

# FSP Program

## DYNAMIC PORTFOLIO OVERVIEWS

### Investment Philosophy

#### Dynamic Approach

##### Focus

- Active adjustment of portfolio positions based on changing market conditions
- Capitalization on short-term market opportunities and trends
- Risk Management through timely portfolio adjustments

##### Investor Profile

- Informed about market trends, economic indicators and sector specific factors
- Desire for frequent trading based on market conditions
- UResearch and analysis driven decision making

##### Managers

**BlackRock**



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# BlackRock Target Allocation ETF Portfolios

## Philosophy

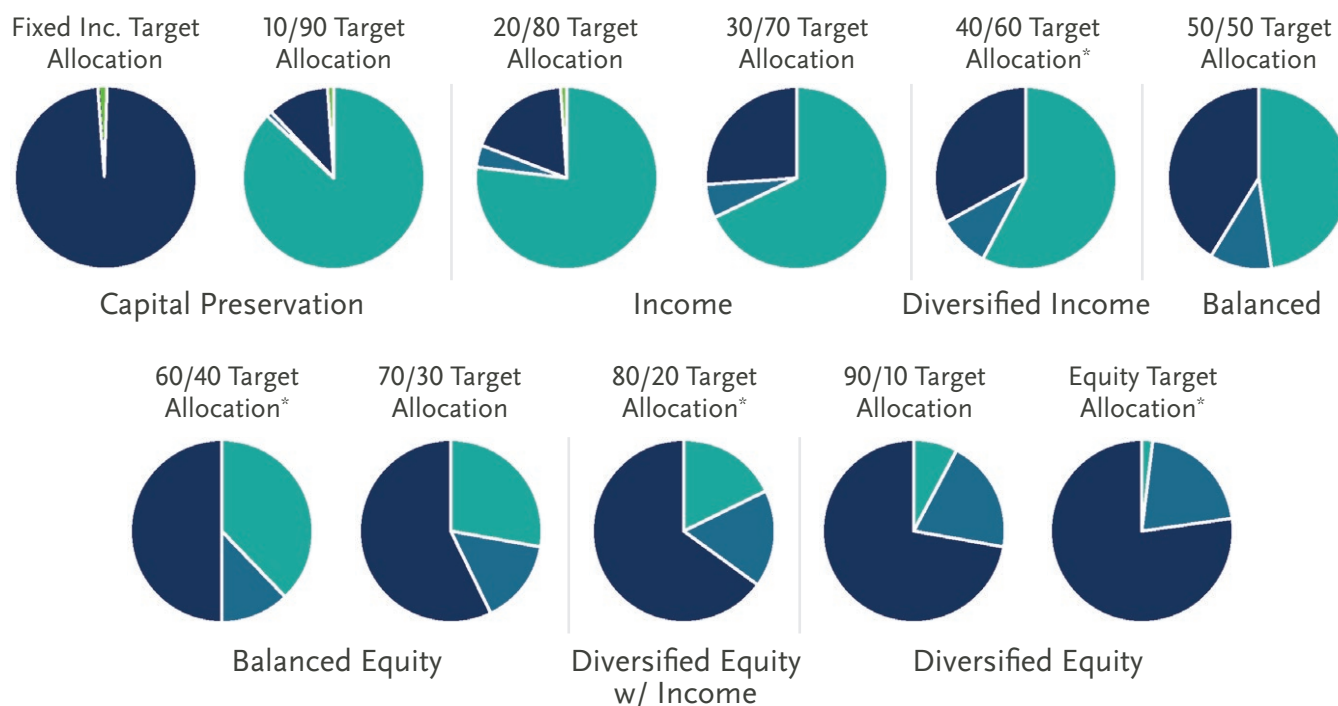
- The BlackRock Target Allocation Models are dynamic investment strategies that follow a systematic relative value framework.
- The BlackRock Target Allocation Models showcase the firm's wealth of resources and best asset allocation ideas within a globally diversified, risk-based mandate. The entire suite of portfolios offers a wide variety of options for various investor preferences and is well-suited as a total portfolio solution.

## Process

- Portfolios employ a systematic value approach, prioritizing risk management, with up to 5% allocation deviations at the management team's discretion.
- Allocation adjustments are made between equities and fixed income, guided by valuation, earnings growth, and economic outlook.
- **US Biased** – ~80% of equity exposure is domestic and **Large Cap** focused. Fixed income exposure across maturities.

