

# Core Balanced Portfolio—Tax-Advantaged

## Fact Sheet

As of 3/31/2024



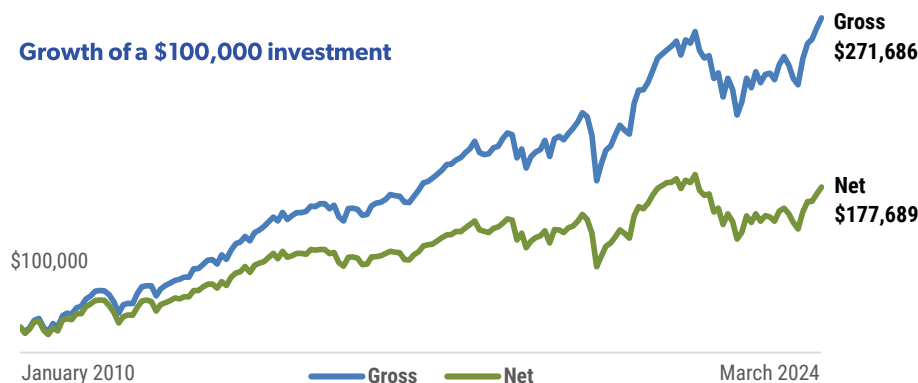
### Highlights

- ▶ A moderately-aggressive balanced asset allocation portfolio having exposure to both stocks and bonds with modest flexibility to alter target allocation weightings
- ▶ Target stock/bond allocations can vary from 60%/40% to 42%/58%
- ▶ Equity exposure includes common stocks of both U.S. and international companies as well as the use of exchange-traded funds (ETFs) and closed-end funds (CEFs)
- ▶ U.S. equity allocations tend to favor quality companies with a focus on growth and income
- ▶ International equity allocations tend to focus on global consumer growth in fast growing industries
- ▶ Fixed income is managed predominately with the use of ETFs and CEFs to actively manage exposure to credit, duration, and sectors.

### Performance Overview

December 31, 2009–March 31, 2024 | Past performance is no guarantee of future results.

#### Growth of a \$100,000 investment



The growth of \$100,000 chart presented herein is for illustrative purposes only. The chart illustrates the growth of \$100,000 had it been invested at the time of inception and includes reinvestment of dividends. It does not assume withdrawals or contributions. Any results shown above may not represent the actual experience of individual investors. Individual account performance may differ due to, e.g., account size, cash flows, investment restrictions, economic factors, and fees.

### Objective

Seeks to effectively capture market returns while minimizing exposure to volatility; allocates the fixed income component to municipal bonds appropriate for tax-sensitive investors

### Portfolio Characteristics

Inception	January 1, 2010
Number of Holdings	62
Benchmark	32% S&P Composite 1500 Index 8% MSCI World ex USA Index 20% HFRI Equity Hedge Index 40% Bloomberg U.S. Municipal Bond Index
Total Portfolio Yield (%)†	2.5
Annual Turnover - 2023 (%)	19.1

† Excluding closed-end funds

### Risk Statistics

	Portfolio	Benchmark
Standard Deviation (%)	9.69	8.57
Sharpe Ratio	0.46	0.63
Beta	1.10	1.00
R-Squared	0.95	1.00
Alpha (%)	-1.48	0.00
Batting Average (%)	47.50	100.00
Up-Market Capture (%)	104.86	100.00
Down-Market Capture (%)	116.06	100.00

All risk measures are based on a 10-year time period using monthly returns.

Total Returns				Annualized Returns					Calendar-Year Returns									
	3-Mos	6-Mos	YTD	1-yr	3-yr	5-yr	10-yr	Incp.	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross %	5.50	14.13	5.50	13.06	3.85	6.48	5.85	7.27	8.70	1.12	4.36	15.40	-5.40	16.28	5.71	14.02	-11.77	10.56
Benchmark %	4.63	14.11	4.63	14.35	4.53	7.71	6.80	7.41	7.79	1.40	5.64	13.35	-3.50	17.27	12.51	12.70	-12.04	14.25
Net %	4.72	12.42	4.72	9.72	0.79	3.35	2.74	4.12	5.47	-1.83	1.26	12.02	-8.22	12.90	2.62	10.70	-14.40	7.32

As of 3/31/2024; Inception — January 1, 2010; Benchmark = 32% S&P Composite 1500 Index / 8% MSCI World ex USA Index / 20% HFRI Equity Hedge Index, / 40% Bloomberg Municipal Bond Index, rebalanced monthly. Please note the above returns reflect representative portfolio performance. See important disclosures at the end of this presentation.

