SUMMARY OF INVESTMENT MODELS

LEAVE YOUR EMOTIONS AT THE DOOR!

We're changing the way advisors construct portfolios at iQUANT.pro.

Our platform combines expert analysis with data-driven insights to give advisors practical tools and a rules-based solution for their clients. Whether you're a seasoned advisor or a budding RIA, iQUANT.pro provides you with the resources you need to navigate the complexities of the market and make informed decisions.

We accommodate a variety of investment objectives and risk appetites with our wide range of models and portfolios. To spot opportunities, identify market trends, and optimize portfolio allocation, our rules-based models make use of sophisticated computations and a wealth of historical data. We think implementing data-driven methodologies will improve investment results and risk-adjusted returns.

The core of iQUANT.pro is our commitment to transparency and a rules-based approach. We provide our members with performance reports, in-depth analytics, and real-time updates to keep them informed and engaged. Our intuitively designed platform is user-friendly and available to all of our members.

We understand that each advisor is unique, with specific goals and preferences. That's why we offer a range of investment models tailored to different asset classes, sectors, and investment styles. Whether you're interested in sector rotation, momentum strategies, income generation, or risk management, iQUANT.pro has a model that fits your needs.

Our team of experts is dedicated to providing the best guidance and support to our members. We are passionate about helping advisors succeed and committed to offering the highest standards of service and satisfaction. You have access to powerful investment tools and strategies with iQUANT.pro.

Table of Contents

ETF Models

Page	Model Name	Reconstitution Frequency
1	All Assets ETF Model (Inverse & No Inverse)	Seasonal Quarter (Feb, May, Aug, Nov)
2	Domestic Income Model	Seasonal Quarter (Feb, May, Aug, Nov)
3	ETF Inflation Hedge Model	Monthly
4	ETF Momentum Model	Seasonal Quarter (Feb, May, Aug, Nov)
5	ETF Monthly Market Timing Model	Monthly
6	ETF Multi-Asset Income Model	Seasonal Quarter (Feb, May, Aug, Nov)
7	ETF Recession Hedge Model	Monthly
8	ETF Sector Rotation Model	Seasonal Quarter (Feb, May, Aug, Nov)
9	ETF Style Box Rotation Model	Monthly
10	Global ETF Income Model	Seasonal Quarter (Feb, May, Aug, Nov)
11	International ETF Rotation Model	Monthly
12	International Income Model	Seasonal Quarter (Feb, May, Aug, Nov)
13	Leveraged 2x ETF Market Timing Model	Monthly
14	Risk On / Risk Off ETF Model	Monthly

Stock Models

Page	Model Name	Reconstitution Frequency
15	40 Days (BRI) Model	Seasonal Quarter (Feb, May, Aug, Nov)
16	All Assets Hedge Model (Stock & ETF)	Seasonal Quarter (Feb, May, Aug, Nov)
17	All Cap High Yield Model	Seasonal Quarter (Feb, May, Aug, Nov)
18	All Cap Risk On / Risk Off High Yield Model (Stock & ETF)	Monthly
19	All Cap Share Buyback Model	Seasonal Quarter (Feb, May, Aug, Nov)
20	All Cap Smart Beta Model	Seasonal Quarter (Feb, May, Aug, Nov)
21	Bat out of Hell (BOH) Model	Monthly
22	Bulls of the Dow Model	Seasonal Quarter (Feb, May, Aug, Nov)
23	Consumer Staples Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
24	Cyclical Super Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
25	Defensive Preferred Income Model	Semi-Annual (May & November)
26	Defensive Super Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
27	Dividend Growth 10 Model	Seasonal Quarter (Feb, May, Aug, Nov)
28	ESG 10 (SRI) Model	Seasonal Quarter (Feb, May, Aug, Nov)
29	Financial Services Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
30	Global Style Box Rotation Model	Seasonal Quarter (Feb, May, Aug, Nov)
31	Greatest Hits Model	Seasonal Quarter (Feb, May, Aug, Nov)
32	Healthcare Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
33	International Buyback & Dividend Model	Seasonal Quarter (Feb, May, Aug, Nov)
34	International Efficiency Model	Annual (January)
35	International Titans Model	Seasonal Quarter (Feb, May, Aug, Nov)
36	Large Cap Growth Model	Seasonal Quarter (Feb, May, Aug, Nov)
37	Large Cap High Yield Model	Seasonal Quarter (Feb, May, Aug, Nov)
38	Large Cap Share Buyback Model	Seasonal Quarter (Feb, May, Aug, Nov)
39	Large Cap Value Model	Seasonal Quarter (Feb, May, Aug, Nov)
40	Mid Cap Growth Model	Seasonal Quarter (Feb, May, Aug, Nov)
41	Mid Cap Value Model	Seasonal Quarter (Feb, May, Aug, Nov)
42	Monthly Long / Short Equity Model	Monthly
43	Monthly Risk On / Risk Off Model (Stock & ETF)	Monthly
44	Recession 10 Model	Seasonal Quarter (Feb, May, Aug, Nov)
45	S&P 500 Defensive Sector Model	Annual (January)
46	S&P 500 Efficiency Model	Annual (January)
47	S&P SMID Cap Efficiency Model	Annual (January)
48	Sector Rotation Model	Seasonal Quarter (Feb, May, Aug, Nov)
49	Sell in May & Go Away Model (Stock & ETF)	Semi-Annual (May & November)
50	Sensitive Super Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
51	Share Buyback Screamers Model	Monthly
52	Small Cap Growth Model	Seasonal Quarter (Feb, May, Aug, Nov)
53	Small Cap Value Model	Seasonal Quarter (Feb, May, Aug, Nov)
54	SMID Cap 10 Model	Seasonal Quarter (Feb, May, Aug, Nov)
55	Technology Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
56	Total Real Estate Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)
57	Utilities & Telecom Sector Model	Seasonal Quarter (Feb, May, Aug, Nov)

iQ All Assets ETF Model (Inverse & No Inverse)

Selections Type: ETFs
Reconstitution Frequency: Every 3 months (Feb, May, Aug, Nov)

GO ANYWHERE…AT ANY TIME!

Why limit yourself to just stocks and bonds?

The **iQ All Assets ETF Model** seeks capital appreciation by selecting positions in domestic & global equity, credit, commodity and interest rate markets. The Model follows a data-driven "all asset" approach that combines technical analysis with index price momentum as applied to a diversified universe of ETFs.

UNEMOTIONAL & RULES-BASED PROCESS

1. The starting universe is comprised of the following:
   - Equities (Domestic and International)
   - Currencies & Commodities (US Dollar, Japanese Yen, Gold, broad Commodity Index)
   - Bonds (Domestic & International)
   - Inverse Domiciles (inverse domestic & inverse international)
     - Inverse positions are removed from the starting universe for the iQ All Assets – No Inverse model)
2. Sort the starting universe by 7-month exponential price momentum and select the top 10
3. Sort the remaining ETFs by their 2-year correlation to crude oil and select the bottom 5
4. Reconstitute every seasonal quarter (Feb, May, Aug, and Nov)

The benefits of an "all-assets" approach

The "All-Assets approach" is an investment strategy that aims to build a well-diversified portfolio by investing in a wide variety of asset classes. This approach involves investing in multiple asset classes such as stocks, bonds, commodities, and real estate to spread risk and increase returns.

The all-assets approach's fundamental tenet is that various asset classes have varying risks and returns. Investors can create a portfolio that is less volatile and produces returns that are more consistent over time by combining various asset classes.

Some of the key benefits of the all-assets approach include:

- Diversification: Investing across a range of asset classes helps spread risk and buffer your portfolio from the effects of market volatility.
- Potential for higher returns: By investing in a range of assets with different risk profiles, you can potentially achieve higher returns than by investing in just one or two asset classes.
- Long-term focus: The all-assets approach is typically a long-term investment strategy that focuses on building a diversified portfolio that can withstand market fluctuations and generate consistent returns over time.

Overall, the all-assets approach can be a valuable strategy for advisors looking to build a diversified portfolio that can generate consistent returns over the long term.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Domestic Income Model

Selections Type: ETFs / Closed-End Funds
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Domestic Income Model** seeks to provide current monthly income with capital appreciation as a secondary objective.

STARTING UNIVERSE

The **iQ Domestic Income Model** selects Closed-End and Exchange Traded funds from the following Thomson Financial universe:

- Alternative Income | Municipal Debt | Convertible Securities | Investment Grade Debt | Flexible Income | U.S. Government | Loan Participation | U.S. Mortgage | High Yield Debt

UNEMOTIONAL & RULES-BASED PROCESS

1. Begin with every domestically-traded closed-end and exchange-traded domestic income fund.
2. Rank by trading volume and keep the top 100.
3. Rank the remaining 100 funds by 6-month exponential price momentum and keep the top 40.
4. Rank the remaining 40 funds by 24-month Relative Strength Index (RSI) and select the top 10.
5. Rank the remaining 10 funds by dividend yield and keep the top 5

The Model reconstitutes every Feb, May, Aug, and Nov.

Advantages of bond ETFs and Closed-End Funds

There are numerous benefits to owning bond ETFs and closed-end funds.

- Diversification: Bond ETF and closed-end fund strategies offer investment advisors diversified exposure to a diverse range of bonds, allowing for better risk management and less concentration in a single bond or issuer.
- Cost Efficiency: Bond ETFs and closed-end funds often have lower expense ratios compared to actively managed bond funds, making them cost-effective options for investment advisors and their clients.
- Income Generation: Bond ETFs and closed-end funds can generate a steady stream of income through coupon payments, making them suitable for income-focused investment strategies.
- Transparency: Bond ETFs and closed-end funds offer transparency in terms of holdings and performance, allowing investment advisors to gain a comprehensive understanding of the underlying securities and their performance characteristics.
- Accessibility to Diverse Bond Markets: Bond ETFs and closed-end funds offer access to a wide range of bond markets, including government, corporate, municipal, and international bonds, providing investment advisors with the opportunity to diversify across different sectors and geographies.

The main investment risk of bond ETFs and closed-end funds is interest rate volatility, which can affect the fund's net asset value (NAV) and the income generated by the underlying bonds. The primary investment risk of closed end funds is that the market price may trade at a discount or premium to the net asset value, resulting in losses or missed opportunities for gains when buying or selling shares.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ ETF Inflation Hedge Model

Selections Type: ETFs
Reconstitution Frequency: Monthly

NOTE: Even in non-inflationary environments, the iQ Inflation Hedge Model has proven to be a successful hedge against stock volatility.

PROFIT FROM RISING INFLATION…

The **iQ ETF Inflation Hedge Model** applies monthly technical indicators to ten asset Exchange-Traded Funds (ETFs) anticipated to provide a hedge against rising inflation.

UNEMOTIONAL & RULES-BASED PROCESS

Each asset ETF represents a 0% - 10% allocation of the total model and is represented by four technical strategies that may dictate a long or cash position in any given month. Each of the four technical strategies per asset ETF represents ¼ of each asset's allocation for a total of 2.50% of the total Model allocation.

The table below summarizes the asset ETF tickers and the potential allocation to each:

Asset/Index	ETF Ticker	Minimum Weight	Maximum Weight	# of Strategies	Min per Strategy	Max per Strategy
Gold Bullion	GLD	0%	10%	4	0%	2.50%
LBMA Silver	SLV	0%	10%	4	0%	2.50%
WTI Crude Oil	USO	0%	10%	4	0%	2.50%
Unleaded Gasoline	UGA	0%	10%	4	0%	2.50%
Base Metals	DBB	0%	10%	4	0%	2.50%
Real Estate (via REITs)	IYR	0%	10%	4	0%	2.50%
Treas. Inflation Protected Secs (TIPS)	TIP	0%	10%	4	0%	2.50%
Mortgage-Backed Securities (MBS)	MBB	0%	10%	4	0%	2.50%
Grayscale Bitcoin Trust	GBTC	0%	10%	4	0%	2.50%
U.S. Large Cap Value Stocks	IVE	0%	10%	4	0%	2.50%
Money Market/Equivalent	BIL	0%	100%			

Why invest in inflation hedges?

Investing in inflation hedges can help protect an investor's portfolio from the negative effects of inflation, which is the rate at which the general level of prices for goods and services is rising. Here are some reasons why investors might choose to invest in inflation hedges:

- Protect Purchasing Power: Inflation can erode the purchasing power of an investor's money over time, as the prices of goods and services increase. Investing in inflation hedges can help protect an investor's purchasing power by providing returns that keep pace with inflation.
- Diversification: Investing in inflation hedges can also provide diversification benefits by adding exposure to assets that may perform well in inflationary environments. This can help reduce portfolio risk and potentially enhance returns by tapping into the growth potential of different asset classes.
- Hedge Against Uncertainty: Investing in inflation hedges can also be a way to hedge against uncertainty in the economy and the financial markets. Inflation can be unpredictable, and investing in assets that have historically performed well in inflationary environments may provide a measure of protection against inflation.

Examples of inflation hedges include real estate, commodities (such as gold or oil), inflation-indexed bonds, and large value stocks. However, it's important to note that investing in inflation hedges can also come with risks, such as market volatility, liquidity risks, and potential investment losses.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ ETF Momentum Model

Selections Type: ETFs
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ ETF Momentum Model** seeks to outperform the S&P 500 Index by selecting high-volume Exchange Traded funds based on a multi-factor process that focuses on technical and price momentum criteria.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ ETF Momentum Model** implements the following rules-based process:

1. Begin with a starting universe of all Exchange Traded Funds ("ETFs") trading on United States exchanges.
    - Remove all leveraged ETFs.
2. Eliminate any Exchange Traded Fund whose previous month-end price is less than its 3-month simple moving average.
3. Sort the remaining ETFs by trading volume and select the top twenty-five.
4. Rank the remaining twenty-five Exchange Traded Funds by a multi-factor rating system that includes MPT Statistics, Technical Indicators and Price Momentum and select the top five.

The Model reconstitutes every February, May, August, & November.

A word about ETF momentum investing…

Investing in ETF momentum strategies can offer several potential benefits for advisors who are looking for a more active investment approach. Momentum investing is a strategy that involves investing in ETFs that have shown strong performance in the recent past, with the expectation that this strong performance will continue in the near future. Here are some reasons why investors might choose to invest in ETF momentum strategies:

- Potential for Higher Returns: Momentum investing has the potential to generate higher returns than a passive investment approach, as it involves actively seeking out assets that have shown strong performance in the recent past.
- Diversification: ETF momentum strategies can provide diversification benefits by investing in a broad range of assets that have demonstrated strong momentum. This can help reduce portfolio risk and potentially enhance returns by tapping into the growth potential of different asset classes.
- Disciplined Investment Approach: Momentum investing involves following a disciplined investment approach that focuses on investing in assets with strong momentum and avoiding assets with weak momentum. This can help reduce emotional biases and prevent impulsive investment decisions.
- Low Cost: Because ETF momentum strategies typically have lower management fees than actively managed mutual funds, they can be a low-cost investment option for advisors looking to use '40 Act products. This can help improve overall investment returns.

It's important to note that investing in ETF momentum strategies can also come with risks, such as market volatility, liquidity risks, and potential investment losses

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ ETF Monthly Market Timing Model

Selections Type: ETFs
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The iQ ETF Monthly Market Timing Model attempts to market-time 5 index Exchange Traded Funds (ETFs) on a monthly basis utilizing sophisticated and time-tested technical indicators.

UNEMOTIONAL & RULES-BASED PROCESS

Each index ETF represents a 20% allocation of the Model's allocation.

Each index ETF is represented by its own unique set of entry and exit technical indicators. If a technical indicator provides a "buy" signal, the ETF is held for a month and re-evaluated the first trading day of the following month. If a technical indicator provides a "sell" signal, the 20% of the portfolio normally represented by the ETF will move to a money market equivalent (we use symbol "BIL") and the ETF will be re-evaluated the first trading day of the following month.

Here are the technical indicators utilized for each index ETF:

- SPDR S&P 500 ETF Trust (SPY)
  - Entry: 21-day Aroon Oscillator | Exit: Price versus 200-day Simple Moving Average
- PowerShares QQQ Trust (QQQ)
  - Entry: Price versus 2-month high | Exit: 3-Day Money Flow Index
- SPDR S&P MidCap 400 ETF (MDY)
  - Entry: 21-day Aroon Oscillator | Exit: 3-day Relative Strength Index
- iShares S&P SmallCap 600 ETF (IJR)
  - Entry: Prior day return | Exit: Fast and slow 14-day Stochastic indicator
- iShares Russell Microcap Index (IWC)
  - Entry: 14-day Stochastic Indicator | Exit: 10- versus 25-day McGinley Dynamic indicator

The benefits of market timing with ETFs

Market timing with ETFs refers to the strategy of buying and selling ETFs based on an investor's analysis of market conditions and trends. Here are some benefits of market timing with ETFs:

- Potential for higher returns: Market timing strategies can take advantage of short-term fluctuations in the market to potentially generate higher returns than buy-and-hold strategies.
- Downside protection: Market timing strategies can potentially help protect against losses during market downturns by shifting to more defensive positions.
- Flexibility: ETFs offer flexibility in executing market timing strategies as they can be traded throughout the day, unlike mutual funds.
- Lower costs: ETFs typically have lower expense ratios than alternative '40 Act products, making them a cost-effective option for executing market timing strategies.

