

4Q 2022

# Flexible Allocation Strategy – Conservative



**WINNER**  
**Multi Asset Strategist**<sup>1</sup>

SSI Investment Management  
SSI Flexible Allocation Portfolio



**Morningstar**  
**Overall Rating**<sup>2</sup>

## Strategy Overview

Strategy seeks to:

- Provide **long term growth after inflation** with moderate risk
- Protect capital** in times of rising market and economic risks that are not adequately reflected in security prices
- Capitalize** on the exceptional investment opportunities that often occur during periods of market disruption
- Active portfolio management combining **Quantitative Analysis** with a **Fundamental Overlay**

**Inception date: August 1, 2015**

- Portfolio of Exchange Traded Funds (ETFs)
- Effective & Efficient
- Best of Breed ETFs – not limited to one fund family
- No levered or inverse ETFs

## Quarterly Performance Review

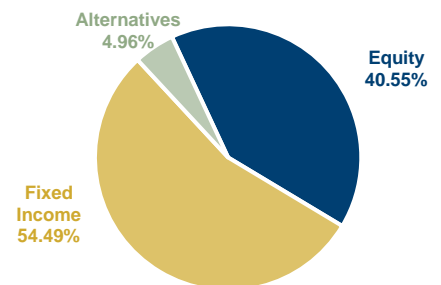
	Annualized Returns				
	4Q	1 YR	3 YRS	5 YRS	Since Inception (8/1/2015)
	%	%	%	%	%
<b>Conservative Portfolio</b>					
<b>Flexible Allocation (G)</b>	<b>3.34</b>	<b>-15.86</b>	<b>3.35</b>	<b>5.12</b>	<b>5.58</b>
<b>Flexible Allocation (N)</b>	<b>3.10</b>	<b>-16.70</b>	<b>2.35</b>	<b>4.09</b>	<b>4.55</b>
40/60 Custom Benchmark <sup>3</sup>	4.26	-14.54	2.48	4.84	5.80
Morningstar Mod Conserv. Tgt Risk Index <sup>4</sup>	5.76	-13.85	0.83	2.79	–
Lipper Conservative Funds <sup>5</sup>	4.25	-12.63	0.13	1.86	–

	3 YR	5 YR
Morningstar Rating™	★★★★★	★★★★★
Number Rated	418	354
Absolute Rank	43	19
Percentile Rank	11th	6th

## Return Statistics<sup>6</sup>

	3 YR		5 YR	
	SSI Flex. Allocation Conservative	Morningstar 30%-50% Equity Allocation	SSI Flexible Allocation Conservative	Morningstar 30%-50% Equity Allocation
Return	<b>3.35</b>	1.60	<b>5.12</b>	2.93
Alpha	<b>1.46</b>	-0.20	<b>1.65</b>	-0.28
Beta	<b>0.81</b>	0.75	<b>0.83</b>	0.75
R2	<b>94.28</b>	91.71	<b>93.98</b>	91.27
Standard Deviation	<b>11.51</b>	10.85	<b>10.12</b>	9.22
Sharpe Ratio	<b>0.27</b>	0.12	<b>0.41</b>	0.21
Upside Capture	<b>89.23</b>	75.40	<b>94.37</b>	74.19
Downside Capture	<b>80.80</b>	75.30	<b>83.64</b>	73.59

## Current Portfolio Allocation



### Equity

Large-Cap Core	34.76%
International	4.17%
Mid-Cap Core	1.62%

### Fixed Income

Short Bond	23.31%
Long Bond	22.16%
Cash	9.02%

### Alternatives

Convertibles	4.96%
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Notes regarding Morningstar ratings, Investnet yearly competition, strategies and custom benchmarks, as well as performance disclosures are located on pages 2 & 3 of this document.

For more information please contact:

Robert Peatman | (617) 875-9316 | robertp@ssi-invest.com | www.ssi-invest.com

## Quarterly Commentary

- Inflation continues to decline from peak levels and the Fed is approaching the end of tightening cycle
- As the investment environment improved over the past few months, the portfolio positioning has steadily become more positive
- Equity allocations have been increased and are above the relevant benchmarks
- The outlook for fixed income has improved significantly with yields in mid-to-high single digits available
- If the environment continues to improve, the portfolio will be adjusted to further capitalize on opportunities and participate in market upside

## Current Holdings

### Equity

IVV	iShares Core S&P 500
IBB	iShares Biotechnology
VXUS	Vanguard Total International Stock
HEFA	iShares MSCI EAFE (Currency Hedged)

### Fixed Income

FLOT	iShares Floating Rate Bond
VCSH	Vanguard Short-Term Corporate Bond
FTSL	First Trust Senior Loan
FPE	First Trust Pfd Securities and Income
IEF	iShares 7-10 Year Treasury Bond
LMBS	First Trust Low Duration Opportunities

