



M&S

CAPITAL MANAGEMENT

STRATEGY: SECTOR ROTATION

1Q 2024 UPDATE

APPROACH: TACTICAL MOMENTUM

Morningstar Sec ID:

F00001EEZM

SECTOR/INDUSTRY ETFs

Aerospace & Defense
Biotechnology
Consumer Discretionary
Consumer Staples
Energy
Financials
Health Care
Industrials
Materials
Pharmaceuticals
Technology
Utilities

BROAD-BASED ETFs

Large cap - S&P500 Equal Weight
Small cap - Russell 2000
U.S. Aggregate Bond
High Dividend
Preferred Stocks

CUMULATIVE RETURNS (Incep.)*

Sector Rotation	75.4%
Benchmark 60/40	93.6%
S&P 500® TR	177.1%

RISK (Annualized Volatility)

Sector Rotation	11.40%
Benchmark 60/40	10.83%
S&P 500® TR	16.36%

WORST CALENDAR YEAR

Sector Rotation	(13.7%)	2022
Benchmark 60/40	(15.9%)	2022
S&P 500® TR	(18.1%)	2022

MAX DRAWDOWN

Sector Rotation	(15.5%)	Oct '22
Benchmark 60/40	(20.1%)	Sep '22
S&P 500® TR	(23.9%)	Sep '22

CUSTODIANS/PLATFORMS

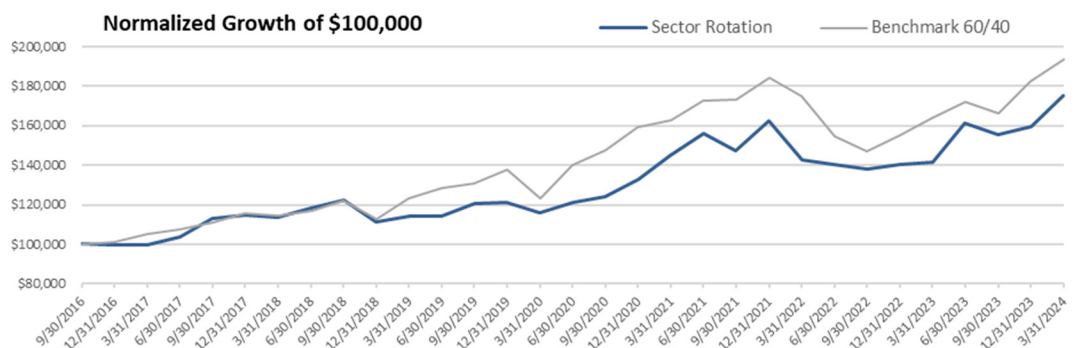
Charles Schwab
Fidelity IWS (as subadvisor)
Orion Communities
SMArtX Advisory Solutions

SUMMARY OF STRATEGY

The MSCM Sector Rotation strategy is for clients looking to augment their portfolios by participating in sectors with a high degree of recent momentum, which we believe could lead to higher potential returns, while using specific techniques designed to mitigate downside exposure. The strategy allocates to the top ranked sectors based upon our proprietary relative strength measures, while our Macro Monitor seeks to measure the strength of the broad market daily. Upon an alert by the Macro Monitor, the strategy is designed to only engage sectors that have historically proven to perform well in declining markets.

ANNUALIZED RETURNS (net of fees)

	YTD	1 Year	3 Year	5 Year	Inception*
Sector Rotation	9.8%	24.0%	6.5%	9.0%	7.8%
Benchmark 60/40	6.0%	18.1%	5.9%	9.4%	9.2%
S&P 500® TR	10.6%	29.9%	11.5%	15.0%	14.6%



STRATEGY GOALS

- Provide investors with access to a momentum-based investment strategy with defined Buy, Hold, and Sell rules.
- Seek to identify broad market trends to capitalize on the strongest trends while trying to avoid the weakest trends.
- Seek to capture a high degree of upside return while mitigating downside exposure.
- Position portfolios with the potential to add incremental gains by moving to instruments that have historically had price improvement during market downturns.

PORTFOLIO CHARACTERISTICS

- Has historically exhibited significant drawdown reduction and can perform better than both the 60/40 benchmark and S&P 500 Index® in certain market environments.
- Could result in a higher concentration along sector, industry, or sub-industry lines.
- Could experience higher short-term volatility when compared to the market.
- This is an actively managed strategy and could therefore result in a higher number of short-term gains and losses compared to a buy and hold strategy.

RISK MANAGEMENT

- Utilizes proprietary quantitative models to evaluate a universe of ETFs with holdings that span 22 market segments.
- Utilizes our proprietary Macro Monitor that seeks to determine if the overall market justifies an offensive or defensive stance (see back for more on the Macro Monitor).
- Continuously monitor our universe of securities to determine if there are more attractive candidates, based on our momentum criteria, and rebalance regularly to adjust to the changing markets.

*Since inception date of October 1, 2016.

All returns are presented net of fees. Please see page two of this presentation for important notes and disclosures.