A potential danger of market timing strategies is the risk of making incorrect timing decisions, leading to missed opportunities and underperformance compared to a consistent long-term investment approach.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ ETF Multi-Asset Income Model

Selections Type: ETFs
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ ETF Multi-Asset Income Model** is designed to derive high income from an exposure to multiple asset segments.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ ETF Multi-Asset Income Model** implements the following transparent and repeatable rules-based process:

1. Start with **ALL** domestically-traded ETFs.
2. Sort by Trading Volume and select the top 400
3. Sort by current yield and select the top 25
4. Sort by price momentum and technical indicators and select the top 5.

The Model reconstitutes every Feb, May, Aug, and Nov

Why use a multi-asset income strategy?

A multi-asset income strategy can provide several benefits to investors, including:

- Diversification: A multi-asset income strategy enables investment advisors to diversify their clients' portfolios across a variety of asset classes, including preferred stocks, bonds, and real estate investment trusts (REITs). This diversification assists investment advisors in mitigating the concentration risk associated with relying on a single source of income.
- Risk Management: The combination of different asset classes in a multi-asset income strategy helps to manage risk. When one asset class experiences volatility or underperformance, other income-generating assets may offset those losses, helping to mitigate the overall risk in the portfolio.
- Total Return Potential: A multi-asset income strategy aims not only to generate income but also to provide the potential for capital appreciation and total return. By strategically allocating investments across different asset classes, investment advisors can seek opportunities for both income generation and long-term growth for their clients.
- Adaptability to Market Conditions: A multi-asset income strategy allows investment advisors to adjust the portfolio composition based on prevailing market conditions. They can allocate investments to asset classes that are expected to perform well in specific market environments, such as shifting from equities to fixed income during periods of increased market volatility.
- Inflation Protection: Incorporating inflation-hedging assets, such as inflation-protected bonds or real estate, in a multi-asset income strategy can help preserve the purchasing power of income over time, protecting against the erosive effects of inflation.

The possibility of underperformance or fluctuations in income due to changes in market conditions or the performance of the underlying assets is a potential risk of multi-asset ETF income strategies.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ ETF Recession Hedge Model

NOTE: Even in non-recessionary environments, the iQ Recession Hedge Model has proven to be a successful hedge against stock volatility.

REDUCE YOUR DOWNSIDE RISK IN A RECESSION

The **iQ ETF Recession Hedge Model** applies monthly technical indicators to ten sector and asset class Exchange-Traded Funds (ETFs) representing indices that have historically outperformed in down markets caused by an economic contraction.

UNEMOTIONAL & RULES-BASED PROCESS

Each asset ETF represents a 0% - 10% allocation of the total model and is represented by two monthly technical strategies that may dictate a long or cash position in any given month. Each of the two technical strategies ETF represents 1/2 of each ETFs allocation.

As an example, if one strategy for a particular asset class is long while the second strategy for the same asset class is in cash then the asset class would have a 5% allocation of the Total. If both strategies for an asset class dictate a cash position, then there will be no allocation to the asset class. On the flip side, if both strategies are long then the asset class will represent 10% of the selections.

The table below summarizes the asset ETF tickers and the potential allocation to each:

Index	Ticker	Min. Weight	Max Weight	# of Strategies	Minimum Per Strategy	Maximum per Strategy
Aerospace	PPA	0%	10%	2	0%	5%
Utilities	XLU	0%	10%	2	0%	5%
Healthcare	XLV	0%	10%	2	0%	5%
Staples	XLP	0%	10%	2	0%	5%
Gold	GLD	0%	10%	2	0%	5%
Silver	SLV	0%	10%	2	0%	5%
VIX	VIXM	0%	10%	2	0%	5%
US Dollar	UUP	0%	10%	2	0%	5%
10-20 Year U.S. Treasury	TLH	0%	10%	2	0%	5%
20+ Year U.S. Treasury	TLT	0%	10%	2	0%	5%
Money Market / Equivalent	BIL	0%	100%			

Why invest in recession hedges?

Here are some reasons why advisors might choose to invest in these assets during a recession:

- Precious Metals: Precious metals, such as gold and silver, are frequently used by investment advisors as safe-haven assets because they tend to hold their value during times of economic uncertainty.
- Defensive Stocks: Defensive stocks are stocks of companies that tend to be less affected by economic cycles and can provide stability to a portfolio during a recession. These companies often operate in industries such as healthcare, utilities, and consumer staples, which provide products and services that consumers need regardless of the state of the economy.
- US Dollar: During a recession, the value of the US dollar rises as investment advisors seek safe-haven assets for their clients. This can protect against a recession and currency volatility.
- Bonds: Bonds are often considered a safe-haven asset class during a recession because they tend to provide stable returns and added diversification.

Advisors should be aware that the timing of a recession can be difficult to predict accurately, and if a recession does not occur as expected, the investment may not perform as intended.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ ETF Sector Rotation Model

Selections Type: ETFs
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The investment objective of the **iQ ETF Sector Rotation Model** is to generate superior risk-adjusted returns by actively rotating between sectors of the market that are expected to outperform over a specific period, based on technical trends and momentum.

SECTOR ROTATION - WITH A HEDGE…

The **iQUANT.pro ETF Sector Rotation Model** selects the top 5 sectors from the following starting universe:

- Inverse S&P 500 | Consumer Staples | Consumer Discretionary | Energy | Financials | Healthcare | Industrials | Materials | Real Estate | Utilities | Technology | Telecommunications

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ ETF Sector Rotation Model** employs the following unemotional rules-based process:

1. Start with 11 sector ETFs and the inverse S&P 500 ETF.
2. Kick out any constituent of the starting universe that is below its 9-month simple moving average
3. Rank by long-term price momentum and select the top 5 ETFs
    - If five ETFs do not make the cut, the remaining spots are filled by a Treasury Bill ETF

The potential advantages of sector rotation strategies

ETF sector rotation strategies can offer several potential benefits, including:

- Potential for higher returns: By focusing on the top-performing sectors, a sector rotation strategy can potentially outperform the broader market.
- Diversification: Sector rotation can provide diversification benefits by investing in a range of sectors, which can help reduce portfolio risk.
- Flexibility: Sector rotation strategies can adapt to changing market conditions by adjusting sector allocations based on current trends.
- Risk management: By shifting investments to defensive sectors during times of market uncertainty, sector rotation strategies can help manage risk.
- Liquidity: Because sector rotation strategies typically invest in exchange-traded funds (ETFs), advisors can buy and sell quickly and easily.
- Transparency: Sector rotation strategies are transparent, so investors can easily see which sectors the strategy is invested in and how the portfolio is being managed.

The main risk of a sector rotation strategy is the potential for misjudging the timing or direction of market movements, which could result in missed opportunities or losses.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ ETF Style Box Rotation Model

Selections Type: ETFs
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The **iQ ETF Style Box Rotation** investment model seeks to provide risk-adjusted returns in excess of the S&P 500 Index by selecting the four style box ETF strategies trading below their historical mean.

UNEMOTIONAL & RULES-BASED PROCESS- A "Technical Value" ETF Model

The **iQ ETF Style Box Rotation** investment model utilizes an elegantly robust and unique strategy that combines style box rotation with monthly technical indicators.

The Model begins with a starting universe of twelve ETF technical strategies (one for each style box ETF) and selects the four strategies furthest from their twelve-month simple moving average. Each market timing strategy is unique to its underlying ETF and can take a long or cash position in any given month. This may create a situation in which cash (or money market) is selected on a monthly basis.

The style boxes from which the Model selects its four strategies are:

- Large Cap (Core, Growth, Value, & Equal-Weight)
- Mid Cap (Core, Growth, Value, & Equal-Weight)
- Small Cap (Core, Growth, Value, & Equal-Weight)

Potential benefits of the Model

Rotating between investment style boxes can offer potential benefits for advisors who are looking to take advantage of market cycles and changing investor trends. Here are some reasons why advisors might choose to utilize the **iQ ETF Style Box Rotation Model**:

- Risk Management: An ETF style box rotation strategy that can move to cash allows investment advisors to proactively manage risk by reducing exposure to the market during periods of heightened volatility or market downturns.
- Adaptability: By rotating investments across different style boxes (e.g., value, growth, blend) based on market conditions, investment advisors can potentially capture opportunities and adapt to changing market dynamics more effectively.
- Diversification: The ability to rotate between different style boxes provides investment advisors with a diversified approach to portfolio construction, reducing reliance on a single investment style and potentially enhancing risk-adjusted returns.
- Potential for Enhanced Returns: An ETF style box rotation strategy can seek to capitalize on the outperformance of specific style boxes during different phases of the market cycle, potentially enhancing portfolio returns over the long term.
- Flexibility: The strategy's ability to move to cash allows investment advisors to maintain a defensive position during uncertain market conditions, potentially preserving capital and reducing downside risk.

However, it's important to note that rotating between investment style boxes can also come with risks, such as missing out on potential gains if the market does not behave as expected.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Global ETF Income Model

Selections Type: ETFs
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Global ETF Income Model** seeks to provide current income with capital appreciation as a secondary objective.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Global ETF Income Model** implements the following transparent and repeatable rules-based process:

1. Begin with all domestic and international bond, REIT and preferred stock exchange traded funds traded on United States exchanges.
2. Sort by Trading Volume and select the top 150
3. Sort by current yield and select the top 50
4. Sort by 3-month exponential price momentum and select the top 15.
5. Sort by 6-month relative strength and select the top 5

The Model reconstitutes every Feb, May, Aug, and Nov

The benefits of a global approach to income

The benefits of a global income approach to investing include:

- Diversification: A global income strategy allows investment advisors to diversify their clients' portfolios across different regions, reducing the risk associated with relying solely on a single market or economy for income generation.
- Expanded Opportunity Set: By investing globally, investment advisors can access a broader range of income-generating assets, including dividend-paying stocks, bonds, real estate, and alternative income sources, providing a wider universe of investment opportunities to meet clients' income needs.
- Yield Enhancement: A global income strategy allows investment advisors to seek higher yields or income opportunities in regions or countries where interest rates or dividend yields may be more attractive than in domestic markets, potentially enhancing overall portfolio income.
- Potential for Capital Appreciation: In addition to income generation, a global income strategy offers the potential for capital appreciation as investments are made in different markets and economies that may experience growth and positive market trends.
- Adaptability to Changing Market Conditions: A global income strategy allows investment advisors to allocate investments based on shifting global market conditions and opportunities, to potentially capture income and growth in different regions or sectors as market dynamics evolve.

Advisors should note that global income investments are exposed to market volatility, economic downturns, and regional or global financial crises, which can impact income levels and overall investment performance.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ International ETF Rotation Model

The **iQ International ETF Rotation Model** applies monthly technical indicators to ten Exchange-Traded Funds (ETFs) representing countries domiciled outside of North America.

UNEMOTIONAL & RULES-BASED PROCESS

Each country ETF represents a 0% - 10% allocation of the total model and is represented by two monthly technical strategies that may dictate a long or cash position in any given month. Each of the two technical strategies per country ETF represents half of the asset's allocation. As an example, if one strategy for a particular country is long while the second strategy for the same country is in cash then the country would have a 5% allocation of the total. If both strategies for a country dictate a cash position, then there will be no allocation to the country. On the flip side, if both strategies are long then the country will represent 10% of the total.

The table below summarizes the country ETF tickers and the potential allocation to each:

Country	Ticker	Minimum Weight	Maximum Weight	# of Strategies	Minimum Per Strategy	Maximum per Strategy
Australia	EWA	0%	10%	2	0%	5%
Brazil	EWZ	0%	10%	2	0%	5%
Denmark	EDEN	0%	10%	2	0%	5%
France	EWQ	0%	10%	2	0%	5%
Germany	EWG	0%	10%	2	0%	5%
Japan	EWO	0%	10%	2	0%	5%
Korea	EWY	0%	10%	2	0%	5%
South Africa	EZA	0%	10%	2	0%	5%
Spain	EWP	0%	10%	2	0%	5%
United Kingdom	EWU	0%	10%	2	0%	5%
Money Market / Equivalent	BIL	0%	100%			

Potential Benefits of International Momentum Strategies:

Benefits of international ETF rotational models include:

- Enhanced Returns: By capitalizing on the momentum and trends in different countries' stock markets, international country ETF momentum strategies that can move to cash have the potential to generate enhanced returns. Investment advisors can seek attractive risk-adjusted returns by dynamically allocating to countries with positive momentum and moving to cash during periods of market weakness.
- Risk Management: By shifting to cash during market downturns or unfavorable market conditions, these strategies provide an active risk management approach. This helps to mitigate potential losses and protect the portfolio from significant downside risk, providing a more defensive stance during market volatility.
- Diversification: International country ETF momentum strategies provide diversification benefits by investing in a variety of countries across various regions. This diversification can help lower portfolio concentration risk while increasing exposure to different economic cycles, industries, and market dynamics, potentially smoothing out overall portfolio returns.
- Adaptive Approach: These strategies use an adaptive approach in which country allocations are continuously monitored and adjusted based on momentum signals. This dynamic allocation methodology enables investment advisors to align the portfolio with current market trends and capitalize on positive momentum in various countries.

Investment advisors should consider the potential risks of international country ETF momentum strategies, such as market volatility and unpredictability, as well as the risk of missing out on strong market rallies.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ International Income Model

Selections Type: ETFs / Closed-End Funds
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The investment objective of the **iQ International Income Model** is to generate attractive income and capital appreciation by investing in a diversified portfolio of international income-focused ETFs and closed-end funds.

UNEMOTIONAL & RULES-BASED PROCESS

1. Begin with every domestically-traded closed-end and exchange-traded global income and international income fund.
2. Rank by trading volume and keep the top 10.
3. Rank the remaining 10 companies by 12-month progressive relative strength and select the top 5.

The Model reconstitutes every Feb, May, Aug, and Nov.

Benefits of international bonds

Potential benefits of the Model may include the following:

- Diversification: By investing in international bonds, an investor can diversify their portfolio and reduce Diversification: Investing in international bond ETFs provides investment advisors with an opportunity to diversify their clients' portfolios beyond domestic bonds. By including bonds from various countries and regions, advisors can reduce concentration risk and potentially enhance overall portfolio diversification.
- Yield Enhancement: International bond ETFs can offer higher yields compared to domestic bonds, especially in countries where interest rates are relatively higher. This can be beneficial for investment advisors seeking to generate income for their clients' portfolios, particularly in a low-yield environment.
- Risk Management: Including international bond ETFs in a portfolio can help mitigate risks associated with domestic economic or geopolitical events. If there is a negative impact on the domestic bond market, international bonds may provide a buffer by diversifying exposure across different economies and regions.
- Access to Global Opportunities: International bond ETFs enable investment advisors to access a wide range of bond markets and securities that may not be available in their home country. This provides opportunities to invest in different credit qualities, maturities, and bond issuers, potentially enhancing the risk-return profile of the portfolio.
- Liquidity and Transparency: International bond ETFs are traded on major exchanges, providing investment advisors with liquidity and transparency. This allows for ease of buying and selling, enabling advisors to quickly adjust their bond exposures based on market conditions or client needs.

However, investment advisors should consider the risks associated with international bond ETFs, such as currency risk, interest rate risk, credit risk, and geopolitical risk.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Leveraged 2x ETF Market Timing Model

Selections Type: ETFs
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The **iQ Leveraged 2x ETF Market Timing Model** seek to enhance returns by utilizing leveraged ETFs and actively adjusting the portfolio allocation based on market timing signals to capitalize on short-term market movements.

UNEMOTIONAL & RULES-BASED PROCESS

Each leveraged index ETF is represented by its own unique Entry and Exit technical indicator and represents 25% of the Model's allocation.

If a technical indicator provides a "buy" signal, the ETF is held for a month and re-evaluated the first trading day of the following month. If a technical indicator provides a "sell" signal, the 25% of the portfolio normally represented by the ETF will move to cash, money market, or Treasury Bill (we use symbol "BIL") and the ETF will be re-evaluated the first trading day of the following month.

