

Strategy Description

Strategic Allocation Sector (SA Sector) is a systematic sector rotation model with the ability to adapt to changing market conditions. Drawing from years of academic and market research, the methodology embraces the concept of momentum investing which analyzes and ranks available mutual funds based on recent performance. The strategy invests in the highest ranked funds under the premise that they will continue to be strong performers for the next period.

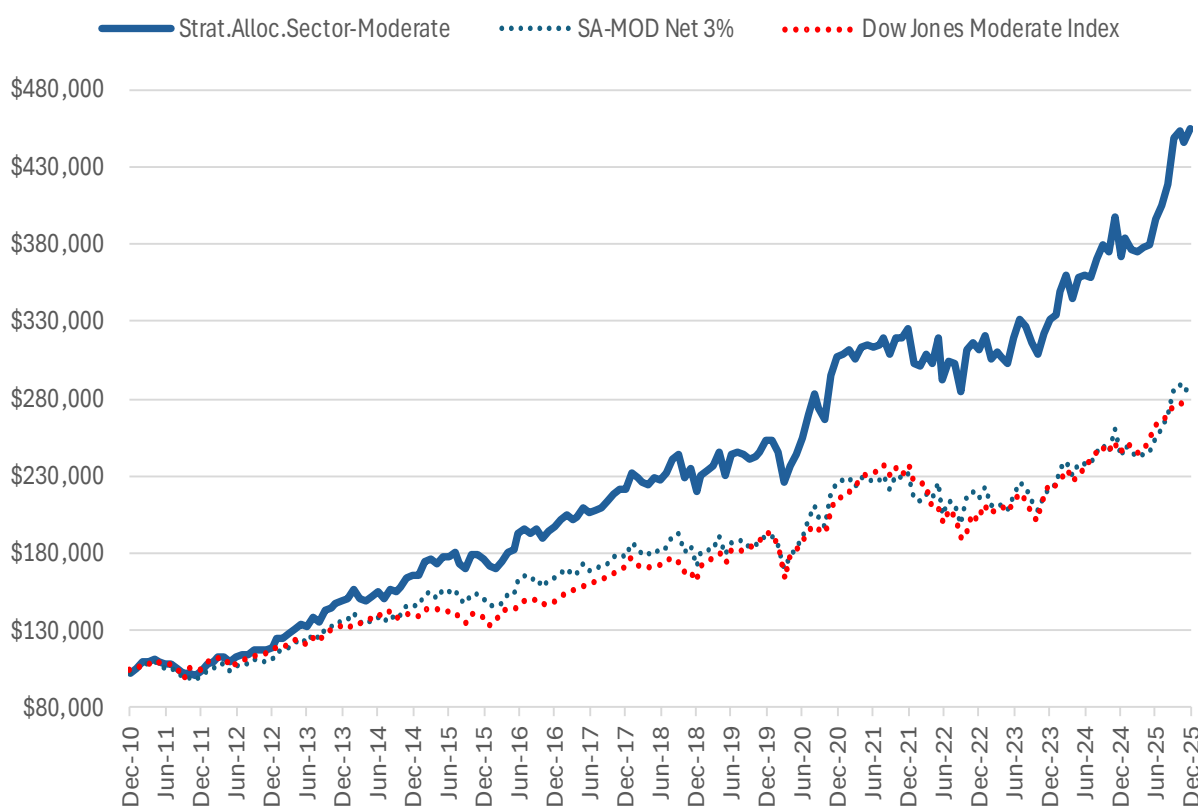
Each month SA Sector reallocates accounts into the six top-ranked funds in accordance with the investor's risk tolerance. During adverse market conditions, income-oriented investments may become a larger portion of the portfolio. The strategy attempts to provide the investor with superior returns and reduced volatility relative to a passively managed benchmark.

