

Flexible Allocation Strategy

Morningstar
Rating
5 Year



WINNER
Multi Asset Strategist¹

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

2023 Recession Avoided

- The year began with the Fed raising rates and most investors anticipating a recession.
- SSI's quantitative model was slightly positive for most of 2023 and became more positive as the year progressed and financial conditions improved.
- Equity levels were above the benchmarks through most of the year and were increased further during the fourth quarter.

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

For more information please contact:

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

Flexible Allocation Strategy

Three Distinct Portfolios to Meet Varying Investor Objectives

	Equity Allocation	
	Targeted	Range
Conservative	40%	10-55%
Moderate	60%	30-75%
Moderately Aggressive	80%	50-95%

Investment Process: Disciplined and Consistent

Step 1

Quantitative Analysis: Tactical Asset Allocation (TAA) TAA model utilized to determine optimal asset allocation

- Macroeconomic indicators, market trends, investor psychology and mean reversion are examples of factors utilized in the TAA model

Step 2

Quantitative Analysis: Quantitative ETF Selection Tool (QUEST)

- Ranks and identifies Exchange Traded Funds (ETFs) with optimal exposure to market segments based on model factors such as momentum, value and growth

Step 3

Fundamental Analysis

- Portfolio managers evaluate investment environment and consider other risk factors
 - Evaluate economic environment, analyze sectors, and market segments
 - Monitor liquidity, volatility, credit markets and geopolitical developments

Step 4

Portfolio Construction

- Portfolio is constructed and adjusted based on quantitative and qualitative variables

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

Flexible Allocation Strategy

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

- Considers wide range of securities (Corporate, Bank Loan, Mortgage, etc.)
- Opportunity for higher yields
- Controlled interest rate risk

Traditional Fixed Income

- Usually restricted to US Government and high-quality Corporate
- Limited ability to benefit from credit
- Substantial risk of losses when rates rise

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



Robert Peatman
Senior Vice President
Client Service & Marketing

robertp@ssi-invest.com
(617) 875-9316



Ken Raguse, CFA
Portfolio Manager

kenr@ssi-invest.com
(310) 595-2000

¹ Morningstar ratings: © 2023 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. Morningstar ranking through 12/31/23. 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.

² 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.

Past performance is not necessarily indicative of future results.

For more information please contact:

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