Here are the technical indicators utilized for each leveraged index ETF:

- ProShares Ultra S&P 500 (SSO)
  - Entry: 10- versus 25-day price (simple moving average) | Exit: 25-day McGinley Dynamic Indicator
- ProShares Ultra QQQ Trust (QLD)
  - Entry: Price versus 2-month high | Exit: 3-Day Money Flow Index is above 75
- ProShares Ultra Russell 2000 (UWM)
  - Entry: 14-day Stochastic Oscillator | Exit: Price versus 500-day simple moving average
- ProShares Ultra Mid Cap 400 (MVV)
  - Entry: 14-day Stochastic Oscillator | Exit: Fast 14-day Stochastic Oscillator, slow 14-day stochastic oscillator

Market timing with leveraged ETFs

While market timing leveraged ETFs can be appealing for some investors, it is important to note that they come with inherent risks and challenges. Here are a few potential benefits:

- Amplified Returns: Leveraged ETFs aim to deliver a multiple of the daily or monthly returns of the underlying index, allowing advisors to potentially amplify their gains during favorable market conditions.
- Flexibility: Market timing leveraged ETFs provide the flexibility to take advantage of short-term market movements, allowing advisors to allocate their capital dynamically based on their market outlook.
- Potential for Active Management: By actively adjusting the portfolio allocation based on market timing signals, advisors have the potential to respond to changing market conditions and potentially improve returns.

Market timing strategies require accurate and timely predictions of market movements. The risks associated with leveraged ETFs, such as compounding effects and potential losses, are magnified compared to traditional ETFs, and they may not be suitable for all investors.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Risk On / Risk Off ETF Model

Selections Type: ETFs
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The **iQ Risk On / Risk Off ETF Model** seeks capital appreciation with a focus on producing positive returns in bull and sustained bear markets by shifting between risk-on (stocks) and risk-off (bonds) assets.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Risk On / Risk Off ETF Model** utilizes four non-correlated factors to determine an allocation between stock ETFs (Risk On) and a bond ETFs (Risk Off).

The Model utilizes the following four non-correlated factors:

- Technical (price to moving average)
- Macro (movement of the US Dollar)
- Valuation (S&P 500 P/E and Earnings Yield)
- Seasonal (six months in, six months out)

The Model allocates 25% to each of the aforementioned factors. The Model is completely allocated to stock ETFs if all four factors are "risk on." A 50% allocation to stock ETFs and a 50% allocation to a bond ETF are made by the model if two out of the four indicators indicate that there is "risk on" behavior.

How are the ETFs selected?

The **iQ Risk On Risk Off ETF Model** follows a monthly rules-based and repeatable investment selection process:

1. Begin with a starting universe of sector, style box, and broad market equity ETFs
2. Sort by one month return and remove the top 20%.
3. Sort by regressive price momentum and select the top five.

The benefits of a risk-on / risk-off approach

Benefits of a risk-on, risk-off investment model include:

- Adaptive to Market Conditions: The risk-on, risk-off model dynamically adjusts portfolio allocations based on prevailing market conditions, aiming to capitalize on periods of market strength (risk-on) and protect capital during market downturns (risk-off).
- Enhanced Risk Management: The model helps manage downside risk by reducing exposure to volatile assets during risk-off periods, potentially preserving capital and reducing portfolio drawdowns.
- Improved Performance Potential: By participating in risk-on periods and capturing the upside potential of the market, the model seeks to generate higher returns compared to a static investment approach.
- Market Agility: The model allows for a nimble response to changing market dynamics, enabling timely adjustments to portfolio allocations based on indicators or signals that determine risk-on or risk-off periods.

It is important to note that the risk-on, risk-off investment model is not without risks, such as the possibility of a risk-off allocation sharing in the market's downside (for example, bonds in an inflationary environment), false signals, and missing market opportunities during rapid shifts in market sentiment.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ 40 Days (BRI) Model

Selections Type: Individual stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ 40 Days Model** seeks to provide returns in excess of index benchmarks by investing in companies that are not involved with activities deemed as "non-biblical".

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ 40 Days** (Biblically Responsible) investment model implements the following rules-based process:

1. Begin with a starting universe of stocks that are held by faith-based '40 Act funds and are members of the S&P 1500 Index
2. Sort the starting universe by the Amihud Liquidity Ratio and select the best ten.
3. The Model continues to hold the ten stocks until one drops out of the top 20.

This model reconstitutes every February, May, August and November and averages less than one position change every reconstitution.

What is “Biblically Responsible Investing” (BRI)?

Biblically Responsible Investing (BRI) is an investment strategy that aims to align an investor's values with their investments by selecting companies that meet certain moral or ethical standards based on Biblical principles. Here are some potential benefits of BRI:

- Aligns with personal values: BRI allows investors to invest in a way that aligns with their personal values and beliefs, which can bring a sense of fulfillment and satisfaction.
- Potential for long-term performance: Some studies have shown that companies that are socially responsible and align with BRI principles can perform well financially in the long term. This may be due to factors such as increased customer loyalty and employee satisfaction.
- Reduces exposure to controversial industries: BRI investors can avoid investing in companies that engage in controversial practices such as abortion, pornography, or human rights violations.
- Encourages positive change: By investing in companies that are aligned with BRI principles, investors can encourage positive change and influence corporate behavior towards more responsible and ethical practices.
- Mitigates risks: Companies that are involved in controversies or scandals can experience significant losses in value. By investing in BRI, investors can avoid exposure to these risks and potentially mitigate losses in their portfolio.

It is important to note that the definition of BRI and the specific screening criteria may vary depending on the investor's interpretation of Biblical principles.

This form of investing has been around for centuries. In the 18th century, groups such as Quakers and Methodists provided guidance on "sinful" investments to avoid because they conflicted with religious values.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ All Assets Hedge Model

Selections Type: Stocks & ETFs
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

GO ANYWHERE...AT ANY TIME

Why limit yourself to just stocks and bonds?

The **iQ All Assets Hedge Model** seeks capital appreciation by holding positions in domestic & global equity, credit, commodity and interest rate markets. The Model follows a data-driven “all asset” approach that combines top-down technical analysis with bottom-up fundamental analysis.

UNEMOTIONAL & RULES-BASED PROCESS

1. Select from 15 investment indices ranging from stocks & bonds to currencies & commodities (includes inverse ETFs).
2. Select the top 5 indices based on exponential price momentum and relative strength index (RSI).
3. Select Model holdings based on fundamental and technical analysis

This model reconstitutes every February, May, August and November

The benefits of an “all assets” approach

An all-assets approach to investing is an investment strategy that seeks to build a diversified portfolio across a range of asset classes, such as stocks, bonds, commodities, real estate, and alternative investments. The goal of this approach is to create a portfolio that can generate consistent returns over the long-term while managing risk and volatility.

The benefits of an all-assets approach to investing include:

- Diversification: Investing in a range of asset classes can help to spread risk and reduce the impact of any single asset class on the overall portfolio.
- Risk management: By diversifying across different asset classes, an all-assets portfolio can be designed to manage risk and reduce overall portfolio volatility.
- Opportunity for returns: An all-assets approach can help advisors identify opportunities for returns across a range of markets and sectors.
- Inflation protection: Certain asset classes, such as commodities and real estate, can help protect against inflation and maintain the purchasing power of the portfolio over time.

It's worth noting that an all-assets approach does not guarantee against loss, and there are risks associated with investing in any asset class

By dynamically adjusting portfolio weightings in response to changing market conditions, the All-Assets Hedge Model seeks to provide downside protection while still capturing upside potential. This strategy may be suitable for advisors looking to create a more balanced and diversified portfolio.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ All Cap High Yield Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ All-Cap High Yield Model** invests in stocks of companies of all market capitalizations whose stocks pay high dividends in order to provide a high rate of dividend income with a secondary emphasis on capital appreciation.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ All-Cap High Yield Model** employs the following unemotional rules-based process:

1. Start with the largest 1,500 domestically-traded companies.
2. Select the 150 companies with the highest current dividend yield.
3. Sort by plow-back ratio, share buyback, and dividend yield and select the top 50
4. Sort by exponential price momentum and select the top 10.

This model reconstitutes every February, May, August, and November.

The advantages of investing in high-yielding stocks of all market capitalizations

Investors frequently associate dividends with large, well-known corporations. The fact that a sizable number of small-company stocks offer alluring dividends, which not only boost total return but also act as a buffer against volatility, may surprise you. About a third of the nearly 4,200 small-cap stocks paid dividends.

Investing in high-yield stocks of all market cap sizes (small, mid, and large cap) can provide several potential benefits, including:

- Income: High yield stocks can provide a reliable source of income for investors. This is especially important for retirees or investors looking for passive income streams.
- Diversification: Investing in high-yield stocks of all market cap sizes can provide diversification benefits by investing in a broad range of stocks, which can help reduce portfolio risk and potentially enhance returns by tapping into the growth potential of different industries and sectors.
- Potential for Capital Appreciation: High-yield stocks can also offer the potential for capital appreciation. Companies with strong fundamentals and consistent earnings often have higher chances of experiencing long-term stock price growth.
- Relative Yield: High-yield stocks may offer a higher yield than other fixed-income investments such as bonds, CDs, or savings accounts. As a result, advisors may find high yield stocks to be an attractive investment opportunity, particularly in a low-interest-rate environment.
- Dividend Growth: Some high-yield companies have a history of consistently increasing their dividends over time. Investing in these companies can provide an opportunity to benefit from dividend growth, which can result in higher income and potentially higher total returns over time.

It's important to note that investing in high-yield stocks can also come with risks, such as market volatility, dividend cuts, and potential investment losses.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ All Cap Risk On/Risk Off High Yield Model

Selections Type: Stocks & ETFs
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The **iQ All Cap Risk On/Risk Off High Yield Model** utilizes four non-correlated factors to determine an allocation between all cap high-yield stocks (Risk On) and long-term Treasury bonds (Risk Off).

UNEMOTIONAL & RULES-BASED PROCESS

The model utilizes the following four factors to determine its allocation to stocks and/or bonds:

- Technical (month-end price to 9-month moving average of the Wilshire 5000 Index)
- Macro (yield curve)
- Valuation (S&P 500 Price-to-Earnings Ratio)
- Seasonal (sell in May but stay based on the mid-cap ETF Money Flow Index)

The model allocates 25% to each of the aforementioned factors. The model is completely allocated to stock ETFs if all four factors are "risk on." A 50% allocation to stock ETFs and a 50% allocation to a bond ETF are made by the model if two out of the four indicators indicate that there is "risk on" behavior.

When the model allocates to stocks, it utilizes the following (monthly) all-cap high-yield screen:

1. Start with the largest 2,000 domestically-traded stocks.
2. Sort by dividend yield and select the top 60 stocks.
3. Sort the remaining 60 stocks by 12-month less 1-month price momentum and select the top 40 stocks.
4. Sort the remaining 40 stocks by 3-year seasonal monthly price momentum and select the top 10 stocks.

This model reconstitutes every month.

The benefits of a risk-on/risk-off approach

Some of the potential benefits of a risk-on/risk-off investment approach include:

- Diversification: By rotating between asset classes based on market conditions, advisors can achieve a more diversified portfolio and potentially reduce overall risk.
- Capital preservation: The RoRo approach can help protect capital during times of market stress by shifting to less risky assets.
- Opportunity for higher returns: During the risk-on phase, advisors can potentially earn higher returns by investing in riskier assets that have the potential for higher returns.
- Flexibility: The RoRo approach is highly adaptable and can be adjusted to suit changing market conditions and the investor's risk tolerance.

However, it's important to note that the RoRo approach also has potential drawbacks, including the possibility of missing out on market opportunities during the risk-off phase.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ All Cap Share Buyback Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ All Cap Share Buyback Model** seeks capital growth by investing primarily in common stocks of large, mid, and small corporations that have engaged in a share repurchase program in the previous twelve months.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ All Cap Share Buyback Model** employs the following unemotional rules-based process:

1. Start with the largest 1,500 domestically-traded companies.
2. Select the 300 companies with the highest 12-month share buyback ratio.
3. Screen by 5-year risk-adjusted seasonal relative strength and select the top 50
4. Screen by earnings momentum and share buyback and select the top ten.

This model reconstitutes every February, May, August and November

Why invest in share buyback stocks of all market cap sizes?

Investing in share buyback stocks of all sizes can be beneficial for several reasons.

- Enhanced Return Potential: All cap share buyback models offer investment advisors the potential to capitalize on companies' share repurchase programs, which can lead to increased shareholder value and potentially higher returns.
- Diversification: By investing across companies of various market capitalizations, all cap share buyback models provide diversification benefits. This helps spread risk and reduce the concentration of investments in specific market segments.
- Potential for Value Creation: Share buybacks indicate that a company believes its stock is undervalued, which can signal an attractive investment opportunity. All cap share buyback models focus on identifying companies that are actively repurchasing their shares, suggesting the potential for value creation over time.
- Active Approach to Portfolio Management: All cap share buyback models require ongoing monitoring and adjustments as companies announce and execute their share repurchase programs. This active management approach allows investment advisors to stay up-to-date with the latest market trends and adjust portfolio allocations accordingly.
- Alignment with Investor Sentiment: Share buybacks often reflect a company's confidence in its future prospects and can be viewed positively by investors. By incorporating all cap share buyback models into their strategies, investment advisors can align with investor sentiment and potentially attract clients who value companies committed to returning capital to shareholders.

Overall, investing in share buyback stocks of all sizes can be a way to benefit from a company's confidence in its own future prospects, and potentially capture higher EPS growth and yield.

It's important for investment advisors to consider the risks associated with all cap share buyback models, such as market volatility, company-specific risks, and potential misjudgment of valuation.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ All-Cap Smart Beta Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months (Feb, May, Aug, Nov)

The relative price volatility of a stock in relation to the overall stock market is measured by its beta. The price volatility of a stock with a beta of 1.0 is equal to that of the S&P 500 index. When the S&P 500 moves up or down, high-beta stocks move by a larger percentage than the S&P 500 on average. The argument used to support the recommendation to buy high-beta stocks is that higher returns must be associated with greater volatility (Beta).

iQUANT discovered through our research (along with research from third parties) that low-volatility and low-beta portfolios provided an admirable balance of high average returns and minimal drawdowns. The fundamental idea that risk is offset by higher expected return is violated by this result. Because you get both a higher return and less volatility, investing in low-beta stocks might be "the best of both worlds.“

The **iQ All-Cap Smart Beta Model** represents an equal-weighted portfolio of Small, Mid, and Large cap stocks with low 5-year beta and volatility.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ All Cap Smart Beta Model** employs the following unemotional, rules-based process:

1. Start with the largest 1500 domestically-traded companies.
2. Sort by 5-year beta and keep the lowest 10% (150 companies).
3. Sort by 12-month share buyback and operating earnings yield and keep the top 30 companies.
4. Choose the top 10 companies by sorting by 5-Year Seasonal Relative Strength divided by 5-Year Standard Deviation.

This model reconstitutes every February, May, August, and November.

Investing in low beta stocks may have several potential benefits, including:

- Risk Mitigation: Low beta stock strategies can help investment advisors reduce portfolio volatility and mitigate downside risk. By focusing on stocks with lower sensitivity to market movements, these strategies aim to provide more stable returns during turbulent market conditions.
- Consistent Performance: Low beta stocks tend to exhibit more consistent performance over time. Investment advisors can leverage these strategies to generate steady returns and potentially outperform the broader market during periods of market downturns.
- Long-Term Growth Potential: While low beta stocks are less volatile, they still have the potential for growth. Investment advisors can spot undervalued or underappreciated stocks that have strong fundamentals and long-term growth prospects, allowing for capital appreciation over time.
- Client Satisfaction: Many clients value stability and consistent performance in their investment portfolios. By incorporating low beta stock strategies, investment advisors can meet the needs of risk-averse clients and potentially enhance client satisfaction.
- Risk-Adjusted Returns: Low beta stock strategies focus on achieving attractive risk-adjusted returns. By selecting stocks with lower volatility relative to the market, investment advisors can potentially achieve favorable risk-adjusted performance metrics, such as the Sharpe ratio.