Net returns reflect the deduction of the maximum managed account fee of 3.00% which includes the wrap sponsor fee and EquityCompass investment management fees. Actual fees may vary.

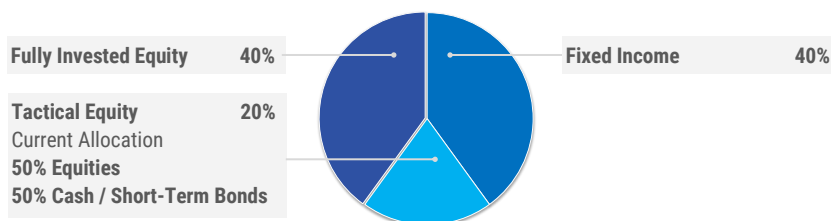
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### Portfolio Allocation as of 3/31/2024



### Equity Allocation

Emphasizes Diversification, Volatility Control, and Excess Return Potential

- Target portfolio allocation is 60% Equity/40% Bonds when our risk-reward outlook for equities is most favorable.
- Equity exposure is tactically managed based on current fundamental, technical, and economic conditions while also incorporating proprietary quantitative modeling
- 40% of the portfolio is fully invested in approximately 40–50 stocks among U.S. and international companies.
- 20% of the portfolio is tactical and has flexibility to be invested fully in equities, fully in fixed income, or a mix of both

### Holdings By Market Cap—Equity

	%
Large Cap - > \$10 bn (%)	90.54
Mid Cap - \$3.5 - \$10 bn (%)	7.32
Small Cap - < \$3.5 bn (%)	2.15

### Top Portfolio Holdings By Weight—Equity

	%
SPDR S&P 500 ETF Trust	7.17
Invesco Russell 1000 Equal Weight ETF	4.54
NVIDIA Corp.	1.25
Caterpillar Inc.	1.20
ASML Holding NV	1.16
Exxon Mobil Corp.	1.15
Elevance Health, Inc.	1.13
AbbVie, Inc.	1.11
LyondellBasell Industries NV	1.11
Chubb Limited	1.09

For illustrative purposes only and not intended as personalized recommendations. The specific securities identified and described herein do not represent all of the securities purchased, sold, or recommended to advisory clients, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. A complete list of all recommendations made by the firm is available upon request.

### Municipal Bond Allocation

Uses ETFs and closed-end funds that invest in municipal bonds, thus providing liquidity, cost efficiency, and diversification across securities and maturities

- The income produced by muni bonds is exempt from federal taxes and, in some cases, state and local taxes†
- Historically, quality municipal bonds have been used in the portfolio, with a low default rate and low volatility compared to other bonds
- Municipal bonds may help diversify a portfolio because they have a low or negative correlation to other asset classes

### Fixed Income Stats

	Portfolio	Benchmark
Effective Duration	5.16	5.74
Weighted Average Life	8.46	9.45
Invest. Grade or Above (%)	96.06	97.93

### Portfolio Management Team



**Timothy M. McCann**  
Senior Portfolio Manager



**Michael S. Scherer**  
Senior Portfolio Manager



**James J. DeMasi, CFA**  
Senior Portfolio Manager

### About EquityCompass

EquityCompass is a Baltimore-based SEC registered investment adviser offering a broad range of portfolio strategies and custom plans for individuals, financial intermediaries, and institutional clients in the U.S. Formally organized in 2008, EquityCompass provides portfolio strategies with respect to total assets of approximately \$5.0 billion as of March 31, 2024.\*

The EquityCompass team of professionals represents deep industry experience in security analysis, capital markets, and portfolio management. We are committed to a consistent investment process that relies on enduring principles, sound empirical reasoning, and the recognition of a dynamic investment environment with a global reach.

