# SEM Dynamic Asset Allocator

## Drawdown - SEM (shaded) vs. Benchmark & S&P

Time Period: 5/1/2016 to 3/31/2024

■SEM Dynamic Asset Allocator   ■MS Preservation Alloc   ■'S&P 500 TR USD
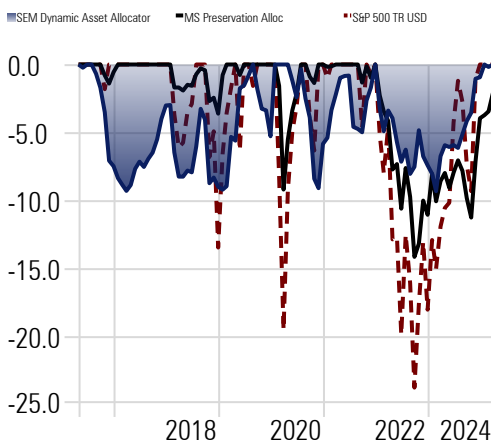


|  | SEM Dynamic Asset Allocator | MS Long-Short Equity |
|---|---|---|
| Max Drawdown | -9.36 | -12.76 |
| Max Drawdown # of Periods | 14 | 9 |
| Max Drawdown Peak Date | 1/1/2022 | 1/1/2022 |
| Max Drawdown Valley Date | 2/28/2023 | 9/30/2022 |

## Risk/Return Statistics

Time Period: 5/1/2016 to 3/31/2024

Calculation Benchmark: S&P 500 TR USD

|  | SEM | Benchmark | S&P 500 |
|---|---|---|---|
| Annualized Return | 3.25 | 7.28 | 14.58 |
| Sharpe Ratio | 0.18 | 0.52 | 0.80 |
| Alpha | 1.58 | -2.62 | 0.00 |
| Beta | 0.01 | 0.64 | 1.00 |
| Std Dev | 7.78 | 10.42 | 15.96 |
| Gain/Loss Ratio | 1.46 | 1.73 | 1.98 |
| Up Capture Ratio | 9.66 | 59.27 | 100.00 |
| Down Capture Ratio | -2.07 | 67.13 | 100.00 |

## Program Information

Inception Date:              5/1/2016
Category:                    Alternative
Maximum SEM Fee:             0.75%
Max. Financial Advisor Fee:  1.00%

### Manager(s) (start date):
Jeffrey Hybiak , CFA (1998)

## Investment Goal

SEM's Dynamic Asset Allocation (DAA) program seeks to actively manage exposure to the stock and bond market . The DAA program deploys dynamic portfolio management which increases or decreases allocations to specific asset classes based on the economic cycle.

## Investment Strategy

DAA utilizes a blend of SEM's Dynamic Aggressive Growth (DAG) and Dynamic Income Allocation (DIA) asset allocation signals. Both sets of signals are based on an econometric model that adjust asset allocations based on fundamental economic data. The goal is to increase allocations to growth assets when the economy is likely to expand, and limit their exposure when the economy is likely to shrink.

DAA utilizes leveraged index funds to increase and decrease exposure. During bullish signals, leverage is designed to increase overall returns. During bearish signals, the leverage is deployed in "inverse" funds, which profit from falling prices. DAA capitalizes on the use of leverage by investing the proceeds in the Dynamic Income Allocation model.

## What to Expect

Over the long-term DAA is expected to provide returns similar to a "moderate" stock/bond portfolio. Given the use of positive & negative leveraged funds, returns may be more volatile than other SEM programs. Additionally, the program is not designed to track the overall stock market, so it may underperform a passive stock investment during prolonged periods of rising prices. Investors in DAA should have an intermediate to long-term time horizon (7-15+ years) and be comfortable with volatility of returns.

Unlike the other Dynamic programs, DAA may not be suitable for tax sensitive clients. Signals are generated monthly and new allocations have averaged 6-9 times per year.

For additional information, go to SEMWealth.com/Models

## Investment Growth

Time Period: 4/30/2016 to 3/31/2024

■SEM Dynamic Asset Allocator    ─MS Long-Short Equity
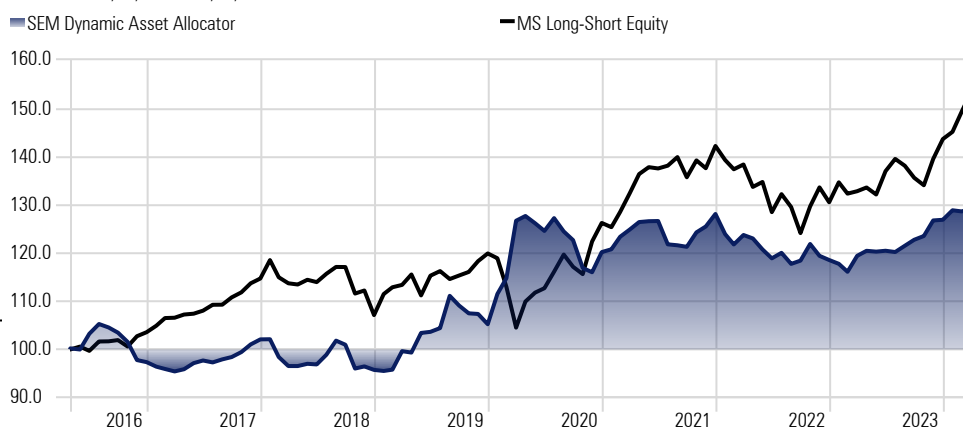