It is important for investment advisors to consider that low beta strategies may underperform during bull markets or periods of market exuberance.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ Bat out of Hell (BOH) Model

Selections Type: Individual Stocks
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The **iQ Bat out of Hell Mode**l is an *aggressive* 15-stock equity model that seeks to outperform the S&P 500 by focusing on stocks of sector strategies displaying high 3-year relative strength and low relative standard deviation.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Bat out of Hell Model** follows the following MONTHLY rules-based process:

1. Begin with a starting universe of **iQUANT.pro** stock strategies for each of the following twelve sectors/industries:
    - Staples, Materials, Healthcare, Financials, Technology, Energy, Real Estate, Discretionary, Industrials, Aerospace (Industry), Utilities, Telecommunications
2. Sort the 12 strategies by 36-month Relative Strength Index (RSI) and keep the top half
3. Sort the remaining **iQUANT.pro** sector strategies by long-term standard deviation and keep the bottom 3 strategies (for 15 stocks total).

This model reconstitutes every month.

Investing in sector rotational strategies…

Sector rotation strategies may offer the following benefits:

- Enhanced Performance: Stock sector rotation strategies allow investment advisors to capitalize on the cyclical nature of the market by shifting investments between different sectors based on their relative strength and performance. This approach can potentially generate higher returns compared to a buy-and-hold strategy.
- Risk Management: Sector rotation strategies provide an opportunity to manage risk by diversifying investments across various sectors. By rotating holdings based on market conditions, advisors can reduce exposure to underperforming sectors and potentially limit downside risk.
- Adaptability to Market Cycles: Sector rotation strategies allow advisors to adapt to changing market cycles. By identifying sectors that are expected to outperform in specific market conditions, advisors can position their clients' portfolios accordingly and potentially capitalize on market trends.
- Active Management and Flexibility: Sector rotation strategies offer a more active approach to portfolio management, allowing advisors to respond to market dynamics and adjust sector allocations as needed. This flexibility enables advisors to take advantage of emerging opportunities and respond to changing market conditions.
- Client Engagement and Differentiation: Implementing sector rotation strategies can differentiate investment advisors in the marketplace and provide value-added services to clients. By offering a dynamic investment approach and demonstrating a proactive management style, advisors can engage clients and build stronger relationships based on their ability to navigate market cycles effectively.

It's important to note that sector rotation strategies also have inherent risks, including the potential for incorrect sector predictions, timing errors, and the risk of missing out on prolonged sector rallies.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Bulls of the Dow Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ Bulls of the Dow** investment model seeks to provide returns in excess of large-cap equity indices by investing in stocks of the Dow Jones Industrial Index with strong free cash flow at a value.

This model has been constructed to be a core allocation and is part of our "Low Trading" lineup.

UNEMOTIONAL & RULES-BASED PROCESS - Elegant in its simplicity

The **iQ Bulls of the Dow** investment model implements the following rules-based process:

1. Begin with the Dow 30 blue-chip Index.
2. Sort the thirty stocks by free cashflow-to-enterprise value and select the top ten.
    - The Model continues to hold the ten stocks until one drops out of the top 20.*

*Because of the hold 'til drop step, the Model may select positions with a disproportional weighting.

The model reconstitutes every February, May, August and November and averages less than one position change every reconstitution.

A Word About Blue-Chip Stocks

Blue chip stocks offer the following potential benefits:

- Stability and Reliability: Blue-chip stocks are typically issued by large, well-established companies with a long history of stable earnings and dividends. They often have strong market positions, established brands, and proven track records of success. This stability can provide investment advisors with a reliable foundation for building portfolios.
- Dividend Income: Many blue-chip stocks are known for their consistent dividend payments. This can be advantageous for investment advisors looking to generate regular income for their clients, especially those who rely on investment income for retirement or other financial goals.
- Long-Term Growth Potential: While blue-chip stocks are often associated with stability, they can also offer long-term growth opportunities. These companies have the potential to grow their earnings and expand their market share over time, which can result in capital appreciation for investors.
- Risk Management: Blue-chip stocks are typically less volatile than smaller or riskier stocks. Their size, market position, and financial strength can provide a level of risk management and downside protection during market downturns. This can be particularly appealing for investment advisors seeking to balance risk in their portfolios.
- Investor Confidence and Trust: Blue-chip stocks are widely recognized and often enjoy a high level of investor confidence and trust. For investment advisors, recommending these established and reputable companies can instill confidence in clients and reinforce their trust in the advisor's expertise.

However, it's important for investment advisors to carefully evaluate each blue-chip stock based on its individual merits and consider factors such as valuation, market conditions, and company-specific risks.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Consumer Staples Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The investment objective of a consumer staples stock strategy is to generate stable returns by investing in companies that provide essential products and services with a focus on operating income, dividend yield and relative strength.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Consumer Staples Model** employs the following unemotional rules-based process:

1. Start with the largest 75 domestically-traded companies from the Consumer Staples sector
2. Select the 30 companies with the highest Operating and Dividend yields.
3. Screen by 3-year Seasonal Relative Strength and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in Consumer Staples stocks

Investing in consumer staples stocks can provide several potential benefits, including:

- Stability and Resilience: Consumer staple stocks are known for their stability and resilience, even during economic downturns. These companies provide essential products and services that people continue to demand regardless of the economic conditions, making them less susceptible to significant fluctuations in demand and revenue.
- Defensive Characteristics: Consumer staple stocks are considered defensive investments due to their non-cyclical nature. They tend to perform well in times of economic uncertainty and market volatility, acting as a defensive anchor in a portfolio and providing stability during turbulent market conditions.
- Long-Term Growth Potential: While consumer staple stocks are often associated with stability, they also offer long-term growth potential. As global populations grow and consumer spending continues to rise, companies in this sector have opportunities to expand their market share and drive revenue growth over time.
- Inflation Hedge: Consumer staple companies can be viewed as an inflation hedge. As prices rise, these companies have the ability to pass on increased costs to consumers, helping to maintain their profitability and potentially outperform other sectors during inflationary periods.
- Defensive Sector Rotation: During market cycles, investment advisors can strategically rotate into defensive sectors like consumer staples as a way to protect portfolios from potential market downturns. This sector rotation strategy can help manage risk and potentially provide more stable returns during periods of market volatility.

Investment advisors should also be mindful of potential risks, such as intense competition within the consumer staple sector, changing consumer preferences, and regulatory challenges.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Cyclical Super Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months (Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ Cyclical Super Sector** investment model seeks to generate long-term returns in excess of the of the S&P 500 Index by selecting stocks of companies from "cyclical" sectors.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Cyclical Super Sector** investment model implements the following rules-based process:

1. Begin with a starting universe of stocks of cyclical sectors in the S&P 500 Index.
2. Sort the stocks by Market Capitalization and keep the top 100.
3. Sort the remaining 100 stocks by the percent above 260-day low price and select the top 10
4. Keep the ten stocks until one falls out of the top 75 and replace it with the next stock in line.

This model reconstitutes every February, May, August and November and averages less than one position change every reconstitution.

CYCLICAL SUPER SECTORS - DEFINED

The Cyclical Super Sector is comprised of industries significantly impacted by economic shifts. When the economy is prosperous these industries tend to expand, and when the economy is in a downturn these industries tend to shrink. In general, the stocks in these industries have betas of greater than 1.

The Cyclical Super Sector includes the following sectors:

- Basic Materials
- Consumer Cyclical
- Financial Services
- Real Estate

Why invest in the Cyclical Super Sector?

Investing in the Morningstar Cyclical Super Sector can provide investors with exposure to companies that are highly correlated with the business cycle. This sector includes companies that are sensitive to economic conditions, such as consumer cyclical stocks, industrial stocks, and materials stocks.

Investing in this sector can provide benefits for investors looking to capitalize on economic growth and expansion. During periods of economic growth, cyclical companies tend to perform well as consumer spending increases, demand for industrial goods rises, and commodity prices increase. Additionally, these stocks may provide diversification benefits, as they may not move in tandem with the broader market or defensive sectors.

However, it's important to note that investing in the cyclical sector can be riskier than investing in more stable sectors, as these stocks can be highly sensitive to economic downturns and market volatility. As such, it may be prudent to incorporate cyclical stocks as part of a well-diversified portfolio that also includes defensive sectors and other asset classes.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Defensive Preferred Income Model

Selections Type: Preferred Stocks / Limited Partnerships
Reconstitution Frequency: Every 6 months (May, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ Defensive Preferred Income Model** seeks to provide a high rate of quarterly income with the potential for capital appreciation.

Important! This model may generate K1s

UNEMOTIONAL & RULES-BASED PROCESS

The Model implements the following rules-based process:

1. Begin with a starting universe of Preferred Stocks and Limited Partnerships from the following sectors:
    - Healthcare, utilities, consumer staples, railroads, and aerospace
2. Rank the starting universe by average daily trading volume and keep the top twenty.
3. Apply a multi-factor screen to the remaining twenty preferred stocks and keep the top ten.

The model reconstitutes every November and May.

Why invest in preferred stocks of defensive industries?

Investing in preferred stocks in defensive industries can offer several potential benefits for investors. Preferred stocks are a type of equity security that typically pays fixed dividends and has priority over common stocks in the event of a company's liquidation. Here are some reasons why investors might choose to invest in preferred stocks of defensive industries:

- Stable Income: Preferred stocks are known for their fixed dividend payments, which can provide stable income for investors. This can be particularly beneficial during times of economic uncertainty, when other sources of income may be less reliable.
- Defensive Industries: Defensive industries are those that tend to be less affected by economic cycles and can provide stability to a portfolio during a recession. These industries often operate in sectors such as healthcare, utilities, and consumer staples, which provide products and services that consumers need regardless of the state of the economy.
- Potential for Capital Appreciation: Preferred stocks in defensive industries may also offer potential for capital appreciation, as they can increase in value if the company performs well or if market conditions improve.
- Lower Volatility: Preferred stocks in defensive industries can be less volatile than other types of equity securities, such as common stocks. This can help reduce portfolio risk and provide a more stable investment environment for investors.
- Publicly traded limited partnerships offer the tax advantages of a partnership with the liquidity and accessibility of a publicly traded stock.

The risks of preferred stocks include interest rate risk, call risk, credit risk, market risk, and liquidity risk.

Note: The Model may generate K-1s as a result of its ability to select limited partnerships.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Defensive Super Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ Defensive Super Sector Model** seeks to generate long-term returns in excess of the total return of the S&P 500 with less down-market risk by selecting stocks of companies of defensive sectors.

DEFENSIVE SUPER SECTOR-DEFINED

Industries that are largely resistant to economic cycles make up the defensive super sector. Healthcare, utilities, and consumer goods are just a few of the goods and services that these industries offer that consumers need in both good and bad economic times. Defensive stocks typically have betas below 1.

The Defensive Super Sector includes the following sectors:

- Healthcare | Utilities | Consumer Staples

UNEMOTIONAL & RULES-BASED PROCESS

The Model implements the following rules-based process:

1. Begin with a starting universe of stocks of S&P 500 defensive sectors
2. Sort the stocks by market capitalization and select the top fifty (with a 10% industry cap).
3. Rank the remaining stocks by Cash Flow to Price and select the top ten.

The Model continues to hold the ten stocks until one drops out of the top 20. The Model reconstitutes every Feb, May, Aug and Nov.

Why invest in the Defensive Super Sector

- Risk Mitigation: Defensive super sector stocks, such as utilities, consumer staples, and healthcare, are less susceptible to market fluctuations and economic downturns. Included in a portfolio, these stocks can assist investment advisors in mitigating downside risk and providing stability during volatile market conditions.
- Resilience in Economic Slowdowns: Defensive super sector stocks have a reputation for performing relatively well during economic slowdowns or recessions. They often offer products and services that are essential for daily life, making them more resilient in challenging economic environments.
- Long-Term Stability: Defensive super sector stocks are often characterized by stable earnings, strong cash flows, and established market positions. Investment advisors can utilize these stocks to provide stability and steady growth potential for clients seeking long-term investment objectives.
- Lower Volatility: Defensive super sector stocks generally exhibit lower volatility compared to more cyclical sectors. By including these stocks in a portfolio, investment advisors can potentially reduce overall portfolio volatility and provide a smoother investment experience for clients.
- Client Confidence and Peace of Mind: Defensive super sector stocks are often favored by risk-averse clients who prioritize capital preservation and steady returns. By including these stocks in portfolios, investment advisors can instill confidence and peace of mind in their clients, particularly during periods of market uncertainty or heightened volatility.

It is important for investment advisors to consider that defensive super sector stock strategies may underperform during bull markets or periods of market exuberance when more cyclical sectors tend to outperform.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Dividend Growth 10 Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ Dividend Growth 10** investment model seeks total returns in excess of the S&P 500 High Dividend Index by adhering to a set of rules that focus on dividend growth, yield and pre-tax income.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Dividend Growth 10** investment model implements the following rules-based process:

1. Begin with the largest 200 (by market capitalization) domestically-traded stocks.
2. Remove any stock whose dividend has not grown in the last five years.
3. Sort the remaining stocks by the 24-month simple moving average of their dividend yield and select the top 30.
4. Sort the remaining 30 stocks by their pre-tax income to net operating profit ratio and select the top 10.
5. Hold the ten stocks until one drops out of the top 15.

This model reconstitutes every February, May, August and November and averages less than one position change every reconstitution.

Why invest in stocks that grow their dividends?

Investing in stocks with growing dividends can offer several potential benefits for investors. Here are some reasons why investors might choose to invest in stocks with growing dividends:

- Income Generation: A stock with a growing dividends strategy can provide a consistent and growing stream of income for investment advisors' clients. These stocks are typically chosen from companies that have a track record of increasing their dividends over time, offering a reliable source of cash flow.
- Dividend Growth Potential: Investing in stocks with growing dividends allows investment advisors to participate in the potential future growth of a company's dividend payments. As companies increase their earnings and profitability, they often raise their dividend payouts, leading to potential capital appreciation and higher total returns for investors.
- Inflation Hedge: Dividend growth stocks can serve as an effective hedge against inflation. Companies that consistently increase their dividends tend to have the ability to generate strong cash flows and maintain purchasing power over time, which can protect against inflation.
- Lower Dependency on Market Conditions: Dividend growth stocks are more resistant to market downturns. Companies with a history of increasing dividends demonstrate stability and confidence in their business operations, making them appealing to investment advisors looking to mitigate the impact of market fluctuations on their clients' portfolios even during times of market volatility.
- Attractive Total Return: Stocks with growing dividends have the potential to deliver attractive total returns over the long term. By combining dividend income with capital appreciation, investment advisors can help their clients achieve a balance of current income and future growth.

Advisors should be aware that a risk of high dividend stock strategies is that companies may reduce or eliminate dividend payments, resulting in a decrease in income and a potential negative impact on a portfolio's return.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ ESG 10 (SRI) Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months (Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ ESG 10** (Sustainable) investment model seeks to provide returns in excess of the S&P 500 Index by selecting stocks that rate high on environmental, social and governance criteria.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ ESG 10 (Sustainable)** investment model implements the following rules-based process:

1. Begin with a starting universe of stocks held by '40 Act funds that are classified as a "Sustainable Investment" and are members of the S&P 1500 Index.
2. Sort the starting universe by market capitalization and select the top 100.
3. Sort the remaining 100 stocks by Working Capital-to-Assets ratio and select the top ten.

This model reconstitutes every February, May, August and November and averages less than one position change every reconstitution.

What is Socially Responsible Investing ("SRI")

Socially responsible investing (SRI) is an investment approach that considers both financial returns and social/environmental objectives to achieve positive impact on society and the environment. Potential benefits include:

- Aligning Values: Socially responsible investment strategies allow investment advisors to align their clients' investment portfolios with their values and ethical considerations, investing in companies that have positive social and environmental practices.
- Risk Management: Socially responsible investment strategies can help mitigate certain risks by avoiding companies involved in controversial activities or industries prone to regulatory, reputational, or legal issues, thus potentially reducing exposure to negative events.
- Enhanced Client Relationships: Adopting socially responsible investment strategies can strengthen investment advisors' relationships with their clients by demonstrating a commitment to addressing environmental and social challenges that may be important to a subset of your investors.
- Access to Growth Opportunities: Socially responsible investment strategies provide exposure to sectors and companies at the forefront of addressing global challenges, such as renewable energy, clean technology, and sustainable agriculture, which can offer attractive growth opportunities.
- Regulatory and Market Trends: The growing focus on sustainability and responsible investing, as well as evolving regulatory requirements, make socially responsible investment strategies relevant and potentially advantageous for investment advisors to stay ahead of changing market dynamics.

