

4Q2024 UPDATE

## SELECT LIST

**The 4Q2024 edition of the SMArtX Select List recognizes 43 Gold and 94 Silver strategies across the 1,509 strategies broadly distributed via the SMArtX platform. The Select List serves as a first step in the portfolio strategy/construction process. Winners are based on a quantitative screen that rewards risk-managed outperformance.**

With 1,509 individual strategies (across 310 asset managers) on the SMArtX platform, Investment Solutions offers the Select List as a starting-point quantitative screen to identify top-performing strategies. Strategies must have a minimum five-year track record to be included. Eligible strategies then undergo a quantitative review across four pillars: 1.) Excess Return; 2.) Asymmetry; 3.) Downside Risk; and 4.) Consistency. Across 30 categories, we award the top ~3% of strategies (minimum of one) with Gold status and the next ~7% (minimum of two) with Silver status – leading to a total of 137 winners (43 Gold and 94 Silver).

The Select List quantitative process reviewed in this report provides a clear-cut way to assess the strategies on the platform – and a solid foundation off of which the Investment Solutions team can apply additional quantitative and qualitative analysis in the portfolio strategy/construction process. Aligned with our “forward looking, historically aware” philosophy, we understand the importance of a strong track record (historically aware) – but are ultimately trying to identify who can carry that strong track record into the future (forward looking).

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### RECOGNIZING SUPERIOR INVESTMENT PERFORMANCE

The SMArtX Select List identifies top-performing strategies through a robust quantitative process.



**ACROSS 30 INVESTMENT CATEGORIES**

Source: SMArtX Investment Solutions. SMArtX platform strategies as of 9/30/2024.

## STRATEGY PREREQUISITES

To be eligible for Select List inclusion, strategies must meet the following requirements:

1. **Morningstar database inclusion.** We leverage the Morningstar database for our analysis and request that managers update performance within one month of quarter-end.
2. **Five-year strategy track record.** We require at least five years of performance data to understand how strategies perform in various financial market backdrops. Five years of data gives us sufficient confidence that the strategy's track record is due to skill and repeatable.

## SELECT LIST KEY PILLARS

The Select List employs four quantitative metrics to assess strategies. See appendix for calculations.

1. **Excess Return.** Our first quantitative metric simply looks at strategy performance vs. the category benchmark. The objective here is to reward strategies who show strong returns relative to their benchmark over the past five years.
2. **Asymmetry.** Long-term outperformance is important, but so is how that outperformance is achieved. We reward strategies who provide a positive relative-return skew – outperforming their benchmark by more when “right” than they underperform when “wrong.”
3. **Downside Risk.** Next, we focus on downside risk – specifically tail risk, which we define as the potential degree of underperformance expected to occur 5% of the time. The overarching goal is to reward top-performing strategies that are also able to provide material downside risk mitigation and avoid serious drawdowns vs. the benchmark.
4. **Consistency.** Return consistency is based on the percentage of time the strategy outperforms its benchmark. This metric helps to weed out those strategies that screen well due to a handful of sharply positive results that offset otherwise average/poor performance.

## CREATING THE X-SCORE

Strategies are ranked 1 through 1,121 for each key pillar and are then weighted according to the table below to create the X-Score. To give a simple example, a strategy with rankings of 10, 20, 40 and 30 across the four pillars, respectively would have an X-Score of 22 ( $10 \times 30\% + 20 \times 40\% + 40 \times 20\% + 30 \times 10\%$ ). The X-Score, in turn, dictates Select List membership across Gold (top ~3% for each category, minimum of one strategy) and Silver (next ~7%, minimum of two strategies).

Pillar	Weight	Rationale
Excess Return	30%	Excess return is the name of the game – and, therefore, gets a material weight – but excess return alone can mask other issues.
Asymmetry	40%	Asymmetry (up more when “right” than down when “wrong”) can lead to strong results over time and gets a heavy weight.
Downside Risk	20%	Complimentary to excess return and asymmetry, mitigating downside risk can keep investors “in their seats” and fully invested.
Consistency	10%	Return consistency also compliments excess return/asymmetry, helping to weed out “one-outperformance-month wonders.”

## FOUNDATIONAL DUE DILIGENCE

The Select List is designed to be a high-level, first screen of the strategies found on the SMARtX platform. Leveraging the Select List, the SMARtX Investment Solutions team can help advisors implement robust portfolio strategy/construction via additional quantitative and qualitative analysis.

## ADDITIONAL QUANTITATIVE ANALYSIS

A full investment due diligence process requires a deeper quantitative dive with the individual investor's specific needs in mind. For instance, the Select List does not opine on active risk (how much the actively managed strategy varies from its benchmark) as active risk is not inherently good or bad (simply a preference) – but advisors (especially those using concentrated strategies) should be aware of the active risk assumed. The SMARtX Investment Solutions team can also dig deeper into strategy risk exposures (market, default, term, size value, etc.) to better understand “true” alpha.