MC ELHENNY SHEFFIELD

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SECTOR ROTATION – NET RETURNS

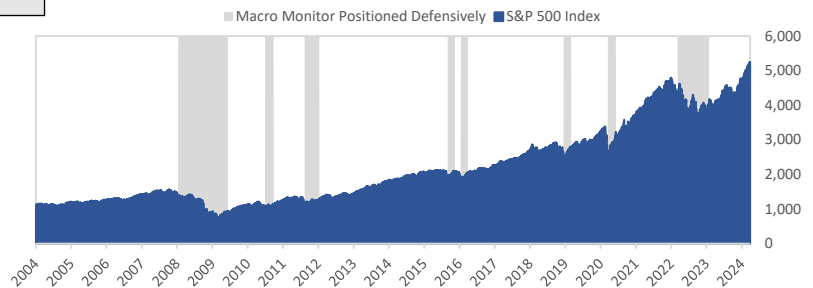
	Q1	Q2	Q3	Q4	Annual
2024	9.8%				9.8%
2023	1.0%	14.1%	(3.8%)	3.0%	14.0%
2022	(12.2%)	(1.5%)	(1.7%)	1.4%	(13.7%)
2021	9.2%	7.5%	(5.7%)	10.4%	22.3%
2020	(4.4%)	4.5%	2.5%	7.0%	9.6%
2019	2.8%	(0.2%)	5.7%	0.7%	9.2%
2018	(1.4%)	4.5%	3.2%	(9.1%)	(3.4%)
2017	(0.0%)	4.6%	8.6%	1.8%	15.6%
2016				(0.6%)	(0.6%)

BENCHMARK 60/40 – HISTORICAL RETURNS

	Q1	Q2	Q3	Q4	Annual
2024	6.0%				6.0%
2023	5.7%	4.9%	(3.3%)	9.7%	17.7%
2022	(5.1%)	(11.5%)	(4.8%)	5.3%	(15.9%)
2021	2.4%	5.9%	0.4%	6.6%	16.0%
2020	(10.5%)	13.5%	5.6%	7.6%	15.4%
2019	9.4%	3.8%	1.9%	5.5%	22.1%
2018	(1.0%)	2.0%	4.6%	(7.5%)	(2.3%)
2017	4.0%	2.4%	3.0%	4.1%	14.3%
2016				1.1%	1.1%

MACRO MONITOR

The McElhenny Sheffield Macro Monitor is a proprietary model based upon unemotional, numbers-driven measures of the ‘health’ of the broad market. This alert is not designed to attempt to avoid every market pullback, but instead, seeks to signal when the pullback appears likely to turn into a bear market - with an associated major drawdown. When we get an alert from our Macro Monitor, the portfolio will sell its core holdings and only invest in positions that have historically benefitted during downturns. Macro Monitor is presented for illustrative purposes only and is not intended to portray the performance of the strategy.



IMPORTANT NOTES AND DISCLOSURES

MSCM is an SEC Registered Investment Adviser. Registration does not imply a certain level of skill or training. Information pertaining to MSCM’s advisory operation, services, and fees is set forth in MSCM’s current Form ADV Part 2 brochure, a copy of which is available upon request or at www.adviserinfo.sec.gov or www.mscm.net.

The performance track record has been examined for accuracy by a CPA at Alpha Performance Verification Services, an independent third-party performance verification firm. Verification reports available upon request. The performance returns shown are calculated using a representative account in the strategy. Past performance is not necessarily indicative of future performance. The Sector Rotation strategy was developed with the benefits of hindsight on the performance of financial instruments and markets, specifically the S&P 500 Index® over historical periods. Future markets may behave differently than past markets and there can be no assurance that the Sector Rotation strategy will be profitable or that clients will not lose money.

Performance data for Sector Rotation is calculated and maintained by MSCM. The charts and graphs herein are presented for informational purposes only and should not be relied on to predict future movements of the market or for guidance on when to invest. Nothing in this presentation is intended to be relied on as investment, legal, or tax advice. The performance results are net of a 1% annual management fee, applied 1/12th of 1% (0.083%) each month. Fees and expenses vary based on custodial relationships, trading costs, management fees, and other factors. Brokerage commissions and other expenses and taxes are not considered in the performance results. If all expenses had been considered, the performance results would have been lower. There can be no assurance that an investment mix will lead to the expected results shown or perform in any predictable manner. It should not be assumed that investors will experience returns in the future, if any, comparable to those shown, or that any or all of MSCM’s clients experienced such returns. No representation is being made that any account will or is likely to achieve results similar to those shown. Individual client results could significantly differ from the performance results being presented. Differences in account size, risk tolerance, timing of transactions and market conditions prevailing at the time of investment could lead to different results, and clients could potentially lose money.

The Standard & Poor’s 500 Index® (“S&P 500®”) is a broad-based index used for illustrative purposes only. The S&P 500® is shown because it is well known and easily recognized by investors. The S&P 500® is considered to be generally representative of the U.S. stock market as a whole. The index is not actively managed and it is not possible to invest directly in the index. The performance of client accounts using TREND PLUS can be more volatile at times and may not be comparable to the performance of the S&P 500® or any other index. S&P 500® returns are inclusive of dividends and thus reflect the total return (TR) to investors. Index returns are not net of advisory fees. Index data provided from Y Charts is not separately verified and assumed to be accurate.

The Benchmark 60/40 Index is calculated by Y Charts and is used for illustrative purposes only. A 60/40 portfolio (60% stocks and 40% bonds) represents a traditional investment allocation for U.S. investors. The Benchmark 60/40 is a blended index comprised of a 60% allocation to the S&P 500® Index and a 40% allocation to the Bloomberg Aggregate U.S. Bond Index (a broad-based fixed income index considered to be representative of the U.S. fixed income market). Index returns are inclusive of dividends and thus reflect the total return (TR) to investors. Index returns are not net of advisory fees. Index data provided from Y Charts is not separately verified and assumed to be accurate.

Annualized volatility, a common measure of risk, is the standard deviation of monthly returns, annualized.

Maximum Drawdown reflects maximum peak-to-trough decline in an investment, security, or index over a specific time period, as measured by the difference in the highest value during the time period and the subsequent lowest value during the time period.