Strategy Highlights

- Investment universe consists of nearly 50 bond and sector-based equity funds
- Momentum-based, quantitative trend following system
- Diversified strategy, holding up to six equally weighted positions, including at least two bond funds
- Strategy ranks entire fund universe every 30 days

Hypothetical Growth of \$100,000

Inception Date: December 2010



Performance

	YTD	1-Yr	3-Yr	5-Yr	Since Inception	Since Inception*
Strategic Allocation Sector-Mod	22.2%	22.2%	13.4%	8.2%	10.6%	355.1%
SA-Mod (Net 3%)	18.7%	18.7%	10.1%	5.0%	7.3%	187.9%
Dow Jones Moderate Index	13.8%	13.8%	11.4%	5.2%	7.0%	178.6%

Performance through December 31, 2025. *Total returns, otherwise returns are annualized.

Reward Statistics

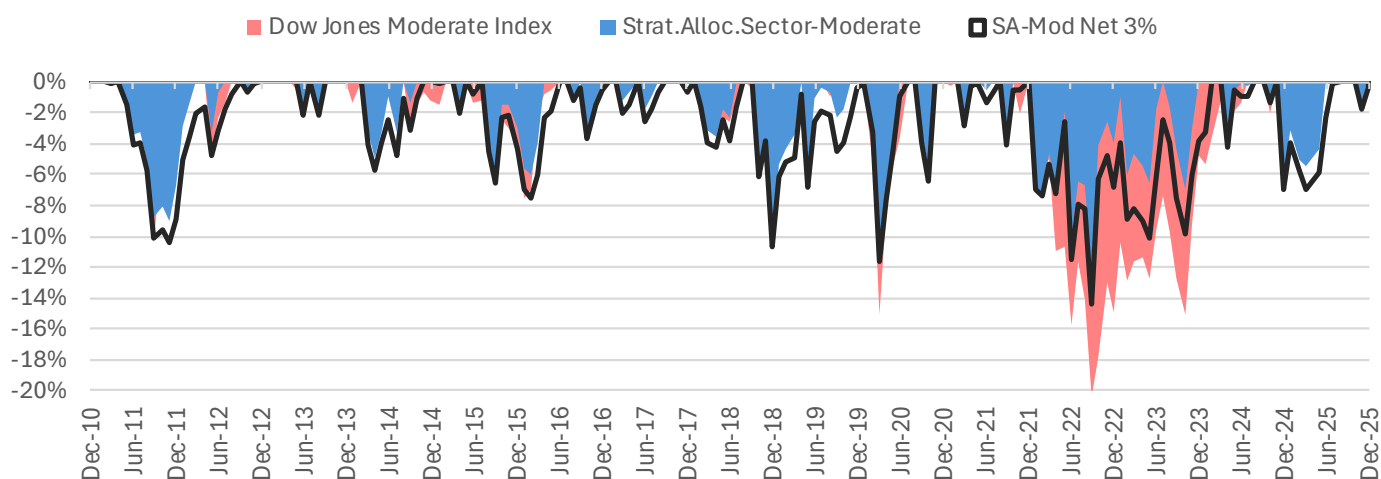
	Strategic Alloc. Sector Moderate	SA-Mod (Net 3%)	Dow Jones Moderate Index
Return	10.6%	7.3%	7.0%
Average Gain	2.6%	2.5%	2.0%
Up Deviation	6.5%	6.5%	5.7%
Alpha	4.1%	0.7%	-
Up Capture	114%	102%	-
Down Capture	87%	100%	-

Risk Statistics

	Strategic Alloc. Sector Moderate	SA-Mod (Net 3%)	Dow Jones Moderate Index
Std Deviation	10.6%	10.9%	9.3%
Down Deviation	7.0%	7.4%	6.9%
Max Drawdown	-12.3%	-14.3%	-20.4%
Average Loss	-2.4%	-2.6%	-2.2%
Sharpe Ratio	0.80	0.50	0.50
Beta	0.93	0.95	-

Since Inception, calculations based on monthly data. Sharpe Ratio and Alpha assume 2% as a risk-free rate.