## Management

- Model decisions are made at the parent level, within the BlackRock Target Allocation ETF Models, from which factor exposures are then mirrored in all strategy variations, subject to specific constraints and mandates, such as ESG or tax-aware exposure.
- Targeted exposures are tactically reallocated 4-5 times per year to capture market opportunities.
- **Underlying Holdings: iShares ETF's**



■ Domestic Equity ■ International Equity ■ Fixed Income ■ Alternatives

\* ESG model available

# Brinker Capital Destinations\* Portfolios

## Philosophy

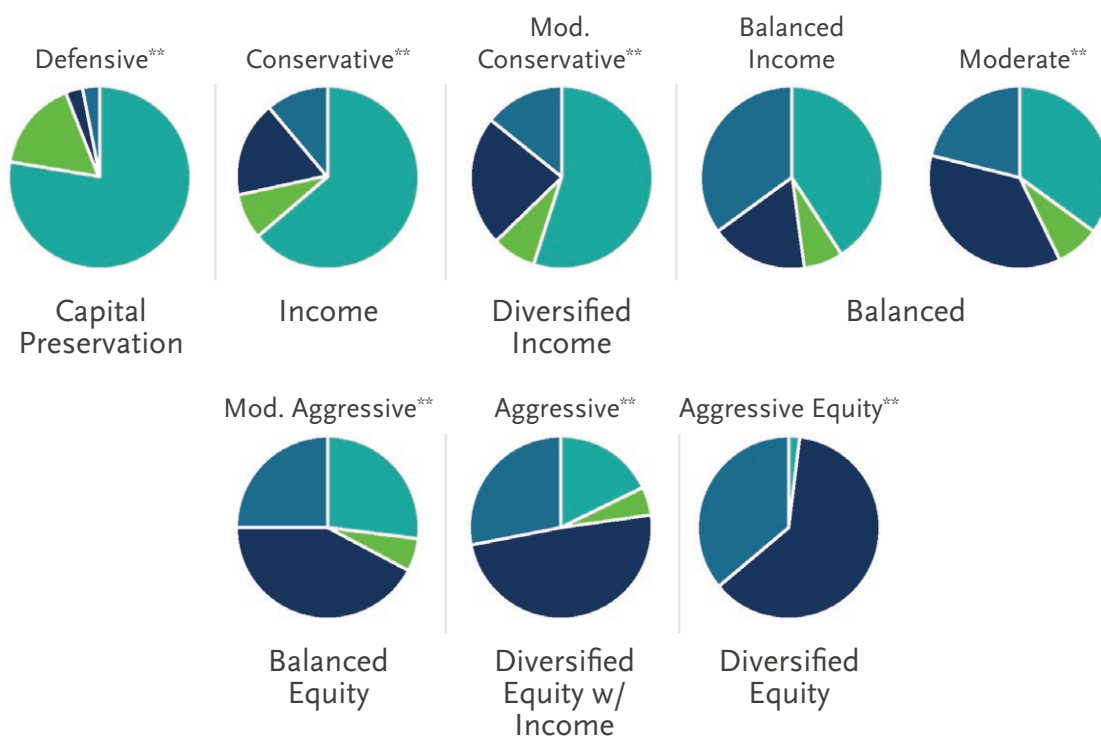
- Brinker categorizes assets in terms of the outcome they expect them to deliver. Equity — Growth. Fixed Income — Stable. Alternatives — Diversifying.
- Multi-asset class portfolios are built using a mix of outcomes based on the needs of the individual portfolios.

## Process

- Destinations portfolios combine long-term strategic allocations with active shifts influenced by short to intermediate macroeconomic outlooks.
- This flexibility allows managers to exploit market opportunities within or across various asset classes and strategies while adhering to the portfolio's objectives.
- **Global equity and fixed income** exposure.

