

## SECTOR ALLOCATION STRATEGY OVERVIEW

Astor Sector Allocation is a core equity solution that analyzes economic fundamentals at the sector level. It utilizes multiple signals to rotate into and out of sectors depending upon our expectations for growth within specific sectors compared to the overall growth of the economy.

- Pursues long-term capital appreciation through sector equity allocations.
- Seeks to generate excess return by investing in U.S. sectors that exhibit the strongest economic health based on Astor's proprietary sector economic models. Typically, the strategy will invest in up to 5 sectors at any given time.
- Aims to mitigate risk by reducing overall equity exposure to as little as 15% (equity exposure upper range is 100%, lower range is 15%). When economic health is deteriorating across many sectors, the strategy will begin to methodically and strategically sell out of the sector equity and invest in cash and/or a range of fixed income categories.
- The strategy seeks to capture positive returns during economic expansions and reduce losses during economic contractions/recessions.

## PORTFOLIO CONSTRAINTS

AS OF 9/30/2020

U.S. Sector Equity 15 - 100%

Cash and Fixed Income 0 - 85%

## TARGET HOLDINGS

| CATEGORY      | SEPTEMBER 2020 | AUGUST 2020 |
|---------------|----------------|-------------|
| Sector Equity | 99.0%          | 45.0%       |
| Cash          | 1.0%           | 5.1%        |
| Fixed Income  | 0.0%           | 49.9%       |

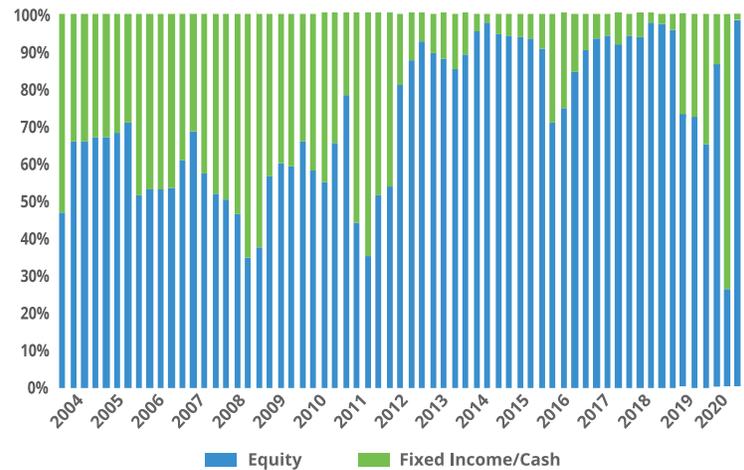


The allocations presented are target allocations for the period indicated as determined by Astor's Investment Committee. Any individual investor's portfolio may be allocated differently than presented here due to many factors, including but not limited to, timing of entry into the investment program, discretionary decisions by the clients and referring advisors, and custodial limitations or the manner in which trades are executed. Allocations do not include cash or cash equivalents. Allocations are subject to change without notice.

\*All information presented is calculated based on the asset allocations of each calendar quarter ending date only and do not account for the asset allocations during the quarter. Asset allocations are no indication of portfolio performance. For the historical allocation presented, from the third quarter 2010 going forward, the composite allocation is shown. Prior to this period, holdings from representative accounts that were invested in the model were used to calculate the allocations shown.

## HISTORICAL ALLOCATION\*

AS OF 9/30/2020



## PERFORMANCE

AS OF 9/30/2020

| ANNUALIZED                     | Q3 2020 | YTD    | 1-YR   | 3-YR   | 5-YR   | 10-YR  | Since Inception 1/1/2005 | Standard Deviation | Sharpe Ratio | Max Drawdown |
|--------------------------------|---------|--------|--------|--------|--------|--------|--------------------------|--------------------|--------------|--------------|
| Sector Allocation (pure gross) | 1.55%   | -3.90% | 1.76%  | 4.31%  | 6.96%  | 7.78%  | 6.67%                    | 11.87              | 0.56         | -30.37%      |
| Sector Allocation (net)        | 1.05%   | -5.34% | -0.25% | 2.24%  | 4.84%  | 5.65%  | 4.73%                    | 11.89              | 0.40         | -31.71%      |
| S&P 500 Index                  | 8.93%   | 5.57%  | 15.15% | 12.28% | 14.15% | 13.74% | 8.93%                    | 14.61              | 0.61         | -50.95%      |