Historical Drawdowns



Underlying Positioning

October 31, 2025	November 30, 2025	December 31, 2025
Gold Miners	Technology	Gold Miners
Environ. & Alt Enrgy	Environ. & Alt Enrgy	Pharmaceuticals
Semiconductors	Semiconductors	Semiconductors
Communications	Communications	Biotech
Limited Term Bd	Limited Term Bond	Total Bond
Strategic Income	Strategic Income	Strategic Income

Calendar Year Performance

	Strategic Alloc. Sector-Moderate	SA-MOD (Net 3%)	Dow Jones Moderate Index		Strategic Alloc. Sector-Moderate	SA-MOD (Net 3%)	Dow Jones Moderate Index
YTD '25	22.2%	18.7%	13.8%	2020	21.6%	18.0%	12.2%
2024	12.2%	8.9%	8.5%	2019	14.9%	11.5%	18.6%
2023	6.4%	3.3%	12.1%	2018	-0.6%	-3.6%	-5.2%
2022	-3.9%	-6.8%	-15.0%	2017	11.8%	8.5%	15.1%
2021	5.7%	2.5%	9.4%	2016	12.4%	9.1%	7.7%

Performance through December 31, 2025.

Disclosures

Performance results shown are both gross of fees and net of a 3% fee. Actual deducted fees will vary by platform. Fees of anything less than Q3's maximum rate may not reflect the impact that fees have on the compounding effect of returns. Performance between selected dates may be misleading and may not be able to be achieved in the future.

All calculations are based on time-weighted geometrically linked returns. Data for strategies is derived from "model account performance." The selection of "model accounts" is based on the longevity of the account along with identifying those accounts with minimal additions and withdrawals. It is possible that a model account will change based on a number of factors including the termination of the original model account, withdrawals, or a strategy change. For most strategies, model accounts are representative of an account held by a principal of Q3 and custodied at Axos Advisor Services. To the extent that a model account holds any of Q3's proprietary funds, the full management fee of the fund(s) is credited back to the account. On any platform for which fee credits do not occur, actual performance results may be slightly lower than what's illustrated in this report. Q3 may have had a minimal portion of total assets in a particular strategy over certain time periods. Factors that may negatively impact performance expectations include the size of the account, commissions charged and where the account is held. Performance for taxable accounts would be negatively affected had taxes been deducted. As individual account types and tax rates vary, taxes are not considered in the results shown. For illustration purposes, fees are deducted from each quarter end month, while actual advisory fees are deducted approximately two weeks after each quarter end month. Depending on the performance of the model between these two dates, it's possible that the model account achieves a slightly better or worse rate of return, however, such differences are expected to be negligible.

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Definitions

Alpha: Measures the difference between the investment's returns and expected performance given its level of risk (as measured by beta). A positive alpha indicates the investment has performed better than its beta would predict. A negative alpha indicates the investment has underperformed.

Standard Deviation: Measures the volatility associated with an investment. The higher the figure, the more volatility. If an investment has an annual return of 10% and a standard deviation of 15%, one might conclude the "average range" of the return would be -5% to 25% (10% +/- 15%).

Upside/Downside Deviation: Measures the Standard Deviation of only the up/down periods.

Max Drawdown: Measures the largest negative change in value of an investment, from its highest peak to its lowest valley.

Sharpe Ratio: Also referred to as "risk-adjusted return." It is calculated by subtracting a "risk-free" rate (2%) from the annualized rate of return (of the investment) and then dividing this figure by the standard deviation. The higher the number, the better.

Beta: Measures volatility of an investment in comparison to a benchmark. It can be thought of as the tendency of the investment's returns to respond to swings in the benchmark. A beta of 1 indicates that it should move similar to the benchmark. A positive number less than 1 means it should be less volatile than the benchmark. Greater than 1 means it should be more volatile than the benchmark. A negative beta means that there could be inverse correlation between the investment and the benchmark.

Up/Down Capture Ratio: Measures the relative performance of an investment in up/down periods. For example, an upside ratio of 120% means that the investment returned 120% of the benchmark's return during up periods. Up Ratios of over 100% are desirable, and Down Ratios under 100% are desirable.

Model Account Inception: The date that a model account was first used to generate performance data. In all cases, model account data is reflective of an account held at Axos Advisor Services.