



Strategy Description:

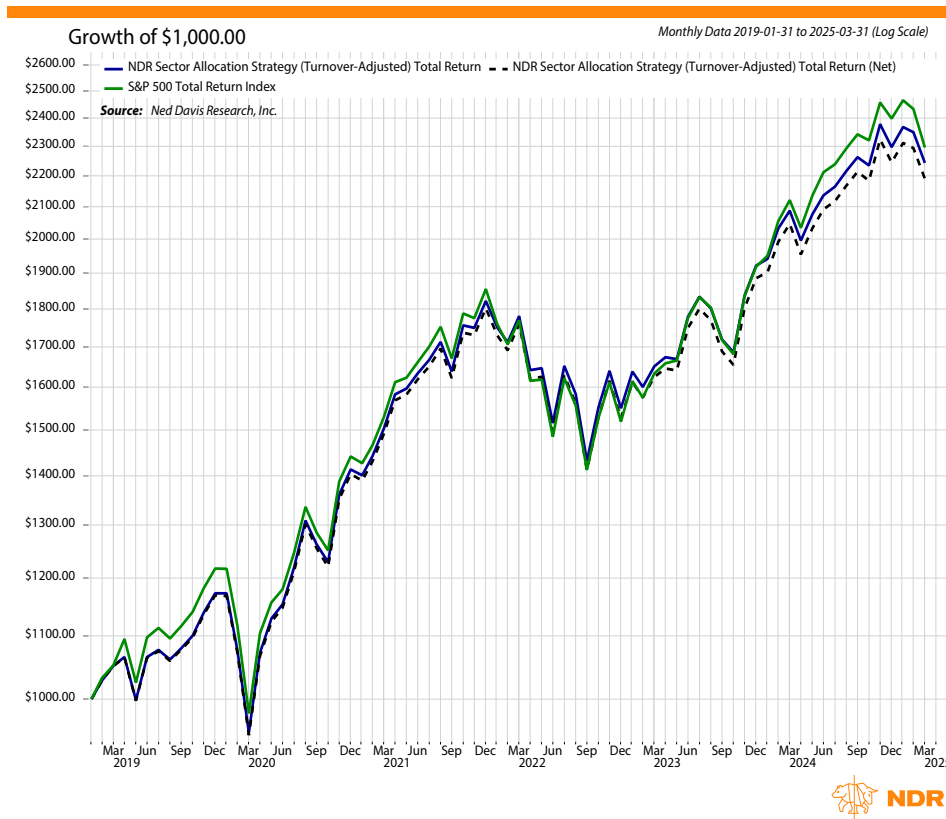
The NDR Sector Allocation strategy distributes assets across 11 liquid, U.S. large-cap sector ETFs based on an objective, weight-of-the-evidence model designed to produce long-term capital appreciation.

Each month within each sector, the model combines sector-specific fundamental, macroeconomic, behavioral and technical indicators to:

- Evaluate the relative attractiveness of 11 U.S. large-cap sector ETFs
- Reallocate assets from sectors with unfavorable characteristics to areas providing the greatest opportunities
- Protect capital by favoring lower beta sectors during weak market environments

The official composite account commenced on February 1, 2019.

The strategy's benchmark is the S&P 500 Total Return Index.



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.

Strategy Strengths:

1. Adapts to changing market conditions
2. Ability to move to lower beta sectors in bearish environments
3. Each 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)	-2.35	-2.45	-4.27
1-mo Rolling (02/28/2025-03/31/2025)	-4.52	-4.52	-5.63
3-mo Rolling (12/31/2024-03/31/2025)	-2.35	-2.45	-4.27
1-yr Rolling (03/28/2024-03/31/2025)	7.40	6.97	8.18
1-yr Calendar (12/29/2023-12/31/2024)	19.39	18.91	24.79
3-yr Rolling (03/31/2022-03/31/2025)	7.99	7.56	9.06
5-yr Rolling (03/31/2020-03/31/2025)	18.72	18.24	18.58
Since Inception (01/31/2019-03/31/2025)	14.00	13.55	14.43

Backtest

10-yr Rolling (03/31/2015-03/31/2025)	12.94	12.49	12.49
---------------------------------------	-------	-------	-------

RISK STATISTICS (01/31/2019-03/31/2025)

	Gross (%)	Net of 0.4% Per Annum (%)	Benchmark (%)
Standard Deviation	16.73	16.70	17.24
Downside Deviation	10.30	10.33	10.77
Sharpe Ratio	0.69	0.66	0.69
Beta (Relative to Benchmark)	0.96	0.96	1.00
Upside Capture	95.27	94.33	100.00
Downside Capture	95.42	96.06	100.00
Max Drawdown	(12/31/2021-09/30/2022)	(12/31/2021-09/30/2022)	(12/31/2021-09/30/2022)
	-21.41	-21.64	-23.87



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 Sector Allocation Strategy, the benchmark is the S&P 500 Total Return Index.

Disclosure:

Ned Davis Research, Inc. (NDR), any NDR affiliates or employees, or any third-party data provider, shall not have any liability for any loss sustained by anyone who has relied on the information contained in NDR models. In no event shall NDR, any NDR affiliates or employees, or any third-party data provider, be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of NDR models even if advised of the possibility of such damages.

The data and analysis contained in NDR's models are provided "as is" and without warranty of any kind, either expressed or implied. The information is based on data believed to be reliable, but it is not guaranteed. NDR DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

NDR or its affiliated companies or their respective shareholders, directors, officers and/or employees, may have long positions in securities based upon the models and may purchase or sell such securities without notice. One should also consider that NDR may modify the methods it uses to evaluate investment opportunities from time to time, that model results do not impute or show the compounded adverse effect of transaction costs or management fees or reflect actual investment results unless so indicated, that other less successful recommendations made by NDR are not included with these model performance reports, that some model results do not reflect actual historical recommendations, and that investment models are necessarily constructed with the benefit of hindsight. For these and for many other reasons, the performance of NDR's past recommendations and model results are not a guarantee of future results. Performance results shown above are back-tested.

Using any graph, chart, formula, model, or other device to assist in deciding which securities to trade or when to trade them presents many difficulties and their effectiveness has significant limitations, including that prior patterns may not repeat themselves continuously or on any particular occasion. In addition, market participants using such devices can impact the market in a way that changes the effectiveness of such devices. NDR believes no individual graph, chart, formula, model, or other device should be used as the sole basis for any investment decision and suggests that all market participants consider differing viewpoints and use a weight of the evidence approach that meets their investment needs. The models do not address the suitability of any particular investment for any particular investor. The models do not address the tax consequences of securities, investments, or strategies, and investors should consult their tax advisors before making investment decisions. Investors should seek professional advice before making investment decisions.

If any of the above exclusions or limitations are prohibited in a particular jurisdiction, the laws of that jurisdiction will prevail. Any clause of this disclaimer declared invalid shall be severable and shall not affect the validity or enforceability of the remainder.

About Ned Davis Research

Founded in 1980, Ned Davis Research is a leading independent research firm with institutional clients in over three dozen countries. Our clients include professionals from global investment firms, banks, insurance companies, mutual funds, hedge funds, pension and endowment funds, and registered investment advisors.

