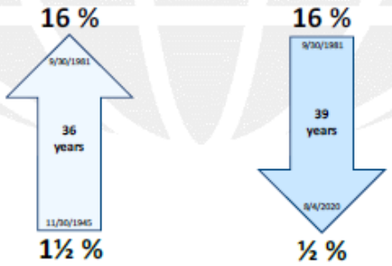
Instead, the role that bonds must play within a balanced portfolio is to adequately tame the unruly behavior of stocks . . . during the periodic and inevitable stock bear markets that come along. When bonds play their role successfully, it allows the balanced portfolio investor to feel relatively confident that their needs will be well met.

Thus, the relevant comparison is TAA versus a balanced portfolio containing both stocks and bonds. Moreover, the comparison needs to focus on what happens during stock bear markets - who did better, TAA or the balance portfolio alternative. The following analysis assumes a relatively short investment time horizon of just 5 to 10 years.

Does it matter whether interest rates are rising or falling - Yep, it sure does!

Recall the inverse relationship between interest rates and bond prices. When interest rates are rising, bond prices are falling. For this reason, it becomes much more difficult for bonds to play their necessary role within a balanced portfolio during a rising interest rate environment. In fact, much harder!

Fortunately, since 1981 interest rates have been falling. Since 1981 bond prices have been rising. This has made it much easier for bonds to successfully play their necessary role. Unfortunately, after approaching zero, interest rates are now rising, and bond prices are falling. Historically, interest rates have either risen or fallen over long multi-decade episodic periods. The following graphic depicts recent history for the current yield on a simple vanilla 10-year U.S. Treasury bond.



Framework for explaining TAA at four different levels

JULEX CAPITAL

Simple	Moderate	Substantive	Deep in the engine room
• **WHAT** • Aspirational - lite	• **WHAT** – go deeper • **HOW** • Aspirational - medium	• **WHY** • **HOW** • Aspirational - heavy	• For the engineer, technician, nerd • Just set up a ZOOM with Henry or Liam

Substantive - Materials to use or leave behind

JULEX CAPITAL

Results . . .

When interest rates were . . .		TAA thought-experiment portfolio	Narrow U.S. benchmark 25% S&P 500 Index, 75% 10-year US Treasury bonds	Broad U.S. benchmark 25%/75% mix broadly diversified across all US stocks and bonds	Broad global benchmark 25%/75% mix broadly diversified across all US and int'l stocks and bonds
Rising the fastest	304 months (25% of the time) when interest rates rose the fastest	8.2%	-4.7%	-1.4%	0.2%
Rising a little bit	303 months (25% of the time) when interest rates rose only modestly	10.8%	4.9%	5.5%	4.1%
Falling a little bit	304 months (25% of the time) when interest rates fell only modestly	13.1%	9.7%	9.7%	8.8%
Falling the fastest	303 months (25% of the time) when interest rates fell the fastest	16.5%	18.8%	15.6%	13.3%

Substantive - Materials to use or leave behind

JULEX CAPITAL

When inflation was . . .		TAA thought-experiment portfolio	Narrow U.S. benchmark 25% S&P 500 Index, 75% 10-year US Treasury bonds	Broad U.S. benchmark 25%/75% mix broadly diversified across all US stocks and bonds	Broad global benchmark 25%/75% mix broadly diversified across all US and int'l stocks and bonds
Rising the fastest	303 months (25% of the time) when inflation rose the fastest	9.9%	4.8%	5.7%	4.9%
Rising a little bit	304 months (25% of the time) when inflation rose only modestly	12.9%	7.9%	8.3%	7.4%
Falling a little bit	304 months (25% of the time) when inflation fell only modestly	12.8%	7.6%	7.6%	7.0%
Falling the fastest	303 months (25% of the time) when inflation fell the fastest	12.8%	7.0%	7.0%	6.5%

Framework for explaining TAA at four different levels

JULEX CAPITAL

Simple

- **WHAT**
- Aspirational - lite

Moderate

- **WHAT** – go deeper
- **HOW**
- Aspirational - medium

Substantive

- **WHY**
- **HOW**
- Aspirational - heavy

Deep in the engine room

- For the engineer, technician, nerd
- Just set up a ZOOM with Henry or Liam

Deep in the engine room

JULEX CAPITAL

- Here, just set up a ZOOM meeting with
  - You
  - Your client
  - Henry or Liam

- Prep them as to the client's possible
  - Concerns
  - Misunderstandings
  - Needs to learn

So where do I live with my own clients?

JULEX CAPITAL

25%	25%	25%	0%
Simple	**Moderate**	**Substantive**	**Deep in the engine room**
• **WHAT** • Aspirational - lite	• **WHAT** – go deeper • **HOW** • Aspirational - medium	• **WHY** • **HOW** • Aspirational - heavy	• For the engineer, technician, nerd • Just set up a ZOOM with Rob

25% we just don't talk about individual portfolios

For more information contact

JULEX CAPITAL

Jeff Megar, CFA
Email jeff.megar@julexcapital.com
Office 781-772-1378

Bob Peatman
Email bob.peatman@julexcapital.com
Cell 617-875-9316

JULEX CAPITAL

If TAA is so good . . . then why aren't JP Morgan, BlackRock, American Funds, and Dimensional offering versions?

Monday, April 26th

Important Disclosures

All data and all statistics were provided by Global Financial Data, Inc.

This information in this presentation 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, unless otherwise noted.

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.

Some part of the investment performance shown is 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.

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.