| ANNUAL                         | 2007  | 2008    | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018    | 2019   |
|--------------------------------|-------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|
| Sector Allocation (pure gross) | 8.24% | -22.34% | 25.20% | 15.73% | -4.32% | 9.24%  | 31.16% | 9.68%  | -4.20% | 7.97%  | 17.53% | -9.54%  | 23.19% |
| Sector Allocation (net)        | 6.74% | -23.50% | 22.89% | 13.72% | -6.25% | 7.12%  | 28.61% | 7.51%  | -6.14% | 5.86%  | 15.22% | -11.36% | 20.79% |
| S&P 500 Index                  | 5.49% | -37.00% | 26.46% | 15.06% | 2.11%  | 16.00% | 32.39% | 13.69% | 1.38%  | 11.96% | 21.83% | -4.38%  | 31.49% |

Source: Bloomberg, Astor. The performance data shown is through 9/30/2020 and represents past performance for the composites(s) defined on the following page. Current performance may be lower or higher than the performance data quoted above. Past Performance is no guarantee of future results. Net of fee performance assumes the reinvestment of dividends. Gross of fee returns are shown as supplemental information only and represent "pure gross" returns. Pure gross returns are calculated before the deduction of all fees. Please refer to the accompanying disclosures for additional information concerning these results.

## GLOSSARY OF TERMS:

**Cash:** An allocation of uninvested U.S. dollars or an investment in an exchange-traded fund that invests primarily in short-term debt instruments.

**Equity:** An investment in an exchange-traded fund that invests primarily in the shares of publicly-traded companies.

**Fixed Income:** An investment in an exchange-traded fund that invests primarily in debt instruments of a corporation or government entity where funds are borrowed from investors for a defined period of time at a fixed interest rate.

**Maximum Drawdown:** The largest percentage retracement within an investment record calculated from a portfolio value high to a subsequent portfolio value low.

**Sortino Ratio:** the statistical tool that measures the performance of the investment relative to the downward deviation. Unlike Sharpe, it doesn't take into account the total volatility in the investment.

**Standard Deviation:** A statistical measure of the historical volatility of a security or portfolio, computed using monthly returns since inception and presented as an annualized figure.

## DISCLOSURES:

Astor Investment Management, LLC ("Astor") is defined for GIPS purposes as a registered investment adviser with the U.S. Securities and Exchange Commission.

Valuations are computed and performance is reported in U.S. dollars. Performance results assume the reinvestment of dividends. Certain client accounts may take dividends as distributions. Gross-of-fee returns are shown as supplemental information only and represent "pure gross" returns. "Pure gross" returns are calculated before the deduction of all fees, including trading, advisory, and administrative fees. A small number of client accounts may pay for trading costs as individual expenses and the gross-of-fees returns for these accounts would be net of trading expenses. Net-of-fee returns for the period January 1, 2005 to June 30, 2010 are calculated by deducting all actual fees paid, or the period July 1, 2010 to June 30, 2018 net-of-fees returns are calculated by reducing quarterly gross-of-fees returns by a 2% annual model fee. For the period July 1, 2018 to June 30, 2020 net-of-fees returns are calculated by reducing monthly gross-of-fees returns by a 2% annual model fee. The model fee is representative of the actual fees charged to client accounts which cover trading, advisory, and other costs. The model fee produces a more conservative estimate of performance than previously reported. Generally, accounts will pay for transaction costs within a bundled fee which may also include items such as advisory, administrative, and custodial fees. In addition to these expenses, Astor primarily purchases securities which contain embedded expenses. These costs result in a layering of fees. Please note performance results include accounts which pay trading costs separately and accounts which pay a bundled fee inclusive of advisory and trading costs. No performance-based fees are assessed. The annual fee paid by clients will typically range from 1.00%-3.00% of the clients' assets under management. Astor receives a portion of this total fee as compensation for provided advisory services. Astor's annual management fee varies based upon custodial arrangements, account size, and other factors. The composite includes accounts which were direct advisory clients of Astor and accounts which receive Astor's services as part of a wrap fee or sub-advisory program.

