

JULEX CAPITAL

U.S. Smallcap vs Largecap - the last 96 years

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Be extra careful with definitions and the data

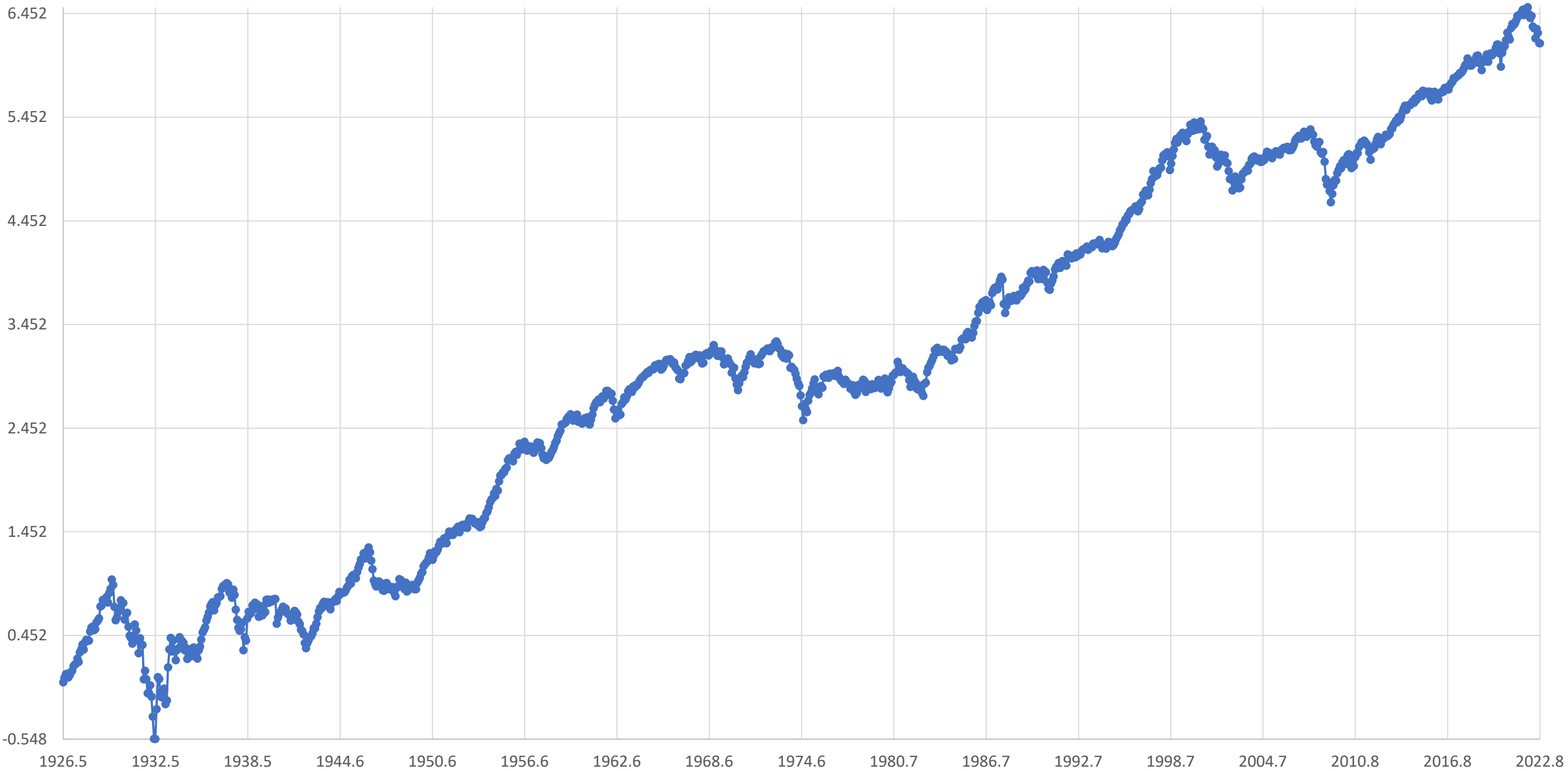
Herein . . . I relay exclusively on Kenneth R. French

- The exact definitions are hyper critical
- Kenneth R. French Data Library - Dartmouth College
- Spanning 6/30/1926 through 10/16/2022
- 96 years . . . approximately
- Inflation adjusted after inflation has been subtracted out
 - Failure to adjust for inflation leaves you with crap
 - Inflation varies To an extreme extent over the last 96 years
- Market capitalization weighted
- Groupings
 - Smallcap = 30% of market with lowest price-to-book
 - Midcap = 40% of market in the middle
 - Largecap = 30% of market with highest price-to-book

