

## Strategy Description:

The NDR Fixed Income Allocation strategy distributes assets across nine liquid fixed income ETFs based on an objective, weight-of-the-evidence model designed to produce long-term capital appreciation.

Each month within each fixed income sector, the model combines unique macroeconomic and technical indicators to:

- Evaluate the relative attractiveness of nine fixed income ETFs across sectors and geographies
- Reallocate assets from sectors/geographies with unfavorable characteristics to areas providing the greatest opportunities
- Protect capital by lowering duration and reducing credit risk during weak economic environments

The official composite account commenced on February 1, 2019.

The strategy's benchmark is the Bloomberg Barclays U.S. Aggregate Total Return Index.

## Strategy Strengths:

1. Adapts to changing market conditions
2. Ability to reduce duration and credit risk in bearish environments
3. Each fixed income sector uses unique indicators that have demonstrated favorable risk/reward characteristics over time

### Performance Summary (Month-End Returns)

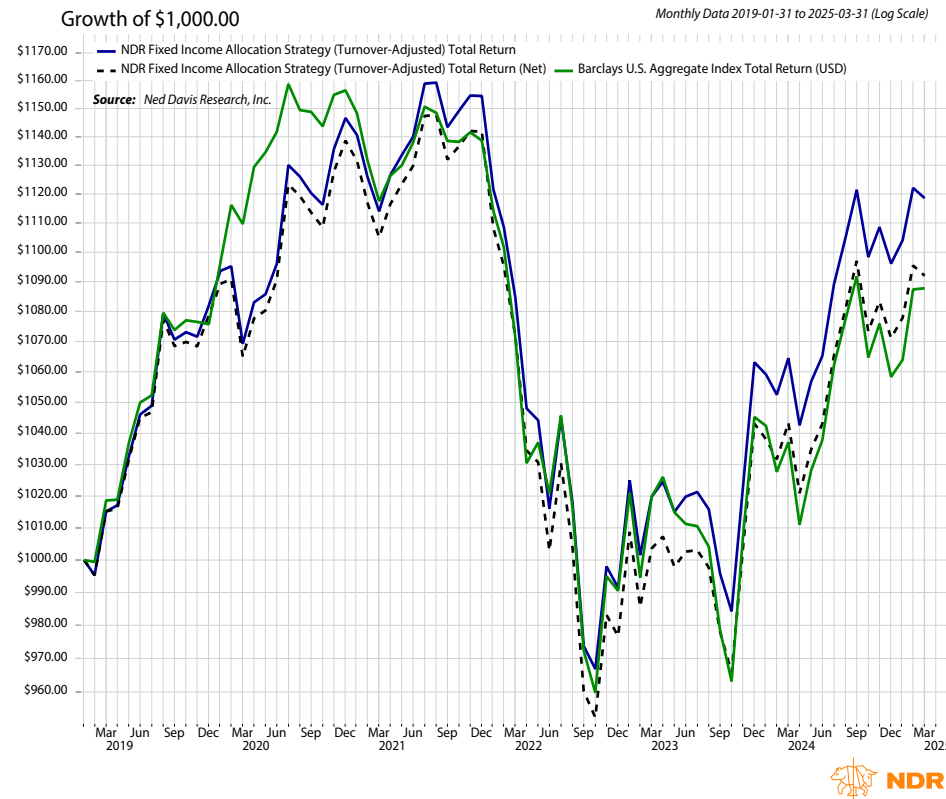
	Gross (%)	Net of 0.4% Per Annum (%)	Benchmark (%)
YTD Monthly (12/31/2024-03/31/2025)	2.05	1.95	2.78
1-mo Rolling (02/28/2025-03/31/2025)	-0.31	-0.31	0.04
3-mo Rolling (12/31/2024-03/31/2025)	2.05	1.95	2.78
1-yr Rolling (03/28/2024-03/31/2025)	5.04	4.62	4.84
1-yr Calendar (12/29/2023-12/31/2024)	3.07	2.67	1.24
3-yr Rolling (03/31/2022-03/31/2025)	1.03	0.63	0.52
5-yr Rolling (03/31/2020-03/31/2025)	0.91	0.50	-0.40
Since Inception (01/31/2019-03/31/2025)	1.83	1.44	1.37

