NDR Dynamic Allocation Strategy

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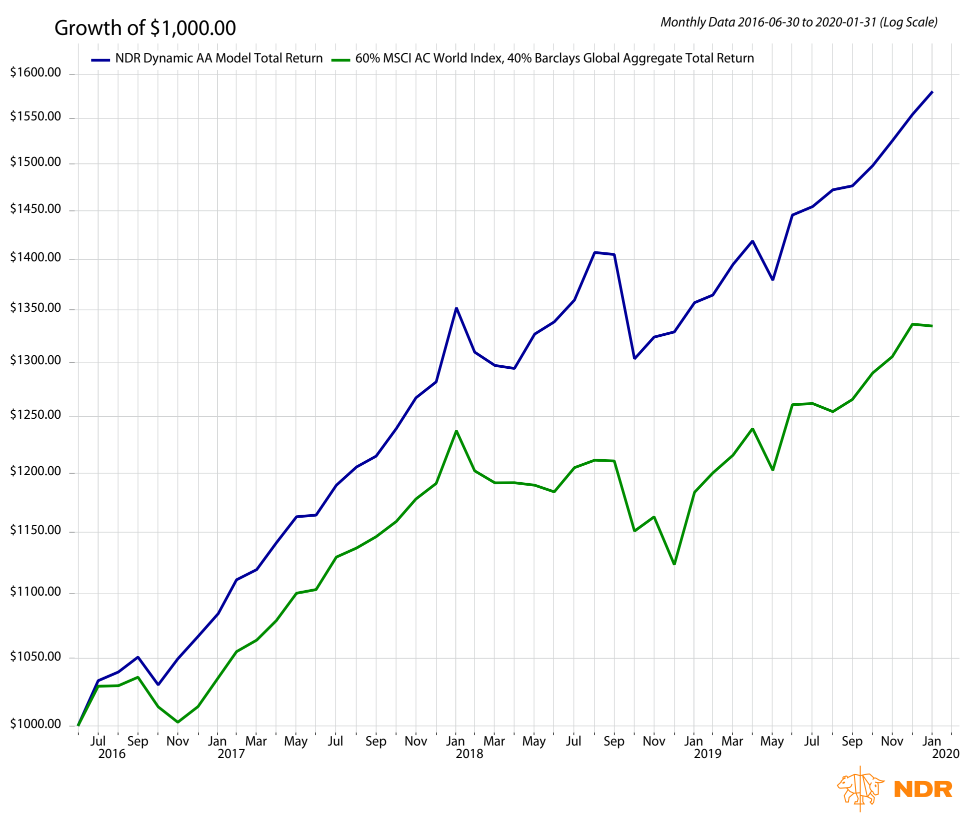
Strategy Description:

The NDR Dynamic Allocation strategy trades 13 highly-liquid ETFs based on an objective, weight-of-the-evidence model designed to minimize drawdowns. The model portfolio can make allocations to six equity ETFs, six fixed income ETFs, as well as a cash ETF. First, the top-level macroeconomic model determines the appropriate allocation to equity and fixed income. Then, within the equity and fixed income sleeves, independent indicator models determine the ETF allocations. Each indicator within the equity and fixed income sub-models has an equal vote that contributes to its relative position and weight within the sleeve. The tactical weight recommendations are unconstrained at both levels, although extreme values are infrequent. The underlying alpha model was launched in our ETF Strategy service on October 26, 2012. The Dynamic Allocation strategy combines the original alpha model in a monthly rebalancing system with a trade reducing overlay and was launched on July 1, 2016. The official composite account commenced on September 1, 2017.

The strategy's benchmark: 60% MSCI ACWI Total Return Index and 40% Barclays Global Aggregate Total Return Index in U.S. Dollars.



Strategy Strengths:

1. Designed to minimize drawdowns
2. Ability to move to cash in bearish environments
3. Two-tiered approach, gauging macro risk as well as ETF-specific tactical allocation
4. Overall alpha model implemented for NDR ETF research strategy product in 2012

Performance Summary (Gross Of Fees)

Return Period	Dynamic Allocation %	Benchmark %
Real-Time		
YTD Monthly (12/31/2019-01/31/2020)	1.68	-0.14
1-mo Rolling (12/31/2019-01/31/2020)	1.68	-0.14
3-mo Rolling (10/31/2019-01/31/2020)	5.51	3.44
1-yr Rolling (01/31/2019-01/31/2020)	16.46	12.74
1-yr Calendar (12/31/2018-12/31/2019)	16.98	18.95
Since Inception (08/31/2017-01/31/2020)	11.85	6.84
Backtest		
3-yr Rolling (01/31/2017-01/31/2020)	13.38	8.82
5-yr Rolling (01/30/2015-01/31/2020)	9.87	6.63
10-yr Rolling (01/29/2010-01/31/2020)	11.27	7.00

RISK STATISTICS (08/31/2017-01/31/2020)

	Dynamic Allocation	Benchmark
Standard Deviation	8.27	7.77
Downside Deviation	5.43	4.73
Sharpe Ratio	1.21	0.64
Beta (Relative to Benchmark)	0.86	1.00
Upside Capture	107.94	100.00
Downside Capture	49.05	100.00
Max Drawdown	-7.38 (08/31/2018-10/31/2018)	-9.21 (01/31/2018-12/31/2018)

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