It's important for investment advisors to carefully evaluate the ESG criteria and methodologies employed in socially responsible investment strategies, ensuring they align with their clients' values and objectives, while also considering the potential impact on risk and return characteristics.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Financial Services Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months (Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The investment objective of the **iQ Financial Services Sector Model** is to generate capital appreciation and income by investing in stocks of companies in the financial services industry.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Financial Services Sector Model** employs the following unemotional rules-based process:

1. Start with the largest 100 domestically-traded companies from the Financial Services sector
2. Select the 30 companies with the highest Operating Earnings Yield and Share Buyback Ratio.
3. Screen by Price Momentum and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in the financial services sector?

The financial services sector encompasses a wide range of companies that provide financial products and services to individuals, businesses, and governments. It includes banks, insurance companies, asset management firms, brokerage firms, payment processors, and other financial institutions. The sector plays a critical role in facilitating economic activities, managing risks, and providing financial intermediation services, making it an essential component of the overall economy. Potential benefits of investing in the sector include:

- Diversification: Incorporating a financial services sector strategy into a portfolio adds a new dimension of diversification, as it represents a distinct sector with its own unique drivers of performance. This can help reduce portfolio concentration risk and enhance overall risk management.
- Tailored Exposure: Investment advisors can customize the financial services sector strategy to align with their clients' investment objectives and risk tolerance, focusing on specific sub-sectors or types of financial companies, such as banks, insurance, or asset management firms.
- Potential for Outperformance: The financial services sector, with its dynamic nature and diverse range of companies, can offer opportunities for generating alpha and outperforming broader market indices. Investment advisors can leverage their sector expertise to seek attractive risk-adjusted returns for their clients.
- Income Generation: Banks and insurance companies frequently pay dividends, making them potential sources of income for yield-seeking investors. A strategy for the financial services sector can assist investment advisors in identifying high-quality dividend-paying companies in the sector.
- Cyclical and Defensive Characteristics: The financial services sector exhibits both cyclical and defensive characteristics, allowing investment advisors to adapt their strategy to different market environments. During economic expansions, the sector may benefit from increased lending and consumer activity, while during market downturns, certain financial companies may demonstrate defensive qualities.

Regulatory changes, economic conditions, interest rate fluctuations, and potential credit and default risks should all be carefully considered by investment advisors when utilizing the financial services sector.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ Global Style Box Rotation Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Global Style Box Rotation Model** aims to outperform the S&P 500 by strategically switching between different style boxes and domiciles. The Model is deftly diversified by industry, domicile, market cap, and value.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Global Style Box Rotation Model** employs the following unemotional rules-based process:

1. Begin with a **diversified** starting universe comprised of the following 15 style box indices:
   - Domestic Large Cap Growth | Domestic Large Cap Core | Domestic Large Cap Value | Domestic Mid Cap Growth | Domestic Mid Cap Core | Domestic Mid Cap Value | Domestic Small Cap Growth | Domestic Small Cap Core | Domestic Small Cap Value | International Large Cap Growth | International Large Cap Core | International Large Cap Value | International SMid Cap Growth | International SMid Cap Core | International SMid Cap Value
2. Sort the 15 style box indices by technical attractiveness as measured by a multi-factor ranking system that utilizes long-term Stochastic Indicators, 12-month Exponential Price Momentum and long-term Relative Strength Index (RSI)) and select the top 3 style boxes.
3. Each selected Style Box is represented by its own **unique** 5-stock strategy; therefore, the Model selects a total of 15 stocks (five stocks for each of the top 3 style boxes) every seasonal quarter (Feb, May, Aug, Nov).

Potential benefits of a global style box rotation investment strategy:

- Diversification: A global style box rotation strategy allows investment advisors to diversify their clients' portfolios across different geographic regions, asset classes, and investment styles, reducing concentration risk and potentially enhancing risk-adjusted returns.
- Flexibility and Adaptability: This strategy allows investment advisors to rotate investments across different style boxes based on market conditions and trends, allowing them to capitalize on opportunities and adjust exposure to different investment styles as market dynamics change.
- Potential for Enhanced Returns: By actively rotating among different investment styles, investment advisors can potentially capture periods of outperformance in specific style boxes, aiming to generate higher returns compared to a static style allocation.
- Risk Management: The rotation strategy allows for risk management by reducing exposure to underperforming or overvalued styles and increasing exposure to potentially undervalued or outperforming styles, helping to mitigate downside risk and enhance portfolio stability.
- Capture of Style-Specific Opportunities: The strategy enables investment advisors to target specific investment styles that align with their market views or opportunities identified, allowing them to capitalize on potential market inefficiencies and the strengths of various investment styles.

It is important to note that by selecting stocks from various regions, the model may be exposed to regional risks such as political unrest, economic downturns, regulatory changes, or regional conflicts.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Greatest Hits Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Greatest Hits Model** seeks to generate long-term returns in excess of the total return of the S&P 500 Index, with a global portfolio of all-cap stocks. The Model is predicated on the idea that if a stock is chosen by multiple (and independent) **iQUANT** models, it may have more characteristics of a stock with a higher probability of positive future returns than a stock chosen by only one model.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Greatest Hits Model** implements the following rules-based process on a seasonal quarterly basis:

1. Begin with a starting universe of all **iQUANT.pro** quarterly models that are not sector-specific.
2. Select the ten stocks that are selected by the most models.
3. In the event of a tie, select the stock with the highest average rank per model.

The Model reconstitutes every February, May, August and November.

Potential benefits of a "greatest hits" multi-strategy universe methodology:

The following are potential benefits of investing in stocks chosen by multiple models rather than just one:

- Enhanced Diversification: Investing in stocks selected by multiple models allows for greater diversification across different investment strategies, reducing reliance on any single model and potentially mitigating the impact of model-specific biases or limitations.
- Adaptive to Changing Market Conditions: Different models may excel in different market environments or exhibit varying levels of performance over time. By selecting stocks from multiple models, investment advisors can adapt their investment strategies to changing market conditions and capture opportunities across different market cycles.
- Reduced Model Dependency: Relying solely on one model carries the risk of potential model failure or underperformance. Investing based on multiple models reduces dependency on any single model, increasing the resilience of the investment strategy.
- Enhanced Confidence and Conviction: When multiple models converge on the same investment idea or stock selection, it can provide investment advisors with increased confidence and conviction in their investment decisions. This alignment across multiple models can validate the investment thesis and potentially increase the likelihood of positive outcomes.
- Increased Robustness: Selecting stocks from multiple models can help capture a broader range of market signals and factors, leading to a more robust investment approach that is not overly reliant on the performance of a single model. This can help improve the overall stability and consistency of portfolio returns.

Stock investing carries risks such as market volatility, potential loss of principal, and individual stock price fluctuations that can be influenced by company-specific factors.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Healthcare Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

iQ Healthcare Sector Model seeks capital appreciation by selecting stocks of companies operating in the healthcare sector. The Model aims to capitalize on the growth potential of healthcare-related industries, such as pharmaceuticals, biotechnology, medical devices, healthcare services, and healthcare technology. It may also focus on companies involved in research, development, and innovation within the healthcare field.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Healthcare Sector Model** employs the following unemotional rules-based process:

1. Start with the largest 100 domestically-traded companies from the Healthcare sector
2. Select the 30 companies with the highest Operating Earnings Yield and Share Buyback Ratio.
3. Screen by Price Momentum and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in Healthcare stocks?

Investing in healthcare stocks can provide several potential benefits, including:

- Strong Long-Term Growth Potential: The healthcare sector offers long-term growth potential due to factors such as population aging, technological advancements, and increasing global healthcare expenditure.
- Resilience in Economic Downturns: Healthcare is considered a defensive sector, as demand for essential healthcare products and services tends to remain stable even during economic downturns, providing stability to investment portfolios.
- Innovation and Research Opportunities: The healthcare sector is at the forefront of innovation, with ongoing research and development leading to breakthrough treatments, drugs, and medical devices. This offers investment advisors opportunities to invest in companies at the forefront of medical advancements.
- Global Opportunities: The healthcare sector is not limited to domestic markets, and investment advisors can access global opportunities by investing in multinational healthcare companies operating in various regions and countries.
- Favorable Demographic Trends: Demographic trends such as an aging population and rising healthcare costs contribute to the healthcare sector's long-term growth prospects, providing investment advisors with the opportunity for capital appreciation for their clients.

By focusing on a single sector, a portfolio becomes highly sensitive to the performance and dynamics of that specific industry. Any adverse developments or downturns in the sector can significantly impact the portfolio's overall performance.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ International Buyback & Dividend Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The iQ International Buyback & Dividend Model is designed to provide exposure to international-based companies that return capital to shareholders through both dividend payments and share buybacks.

UNEMOTIONAL & RULES-BASED PROCESS

The Model follows the following rules-based and emotional selection process:

1. Start with the 250 largest non-United States companies traded on domestic exchanges.
2. Rank the 250 companies by Share Buyback Ratio and keep the top 50.
3. Rank the remaining 50 companies by Operating Cash Flow to Price ratio and kickout the bottom 10.
4. Rank the remaining 40 companies by Dividend Yield and keep the top 10.

This model reconstitutes every February, May, August and November

Potential benefits of a combined international share buyback and dividend approach

A combined share buyback and dividend stock selection strategy can offer several potential benefits:

- Increased Total Return: Companies that engage in share buybacks and pay dividends may provide both capital appreciation through share price appreciation and income through dividend payments, potentially enhancing total returns.
- Return of Capital: Share buybacks represent a return of capital to shareholders by reducing the number of outstanding shares, which can increase the ownership percentage of existing shareholders and potentially enhance the value of their investment.
- Dividend Income: Dividend payments can provide a consistent income stream for investors, particularly those seeking regular cash flow or income generation.
- Shareholder-Friendly Approach: Companies that buy back shares and distribute dividends frequently show a dedication to returning value to shareholders, which can be viewed as a positive sign of the company's financial stability and management's optimism about the future.
- Potential Price Support: Share buybacks can create demand for a company's shares, potentially supporting the stock price and signaling to the market that management believes the stock is undervalued.
- Diversification: Investing in international stocks provides access to a broader range of companies across different regions, industries, and economies. This diversification can help reduce the impact of localized risks and market fluctuations, potentially improving risk-adjusted returns.

Each country has its own unique risks, including legal and regulatory risks, social instability, economic instability, and potential limitations on foreign ownership. These country-specific risks can significantly impact the performance of an international stock model.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ International Efficiency Model

INVESTMENT OBJECTIVE

The **iQ International Efficiency Model** chooses stocks of large-cap companies with foreign headquarters in order to pursue long-term capital appreciation. The Model aims to expose investors to reputable, large-cap companies that conduct business overseas. The investment strategy typically concentrates on picking businesses that have a high relative cash flow and the potential for long-term growth.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ International Efficiency Model** selects its holdings based on the following rules-based investment process:

1. Starting Universe = The largest (by Market Capitalization) 100 domestically-traded stocks not domiciled in North America.
2. Sort the 100 socks by cash flow return on invested capital* and select the top twenty on an equal-weight basis.

The **iQ International Efficiency Model** reconstitutes annually on the first trading day of the year and averages 8 position changes per reconstitution.

Why invest internationally?

Investing in international stocks can offer several potential benefits for investors. Here are some reasons why investors might choose to invest in international stocks:

- Global Market Opportunities: Investing in international stocks provides access to a wider range of markets, allowing investment advisors to capitalize on global economic growth and market opportunities beyond domestic borders.
- Diversification: International stocks offer diversification benefits by adding exposure to different economies, industries, and currencies. This diversification can help reduce portfolio volatility and enhance risk-adjusted returns.
- Potential for Higher Returns: Some international markets may offer higher growth potential than domestic markets, providing investment advisors with opportunities for potentially higher investment returns.
- Sector and Industry Exposure: International markets may offer unique sector and industry exposure that is not well represented domestically. By including international stocks, investment advisors can access specific industries or sectors that may be more prominent or growing in certain regions.
- Risk Diversification: Geopolitical, economic, and regulatory risks affecting domestic markets may not necessarily impact international markets in the same way. Investing internationally can help spread and diversify these risks.

Investment advisors must consider the risks of international investing, such as political and regulatory risks, differences in accounting standards, and potential liquidity constraints in specific markets.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ International Titans Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)
Low-Trading

INVESTMENT OBJECTIVE

The iQ International Titans Model seeks out global blue-chip industry leaders who pay dividends, participate in stock repurchase programs, and generate attractive earnings from their economic resources (assets).

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ International Titans Model** implements the following rules-based process:

1. Begin with large-cap stocks internationally domiciled but domestically traded.
2. Remove any stock that has not paid a dividend each of the last five years.
3. Remove any stock that has not participated in a share repurchase program the last twelve months.
4. Sort the remaining stocks by Return on Assets select the top 10.
5. Hold the ten stocks until one drops out of the top 15.

This model reconstitutes every February, May, August and November and averages less than one position change every reconstitution.

Why invest in international blue-chip stocks?

Investing in international blue-chip companies can offer several potential benefits for investors. Potential benefits include:

- Global Exposure: The Model provides investment advisors with exposure to leading global companies across different regions and sectors. This allows for diversification and access to a wide range of investment opportunities beyond domestic markets.
- Established Track Record: Blue chip companies are typically well-established and have a history of stable earnings, strong balance sheets, and proven business models. This provides investment advisors with a level of confidence and reliability in their investment choices.
- Dividend Income: Many international blue-chip companies have a track record of paying consistent and attractive dividends. This can be appealing for income-focused investors and can provide a steady stream of cash flow to enhance portfolio returns.
- Stability and Lower Volatility: Blue-chip stocks are often considered less volatile compared to smaller or riskier stocks. Their size, market presence, and financial strength can provide a level of stability and lower volatility to investment portfolios.
- Potential for Capital Appreciation: International blue-chip stocks have the potential for capital appreciation over the long term. These companies are often leaders in their industries and have a competitive advantage, which can drive growth and stock price appreciation.

However, investment advisors should also consider the potential risks associated with international blue-chip stocks, such as currency fluctuations, geopolitical risks, regulatory changes, and the potential for underperformance during economic downturns.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ Large Cap Growth Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Large Cap Growth Model** seeks to generate long-term returns in excess of the total return of the S&P 500 Barra Growth Index, with less down-market volatility.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Large-Cap Growth Model** represents an equal-weighted portfolio of large and blue-chip stocks that have displayed strong earnings momentum, risk-adjusted price momentum and share buyback.

1. Start with the stocks of the S&P 500 Index
2. Select the 250 companies with the highest price-to-book ratio.
3. Sort by valuation versus earnings growth and select the top 200
4. Sort by earnings momentum and share buyback and select the top 40.
5. Sort by risk-adjusted price momentum and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in large cap growth stocks?

Investing in large-cap growth stocks may provide investors with exposure to well-established companies with strong growth potential. Potential benefits include:

- Strong Growth Potential: Large cap growth stocks have the potential to deliver significant capital appreciation over the long term. These companies are often leaders in their respective industries and have a track record of consistent earnings growth, which can drive stock price appreciation and contribute to the overall performance of the portfolio.
- Stability and Quality: Large cap growth stocks typically represent established companies with stable business models, strong financials, and a proven track record of success. This can provide a level of stability and quality to an investment portfolio, making it suitable for investors seeking a more conservative approach.
- Access to Leading Innovators: Many large cap growth stocks are associated with innovative and disruptive companies at the forefront of technological advancements, industry trends, and market leadership. By investing in these stocks, investment advisors can provide their clients with exposure to companies driving innovation and potentially benefiting from future market trends.
- Diversification Benefits: Large cap growth stocks frequently span multiple sectors and industries, providing portfolio diversification. Investment advisors can reduce concentration risk and potentially boost risk-adjusted returns by including a mix of large cap growth stocks from various sectors.
- Risk-Adjusted Returns: Large cap growth stocks have historically delivered positive risk-adjusted returns. While they may be more expensive than other investment styles, their strong growth potential and stability can contribute to attractive long-term returns while managing risk.

A potential risk of investing in large cap growth stocks is a market downturn or shift in investor sentiment, which can lead to a drop in stock prices, particularly for companies with high valuations and growth expectations.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Large Cap High Yield Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Large Cap High Yield Model** seeks attractive income generation by selecting high dividend-paying stocks of large-cap companies while managing the associated risks of investing in higher-yielding securities.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Large Cap High Yield Model** employs the following unemotional rules-based process:

1. Start with the largest 500 domestically-traded companies
2. Select the 75 companies with the highest current dividend yield.
3. Screen by plow-back ratio, share buyback and dividend yield and select the top 10

This model reconstitutes every February, May, August and November

The benefits of large-cap, high dividend stocks

Investing in large cap stocks with high dividends can provide several potential benefits, including:

- Income Generation: Large-cap dividend stocks offer a consistent income stream through regular dividend payments, providing a reliable source of cash flow.
- Dividend Growth Potential: Many large-cap companies have a history of increasing their dividends over time, offering the potential for growing income.
- Stability and Safety: Large-cap companies are often more established and financially stable, making dividend payments more reliable even during market downturns.
- Defensive Characteristics: Dividend stocks tend to exhibit defensive characteristics and can provide stability to a portfolio during volatile market conditions.
- Long-Term Performance: Historically, dividend stocks have delivered competitive long-term returns, making them an attractive choice for investors seeking steady capital appreciation.
- Portfolio Diversification: Large-cap dividend stocks can provide diversification benefits, especially when combined with other asset classes, as they tend to have lower correlation with bonds and other growth-oriented stocks.
- Lower Volatility: Dividend-paying stocks often exhibit lower price volatility compared to non-dividend-paying stocks, which can help reduce portfolio volatility.
- Total Return Potential: Large-cap dividend stocks offer the potential for both income and capital appreciation, providing a favorable total return profile for investors.

