

## Monthly Update

## Flexible Allocation Strategy


**WINNER**
**Multi Asset Strategist<sup>1</sup>**

SSI Investment Management  
SSI Flexible Allocation Portfolio

**SSI Flexible Allocation – A Tactical Solution that Seeks to**

- Provide **long term growth after inflation** with moderate risk
- Protect capital** in times of rising market and economic risks that are not adequately reflected in security prices
- Capitalize** on the exceptional investment opportunities that often occur during periods of market disruption

			Annualized Returns					
Performance (preliminary as of January 31, 2023)	Jan 2023	YTD 2023	1 YR	3 YRS	5 YRS	10 YRS	Since Inception	
	%	%	%	%	%	%	%	
<div>Morningstar Rating<sup>2</sup></div> <div><div>Morningstar Rating 5 Year</div><div>★★★★★</div><div>TM</div></div>	Conservative Portfolio (Inception: 8/1/2015)							
	SSI Flexible Allocation (G)	4.16	4.16	-9.32	4.54	5.33	—	6.09
	SSI Flexible Allocation (N)	4.08	4.08	-10.22	3.53	4.30	—	5.06
	40/60 Custom Benchmark <sup>3</sup>	4.38	4.38	-7.71	3.62	5.27	—	6.34
	Lipper Conservative Funds <sup>4</sup>	4.00	4.00	-6.68	1.29	2.43	—	—
<div>Moderate Portfolio (Inception: 5/1/2009)</div> <div><div>Morningstar Rating 5 Year</div><div>★★★★★</div><div>TM</div></div>	SSI Flexible Allocation (G)	4.96	4.96	-8.95	6.63	6.75	8.07	7.75
	SSI Flexible Allocation (N)	4.90	4.90	-9.57	5.92	6.02	7.32	6.99
	60/40 Custom Benchmark <sup>5</sup>	5.02	5.02	-7.68	5.35	6.42	7.70	8.05
	Lipper Moderate Funds <sup>6</sup>	4.72	4.72	-6.58	3.52	3.74	5.47	—
	Moderately Aggressive Portfolio (Inception: 8/1/2015)							
<div>Moderately Aggressive Portfolio (Inception: 8/1/2015)</div> <div><div>Morningstar Rating 5 Year</div><div>★★★★★</div><div>TM</div></div>	SSI Flexible Allocation (G)	5.54	5.54	-9.70	8.33	7.80	—	8.93
	SSI Flexible Allocation (N)	5.46	5.46	-10.60	7.33	6.78	—	7.89
	80/20 Custom Benchmark <sup>7</sup>	5.65	5.65	-7.85	7.90	8.19	—	9.56
	Lipper Growth Funds <sup>8</sup>	5.62	5.62	-6.77	5.33	4.96	—	—

Notes regarding Envestnet, Morningstar ratings, strategies, custom benchmarks and Lipper Funds, as well as performance disclosures are located on pages 2-5 of this document.

**January Commentary**

- Inflation continues to decline and the Fed is approaching the end of rate hike cycle
  - ❖ Likely that most equity markets bottomed in October
- Portfolio is more opportunistically positioned – investment environment has improved
- Equity allocations were increased during the month and levels are above the benchmarks
  - ❖ Relative returns were helped by strong international (VXUS/HEFA) performance, while biotech (IBB) lagged
- Fixed income portfolio positioned to capitalize on attractive current yields, while still limiting interest rate sensitivity
  - ❖ New position in short-term high yield (SJNK), while bank loans (FTSL) sold
- Equity market likely to be volatile but with an upward bias

For more information please contact:

Robert Peatman | (617) 875-9316 | robertp@ssi-invest.com | www.ssi-invest.com

## Three Distinct Portfolios to Meet Varying Investor Objectives

Current Holdings<sup>9</sup>

## Equity Allocation

	Targeted	Range	Current
<b>Conservative</b>	<b>40%</b>	<b>10-55%</b>	<b>44%</b>
<b>Moderate</b>	<b>60%</b>	<b>30-75%</b>	<b>64%</b>
<b>Moderately Aggressive</b>	<b>80%</b>	<b>50-85%</b>	<b>84%</b>

