

# S&P 500 Sector Selection Strategy



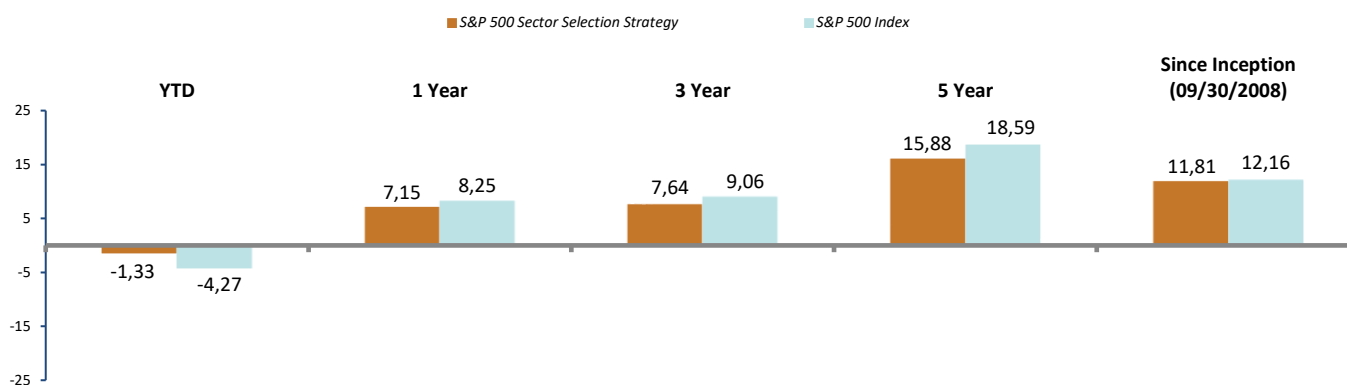
## STRATEGY OVERVIEW

Since 2008, this strategy has utilized a combination of factor tilts to Value and Low Volatility with a top-down macro framework to structure a portfolio intending to outperform the S&P 500 Index on a risk-adjusted basis over time (the strategy has historically produced a **lower volatility** than that of the index). Sectors are over and underweighted based on relative exposure to our targeted factors as well as how they fit with our perception of macroeconomic risks. By using this process, we seek to express our macro view while also gaining exposure to longer-term positive return factors such as Value and Low Volatility.

The starting point in our investment process is to determine the sector weightings, which we accomplish by ranking the GICS sectors of the S&P 500 Index according to their scoring on the factor exposures we desire. Generally, we strive for Value and Low Volatility/Beta factor overweight. The second step is to look at how the factor-driven portfolio fits in with our macroeconomic outlook and adjust as necessary. The goal for the outcome is a portfolio that seeks to enjoy the tailwind of favorable factor exposures while avoiding forecast macroeconomic risks.

## STRATEGY PERFORMANCE (%)

Gross of Fees as of 03/31/2025



Performance is presented gross of fees. Past performance is not indicative of future results. Please see last page for full performance disclosures. Returns for periods longer than 12 months are annualized.

## STRATEGY CHARACTERISTICS

Securities or ETF Held	13
Price/Earnings Ratio	23
Price/Book Ratio	4.05
Dividend Yield	1.90
Beta (Since Inception)	0.92
Alpha (Since Inception)	0.48
Standard Deviation (Since Inception)	14.70
Tracking Error (Since Inception)	2.20
Sortino Ratio (Since Inception)	1.09

