



# MC ELHENNY SHEFFIELD

## CAPITAL MANAGEMENT

STRATEGY: TREND X

1Q 2024 UPDATE

APPROACH: TACTICAL TREND FOLLOWING

Morningstar Sec ID:

F00001EEZV

### CUSTODIANS/PLATFORMS

Charles Schwab

### CUMULATIVE RETURNS (Incep.)\*

<b>Trend X</b>	<b>352.9%</b>
Nasdaq Comp.	170.8%
S&P 500® TR	149.0%

### RISK (Annualized Volatility)

<b>Trend X</b>	<b>36.25%</b>
Nasdaq Comp.	19.94%
S&P 500® TR	16.93%

### WORST CALENDAR YEAR

<b>Trend X</b>	<b>(26.8%)</b> 2022
Nasdaq Comp.	(33.1%) 2022
S&P 500® TR	(18.1%) 2022

### MAX DRAWDOWN

<b>Trend X</b>	<b>(39.0%)</b> Apr '18
Nasdaq Comp.	(33.1%) Dec '22
S&P 500® TR	(23.9%) Sep '22

### CONTACT INFORMATION

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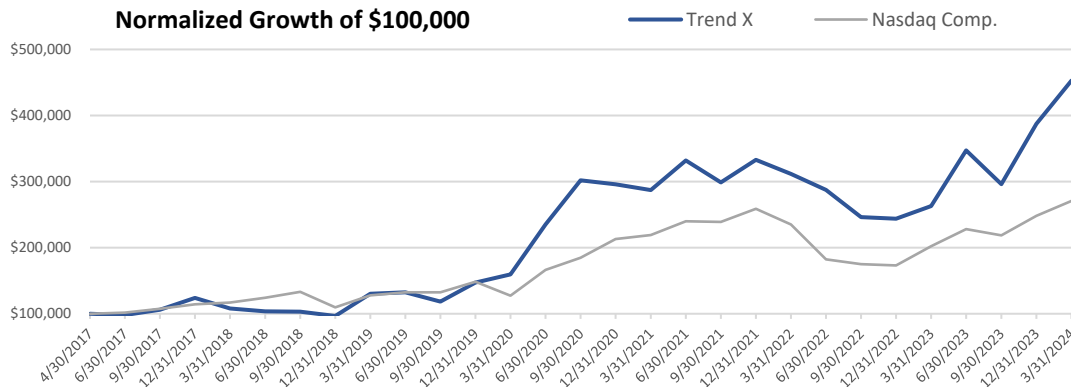
### SUMMARY OF STRATEGY

TREND X is a rules-based trend following strategy only available to Qualified Clients (as defined by the SEC) who seek aggressive growth in a segment of their portfolio. The strategy is designed to measure the strength of the overall trend in U.S. equity markets and deploy capital during uptrends to leveraged equity Exchange Traded Funds (ETFs) accordingly. When up trending markets are not detected, this tactical strategy is designed to turn defensive, moving into ETFs that have historically performed well during equity market downturns.

### ANNUALIZED RETURNS (net of fees)

	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>Inception*</u>
<b>Trend X</b>	<b>16.9%</b>	<b>72.3%</b>	<b>16.4%</b>	<b>28.3%</b>	<b>24.4%</b>
Nasdaq Comp.	9.1%	34.0%	7.3%	16.2%	15.5%
S&P 500® TR	10.6%	29.9%	11.5%	15.0%	14.1%

### Normalized Growth of \$100,000



### STRATEGY GOALS

- Seek to maximize returns during up trending markets.
- Provide investors with access to a disciplined trend following strategy having defined Buy, Hold, and Sell rules.
- Attempt to identify broad market trends to capitalize on the strongest up trends while trying to avoid down trends.
- Seek to amplify upside return potential using leveraged ETFs.
- Position to preserve capital or add incremental gains during bear markets.

### PORTFOLIO CHARACTERISTICS

- Has historically exhibited stronger returns over most time periods than the Nasdaq Composite Index or the S&P 500 Index®.
- Because it uses leveraged ETFs, this strategy will have higher daily volatility than investments in index ETFs, and during times when the portfolio is positioned defensively, could still experience higher short-term volatility than U.S. equity markets.
- This is an actively managed strategy and could therefore result in a higher number of short-term gains and losses compared to a buy & hold strategy.

### RISK MANAGEMENT

- Uses proprietary quantitative model including price, breadth, and relative strength indicators to evaluate U.S. equity markets and establish an offensive or defensive stance.
- Daily monitoring of positions and overall market to determine whether positions should be added, held, or sold.
- If TREND X signals a defensive allocation (via indicators or stop loss techniques) the strategy is designed to sell equity holdings and invest in asset classes that have historically performed better during downturns (e.g., U.S. Treasuries, gold, etc.).

\*Since inception date of May 1, 2017.

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



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### TREND X – NET RETURNS

	Q1	Q2	Q3	Q4	Annual
2024	16.9%				16.9%
2023	7.8%	32.1%	(14.8%)	30.9%	59.0%
2022	(6.4%)	(7.8%)	(14.4%)	(1.0%)	(26.8%)
2021	(2.9%)	15.6%	(10.0%)	11.5%	12.5%
2020	8.4%	47.4%	28.4%	(2.0%)	101.1%
2019	34.7%	1.7%	(10.6%)	24.3%	52.2%
2018	(13.0%)	(4.0%)	(0.4%)	(6.2%)	(22.0%)
2017		(2.0%)	8.1%	17.0%	24.0%

### Nasdaq Composite Index – HISTORICAL RETURNS

	Q1	Q2	Q3	Q4	Annual
2024	9.1%				9.1%
2023	16.8%	12.8%	(4.1%)	13.6%	43.4%
2022	(9.1%)	(22.4%)	(4.1%)	(1.0%)	(33.1%)
2021	2.8%	9.5%	(0.4%)	8.3%	21.4%
2020	(14.2%)	30.6%	11.0%	15.4%	43.6%
2019	16.5%	3.6%	(0.1%)	12.2%	35.2%
2018	2.3%	6.3%	7.1%	(17.5%)	(3.9%)
2017		1.5%	5.8%	6.3%	14.2%

### 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](http://www.adviserinfo.sec.gov) or [www.mscm.net](http://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 TREND X strategy was developed with the benefits of hindsight on the performance of financial instruments and markets, specifically the Nasdaq Composite Index over historical periods. Future markets may behave differently than past markets and there can be no assurance that the TREND X strategy will be profitable or that clients will not lose money.

Performance data for TREND X 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.

Trend X is only available for Qualified Clients, as defined by the SEC. All performance results are net of a 2% annual management fee, applied 1/12<sup>th</sup> of 2% (0.1667%) each month, and a 20% performance fee, applied quarterly to the Net Profits in the account and subject to a “high water mark.” 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. 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.

The Nasdaq Composite Index is a stock market index that includes almost all stocks listed on the Nasdaq stock exchange and, along with the S&P 500®, is one of the most-followed stock market indices in the U.S. The index is not actively managed and it is not possible to invest directly in the index. 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. The performance of client accounts using TREND X can be more volatile at times and may not be comparable to the performance of the S&P 500® or Nasdaq Composite or any other index.

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.