EQIS

2023 EQIS Models Reallocation

Asset Allocation Updates

As we enter 2023, the EQIS Asset Management Group sees a continuation of many of the macroeconomic themes that proved challenging for capital markets throughout the prior year. Inflation remains a pressing concern, though it may have peaked in the United States. Global central banks may slow the pace of interest rate increases moving forward, but rates are likely to remain elevated for some time. The Eurozone's struggle with its energy shock is ongoing, while the outlook for the Chinese economy remains highly uncertain. For a more detailed analysis of the major factors that we expect to influence investment decisions over the coming year, please refer to our annual Capital Market Assumptions. This piece will focus on how those assumptions affect the specific asset allocations within the EQIS model portfolios.

2022 was a historically difficult year for the traditional 60/40 portfolio, with stocks and bonds both falling in tandem. However, with central banks likely approaching peaks in their hiking cycles, particularly in the US, we believe much of the downside in fixed income is now priced in. Bonds now offer significantly higher yields than in the recent past. With the possibility of a global economic recession looming, fixed income may now offer more diversification and protection benefits than it did last year. With these factors in mind, our bond allocation preference has shifted from underweight to neutral weight relative to equities. We remain underweight in international developed bonds and emerging market bonds but have upgraded US fixed income to neutral weight within our global balanced portfolios.

While the model portfolios were positioned to be very short in duration last year, we have become somewhat more constructive on duration moving into 2023. Although we currently retain a slightly lower duration target than the benchmark, we will be watching carefully throughout the year for any indications of a possible dovish pivot from central banks which would provide an opportunity to further lengthen duration. The portfolios have been repositioned to increase credit quality moderately in response to slowing economic growth and higher interest rates. High yield has been moved down to a neutral weight. Though bank loans performed well over the last year, we believe their floating rate characteristics will be less beneficial moving forward. Additionally, cracks in credit markets will likely pressure bank loans first. With these factors in mind, bank loan allocations have been removed across the portfolios. US Treasuries have been upgraded from a significant underweight to a moderate underweight, while investment grade corporate bonds remain a moderate overweight.

Notably, there are no major shifts within equity allocations for 2023. The portfolios retain a bias toward the relative safety of large cap stocks relative to small cap stocks with many economists forecasting a recession in the coming months. The bias toward value relative to growth has been strengthened with all portfolios seeing a modest increase in the value tilt. The geographic allocations are unchanged with a continued overweight toward the US. However, it is important to note that valuations in international developed and emerging markets currently stand at a significant discount relative to domestic equities. Unfortunately, that has been true for some time and we do not see an immediate catalyst for change in that dynamic. We will be vigilantly monitoring for possible resolutions of the outstanding geopolitical issues that have weighed on international equity returns.

Within alternatives, we have become increasingly constructive on the outlook for liquid alternatives specifically due to their ability to provide returns that are uncorrelated with traditional asset classes. Those diversification benefits are particularly valuable in a challenging environment such as the present. Though we have become less constructive on the outlook for commodities, we maintain small allocations in the portfolios as an inflation hedge. The possibility of a reopening of the Chinese economy may put renewed upward pressure on commodity prices and inflation in the coming year. Finally, we remain modestly constructive on the outlook for real estate. The real estate allocation exposure has shifted from a fixed income alternative to an equity income utilization, and we believe active management will take on increased importance as we may see increased dispersion between sectors.

Following is more detailed commentary with high-level charts illustrating these updates.

EQIS Strategic

EQIS Dynamic Strategic

EQIS Dynamic Tactical

EQIS Dynamic Sector

EQIS Income

EQIS Strategic Tax-Managed

More robust details on each model are available on the Freedom Advisors platform in **Resource Center** > Investments > Managers and Models > Weightings & Stats.

These are our updated asset class preferences for 2023.

