



# iSectors® Market Review

## 3Q 2022

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

# Agenda

- 1. Briefly review quarterly performance and model updates**
- 2. Vern to discuss example of blended portfolio for current economic environment**
- 3. Questions and answers**

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# Performance Overview

Model Name	3Q 2022	3Q BM Return	Year-to-Date	YTD BM Return
Capital Preservation	-1.01%	-1.48%	-3.90%	-4.54%
CryptoBlock™	-4.51%	-9.93%	-55.49%	-28.12%
CryptoBlock™ II	-2.32%	-9.93%	-59.01%	-28.12%
Domestic Equity	-5.61%	-4.88%	-19.33%	-23.87%
Domestic Fixed Income	-0.52%	-4.75%	-6.22%	-14.61%
Endowment	-5.69%	-4.76%	-14.48%	-20.10%
Enhanced Income	-1.92%	-5.32%	-9.18%	-16.70%
Enhanced Aggressive	-5.87%	-6.33%	-19.36%	-24.15%
Global Fixed Inc.	-3.60%	-7.61%	-13.07%	-21.27%
Global Equity	-8.23%	-6.71%	-23.84%	-25.34%
Inflation Protection*	-4.86%	0.1%*	-6.92%	5.51%*
Liquid Alternatives	-2.68%	0.58%	-12.42%	-4.50%
Post-MPT Growth	-7.33%	-4.88%	-21.01%	-23.87%
Post-MPT Moderate	-8.39%	-4.76%	-16.47%	-20.10%
Precious Metals*	-5.46%	0.1%*	-10.69%	5.51%*
Tactical Global Balanced	-1.00%	-4.76%	-4.25%	-20.10%

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

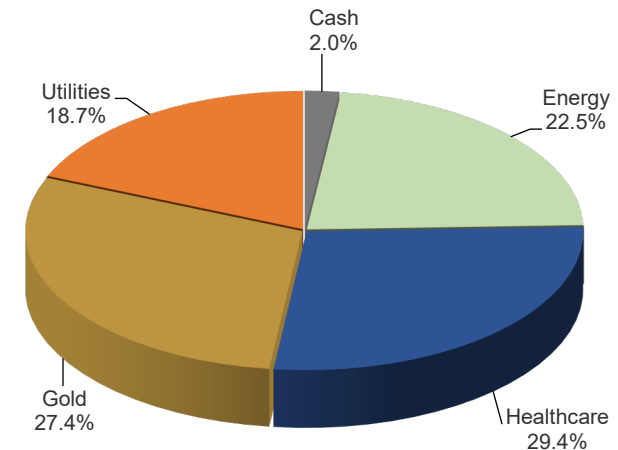
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# iSectors® Post-MPT Growth Update

- A stagflationary investment allocation
- Exposure to gold miners and energy as inflation hedges
- Defensive equity sectors in healthcare and utilities

October 2022 Target Allocations (%)\*



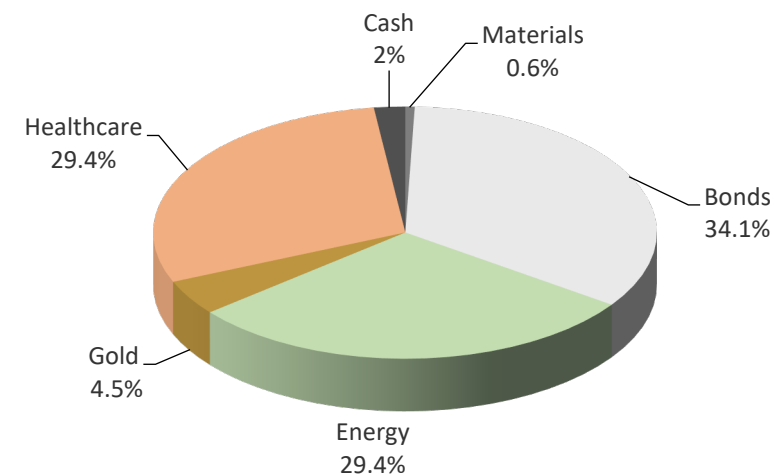
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# iSectors® Post-MPT Moderate Update

- Lower risk stagflation allocation
- Energy and gold as inflation hedges
- Healthcare as defensive equity
- Bonds as recession hedge

October 2022 Target Allocations (%)



