



# iSectors<sup>®</sup> Market Review 4Q 2023

Vern Sumnicht, CEO/CIO  
&  
John Koch, CFA, Senior Investment Analyst

# Post-MPT Current Outlook and Research

- Economic data has been stable, so the models have followed suit
- Tech, gold bullion, healthcare have held highest weightings since September

Post-MPT Growth Allocation History					
	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023
Materials	9.00	6.70	5.90	3.50	5.30
Bond	10.20	8.00	6.80	8.00	6.50
Energy	0.00	0.00	2.30	6.40	0.00
Financials	0.00	0.00	0.00	0.00	0.00
Gold Bullion	29.50	28.80	29.00	29.10	29.60
Healthcare	18.80	24.70	23.30	20.20	27.80
Real Estate	1.30	1.60	1.40	1.50	0.00
Technology	29.20	30.00	29.30	29.30	28.80
Utilities	0.00	0.00	0.00	0.00	0.00
Cash	2.00	2.00	2.00	2.00	2.00
Total	100.0	101.8	100.0	100.0	100.0

Post-MPT Moderate Allocation History					
	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023
Materials	1.00	1.00	0.00	0.00	0.00
Bond	1.30	0.00	0.00	0.00	11.70
Energy	0.00	1.10	2.50	7.80	0.00
Financials	1.00	0.00	0.00	0.00	0.00
Gold Bullion	29.20	28.70	29.10	29.30	29.00
Healthcare	25.10	26.30	26.70	28.00	28.20
Real Estate	0.00	0.00	0.00	0.00	0.00
Technology	29.30	29.40	29.50	29.50	25.70
Utilities	11.10	11.50	10.20	3.40	3.40
Cash	2.00	2.00	2.00	2.00	2.00
Total	100.0	100.0	100.0	100.0	100.0

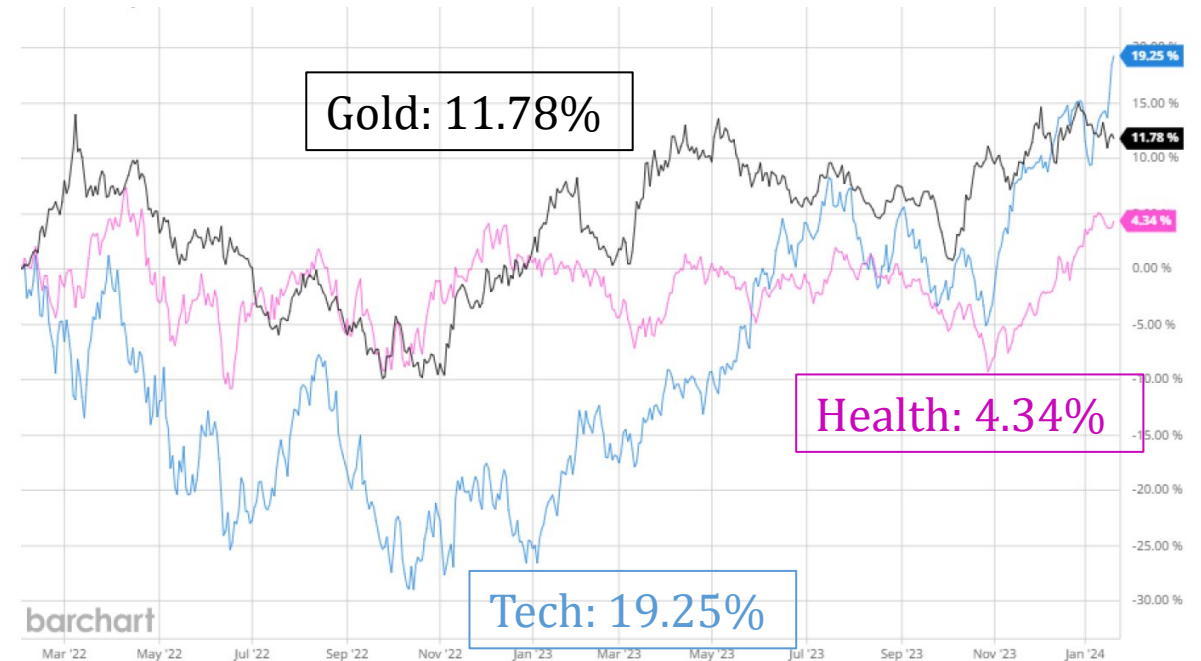
Not FDIC Insured • Not Bank Guaranteed • May Lose Value  
 Slide contents not complete without additional disclosure attached



# Gold Can Hedge Multiple Risks

- Inflation risk – liquidity needs could lead to higher-than-expected CPI this year
- Recession risk – the longer interest rates are high, recession odds increase
- Currency risk – if value of US dollar weakens, price of gold in USD terms will rise
- Tech/healthcare can help keep pace with broad equity indices