Asset Class	Asset Class Preference for 2023			Change in Opinion from Last Outlook
	Concern	Neutral	Constructive	
Equities		0		
Bonds		0		+1
Equity				
Geographic Exposure				
US			1	
Intl Developed		0		
EM	-1			
Size				
Large			1	
Mid		0		
Small	-1			
Style				
Growth	-1			
Value			1	
Fixed Income				
Geographic Exposure				
US		0		+1
Intl Developed	-1			
EM	-1			
Credit Exposure				
Treasuries	-1			+1
IG Corporates			1	
High Yield		0		-1
Interest Rate Exposure				
Duration	-1			+1
Alternatives				
Liquid Alts (F)			2	+1
Commodities			1	-1
Real Estate			1	

Key	-2	-1	0	1	2
Relative Weighting	Very Underweight	Underweight	Neutral Weight	Overweight	Very Overweight

EQIS Strategic

The EQIS Strategic model consists of traditional specialist investment managers that remain invested in their niche asset class over the full market cycle. The model outpaced its benchmark by 0.5% on a gross of fee basis during Q4. The moderate iteration of this model was just behind its blended benchmark for the quarter, net of the maximum possible platform fee. The strongest performing strategy in the fourth quarter was Martin International Tortue Capital, which gained 14.1%* as international developed market equity rallied. SignalPoint Stable Income Point had the smallest return in the quarter with a gain of 2.1%*.

Total Portfolio	Inception Date	Q4	Rolling 1 Year
EQIS Strategic Moderate - Net	12/31/2007	6.50%	-18.30%
EQIS Strategic Moderate - Gross	12/31/2007	7.30%	-15.80%
EQIS Moderate Blended Benchmark	1/30/1999	6.80%	-15.40%

*Performance figures for individually listed third-party models referenced in this document are for illustrative purposes only and displayed gross of platform fee. Each manager is a segment of the total EQIS portfolio strategy. A side-by-side comparison of net and gross performance for the models reflected in this document is available on the Freedom Advisors platform. Please review the Disclaimer page at the end of this document for detailed information regarding performance.

2023 EQIS Models Reallocation

EQIS

This model saw a significant number of manager swaps going into 2023. Windward Equity Income has been replaced with Alpha Quant Dividend Equity to increase the tilt toward value. The allocations to Affinity Mid Cap and Sapphire Star Mid Cap Growth have been collapsed into a single position in Zacks Mid Cap Core. Within fixed income, iSectors Global Fixed Income has been removed due to concerns surrounding the outlook for international bonds. Despite its strong performance this year, Eaton Vance Floating Rate Fund has been removed due to elevated risks within bank loans. Financial Trust Global REIT has been replaced with Cohen & Steers Institutional Realty, as we believe bottom-up fundamental research will be crucial for real estate in the near future.

Status	Managers	Asset Category
Add	Alpha Quant Dividend Equity - Fractional Share	Large Cap Value
Add	Zacks Mid Cap Core - Fractional Share	Mid Cap Blend
Cut	Affinity Mid Cap - Fractional Share	Mid Cap Value
Cut	Sapphire Star Mid Cap Growth - Fractional Share	Mid Cap Growth
Cut	Windward Equity Income Strategy - Fractional Share	Large Cap Value
Cut	Eaton Vance Floating Rate Fund	Sector Specialty
Cut	iSectors Global Fixed Income - Fractional Share	Multisector Bond
Add	Cohen & Steers Institutional Realty	Real Estate
Cut	Financial Trust Global REIT - Fractional Share	Global Real Estate

EQIS Dynamic Strategic

The EQIS Dynamic Strategic model utilizes a blend of tactical managers that have the freedom to adjust their allocations to different asset classes according to market conditions, as well as dedicated single-asset-class managers that remain fully invested throughout the entire market cycle. The moderate iteration of this model trailed its benchmark for the fourth quarter on both a net of fee and gross of fee basis. The strongest performer in the fourth quarter was Alpha Quant Dividend Equity with a gain of 14.9%*. The weakest performer was the American Beacon AHL Managed Futures Fund, which had a loss of 5.7%*. However, this strategy had a 1-year return of 16.8% as of the end of the year.