The risks of large-cap high dividend stocks include the potential for dividend cuts or suspensions, exposure to sector-specific risks, limited growth potential, and the impact of interest rate changes on the stock's yield attractiveness.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ Large Cap Share Buyback Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months (Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Large Cap Share Buyback Model** seeks capital growth by selecting common stocks of large domestic corporations that have engaged in a share repurchase program in the previous twelve months.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Large Cap Share Buyback Model** employs the following unemotional rules-based process:

1. Start with the largest 500 domestically-traded companies
2. Select the 100 companies with the highest 12-month share buyback ratio.
3. Screen by Value, Momentum and 5-year Beta and select the top 30
4. Screen by risk-adjusted price momentum and select the top ten.

This model reconstitutes every February, May, August and November

Why invest in large-cap share buyback stocks?

Investing in large cap stocks that participate in share repurchase programs may provide the following benefits:

- Increased Earnings Per Share (EPS): Share buybacks reduce the number of outstanding shares, leading to an increase in EPS and potentially boosting the stock's valuation.
- Return of Capital to Shareholders: Share buybacks provide a direct return of capital to shareholders, increasing their ownership stake in the company.
- Potential Price Appreciation: Share buybacks can signal confidence in the company's prospects, attracting investor interest and potentially leading to stock price appreciation.
- Enhanced Dividend Yield: With fewer shares outstanding, the dividend payout per share increases, potentially boosting the dividend yield for investors.
- Efficient Capital Allocation: Share buybacks allow companies to deploy excess capital effectively by investing in their own undervalued stock, providing potential long-term benefits to shareholders.
- Reduced Dilution: By repurchasing shares, companies can offset the dilution caused by stock-based compensation, preserving existing shareholders' ownership.
- Increased Earnings Stability: Share buybacks can contribute to earnings stability by reducing the fluctuations in earnings per share, as fewer shares are affected by business performance.
- Improved Financial Ratios: Share buybacks can enhance financial ratios such as earnings per share, return on equity, and price-to-earnings ratios, making the company more attractive to investors.
- Management Confidence: Share buybacks indicate management's confidence in the company's future and can positively influence investor sentiment.

The risks of owning large-cap share buyback stocks include potential misallocation of capital, reliance on market timing for share repurchases, and the possibility of overpaying for shares.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Large Cap Value Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Large-Cap Value Model** seeks long-term capital appreciation by selecting undervalued large-cap stocks with strong fundamentals and potential for market recognition of their intrinsic value.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Large-Cap Value Model** represents an equal-weighted portfolio of large and blue-chip stocks that have displayed strong seasonal relative strength, 12-month share buyback, and value momentum.

1. Start with the stocks of the S&P 500 Index
2. Select the 250 companies with the lowest price-to-book ratio.
3. Sort by valuation versus earnings growth and share buyback and select the top 200
4. Sort by 4-year seasonal relative strength and select the top 40.
5. Sort by value momentum select the top 10.

This model reconstitutes every February, May, August and November

Why invest in large cap value stocks?

Investing in large cap value stocks may provide the following benefits:

- Potential for Long-Term Growth: Large cap value stoks offer the potential for long-term growth as they tend to be established, stable companies with proven track records. These companies often have solid fundamentals and may be undervalued relative to their intrinsic worth, presenting opportunities for capital appreciation over time.
- Lower Volatility: Large cap value stocks typically exhibit lower volatility compared to growth stocks, which can provide a more stable investment experience for clients. This lower volatility can help manage risk and reduce the potential for significant downside movements in the portfolio.
- Defensive Characteristics: Large cap value stocks often possess defensive characteristics that can help cushion the portfolio during market downturns. These companies may have established market positions, strong balance sheets, and consistent cash flows, which can contribute to more resilient performance during challenging market conditions.
- Attractive Valuations: Large cap value stocks are often priced at a discount relative to their intrinsic value, presenting attractive opportunities for value-oriented investors. The potential for capital appreciation can be higher when investing in stocks that are undervalued and have the potential to close the valuation gap over time.
- Established Market Presence: Large cap value stocks are typically well-known, established companies with recognized brands and market presence. This can provide a sense of stability and confidence for clients, as they are investing in companies that have proven their ability to navigate different market environments.

Risks of investing in large cap value stocks include the potential for value traps, slower growth compared to other investment styles, and vulnerability to market downturns.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Mid Cap Growth Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Mid Cap Growth Model** seeks to generate long-term returns in excess of the total return of the S&P 400 Barra Growth Index, with less down-market volatility than the index.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Mid-Cap Growth Model** represents an equal-weighted portfolio of mid-cap growth stocks that have displayed strong 9-month price momentum and share buyback ratios.

1. Start with the 400 stocks of the S&P 400 Mid-Cap Index.
2. Sort the 400 stocks by price-to-book ratio and select the top 200 stocks.
3. Sort the remaining 200 stocks by Share Buyback Ratio and select the top 40.
4. Sort the remaining 40 stocks by 9-month price momentum and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in mid-cap growth stocks?

Investing in mid-cap growth stocks may provide the following benefits:

- Growth Potential: Mid-cap growth stocks offer the potential for significant growth as these companies are in a phase of expansion and can capitalize on emerging opportunities.
- Market Outperformance: Mid-cap stocks have historically shown the potential to outperform both large-cap and small-cap stocks, providing attractive returns to investors.
- Agility and Flexibility: Mid-cap companies are often more agile and flexible compared to their larger counterparts, allowing them to adapt quickly to changing market conditions and capitalize on growth opportunities.
- Undervalued Opportunities: The mid-cap segment of the market may contain hidden gems that are undervalued or overlooked by investors, providing opportunities for investors to discover stocks with growth potential before they become widely recognized.
- Lower Risk than Small Caps: Mid-cap stocks tend to have more established business models and greater financial stability than small-cap stocks, which can lead to lower risk and potentially smoother investment performance.
- M&A Potential: Mid-cap companies are often attractive targets for mergers and acquisitions, which can result in potential capital appreciation for shareholders as acquisition premiums are paid.
- Diversification Benefits: Adding mid-cap growth stocks to a well-diversified portfolio can enhance diversification by complementing large-cap and small-cap holdings, reducing concentration risk, and capturing the growth potential of mid-sized companies.

The risks of owning mid-cap growth stocks include higher volatility, potential for increased competition, greater sensitivity to market fluctuations, liquidity challenges, and the possibility of growth expectations not being met.-cap companies, and their growth potential may not always materialize.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Mid Cap Value Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Mid Cap Value Model** seeks to generate long-term returns in excess of the total return of the S&P 400 Barra Value Index, with less down-market volatility than the index.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Mid-Cap Value Model** represents an equal-weighted portfolio of mid-cap value stocks that have displayed strong Fundamentals with low valuations.

1. Start with the 400 stocks of the S&P 400 Mid-Cap Index.
2. Sort the 400 stocks by price-to-book ratio and select the bottom 200 stocks.
3. Sort the remaining 200 stocks by Value, Price, and Earnings Momentum and select the top 100.
4. Sort the remaining 100 stocks by Price-to-Sales Ratios and select the bottom 50.
5. Sort the remaining 50 stocks by 5 Year Earnings Growth and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in mid-cap value stocks?

Reasons to invest in mid-cap value stocks include:

- Strong Growth Potential: Mid cap value stocks often exhibit higher growth potential compared to large cap stocks, allowing for potentially higher returns on investment.
- Undervalued Opportunities: Mid cap value stocks can present attractive buying opportunities due to being undervalued by the market, providing the potential for capital appreciation as they are recognized and their value increases.
- Less Efficient Market: The mid cap segment of the market is often less closely followed by analysts and institutional investors, creating opportunities for active investment managers to identify undervalued gems and generate alpha.
- Favorable Risk-Return Profile: Mid cap value stocks tend to offer a balance between potential returns and risk, providing the opportunity for solid long-term performance while potentially mitigating downside risk compared to more speculative investments.
- Acquisition Potential: Mid cap value stocks are often attractive targets for mergers and acquisitions, which can lead to potential windfall gains for investors if the companies are acquired at a premium.
- Growing Companies: Many mid cap value stocks are in the early stages of their growth trajectory, allowing investors to participate in their expansion and benefit from their increasing market share and profitability.

Higher volatility, liquidity issues, possibility for slower growth compared to growth-oriented firms, and susceptibility to economic and market fluctuations are among the risks of holding mid-cap value stocks.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Monthly Long/Short Equity Model

Selections Type: Individual Stocks
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The **iQ Monthly Long/Short Equity Model** seeks to generate positive returns by simultaneously selecting long positions in securities expected to increase in value and short positions in securities expected to decline in value, aiming to profit from both rising and falling markets.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Monthly Long/Short Equity Model** implements a unique process for both the Long and Short selections.

LONG STRATEGY (100%)

The **iQ Monthly Long/Short Model** implements the following rules-based process to select its *long positions*:

1. Begin with a starting universe of S&P 500 stocks
2. Apply a multi-factor ranking process that includes the following factors and select the top ten:
    - Sales Growth Acceleration | Operating Cash Flow to Enterprise Value Ratio | Accrual Ratio (Balance Sheet) | Stochastic Indicator | Short Interest Trading Volume | High vs. Low Price (12 months) | Change in Sales versus EPS | EBITDA to Asset Ratio

The long strategy reconstitutes monthly.

SHORT STRATEGY (30%)

The **iQ Monthly Long/Short Model** implements the following rules-based process to select its *short positions*:

- Begin with a starting universe of the largest 900 domestically-traded stocks.
- Apply a multi-factor ranking process that includes the following factors and select the worst ten:
    - Working Capital Turnover | Change in Amihud Ratio | Stochastic Indicator | Sales to Enterprise Value Ratio | High vs. Low Price (1 month) | Operating Cash Flow to Price Ratio

The short strategy reconstitutes monthly.

The benefits of long/short investment strategies

Advantages of a long/short stock model include:

- Market Neutrality: A long/short strategy seeks to limit exposure to overall market movements while generating potential returns regardless of market direction.
- Risk Management: By taking both long and short positions, the strategy can help mitigate downside risk and protect against market downturns.
- Enhanced Portfolio Diversification: Long/short strategies can provide additional diversification benefits by combining long positions in undervalued stocks with short positions in overvalued stocks, reducing overall portfolio risk.
- Flexibility to Capture Opportunities: The strategy allows for flexibility to adjust positions based on market conditions, taking advantage of both long and short opportunities as they arise.
- May Profit in Any Market: Long/short strategies can generate positive returns regardless of whether the overall market is rising or falling, making them appealing in a variety of market conditions.

The risk of long-short strategies includes the potential for losses from both long and short positions, as well as the need for accurate stock selection and effective market timing to generate positive returns.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Monthly Risk On / Risk Off Model

Selections Type: Stocks & ETFs
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

By tactically allocating between stocks and bonds on a monthly basis, the **iQ Monthly Risk On/Risk Off Model** seeks to provide positive returns regardless of the direction of the economy or financial markets.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Monthly Risk On/Risk Off Model** utilizes the following four non-correlated factors to determine an allocation between stocks (Risk On) and bonds (Risk Off).

•Technical (price to 9-month simple moving average)

•Macro (technical strength of the US dollar)

•Valuation (S&P 500 price-to-earnings ratio)

•Seasonal ("Sell in May and Go Away")

Each of the aforementioned factors account for 25% of the Model's allocation. If all four of the factors are "risk on", then 100% of the Model is allocated to stocks. If 2 of the 4 indicators are "risk on", then 50% of the Model allocates to stocks while the other 50% allocates to bonds.

When the Model allocates to stocks, it utilizes the following monthly large-cap strategy:

1. Start with the largest 750 locally-traded stocks.
2. Sort by operating earnings yield and share buyback and select the top 20%.
3. Sort by earnings growth persistence and select the top 20%.
4. Sort by earnings and price momentum and select the top 10.

The benefits of a risk-on/risk-off strategy

A monthly risk-on/risk-off (RORO) strategy can offer several benefits to investors, including:

- Simplicity: A monthly RORO strategy is relatively simple and easy to implement. It involves allocating to riskier assets during risk-on periods and safer assets during risk-off periods, based on the market's prevailing conditions.
- Diversification: By investing across different asset classes, such as stocks ad bonds, a monthly RORO strategy can provide diversification benefits that can help reduce portfolio risk.
- Risk Management: The monthly RORO strategy is designed to reduce exposure to riskier assets during times of market stress, which can help mitigate portfolio losses during market downturns.
- Potential for outperformance: By investing in assets that are expected to perform well during risk-on periods and avoiding those that are expected to perform poorly during risk-off periods, a monthly RORO strategy has the potential to outperform a static allocation portfolio over the long term.

It is important to note that the risk-on, risk-off investment model is not without risks, such as the possibility of a risk-off allocation sharing in the market's downside (for example, bonds in an inflationary environment), false signals, and missing market opportunities during rapid shifts in market sentiment.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Recession 10 Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Recession 10 Model** seeks to outperform the S&P 500 Index over the long term while minimizing downside risk during recessions by selecting stocks from sectors that have historically outperformed when the economy has struggled.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Recession 10 Model** implements the following rules-based process:

1. Begin with a starting universe of S&P 1500* stocks from the following sectors:
   - Consumer Goods
   - Discount Retailers
   - Utilities
   - Aerospace
   - Healthcare
2. Apply a multi-factor screening process that includes the following factors and select the top ten:
   - Share Buyback
   - Earnings Momentum
   - Asset to Price Ratio
   - Growth Flow to Price Ratio

The Model reconstitutes every Feb, May, Aug and Nov.

Investing in recession-ready stocks

Investing in recession-ready stock sectors can help reduce the impact of economic downturns on an investment portfolio. These sectors include:

- Healthcare: Healthcare stocks tend to perform well in a recession due to their defensive nature, consistent demand for healthcare services, and the essential nature of healthcare products.
- Consumer Staples: Consumer staples stocks tend to perform well in a recession due to their relatively stable demand for essential products and services, making them less susceptible to economic downturns.
- Utilities: Utilities stocks tend to perform well in a recession due to their defensive nature, reliable dividend payouts, and stable demand for essential services regardless of economic conditions.
- Aerospace & Defense: Aerospace & Defense stocks can perform well in a recession due to their essential nature, as defense spending tends to be less affected by economic downturns, and they often benefit from increased government defense budgets during uncertain times.
- Discount Retail: Discount retail stocks tend to perform well in a recession because consumers prioritize value and cost savings, leading to increased demand for affordable products offered by discount retailers.

It's important to note that while these sectors are generally considered to be more resilient during a recession, there are no guarantees in the stock market, and any investment carries risks.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ S&P 500 Defensive Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 12 months
January

INVESTMENT OBJECTIVE

The **iQ S&P 500 Defensive Sector Model** is an annual model that seeks to outperform the S&P 500 index by selecting 20 stocks based on **Value Momentum, Share Buyback** and **Operating Earnings Yield**.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ S&P 500 Defensive Sector Model** selects its holdings based on the following rules-based investment process:

1. Starting Universe = The S&P 500 Index
2. Eliminate any stock that is not from the following sectors and/or industries:
    - Utilities
    - Aerospace
    - Healthcare
    - Consumer Staples
    - Telecommunications
    - Real Estate Investment Trusts
3. Sort the remaining companies by Value Momentum plus Share Buyback Yield and select the top 60.
4. Sort the remaining 60 companies by Operating Earnings Yield and select the top 20 stocks.

This model reconstitutes the first trading day of each January.

Why invest in defensive stocks?

Investing in defensive stocks is a strategy that involves buying stocks of companies that are expected to perform well during economic downturns or periods of market volatility. These companies are often characterized by stable earnings, consistent dividend payouts, and a business model that is less sensitive to changes in the economy.