## Equity

IVV	iShares Core S&P 500
IBB	iShares Biotechnology
VXUS	Vanguard Total International Stock
HEFA	iShares MSCI EAFE (Currency Hedged)
IWD	iShares Russell 1000 Value

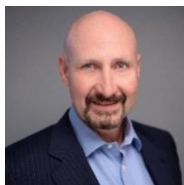
## Fixed Income

FLOT	iShares Floating Rate Bond
VCSH	Vanguard Short-Term Corporate Bond
IEF	iShares Treasury Bond
FPE	First Trust Pfd Securities and Income
LMBS	First Trust Low Duration Opportunities
SJNK	SPDR Bloomberg ST HY Bond

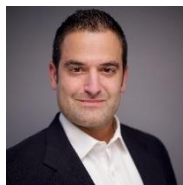
## Alternative

CWB	SPDR Bloomberg Convertible Securities
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## Investment Professionals



**Ken Raguse, CFA**  
Portfolio Manager  
29 Yrs. Experience



**Steve Wachtel, CFA**  
Portfolio Manager  
21 Yrs. Experience



**Tim Ruiz**  
Portfolio Manager  
29 Yrs. Experience

- Three Portfolio Managers on the Flexible Allocation Strategy team with an average of 26 years of industry experience
- 12 Investment professionals who have been with SSI for an average of 19 years
- Over a decade of experience managing the Strategy at SSI

## About SSI

- Headquartered in Los Angeles, California
- \$2.1 Billion AUM
- 12 Investment Professionals
- Founded in 1973
- 30 Employees

<sup>1</sup> The yearly awards, presented by Envestnet | PMC and Investment Advisor recognize active managers who have beaten their benchmarks, shown solid performance in general over time and are the best in their respective asset class. Eligibility requires the portfolio manager have \$200 million in assets and three years of experience. Additionally, the managers also need to be open to new investment on the Envestnet platform. Award finalists were chosen using Envestnet | PMC's proprietary, systematic, and multi-factor methodology for evaluating managers, which takes a variety of qualitative and quantitative criteria into consideration, such as investment process and style, performance, firm profile, customer service, and tax efficiency. SSI Investment Management did not pay to participate.

<sup>2</sup> Morningstar ratings: © 2022 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Five year ranking through 12/31/22 for Conservative and Moderate and 9/30/22 for Moderately Aggressive (rating not yet reported for 12/31/22). Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

<sup>3</sup> Historical Strategy's benchmark for SSI Flexible Allocation Conservative Portfolio: 50% S&P 500 / 50% Bloomberg U.S. Aggregate Bond Index (8/1/2015 -12/31/2020). Beginning January 1, 2021 40% S&P 500 / 60% Bloomberg U.S. Aggregate Bond Index is the new benchmark.

<sup>4</sup> Lipper Mixed-Asset Target Allocation Conservative Funds: 77 Funds reported. Lipper data sourced through Refinitiv Eikon.

<sup>5</sup> Historical Strategy's benchmark for SSI Flexible Allocation Moderate Portfolio: 50% S&P 500 / 50% T-Bills (5/1/2009 -7/31/2015). Beginning August 1, 2015 60% S&P 500 / 40% Bloomberg U.S. Aggregate Bond Index is the new benchmark.

<sup>6</sup> Lipper Mixed-Asset Target Allocation Moderate Funds: 140 Funds reported. Lipper data sourced through Refinitiv Eikon.

<sup>7</sup> Benchmark for SSI Flexible Allocation Moderately Aggressive Portfolio: 80% S&P 500 / 20% Bloomberg U.S. Aggregate Bond Index is the new benchmark.

<sup>8</sup> Lipper Mixed-Asset Target Allocation Growth Funds: 126 Funds reported. Lipper data sourced through Refinitiv Eikon.

<sup>9</sup> Holdings as of 1/31/23. Includes ETFs in any of the portfolios. All three portfolios may not hold all listed ETFs.

Please see the accompanying performance disclosures. Past performance is not a guarantee of future results.