Total Portfolio	Inception Date	Q4	Rolling 1 Year
EQIS Dynamic Strategic Moderate - Net	12/31/2007	4.30%	-18.70%
EQIS Dynamic Strategic Moderate - Gross	12/31/2007	5.10%	-16.20%
EQIS Moderate Blended Benchmark	1/30/1999	6.80%	-15.40%

*Performance figures for individually listed third-party models referenced in this document are for illustrative purposes only and displayed gross of platform fee. Each manager is a segment of the total EQIS portfolio strategy. A side-by-side comparison of net and gross performance for the models reflected in this document is available on the Freedom Advisors platform. Please review the Disclaimer page at the end of this document for detailed information regarding performance.

2023 EQIS Models Reallocation

EQIS

The equity component of this model saw a reallocation from Affinity Mid Cap to Zacks Mid Cap Core. Ironwood Small Cap Core was also removed due to its growth style tendency in favor of the quality-focused Ativo Small Core. As in the previous model, iSectors Global Fixed Income and Eaton Vance Floating Rate Fund have both been removed. Kensington Managed Income and Ocean Park Strategic Income have both been added to introduce a tactical dynamic to the fixed income allocation. The positions in the Toews and SignalPoint tactical allocation models have been trimmed to introduce the Chapoquoit Dynamic allocations, which have historically offered upside participation along with effective downside protection.

Status	Managers	Asset Category
Add	Ativo Small Cap - Fractional Share	Small Value
Add	Zacks Mid Cap Core - Fractional Share	Mid Cap Blend
Cut	Affinity Mid Cap - Fractional Share	Mid Cap Value
Cut	Ironwood Small Cap Core - Fractional Share	Small Cap Core
Add	Chapoquoit Dynamic Aggressive - Fractional Share	Allocation--85%+ Equity
Add	Chapoquoit Dynamic Moderate - Fractional Share	Allocation--50% to 70% Equity
Cut	Toews Hedged Equity - Fractional Share	Allocation--85%+ Equity
Trim	SignalPoint Balanced Point - Fractional Share	Allocation--50% to 70% Equity
Trim	SignalPoint Signal 10 - Fractional Share	World Allocation
Trim	Toews Hedged Balanced Growth - Fractional Share	Allocation--70% to 85% Equity
Add	Kensington Managed Income - Fractional Share	Defensive Fixed Income
Add	Ocean Park Strategic Income - Fractional Share	Fixed Income
Cut	Eaton Vance Floating Rate Fund	Sector Specialty
Cut	iSectors Global Fixed Income - Fractional Share	Multisector Bond

EQIS Dynamic Tactical

The EQIS Dynamic Tactical model utilizes tactical asset allocation strategies extensively, which are designed to shift asset class exposures to adapt to the evolution of risks and opportunities in the market environment. The moderate version of this model trailed its blended benchmark on both a net and gross of fee basis over the fourth quarter. The strongest performer in the fourth quarter was HJIM International Select with a gain of 15.7%*. The weakest performer was Toews Hedged Balanced Growth, which fell by 1.8%*.

Total Portfolio	Inception Date	Q4	Rolling 1 Year
EQIS Dynamic Tactical Moderate - Net	12/31/2007	5.50%	-16.40%
EQIS Dynamic Tactical Moderate - Gross	12/31/2007	6.30%	-13.90%
EQIS Moderate Blended Benchmark	1/30/1999	6.80%	-15.40%

*Performance figures for individually listed third-party models referenced in this document are for illustrative purposes only and displayed gross of platform fee. Each manager is a segment of the total EQIS portfolio strategy. A side-by-side comparison of net and gross performance for the models reflected in this document is available on the Freedom Advisors platform. Please review the Disclaimer page at the end of this document for detailed information regarding performance.