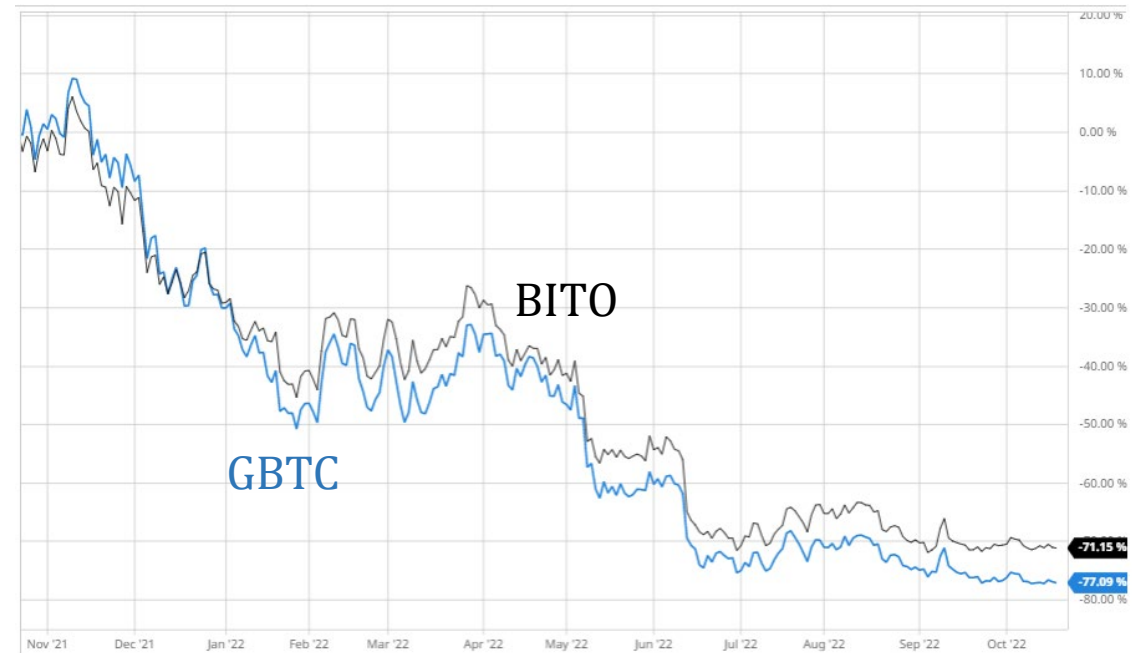
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# iSectors<sup>®</sup> CryptoBlock<sup>®</sup>

- Sold Grayscale Bitcoin Trust (GBTC)
- Bought Proshares Bitcoin Strategy ETF (BITO)
- BITO has lower fees and has tracked the price return of Bitcoin almost perfectly
- Available on Orion, FolioFN, and AdhesionWealth

GBTC vs. BITO



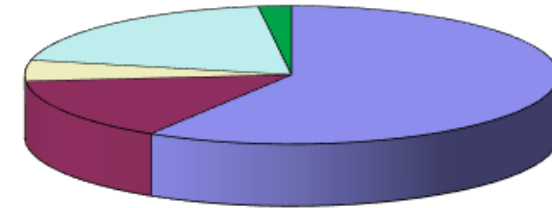
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# iSectors® Domestic Equity Allocation Update

- This quarter, increased tilt to 80/20 in favor of quality dividend/value ETFs
- Increased our allocation to quality dividends by adding a 5% position in the Pacer US Cash Cows 100 ETF (COWZ)

Target Allocation as of 9/30/2022



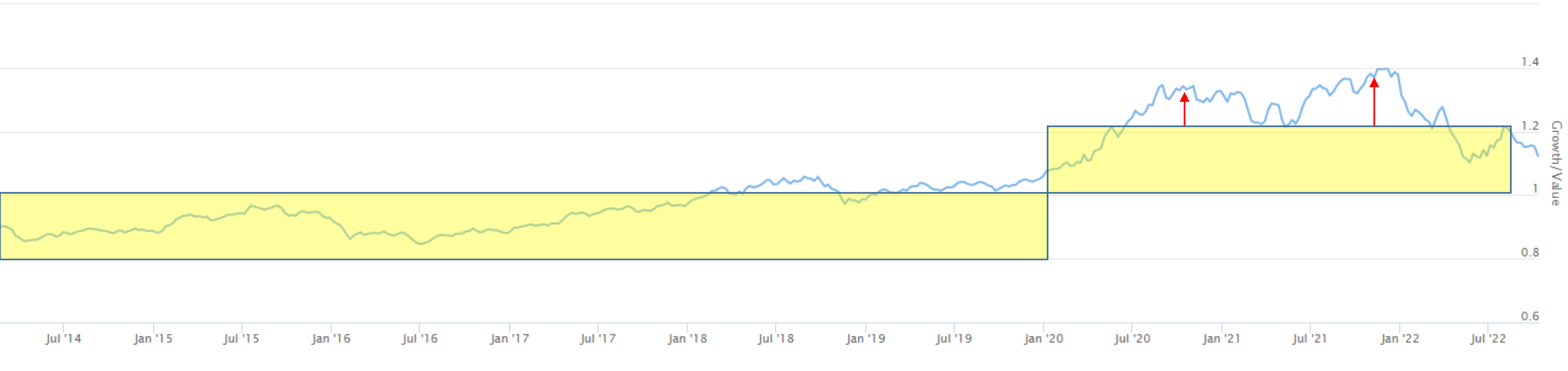
■ 58.8%	Large Cap Value/Dividend
■ 14.7%	Large Cap Growth
■ 4.9%	Sm-Mid Cap Growth
■ 19.6%	Sm-Mid Cap Value/Dividend
■ 2.0 %	Cash