Unless indicated *Since Inception*, data in the table above is as of 03/31/2025

## STRATEGY HIGHLIGHTS

**Factor-Driven**  
Seeks tailwind of favorable factor exposures (Value and Low Volatility)

**Risk Management**  
Discretionary macro overlay intended to protect portfolio from identified macro risks

**Historically Tax-Efficient**  
Long-term ETF-centric approach with a history of low turnover

**Downside Protection**  
This strategy may act as a diversifying allocation during negative markets

## S&P 500 Sector Selection Strategy



Total Firm Assets		Strategy Assets		Annual Performance Results		3-yr Annualized Standard Deviation	
Year End	Total Assets (Millions)	USD (Millions)	Number of Accounts	Sector Selection Gross	S&P 500 Index	Sector Selection	S&P 500 Index
2024	591	45	Five or fewer	17.79%	25.02%	15.62%	17.40%
2023	575	39	Five or fewer	19.95%	26.29%	15.67%	17.54%
2022	528	23	Five or fewer	-13.77%	-18.11%	18.83%	21.16%
2021	617	27	Five or fewer	24.55%	28.71%	15.65%	17.41%
2020	741	24	Five or fewer	14.19%	18.40%	17.04%	18.75%
2019	808	30	Five or fewer	30.83%	31.49%	11.18%	11.93%
2018	988	136	Five or fewer	-3.14%	-4.38%	10.38%	10.80%
2017	1,059	141	Five or fewer	21.93%	21.83%	9.52%	9.92%
2016	1,073	116	Five or fewer	10.94%	11.96%	10.09%	10.59%
2015	1,222	105	Five or fewer	2.86%	1.38%	10.04%	10.47%
2014	1,372	102	Five or fewer	16.20%	13.69%	8.51%	8.98%
2013	1,223	88	Five or fewer	31.55%	32.39%	10.87%	11.94%
2012	1,395	67	Five or fewer	16.37%	16.00%	14.09%	15.09%
2011	1,340	61	Five or fewer	2.45%	2.11%	18.23%	18.70%
2010	1,211	96	Five or fewer	13.92%	15.06%	N.A.**	N.A.**
2009	1,299	84	Five or fewer	26.62%	26.46%	N.A.**	N.A.**
2008*	1,000	0.79	Five or fewer	-20.43%	-21.94%	N.A.**	N.A.**

\* Results shown for the year 2008 represent partial period performance from September 30, 2008, through December 31, 2008.

\*\* N.A. - The 3-year annualized standard deviation is not presented as 36 monthly returns are not available.

The S&P 500 Sector Selection Strategy ("Strategy") consists of fully discretionary accounts. The Strategy will invest in Exchange Traded Funds (ETFs) which are publicly traded securities that hold passively managed portfolios of stocks, typically emulating indices. The investment objective of the Strategy is to outperform the Standard & Poor's 500 Equity Index, over any business cycle, by over and underweighting the broad sectors of the U.S. equity market. The Strategy will not adopt a posture in which its exposure to any one sector exceeds three times its weight in the S&P 500 Index. The Strategy may invest in ETFs representing pools of publicly traded U.S. equities, not all of which are members of the Standard and Poor's 500 Index. The base currency of the Strategy is U.S. Dollar.

For comparison purposes the Strategy is measured against the S&P 500 Index. The Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks representing all major industries of the broad domestic economy. Effective 01/13/2016 the firm policies require that the number of accounts statistics: 1) exclude participants in pooled vehicle accounts and 2) state "five or fewer" whenever the Strategy account membership includes less than six accounts.

Optimum Quantvest Corporation claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Optimum Quantvest Corporation has been independently verified for the periods from September 15, 2004, through December 31, 2023 (2024 verification in progress). The verification reports are available upon request. Verification assesses whether (1) the firm has complied with GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific Strategy presentation. A third-party verification as set forth by the GIPS standards has been conducted by ACA Performance Services from January 1, 2017, and by Ashland Partners & Company LLP until December 31, 2016.

For the purpose of claiming compliance with the GIPS standards, the firm is defined as Optimum Quantvest Corporation (OQC), an SEC registered investment adviser. Prior to May 15, 2019, the firm was defined and held out to the public as Hillswick Asset Management, LLC (HAM), an SEC registered investment adviser. The re-definition was the result of the corresponding acquisition of HAM by OQC, a subsidiary of Optimum Group Inc. The firm maintains a complete list and description of its composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross of management fees and include the reinvestment of all income. Returns will be reduced by management fee to calculate net return. Returns do not reflect deduction of investment advisory fees. Investment advisory fees are described in part 2 of the firm's Form ADV. The annual Strategy dispersion presented is an asset-weighted standard deviation calculated for the accounts in the Strategy the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Beginning July 1, 2009, GIPS composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 50% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs, and the account re-enters the composite the month after the cash flow. Additional information regarding the treatment of significant cash flows is available on request. Firm's records, including third party records, since inception to 2002 were destroyed by the records storage provider in error without authorization from the firm. The firm maintains certain records for this period but was not able to rebuild records from inception to 2002 in full.

The management fee schedule is 50 BP per annum on all amounts. Actual investment advisory fees incurred by clients may vary. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years.

The S&P 500 Sector Selection Strategy was created on September 30, 2008. From 9/30/08 to 8/31/10 the Strategy's name was The Hillswick Macro Strategy Fund. The performance presented prior to May 15, 2019, occurred while the Portfolio Management Team was affiliated Hillswick Asset Management, LLC. The investment decision makers and the support staff are now part of Optimum Quantvest Corporation, the firm established because of assets acquisition from Hillswick Asset Management, LLC. All requirements of portability were met and were documented internally.