



ALGORITHMIC  
INVESTMENT  
MODELS

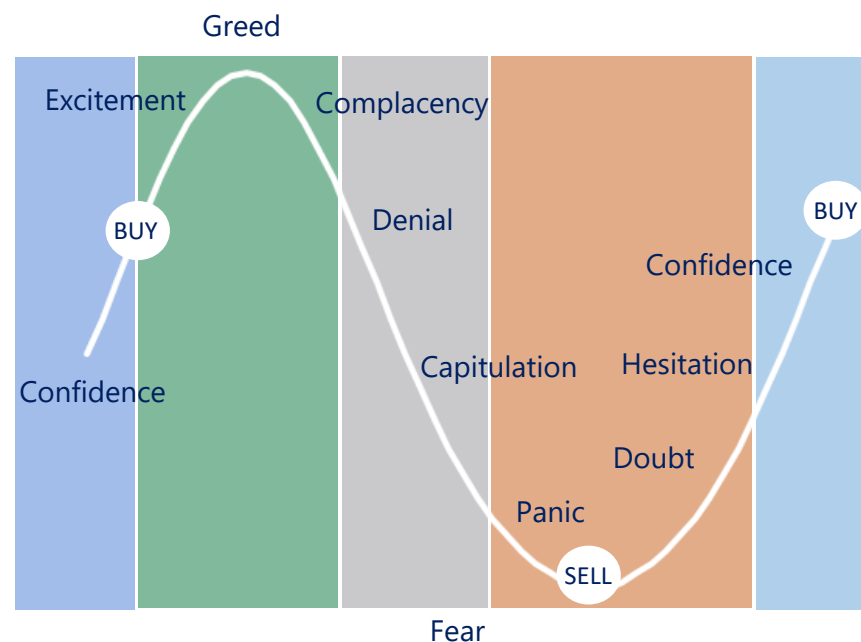
# BCM Sector Rotation Strategies

Core Growth Strategies Built with Defensive Capabilities

As of 6/30/22

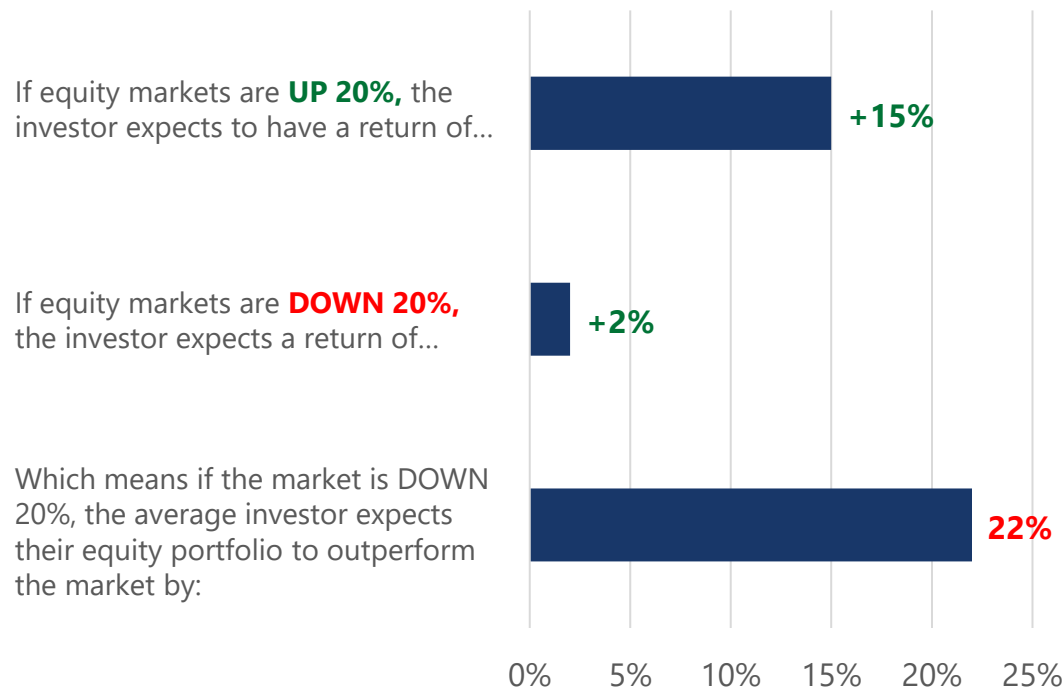
# Investors Are Not *Risk Averse*, They're *Loss Averse*

- Volatility is an incomplete measure of risk *to an investor*.
- Investors often define risk as the possibility of losing money.
- Behavioral finance says investors weigh losses two to six times more heavily than gains.



# Investors Have Unrealistic Expectations

## When asked...



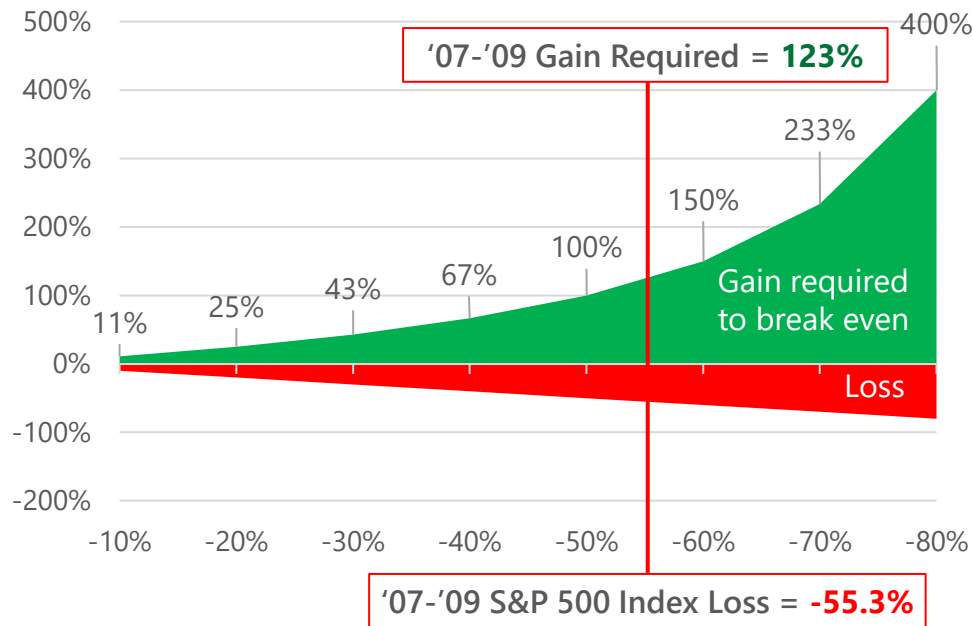
In a bear market, the average investor said they **expect to outperform the market by 22%!**