## Management

- Destinations portfolios are comprised of the Destinations Funds, a series of ten mutual funds constructed by Brinker Capital using third-party sub-advisors and investment strategies.
- Underlying funds incorporate both active and passive strategies. Utilizing both enables Brinker to remain opportunistic to obtain the most effective exposure, rather than strictly adhering to one style or the other.
- **Underlying Holdings: Brinker Destination Mutual Funds**



 Domestic Equity
  International Equity
  Fixed Income
  Alternatives

\* Tax-aware models available | \*\* ETF model available

# Clark Capital Portfolios

## Philosophy

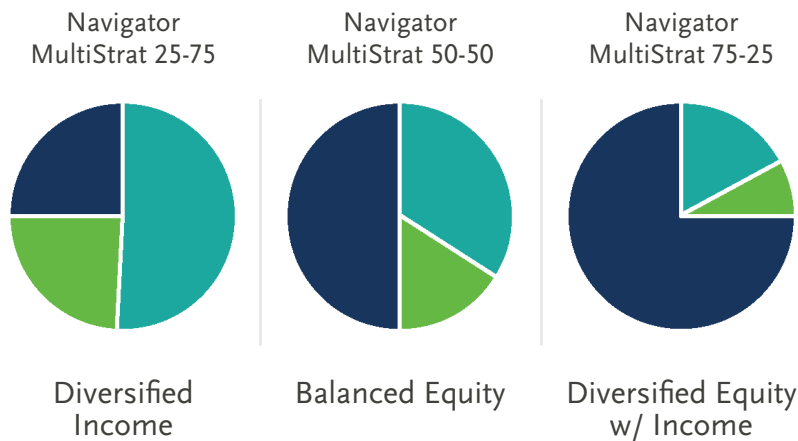
- Clark's philosophy holds that market collective wisdom outperforms any single strategy, using price movement "relative strength" to adapt to market themes without bias to style or size.
- They view volatility as manageable, combining it with "relative strength" for risk management and capital preservation, enabling participation in market trends and asset class leadership.

## Process

- Portfolios are constructed using a top-down quantitative relative strength research aimed to identify leading U.S. style and market cap ETFs in the favored asset class.
- **US biased** – large cap domestic equity. Fixed income exposure heavily weighted to **high yield**. Alternative allocation represented by **NTIIX**.

## Management

- The management team will trim/add around established positions based on declining relative strength triggers.
- There is no set rebalancing schedule and models are traded frequently.
- **Underlying Holdings: Clark Navigator Mutual Funds and ETFs**



# Morningstar Active/Passive\* Portfolios

## Philosophy

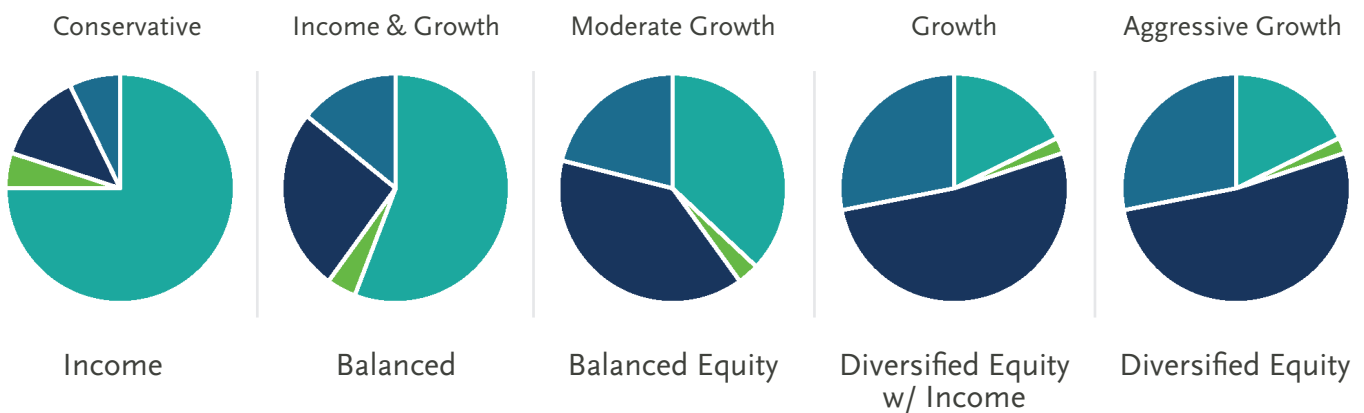
- Valuation Driven Asset Allocation: Morningstar looks for opportunistic assets that they believe are priced to deliver higher than expected returns, while keeping a long-term perspective.
- The firm takes a research focused approach, analyzing 200+ equity and 150+ fixed income markets to uncover opportunities globally.