## QUALITATIVE ANALYSIS

Beyond the return numbers and risk exposures, qualitative analysis can also help in the hunt for actively managed strategies that fit investor needs. SMARtX has strong relationships with the managers on the platform, which the Investment Solutions team can tap to fully understand investment process, philosophy and market views – as well as perform deeper operational due diligence. Strong manager/strategy knowledge can provide additional comfort that the selected strategies are appropriate for the client and the managers are being proactive and vigilant in their investment approach – seizing opportunities and avoiding uncompensated risks.

## APPENDIX 1: KEY PILLAR CALCULATIONS

Pillar	Calculation
Excess Return	Strategy annualized geometric return minus benchmark annualized geometric return (with a common benchmark assigned to each category of strategies)
Asymmetry	Average return in outperformance months divided by average return (absolute value) in underperformance months
Downside Risk	Average of the lowest three months of benchmark-relative strategy returns – effectively, the sample set 5% left-tail conditional value at risk (CvaR).
Consistency	Number of months of strategy outperformance divided by 60 (total number of months in our five-year lookback period)

Note: All calculations are based on last five-year returns using returns relative to assigned benchmark.

## APPENDIX 2: SELECT LIST – ASSET ALLOCATION CATEGORIES

<b>Global</b>	Gold	Alpha Vee Solutions	Alpha Vee International Dynamic Model
	Silver	Ocean Park Asset Management LLC	Ocean Park Global Balanced 40-60 Portfolio
	Silver	Janus Henderson Investors US LLC	Janus Henderson Global Multi-Asset Moderate
<b>Tactical</b>	Gold	4Thought Financial Group Inc	4Thought Multi-Method Unconstrained
	Gold	Churchill Management Corporation	Churchill Aggressive
	Gold	BlackRock Investment Management LLC	BlackRock Factor Rotation ETF
	Silver	Churchill Management Corporation	Churchill Moderately Aggressive
	Silver	Clark Capital Management Group Inc	Clark Navigator Global Tactical
	Silver	Flexible Plan Investments LTD	Flexible Plan Multi-Strategy Equity Trends
	Silver	First National Advisors LLC	Chapoquoit Dynamic Portfolios-Aggressive
	Silver	WBI Investments LLC	WBI Power Factor All Cap High Yield Dividend
	Silver	McElhenny Sheffield Capital Mgmt	MSCM Trend Plus
<b>Conservative</b>	Gold	Fidelity Institutional Wealth Adviser	Fidelity Target Allocation Index-Focused 20/80 Model Portfolio
	Silver	Capital Research and Mgmt Company	American Funds Conservative Income F-3
	Silver	BlackRock Investment Management LLC	BlackRock Target Allocation Tax-Aware 20/80 ETF
	Silver	T Rowe Price Associates Inc	T. Rowe Price 20/80 Active Model Portfolio – I Class
<b>Mod Conservative</b>	Gold	SSI Investment Management LLC	SSI Flexible Allocation - Conservative
	Gold	Fidelity Institutional Wealth Adviser	Fidelity Target Allocation 40/60 (Z) Model Portfolio
	Silver	GLOBALT Investments LLC	GLOBALT innovatETF Strategies - Conservative
	Silver	Clark Capital Management Group Inc	Clark Navigator Global Risk Managed Growth
	Silver	Kingsview Wealth Management LLC	Kingsview ProCap Portfolio
	Silver	BlackRock Investment Management LLC	BlackRock Target Allocation Tax-Aware 40/60 ETF
	Silver	925 Advisory	WealthTrust DBS Balanced Conservative Growth & Income
<b>Moderate</b>	Gold	GLOBALT Investments LLC	GLOBALT innovatETF Strategies - Growth
	Gold	Dana Investment Advisors Inc	Dana Balanced Strategy
	Gold	SSI Investment Management LLC	SSI Flexible Allocation - Moderate
	Silver	Capital Research and Mgmt Company	American Funds Moderate Growth F-3
	Silver	Crossmark Global Investments Inc	Crossmark Balanced Core
	Silver	Congress Asset Management Company LLP	Congress Large Cap Balanced
	Silver	Congress Asset Management Company LLP	Congress Multi Cap Balanced
	Silver	Capital Research and Mgmt Company	American Funds Moderate Growth and Income F-2
	Silver	WESTEND ADVISORS LLC	WestEnd Multi-Asset
	Silver	AllianceBernstein LP	AB Strategic Research Balanced (Non-CISH) SMA
	<b>Mod Aggressive</b>	Gold	SSI Investment Management LLC
Gold		Severin Investments	Severin Moderate Growth
Silver		Capital Research and Mgmt Company	American Funds Growth F-3
Silver		BlackRock Investment Management LLC	BlackRock Target Allocation ETF - 80/20
Silver		Severin Investments	Severin Conservative Growth
Silver		BlackRock Investment Management LLC	BlackRock Target Allocation Tax-Aware 80/20 ETF
Silver		Capital Research and Mgmt Company	American Funds Tax-Aware Growth and Income F-3
<b>Aggressive</b>	Gold	Severin Investments	Severin Long term Growth
	Silver	Kingsview Wealth Management LLC	Kingsview Multi-Strategy Aggressive
	Silver	Howard Capital Management Inc	HCM ALP Aggressive
	Silver	BlackRock Investment Management LLC	BlackRock Target Allocation ETF - 100/0