Source: Franklin Templeton, About Investor Behavior. Surveys completed from February 12th to March 2nd, 2015. Please see disclosure pages for more information.

# Every Investor is Seeking Growth

## What about capital preservation?

### The Mathematical Impact of Losses



### Put in Terms of Time

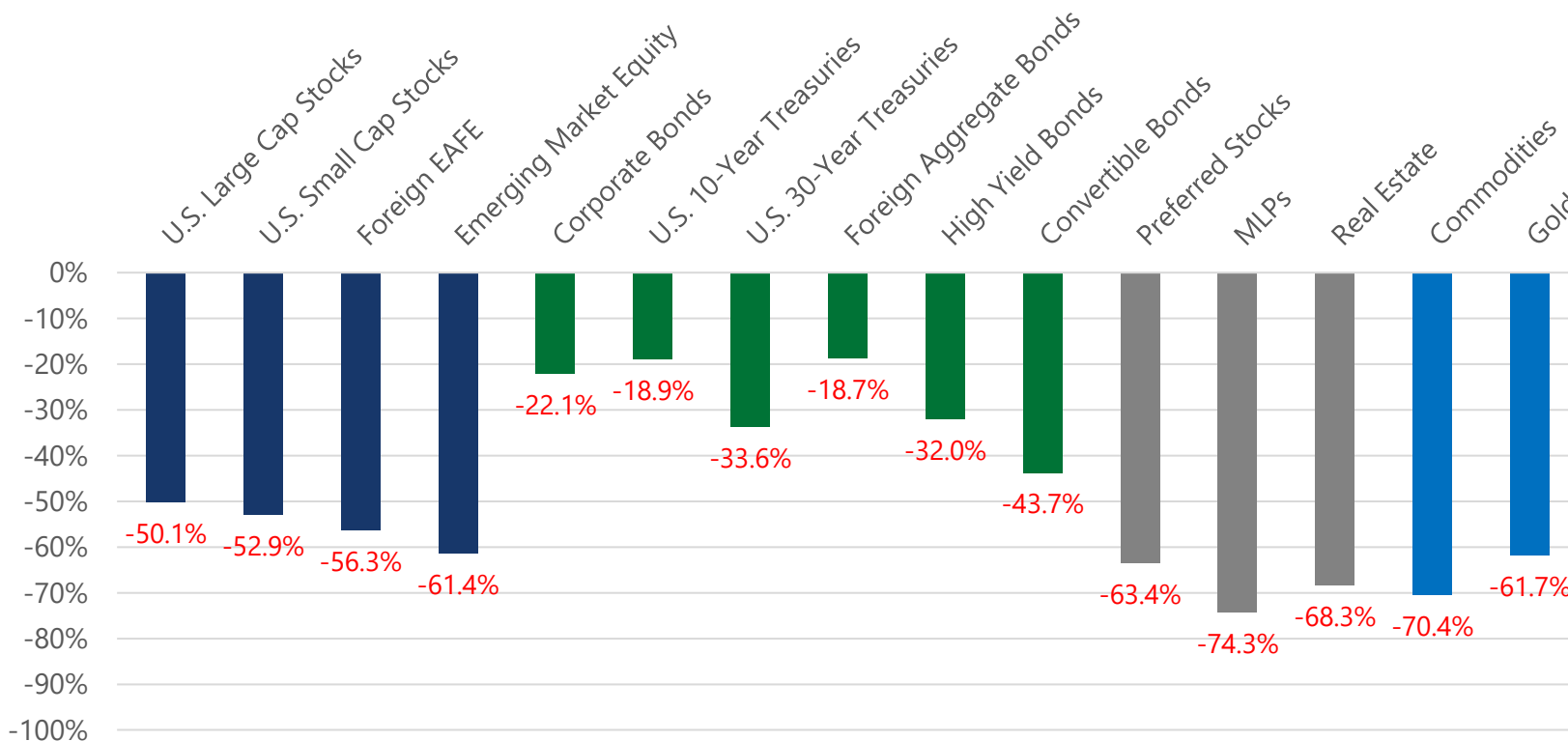
Assuming a 17% average annual return...

Drawdown	Months to Recover
-10%	8
-20%	17
-30%	27
-40%	39
-50%	53

Source: Bloomberg. (Left) Loss shown for S&P 500 Index is based on daily pricing and includes dividends reinvested from peak to trough for the 2007-2009 bear market (10/9/2007-3/9/2009). (Right) The "months to recover" is based on a 17% average annual return. This was selected by calculating historical average annual returns from the last 5 bull markets and rounded down to the nearest whole number. The bull market is defined as the period between the end of a drawdown of greater than 20% and the beginning of a drawdown of greater than 20%.

