

FIRST QUARTER 2025

QUARTERLY UPDATE

The 1Q2025 edition of the SMArtX Select List recognizes 93 Gold and 43 Silver strategies across the 1,537 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 1,537 strategies 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. The 1,103 eligible strategies then underwent a quantitative review across four key pillars: 1.) Excess Return; 2.) Return Asymmetry; 3.) Risk Mitigation; and 4.) Return 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 136 winners (43 Gold and 93 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 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 is able to 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.

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 that show strong returns relative to their benchmark over the past five years.
2. **Return Asymmetry.** 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 Mitigation.** Next, we focus on downside mitigation – specifically reducing 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. **Return 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 1,103 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 ($10 \cdot 30\% + 20 \cdot 40\% + 40 \cdot 20\% + 30 \cdot 10\%$). 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 primary objective – and, therefore, gets a material weight – but excess return alone can mask other issues.
Return Asymmetry	40%	Asymmetry (up more when “right” than down when “wrong”) can lead to strong results over time and gets a heavy weight.
Downside Mitigation	20%	Complimentary to excess return and asymmetry, mitigating downside risk can keep investors “in their seats” and fully invested.
Return 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 – capitalizing on 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)
Return Asymmetry	Average return in outperformance months divided by average return (absolute value) in underperformance months
Downside Mitigation	Average of the lowest three months of benchmark-relative strategy returns – effectively, the sample set 5% left-tail conditional value at risk (CvaR).
Return 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

Global	Gold	Janus Capital Management, LLC	Janus Henderson Global Multi-Asset Moderate
	Silver	Alpha Vee Solutions	Alpha Vee International Dynamic Model
	Silver	Invesco Advisors, Inc.	Invesco Strategic ETF Tax Aware 10/90 Portfolio
Tactical	Gold	4Thought Financial Group	4Thought Multi-Method Unconstrained
	Gold	Churchill Management Group	Churchill Aggressive
	Gold	Blackrock	BlackRock Factor Rotation ETF
	Silver	Churchill Management Group	Churchill Moderately Aggressive
	Silver	Clark Capital Management	Clark Navigator Global Tactical
	Silver	Flexible Plan Investments	Flexible Plan Multi-Strategy Equity Trends
	Silver	First National Corporation	Chapoquoit Dynamic Portfolios-Aggressive
	Silver	McElhenny Sheffield	MSCM Trend Plus
	Silver	Dorsey, Wright & Associates, LLC	Nasdaq DWA Systematic RS Global Macro
Conservative	Gold	Fidelity Institutional Wealth Adviser	Fidelity Target Allocation Index-Focused 20/80 Model Portfolio
	Silver	Blackrock	BlackRock Target Allocation Tax-Aware 20/80 ETF
	Silver	T. Rowe Price Associates, Inc.	T. Rowe Price Target Allocation 20/80 Active Model
	Silver	T. Rowe Price Associates, Inc.	T. Rowe Price 20/80 Active Model Portfolio – I Class
Mod Conservative	Gold	SSI Investment Management LLC	SSI Flexible Allocation - Conservative
	Gold	Fidelity Institutional Wealth Adviser	Fidelity Target Allocation 40/60 (Z) Model Portfolio
	Silver	Globalt	GLOBALT innovatETF Strategies - Conservative
	Silver	Clark Capital Management	Clark Navigator Global Risk Managed Growth
	Silver	Blackrock	BlackRock Target Allocation Tax-Aware 40/60 ETF
	Silver	Kingsview Wealth Management, LLC	Kingsview ProCap Portfolio
	Silver	Capital Research and Management Company	American Funds Tax-Aware Moderate Income F-2
Moderate	Gold	Globalt	GLOBALT innovatETF Strategies - Growth
	Gold	Natixis Advisors, LLC	Natixis Tax Managed Core Balanced
	Gold	Dana Investment Advisors, Inc.	Dana Balanced Strategy
	Silver	SSI Investment Management LLC	SSI Flexible Allocation - Moderate
	Silver	Congress Asset Management Company, LLP	Congress Large Cap Balanced
	Silver	Crossmark	Crossmark Balanced Core
	Silver	Congress Asset Management Company, LLP	Congress Multi Cap Balanced
	Silver	WestEnd Advisors	WestEnd Multi-Asset
	Silver	Capital Research and Management Company	American Funds Moderate Growth F-3
Mod Aggressive	Gold	SSI Investment Management LLC	SSI Flexible Allocation - Moderately Aggressive
	Gold	Severin Investments	Severin Moderate Growth
	Silver	Severin Investments	Severin Conservative Growth
	Silver	Blackrock	BlackRock Target Allocation ETF - 80/20
	Silver	Blackrock	BlackRock Target Allocation Tax-Aware 80/20 ETF
	Silver	Capital Research and Management Company	American Funds Growth F-3
	Silver	Capital Research and Management Company	American Funds Growth and Income F-2
Aggressive	Gold	Severin Investments	Severin Long term Growth
	Silver	Kingsview Wealth Management, LLC	Kingsview Multi-Strategy Aggressive
	Silver	Howard Capital Management	HCM ALP Aggressive
	Silver	Blackrock	BlackRock Target Allocation ETF - 100/0