## APPENDIX 2 (CONT): SELECT LIST – US EQUITY CATEGORIES

<b>US Large Blend</b>	Gold	Waycross Partners, LLC	Waycross Focused Core Equity
	Gold	JP Morgan Investment Management Inc	J.P. Morgan Large Cap Leaders
	Gold	Churchill Management Corporation	Churchill ETF Sector Rotation
	Silver	Great Lakes Advisors LLC	Great Lakes Advisors Large Cap Core
	Silver	Crossmark Global Investments Inc	Crossmark Large Cap Core Unscreened
	Silver	Aperio Group, LLC	Aperio U.S. Large Cap
	Silver	Quartz Partners Investment Management	Asteria US Core Equity
	Silver	Distillate Capital Partners LLC	Distillate U.S. Fundamental Stability & Value
	Silver	Chilton Capital Management LLC	Chilton Strategic Equity
	Silver	Parametric Portfolio Associates LLC	Parametric Custom Core U.S. Large Cap (S&P 500)
<b>US Large Growth</b>	Gold	Allspring Global Investments	Allspring LT Large Cap Growth
	Gold	Alpha Vee Solutions	Alpha Vee Focused Growth
	Silver	JP Morgan Investment Management Inc	J.P. Morgan Large Cap Growth
	Silver	Oak Ridge Investments, LLC	Oak Ridge Investments All-Cap Growth
	Silver	Zacks Investment Management Inc	Zacks Focus Growth
	Silver	Winslow Capital Management LLC	Winslow U.S. Large Cap Growth
	Silver	Oak Ridge Investments, LLC	Oak Ridge Investments Large-Cap Growth
<b>US Large Value</b>	Gold	Franklin Templeton PPG	Putnam U.S. Large Cap Value Equity Concentrated
	Gold	MFS Institutional Advisors Inc	MFS Equity Income
	Gold	Cambiar Investors LLC	Cambiar Large Cap Value
	Silver	BlackRock Investment Management LLC	BlackRock Large Cap Value
	Silver	Tom Johnson Investment Management	TJIM Core Relative Value
	Silver	Applied Finance Capital Mgmt LLC	Applied Finance Capital Valuation 50
	Silver	MRM Group	MRM Tax-Advantaged Income
	Silver	Kingsview Wealth Management LLC	Kingsview Dividend Plus
	Silver	MD Sass LLC	M.D. Sass Concentrated Value
<b>US Mid Blend</b>	Gold	Aperio Group, LLC	Aperio U.S. Large & Mid Cap
	Silver	Argent Capital Management	Argent Mid Cap
	Silver	WCM Investment Management	WCM Mid Cap Quality Value
<b>US Mid Growth</b>	Gold	Congress Asset Management Company LLP	Congress SMID Growth
	Silver	Dorsey Wright & Associates LLC	Nasdaq DWA Systematic RS Core
	Silver	Curi RMB Capital LLC	RMB SMID Cap Core
<b>US Mid Value</b>	Gold	Eulav Asset Management	Value Line High Dividend Portfolio
	Silver	VICTORY CAPITAL MANAGEMENT INC	Victory Integrity Mid-Cap Value
	Silver	Lyrical Asset Management LP	LAM U.S. Value Equity - CS
<b>US Small Blend</b>	Gold	Seizert Capital Partners	Seizert Small Cap Value
	Silver	Zacks Investment Management Inc	Zacks Small Cap Core
	Silver	Allspring Global Investments	Allspring SMID Core
<b>US Small Growth</b>	Gold	EFG Asset Management	New Capital US Small Cap Growth
	Silver	Ironwood Investment Management LLC	Ironwood Small Cap Core
	Silver	Congress Asset Management Company LLP	Congress Small Cap Growth
<b>US Small Value</b>	Gold	Distillate Capital Partners LLC	Distillate U.S. Small/Mid Cap Quality & Value
	Silver	Putnam Investment Management, LLC	Putnam U.S. Small Cap Value Equity
	Silver	Easterly Investment Partners LLC	Easterly Snow Small Cap Value