# Diversification Doesn't Necessarily Lower Drawdown

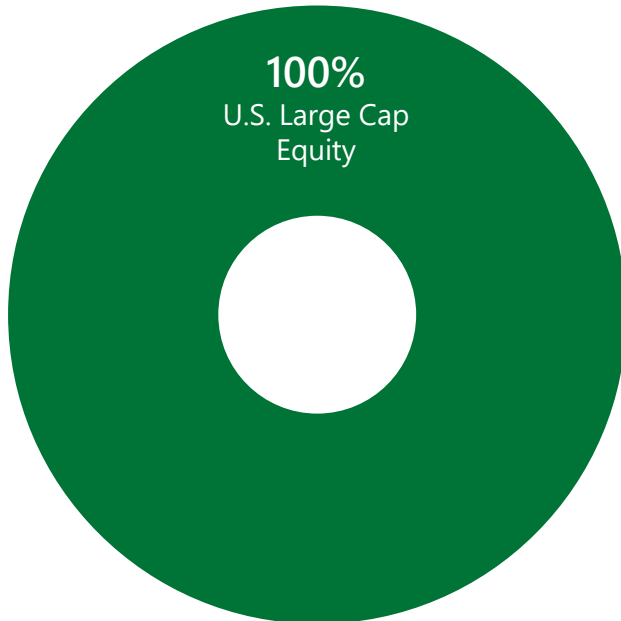
Maximum Drawdown by Asset Class (1973-2022)



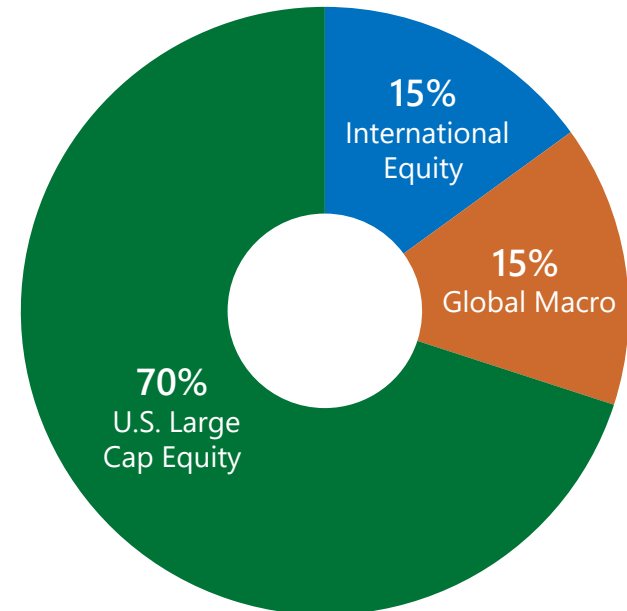
Source: Global Asset Allocation (Chapter 3) via mebfaber.com, Meb Faber, March 6, 2015. Bloomberg. Data from 1/1/1973 through 5/31/2022. The data shown for Convertible Bonds, Preferred stock, High Yield Bonds and MLPs use the same end date as the rest of the asset classes but have different starting dates as the indices for these asset classes did not exist in 1973. The MLP data is for the time period starting on 1/1/1994, and the Preferred stock and Convertible Bond data starts 1/1/2002. The returns shown are total returns for the time period specified. For more information on what each asset class performance is represented by, please reference the disclosure pages. "EAFE" represents the regions of Europe, Australasia and Far East. Past performance is no guarantee of future results. An investment cannot be made directly in an index. Refer to the disclosure page for additional, important information.

# BCM's All Equity Core Solutions

## BCM U.S. Sector Rotation U.S. Core Equity



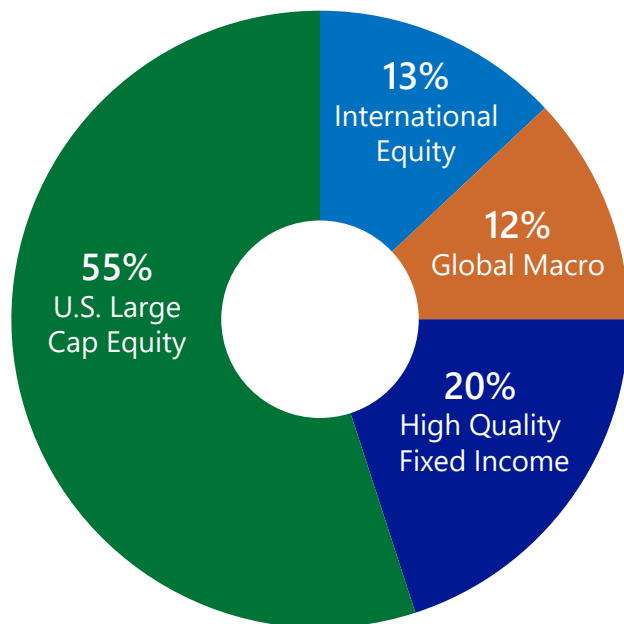
## BCM Diversified Equity Global Core Equity



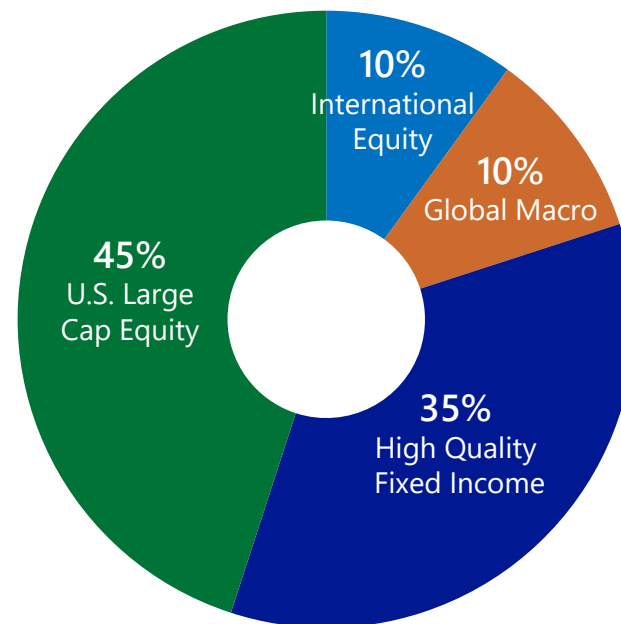
Each allocation can go to 100% high-quality, short duration bond ETFs or cash equivalents.

