Beaumont
CAPITAL MANAGEMENT

powered by: AIM ALGORITHMIC INVESTMENT MODELS

BCM Decathlon Tactics Portfolios

BCM's Decathlon Tactics strategies are powered by a machine learning system designed to remove emotion from decision-making and provide investors with a smoother ride—consistent returns with less volatility. These global, go-anywhere products seek growth opportunities wherever they may be and help preserve capital by managing volatility and timely equity exposure.

Smart Portfolios for Diversifying Your Exposure

investbcm.com/strategies/decathlon

Decathlon Is Built on Principles of Behavioral Finance

Fundamentals, economics, geopolitics and technology are constantly changing, but the way investors react to events and information has largely been the same. Human biases and emotional reactions can create distinguishable patterns and investment opportunities that can be exploited by a non-emotional, machine learning investment system, helping you capitalize on the subtle and irrational behavior of market participants.

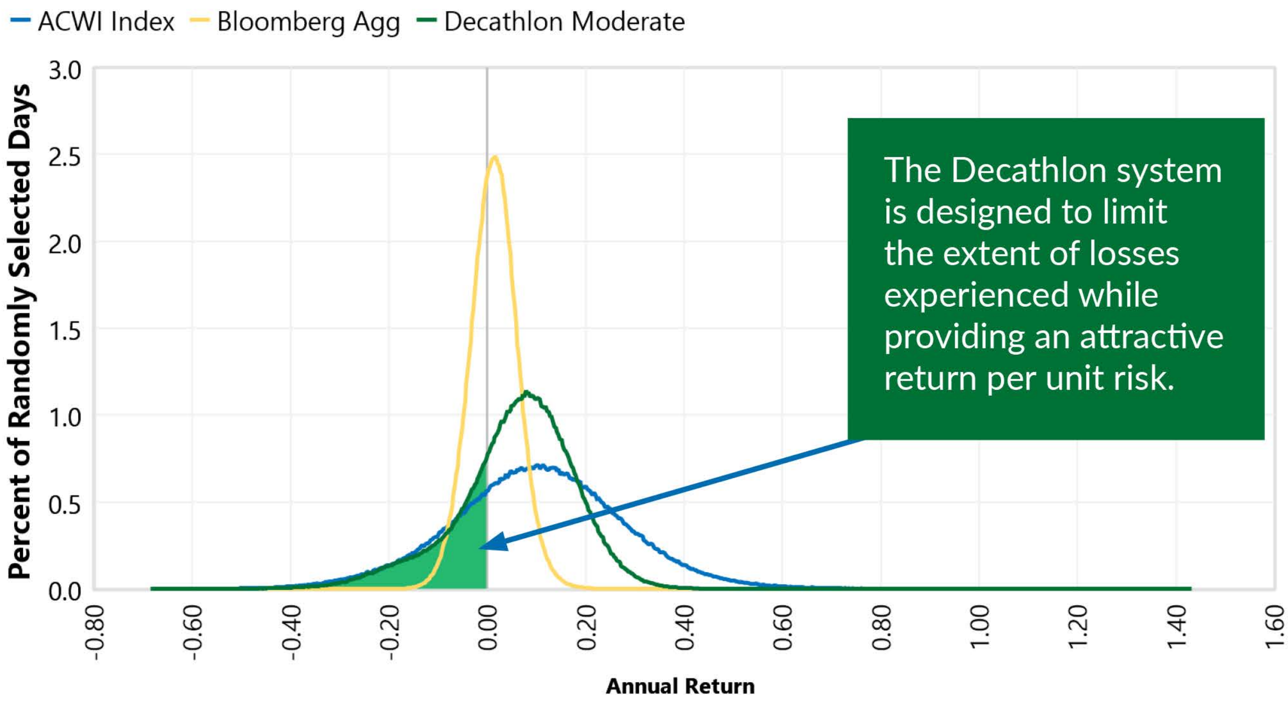
Prospect theory, an element of behavioral finance, suggests that humans feel losses about twice as strongly as gains. The Decathlon system is designed to provide investors with a smooth investment experience, seeking to maximize the likelihood of gains and limit the probability of losses.

Reducing the Probability of Losses

The chart shows the histograms of annual returns for the Decathlon system's rankings for the moderate risk level (Decathlon Moderate), the Bloomberg Aggregate Bond Index (Bloomberg Agg) and the MSCI All Country World Index (ACWI) from randomly selecting days between January 1st, 2012 and June 30th, 2023 one million times.

The distribution curve for the Decathlon system's rankings for the moderate risk level is "thinner" than that of ACWI, which means it had lower volatility. In addition, the amount of the curve below 0 is smaller, meaning the system's top 10 rankings had lower chances of experiencing losses.