### Trailing Returns

|  | YTD | 1 Year | 3 Years | 5 Years | Incep. |
|---|---|---|---|---|---|
| SEM Dynamic Asset Allocator | 1.75 | 8.12 | 1.12 | 5.32 | 3.25 |
| MS Long-Short Equity | 6.94 | 15.58 | 4.92 | 6.24 | 5.54 |

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## Calendar Year Returns - SEM (Blue) vs. Benchmark (Grey)

Calculation Benchmark: US Fund Long-Short Equity

■ SEM Dynamic Asset Allocator      ■ US Fund Long-Short Equity
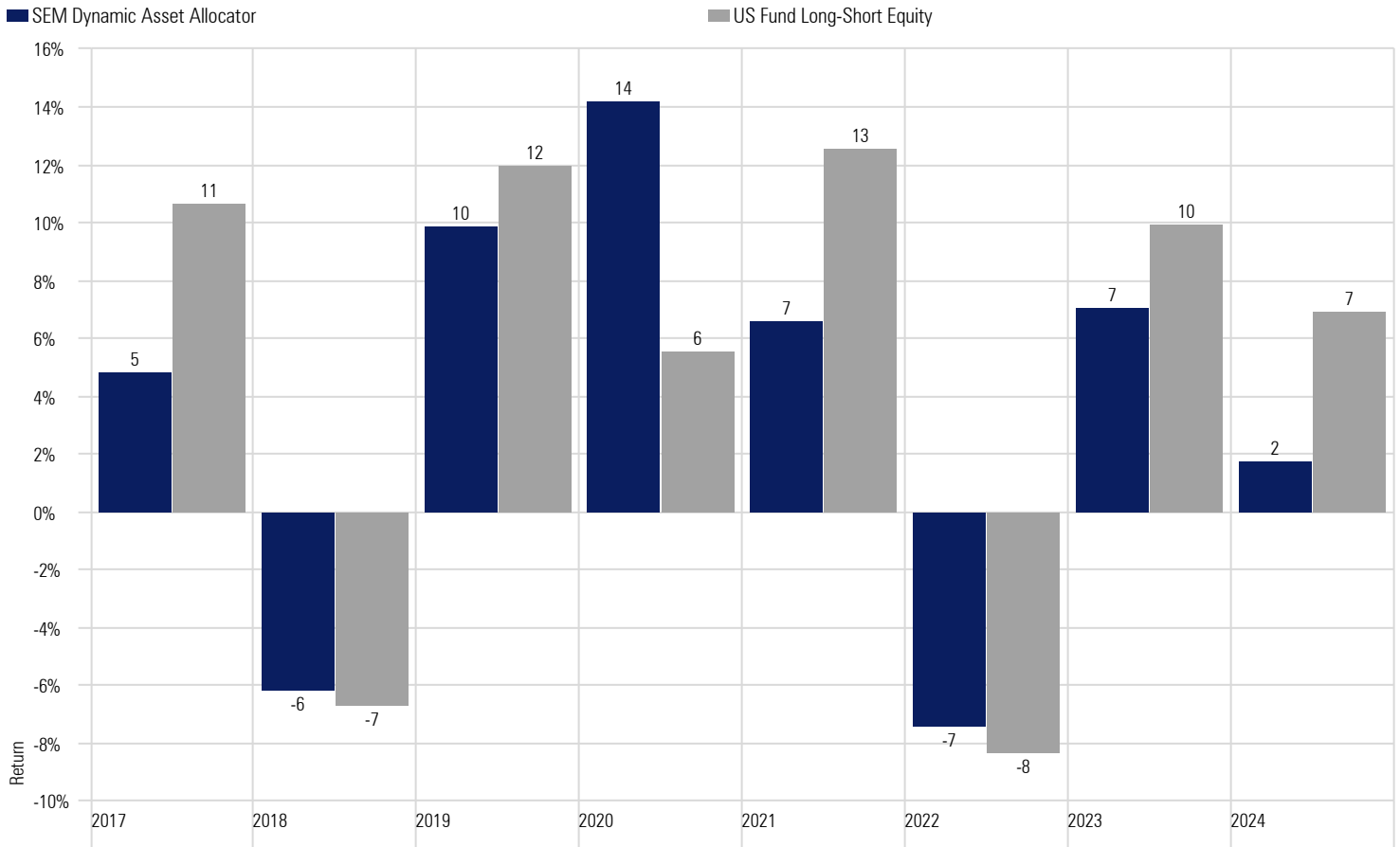


## Quarterly Performance

|      | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Year  |
|------|---------|---------|---------|---------|-------|
| 2024 | 1.75    |         |         |         | 1.75  |
| 2023 | 0.73    | 0.88    | 1.89    | 3.38    | 7.03  |
| 2022 | -3.40   | -3.91   | -0.40   | 0.11    | -7.45 |
| 2021 | 3.89    | 1.41    | -4.22   | 5.62    | 6.58  |
| 2020 | 20.39   | -1.66   | -1.53   | -2.02   | 14.21 |
| 2019 | 4.06    | 4.02    | 5.26    | -3.55   | 9.89  |
| 2018 | -5.42   | 0.35    | 4.22    | -5.17   | -6.20 |
| 2017 | -1.97   | 2.38    | 0.73    | 3.72    | 4.85  |
| 2016 | 6.07    | 3.25    | 0.22    | -5.91   | 3.28  |

## Risk-Reward

Time Period: 5/1/2016 to 3/31/2024

Calculation Benchmark: US Fund Long-Short Equity



● SEM Dynamic Asset Allocator
⬠ US Fund Long-Short Equity
▷ US Fund Aggressive Allocation
◇ US Fund Multisector Bond