### Alternatives

CWB	SPDR Bloomberg Convertible Securities ETF
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## Portfolio Characteristics

### Equity

Average Market Cap (in Millions)	\$151,990
Average Price/Earnings	17.5X
Largest Sector Overweights:	Health Care Materials
Largest Sector Underweights:	Technology Financials

### Fixed Income

Average Effective Duration	4.68 yrs
Average Effective Maturity	5.70 yrs
Credit Quality	AA-
Average Coupon	3.15%
Current Yield	4.28%

## Risk Controls

### Risk Management is a Multi-level Process

- TAA quantitative model designed to evaluate risk level in markets and guide adjustments to portfolio
- PM team evaluates quantitative output fundamentally and considers other risks

### Factors that drive risk reduction include

- Risk of economic contraction
- Change in market trend
- Policy changes and geopolitical events
- Deteriorating credit conditions
- Heightened volatility
- Lack of liquidity

## SSI Investment Management

### Committed to meeting investor objectives by delivering differentiated and value-added investment solutions

- Founded in 1973, SSI Investment Management is an asset management firm that focuses on innovative, alternative ideas that deliver competitive returns while providing risk mitigation
- SSI has a long history working with Financial Institutions and Advisors to help clients meet objectives through compelling investment solutions
- The investment team has successfully managed portfolios through all kinds of market cycles since the 1990's

<sup>1</sup>The yearly awards, presented by Envestnet | PMC and Investment Advisor recognize active managers who have beaten their benchmarks, shown solid performance in general over time and are the best in their respective asset class. Eligibility requires the portfolio manager have \$200 million in assets and three years of experience. Additionally, the managers also need to be open to new investment on the Envestnet platform. Award finalists were chosen using Envestnet | PMC's proprietary, systematic, and multi-factor methodology for evaluating managers, which takes a variety of qualitative and quantitative criteria into consideration, such as investment process and style, performance, firm profile, customer service, and tax efficiency. SSI Investment Management did not pay to participate.

<sup>2</sup>Morningstar ratings: © 2022 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

<sup>3</sup>Custom Benchmark: 40% S&P 500 / 60% Bloomberg Barclays U.S. Aggregate Bond Index - prior to January 31, 2021 the benchmark was 50% S&P 500 / 50% Barclays U.S. Aggregate Bond Index. Benchmark return data in addition to "Custom Benchmark" is supplemental to SSI's GIPS reports.

<sup>4</sup>Morningstar Moderate Conservative Target Risk Group: 40% Global Equity Exposure / 60% Global Bond Exposure benchmark. Source: Morningstar.

<sup>5</sup>Lipper Conservative Funds: Lipper Mixed-Asset Target Allocation Conservative Funds (74 Funds)

<sup>6</sup>Comparison to the Morningstar Primary Category Index: Morningstar Mod Con Tgt Risk TR USD (FOUSA08PJX). Statistics based off of gross of fee performance. Source: Morningstar.

For more information please contact:

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## Support Team

### SSI Flexible Allocation Strategies



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#### Compliance Statement

SSI Investment Management LLC ("SSI") claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

#### Definition of the Firm

SSI was established in 1973 and is a Registered Investment Advisor based in Los Angeles, CA. SSI manages assets in domestic and global capital markets. SSI applies quantitative disciplines and fundamental research in its management of alternative and traditional portfolios for institutional and high net-worth investors. SSI manages separate accounts, a limited partnership, and acts as sub-advisor to mutual funds and an ETF. Effective June 1, 2019, Resolute Investment Managers, Inc. has a majority interest in SSI, however, SSI continues to operate independently. SSI does not have any subsidiaries. SSI acquired the assets of Froley, Revy Investment Co., Inc. ("Froley, Revy") and its composites as of March 1, 2009.

#### Policies

SSI's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

#### The Composite & Benchmark (Description & Material Risks)

SSI's Flexible Allocation Strategy - Conservative (composite inception date August 1, 2015; composite created August 1, 2015) invests in a portfolio primarily of Exchange Traded Funds but may include Exchange Traded Notes and other Mutual Funds. The exposure to various asset classes including, but not limited to, equity, fixed income and cash may range from 0-100%. The composite name was initially known as SSI Flexible Allocation Strategy #2 from 8/1/2015 – 12/31/2020 and on 1/1/2021 the composite name became the SSI Flexible Allocation Strategy - Conservative. The composite contains fully discretionary accounts including those no longer with the firm. SSI believes a performance comparison versus the Balanced Index is appropriate. Prior to January 1st, 2021, the Balanced Index was 50% of the total return of the S&P 500 and 50% of the Bloomberg Aggregate Bond Index. Effective January 1st, 2021, the Balanced Index will be 40% of the total return of the S&P 500 and 60% of the Bloomberg Aggregate Bond Index. Portfolios in this composite may have asset allocations that are different from the allocation of the Balanced Index. These allocations may generally range from 30% equities & 70% fixed income/cash to 50% equities & 50% fixed income/cash. The volatility of this strategy may be greater than the Balanced Index due to changes in asset allocation. The return, if any, is dependent upon SSI's discretionary management. The Bloomberg Aggregate Bond Index is made up of government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market and the maturities of the bonds in the index are more than one year. Any other indices shown are not necessarily comparable to SSI's Flexible Allocation Strategy - Conservative. These are widely recognized market indices that are shown for informational purposes only. Investors should be aware that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Benchmark rebalancing frequency: monthly.