The small allocations to Day Hagan Global Tactical Allocation Strategy and Lunt Capital Global Sectors have both been removed from the model for the annual rebalance. Meanwhile, several other asset allocation strategies have been trimmed, including Alpha Cubed Balance Growth and Toews Hedged Equity. Those reductions were made to introduce the Chapoquoit Dynamic models into the various risk tolerances. Within the fixed income allocations, PIMCO Income Fund and Financial Trust Flexible income have been trimmed. This was done to increase duration somewhat via introducing SignalPoint Stable Income. Kensington Managed Income was also added to introduce a tactical dynamic within the dedicated fixed-income suite. Finally, the allocation to the ABR 75/25 Volatility Strategy has been reduced. The volatility regime over the prior year was difficult for this strategy, but was a statistical outlier compared to the historical data. It is notable that a smaller allocation to ABR is still maintained in this model moving forward, as it may benefit if the volatility regime either normalizes or sees an increase in level due to unforeseen circumstances.

Status	Managers	Asset Category
Add	Chapoquoit Dynamic Aggressive - Fractional Share	Allocation--85%+ Equity
Add	Chapoquoit Dynamic Moderate - Fractional Share	Allocation--50% to 70% Equity
Cut	Day Hagan Global Tactical Allocation Strategy - Fractional Share	Tactical Allocation
Cut	Lunt Capital Global Sectors - Fractional Share	World Allocation
Trim	Alpha Cubed Balanced Growth - Fractional Share	Allocation--85%+ Equity
Trim	Toews Hedged Equity - Fractional Share	Allocation--85%+ Equity
Add	Kensington Managed Income - Fractional Share	Defensive Fixed Income
Add	SignalPoint Stable Income - Fractional Share	Multisector Bond
Trim	Financial Trust Flexible Income - Fractional Share	Multisector Bond
Trim	PIMCO Income Fund	Multisector Bond
Trim	ABR 75-25 Volatility Strategy	Volatility

EQIS Dynamic Sector

The EQIS Dynamic Sector model allocates to equity strategies that target specific sectors as well as tactical managers that can rotate between sectors dynamically. The moderate iteration of this model outpaced its blended benchmark for the quarter on both a net and gross of fees basis. The standout performer in Q4 was EQIS Energy, which gained 16.4%. The weakest return for the quarter was the conservative Financial Trust Flexible Income, which gained 1.2%*.

Total Portfolio	Inception Date	Q4	Rolling 1 Year
EQIS Dynamic Sector Moderate - Net	12/31/2007	6.90%	-16.50%
EQIS Dynamic Sector Moderate - Gross	12/31/2007	7.70%	-13.90%
EQIS Moderate Blended Benchmark	1/30/1999	6.80%	-15.40%

Going into the new year, this model maintained the static sector allocations to Financial Trust Health Value, EQIS Financials and EQIS Energy. The exposure to EQIS Materials ETF was removed in favor of EQIS Consumer Staples ETF. As seen in other models, the quantitatively driven Financial Trust Global REIT has been replaced with the fundamental-oriented Cohen & Steers Institutional Realty. The fixed income section of this model saw the removal of iSectors Global Fixed Income and Eaton Vance Floating Rate Fund, as occurred in other model portfolios. Ocean Park Strategic Income was added as a tactical fixed income manager in the conservative risk tolerances. Finally, American Beacon AHL Managed Futures Fund was introduced into this model to increase diversification via uncorrelated return streams.