### Backtest

10-yr Rolling (03/31/2015-03/31/2025)	2.43	2.03	1.46
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### RISK STATISTICS (01/31/2019-03/31/2025)

	Gross (%)	Net of 0.4% Per Annum (%)	Benchmark (%)
Standard Deviation	5.92	5.92	6.04
Downside Deviation	3.89	3.95	4.03
Sharpe Ratio	-0.11	-0.18	-0.19
Beta (Relative to Benchmark)	0.93	0.93	1.00
Upside Capture	97.50	94.99	100.00
Downside Capture	91.31	93.67	100.00
Max Drawdown	-16.60 (08/31/2021-10/31/2022)	-17.02 (08/31/2021-10/31/2022)	-17.18 (07/31/2020-10/31/2022)



Prior to 2019-01-31, returns reflect the performance of a hypothetical backtest using the quantitative rules defined within the strategy. Hypothetical Quantitative Backtest performance has many inherent limitations. Backtested returns are theoretical and are not real and do not reflect actual trading and execution costs. Backtested results do not reflect actual trading and such simulated performance history does not reflect the impact that material economic and market factors would have had on the asset manager's decision-making if the asset manager were actually managing clients' money. Past hypothetical performance is not a guarantee of future returns. Backtested models are developed with the benefit of hindsight. The strategy retroactively applied was not available during the periods presented. Further, backtesting allows the security selection methodology to be adjusted until past returns and length of performance history are maximized. Reference to quantitative backtest does not imply that the strategy will achieve returns, volatility or other results similar to the quantitative backtest. The net of fees calculation deducts ten (10) basis points from the gross returns during the first month of each quarter.

## Definitions:

- **Annualized Return:** the rate of return which, compounded annually over a certain period of time, would produce a strategy's total return over that same period.
- **Standard Deviation:** A statistical measurement of dispersion about an average, which depicts how widely returns varied over a certain period of time. When a strategy has a high standard deviation, the predicted range of performance is wide, implying greater volatility.
- **Downside Deviation:** A statistical measurement of dispersion focused on downside risk. It is similar to standard deviation, but only uses negative returns.
- **Sharpe Ratio:** A risk-adjusted performance measure for a unit of risk. It is calculated by dividing the difference between a strategy's return and the risk-free rate (excess returns), by the standard deviation of the strategy's return.
- **Beta:** A relative measure of a strategy's risk against the benchmark. A beta greater than one means the strategy is theoretically more volatile than the benchmark, a beta of one indicates that the strategy moves with the benchmark, and a beta less than one implies that the strategy theoretically is less volatile than the benchmark.
- **Upside Capture:** measures whether the strategy has outperformed the benchmark during periods of benchmark strength. The ratio takes the strategy's monthly return during months when the benchmark had a positive return and divides it by the benchmark return during that same month. An upside capture ratio over 100 indicates that a strategy has generally outperformed the benchmark during periods of positive returns for the benchmark.
- **Downside Capture:** measures whether the strategy has outperformed the benchmark during periods of benchmark weakness. The ratio is calculated by taking the strategy's monthly return during the periods of negative benchmark performance and divides it by the benchmark return. A downside capture ratio of less than 100 indicates that a strategy has lost less than its benchmark in periods when the benchmark has been weak.
- **Maximum Drawdown:** The largest peak to trough decline during a specific record period of a strategy. It is usually quoted as the percentage between the peak to the trough.
- **Log Scale:** A logarithmic (log) scale shows two equivalent percentage changes in the plotted series by the same distance on the vertical axis. A logarithmic price scales tend to show less severe increases or decreases in a series than an arithmetic price scale.
- **Benchmark:** A benchmark is a standard against which the performance of the strategy is being measured. For the Fixed Income Allocation Strategy, the benchmark is the Bloomberg Barclays U.S. Aggregate Total Return Index.



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## Fixed Income Allocation Strategy

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