#### Investment Management Fees

Returns are presented gross and/or net of management fee. Actual results of an individual account may be materially different from the performance shown herein because of differences in inception date, transaction and related costs, investment guideline restrictions, fees and other factors. All performance is based in U.S. dollars and reflect, on a percentage basis for each of the periods indicated: (a) the actual net increase (decrease) of all SSI Flexible Allocation Strategy - Conservative portfolios, dollar-weighted, including adjustments for unrealized gains and losses, the reinvestment of dividends and other earnings, the deduction of some investment costs, the deduction of mutual fund costs, and are time-weighted to adjust for additions and withdrawals, and (b) the net increase (decrease) of the Balanced Index.

Net performance for fee paying portfolios is reduced by SSI's actual investment management fees and non-fee paying portfolios are reduced by a 1% annual model fee (2015-2020). Model fees are deducted on a monthly basis. Gross performance does not include deduction of SSI's investment management fees.

If performance is gross of management fees, client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment advisory account. See SSI's Form ADV, Part 2A for a complete description of the investment advisory fees customarily charged by SSI. As an example, an account with an initial \$1,000,000 investment on January 1, 2022, earning a recurring 5% semi-annual gross return (10.25% annualized), and paying a .5% semi-annual management fee (1% annual fee) would have grown to \$1,340,096 on a gross of fees basis and \$1,300,392 on a net of fees basis by December 31, 2024 (3 years).

#### List of Composites

A list of the Firm's composite descriptions, limited distribution pooled funds (LDPFs) and/or GIPS reports are available upon request. Please contact [helennm@ssi-invest.com](mailto:helennm@ssi-invest.com).

#### Additional Disclosure

- SSI operated under the name of SSI Investment Management, Inc. (1/1/1973-4/30/2019) and as of 5/1/2019 operates as SSI Investment Management LLC.
- When representative portfolio information is shown the representative portfolio is selected by comparing any one (but not limited to) the following criteria: most in line with composite investment objectives /consistency of investment strategy, investment restrictions, fee structure, time frame managed, type of client, size of account.
- SSI acquired Froley, Revy and its composites as of March 1, 2009. Prior to the acquisition, Froley, Revy claimed GIPS compliance for the periods of 1983-2008 and was independently verified by Ashland Partners.

Investors must assess the suitability of any particular investment opportunity and carry out any due diligence that they require in relation to the strategy or investments or individual holdings of the strategies that SSI manages. In doing this, investors should seek separate advice. It should not be assumed that recommendations made will be profitable and any investment is at risk of loss. This summary represents the views of the portfolio managers as of the date noted at the beginning of this document. Any holdings mentioned in the accompanying summary are from its stated strategy. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. The information in this article is not intended to be personalized recommendations to buy, hold or sell investments. The information, statements, views and opinions included in this article are based on sources (both internal and external sources) considered to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Such information, statements, views and opinions are expressed as of the date of this article, are subject to change without further notice and do not constitute a solicitation for the purchase or sale of any investment referenced in the article. Changes in any assumptions may have a material impact on the results. Due to various risks and uncertainties, actual events or projected results may differ materially from those reflected in the document.

