

# Flexible Allocation Strategy



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

SSI Investment Management  
*SSI Flexible Allocation Portfolio*

## Why Tactical?– 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

## Tactical Investment Process in Action

### 2022 Inflation Spikes

- Defensive steps taken early in year as inflation exceeded expectations and interest rates moved higher. Asset prices were not reflecting the full impact of rising rates.
- In the second half of the year, inflation peaked and markets stabilized. Began to redeploy capital. Portfolios were no longer defensively positioned heading into 2023.

### 2020 Coronavirus Pandemic

- Defensive steps taken in February and early March as the pandemic intensified and asset prices were not fully reflecting increased risk
- In late March the portfolio team identified unique and attractive investment opportunities created by the market dislocation and began deploying capital to exploit these opportunities

### 4Q 2018 Trade & Rate Concerns

- Defensive steps taken in Q4 as asset prices did not fully reflect slowing global growth, widening credit spreads and Fed rate hikes
- Began deploying capital in January to take advantage of attractive opportunities as Fed became more dovish and markets stabilized

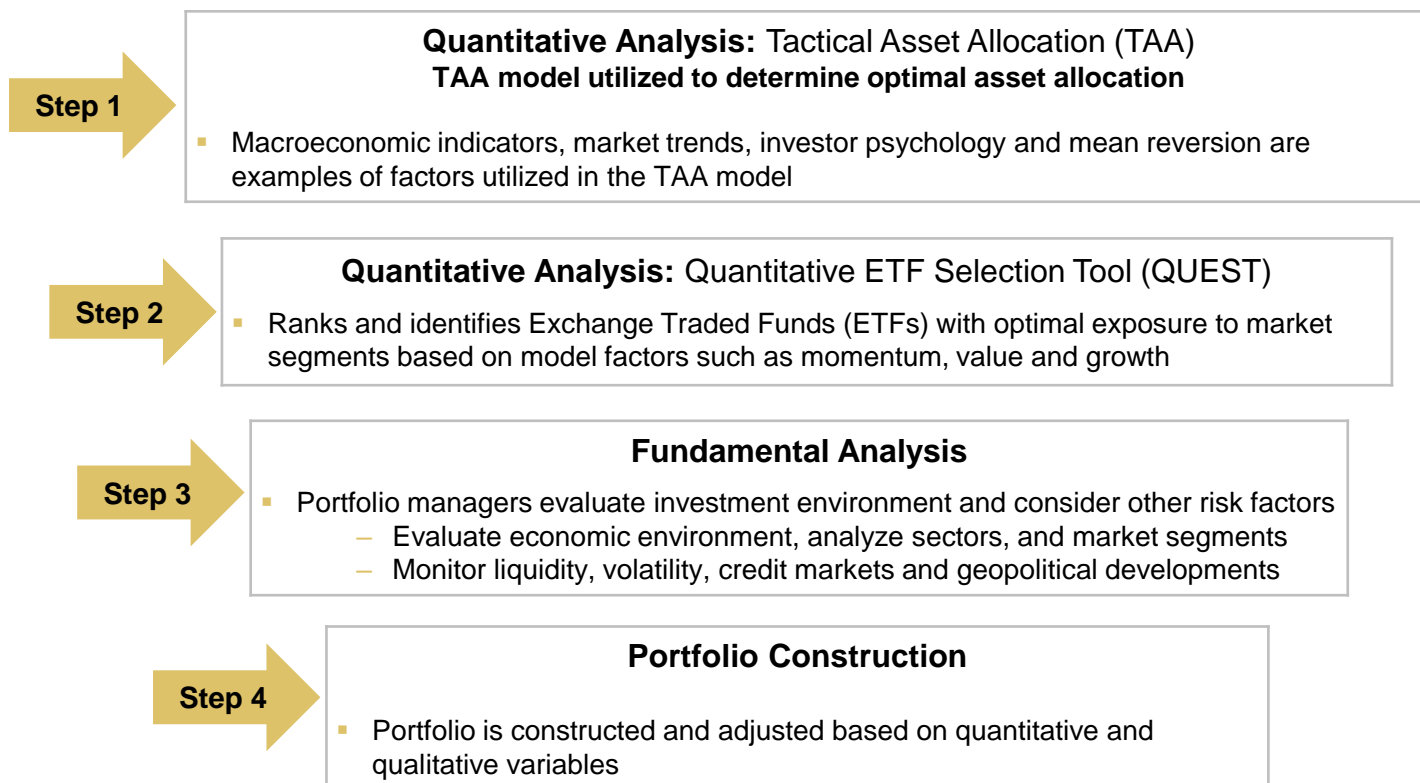
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## Three Distinct Portfolios to Meet Varying Investor Objectives

	Equity Allocation	
	Targeted	Range
Conservative	40%	10-55%
Moderate	60%	30-75%
Moderately Aggressive	80%	50-85%

## Investment Process: Disciplined and Consistent



**SSI Flexible Allocation Portfolio**  
Managed to maximize returns and control risk

**Portfolio of Exchange Traded Funds (ETFs)**

- Effective and efficient
- Best of Breed – not limited to one fund family
- No levered or inverse ETFs

## Quantitative & Fundamental Disciplines Combined

### Security Selection Process: Equities

#### Quantitative model is utilized to identify undervalued securities

- Analyzes ETFs to identify attractive market segments based on value, momentum and growth

#### Experienced invest team evaluates quantitative output and performs fundamental analysis

- Investment team performs Top-Down and Bottom-Up analysis

#### ETFs from a wide range of providers are assessed and evaluated

- Criteria considered include desired exposures, liquidity, expenses and assets

### Security Selection Process: Fixed Income

#### Flexible Allocation Fixed Income

- Identify attractive market segments
- Reasonable return expectations
- Limited interest rate risk

#### Traditional Fixed Income

- Historically low yields
- Nominal return expectations
- Risk of substantial losses

**SSI seeks to add significant value with a differentiated fixed income portfolio**

## 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.

## Support Team

### SSI Flexible Allocation Strategies



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<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.

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