# All-in-One Solutions for Any Market Condition

**BCM Growth**  
80% Equity, 20% Fixed Income



**BCM Moderate Growth**  
65% Equity, 35% Fixed Income




Each allocation can go to 100% high-quality, short duration bond ETFs or cash equivalents.

# Why Sector Rotation?

- Our economy and the stock market are cyclical
  1. Different sectors outperform during different phases of the cycle
  2. Cycles vary in duration and sectors are affected by market “noise”
  3. The challenge is knowing where we are and when a change is occurring
- If a rules-based system can detect these changes, why not take advantage?



# Average Relative Sector Performance During Business Cycle Stages

	Sector	Early	Mid	Late	Recession
Economically Sensitive 	Industrials	++			--
	Real Estate	++			--
	Information Technology	+	+	--	--
	Communication Services		+		-
	Consumer Discretionary	++	-	--	
	Financials	+			
	Materials	+	--	++	
	Energy	--		++	
	Consumer Staples			++	++
	Health Care	--		++	++
Economically Less Sensitive	Utilities	--	-	+	++

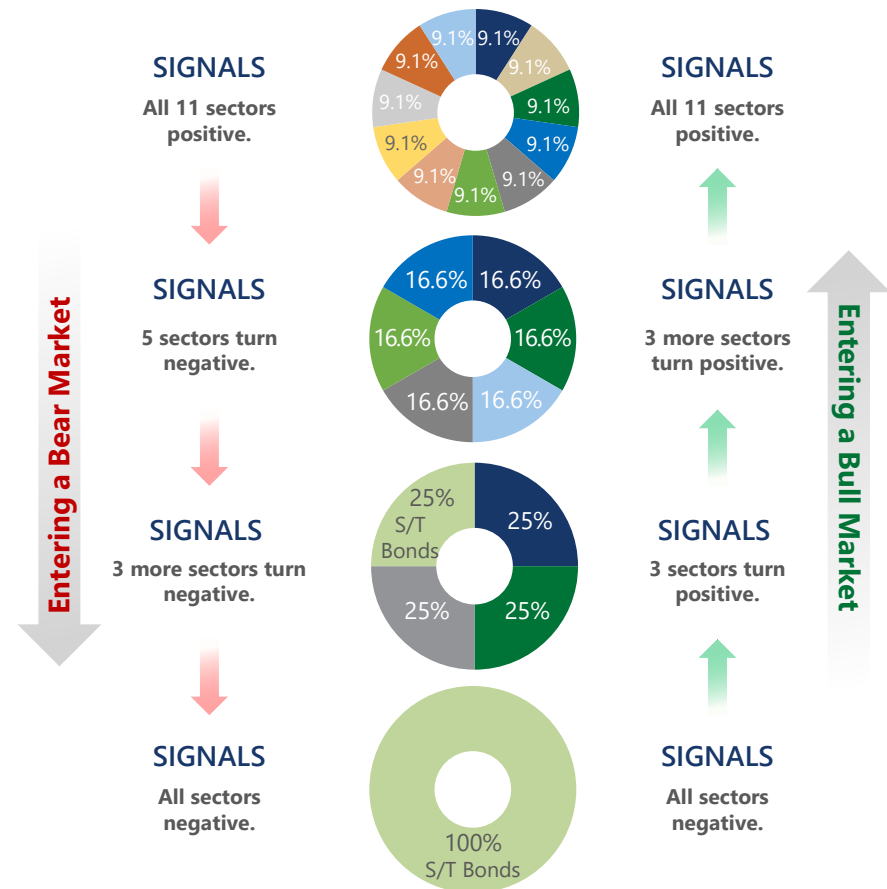
- All sectors exhibit patterns of under/over performance within economic cycles
- If properly identified, these cyclical shifts present opportunities
- However, not all cycles are the same

Source: Fidelity Investments (AART), as of 3/31/2020. Past performance is no guarantee of future results. Sectors as defined by GICS. Green and red shaded portions above respectively represent over- or underperformance relative to the broader market; unshaded (white) portions suggest no clear pattern of over- or underperformance. Double +/- signs indicate that the sector is showing a consistent signal across all three metrics: full-phase average performance, median monthly difference, and cycle hit rate. A single +/- indicates a mixed or less consistent signal. Return data from 1962 to 2016.

# Tactical Equity Allocation

## BCM U.S. Sector Rotation

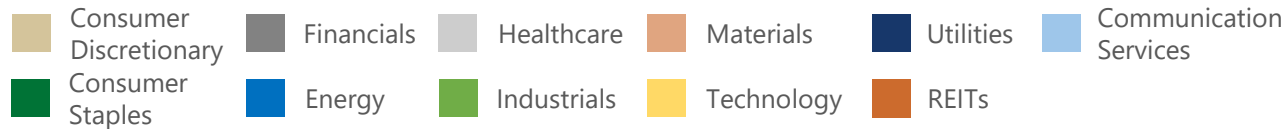
- System analyzes each sector ETF for inclusion in the portfolio and can rebalance on a weekly basis.
- Include those sectors with a desirable, positive trend in equal weights.
- If 3 or fewer sectors are owned, the portfolio will begin to allocate to high-quality, short duration bond ETFs or cash equivalents\* and has the ability to allocate entirely to cash equivalents.
- Invests exclusively in long-only ETFs—no active use of margin, leverage or shorting.