Smallcap





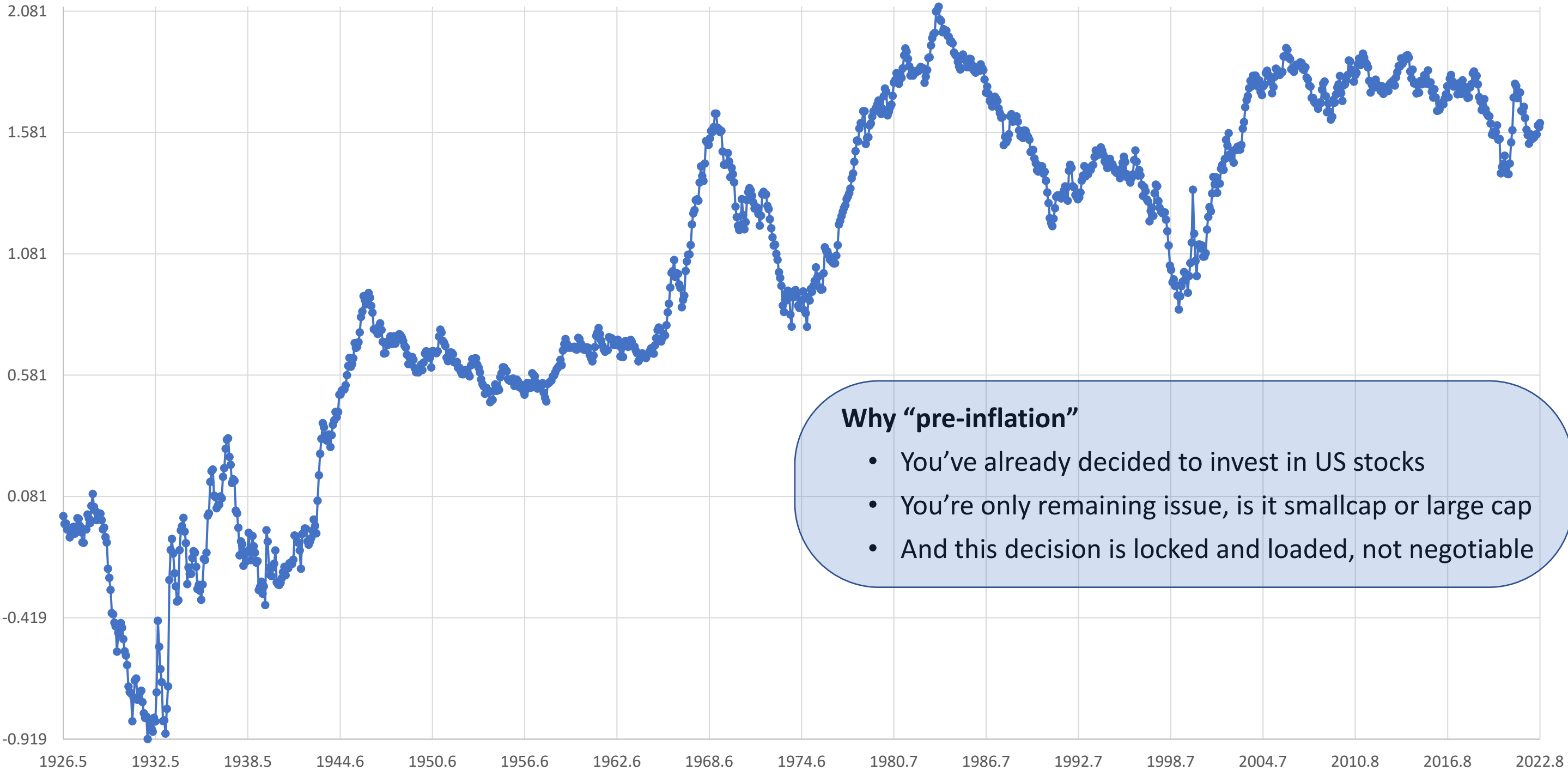


Gap or delta between smallcap and largecap

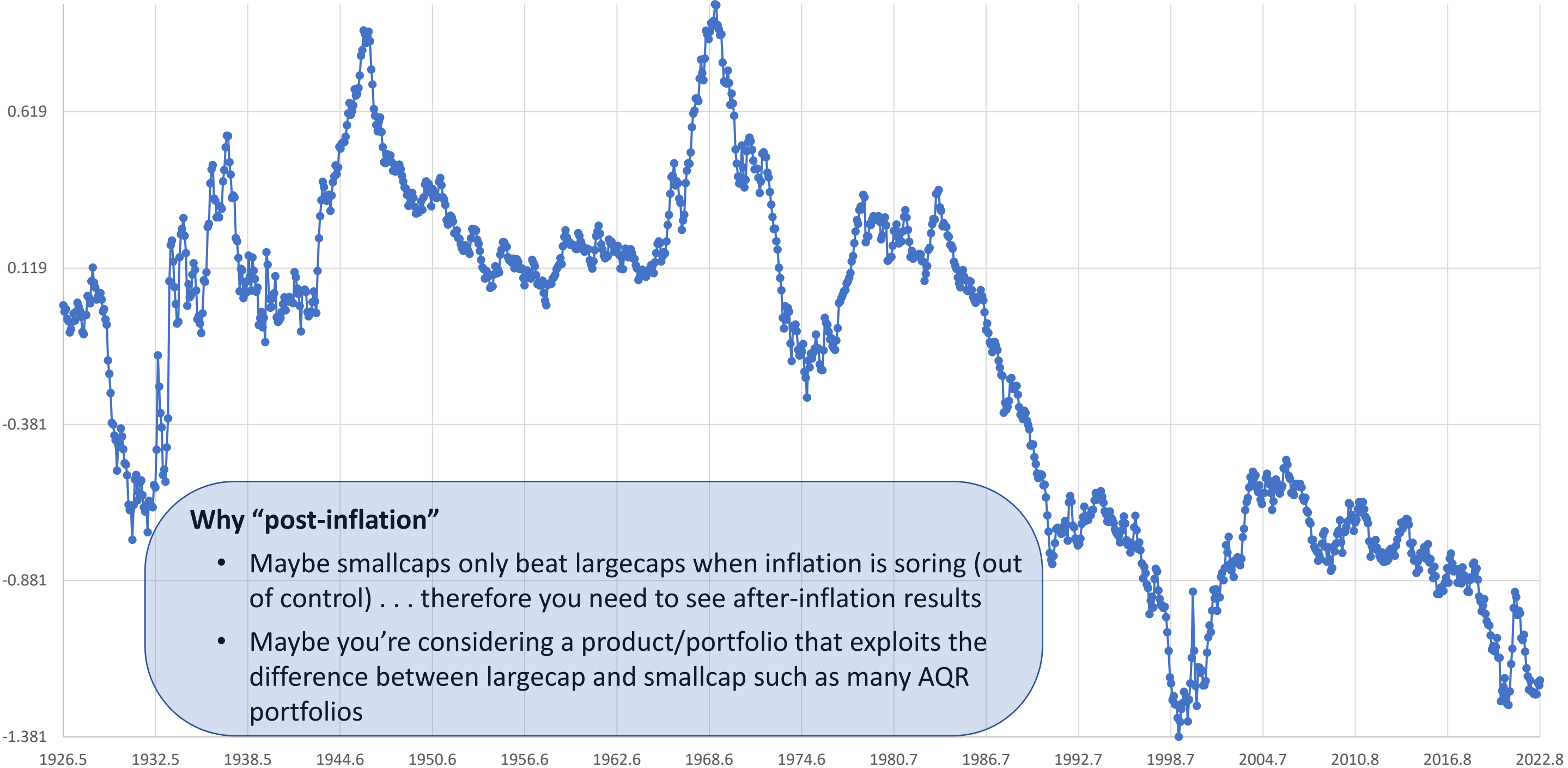
Inflation adjusted or not

ACTUALLY . . . you need to look at both . . . why

Delta - smallcap over large cap the gap pre inflation



Delta - smallcap over large cap the gap post inflation



Summary stats

96 years of data . . . a little more

Summary stats since 1926 a little over 96 years

	Inflation-adjusted (after inflation)				NO inflation adjustment
	Smallcap	Midcap	Largecap	Smallcap less largecap	Smallcap less largecap
Return (annualized geometric mean return in %)	8.4	8.3	6.6	-1.2	1.7
Risk (annualized standard deviation of monthly returns)	28.6	23.2	18.0	16.1	16.1
Risk-adjusted return (above return divided by risk)	0.29	0.36	0.37	-0.08	0.11
Correlation (with largecap)	0.83	0.93	1	0.34	0.34
Trending (autocorrelation from one month to the next)	0.21	0.15	0.08	0.14	0.14