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

US Large Blend	Gold	Waycross Partners, LLC	Waycross Focused Core Equity
	Gold	Great Lakes Advisors	Great Lakes Advisors Large Cap Core
	Gold	First Trust Investment Solutions LP	First Trust US Large Cap Direct Indexing
	Silver	Churchill Management Group	Churchill ETF Sector Rotation
	Silver	J.P. Morgan Asset Management	J.P. Morgan Large Cap Leaders
	Silver	Crossmark	Crossmark Large Cap Core Unscreened
	Silver	Distillate Capital Partners	Distillate U.S. Fundamental Stability & Value
	Silver	Chilton Capital Management LLC	Chilton Strategic Equity
	Silver	Asteria Wealth, LLC	Asteria US Core Equity
	Silver	Natixis Advisors, LLC	AIA S&P 500 (Large Cap)
US Large Growth	Gold	Allspring Global Investments	Allspring LT Large Cap Growth
	Gold	Alpha Vee Solutions	Alpha Vee Focused Growth
	Silver	J.P. Morgan Asset Management	J.P. Morgan Large Cap Growth
	Silver	Zacks Investment Management, Inc	Zacks Focus Growth
	Silver	Oak Ridge Investments, LLC	Oak Ridge Investments All-Cap Growth
	Silver	Winslow Capital Management, LLC	Winslow U.S. Large Cap Growth
	Silver	Integrated Advisors Network, LLC	Andersen Capital Weather Mark
US Large Value	Gold	Cambiar Investors	Cambiar Large Cap Value
	Gold	Putnam Investment Management, LLC	Putnam U.S. Large Cap Value Equity Concentrated
	Gold	MFS Investment Management	MFS Equity Income
	Silver	Blackrock	BlackRock Large Cap Value
	Silver	Tom Johnson Investment Management	TJIM Core Relative Value
	Silver	ARS Investment Partners	ARS Core Equity
	Silver	O'Shaughnessy Asset Management, LLC	O'Shaughnessy Market Leaders Value
	Silver	MRM Group	MRM Tax-Advantaged Income
	Silver	Kingsview Wealth Management, LLC	Kingsview Dividend Plus
US Mid Blend	Gold	Argent Capital Management	Argent Mid Cap
	Silver	Argent Capital Management	Argent SMID Cap
	Silver	Tributary Capital Management	Tributary Small/Mid Cap Equity
US Mid Growth	Gold	ClearBridge Investments	ClearBridge Mid Cap Growth
	Silver	Congress Asset Management Company, LLP	Congress SMID Growth
	Silver	JAG Capital Management, LLC	JAG Small Mid Cap Growth
US Mid Value	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
US Small Blend	Gold	Seizert Capital Partners	Seizert Small Cap Value
	Silver	Allspring Global Investments	Allspring SMID Core
	Silver	Zacks Investment Management, Inc	Zacks Small Cap Core
US Small Growth	Gold	EFG Asset Management	New Capital US Small Cap Growth
	Silver	Congress Asset Management Company, LLP	Congress Small Cap Growth
	Silver	1492 Capital Management, LLC	1492 Small Cap Growth Strategy
US Small Value	Gold	Distillate Capital Partners	Distillate U.S. Small/Mid Cap Quality & Value
	Silver	Lyons Wealth Management	Lyons Small Cap Value
	Silver	Putnam Investment Management, LLC	Putnam U.S. Small Cap Value Equity