THIS MATERIAL IS INTENDED ONLY FOR QUALIFIED INVESTORS. IT DOES NOT CONSTITUTE AN OFFER TO PURCHASE AN INTEREST IN ANY PRIVATELY OFFERED FUND MANAGED BY SSI. SSI BELIEVES THAT RESULTS WERE GENERATED WITH AN INVESTMENT PHILOSOPHY AND METHODOLOGY SIMILAR TO THAT DESCRIBED HEREIN. FURTHERMORE, THE PERFORMANCE DISCUSSED HEREIN REFLECTS INVESTMENT OF LIMITED FUNDS FOR A LIMITED PERIOD OF TIME AND DOES NOT REFLECT PERFORMANCE IN DIFFERENT ECONOMIC OR MARKET CYCLES. FUTURE INVESTMENTS, HOWEVER, WILL BE MADE UNDER DIFFERENT ECONOMIC CONDITIONS, IN DIFFERENT SECURITIES AND USING DIFFERENT INVESTMENT STRATEGIES. IT SHOULD NOT BE ASSUMED THAT FUTURE INVESTORS WILL EXPERIENCE RETURNS, IF ANY, COMPARABLE TO THOSE DISCLOSED HEREIN. THE INFORMATION GIVEN IS HISTORIC AND SHOULD NOT BE TAKEN AS ANY INDICATION OF FUTURE PERFORMANCE. THE PERFORMANCE DATA WAS PREPARED BY SSI AND WAS NOT COMPILED, REVIEWED OR AUDITED BY AN INDEPENDENT ACCOUNTANT. BEING REGISTERED AS A REGISTERED INVESTMENT ADVISOR DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING. ANY INVESTMENT IS SUBJECT TO RISK OF LOSS. ANY USE OF LEVERAGE INCREASES THE INVESTMENT GAIN OR LOSS IN DIRECT PROPORTION TO THE DEGREE OF LEVERAGE USED.

For more information please contact:

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4Q 2022

# Flexible Allocation Strategy – Moderate



**WINNER**  
**Multi Asset Strategist**<sup>1</sup>

SSI Investment Management  
SSI Flexible Allocation Portfolio



**Morningstar**  
**Overall Rating**<sup>2</sup>

## Strategy Overview

Strategy seeks to:

- Provide **long term growth after inflation** with moderate risk
- Protect capital** in times of rising market and economic risks that are not adequately reflected in security prices
- Capitalize** on the exceptional investment opportunities that often occur during periods of market disruption
- Active portfolio management combining **Quantitative Analysis** with a **Fundamental Overlay**

**Inception date: May 1, 2009**

- Portfolio of Exchange Traded Funds (ETFs)
- Effective & Efficient
- Best of Breed ETFs – not limited to one fund family
- No levered or inverse ETFs

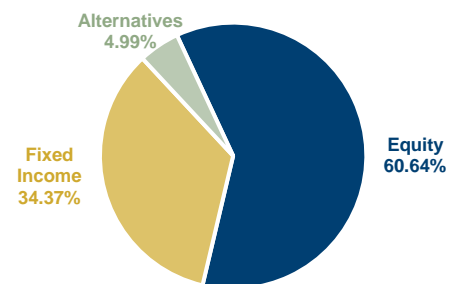
## Quarterly Performance Review

### Annualized Returns

	4Q	1 YR	3 YRS	5 YRS	10 YRS	Since Inception (5/1/2009)
	%	%	%	%	%	%
<b>Moderate Portfolio</b>						
<b>Flexible Allocation (G)</b>	<b>4.82</b>	<b>-16.78</b>	<b>5.09</b>	<b>6.50</b>	<b>7.89</b>	<b>7.42</b>
<b>Flexible Allocation (N)</b>	<b>4.64</b>	<b>-17.35</b>	<b>4.38</b>	<b>5.77</b>	<b>7.14</b>	<b>6.66</b>
60/40 Custom Benchmark <sup>3</sup>	5.40	-15.56	3.90	6.00	7.45	7.71
Morningstar Mod Tgt Risk Index <sup>4</sup>	7.76	-14.77	1.95	3.73	5.82	–
Lipper Moderate Funds <sup>5</sup>	6.12	-13.73	1.88	3.29	7.04	–

	3YR	5 YR	10 YR
Morningstar Rating™	★★★★	★★★★	★★★★
Number Rated	514	444	319
Absolute Rank	72	47	62
Percentile Rank	13th	10th	18th

## Current Portfolio Allocation



## Return Statistics<sup>6</sup>

	3 YR		5 YR	
	SSI Flex. Allocation Moderate	Morningstar 50%-70% Equity Allocation	SSI Flexible Allocation Moderate	Morningstar 50%-70% Equity Allocation
Return	<b>5.08</b>	3.12	<b>6.50</b>	4.27
Alpha	<b>3.09</b>	1.24	<b>2.67</b>	0.59
Beta	<b>0.99</b>	0.98	<b>1.01</b>	1.00
R2	<b>93.94</b>	92.23	<b>93.78</b>	91.98
Standard Deviation	<b>14.02</b>	14.21	<b>12.24</b>	12.30
Sharpe Ratio	<b>0.36</b>	0.22	<b>0.46</b>	0.29
Upside Capture	<b>114.82</b>	104.39	<b>117.32</b>	103.65
Downside Capture	<b>99.19</b>	98.49	<b>102.65</b>	100.95

### Equity

Large-Cap Core	54.80%
International	4.19%
Mid-Cap Value	1.65%

### Fixed Income

Short Bond	18.05%
Long Bond	8.77%
Cash	7.55%

### Alternatives

Convertibles	4.99%
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## Quarterly Commentary