Gold/Technology/Healthcare 2-Year Return Chart



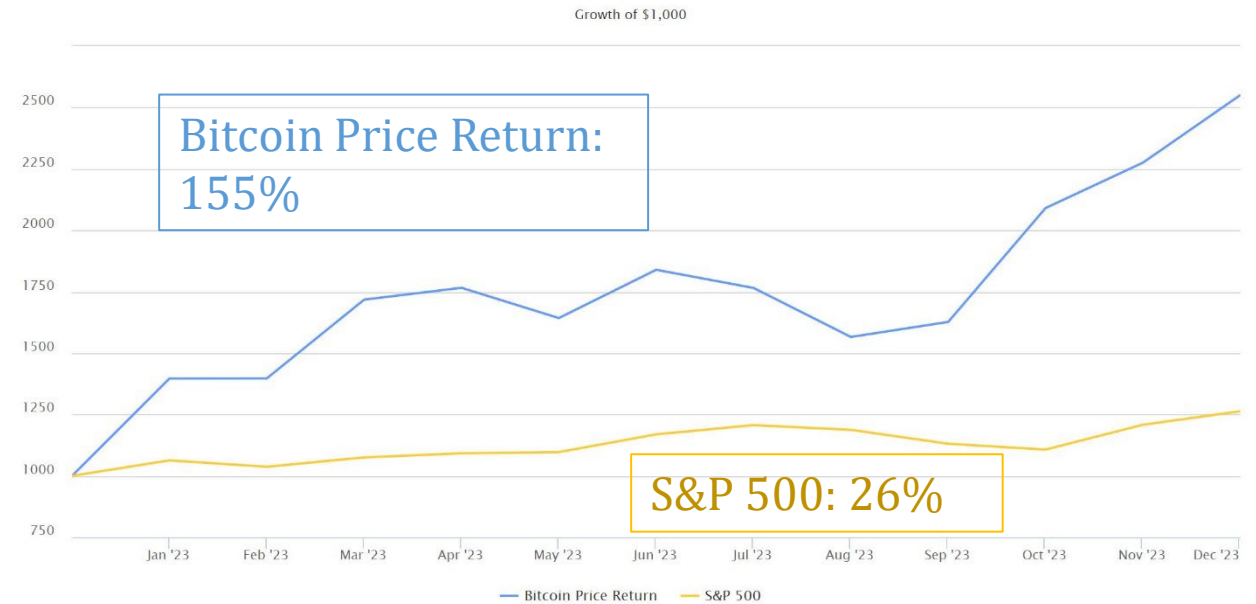
Not FDIC Insured • Not Bank Guaranteed • May Lose Value  
Slide contents not complete without additional disclosure attached



# Bitcoin and CryptoBlock®

- Spot Bitcoin ETFs have been approved by the SEC
- Bitcoin rose 155% in 2023
- CryptoBlock® will be replacing BITO with spot Bitcoin ETF(s) to track BTC better
- 3-year anniversary of CryptoBlock® on February 1, 2024

## 2023 Returns: Bitcoin vs. S&P 500



Not FDIC Insured • Not Bank Guaranteed • May Lose Value  
Slide contents not complete without additional disclosure attached



# 4Q 2023 Key Model Changes – Equity

- Domestic Equity and Global Equity Allocations both changed this quarter
- Slightly increased value exposure
- Growth stocks are potentially overvalued and more volatile

Investment	Price/Earnings	Price/Book	Price/Sales	Price/Cash Flow
Vanguard Growth ETF	29.12	8.07	5.25	20.23
SPDR S&P Dividend ETF	17.19	2.78	1.4	12.59
S&P 500 Growth Index	26.18	8.14	4.75	18.72
S&P 500 Value Index	15.53	2.4	1.58	10.43

Not FDIC Insured • Not Bank Guaranteed • May Lose Value  
Slide contents not complete without additional disclosure attached



# Model Performance

Broad Index Returns	4Q 2023	1-Year Return
S&P 500	11.69%	26.29%
MSCI All Country World Index	11.15%	22.81%
Bloomberg US Aggregate Bond Index	6.82%	5.53%
S&P GS Commodity Index	-10.73%	-4.27%

Model Name	4Q '23 Return	4Q '23 BM Return
Capital Preservation	2.45%	2.69%
CryptoBlock®	43.51%	11.50%
Future Growth	44.88%	11.15%
Domestic Equity	9.06%	11.69%
Domestic Fixed Income	2.82%	6.82%
Endowment	6.09%	9.74%
Enhanced Income	4.59%	7.45%
Enhanced Aggressive	9.63%	11.14%
Global Fixed Inc.	6.24%	8.08%
Global Equity	10.04%	11.15%
Inflation Protection	3.18%	0.24%
Liquid Alternatives	4.83%	1.69%
Post-MPT Growth	11.94%	11.69%
Post-MPT Moderate	10.65%	9.74%
Precious Metals	7.45%	0.24%
Tactical Global Balanced	3.07%	9.74%