Status	Managers	Asset Category
Add	EQIS Consumer Staples ETF	US Equity
Cut	EQIS Materials ETF	US Equity
Add	Ocean Park Strategic Income - Fractional Share	Fixed Income
Cut	Eaton Vance Floating Rate Fund	Sector Specialty
Cut	iSectors Global Fixed Income - Fractional Share	Multisector Bond
Add	American Beacon AHL Managed Futures Fund	Managed Futures
Add	Cohen & Steers Institutional Realty	Real Estate
Cut	Financial Trust Global REIT - Fractional Share	Global Real Estate

*Performance figures for individually listed third-party models referenced in this document are for illustrative purposes only and displayed gross of platform fee. Each manager is a segment of the total EQIS portfolio strategy. A side-by-side comparison of net and gross performance for the models reflected in this document is available on the Freedom Advisors platform. Please review the Disclaimer page at the end of this document for detailed information regarding performance.

EQIS Income

The EQIS Income model focuses on generating higher income across its various risk tolerances than others with higher allocations to income-producing asset classes. The moderate risk tolerance of this model trailed its moderate blended benchmark both on a net of fee and gross of fee basis for the fourth quarter. Alpha Quant Dividend Equity had the strongest return for the period with a gain of 14.9%*, while the EQIS Preferred Stock ETF had the weakest return with a loss of 1.7%.

Total Portfolio	Inception Date	Q4	Rolling 1 Year
EQIS Income Moderate - Net	12/31/2007	4.50%	-16.50%
EQIS Income Moderate - Gross	12/31/2007	5.30%	-13.90%
EQIS Moderate Blended Benchmark	1/30/1999	6.80%	-15.40%

The equity sleeves saw a small reallocation from Green Alpha Growth and Income to Alpha Quant Dividend Equity to increase the weighting in large cap equities. As seen in the other models, Financial Trust Global REIT was swapped for Cohen & Steers Institutional Realty. Within fixed income, iSectors Global Fixed Income and Eaton Vance were both removed, while PIMCO Income Fund and Financial Trust Flexible Income received smaller weightings. This allowed for the introduction of Ocean Park Strategic Income and SignalPoint Stable Income. The allocation to Kensington Managed Income was reduced in the higher risk tolerances of this model to introduce the more traditional BlackRock High Yield Bond Fund.

Status	Managers	Asset Category
Trim	Green Alpha Growth & Income Portfolio - Fractional Share	Large Cap Value
Add	BlackRock High Yield Bond Fund	High-Yield Bond
Add	Ocean Park Strategic Income - Fractional Share	Fixed Income
Add	SignalPoint Stable Income - Fractional Share	Multisector Bond
Cut	Eaton Vance Floating Rate Fund	Sector Specialty
Cut	iSectors Global Fixed Income - Fractional Share	Multisector Bond
Trim	Financial Trust Flexible Income - Fractional Share	Multisector Bond
Trim	PIMCO Income Fund	Multisector Bond
Add	Cohen & Steers Institutional Realty	Real Estate
Cut	Financial Trust Global REIT - Fractional Share	Global Real Estate

*Performance figures for individually listed third-party models referenced in this document are for illustrative purposes only and displayed gross of platform fee. Each manager is a segment of the total EQIS portfolio strategy. A side-by-side comparison of net and gross performance for the models reflected in this document is available on the Freedom Advisors platform. Please review the Disclaimer page at the end of this document for detailed information regarding performance.

EQIS Strategic Tax-Managed

The EQIS Strategic Tax-Managed model is cognizant of tax consequences and utilizes municipal bonds and equity managers with tax management overlays where possible. The moderate version of this model outpaced its moderate blended benchmark by a significant margin both in gross and net terms for the quarter. The strongest performer for the period was Martin International Tortue Capital, with a gain of 14.1%*. The weakest return came from the conservative Western Asset Short Duration Municipal Income Fund, which had a modest gain of 2%*.