- Inflation continues to decline from peak levels and the Fed is approaching the end of tightening cycle
- As the investment environment improved over the past few months, the portfolio positioning has steadily become more positive
- Equity allocations have been increased and are above the relevant benchmarks
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## Current Holdings

### Equity

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IEF	iShares 7-10 Year Treasury Bond
LMBS	First Trust Low Duration Opportunities

### Alternatives

CWB	SPDR Bloomberg Convertible Securities ETF
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## Portfolio Characteristics

### Equity

Average Market Cap (in Millions)	\$158,163
Average Price/Earnings	17.8X
Largest Sector Overweights:	Health Care Materials
Largest Sector Underweights:	Technology Financials

### Fixed Income

Average Effective Duration	3.60 yrs
Average Effective Maturity	4.35 yrs
Credit Quality	A
Average Coupon	3.05%
Current Yield	3.89%

## Risk Controls

### Risk Management is a Multi-level Process

- TAA quantitative model designed to evaluate risk level in markets and guide adjustments to portfolio
- PM team evaluates quantitative output fundamentally and considers other risks

### Factors that drive risk reduction include

- Risk of economic contraction
- Change in market trend
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## SSI Investment Management

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<sup>3</sup>Custom Benchmark: 60% S&P 500 / 40% Bloomberg Barclays U.S. Aggregate Bond Index - prior to July 31, 2015 the benchmark was 50% S&P 500 / 50% 90 Day T-Bills. Benchmark return data in addition to "Custom Benchmark" is supplemental to SSI's GIPS reports.

<sup>4</sup>Morningstar Moderate Target Risk Group: 60% Global Equity Exposure / 40% Global Bond Exposure benchmark. Source: Morningstar.

<sup>5</sup>Lipper Moderate Funds: Lipper Mixed-Asset Target Allocation Moderate Funds (138 Funds)

<sup>6</sup>Comparison to the Morningstar Primary Category Index: Morningstar Mod Tgt Risk TR USD (FOUSA08PJY). Statistics based off of gross of fee performance. Source: Morningstar.

For more information please contact:

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## Support Team

### SSI Flexible Allocation Strategies



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#### Compliance Statement

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#### Definition of the Firm

SSI was established in 1973 and is a Registered Investment Advisor based in Los Angeles, CA. SSI manages assets in domestic and global capital markets. SSI applies quantitative disciplines and fundamental research in its management of alternative and traditional portfolios for institutional and high net-worth investors. SSI manages separate accounts, a limited partnership, and acts as sub-advisor to mutual funds and an ETF. Effective June 1, 2019, Resolute Investment Managers, Inc. has a majority interest in SSI, however, SSI continues to operate independently. SSI does not have any subsidiaries. SSI acquired the assets of Froye, Revy Investment Co., Inc. ("Froye, Revy") and its composites as of March 1, 2009.

#### Policies

SSI's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

#### The Composite & Benchmark (Description & Material Risks)

SSI's Flexible Allocation Strategy - Moderate (composite inception date May 1, 2009; composite created May 1, 2009) invests in a portfolio primarily of Exchange Traded Funds but may include Exchange Traded Notes and other Mutual Funds. The exposure to various asset classes including, but not limited to, equity, fixed income and cash may range from 0-100%. The composite name was initially known as SSI Flexible Equity Strategy from 5/1/2009-4/30/2015; from 5/1/2015-12/31/2020 the composite was named SSI Flexible Allocation Strategy; on 1/1/2021 the composite name became the SSI Flexible Allocation Strategy - Moderate. The composite contains fully discretionary accounts including those no longer with the firm. SSI believes a performance comparison versus the Balanced Index is appropriate. Prior August 1st, 2015, the Balanced Index was 50% of the total return of the S&P 500 and 50% of the 90-Day Treasury Bill ("Balanced Index"). Subsequent to August 1st, 2015, the Balanced Index will be 60% of the total return of the S&P 500 and 40% of the Bloomberg Aggregate Bond Index. Portfolios in this composite may have asset allocations that are different from the allocation of the Balanced Index. These allocations may generally range from 60% equities & 40% fixed income/cash to 75% equities & 25% fixed income/cash. The volatility of this strategy may be greater than the Balanced Index due to changes in asset allocation. The return, if any, is dependent upon SSI's discretionary management. The Bloomberg Aggregate Bond Index is made up of government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market and the maturities of the bonds in the index are more than one year. Any other indices shown are not necessarily comparable to SSI's Flexible Allocation Strategy - Moderate. These are widely recognized market indices that are shown for informational purposes only. Investors should be aware that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Benchmark rebalancing frequency: monthly.