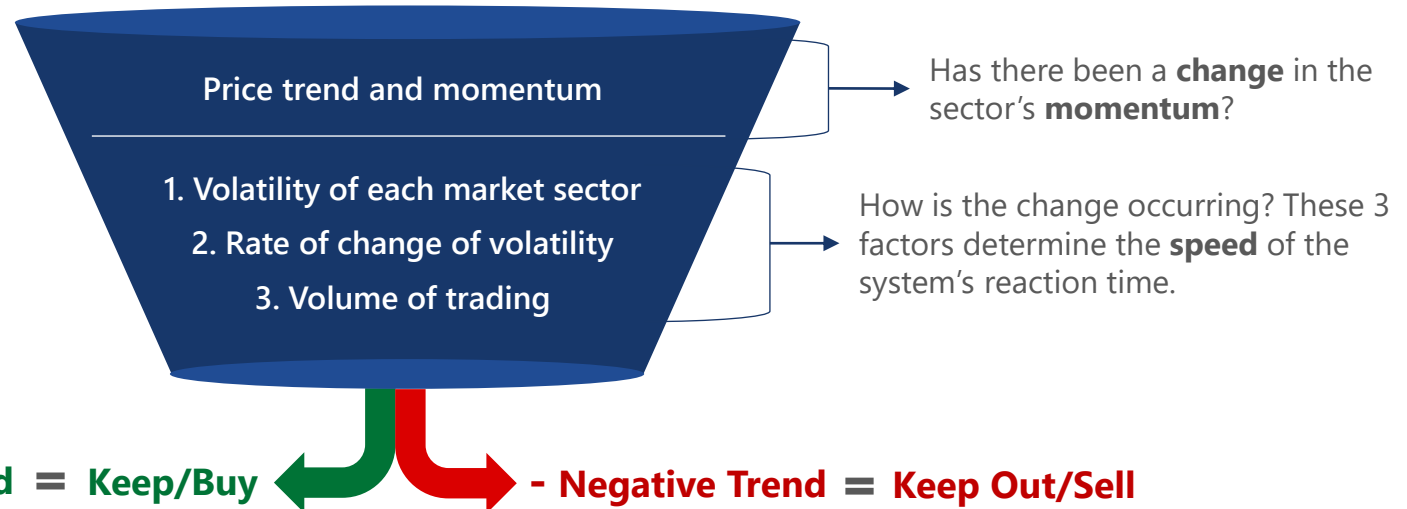
\*The S/T bond position can be allocated to a money market or short duration (up to a 1-3 year) fixed income position at the discretion of the portfolio manager.

# The Sector Investment Process\*

## Sector ETFs



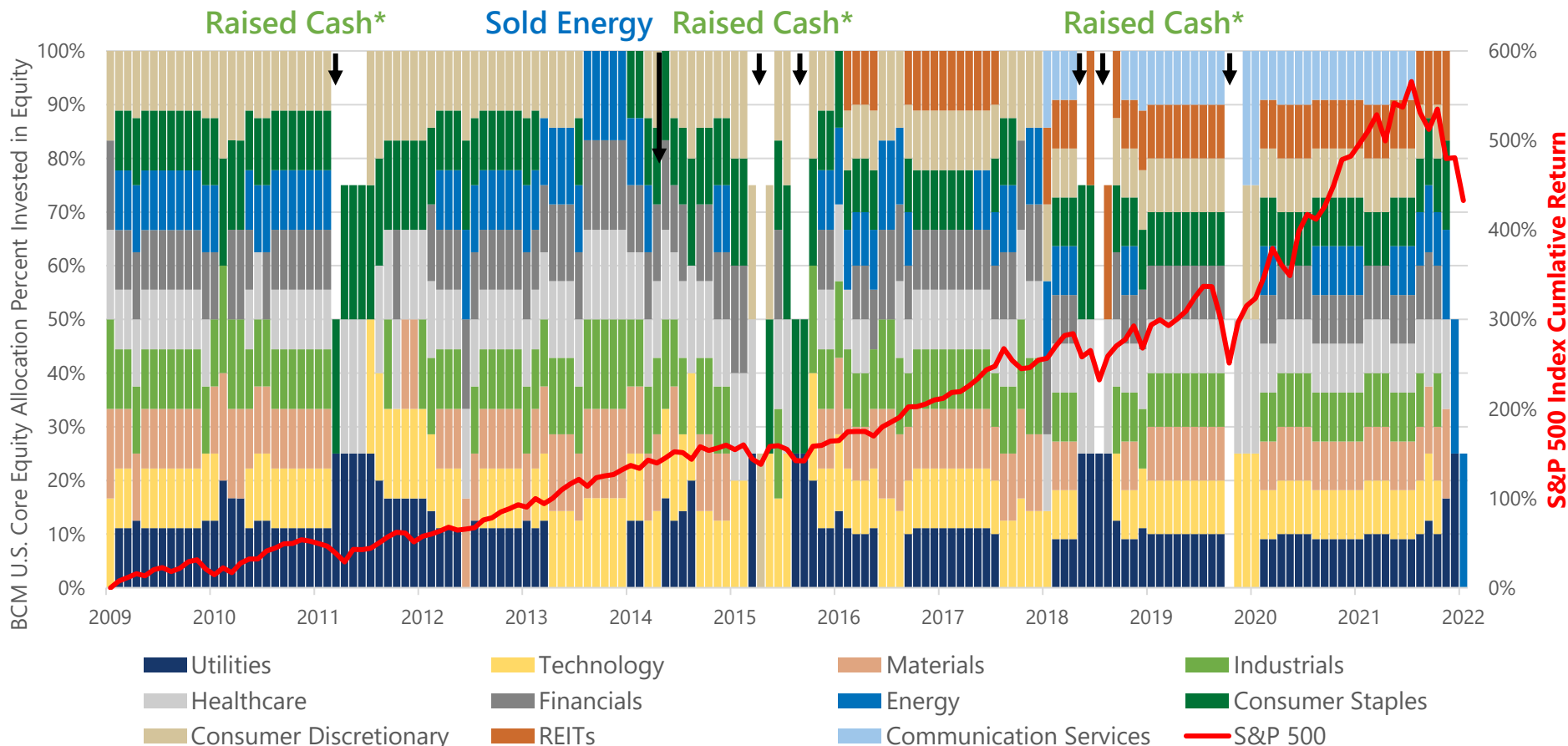
Ongoing Quantitative Analysis considers:



\*This process is typically repeated on a weekly basis to determine which sectors will be included or excluded in the appropriate strategies. No ETF purchase will exceed 25% of the strategy. If 3 or less sectors are being used, the strategy will reallocate to a money market or a short duration (up to a 1-3 year) fixed income position at the discretion of the portfolio manager. The REIT and Financial sectors are treated differently by the applicable indices and ETF families used.

