

Beaumont Capital Management (BCM)

Decathlon Tactics Overview



Global, Go Anywhere, Growth Strategies with “Guardrails”

- Tactical, global growth portfolios designed to maximize returns within maximum volatility and drawdown targets, seeking to provide a degree of downside protection
- Predictive, quantitative approach, driven by machine learning, seeking to remove emotion from the investment process
- Selects from a curated global investment pool of long-only ETFs representing virtually all asset classes

BCM Decathlon Conservative Tactics	7% target for volatility <i>and</i> maximum drawdown Maximum 50% equity allocation
BCM Decathlon Moderate Tactics	12% target for both volatility <i>and</i> maximum drawdown
BCM Decathlon Growth Tactics	16% target for both volatility <i>and</i> maximum drawdown

Decathlon Tactics’ Role in a Portfolio

Sample Portfolio



- Add as a **global complement** to strategic allocations seeking to build an overall portfolio that **can succeed in most market conditions**
- Tactically **unconstrained** with the ability to shift to virtually **any asset class and geography** as market conditions change, seeking to make the tactical buy and sell decisions for you
- Seeking to **reduce volatility and drawdown** on at least a portion of the portfolio; and allows you to select your **desired level of risk**

About Beaumont Capital Management

Beaumont Capital Management (BCM) is an asset manager that provides solutions focused on improving investors’ experiences and outcomes. Using technology, quantitative research and rules-based processes we seek to remove emotion from investing and provide growth with an emphasis on downside risk management.

We are all human. We all have emotions. Emotions don’t belong in the investment decision making process. So we created rules-based processes to make the buy and sell decisions so our clients don’t have to, seeking to *Deliver What Investors Expect*®.

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The Decathlon Tactics Process

Step 1:

Every day, the underlying quantitative models use Pattern Recognition Technology (PRT), driven by machine learning, to **analyze the historical return and volatility data of each ETF** in the investment universe.

The PRT is seeking **to identify** statistically relevant **patterns that are repeating today** to predict the returns of each ETF over the next 25 trading days.

Step 2:

The system will then **rank those patterns (ETFs) from the highest predicted risk-adjusted returns** to the lowest predicted returns expected for the next 25 trading days.

The system is designed to create portfolios that have overall drawdown and volatility within the specified target levels.

Step 3:

When the portfolio is rebalanced, the **10 highest ranked, risk-appropriate ETFs** are included in the portfolio in **10% equal weights**.

The portfolio manager maintains full discretion over the portfolios.

The Decathlon Tactics portfolios are GIPS® verified.

BCM Decathlon Aspect ETF Universe

Geographical and asset class breakdown (as of 6/30/20):

32 U.S. Equity ETFs Broad Index / Sector
Sub-sector

29 Int'l Equity ETFs Dev. Index / Dev. Country
Emerging Market / Sector

13 Global Equity ETFs Broad Index / Sector

27 Fixed Income ETFs Domestic / International

12 Alternative ETFs Currency / Commodity
REIT / Preferred Stock

Decathlon selects from the managed investment pool of long-only ETFs representing virtually every investable asset class.

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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 (BCM) claims compliance with the Global Investment Performance Standards (GIPS®).

Prior to 1/1/2020, BCM was a division of Beaumont Financial Partners, LLC.

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, (F) (781) 237-7179, salessupport@investbcm.com or by mail to the address provided.

The volatility and maximum drawdown targets shown are targets only and are not guaranteed. In October 2019, BCM Decathlon Conservative Tactics' maximum equity limit changed from 80% to 50%. In Q3 2020, the methodology for BCM Decathlon Tactics was refined to trade dynamically rather than every 25 trading days. The algorithm re-evaluates the population of ETFs and typically 'rebalances' once a sufficient number of securities have fallen far enough in the rankings to justify the resulting trades. Accounts will typically carry a ~2% position in a money market even when a model is "fully" invested. 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 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.