Monte Carlo Simulated Annual Returns Since 2012



Source: AIM proprietary models and analysis. Raw price data for indexes from Bloomberg. Period analyzed: 1/1/2012 through 6/30/2023. The Decathlon system's rankings optimized for the moderate risk level is based on actual live rankings of the ETFs in the investment universe. The data shown represents the 10 highest ranked ETFs purchased at the closing price one day after the ranking day and held for five weeks. A Monte Carlo randomization procedure is akin to putting all possible dates into a hat, selecting a date and putting it back into the hat to be potentially redrawn, and repeating this N times (in this case, 1 million). ETF returns used are net of their expense ratio, but data shown for Decathlon is gross of any additional management fees. No investor was actually invested in the allocations shown. There is no guarantee or assurance that the projected or simulated results will be achieved or sustained. Please refer to the disclosure section for additional information.

Inspired by Natural Selection

In nature, a diverse ecosystem is more robust against calamity. Similarly, in investment modeling, we believe a diverse set of models is more robust against black swan events (a pandemic for example). For this reason, the Decathlon system is currently built on 54 underlying ranking algorithms that are designed to fit into different investment niches. Some examples include minimizing the probability of adverse events, maximizing gains within given volatility constraints, or maximizing profits from short selling.

This is not the only way Decathlon is inspired by nature. The ranking formulas themselves mimic the evolutionary process of adaptation or as most know it, “survival of the fittest”. The best performing formulas are “mutated” or “bred” in a continuous cycle as new best performers are discovered.

BCM Decathlon Tactics Strategies

BCM Decathlon Tactics is a set of three global growth strategies that can “go anywhere.” Selecting from a judiciously managed pool of Exchange Traded Funds (ETFs) representing nearly every investable asset class and geography, the system seeks to identify and invest in the best return opportunities within specific risk parameters, wherever they may be.

Using varying target ranges for maximum volatility, and optimizing the strategies for risk-appropriate equity exposure, investors can select their desired level of risk:

Strategy	Risk Targets
BCM Decathlon **Growth** Tactics	11-16% Expected Volatility Range 50-100% Expected Equity Exposure
BCM Decathlon **Moderate** Tactics	7-12% Expected Volatility Range 30-70% Expected Equity Exposure
BCM Decathlon **Conservative** Tactics	4-7% Expected Volatility Range 0-30% Expected Equity Exposure (50% Maximum)

A Disciplined Approach Seeking a Smoother Trek

BCM Decathlon's quantitatively-based system uses pattern recognition, driven by machine learning, to analyze the historical return and volatility data of the ETFs in the investment pool. The system was engineered to identify, predict and take advantage of meaningful and desirable historical patterns that are repeating in today's markets. At a high level, the process can be broken down into three steps:

Identify and Predict Patterns

On a daily basis, Decathlon's algorithms identify behavior patterns and performance for each ETF in the investment pool.

Rank ETFs by Risk and Reward

The system will then use the predicted patterns to rank the ETFs, from the most desirable to the least, based on the risk/reward expected.

Invest in 10 ETFs

When the portfolio rebalances, the **10 most attractive, risk-appropriate ETFs** are selected and included in the portfolio.

The system is designed to create portfolios that have overall volatility within the specified target levels and equity exposure in-line with their risk category given the market environment.

No system is perfect. Decathlon's algorithms do not consider factors such as tax considerations and pattern breaks due to exogenous events. To deal with the unforeseen, the portfolio manager maintains full discretion over the portfolios.

A Carefully Managed Investment Pool

The BCM Decathlon Tactics strategies select from a carefully-curated pool of 230 ETFs. ETFs must meet a specific set of criteria and have distinct characteristics from the other ETFs in the pool. BCM is independent, and we evaluate ETFs from any provider for inclusion in the ETF universe. The pool is globally diversified across nearly every investible asset class and geography.

BCM Decathlon Tactics ETF Universe

Geographical and asset class breakdown (as of 7/7/23):

79	U.S. Equity **ETFs**	Broad Index / Sector Sub-sector
34	Global Equity **ETFs**	Broad Index / Sector Sub-sector
50	Int'l Equity **ETFs**	Devel. Index / Sector Devel. Country / EM
44	Fixed Income **ETFs**	Domestic / International
23	Alternative **ETFs**	Currency / Commodity REIT / Other Alternative

Attributes we consider for inclusion:

- Desired exposure
- Length of performance history
- Liquidity
- Cost
- Doesn't produce a K-1

Why Invest in Decathlon?

Machine Learning

Uses artificial intelligence technology to rank securities based on risk and return.

Opportunistic Growth

As a quantitative strategy, Decathlon can “follow” potentially thousands of securities and “go anywhere,” seeking the best predicted returns per unit risk over the next 30 calendar days (or 25 trading days).