For more information please contact:

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## Compliance Statement

SSI Investment Management LLC ("SSI") claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## Definition of the Firm

SSI was established in 1973 and is a Registered Investment Advisor based in Los Angeles, CA. SSI manages assets in domestic and global capital markets. SSI applies quantitative disciplines and fundamental research in its management of alternative and traditional portfolios for institutional and high net-worth investors. SSI manages separate accounts, a limited partnership, and acts as sub-advisor to mutual funds and an ETF. Effective June 1, 2019, Resolute Investment Managers, Inc. has a majority interest in SSI, however, SSI continues to operate independently. SSI does not have any subsidiaries. SSI acquired the assets of Frole, Revy Investment Co., Inc. ("Frole, Revy") and its composites as of March 1, 2009.

## Policies

SSI's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

## The Composite & Benchmark (Description & Material Risks)

SSI's Flexible Allocation Strategy - Conservative (composite inception date August 1, 2015; composite created August 1, 2015) invests in a portfolio primarily of Exchange Traded Funds but may include Exchange Traded Notes and other Mutual Funds. The exposure to various asset classes including, but not limited to, equity, fixed income and cash may range from 0-100%. The composite name was initially known as SSI Flexible Allocation Strategy #2 from 8/1/2015 – 12/31/2020 and on 1/1/2021 the composite name became the SSI Flexible Allocation Strategy - Conservative. The composite contains fully discretionary accounts including those no longer with the firm. SSI believes a performance comparison versus the Balanced Index is appropriate. Prior to January 1st, 2021, the Balanced Index was 50% of the total return of the S&P 500 and 50% of the Bloomberg Barclays Aggregate Bond Index. Effective January 1st, 2021, the Balanced Index will be 40% of the total return of the S&P 500 and 60% of the Bloomberg Barclays Aggregate Bond Index. Portfolios in this composite may have asset allocations that are different from the allocation of the Balanced Index. These allocations may generally range from 30% equities & 70% fixed income/cash to 50% equities & 50% fixed income/cash. The volatility of this strategy may be greater than the Balanced Index due to changes in asset allocation. The return, if any, is dependent upon SSI's discretionary management. The Bloomberg Barclays Aggregate Bond Index is made up of government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market and the maturities of the bonds in the index are more than one year. Any other indices shown are not necessarily comparable to SSI's Flexible Allocation Strategy - Conservative. These are widely recognized market indices that are shown for informational purposes only. Investors should be aware that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Benchmark rebalancing frequency: monthly.

## Investment Management Fees

Returns are presented gross and/or net of management fee. Actual results of an individual account may be materially different from the performance shown herein because of differences in inception date, transaction and related costs, investment guideline restrictions, fees and other factors. All performance is based in U.S. dollars and reflect, on a percentage basis for each of the periods indicated: (a) the actual net increase (decrease) of all SSI Flexible Allocation Strategy - Conservative portfolios, dollar-weighted, including adjustments for unrealized gains and losses, the reinvestment of dividends and other earnings, the deduction of some investment costs, the deduction of mutual fund costs, and are time-weighted to adjust for additions and withdrawals, and (b) the net increase (decrease) of the Balanced Index.

Net performance for fee paying portfolios is reduced by SSI's actual investment management fees and non-fee paying portfolios are reduced by a 1% annual model fee (2015-2020). Model fees are deducted on a monthly basis. Gross performance does not include deduction of SSI's investment management fees.

If performance is gross of management fees, client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment advisory account. See SSI's Form ADV, Part 2A for a complete description of the investment advisory fees customarily charged by SSI. As an example, an account with an initial \$1,000,000 investment on January 1, 2022, earning a recurring 5% semi-annual gross return (10.25% annualized), and paying a .5% semi-annual management fee (1% annual fee) would have grown to \$1,340,096 on a gross of fees basis and \$1,300,392 on a net of fees basis by December 31, 2024 (3 years).

## List of Composites

A list of the Firm's composite descriptions, limited distribution pooled funds (LDPFs) and/or GIPS reports are available upon request. Please contact [helenm@ssi-invest.com](mailto:helenm@ssi-invest.com).