Not FDIC Insured • Not Bank Guaranteed • May Lose Value  
Slide contents not complete without additional disclosure attached

\*Benchmark for Inflation Protection and Precious Metals is the CPI



## Important Disclosure Statement

### General Disclosure

iSectors® is a suite of proprietary asset allocation models and services. iSectors®, LLC is an affiliate of Sumnicht & Associates, LLC (Sumnicht) and, as such, iSectors® and Sumnicht share certain employee services. iSectors® became registered as an investment advisor in August 2008. iSectors® is a registered trademark of Sumnicht Holdings, LLC.

The contents of this presentation are for informational purposes only. Content should not be construed as financial or investment advice on any subject matter. This is neither an offer nor a solicitation to buy and/or sell securities. Information pertaining to iSectors® operations, services, and fees is set forth in its current disclosure statement (Form ADV, Part 2 Brochure), a copy of which is available upon request.

iSectors® asset allocation models are not guaranteed and involve risk of loss. At any given point in time, the value of iSectors® asset allocation model portfolios may be worth more or less than the amount invested. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments and/or investment strategies devised or undertaken by iSectors®) will be either suitable or profitable. Financial professionals are responsible for evaluating investments risks independently and for exercising independent judgement in determining whether investments are appropriate for their clients.

Past performance may not be indicative of future results. Therefore, no current or prospective investor should assume that future performance will be profitable, or equal either the performance results reflected or any corresponding historical index. Asset allocation and diversification concepts do not ensure a profit nor protect against loss in a declining market.

The historical benchmark index performance results are provided exclusively for comparison purposes to assist an advisor in determining whether the performance of a specific investment meets their respective client's investment objective(s). It should not be assumed that any account holdings will correspond directly to any comparative index. Index performance results do not reflect the impact of taxes. Indexes are not available for direct investment. Index performance results are compiled directly by each respective index and obtained by iSectors® from reliable sources. Index performance has not been independently verified by iSectors®. iSectors® models are based on index ETFs that can neither outperform nor underperform their benchmark index. We provide benchmark indexes that are well known for comparison purposes only.

### Fee Information

Composite performance results reflect the reinvestment of dividends and other account earnings and do not reflect the impact of taxes. Composite performance results provided are net of iSectors® standard management fee with the assumption that the fee will remain constant for all accounts. Additional fees that could be charged such as platform and custodial fees are not included. iSectors® asset allocation models are available through registered investment advisors who will charge an additional fee for their advisory services. For reasons including size of account, platform provider and custodian utilized, as well as variances in portfolio account holdings, market fluctuation, the date on which an investor engaged iSectors® services, regular model rebalancing and/or updates, and timing of account contributions and withdrawals, the underlying fees and performance of a specific account may vary from other accounts. ERISA (group retirement) accounts may be subject to additional recordkeeping and/or administrative fees.

### GIPS® Information

This information is marketed to investment professionals. iSectors®, LLC has managed the asset allocation models since the Firm's inception in 2008. Previously, Sumnicht & Associates, LLC (Sumnicht), an affiliated company, managed the allocations. Sumnicht is a provider of investment management services for institutional, family office and individual clients. Sumnicht claims compliance with the Global Investment Performance Standards (GIPS®). Sumnicht claims that the allocations are GIPS® compliant since each allocation's respective inception dates and have been GIPS® verified from 1/1/2008 to 12/31/2022, as of the verification date of 7/18/2023. The allocation composites include both institutional and individual client accounts whereby iSectors® has sole portfolio discretion with investment objectives matching that of each specific allocation. Performance in this publication is shown in US dollars, net of iSectors® management fee, including the reinvestment of dividends and does not reflect the impact of taxes. Returns will be reduced by platform, custodial, trading, and advisory fees, if applicable. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant accuracy or quality of the content contained herein. Past performance is not indicative of future results. To obtain a compliant presentation and a list and description of the Firm's composite performances, please contact John Koch, Senior Investment Analyst, at (920) 257-5170.

You should not assume that any discussion or information contained in this presentation serves as the receipt of, or as a substitute for, personalized investment advice from an investment professional.

This presentation has not been reviewed, submitted for review before, or otherwise approved by FINRA, the SEC or any state or provincial securities regulators.

© 2024 iSectors, LLC. All Rights Reserved.





# Contact Information

**John T. Koch, CFA**

*Senior Investment Analyst*

John.koch@isectors.com  
(920) 257-5170  
@john\_isectors

**Scott R. Jones**

*Director of Business Development*

Scott.jones@isectors.com  
(800) 869-5184  
@scott\_isectors