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# Growth vs. Value 2014 to 2022

Growth to Value Ratio: Wilshire Large Cap Growth Index/Wilshire Large Cap Value Index



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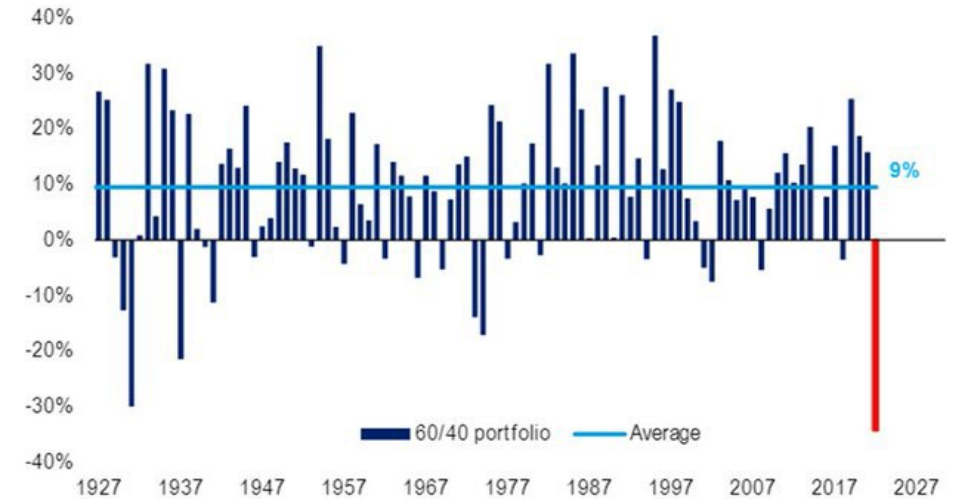


# 2022 in a Nutshell



**Chart 3: "60/40" portfolio ann. worst YTD return in past 100 years**

Annual 60/40 portfolio performance



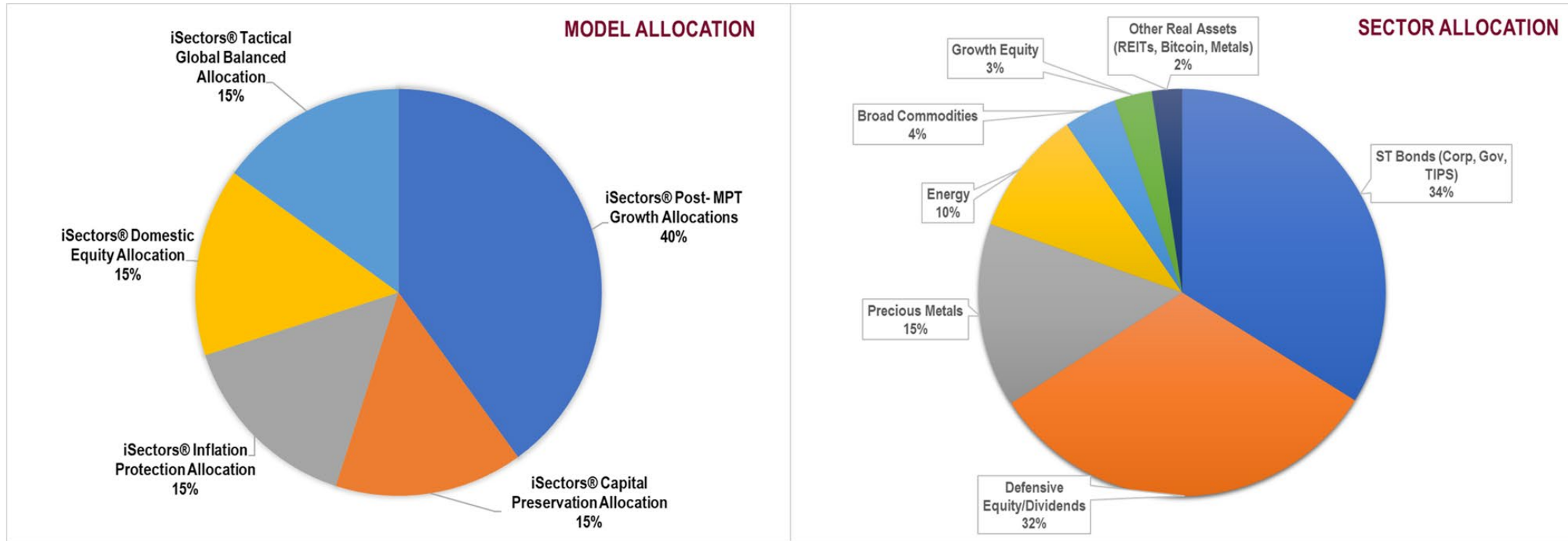
Source: BofA Global Investment Strategy, Global Financial Data, 2022 is YTD annualized

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# Blended Portfolio Example



Model Allocation	Equity	Fixed	Alternative \ Other
<b>Weighted Average</b>	<b>35%</b>	<b>33.75%</b>	<b>31.25%</b>

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