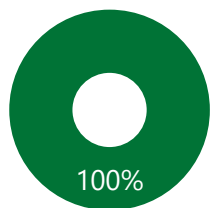
# BCM U.S. Core Equity Historical Allocations

## with S&P 500 Index Historical Performance



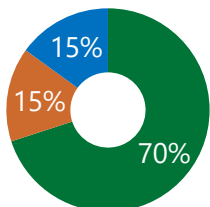
\*The cash position will typically be allocated to a money market or short duration (up to a 1-3 year) fixed income position at the discretion of the portfolio manager. The chart shows the holdings of the U.S. Core Equity allocation of the BCM Sector Strategies from 7/31/09 – 6/30/22 with the monthly trend of the S&P 500® Index as an overlay. Holding information was provided by Evestnet while the S&P 500 monthly returns were provided by Bloomberg. The performance of the index is shown gross of fees and includes the reinvestment of dividends and income and was calculated with monthly compounding. The performance provided is for illustrative purposes and is not meant to imply or represent the performance of any strategy. The Communications Services sector was new and added to the BCM Sector Rotation process as of June 2018.

# BCM's Flagship Portfolio Solutions

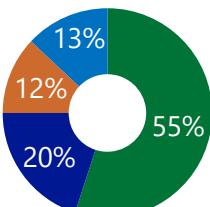


**BCM U.S. Sector Rotation**  
(100% U.S. Large Cap Equity)

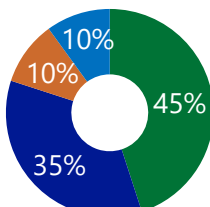
The strategy is managed for institutional separate accounts, SMAs, and UMAs.



**BCM Diversified Equity**  
(100% Equity)



**BCM Growth**  
(80% Equity, 20% Fixed Income)



**BCM Moderate Growth**  
(65% Equity, 35% Fixed Income)

# Underlying Allocations

Each allocation can go to 100% high-quality, short duration bond ETFs or cash substitute.

**U.S. Core Equity**

Uses BCM's quantitative sector rotation process to invest in up to 11 sector ETFs.

**International Equity**

Quantitatively driven, fundamentally focused.  
Typically 50% Developed and 50% Emerging Markets.

**Global Macro**

Invests in long-term themes of global markets that society cannot ignore, i.e. high quality, high dividend equity and themed ETFs.

**High Quality Fixed Income**

Invests in Investment Grade or Government-backed bond ETFs.  
Managed to duration and seeks to lower total portfolio volatility.



# Why Invest with BCM?



## Support

BCM's **Regional Consultants** are here to provide you (and in turn, your clients) with dedicated support.

## Educate

BCM provides timely **educational materials** to help you build your practice and stay informed about global market activity ([blog.investbcm.com](http://blog.investbcm.com)).

## Rules-Based

BCM's growth strategies are engineered to **take the emotion out of investing** and have the ability to get defensive in times of market failures.

## Verified

BCM performance is **GIPS® verified\*** by an independent third party.