Investing in defensive stocks can provide several benefits, including:

- Stability: Defensive stocks tend to be less volatile than other types of stocks, making them a good choice for investors who are seeking a stable, predictable return on their investment.
- Income: Many defensive stocks pay consistent dividends, providing investors with a reliable stream of income regardless of market conditions.
- Diversification: Defensive stocks can provide diversification to an investor's portfolio, as they may perform differently than other types of stocks during market downturns.
- Long-term growth: Although defensive stocks may not experience the same level of growth as high-growth stocks, they can still provide long-term growth and appreciation in value over time.

Overall, investing in defensive stocks can be a good strategy for investors who prioritize stability and consistent returns over high-risk, high-reward investments.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ S&P 500 Efficiency Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 12 months
January

INVESTMENT OBJECTIVE

The **iQ S&P 500 Efficiency Model** is an annual model that seeks to outperform the S&P 500 index by selecting 20 stocks based on Capital Efficiency, Relative Strength Efficiency, and Price Momentum.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ S&P 500 Efficiency Model** selects its holdings based on the following rules-based investment process:

1. Starting Universe = The S&P 500 Index
2. Sort the 500 companies (of the S&P 500 Index) by Operating Earnings Yield plus Share Buyback Yield and select the top 100.
3. Sort the remaining 100 companies by 18-month Relative Strength Index (RSI) and select the top 60 stocks.
4. Sort the remaining 60 stocks by risk-adjusted price momentum and select the top 20 stocks.

This model reconstitutes the first trading day of each January.

Investing in S&P 500 stocks

A focused strategy based on Capital Efficiency, Relative Strength Efficiency, and Price Momentum from a universe of stocks in the S&P 500 index has numerous advantages, including:

- Enhanced Returns: Stocks with capital efficiency, relative strength efficiency, and price momentum tend to generate higher returns as they exhibit strong financial performance, market outperformance, and positive price trends.
- Improved Risk Management: These stocks often demonstrate lower volatility and downside risk compared to their counterparts, providing a measure of risk management to the investment portfolio.
- Increased Potential for Upside: Stocks with capital efficiency, relative strength efficiency, and price momentum have the potential for continued price appreciation, allowing investors to benefit from positive price trends.
- Strong Fundamental Foundation: Capital efficiency and relative strength efficiency indicate that the companies efficiently allocate capital and exhibit competitive strength in their respective industries, contributing to a solid fundamental foundation.
- Attractive Relative Valuation: Such stocks often trade at attractive valuations compared to their peers, offering a favorable risk-reward profile for investors.
- Alignment with Market Trends: Price momentum indicates that these stocks are aligning with market trends and attracting investor interest, potentially leading to further price appreciation.
- Potential for Outperformance: Stocks with capital efficiency, relative strength efficiency, and price momentum have a higher probability of outperforming the broader market, providing opportunities for alpha generation and portfolio growth.

The risk of owning S&P 500 stocks lies in the potential for market volatility, economic downturns, and company-specific factors that may impact the stock's performance.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ SMid Cap Efficiency Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 12 months
January

INVESTMENT OBJECTIVE

The **iQ SMid Cap Efficiency Model** seeks long-term capital appreciation by investing in small and mid-cap stocks with strong growth potential while displaying capital efficiency.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ S&P SMid Cap Efficiency Model** selects its holdings based on the following rules-based investment process:

1. Starting Universe = The S&P 400 Mid Cap and S&P 600 Small Cap indices (1,000 companies)
2. Sort the 1,000 companies by Share Buyback Ratio* and Value to Earnings Momentum and select the top 300.
3. Sort the remaining 300 companies by volatility-adjusted Plowback Ratio* and select the top 20 stocks

This model reconstitutes the first trading day of each January.

Why invest in SMID-cap stocks?

Investing in SMID-cap companies may offer the following benefits:

- Growth potential: SMID-cap companies have the potential to grow faster than larger, more 1. Growth Potential: SMID (Small and Mid Cap) stocks often have higher growth potential compared to large-cap stocks, as they are in the growth phase of their business lifecycle.
- Market Inefficiencies: SMID cap stocks are less researched and followed by analysts, which can lead to market inefficiencies and opportunities for active investors to find undervalued or overlooked companies.
- Faster Adaptation to Market Changes: SMID cap companies are typically more nimble and responsive to market changes, allowing them to quickly adapt to new trends and capitalize on emerging opportunities.
- Less Institutional Ownership: SMID cap stocks tend to have lower institutional ownership, which can result in less price volatility and more room for individual investors to have an impact on the stock's performance.
- Acquisition Potential: SMID cap stocks are often attractive acquisition targets for larger companies seeking growth opportunities, potentially leading to significant returns for shareholders.
- Lower Competition: Compared to large-cap stocks, there is generally less competition among investors for SMID cap stocks, which can provide opportunities for individual investors to discover and invest in promising companies before they gain widespread attention.
- Portfolio Diversification: Including SMID cap stocks in a portfolio can enhance diversification by adding exposure to a different segment of the market, reducing the concentration risk associated with holding only large-cap stocks.

Potential risks of small and mid-cap stocks include higher volatility, lower liquidity, potential for limited resources, and increased susceptibility to market downturns.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ Sector Rotation Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Sector Rotation Model** seeks to outperform the broader market by dynamically rotating across different sectors based on a systematic and data-driven approach. The model aims to identify sectors with the greatest potential for outperformance while managing downside risk during market fluctuations.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Sector Rotation Model** implements the following rules-based process:

1. Starting Universe = The following 11 S&P 500 sectors
    - Basic Materials | Discretionary | Energy | Financials | Healthcare | Industrials | Real Estate | Staples | Technology | Telecom | Utilities
2. Sort the eleven sectors by 10-month max drawdown and select the three sectors that have displayed the least amount of drawdown.
3. Each of the three remaining sectors is represented by its own unique 5-stock strategy for a portfolio of 15 stocks.

The uniqueness of a rotational strategy based on maximum drawdown

The benefits of a sector rotation strategy for investment advisors managing investment portfolios include the ability to adapt to changing market conditions, diversification across different sectors, the opportunity to capitalize on sector-specific trends, and the potential to mitigate risk through active allocation.

More specific advantages incude:

- Diversification: Sector rotation allows for diversification across different sectors, reducing the concentration risk associated with investing in a single sector.
- Risk Management: By rotating investments among sectors, investment advisors can adjust their portfolio exposure to sectors that are expected to outperform or provide better risk-adjusted returns.
- Potential for Outperformance: A well-executed sector rotation strategy can potentially capitalize on the performance disparities among sectors, allowing for the possibility of generating above-average returns.
- Adaptability: Sector rotation strategies can adapt to changing market conditions and economic cycles, allowing investment advisors to take advantage of sector-specific trends and opportunities.
- Enhanced Risk-Adjusted Returns: By selectively investing in sectors with favorable risk-return characteristics, a well-executed sector rotation strategy can potentially enhance the risk-adjusted returns of an investment portfolio.

It's important to note that sector rotation strategies also have risks, such as the potential for incorrect sector timing, missed opportunities during rapid market shifts, and reliance on accurate sector analysis.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Sell in May (and Go Away) Model

Selections Type: Stocks & ETFs
Reconstitution Frequency: Every 6 months (May, Nov)

INVESTMENT OBJECTIVE

The **iQ Sell in May & Go Away Model** seeks to generate favorable returns by timing the market based on the seasonal pattern that suggests selling stocks in May and re-entering the market in November. The goal is to potentially avoid the historically weaker performance period during the summer months and capture higher returns during the stronger market periods.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Sell in May & Go Away Model** chooses large-cap stocks from November to April and intermediate-term Treasury bonds for the remaining six months based on the dynamic rules-based process outlined below:

November through April - SELECT STOCKS

1. Select the largest 250 stocks from the S&P 500 Index.
2. Sort by six month return and select the top 50 stocks.
3. Sort the remaining 50 stocks by low price-to-earnings and high sustainable growth ratios and select the top 10.

1.May through October - SELECT BONDS

1. Own 10-20 year Treasury Bonds (via ETF ticker TLH).

This model reconstitutes every May and November

Potential advantages of a Sell in May and Go Away Approach

Advantages of a "Sell in May and Go Away" approach may include the following:

- Historical Seasonal Pattern: The "Sell in May and Go Away" investment model takes advantage of the historical seasonal pattern where markets tend to exhibit weaker performance during the summer months, providing an opportunity to potentially avoid downside risk.
- Reduced Market Exposure: Investors can reduce their exposure to market volatility and potential losses in May by selling stocks and moving to cash or other defensive assets.
- Preservation of Capital: The model aims to protect capital by sidestepping potential market downturns or corrections that often occur during the summer months.
- Opportunity for Rebalancing: Selling stocks in May provides an opportunity to reassess and rebalance the investment portfolio, ensuring it aligns with the investor's long-term goals and risk tolerance.
- Psychological Discipline: Using a disciplined approach like "Sell in May and Go Away" can help avoid impulsive or emotionally-driven investment decisions and stick to a predetermined strategy.
- Potential for Improved Returns: By avoiding the historically weaker market periods, the model has the potential to generate improved risk-adjusted returns over the long term.

It should be noted that the "Sell in May and Go Away" strategy is based on historical patterns that may or may not repeat themselves.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ Sensitive Super Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ Sensitive Super Sector** investment model seeks to generate long-term returns in excess of the of the S&P 500 Index by selecting stocks of large companies from sectors whose betas are close to 1.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Sensitive Super Sector** investment model implements the following rules-based process:

1. Begin with a starting universe of stocks of sensitive sectors in the S&P 500 Index.
2. Sort the stocks by Market Capitalization and keep the top 30.
3. Sort the remaining 30 stocks by free cashflow-to-sales and select the top 10
4. Keep the ten stocks until one falls out of the top 15 and replace it with the next stock in line.

This model reconstitutes every February, May, August and November and averages less than one position change every reconstitution.

SENSITIVE SUPER SECTORS - DEFINED

The Sensitive Super Sector is comprised of industries that ebb and flow with the overall economy, but not severely so. Sensitive industries fall between the defensive and cyclical industries as they are not immune to a poor economy, but they also may not be as severely impacted by a poor economy as industries in the Cyclical Super Sector. In general, the stocks in these industries have betas that are close to 1.

Sensitive Super Sector includes the following Sectors:

- Communication Services | Energy | Industrials | Technology

Why invest in the Sensitive Super Sector?

Morningstar categorizes stocks into "super sectors" based on their primary economic activity. The "sensitive" super sector is a subset of the broader consumer cyclical sector and includes companies that produce goods and services that are sensitive to changes in economic conditions, such as automobiles, housing, and retail.

Investing in the sensitive super sector can provide benefits such as:

- Diversification: Investing in a specific sector can provide diversification benefits by adding exposure to a different set of companies that operate in a distinct industry.
- Potential for higher returns: The sensitive super sector has the potential to generate higher returns than the broader market during periods of economic expansion, as the companies in this sector tend to benefit from an increase in consumer spending.
- Tailored exposure: Investing in the sensitive super sector allows investors to target a specific area of the market and tailor their exposure to their investment goals and risk tolerance.
- It is important to note that investing in a single super sector or industry can also be riskier than investing in a diversified portfolio that includes exposure to multiple sectors.

The risk of investing in sensitive super sector stocks is the potential for concentrated exposure to specific sectors, which can result in higher volatility and susceptibility to sector-specific risks.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Share Buyback Screamers Model

Selections Type: Individual Stocks
Reconstitution Frequency: Monthly

INVESTMENT OBJECTIVE

The **iQ Share Buyback (SHB) Screamers Model** seeks to outperform the S&P 500 by focusing on stocks of companies that have purchased their own stock within the last twelve months and are members of **super sectors** that display favorable relative strength versus other super sectors.

WHAT ARE "SUPER SECTORS"?

Morningstar popularized the term "super sectors," which divide the eleven S&P 500 sectors into three categories based on their sensitivity to economic and market shifts (i.e. Beta). The three super sectors are classified as Sensitive (Telecom, Industrial, Technology, and Energy), Cyclical (Materials, Financial, Discretionary, and REITs), and Defensive (Healthcare, Utilities, and Staples).

In order to take advantage of international buyback opportunities, we have included an international large cap share buyback strategy in the starting universe.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ SHB Screamers Model** follows the following MONTHLY rules-based process:

1. Begin with a starting universe of 3 super sectors and one international large cap share buyback strategy.
2. Sort the 4 strategies by 12-month progressive price momentum and kick out the lowest
3. Each of the remaining 3 strategies are represented by a unique five stock screen that focuses on technical and "quantamental" indicators.

This model reconstitutes every month.

Potential advantages of the Model:

- Potential for Strong Returns: Investing in a super sector rotational model that focuses on stocks with high share buybacks can provide the opportunity to capture potentially higher returns as companies with buyback programs often demonstrate positive market sentiment and confidence in their own stock.
- Shareholder-Friendly Approach: Companies that engage in share buybacks often prioritize returning capital to shareholders, which can be seen as a positive signal and indicate a commitment to enhancing shareholder value.
- Potential for Reduced Share Dilution: By repurchasing their own shares, companies can reduce the number of outstanding shares, which, in turn, can enhance the earnings per share and potentially drive stock price appreciation.
- Portfolio Diversification: A super sector rotational model that selects stocks with high share buybacks allows for diversification across different sectors, providing a balanced exposure to various industries and potentially mitigating individual stock risk.
- Alignment with Value Investing Principles: Investing in companies with high share buybacks can align with value investing strategies as it seeks to identify undervalued stocks with the potential for long-term growth and value creation.

Disadvantages of investing in a super sector rotational model that buys stocks with high share buybacks include potential market timing challenges, limited diversification across sectors, and the risk of missing out on sectors or stocks that may outperform despite having lower share buyback profiles.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Small Cap Growth Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Small Cap Growth Model** seeks to generate long-term returns in excess of the total return of the S&P 600 Barra Growth Index, with less down-market volatility than the index.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Small-Cap Growth Model** represents an equal-weighted portfolio of small-cap growth stocks selected from the S&P 600 Small Cap Index.

1. Start with the 600 stocks of the S&P 600 Small-Cap Index.
2. Sort the 600 stocks by price-to-book ratio and select the highest 300 stocks.
3. Sort the remaining 300 stocks by Share Buyback ratios and select the top 50.
4. Sort the remaining 50 stocks by long-term seasonal risk adjusted relative strength and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in small cap growth stocks?

Investing in small-cap growth stocks may provide the following advantages:

- Growth Potential: Small cap growth investments offer the potential for significant capital appreciation. These companies are often in their early stages of growth and have the potential to experience rapid expansion, leading to higher returns compared to larger, more mature companies.
- Market Inefficiencies: The small cap segment of the market is known for its potential inefficiencies, as these stocks may receive less attention from institutional investors and analysts. This can create opportunities for active investment advisors to identify undervalued or underappreciated small cap growth companies that have the potential to outperform the broader market.
- Long-Term Performance: Historically, small cap growth stocks have shown the potential for strong long-term performance. These companies often operate in dynamic industries and have the ability to capitalize on emerging trends and disruptive technologies, which can drive sustained growth and shareholder value over time.
- Innovative and Dynamic Companies: Small cap growth stocks are often associated with innovative and dynamic companies that are at the forefront of industry advancements. Investing in these companies allows investment advisors to participate in the growth potential of industries such as technology, healthcare, and consumer goods, where disruptive companies are more likely to emerge.
- M&A and Takeover Opportunities: Small cap growth stocks are often attractive targets for larger companies looking to expand or acquire innovative businesses. This can potentially lead to value realization for investors through mergers, acquisitions, or buyouts, providing an additional avenue for generating returns.

It is important to note that investing in small cap growth stocks carries inherent risks, including liquidity risk, market volatility, and the potential for higher company-specific risks.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ Small Cap Value Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Small Cap Value Model** seeks to generate long-term returns in excess of the total return of the S&P 600 Barra Value Index, with less down-market volatility than the index.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Small-Cap Value Model** represents an equal-weighted portfolio of small-cap value stocks selected from the S&P 600 Small Cap Index.

1. Start with the 600 stocks of the S&P 600 Small-Cap Index.
2. Sort the 600 stocks by price-to-book ratio and select the lowest 300 stocks.
3. Sort the remaining 300 stocks by the Relative Strength Index (RSI) Index and select the top 250.
4. Sort the remaining 250 stocks by Value Momentum and Share Buyback and select the top 50.
5. Sort the remaining 50 stocks by Market Capitalization and select the smallest 10.

This model reconstitutes every February, May, August and November

Why invest in small-cap value stocks?