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Bull and bear markets identified

U.S. small cap risk premium

Inflation-adjusted . . . to identify if the extra return was genuine

Bull markets for inflation-adjusted U.S. small cap risk premium since 1926

	Cumulative percentage return, 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
	80	1.67	Dec 1930	Aug 1932	33.3	55	42.5
	132	1.17	Feb 1933	Apr 1934	56.5	71	106.0
	88	1.67	Jun 1935	Feb 1937	21.4	70	46.0
	171	6.42	Aug 1939	Jan 1946	20.3	62	16.8
	162	11.00	Dec 1957	Dec 1968	10.8	56	9.1
	94	8.58	Dec 1974	Jul 1983	12.7	61	8.0
	59	0.92	Mar 1999	Feb 2000	27.0	82	66.0
	120	5.83	May 2000	Mar 2006	13.7	60	14.4
	44	0.42	Sep 2020	Feb 2021	13.9	100	138.3
Median BULL market	94	1.67			20.3	62	42.5
Mean BULL market	106	4.19			23.3	69	49.7

Author: Rob Brown, PhD, CFA at www.robrownonline.com. Statistics based on data provided by the Kenneth R. French Data Library at Dartmouth College and are current as of October 20, 2022

Results rely on month-end stock index total returns adjusted for the All Urban Consumers Not Seasonally Adjusted Consumer Price Index as provided by the U.S. Department of Labor

Small cap risk premium is the return differential between the top 30% and the bottom 30% of the entire U.S. stock market as based on the price-to-book ratio (market cap weighted)

Indices are unmanaged and cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results

Bull and bear markets are defined as moves of at least 26.92993% using month-end stock index total returns. This information in this presentation is for the purpose of information exchange. No representation or warranty is made to the reasonableness of the assumptions made. Investment advice offered through Integrated Wealth Concepts LLC (a Registered Investment Adviser), d/b/a Integrated Financial Partners, Inc.

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Bear markets for inflation-adjusted U.S. small cap risk premium since 1926

	Cumulative percentage return, 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 BEAR market	Number of years to regain what was lost during this bear market
	-58	2.58	May 1928	Dec 1930	14.5	23	-28.6	2.5
	-33	0.50	Aug 1932	Feb 1933	19.0	17	-55.4	0.2
	-31	1.17	Apr 1934	Jun 1935	21.1	36	-27.0	0.6
	-48	2.50	Feb 1937	Aug 1939	20.3	33	-23.2	5.3
	-58	11.92	Jan 1946	Dec 1957	8.6	34	-7.1	10.7
	-72	6.00	Dec 1968	Dec 1974	15.8	28	-18.9	Forever
	-83	15.67	Jul 1983	Mar 1999	10.7	33	-10.6	Forever
	-31	0.25	Feb 2000	May 2000	19.3	0	-76.9	1.1
	-54	14.50	Mar 2006	Sep 2020	10.8	43	-5.3	Forever
	?	?	Feb 2021	?	?	?	?	?
Median BEAR market	-54	2.58			15.8	33	-23.2	5.3
Mean BEAR market	-52	6.12			15.6	27	-28.1	na

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Be *very* careful

Don't misuse historical data

The U.S. is one of the most mature, seasoned economies in the world . . . It's lost its flexibility

U.S. historical growth tells a powerful story

U.S. economy grows more slowly with the passage of time, as it matures and its flexibility and demographics decline

Annualized growth rate (in %) of	Fifteen years ending on March 31st of									
	1888	1903	1918	1933	1948	1963	1978	1993	2008	2023
Real GDP	5.13	4.61	3.14	0.53	6.27	3.75	3.78	2.99	3.15	1.49
Population	2.32	1.95	1.76	1.29	0.98	1.92	1.00	0.97	1.05	0.70
Real GDP per capita	2.75	2.61	1.36	-0.75	5.24	1.80	2.75	2.00	2.08	0.78

Fifteen years ending 3/31/1918 included three recessions (in their entirety) and part of an additional recessions (but only partially)

Fifteen years ending 3/31/1933 included the 1920/1921 Depression and most but not all of The Great Depression which started in 1929

Estimates for 2022 and 2023 provided by Financial Forecast Center, LLC at www.forecasts.org

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Option Overlays: An Alternate Form Of Income Generation *Liam Flaherty*

Friday

October 28th

11:00 a.m. EASTERN

All data and statistics were provided by Global Financial Data, Inc. and NDR, Inc. (unless otherwise indicated in the exhibit)

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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.