#### Investment Management Fees

Returns are presented gross and/or net of management fee. Actual results of an individual account may be materially different from the performance shown herein because of differences in inception date, transaction and related costs, investment guideline restrictions, fees and other factors. All performance is based in U.S. dollars and reflect, on a percentage basis for each of the periods indicated: (a) the actual net increase (decrease) of all SSI Flexible Allocation Strategy - Moderate portfolios, dollar-weighted, including adjustments for unrealized gains and losses, the reinvestment of dividends and other earnings, the deduction of some investment costs, the deduction of mutual fund costs, and are time-weighted to adjust for additions and withdrawals, and (b) the net increase (decrease) of the Balanced Index.

Net performance for fee paying portfolios is reduced by SSI's actual investment management fees and non-fee paying portfolios are reduced by a 1% annual model fee (2011-2012). Model fees are deducted on a monthly basis. Gross performance does not include deduction of SSI's investment management fees.

If performance is gross of management fees, client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment advisory account. See SSI's Form ADV, Part 2A for a complete description of the investment advisory fees customarily charged by SSI. As an example, an account with an initial \$1,000,000 investment on January 1, 2022, earning a recurring 5% semi-annual gross return (10.25% annualized), and paying a .5% semi-annual management fee (1% annual fee) would have grown to \$1,340,096 on a gross of fees basis and \$1,300,392 on a net of fees basis by December 31, 2024 (3 years).

#### List of Composites

A list of the Firm's composite descriptions, limited distribution pooled funds (LDPFs) and/or GIPS reports are available upon request.

Please contact [helenm@ssi-invest.com](mailto:helenm@ssi-invest.com).

#### Additional Disclosure

- SSI operated under the name of SSI Investment Management, Inc. (1/1/1973-4/30/2019) and as of 5/1/2019 operates as SSI Investment Management LLC.
- When representative portfolio information is shown the representative portfolio is selected by comparing any one (but not limited to) the following criteria: most in line with composite investment objectives /consistency of investment strategy, investment restrictions, fee structure, time frame managed, type of client, size of account.
- SSI acquired Froye, Revy and its composites as of March 1, 2009. Prior to the acquisition, Froye, Revy claimed GIPS compliance for the periods of 1983-2008 and was independently verified by Ashland Partners.

Investors must assess the suitability of any particular investment opportunity and carry out any due diligence that they require in relation to the strategy or investments or individual holdings of the strategies that SSI manages. In doing this, investors should seek separate advice. It should not be assumed that recommendations made will be profitable and any investment is at risk of loss. This summary represents the views of the portfolio managers as of the date noted at the beginning of this document. Any holdings mentioned in the accompanying summary are from its stated strategy. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. The information in this article is not intended to be personalized recommendations to buy, hold or sell investments. The information, statements, views and opinions included in this article are based on sources (both internal and external sources) considered to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Such information, statements, views and opinions are expressed as of the date of this article, are subject to change without further notice and do not constitute a solicitation for the purchase or sale of any investment referenced in the article. Changes in any assumptions may have a material impact on the results. Due to various risks and uncertainties, actual events or projected results may differ materially from those reflected in the document.

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# 4Q 2022 Flexible Allocation Strategy – Moderately Aggressive


**WINNER**
**Multi Asset Strategist<sup>1</sup>**

 SSI Investment Management  
*SSI Flexible Allocation Portfolio*

**Morningstar  
Overall Rating<sup>2</sup>**

## Strategy Overview

Strategy seeks to:

- Provide **long term growth after inflation** with moderate risk
- Protect capital** in times of rising market and economic risks that are not adequately reflected in security prices
- Capitalize** on the exceptional investment opportunities that often occur during periods of market disruption
- Active portfolio management combining **Quantitative Analysis** with a **Fundamental Overlay**

**Inception date: August 1, 2015**

- Portfolio of Exchange Traded Funds (ETFs)
- Effective & Efficient
- Best of Breed ETFs – not limited to one fund family
- No levered or inverse ETFs

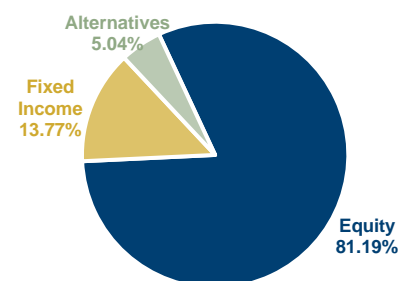
## Quarterly Performance Review

	Annualized Returns				
	4Q	1 YR	3 YRS	5 YRS	Since Inception (8/1/2015)
	%	%	%	%	%
<b>Moderately Aggressive Portfolio</b>					
<b>Flexible Allocation (G)</b>	<b>5.96</b>	<b>-18.46</b>	<b>6.49</b>	<b>7.64</b>	<b>8.25</b>
<b>Flexible Allocation (N)</b>	<b>5.69</b>	<b>-19.28</b>	<b>5.51</b>	<b>6.63</b>	<b>7.21</b>
80/20 Custom Benchmark <sup>3</sup>	6.50	-16.76	6.07	7.91	8.86
Morningstar Mod Agg. Tgt Risk Index <sup>4</sup>	9.51	-15.48	3.04	4.64	–
Lipper Growth Funds <sup>5</sup>	6.96	-15.19	3.31	4.53	–