## Process

- Active/Passive strategy combines the use of active and passive investments to leverage the potential opportunities from both approaches.
- Active managers used in areas where there is potential for enhanced market returns.
- Domestic Equity exposure across **mid and large caps**. International Equity weighted to **developed markets**. Fixed income weighted to **intermediate maturities**.

## Management

- Models are monitored on a daily basis and to stay well positioned through the market's ups and downs.
- Asset classes are generally weighted +/- 5% from targets.
- Active exposure through **mutual funds**. Passive through **ETFs**.



 Domestic Equity  International Equity  Fixed Income  Alternatives

\* Tax sensitive strategies available

# Morningstar Mutual Fund \* Portfolios

## Philosophy

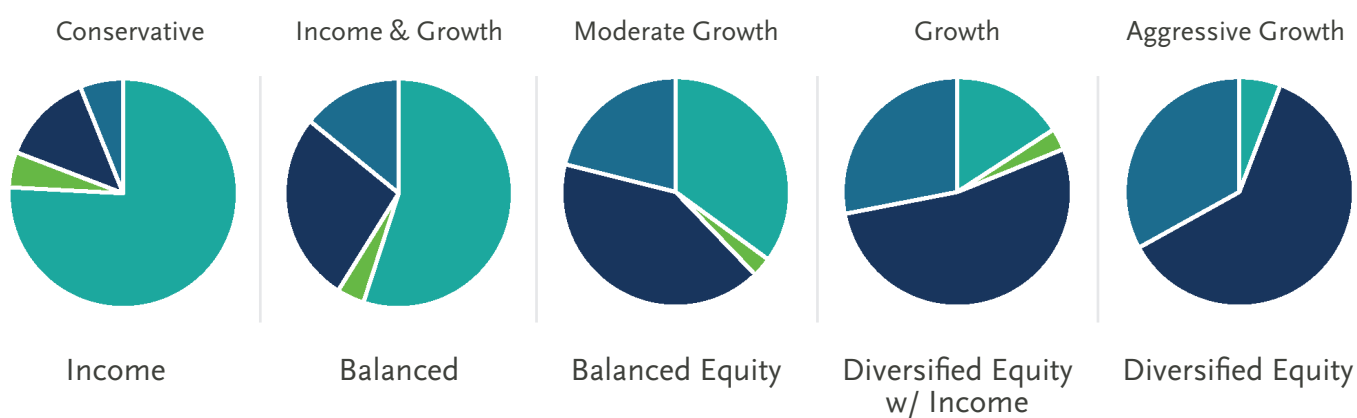
- Valuation Driven Asset Allocation: Morningstar looks for opportunistic assets that they believe are priced to deliver higher than expected returns, while keeping a long-term perspective.
- The firm takes a research focused approach, analyzing 200+ equity and 150+ fixed income markets to uncover opportunities globally.





## Process

- The mutual fund asset allocation strategies are designed to provide broad diversification, distinctive, independent research, and progressive risk management in core portfolios that span the risk spectrum.
- Domestic and International Equity exposure to **large caps**. Fixed income weighted to **intermediate maturities**.

## Management

- Morningstar believes in active investing and portfolios are continuously monitored.
- Expect to see rebalancing on a quarterly basis.
- **Underlying Holdings: Mutual Funds**



 Domestic Equity  International Equity  Fixed Income  Alternatives

\* Tax sensitive strategies available

# Morningstar ETF Portfolios

## Philosophy

- Valuation Driven Asset Allocation: Morningstar looks for opportunistic assets that they believe are priced to deliver higher than expected returns, while keeping a long-term perspective.
- The firm takes a research focused approach, analyzing 200+ equity and 150+ fixed income markets to uncover opportunities globally.

## Process

- ETF's are evaluated using bottom-up, fundamental research.
- Morningstar analyst ratings for each stock in an index are rolled up to help assess the attractiveness of an ETF. Individual ETFs are selected using a proprietary methodology that includes review of costs and risk.
- Fully diversified models with equity exposure across market caps and styles. Fixed income exposure across maturities, emerging market debt and high yield.

## Management

- Portfolios are constantly monitored to help ensure each sticks to its objectives.
- Portfolios are updated and rebalanced as necessary and seek to minimize costs paid.
- **Underlying Holdings: ETFs**