Investing in small-cap value stocks may provide the following advantages:

- Opportunities for Long-Term Growth: Small cap value companies often have greater growth potential compared to their larger counterparts. These companies may be in the early stages of their growth trajectory, which can result in substantial returns for patient investors. Investment advisors can capitalize on these growth opportunities by selectively investing in promising small cap value stocks.
- Value Investing Principles: Small cap value investing aligns with the principles of value investing, which focuses on identifying undervalued securities. This approach allows investment advisors to identify companies with solid fundamentals, attractive valuation metrics, and potential for future price appreciation. Value investing strategies can provide a disciplined framework for investment decision-making.
- Less Market Efficiency: The small cap value segment of the market is often less efficient compared to large cap stocks. This means that diligent research and analysis by investment advisors can uncover undervalued opportunities that may be overlooked by the broader market. This inefficiency can lead to mispriced stocks and potential alpha generation.
- M&A and Acquisition Potential: Small cap value companies may be attractive targets for mergers and acquisitions (M&A) or acquisition by larger companies. This potential for corporate activity can lead to substantial returns for investors, as the market recognizes the value of these companies and prices them accordingly.
- Favorable Risk-Reward Profile: Small cap value stocks, although they can be more volatile in the short term, have historically offered a favorable risk-reward profile over the long term. Their lower valuations and potential for growth provide an opportunity for investment advisors to build portfolios with attractive risk-adjusted returns.

While small cap value investing has potential benefits, investment advisors should consider the risks associated with smaller companies, such as increased volatility, liquidity constraints, and the potential for higher business risks.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the “Site”) and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the “publisher’s exclusion” from the definition of “investment adviser” as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher’s exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro’s (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual’s financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user’s individual investment portfolio or individual needs.

iQ SMid Cap 10 Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)
Low Trading

INVESTMENT OBJECTIVE

The **iQ SMid Cap 10 Model** seeks to outperform the S&P 1500 Index by applying a disciplined investment strategy which adheres to pre-determined screens and factors applied to the S&P 600 and S&P 400 small and mid cap indices.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ SMid Cap 10 Model** implements the following rules-based process:

1. Begin with 1,000 stocks that comprise the S&P 600 (small cap) and S&P 400 (mid cap) indexes.
2. Sort the 1,000 stocks by earnings per share and select the top 150.
3. Sort the remaining 150 stocks by long-term McGinley Dynamic* and select the bottom ten.
4. The Model continues to hold the ten stocks until one drops out of the bottom 20.

This model reconstitutes every February, May, August and November and averages less than one position change per reconstitution.

A word about small and mid-cap stocks

Investing in small and mid cap companies may provide the following advantages:

- Growth Potential: Small and mid-cap stocks have the potential for higher growth rates compared to large-cap stocks, as they are often in the early stages of their growth trajectory and have more room for expansion.
- Market Inefficiencies: The small and mid-cap segment of the market is less efficient and less followed by analysts, creating opportunities for investors to uncover undervalued or underappreciated companies.
- Increased Flexibility: Smaller companies tend to be more agile and adaptable to market conditions, allowing them to quickly seize opportunities and navigate changing business landscapes.
- Portfolio Diversification: Adding small and mid-cap stocks to a portfolio can enhance diversification, as their performance may not always align with large-cap stocks or other asset classes, providing potential risk reduction and improved risk-adjusted returns.
- Acquisition and Growth Potential: Small and mid-cap companies are often attractive acquisition targets for larger firms, which can lead to potential buyout premiums and enhance shareholder value. Additionally, these companies may have more room to expand into new markets or industries, driving long-term growth.

It's important to note that investing in small and mid-cap stocks also carries certain risks, including higher volatility, liquidity challenges, and potentially higher business and financial risks compared to larger, more established companies.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Technology Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Technology Sector Model** seeks to capture the growth potential of innovative and disruptive technology companies, aiming for long-term capital appreciation in the technology sector.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Technology Sector Model** employs the following unemotional rules-based process:

1. Start with the largest 150 domestically-traded companies from the Technology sector
2. Select the 50 companies with the highest 5-Year risk-adjusted Seasonal Relative Strength.
3. Screen by Price to Cash Flow and select the bottom 20.
4. Screen by Price Momentum and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in technology stocks

Investing in technology stocks can provide multiple benefits, including:

- Growth Potential: The technology sector offers significant growth potential due to ongoing technological advancements, innovation, and digital transformation. Investment advisors can leverage this sector to capture the growth opportunities presented by emerging technologies, disruptive business models, and evolving consumer behaviors.
- Long-Term Trends: Technology is a sector that is likely to experience long-term trends and structural shifts. Megatrends such as artificial intelligence, cloud computing, e-commerce, and cybersecurity present investment opportunities for advisors seeking to position their portfolios for long-term growth and capitalize on transformative technological shifts.
- Competitive Advantage: Leading technology companies frequently have competitive advantages such as intellectual property, strong brand recognition, and global reach. Investing in these companies allows advisors to gain exposure to industry leaders and potentially benefit from their long-term competitive advantages.
- Innovation and Disruption: The technology sector is known for its ability to drive innovation and disrupt traditional industries. By investing in technology stocks, advisors can tap into companies that are at the forefront of technological advancements, enabling them to potentially capture the value created by disruptive technologies and business models.
- Attractive Risk-Return Profile: The technology sector has historically delivered strong performance and attractive risk-adjusted returns. While the sector can be volatile at times, its potential for growth and the ability to generate substantial returns have made it an appealing investment option for many advisors and their clients.

Despite the potential benefits, investment advisors should also consider the risks associated with technology sector investing, such as rapid technological changes, regulatory risks, and valuation concerns.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Total Real Estate Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Total Real Estate Sector Model** seeks to profit by identifying securities in the Construction and Real Estate Investment Trust industries with strong fundamentals, valuations, and price momentum compared to their peers.

The Model is distinctive in that it includes stocks from the Construction industry to create a portfolio that is more representative of the entire real estate landscape.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Total Real Estate Sector Model** employs the following dynamic rules-based process:

1. Start with the 150 largest companies from the REIT and Construction industries.
2. Rank the 150 companies by 9-month price momentum and discard of the lowest 20%.
3. Rank the remaining 120 companies by cashflow return on invested capital and keep the top 30 companies
4. Rank the remaining 30 companies by 3-year change in earnings per share and keep the top 10.

This model reconstitutes every February, May, August and November

Why invest in real estate industries?

Potential benefits of investing in REITs and construction companies include:

- Income Generation: REITs (Real Estate Investment Trusts) are required to distribute a significant portion of their earnings as dividends, making them attractive for income-seeking investors. Construction companies, on the other hand, can benefit from increased construction activity and contracts, leading to potential revenue growth.
- Real Estate Exposure: Investing in REITs provides exposure to the real estate sector, allowing investors to participate in the potential appreciation of properties and benefit from rental income generated by commercial properties, residential properties, or specialized real estate assets.
- Diversification: REITs and construction companies offer diversification benefits to a portfolio, as they can have different return characteristics compared to traditional stocks and bonds, thereby reducing overall portfolio risk.
- Inflation Hedge: Real estate investments, including REITs and construction companies, have historically shown the potential to provide a hedge against inflation, as rental income and property values can increase during inflationary periods.
- Economic Growth Opportunities: Construction companies can benefit from increased infrastructure spending, urban development, and construction projects, providing opportunities for revenue growth and potential stock appreciation. Similarly, REITs can capitalize on economic growth by owning and managing properties in high-demand areas.

Investments in REITs and construction firms come with certain risks, including changes in the real estate market, interest rate sensitivity, regulatory changes, and construction-related risks like project delays or cost overruns.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQ Utilities & Telecom Sector Model

Selections Type: Individual Stocks
Reconstitution Frequency: Every 3 months
(Feb, May, Aug, Nov)

INVESTMENT OBJECTIVE

The **iQ Utilities & Telecom Sector Model** seeks to generate steady income and long-term capital appreciation by selecting a diversified portfolio of high-quality utility and telecom stocks that demonstrate strong financial performance, stable dividends, and the potential for sustainable growth.

UNEMOTIONAL & RULES-BASED PROCESS

The **iQ Utilities & Telecom Sector Model** employs the following unemotional rules-based process:

1. Start with the largest 100 domestically-traded companies from the utilities and telecom sectors
2. Select the 30 companies with the highest Price Momentum.
3. Screen by Operating Earnings Yield and select the top 10.

This model reconstitutes every February, May, August and November

Why invest in Utilities and Telecommunications sectors?

Investing in the utilities and telecom sectors can provide several potential benefits, including:

- Resilience in Economic Uncertainty: Utilities and telecommunications sectors are considered essential services, which means they are less affected by economic cycles compared to other sectors. They tend to exhibit resilience even during economic downturns or periods of market volatility, making them suitable options for investment advisors looking to mitigate risk and maintain stability in their portfolios.
- Low Correlation: Utilities and telecommunications sectors typically have low correlations with other sectors of the market. This low correlation can enhance portfolio diversification and potentially reduce overall portfolio volatility. By adding exposure to these sectors, investment advisors can achieve a more balanced and diversified portfolio.
- Infrastructure Investments: Both utilities and telecommunications sectors are heavily involved in infrastructure investments. As technology advances and the need for reliable infrastructure grows, investment in these sectors can provide exposure to long-term growth opportunities driven by investments in energy, water, telecommunications networks, and other critical infrastructure assets.
- Regulatory Stability: These sectors are subject to regulatory oversight, which can provide a level of stability and predictability. Regulatory frameworks often ensure steady cash flows and provide some level of protection for investors. Investment advisors can benefit from the regulatory stability in utilities and telecommunications sectors, reducing regulatory-related risks.
- Potential for Capital Appreciation: While utilities and telecommunications sectors are known for their income-generating characteristics, they also have the potential for capital appreciation. As these sectors adapt to technological advancements, infrastructure upgrades, and evolving consumer demands, there can be opportunities for growth and value creation.

Investment advisors should consider the potential risks associated with investments in the utilities and telecommunications sectors, such as interest rate sensitivity, regulatory changes, and competitive pressures.

iQUANT.pro and all of its content is for **Investment Professional Use Only**.

iQUANT.pro is an Internet based publication (the "Site") and is not an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s). Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs.

iQUANT Disclosures

iQUANT.pro (and all of its content) is for **INVESTMENT PROFESSIONAL USE ONLY** and is not intended for the retail investment public.

LIMITATION ON iQUANT.pro LIABILITY

To the extent not prohibited by law, each subscriber and potential subscriber agrees, prior to accessing or using iQUANT.pro's website or receiving information provided by iQUANT.pro, to release and hold harmless iQUANT.pro and its directors, officers, shareholders, employees and agents from any and all liability in connection with accessing or using iQUANT.pro's website or receiving information provided by iQUANT.pro. In all other cases, iQUANT.pro's liability to a subscriber, whether in contract, tort, negligence, or otherwise, shall be limited in the aggregate to direct and actual damages of the subscriber, not to exceed the fees received by iQUANT.pro from the subscriber. iQUANT.pro will not be liable for any consequential, incidental, punitive, special, exemplary or indirect damages resulting directly or indirectly from the use of or reliance upon any material provided by iQUANT.pro or derived from iQUANT.pro's website. Without limitation, iQUANT.pro shall not be responsible or liable for any loss or damages related to, either directly or indirectly, (1) any decline in market value or loss of any investment; (2) a subscriber's inability to use or any delay in accessing iQUANT.pro website or any other source of material provided by iQUANT.pro; (3) any absence of material on iQUANT.pro website; (4) iQUANT.pro's failure to deliver or delay in delivering any material or (5) any kind of error in transmission of material. iQUANT.pro and each subscriber acknowledge that, without limitation, the above conditions cannot be the probable result of any breach of any agreement between iQUANT.pro and the subscriber.

DISCLAIMER OF WARRANTY

ANY AND ALL INFORMATION PROVIDED BY IQUANT OR OBTAINED FROM IQUANT'S WEBSITE IS PROVIDED "AS IS" WITH NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ACKNOWLEDGEMENT AND AGREEMENT

The receipt or use of any materials provided by iQUANT.pro, at any time and through any means, whether directly or indirectly, constitutes acknowledgment of this disclaimer and agreement with its terms and conditions, regardless of any other agreement or other communications between iQUANT.pro and Subscriber to the contrary.

INTELLECTUAL PROPERTY

Except as otherwise indicated, iQUANT.pro is the copyright owner of all text and graphics contained on this website. Other parties' trademarks and service marks that may be referred to herein are the property of their respective owners. You may print a copy of the information contained herein for your personal use only, but you may not reproduce or distribute the text or graphics to others or substantially copy the information on your own server, or link to this website, without prior written permission of iQUANT.pro. Permission to use and reproduce documents and related graphics available from this website is granted, provided that: 1. the below copyright notice appears in all copies and that both the copyright and this permission notice appear; 2. use and reproduction of documents and related graphics available from this website is limited to personal, non-commercial use; 3. no documents or related graphics, including logos, available from this website are modified in any way; and 4. no graphics, including logos, available from this website are used separate from accompanying text. Use or reproduction for any other purpose is expressly prohibited by law, and may result in civil and criminal penalties. Violators will be prosecuted to the maximum extent possible.

iQUANT.pro is confidential to members only. Its unauthorized use, release, reproduction, or redistribution, in whole or in part, by photocopying, email, entry into a data retrieval system, or by any other means is prohibited.

BROKERS, INVESTMENT ADVICE & PORTFOLIO MANAGEMENT

iQUANT.pro is an Internet based publication (the "Site") and is not affiliated with an investment advisor or Broker/Dealer. Neither iQUANT.pro nor the Site is registered as an investment adviser with any federal or state regulatory agency, or in any other regulatory capacity. To the extent that any portion of the Site content would need to rely upon such an exemption, iQUANT.pro would rely upon the "publisher's exclusion" from the definition of "investment adviser" as provided under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. To the extent reliance on the publisher's exemption is necessary, the Site is a bona fide publication of general and regular circulation offering impersonalized investment models to users and/or prospective users (e.g., not tailored to the specific investment portfolio or needs of current and/or prospective users). The Site is limited to the dissemination of impersonal and objective investment-related information. The publication of the Site on the Internet and the publication of any content should not be construed by any user and/or prospective user as iQUANT.pro's (i) solicitation to effect, or attempt to effect transactions in securities over the Internet, or (ii) provision of any investment related advice or services tailored to any particular individual's financial situation or investment objective(s).

Users do not receive investment advisory, investment supervisory or investment management services, nor the initial or ongoing review or monitoring of the user's individual investment portfolio or individual needs. Therefore, no user should assume that his/her/its use serves as a substitute for individual personalized advice from an investment professional of the user's choosing. Rather, the Site is designed solely to provide impersonal investment models and systems. The user maintains absolute discretion as to whether to follow any portion of the Site content. iQUANT.pro does not offer or provide investment implementation services, nor does it offer or provide initial or ongoing individual personalized advice (neither in person nor via the Internet). It remains the user's exclusive responsibility to review and evaluate the content and to determine whether to accept or reject any Site content. iQUANT.pro expresses no opinion as to whether any of the Site content is appropriate for a user's investment portfolio, strategy, financial situation, or investment objective(s). It is the user's exclusive responsibility to determine if any portion of the investment-related information and trading methodologies/systems. on the Site, if any, is suitable or appropriate for his/her financial situation and/or investment objectives, both initially and on an ongoing basis. No current or prospective user should assume that the future performance of any specific investment, investment strategy (including the investments trading methodologies/systems discussed on the Site) or any other Site content will be suitable or profitable for a user's portfolio, equal historical or anticipated performance level(s), or prove to be correct.

REPRESENTATIONS & WARRANTIES

iQUANT.pro makes no representations or warranties about the accuracy or completeness of the information contained on or derived from iQUANT.pro's website or otherwise provided by iQUANT.pro. Any links provided to other websites are offered as a matter of convenience and are in no way meant to imply that iQUANT.pro endorses, sponsors, promotes or is affiliated with the owners of or participants in those sites, or endorses or warrants any information contained on those sites, unless expressly stated. Furthermore, iQUANT.pro does not endorse, guarantee or warranty any third party products advertised on its site, in its newsletters, in any third party rental of its permission based lists or otherwise referenced in any information provided by iQUANT.pro or derived from iQUANT.pro's website, and iQUANT.pro expressly disclaims any responsibility and accepts no liability with respect to such information and products.

Our personnel (and affiliates) may own positions in and/or trade the securities mentioned in the information that we provide. We are not compensated in any way for publishing information about companies and/or sponsors selected by our models.

916-751-1014

info@iQUANT.pro

www.iQUANT.pro