The Sector Allocation Composite is a tactical strategy focused on the generation of returns through shifts in domestic equity sector allocations. The Composite exclusively uses exchange-traded funds (ETFs) and focuses on investing in domestic equities during economic expansions while reducing equity exposure for fixed income and cash in weak economic periods. The portfolio manager may, at their discretion, depart from the targeted allocation range when they feel that certain sections of the financial markets are over or under valued. Prior to May 2014, the Composite previously invested in various other asset classes, including commodities, international equity, and currencies. The Composite includes a minimum 15% domestic equity allocation and does not invest in inverse funds. For purposes of defining the composite of accounts, a minimum account size of \$25,000 is imposed monthly. The benchmark is the S&P 500 Index. Presented returns assume the reinvestment of dividends. The S&P 500 Index is an unmanaged composite of 500 large capitalization companies. S&P 500 is a registered trademark of McGraw-Hill, Inc.

From December 31, 2004 to September 30, 2010, the Portfolio Managers were affiliated with a prior firm. During this time the Portfolio Managers were the only individuals responsible for selecting the securities to buy and sell. Such performance should not be interpreted as the actual historical performance of Astor Investment Management. From October 1, 2010 to July 31, 2013, the firm was a wholly-owned, indirect subsidiary of Knight Capital Group, Inc. For the period from December 31, 2004 to September 30, 2010, the presented performance is based upon a composite of accounts under management, which was defined to include all accounts in which the model allocations could be fully implemented, and excludes any accounts in which clients have chosen to implement reasonable restrictions or those accounts that could not receive timely and accurate electronic data from the account custodian.

The Sector Allocation Strategy seeks to achieve its objectives by investing in Exchange-Traded Funds ("ETFs"). An ETF is a type of Investment Company which attempts to achieve a return similar to a set benchmark or index. The value of an ETF is dependent on the value of the underlying assets held. ETFs are subject to investment advisory and

other expenses which results in a layering of fees for clients. As a result, your cost of investing in the Strategy will be higher than the cost of investing directly in ETFs and may be higher than securities with similar investment objectives. ETFs may trade for less than their net asset value. Although ETFs are exchanged traded, a lack of demand can prevent daily pricing and liquidity from being available.

The Strategy can purchase ETFs with exposure to equities, fixed income, and specific sectors. The underlying investments of these ETFs have different risks. Equity prices can fluctuate for a variety of reasons including market sentiment and economic conditions. The prices of small and mid-cap companies tend to be more volatile than those of larger, more established companies. It is important to note that bond prices move inversely with interest rates and fixed income. Fixed Income ETFs can experience negative performance in a period of rising interest rates. Debt issuers may not make interest or principal payments, resulting in losses to the funds. In addition, the credit quality of securities held by an ETF or underlying fund may be lowered if an issuer's financial condition changes. High yield bonds are subject to higher risk of principal loss due to an increased chance of default. Investments in specific sectors can experience greater levels of volatility than broad-based investments due to their more narrow focus.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the ETFs held within Astor's strategies before investing. This information can be found in each fund's prospectus.

Astor Investment Management LLC is registered with the Securities and Exchange Commission as an investment adviser. All information contained herein is for informational purposes only. This is not a solicitation to offer investment advice or services in any state where to do so would be unlawful. Analysis and research are provided for informational purposes only, not for trading or investing purposes. Astor and its affiliates are not liable for the accuracy, usefulness or availability of any such information or liable for any trading or investing based on such information. Opinions expressed are not intended as investment recommendations. These materials contain general information and have not been tailored for any specific recipient. These materials are not intended to cause Astor to become a fiduciary within the definition of Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended or Section 4975(e)(3)(B) of the Internal Revenue Code of 1986, as amended. There is no assurance that Astor's investment programs will produce profitable returns or that any account with have similar results. You may lose money. Past results are no guarantee of future results and no representation is made that a client will or is likely to achieve results that are similar to those shown. Factors impacting client returns include, but are not limited to, choice of custodian, individual investment objectives and risk tolerance, choice of investment program, account structure, timing of account inception, client imposed restrictions, and fees. Astor's strategies are available in several investment formats and the aforementioned factors as well as Astor's level of management and discretion will vary across the formats. Any particular client's account performance may differ from the program results due to, among other things, commission, timing of order entry, or the manner in which the trades are executed. The investment return and principal value of an investment will fluctuate and an investor's equity, when liquidated, may be worth more or less than the original cost. An investment cannot be made directly into an index. Please refer to Astor's Form ADV Part 2A Brochure for additional information regarding fees, risks, and services.

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