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

Foreign Blend	Gold	Aperio Group, LLC	Aperio Foreign Developed ex Canada
	Silver	Aperio Group, LLC	Aperio Global ex U.S.
	Silver	First Trust Investment Solutions LP	First Trust Global xUS Direct Indexing
Foreign Growth	Gold	Capital Research and Management Company	Capital Group International Growth SMA
	Silver	Calamos Investments	PIC International Opportunities
	Silver	Henry James International Management, Inc.	Henry James International Equity Large Cap
Foreign Value	Gold	Brandes Investment Partners, LP	Brandes International Equity SMA
	Silver	ClearBridge Investments	ClearBridge International Value ADR
	Silver	Causeway Capital Management	Causeway International Value ADR
Global Blend	Gold	Aperio Group, LLC	Aperio Global
	Silver	Aperio Group, LLC	Aperio Developed World
	Silver	Aperio Group, LLC	Aperio Global SRI
Global Growth	Gold	AGF Investments	AGF Global Select ADR Constrained
	Silver	WCM Investment Management, LLC	WCM Quality Global Growth (QGG)
	Silver	Capital Research and Management Company	Capital Group Global Growth SMA
Global Value	Gold	Brandes Investment Partners, LP	Brandes Global Equity SMA
	Silver	Eulav Asset Management	Value Line Multi-Cap Global Portfolio
	Silver	Crossmark	Crossmark Global Equity Income
Emerging Mkts	Gold	Krane Fund Advisors, LLC	Krane Dynamic Emerging Markets Strategy
	Silver	Lazard Asset Management LLC	Lazard Emerging Markets Equity Select ADR
	Silver	Henry James International Management, Inc.	Henry James Emerging Markets Large Cap
IG Short	Gold	Invesco Advisors, Inc.	Invesco BulletShares Corporate 0-5 Year Portfolio
	Silver	Blackrock	Blackrock Corporate Ladder Taxable Fixed Income 1-5 Year
	Silver	Sterling Capital Management, LLC	Sterling Short Term Corporate SMA
IG Core	Gold	Transform Wealth, LLC	Weatherstone Strategic Income
	Silver	Tom Johnson Investment Management	TJIM Fixed Income
	Silver	Invesco Managed Accounts, LLC	Invesco Tax-Aware Intermediate Term SMA
Muni Short	Gold	Invesco Advisors, Inc.	Invesco BulletShares Municipal 0-3 Year Portfolio
	Silver	Invesco Advisors, Inc.	Invesco BulletShares Municipal 0-5 Year Portfolio
	Silver	Capital Research and Management Company	American Funds Tax-Exempt Preservation F-3
Muni Int	Gold	Belle Haven Investments, L.P.	Belle Haven Muni PLUS
	Silver	Davidson Investment Advisors, Inc.	Davidson Intermediate Municipal Fixed Income
	Silver	Belle Haven Investments, L.P.	Belle Haven Ladder PLUS
Muni Long	Gold	Invesco Managed Accounts, LLC	Invesco Tax-Free Intermediate Term SMA
	Silver	Clinton Investment Management, LLC	Clinton Municipal Market Duration
	Silver	Blackrock	BlackRock Long Term Municipal Fixed Income
High Yield	Gold	Penn Capital Management	Penn Capital Short Duration High Income
	Silver	Winans Investments	Winans Corporate Income
	Silver	Clark Capital Management	Clark Navigator - Fixed Income Total Return Strategy (w/Mutual Funds)

APPENDIX 2 (CONT): SELECT LIST – MISCELLANEOUS CATEGORY

Miscellaneous	Gold	Wilbanks, Smith & Thomas Asset Management	CAS Credit Select Risk-Managed
	Gold	Alpha Vee Solutions	Alpha Vee Risk Managed SMID Top 5 Sector US Equity Model
	Gold	Potomac	Potomac Bull Bear
	Silver	Global Value Investment Corp.	Global Value Focused Fixed Income Value SMA Strategy
	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)
	Silver	Alpha Vee Solutions	Alpha Vee Risk Managed Mid Cap Model
	Silver	Brandes Investment Partners, LP	Brandes Global Small-Mid Cap Equity SMA
	Silver	Scarecrow Trading Inc.	Scarecrow Crow Chaser
	Silver	First Trust Advisors LP	First Trust Alternatives

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