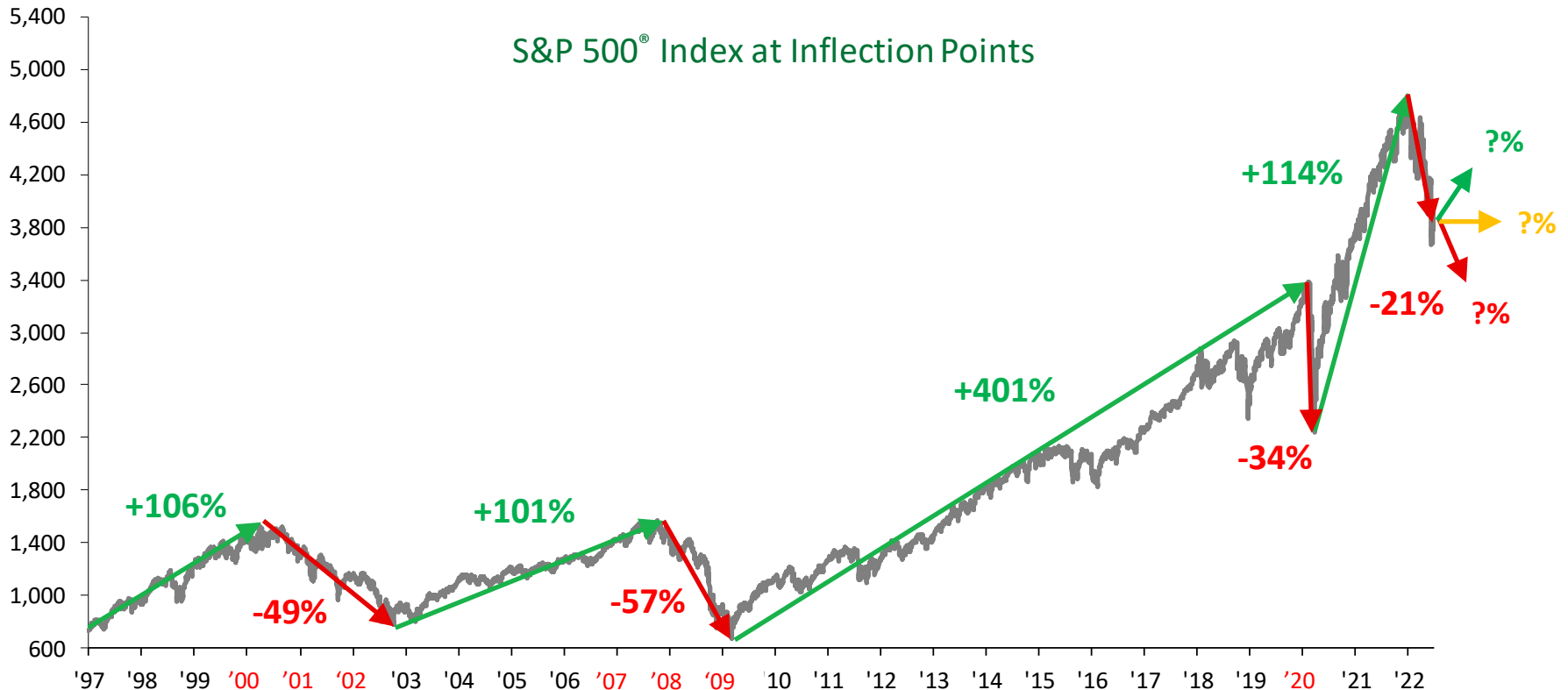
## Experienced

BCM's roots began in wealth management, tracing back to 1981<sup>^</sup>. We know what clients need and seek to **Deliver What Investors Expect®**.

\*Only strategies with an eligible track record have been verified. The verification is done on an annual basis. All performance is calculated in a GIPS compliant manner on an ongoing basis. Refer to the disclosure page for additional, important information.

<sup>^</sup>Prior to 1/1/2020, BCM was a division of Beaumont Financial Partners, LLC. Please see disclosure pages for important information.

# Are You Prepared?



Data Source: The Case For Tactical Asset Allocation, FA Magazine (online), Rob Brown. 9/14/16. Chart Source: Bloomberg. Data date range is 1/2/1997 - 6/30/2022. The returns shown in the chart are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is no guarantee of future results. An investment cannot be made directly in an index.

# Disclosures



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Performance data shown represents past performance and is no guarantee of future results. One cannot invest directly in an index. Investment return and principal value will fluctuate; you may have a gain or loss when the strategy and/or its positions are sold. Current performance may be higher or lower than shown. Total returns include reinvestment of dividends and capital gains, if any. Data shown through the date provided and strategy performance is net of maximum applicable management fee of 0.5%; index returns are gross. Year-to-date performance is shown annualized when a full year is available; if less than a full year, the return is shown as cumulative. The index comparison was changed effective 1/1/2016 to more accurately reflect the target composition of the strategy. The change was made retroactively for all periods. The performance shown is for the stated time period only. Differences in account size, timing, management fees, custodian and platform fee structure, price of transactions and market conditions prevailing at the time of investment may lead to different results. Differences in the methodology used to calculate performance may also lead to different performance results than those shown. All returns are expressed in U.S. dollars. Custodial and trading costs will vary by account size and are estimated to be an additional 0.15% depending on which strategy and custodian is used. Estimated trading costs may be higher for smaller accounts due to the minimum transaction fee varying by custodian. Those percentages do not include the expenses of the ETFs held in client accounts but these are reflected in the ETF's share price.

Diversification does not ensure a profit or guarantee against a loss. 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 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.

ETFs trade like stocks and are subject to investment volatility and the potential for loss. The principal amounts invested in ETFs are not protected, guaranteed or insured. 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. The target allocations shown are buy targets only. The portfolio manager maintains full discretion for the strategy. 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. If the system calls for additional "cash" to be raised as a defensive position, a short duration (up to a 1-3 year) bond ETF may be used.

The Standard & Poor's (S&P) 500® Index is an unmanaged index that tracks the performance of 500 widely held, large-capitalization U.S. stocks. The S&P Global 1200 is constructed as a composite of 7 headline indices, many of which are accepted leaders in their regions. These include the S&P 500® (US), S&P Europe 350, S&P TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50, S&P Asia 50 and S&P Latin America 40. The MSCI World® and MSCI World Ex-US® Indices track developed equity markets including or excluding the United States. The BofA ML 1-3 Year Government/Credit Bond Index includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 3 years and are publicly issued. The Bloomberg Barclays U.S. Aggregate Bond Index, which used to be called the "Lehman Aggregate Bond Index," is a broad base index and is often used to represent investment grade bonds being traded in United States. The Bloomberg Barclays Global Aggregate Bond Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

The Dow Jones Conservative Portfolio Index and the Dow Jones Moderate Portfolio Index are members of the Relative Risk Index Series and designed to measure a total portfolio of stocks, bonds, and cash, allocated to represent an investor's desired risk profile. The Dow Jones Conservative Portfolio Index risk level is set to 20% of the Dow Jones Global Stock CMAC Index's downside risk (past 36 months). The Dow Jones Moderate Portfolio Index risk level is set to 60% of the Dow Jones Global Stock CMAC Index's downside risk (past 36 months). Indices are not managed and do not incur fees or expenses. "S&P 500®" is the registered mark of Standard & Poor's, Inc., a division of S&P Global Inc. MSCI is a registered trademark of MSCI INC. "SPDR®" is a registered trademark of Standard & Poor's Financial Services LLC ("S&P") and has been licensed for use by State Street Corporation. All index names of the Barclays indices are trademarks of Barclays Bank PLC.



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On slide 5, asset class performance is represented by the following: U.S. Large Cap – S&P 500; U.S. Small Cap – Russell 2000; Foreign Developed – MSCI EAFE; Foreign Emerging – MSCI EEM; Corporate Bonds – Dow Jones Corporate; 10 Year Bonds – BCM Proprietary 10-Year Treasury Index; 30 Year Bonds – BCM Proprietary 30-Year Treasury Index; Foreign Aggregate Bonds – Bloomberg Global Aggregate ex-U.S. Index; High Yield – iBoxx Liquid High Yield; Convertible Bonds – Bloomberg U.S. Convertibles Liquid Bond Index; Preferred Stocks – S&P Preferred Stock Index; MLPs – Alerian MLP Index; REITs – FTSE NAREIT Equity REITS Index; Commodities – S&P GSCI Index; Gold – Gold Spot Price.