## APPENDIX 2 (CONT): SELECT LIST – GLOBAL/FOREIGN EQUITY & FIXED INCOME CATEGORIES

<b>Foreign Blend</b>	Gold	Thornburg Investment Management, Inc.	Thornburg International Equity ESG ADR Strategy
	Silver	Aperio Group, LLC	Aperio Foreign Developed ex Canada
	Silver	MFS Institutional Advisors Inc	MFS Research International ADR
<b>Foreign Growth</b>	Gold	Calamos Investments	Calamos International Sustainable Equity
	Silver	Capital Research and Mgmt Company	Capital Group International Growth SMA
	Silver	Henry James International Mgmt Inc	Henry James International Equity Large Cap
<b>Foreign Value</b>	Gold	Brandes Investment Partners LP	Brandes International Equity SMA
	Silver	Franklin Templeton PPG	ClearBridge International Value ADR
	Silver	Causeway Capital Management LLC	Causeway International Value ADR
<b>Global Blend</b>	Gold	Aperio Group, LLC	Aperio Global
	Silver	Aperio Group, LLC	Aperio Developed World
	Silver	Aperio Group, LLC	Aperio Global SRI
<b>Global Growth</b>	Gold	AGF Investments America Inc	AGF Global Select ADR Constrained
	Silver	Janus Henderson Investors US LLC	Janus Henderson Global Sustainable Equity ADR
	Silver	WCM Investment Management	WCM Quality Global Growth (QGG)
<b>Global Value</b>	Gold	Brandes Investment Partners LP	Brandes Global Equity SMA
	Silver	Eulav Asset Management	Value Line Multi-Cap Global Portfolio
	Silver	Crossmark Global Investments Inc	Crossmark Global Equity Income
<b>Emerging Mkts</b>	Gold	Lazard Asset Management LLC	Lazard Emerging Markets Equity Select ADR
	Silver	Henry James International Mgmt Inc	Henry James Emerging Markets Large Cap
	Silver	RENAISSANCE INVESTMENT MANAGEMENT	Renaissance Emerging Markets Equity Strategy
<b>IG Short</b>	Gold	BlackRock Investment Management LLC	BlackRock Corporate Ladder Taxable Fixed Income 1-5 Year
	Silver	Sterling Capital Management LLC	Sterling Short Term Corporate SMA
	Silver	BlackRock Investment Management LLC	BlackRock Short Term Taxable Fixed Income
<b>IG Core</b>	Gold	Tom Johnson Investment Management	TJIM Fixed Income
	Silver	Belle Haven Investments LP	Belle Haven Taxable PLUS
	Silver	Transform Wealth LLC	Weatherstone Strategic Income
<b>Muni Short</b>	Gold	Dana Investment Advisors Inc	Dana Municipal Bond Strategy
	Silver	Capital Research and Mgmt Company	American Funds Tax-Exempt Preservation F-3
	Silver	Neuberger Berman Investment Advisers	Neuberger Berman Tax-Exempt Limited Maturity Fixed Income
<b>Muni Int</b>	Gold	Belle Haven Investments LP	Belle Haven Muni PLUS
	Silver	Davidson Investment Advisors Inc	Davidson Intermediate Municipal Fixed Income
	Silver	Belle Haven Investments LP	Belle Haven Ladder PLUS
<b>Muni Long</b>	Gold	Invesco Managed Accounts, LLC	Invesco Tax-Free Intermediate Term SMA
	Silver	Clinton Investment Management, LLC	Clinton Municipal Market Duration
	Silver	Ocean Park Asset Management LLC	Ocean Park Municipal Bond Program
<b>High Yield</b>	Gold	Ocean Park Asset Management LLC	Ocean Park Tactical Bond
	Silver	Winans Investments	Winans Corporate Income
	Silver	Penn Capital Management Company, LLC	Penn Capital Short Duration High Income

## APPENDIX 2 (CONT): SELECT LIST – MISCELLANEOUS CATEGORY

Miscellaneous			
	Gold	Clearstead Advisors LLC	CAS Credit Select Risk-Managed
	Gold	Measured Risk Portfolios	Measured Risk Core
	Gold	Alpha Vee Solutions	Alpha Vee Risk Managed SMID Top 5 Sector US Equity Model
	Silver	Potomac Fund Management Inc	Potomac Fund Mgmt Bull Bear
	Silver	Ocean Park Asset Management LLC	Ocean Park Strategic Income Strategy
	Silver	Global Value Investment Corporation	Global Value Focused Fixed Income Value SMA Strategy
	Silver	Measured Risk Portfolios	Measured Risk Portfolio
	Silver	Thompson Capital Management LLC	TCM LHA Tactical Beta
	Silver	Alpha Vee Solutions	Alpha Vee Risk Managed Small Cap Top 5 Sector US Equity Model
	Silver	Miller Howard Investments Inc	Miller/Howard North American Energy (No K-1s)

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