† Certain issues may be subject to the alternative minimum tax, and capital gains tax may apply upon sale.

## GENERAL DISCLOSURES

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed and is not a complete summary or statement of all available data nor is it considered an offer to buy or sell any securities referred to herein. Affiliates of EquityCompass may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors.

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**Exchange Traded Funds (ETFs)** represent a share of all stocks in a respective index. ETFs trade like stocks and are subject to market risk, including the potential for loss of principal. The value of ETFs will fluctuate with the value of the underlying securities. Investors should review the prospectus and consider the ETF's investment objectives, risks, charges, and expenses carefully before investing. Prospectuses are available through your Financial Advisor and include this and other important information.

**Representative Portfolio Performance:** Returns reflect the performance of two representative portfolios that have been strung together for the life of the strategy. One portfolio was selected because it is the oldest existing account in the strategy with a continuous track record that also did not have large cash flows or mandate changes. The other portfolio was selected to capture returns from the strategy's inception up to the open date of the oldest existing account referenced above. EquityCompass believes the representative performance is useful in terms of presenting the objectives and character of the strategy, however, returns are calculated separately for each portfolio, and therefore, performance may differ from one portfolio to another. There is no assurance that EquityCompass will make any investments with the same characteristics as the representative account presented. Portfolio 1 reflects returns from 1/1/10 – 8/31/19 and Portfolio 2 reflects returns starting 9/1/19. Gross-of-fees returns are not reduced by any fees, expenses, or transaction costs. Net-of-fees returns are presented after the deduction of the manager fee of 0.40% until 6/30/18 and 0.30% starting 7/1/18. There will be additional wrap sponsor fees, including trading expenses and management fees. The wrap-fee schedule vary by wrap sponsor and are available upon request from the respective wrap sponsor. On September 21, 2018, the name of the Tactical Total Core—Municipal Portfolio was changed to Core Balanced Portfolio—Tax Advantaged.

The composite uses a custom benchmark comprising 32% S&P Composite 1500 Index / 8% MSCI World ex USA Index / 20% HFRI Equity Hedge Index / 40% Bloomberg U.S. Municipal Bond Index, rebalanced monthly. The S&P 1500 combines the S&P 500, S&P MidCap 400, and S&P SmallCap 600 to cover approximately 90% of U.S. market cap. The index is designed for investors seeking to replicate the performance of the U.S. equity market as a whole or benchmark against a representative universe of tradable stocks. The MSCI World ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries—excluding the United States. With 934 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The HFRI Equity Hedge Index is a fund-weighted index of strategies that maintain positions both long and short in primarily equity and equity derivative securities. The Bloomberg U.S. Municipal Bond Index is an unmanaged index that is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year. All benchmark returns are shown on a total return basis and assume that all cash distributions, such as dividends, are reinvested. The volatility of the indices identified in this report may be materially different from the volatility of the model portfolios presented by EquityCompass. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

\*Total assets combines both Assets Under Management and Assets Under Advisement as of March 31, 2024. Assets Under Management represents the aggregate fair value of all discretionary and non-discretionary assets, including fee paying and non-fee paying portfolios. Assets Under Advisement represent advisory-only assets where the firm provides a model portfolio and does not have trading authority over the assets. SEC registration does not imply a certain level of skill or training.

## DESCRIPTION OF TERMS

### Alpha

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

### Batting Average

A measure of a manager's ability to beat the market consistently, the Batting Average is calculated by dividing the number of quarters in which the manager beat or matched an index by the total number of quarters in the period. For example, a manager who meets or outperforms the market every quarter in a given period would have a batting average of 100. A manager who beats the market half of the time would have a batting average of 50.

**Beta**

Measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

**Down-Market Capture Ratio**

Measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-market capture ratio of less than 1.0 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

**R-Squared**

Measures the strength of the linear relationship between a fund and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

**Sharpe Ratio**

Sharpe Ratio is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk-adjusted performance.

**Standard Deviation**

Measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

**Up-Market Capture Ratio**

Measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-market capture ratio of more than 1.0 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

**Past performance does not guarantee future performance or investment results.**

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