

## Investment Philosophy

Defend capital  
Participate in rising markets  
Outperform in bear markets

## Portfolio Characteristics

**The Objective:** The Tactical US Equity FT portfolio is tactically allocated across ten of the eleven Standard & Poor's primary US economic sectors utilizing First Trust AlphaDex ETFs, which have a primary focus on US stocks with mid and small capitalizations, but the ETFs may also hold smaller allocations of large capitalization stocks. The portfolio has a maximum/minimum equity exposure of 100% to 0%. It seeks to avoid significant loss in bear markets and to materially participate in bull markets.

**Suitable for:** May be suitable for an investor seeking to potentially reduce volatility with principal growth over a longer-term investment time horizon.

## Investment Process

1. Quantitative Discipline
2. Weekly Calculations
3. Manager Adjustment Discretion

## Portfolio Advantages

1. US Sector Diversification: Standard and Poor's 500
2. Allocations Adjust: Move with market changes
3. Flexible Allocations: 10 sectors
4. Controlled Risk: No leverage, shorts, or derivatives
5. Ownership Transparency: Client owns and sees positions

## Risk Management

1. Tactical Allocation: maximum to minimum equity exposure
2. Diversification: maximum 10 sector positions
3. Position Limits: maximum 25% (at cost) except cash
4. Passive Indices: hundreds of holdings reduce concentration risk
5. Tactical Overlay: manage equity risk

## Why Tactical?

A well-diversified domestic portfolio, enhanced by Tactical Asset Allocation, may offer investors more consistent, risk-adjusted returns.

Price and value often diverge, creating opportunity. Tactical Asset Allocation is a dynamic investment style that adjusts asset allocations to RPg's forward view of the relative risks and returns of various asset classes. This is distinguished from Strategic Asset Allocation, which is a mechanical, passive process of rebalancing portfolios back to their original allocations. The weakness of this approach can be its failure to allow for new information.

## Annualized Trailing Returns

As of Date: 3/31/21

	YTD	1 Year	3 Year	5 Year	Since Inception
RPg Tactical US Equity FT (Gross)	11.85	81.14	13.75	12.95	9.72
RPg Tactical US Equity FT (Net)	11.30	77.58	11.50	11.11	8.24
NYSE Select Sector Equal Weight TR Index	9.18	54.80	14.55	13.56	12.79

## RPg Tactical US Equity FT - Monthly Net Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	-2.72	-8.07	-18.07	14.61	8.03	2.48	4.05	4.16	-3.30	0.69	13.38	5.10	16.92
2019	10.34	2.94	0.18	2.76	-8.38	7.75	0.33	-4.97	1.89	1.46	4.93	1.94	21.68
2018	3.26	-4.44	-0.71	-0.45	3.77	0.08	1.80	3.63	0.17	-11.30	1.47	-10.97	-14.23
2017	1.39	1.91	-0.89	0.30	-0.36	0.77	1.41	-0.30	1.90	1.98	3.32	1.73	13.90
2016	-5.53	1.53	5.03	0.08	0.44	0.13	3.04	-0.06	0.14	-3.75	8.55	0.96	10.57
2015	-1.88	0.97	-0.56	1.82	-1.82	-2.88	0.03	-6.12	-1.09	0.91	-1.70	-3.37	-15.38
2014	-3.03	4.80	0.08	-0.92	2.20	3.46	-3.75	3.78	-3.87	-0.10	2.30	-0.92	3.93
2013	7.14	0.97	4.60	0.41	2.43	-1.31	5.08	-2.32	4.12	3.80	2.79	2.79	34.61
2012			1.19	-0.93	-7.13	2.83	-0.13	2.90	2.17	-0.85	1.17	1.01	2.50

## Hypothetical Growth of \$100,000

Time Period: 3/1/2012 to 3/31/21

Source Data: Net Return



## Composite Performance

### Composite Performance as of March 31, 2021

Year	Composite Net Return	Composite Gross Return	Benchmark Return	Internal Dispersion	Number of Portfolios	Composite Assets (mm)	AUM (mm)
2021	11.30	11.85	9.18	N/A	1	0.2	49.2
2020	16.92	19.28	10.34	N/A	1	0.2	46.9
2019	21.68	24.13	28.00	N/A	1	0.1	46.6
2018	-14.23	-12.49	-5.33	N/A	1	0.1	69.1
2017	13.90	15.04	17.60	N/A	1	0.1	136.2
2016	10.57	12.55	13.44	N/A	1	0.1	199.6
2015	-15.38	-13.97	-1.50	N/A	3	0.4	99.9
2014	3.93	5.26	13.43	N/A	2	0.2	174.3
2013	34.61	35.95	30.72	N/A	2	0.2	334.5
2012	2.50	3.36	14.86	N/A	2	0.1	448.9

## 3-Year Annualized Standard Deviation

(EX-POST) as of March 31, 2021

	2021	2020	2019	2018	2017	2016	2015
Composite Net	22.98	22.95	14.85	13.04	9.41	10.61	10.51
Benchmark	18.21	18.37	11.16	10.13	9.55	10.38	10.44

## Disclosures

The RPg Tactical US Equities FT strategy ("TUSFT") is a managed account strategy managed by RPg. This report is provided for informational purposes only and is not to be considered investment advice or a solicitation for investment. Performance indicated is based on data resulting from unaudited historical results. Information contained in this report is as of the period indicated and is subject to change. Performance provided is past performance, and is not a guarantee of future results. Individual investments may increase or decrease in value and are subject to a risk of loss. Investors should consult their financial advisor before investing.

**COMPOSITE DEFINITIONS:** As of 05/18/2015, the RPg AlphaSector® Premium FT Equity Composite has been renamed to the RPg Tactical US Equity FT Strategy Composite. Additionally, prior to 5/18/15, the firm utilized a third-party research provider for research to provide sector and allocation exposure to the portfolios. From 5/18/15 to present, the firm utilizes an internally developed quantitative algorithm "ActiveParadigm" to determine the sector and allocation exposure to the portfolios. The composite, RPg Tactical US Equity FT, includes all fully discretionary, RPg domestic industry sector equity ETF portfolios (including cash) under management for at least one full quarter. The equity ETF portfolios primarily represent large capitalization US stocks, but may also hold a smaller percentage in mid and small cap US stocks. Accounts that experience a significant cash flow, more than 10% of the portfolio, are removed from the composite for a period of one quarter. The minimum account size for this composite is \$50,000. The composite was inceptioned March 1, 2012 and is measured against the NYSE Select Sector Equal Weight TR Index. 2012 performance data reflects March through December 2012. Performance calculations are beginning value weighted. Quarterly, Annual and Inception performance are calculated on geometrically linked monthly performance. Net returns were calculated using stated management fees of 1% through December of 2016, after which net returns were calculated on actual fees. These fees are accounted for on a cash basis. Gross-of-fees returns are presented before management and custodial fees, but after trading expenses.

**INDEX DEFINITIONS:** The NYSE Select Sector Equal Weight TR Index consists of a strategy that holds all active Select Sector SPDR® ETFs in an equal-weighted portfolio. The ETFs are rebalanced to an equal weighting quarterly during the months of March, June, September, and December. Please note an investor cannot invest directly into an index.

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