BCM's proprietary Treasury indices are calculated using the Board of Governors of the Federal Reserve System (US), Market Yield on U.S. Treasury Securities constant maturity series. The Index's daily return is the price change of a treasury bond issued at the prior day's yield, plus any accrued interest.

On slide 9, the early cycle is above average acceleration in economic activity. Macroeconomic variables rebound from previous contractionary phase; Mid Cycle: Rate of growth in economy is positive but not increasing at the rate of the previous Early-Cycle phase. Overall growth is peaking and economy is generally healthy; Mature Cycle: Growth remains positive but is slowing, inflationary pressures begin to build; Recession: Contraction in economic activity, profits decline and credit is not readily available.

Index providers periodically change their security classifications and BCM will analyze the changes and update the research and methodology of the effected strategies accordingly.

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 1/2/2020. In January 2022, BCM was acquired by Algorithmic Investment Models, LLC (AIM). Both BCM and AIM continue to operate as a separate and distinct entities owned by a holding company, Algorithmic Research and Trading LLC (ART). Beaumont Financial Partners, LLC was originally registered as Beaumont Trust Associates in 1981 and was reorganized into Beaumont Financial Partners, LLC in 1999.

## GIPS® Disclosure:

Beaumont Capital Management, LLC (BCM) is an SEC registered investment advisor. BCM offers tactical, defensively oriented strategies using long only ETFs across multiple asset classes with domestic, international and global exposure.

Beaumont Capital Management claims compliance with the Global Investment Performance Standards (GIPS®).

To obtain a GIPS® compliance presentation, or the composite descriptions for our strategies, contact us through any of the following channels, and the information will be sent to you: (P) (888) 777-0535, [salessupport@investbcm.com](mailto:salessupport@investbcm.com), or by mail to the address provided.

For additional information about Beaumont Capital Management or any of our strategies please contact us at the number below or the email address provided above.

Beaumont Capital Management LLC, 125 Newbury St. Suite 400, Boston, MA 02116 (844) 401-7699

# Appendix

# BCM Flagship Sector Series

## Net Returns



6/30/2022

Calendar Year Returns	Inception Date	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
BCM U.S. Sector Rotation	8/1/09*	11.45%*	29.29%	11.30%	-4.71%	8.97%	17.68%	-10.80%	20.21%	8.84%	24.33%	-13.65%
BCM Diversified Equity	8/1/09	8.56%	17.23%	7.40%	-4.98%	6.01%	20.00%	-9.70%	19.34%	11.18%	19.86%	-13.81%
BCM Growth	11/1/09	7.80%	12.84%	6.01%	-4.20%	5.13%	16.66%	-8.11%	17.10%	9.91%	15.47%	-12.66%
BCM Moderate Growth	9/1/09	6.76%	10.87%	4.94%	-3.49%	4.57%	14.01%	-6.65%	15.35%	9.12%	12.18%	-11.99%

Annualized Returns	Inception Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
BCM U.S. Sector Rotation	8/1/09*	-6.41%	8.46%	6.42%	6.40%	8.65%*	9.61%*
BCM Diversified Equity	8/1/09	-8.62%	7.54%	6.31%	6.02%	7.04%	8.29%
BCM Growth	11/1/09	-8.61%	5.92%	5.19%	5.03%	5.79%	6.62%
BCM Moderate Growth	9/1/09	-8.66%	4.60%	4.34%	4.31%	4.92%	5.95%

\*The inception of the BCM U.S. Sector Rotation strategy was January 2011. The performance prior to February 2011 is represented by the U.S. Core Equity component of another BCM Sector strategy that was first made available in August 2009. The BCM U.S. Sector Rotation strategy is comprised entirely of the U.S. Core Equity component.

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, and you may have a gain or loss when shares are sold. The BCM performance numbers shown are net of all commissions, trading expenses, and maximum applicable management fees of 0.5%. Sector 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 and the market as a whole. Current performance may be higher or lower than quoted.

# Annualized Gross Returns

## Relevant Indices



6/30/2022

Index	1 Year	3 Years	5 Years	7 Years	10 Years
Bloomberg Barclays U.S. 1-3 Year Gov/Credit Index	-3.56%	0.31%	1.07%	1.04%	1.01%
Bloomberg Barclays U.S. Aggregate Bond Index	-10.29%	-0.93%	0.88%	1.42%	1.54%
Bloomberg Barclays Global Aggregate Bond Index	-15.25%	-3.22%	-0.55%	0.50%	0.11%
NYSE Select Sector Equal Weight Index	-4.76%	10.41%	10.39%	10.22%	11.96%
S&P 500 Index	-10.62%	10.60%	11.31%	11.14%	12.96%
MSCI World Index	-13.92%	7.55%	8.25%	8.14%	10.14%
MSCI ACWI	-15.36%	6.73%	7.56%	7.56%	9.36%
MSCI World Excluding United States Index	-16.24%	2.29%	3.27%	3.59%	5.98%
MSCI ACWI Excluding United States	-19.00%	1.86%	3.02%	3.46%	5.38%

Performance data shown represents past performance and is no guarantee of future results. One cannot invest directly in an index. The BCM strategies shown in this presentation use a combination of the above listed indices as a measure of comparison, based on the overall allocation of each portfolio. Not every index shown is an appropriate comparison for each portfolio included in this presentation.

# Beaumont at a Glance



- BCM is an asset manager that was created in 2009 to deliver **growth strategies that are designed to stay within a targeted risk budget**, all built with low-cost ETFs.
- BCM offers **quantitative and machine learning** based strategies that manage **~\$2.8 billion in AUM & AUA**.
- 3 rules-based, quantitatively-researched systems, each with their own approach to **managing risk**.

# How to Implement Tactical Allocations

## Sample Portfolio



- BCM U.S. Sector Rotation and BCM Diversified Equity can serve as **core equity solutions**
- BCM Growth and BCM Moderate Growth model portfolios can serve as a **complement** to an existing allocation or an **all-in-one, standalone solution**