## Return Statistics<sup>6</sup>

	3 YR		5 YR	
	SSI Flex. Allocation Mod. Agg.	Morningstar 70%-85% Equity Allocation	SSI Flexible Allocation Mod. Agg.	Morningstar 70%-85% Equity Allocation
Return	<b>6.49</b>	4.27	<b>7.65</b>	5.10
Alpha	<b>3.98</b>	2.38	<b>2.93</b>	1.09
Beta	<b>1.20</b>	1.19	<b>1.25</b>	1.21
R2	<b>93.32</b>	92.64	<b>92.77</b>	92.42
Standard Deviation	<b>17.50</b>	17.06	<b>15.46</b>	14.90
Sharpe Ratio	<b>0.49</b>	0.28	<b>0.47</b>	0.32
Upside Capture	<b>139.40</b>	128.59	<b>143.36</b>	127.43
Downside Capture	<b>122.62</b>	118.16	<b>131.03</b>	124.30

## Current Portfolio Allocation



### Equity

Large-Cap Core	75.35%
International	4.21%
Mid-Cap Core	1.63%

### Fixed Income

Short Bond	7.62%
Long Bond	2.09%
Cash	4.06%

### Alternatives

Convertibles	5.04%
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Notes regarding Morningstar ratings, Envestnet yearly competition, strategies and custom benchmarks, as well as performance disclosures are located on pages 2 &amp; 3 of this document.

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## Quarterly Commentary

- Inflation continues to decline from peak levels and the Fed is approaching the end of tightening cycle
- As the investment environment improved over the past few months, the portfolio positioning has steadily become more positive
- Equity allocations have been increased and are above the relevant benchmarks
- The outlook for fixed income has improved significantly with yields in mid-to-high single digits available
- If the environment continues to improve, the portfolio will be adjusted to further capitalize on opportunities and participate in market upside

### Current Holdings

#### Equity

IVV	iShares Core S&P 500
IBB	iShares Biotechnology
VXUS	Vanguard Total International Stock
HEFA	iShares MSCI EAFE (Currency Hedged)

#### Fixed Income

FLOT	iShares Floating Rate Bond
VCSH	Vanguard Short-Term Corporate Bond
FTSL	First Trust Senior Loan
FPE	First Trust Pfd Securities and Income
IEF	iShares 7-10 Year Treasury Bond
LMBS	First Trust Low Duration Opportunities

#### Alternatives

CWB	SPDR Bloomberg Convertible Securities ETF
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### Portfolio Characteristics

#### Equity

Average Market Cap (in Millions)	\$161,316
Average Price/Earnings	17.9X
Largest Sector Overweights:	Health Care Materials
Largest Sector Underweights:	Technology Financials

#### Fixed Income

Average Effective Duration	2.32 yrs
Average Effective Maturity	3.57 yrs
Credit Quality	A+
Average Coupon	4.15%
Current Yield	4.71%

## Risk Controls

### Risk Management is a Multi-level Process

- TAA quantitative model designed to evaluate risk level in markets and guide adjustments to portfolio
- PM team evaluates quantitative output fundamentally and considers other risks

### Factors that drive risk reduction include

- Risk of economic contraction
- Change in market trend
- Policy changes and geopolitical events
- Deteriorating credit conditions
- Heightened volatility
- Lack of liquidity

## SSI Investment Management

### Committed to meeting investor objectives by delivering differentiated and value-added investment solutions

- Founded in 1973, SSI Investment Management is an asset management firm that focuses on innovative, alternative ideas that deliver competitive returns while providing risk mitigation
- SSI has a long history working with Financial Institutions and Advisors to help clients meet objectives through compelling investment solutions
- The investment team has successfully managed portfolios through all kinds of market cycles since the 1990's

<sup>1</sup>The yearly awards, presented by Envestnet | PMC and Investment Advisor recognize active managers who have beaten their benchmarks, shown solid performance in general over time and are the best in their respective asset class. Eligibility requires the portfolio manager have \$200 million in assets and three years of experience. Additionally, the managers also need to be open to new investment on the Envestnet platform. Award finalists were chosen using Envestnet | PMC's proprietary, systematic, and multi-factor methodology for evaluating managers, which takes a variety of qualitative and quantitative criteria into consideration, such as investment process and style, performance, firm profile, customer service, and tax efficiency. SSI Investment Management did not pay to participate.