Total Portfolio	Inception Date	Q4	Rolling 1 Year
EQIS Strategic Tax-Managed Moderate - Net	12/31/2019	7.90%	-17.30%
EQIS Strategic Tax-Managed Moderate - Gross	12/31/2019	8.70%	-14.80%
EQIS Moderate Blended Benchmark	1/30/1999	6.80%	-15.40%

This model portfolio typically exhibits less turnover between managers compared to the other model portfolios, as we seek to avoid taxable events in this model whenever possible. This holds true for this year as well. The only change in this model heading into the new year is the reallocation from Western Asset Short Duration Municipal Income Fund to Western Asset Intermediate Municipals Fund to increase the duration exposure of the portfolio modestly. All other allocations remain unchanged in this portfolio.

Status	Managers	Asset Category
Add	Western Asset Intermediate Municipals Fund	Municipal Bond
Cut	Western Asset Short Duration Municipal Income Fund	Municipal Bond

*Performance figures for individually listed third-party models referenced in this document are for illustrative purposes only and displayed gross of platform fee. Each manager is a segment of the total EQIS portfolio strategy. A side-by-side comparison of net and gross performance for the models reflected in this document is available on the Freedom Advisors platform. Please review the Disclaimer page at the end of this document for detailed information regarding performance.

EQIS

1-800-949-9936 ▪ freedomadvisors.com

The comparative benchmarks are designed to a measure global portfolio of stocks, bonds, and cash, allocated to represent five distinct investor risk profiles. They represent stock exposure levels in line with investors' expectations relative to a targeted level of equity risk. The blended benchmarks include the Russell 3000 TR USD, MSCI ACWI ex USA IMI NR USD, Bloomberg Barclays US Aggregate Bond TR USD, and Bloomberg Barclays Short Treasury 1-3 Month TR USD. The five levels of global stock exposure are set at 90%, 80%, 60%, 30%, and 10%. The stock portions are allocated 60% US domestic stocks, and 40% non-US stocks, all generally in line with accepted US investor volatility and risk expectations.

The benchmark returns do not represent the results of actual trading of investable assets/securities. EQIS maintains the benchmark blend and calculates the benchmark levels and performance shown or discussed, but does not manage actual benchmark assets. Benchmark returns displayed do not reflect a deduction of management fees and do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the benchmark or investment funds that are intended to track the performance of the benchmark. The imposition of these fees and charges would cause the actual and backtested performance of the securities/fund to be lower than the benchmark performance shown.

Past performance is not indicative of future results. Model performance prior to each model's inception date reflects hypothetical data; the models were constructed with the benefit of hindsight. Model returns prior to inception represent the weighted average return of each of the underlying strategies' returns based on the model allocation at the models' inception, rebalanced monthly with dividends reinvested into the corresponding investments. Model performance after inception reflects the actual performance of the aggregated accounts subscribed to the models. The underlying strategies' performance, in turn, are either returns that have been calculated by EQIS as live money composite returns, or have been provided by the underlying strategy's manager via the Morningstar manager return database. For any underlying strategy lacking real money or manager provided returns, a relevant index or custom blended index performance has been substituted. Indexes are unmanaged and cannot be invested in directly. Annualized 1, 3, 5, 7, and 10 years returns utilize a rolling year calculation.

Net performance shown reflects the deduction of the maximum advisory fee (2.98% annually). For additional information regarding fees refer to the Wrap Fee Brochure. Gross performance shown does not reflect the deduction of fees. The actual fees for each investor are stated in the investor's account application, custodian statements, and performance reports.

Advisory services are offered through EQIS Capital Management, Inc. ("EQIS") a registered investment adviser. EQIS does not provide tax or legal advice. EQIS shall select managers for each underlying strategy and may change the allocations and managers in each model from time to time at its discretion. Investors should review the EQIS Model and underlying strategies' facts sheets for information specific to each strategy, including the dates of any hypothetical performance used.

Investment strategies carry varying degrees of risk, including the risk of total loss of principal. Diversification does not ensure a profit or protect against loss. Investors should consult their financial adviser regarding their specific goals, risk tolerance, and investment time horizon. This information is for informational purposes only. This is not an offer to sell securities or provide investment advice.

For financial professional use only. Not for client distribution.

MT-338864