

Quartz Yield Plus Strategy

Actively managed strategy seeking total returns and income through focused investments in yield-producing securities.



Strategy Fact Sheet

as of 12/31/2023

quartzpartners.com

Investment Objective

Seeks to provide absolute portfolio returns and income, with a secondary emphasis on preservation of capital.

Primary Benchmark

Bloomberg Barclays US Aggregate Bond Index

Risk Benchmark

Morningstar Moderately Conservative Target Risk Index

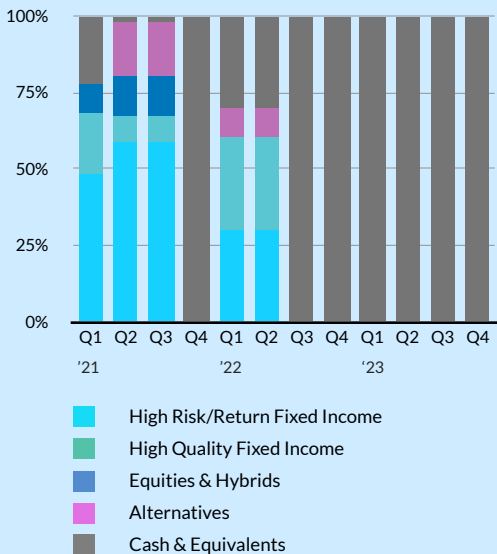
Investment Adviser

Quartz Partners Investment Management

Portfolio Managers

Joseph Arena, Chief Investment Officer
Kyle Webber, Portfolio Manager

Target Strategy Allocations, Past 3 Years



Strategy allocations may vary depending on the custodian selected and are based on the target portfolio at the end of each period. The portfolio is dynamically adjusted and will frequently and substantially change. Actual allocations will vary due to market fluctuations.

Advantages

Potential advantages of the strategy over a traditional fixed income portfolio include:

- **Return Profile:** the use of high yield bonds, emerging markets debt, convertibles and other dividend-yielding securities allows for higher total returns than a portfolio consisting mainly of US Treasuries and other high quality fixed income securities.
- **Inflation:** the strategy can use securities that are historically less sensitive to movements in interest rates, potentially equipping the investor with the tools needed to navigate a rising rates environment.
- **Unconstrained:** targeted allocations to securities that offer higher total return potential during positive credit cycles, plus the ability to move defensively during volatile market periods, can engineer a long-term investment strategy that offers higher returns with responsible risk management.

Strategy Description

The Quartz Yield Plus Strategy has a moderately conservative risk profile over a full market cycle and seeks positive total returns and current income with a secondary emphasis on capital preservation. The Strategy will be primarily determined based on our outlook on the financial markets and global economy. Relative strength and other technical analyses may also be used to make asset allocation decisions.

The Strategy will often invest up to 100% in high yield corporate bond Securities, which typically represents the primary source of return and risk to the Strategy. The Strategy may also consist of an unconstrained mix of bond Securities (including but not limited to bank loans, global bonds, emerging markets debt, government bonds, and municipal bonds), convertible Securities, REITs, and or cash or equivalent Securities. Target allocations to equity Securities with a positive yield may represent up to 30% of the Strategy. The Strategy is non-diversified and will often be concentrated in one or a select number of Securities.

In an attempt to meet the Strategy's secondary emphasis of capital preservation, the Quartz Yield Plus Strategy will at times be invested up to 100% in US Treasury/ government bond and/or cash or equivalent Securities. This will generally occur when our market and/or economic outlook become negative, or when investment opportunities are constrained by valuations or other factors.

Portfolio Construction Process



MACRO ANALYSIS

We collect and analyze data points categorized by the P.R.I.C.E. Matrix: Policy (Fiscal and Monetary), Risk, Inflation & Interest Rates, Credit/ Liquidity, and Earnings & Economy.



TREND ANALYSIS

An intermarket approach focuses on both absolute trends (momentum) in asset class prices and relative strength between different classes, e.g., style, sector, geography, and factors.



CONTRARIAN/EARLY STAGE OPPORTUNITY ANALYSIS

Macro & Trend Analysis are reevaluated with a contrarian perspective (value), seeking opportunities to capitalize on anticipated trend changes.



ASSET ALLOCATION & SECURITY SELECTION

The final portfolio is constructed using Exchange-Traded Products, which are selected based on their costs, underlying index, and tradability (volume, tracking error and bid-ask spread).