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- SSI acquired Frole, Revy and its composites as of March 1, 2009. Prior to the acquisition, Frole, Revy claimed GIPS compliance for the periods of 1983-2008 and was independently verified by Ashland Partners. Investors must assess the suitability of any particular investment opportunity and carry out any due diligence that they require in relation to the strategy or investments or individual holdings of the strategies that SSI manages. In doing this, investors should seek separate advice. It should not be assumed that recommendations made will be profitable and any investment is at risk of loss. This summary represents the views of the portfolio managers as of the date noted at the beginning of this document. Any holdings mentioned in the accompanying summary are from its stated strategy. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. The information in this article is not intended to be personalized recommendations to buy, hold or sell investments. The information, statements, views and opinions included in this article are based on sources (both internal and external sources) considered to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Such information, statements, views and opinions are expressed as of the date of this article, are subject to change without further notice and do not constitute a solicitation for the purchase or sale of any investment referenced in the article. Changes in any assumptions may have a material impact on the results. Due to various risks and uncertainties, actual events or projected results may differ materially from those reflected in the document.

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SSI's Flexible Allocation Strategy - Moderate (composite inception date May 1, 2009; composite created May 1, 2009) invests in a portfolio primarily of Exchange Traded Funds but may include Exchange Traded Notes and other Mutual Funds. The exposure to various asset classes including, but not limited to, equity, fixed income and cash may range from 0-100%. The composite name was initially known as SSI Flexible Equity Strategy from 5/1/2009-4/30/2015; from 5/1/2015-12/31/2020 the composite was named SSI Flexible Allocation Strategy; on 1/1/2021 the composite name became the SSI Flexible Allocation Strategy - Moderate. The composite contains fully discretionary accounts including those no longer with the firm. SSI believes a performance comparison versus the Balanced Index is appropriate. Prior August 1st, 2015, the Balanced Index was 50% of the total return of the S&P 500 and 50% of the 90-Day Treasury Bill ("Balanced Index"). Subsequent to August 1st, 2015, the Balanced Index will be 60% of the total return of the S&P 500 and 40% of the Bloomberg Aggregate Bond Index. Portfolios in this composite may have asset allocations that are different from the allocation of the Balanced Index. These allocations may generally range from 60% equities & 40% fixed income/cash to 75% equities & 25% fixed income/cash. The volatility of this strategy may be greater than the Balanced Index due to changes in asset allocation. The return, if any, is dependent upon SSI's discretionary management. The Bloomberg Aggregate Bond Index is made up of government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market and the maturities of the bonds in the index are more than one year. Any other indices shown are not necessarily comparable to SSI's Flexible Allocation Strategy - Moderate. These are widely recognized market indices that are shown for informational purposes only. Investors should be aware that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Benchmark rebalancing frequency: monthly.

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- When representative portfolio information is shown the representative portfolio is selected by comparing any one (but not limited to) the following criteria: most in line with composite investment objectives /consistency of investment strategy, investment restrictions, fee structure, time frame managed, type of client, size of account.
- SSI acquired Frole, Revy and its composites as of March 1, 2009. Prior to the acquisition, Frole, Revy claimed GIPS compliance for the periods of 1983-2008 and was independently verified by Ashland Partners.

Investors must assess the suitability of any particular investment opportunity and carry out any due diligence that they require in relation to the strategy or investments or individual holdings of the strategies that SSI manages. In doing this, investors should seek separate advice. It should not be assumed that recommendations made will be profitable and any investment is at risk of loss. This summary represents the views of the portfolio managers as of the date noted at the beginning of this document. Any holdings mentioned in the accompanying summary are from its stated strategy. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. The information in this article is not intended to be personalized recommendations to buy, hold or sell investments. The information, statements, views and opinions included in this article are based on sources (both internal and external sources) considered to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Such information, statements, views and opinions are expressed as of the date of this article, are subject to change without further notice and do not constitute a solicitation for the purchase or sale of any investment referenced in the article. Changes in any assumptions may have a material impact on the results. Due to various risks and uncertainties, actual events or projected results may differ materially from those reflected in the document.

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