iSectors® Post-MPT Growth Allocation

Portfolio Description

The objective of the iSectors® Post-MPT Growth Allocation is to achieve market returns with lower downside risk over a complete market cycle. The portfolio manager re-optimizes the portfolio's risk adjusted returns monthly. This is done by reallocating the portfolio among 9 low-correlated market sectors, using a quantitative process, guided by monthly changes in two dozen economic and capital market factors. Portfolios may be invested up to 30% at any one time into any single sector, except for government bonds, to which the model may allocate up to 50%. iSectors® Post-MPT Growth Allocation is available for all types of accounts including high net worth individuals, trusts, foundations, endowments, retirement plans, and IRAs. An allocation to Bitcoin is included to improve risk-adjusted returns.

Diversification & Correlation : iSectors vs. Traditional Method

iSectors Post-MPT Market Sector Correlation Matrix (Last 5 Years)

	Gold	Finance	Health	Tech	Bonds	Energy	Basic Mat.	Real Estate	Utilities	Bitcoin
Gold	1									
Finance	0.01	1								
Health	0.22	0.57	1							
Tech	0.01	0.58	0.43	1						
Bonds	0.32	0.40	0.53	0.53	1					
Energy	-0.06	0.45	0.25	0.08	0.00	1				
Basic Mat.	0.34	0.76	0.68	0.50	0.50	0.47	1			
Real Estate	0.22	0.71	0.72	0.66	0.70	0.25	0.84	1		
Utilities	0.34	0.47	0.58	0.42	0.48	0.31	0.69	0.70	1	
Bitcoin	0.06	0.41	0.14	0.51	0.20	0.06	0.32	0.33	0.26	1

Traditional Market Sector Correlation (Last 5 Years)

	Small Growth Stocks	Small Value Stocks	Mid Growth Stocks	Mid Value Stocks	Large Growth Stocks	Large Value Stocks
Small Growth Stocks	1					
Small Value Stocks	0.62	1				
Mid Growth Stocks	0.80	0.76	1			
Mid Value Stocks	0.63	0.86	0.91	1		
Large Growth Stocks	0.87	0.73	0.90	0.77	1	
Large Value Stocks	0.70	0.95	0.86	0.93	0.83	1

- High Correlation; ≥ .80
- Modest Correlation; *between .50 - .79*
- Low Correlation; *between 1 and .49*
- Negative Correlation; *≤0*

Market Sector Selection	
Basic Materials	up to 30%
Bonds	up to 50%
Energy	up to 30%
Financials	up to 30%
Gold	up to 30%
Healthcare	up to 30%
Real Estate	up to 30%
Technology	up to 30%
Utilities	up to 30%
Bitcoin	up to 5%

iSectors re-optimizes and reallocates the portfolio among up to 9 different sectors (as listed above) on a monthly basis, according to our proprietary algorithm, which uses updated capital market and economic data in the calculations. An allocation to Bitcoin is included to improve risk-adjusted returns.

iSectors® Post-MPT Growth allocates among market sectors that are less correlated to each other (see table, upper left) when compared to the traditional Morningstar Capitalization-Style box asset classes, which have become very closely correlated (see table, lower left).
Correlation data obtained from third party sources believed to be reliable but cannot be guaranteed.

For more detailed fee/performance/holdings information, please visit the iSectors website for the most recent fact sheet.

[1]The sample target allocation/holdings information should not be considered a recommendation to buy or sell a particular security. There is no assurance that any specific securities listed will remain a part of the model. An investment in any iSectors® allocation model is not guaranteed and, at any given time, may be worth more or less than the amount invested.

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