Quartz Yield Plus Strategy

as of 12/31/2023

Annualized Total Returns %

	Yield Plus (Gross)	Yield Plus (Net)	Benchmark
3mo	0.80	0.30	6.82
YTD	3.43	1.38	5.53
1 yr	3.43	1.38	5.53
3 yr	0.44	-1.55	-3.32
5 yr	1.40	-0.61	1.10
Inception (3/1/15)	2.18	0.16	1.25

Annual Total Returns %

	Yield Plus (Gross)	Yield Plus (Net)	Benchmark
2015 beg. 3/1	-3.34	-4.94	-0.58
2016	8.67	6.53	2.65
2017	8.02	5.89	3.54
2018	-0.50	-2.47	0.01
2019	5.48	3.40	8.72
2020	0.30	-1.69	7.51
2021	4.31	2.25	-1.54
2022	-6.09	-7.96	-13.01
2023	3.43	1.38	5.53

Primary Benchmark = Bloomberg Barclays US Aggregate Bond Index
Risk Benchmark = Morningstar Moderately Conservative Target Risk Index

Note: Because of the composite's unconstrained investment strategy, no appropriate benchmark exists. However, benchmarks are shown for reference purposes and as supplemental information.

DEFINITIONS

Alpha: a measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. Beta: a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Beta:** a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Standard deviation:** a measure of the dispersion of a set of data from its mean. It is designed to gauge the historical risk of an investment in terms of its past volatility. **Sharpe Ratio:** the average return earned in excess of the risk-free rate per unit of volatility or total risk. **Bloomberg Barclays Capital U.S. Aggregate Bond Index:** comprised of approximately 6,000 publicly traded bonds including U.S. Government, mortgage-backed, corporate, and Yankee bonds with an approximate average maturity of 10 years. The **Morningstar Target Risk Index** family is designed to meet the needs of investors who would like to maintain a target level of equity exposure through a portfolio diversified across equities, bonds and inflation-hedged instruments. The Morningstar Moderately Conservative Risk Index seeks approximately 40% exposure to global equity markets.

Investors should carefully consider the underlying funds' fees, expenses, objectives and risks carefully before investing. Quartz Partners Investment Management ("Quartz") puts forth its best effort to achieve the objectives of its strategies. However, there is no guarantee that the objectives will be achieved. An Account's return and principal will fluctuate so that the Account, when redeemed, may be worth more or less than the amount in the Account at or subsequent to the effective date of the Investment Management Agreement. All results are expressed in US dollars and reflect reinvestment of dividends, capital gains, and other earnings as well as the deduction of trading or other expenses incurred. Performance reflects the gross return of the composite reduced by the maximum annual fee of 2%. Actual fees paid and performance may vary based on factors including account size, custodian, contributions and withdrawals, which may cause your returns to differ from those listed in this report. In particular, accounts held at variable annuities and/or fund families will have performance that frequently deviates from the listed data due to fees and investment options. Please contact Quartz or your custodian for your specific performance information. Quartz strategies may involve above-average portfolio turnover, which could negatively impact the net after-tax gain experienced by an individual client. Performance results do not reflect the impact of taxes. Investments in the programs are subject to investment and manager risk, which carry the potential for a loss of principal. Tactical management strategies do not protect against losses in declining markets and there is no guarantee that the strategy performance will meet or exceed the listed benchmark. Quartz's risk management process includes an effort to monitor and management risk, but should not be confused with and does not imply low risk. High yield bonds may be subject to greater market fluctuations, risk of default or loss of income and principal than higher rated securities. The benchmarks referenced herein have not been selected to represent an appropriate benchmark with which to compare a client's performance, but rather are disclosed to allow for comparison of the client's performance to that of certain well-known and widely recognized indices. Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly. Quartz is an investment adviser registered with the SEC under the Investment Advisers Act of 1940. SEC registration does not constitute an endorsement of the firm by the SEC nor does it indicate that the advisor has attained a particular level of skill or ability. Quartz's Form ADV Part 2: Firm Brochure and other account documentation are available upon request. Quartz may pay a portion of the annual advisory fee to a solicitor who is responsible for introducing an investor to Quartz. Quartz claims compliance with the Global Investment Performance Standards (GIPS®). A complete list and description of the firm's composites and composite reports that adhere to the GIPS® standards are available by emailing info@quartzpartners.com. 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.

Risk Statistics (Since Inception, Gross Returns)

	Yield Plus	Risk Benchmark
Standard Deviation	5.16	7.88
Beta	0.39	1.00
Alpha	-0.35	-
Sharpe Ratio	0.18	0.41

Growth of a \$100,000 Investment