Smooth Ride

Underlying algorithms are specially engineered to limit volatility and maximize the likelihood of gains.

Unique Datasets

Uses hundreds of proprietary data points on each ETF to calculate how they are expected to perform.

Diversifying

Decathlon can be used to diversify holdings and time equity exposure based on market conditions.

About Beaumont Capital Management

Beaumont Capital Management (BCM), powered by Algorithmic Investment Models (AIM), is an asset manager that provides AI-based portfolio solutions designed to give investors attractive returns and a smoother ride by seeking maximum returns while managing volatility. The Decathlon suite of products leverages machine learning, quantitative research, and behavioral finance to identify timely investment opportunities and enhance risk-adjusted returns. These global, go-anywhere products can provide a tactical edge when paired with a standard 60/40 allocation portfolio or serve as a core holding in a lifecycle portfolio to provide timely equity allocations and ETF picks. Additionally, we have a suite of proprietary quantitative tools and machine learning capabilities that can be employed to develop custom research and solutions for RIAs and institutional investors.

Disclosures:

Exchange Traded Funds (ETFs) trade like stocks and are subject to investment volatility and the potential for loss. ETFs are securities that track an index, a commodity or a basket of assets like an index fund, but trade like a stock on an exchange; ETFs experience price changes throughout the day as they are bought and sold.

As with all investments, there are associated inherent risks including loss of principal. Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Sector and factor investments concentrate in a particular industry, and the investments' performance could depend heavily on the performance of that industry and be more volatile than the performance of less concentrated investment options. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. The risks are particularly significant for ETFs that focus on a single country or region. The ETF may have additional volatility because it may be comprised significantly of assets in securities of a small number of individual issuers. Fixed Income investments are subject to inflationary, credit, market and interest rate risks. Diversification does not ensure a profit nor guarantee against a loss.

The maximum volatility and equity exposure targets shown are targets only and are not guaranteed. Actual allocations will differ due to market fluctuations. Accounts will typically carry a ~2% position in a money market even when a model is "fully" invested. The portfolio manager maintains full discretion over the portfolio.

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The BCM Decathlon Tactics strategies are predictive, algorithm driven and use pattern recognition technology (PRT) to rank a population of 230 handpicked ETFs in which it will "invest" in the 10 most promising based on upward price movement and defined volatility levels. BCM Decathlon Growth Tactics targets volatility between 11-16%, BCM Decathlon Moderate Tactics targets volatility between 7-12% and BCM Decathlon Conservative targets volatility between 4-7%. In October 2019, BCM Decathlon Conservative Tactics' maximum equity limit changed from 80% to 50%. The algorithm re-evaluates the population of ETFs and the portfolio management team updates the portfolio as necessary to reflect changes in the rankings. The highest applicable management fee for the Decathlon Tactics strategies across all platforms is 0.50%.

Monte Carlo methodology and information: Monte Carlo simulations produce ranges of outcomes based on the estimated probability of their occurrence. Monte Carlo analyses are built upon assumptions that may not come to pass. Long-term projected returns for asset classes or investments are estimates and include estimated reinvested dividends and capital gains. These projected returns do not reflect the impact of investment advisory fees.

Monte Carlo simulations have material limitations. Market movements may be more or less extreme and more or less frequent than those that occur in the model. Certain asset classes and investments have shorter histories than others and may not be as reliable. Market events and other factors may influence the reliability of the potential outcomes. The likelihood of various investment outcomes is hypothetical. These possible outcomes do not represent actual investment results. There is no guarantee or assurance that the projected or simulated results will be achieved or sustained. Actual results may be better or worse than the simulated scenarios.

All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals, and economic conditions, may materially alter the performance of your portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will either be suitable or profitable for a client's portfolio. There are no assurances that the portfolio will match or outperform any particular benchmark.

The BCM investment strategies may not be appropriate for everyone. Due to the periodic rebalancing nature of our strategies, they may not be appropriate for those investors who desire regular withdrawal or frequent deposits. For additional information about Beaumont Capital Management or any of our strategies please contact us at the phone number or the email address provided below; or visit our website for more information.

Beaumont Capital Management was originally created in 2009 as a separate division of Beaumont Financial Partners, LLC. Beaumont Capital Management LLC spun off as its own entity as of 12/31/2019 and was acquired by Algorithmic Investment Models, LLC (AIM) in January 2022. Upon the acquisition, both BCM and AIM will be owned by a newly formed holding company, Algorithmic Research and Trading LLC (ART), but will continue to operate as a separate and distinct entities. Beaumont Financial Partners, LLC was originally registered as Beaumont Trust Associates in 1981 and was reorganized into Beaumont Financial Partners, LLC in 1999.

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