<sup>2</sup>Morningstar ratings: © 2022 Morningstar, Inc. All Rights Reserved. Most recent rating available is as of 9/30/2022. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

<sup>3</sup>Custom Benchmark: 80% S&P 500 / 20% Bloomberg Barclays U.S. Aggregate Bond Index. Benchmark return data in addition to "Custom Benchmark" is supplemental to SSI's GIPS reports.

<sup>4</sup>Morningstar Moderate Aggressive Target Risk Group: 80% Global Equity Exposure / 20% Global Bond Exposure benchmark. Source: Morningstar.

<sup>5</sup>Lipper Growth Funds: Lipper Mixed-Asset Target Allocation Growth Funds (126)

<sup>6</sup>Comparison to the Morningstar Primary Category Index: Morningstar Mod Agg Tgt Risk TR USD (FOUSA08PJZ). Statistics based off of gross of fee performance. Source: Morningstar.

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## Support Team

### SSI Flexible Allocation Strategies



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#### Compliance Statement

SSI Investment Management LLC ("SSI") claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

#### Definition of the Firm

SSI was established in 1973 and is a Registered Investment Advisor based in Los Angeles, CA. SSI manages assets in domestic and global capital markets. SSI applies quantitative disciplines and fundamental research in its management of alternative and traditional portfolios for institutional and high net-worth investors. SSI manages separate accounts, a limited partnership, and acts as sub-advisor to mutual funds and an ETF. Effective June 1, 2019, Resolute Investment Managers, Inc. has a majority interest in SSI, however, SSI continues to operate independently. SSI does not have any subsidiaries. SSI acquired the assets of Froyle, Revy Investment Co., Inc. ("Froyle, Revy") and its composites as of March 1, 2009.

#### Policies

SSI's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

#### The Composite & Benchmark (Description & Material Risks)

SSI's Flexible Allocation Strategy - Moderately Aggressive (composite inception date August 1, 2015; composite created August 1, 2015) invests in a portfolio primarily of Exchange Traded Funds but may include Exchange Traded Notes and other Mutual Funds. The exposure to various asset classes including, but not limited to, equity, fixed income and cash may range from 0-100%. The composite name was initially known as SSI Flexible Allocation Strategy #3 from 8/1/2015 – 12/31/2020 and on 1/1/2021 the composite name became the SSI Flexible Allocation Strategy - Moderately Aggressive. The composite contains fully discretionary accounts including those no longer with the firm. SSI believes a performance comparison versus the Balanced Index of 80% of the total return of the S&P 500 and 20% of the Bloomberg Aggregate Bond Index is appropriate. Portfolios in this composite may have asset allocations that are different from the allocation of the Balanced Index. These allocations may generally range from 80% equities & 20% fixed income/cash to 95% equities & 5% fixed income/cash. The volatility of this strategy may be greater than the Balanced Index due to changes in asset allocation. The return, if any, is dependent upon SSI's discretionary management. The Bloomberg Aggregate Bond Index is made up of government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market and the maturities of the bonds in the index are more than one year. Any other indices shown are not necessarily comparable to SSI's Flexible Allocation Strategy - Moderately Aggressive. These are widely recognized market indices that are shown for informational purposes only. Investors should be aware that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Benchmark rebalancing frequency: monthly.

#### Investment Management Fees

Returns are presented gross and/or net of management fee. Actual results of an individual account may be materially different from the performance shown herein because of differences in inception date, transaction and related costs, investment guideline restrictions, fees and other factors. All performance is based in U.S. dollars and reflect, on a percentage basis for each of the periods indicated: (a) the actual net increase (decrease) of all SSI Flexible Allocation Strategy - Moderately Aggressive portfolios, dollar-weighted, including adjustments for unrealized gains and losses, the reinvestment of dividends and other earnings, the deduction of some investment costs, the deduction of mutual fund costs, and are time-weighted to adjust for additions and withdrawals, and (b) the net increase (decrease) of the Balanced Index.

Net performance for fee paying portfolios is reduced by SSI's actual investment management fees and non-fee paying portfolios are reduced by a 1% annual model fee (2015-2020). Model fees are deducted on a monthly basis. Gross performance does not include deduction of SSI's investment management fees.

If performance is gross of management fees, client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment advisory account. See SSI's Form ADV, Part 2A for a complete description of the investment advisory fees customarily charged by SSI. As an example, an account with an initial \$1,000,000 investment on January 1, 2022, earning a recurring 5% semi-annual gross return (10.25% annualized), and paying a .5% semi-annual management fee (1% annual fee) would have grown to \$1,340,096 on a gross of fees basis and \$1,300,392 on a net of fees basis by December 31, 2024 (3 years).

#### List of Composites

A list of the Firm's composite descriptions, limited distribution pooled funds (LDPFs) and/or GIPS reports are available upon request. Please contact [helenm@ssi-invest.com](mailto:helenm@ssi-invest.com).

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