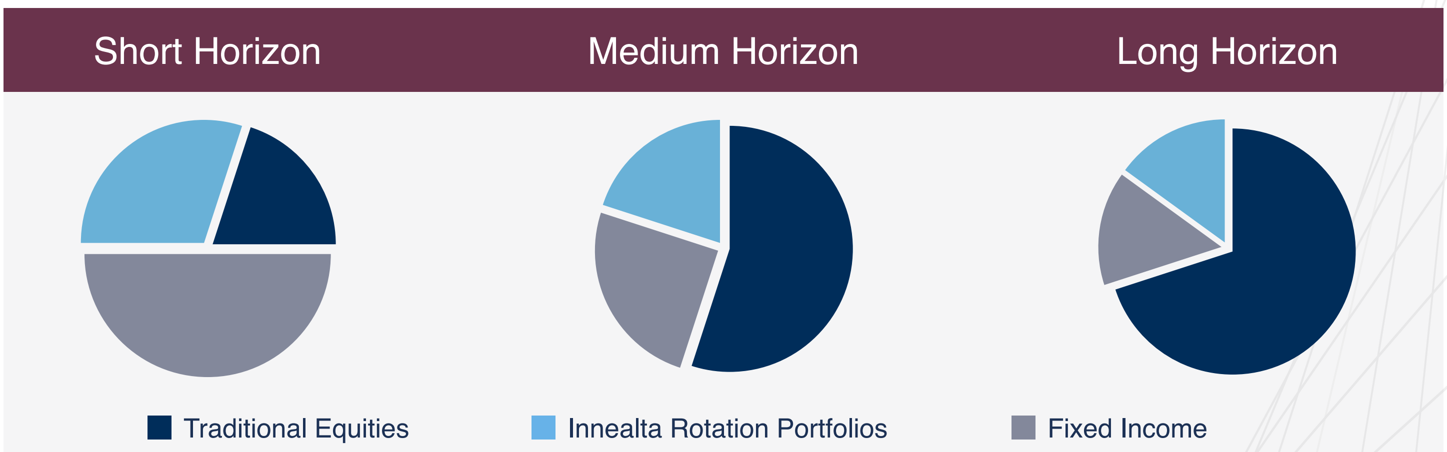
Dynamic International Opportunity

The Innealta Dynamic International Opportunity Strategy provides dynamic, risk-managed exposure to international equity and fixed income markets. Within equities, this strategy allocates across 40+ international countries based on a holistic review of their relative attractiveness. When equity markets appear less attractive, the strategy increases fixed-income exposure - primarily to manage risk - but also to pursue higher risk-adjusted returns. This strategy acts as a portfolio diversifier that offers equity market participation with the objective of limiting severe losses.

Portfolio fit: opportunistic equity exposure

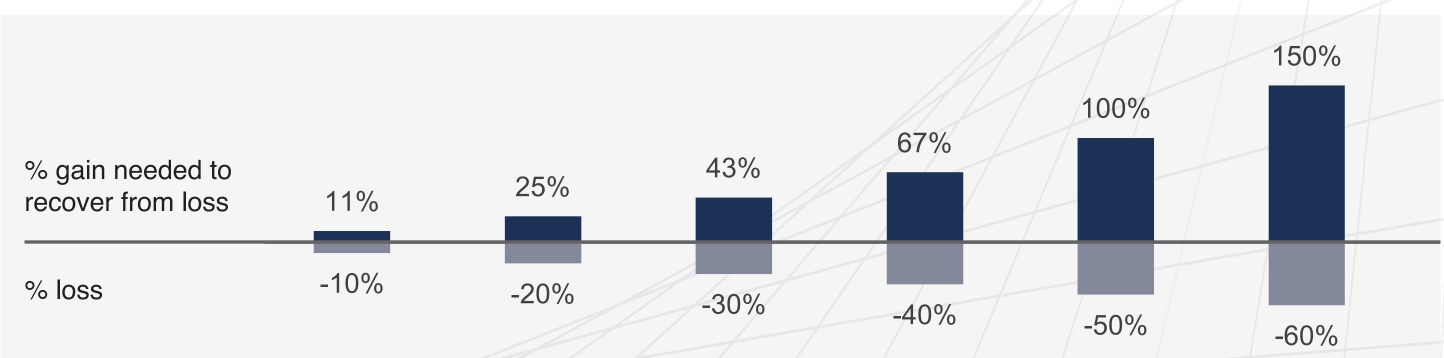
The role of this strategy in an investor's portfolio depends primarily on their time horizon and risk tolerance. Investors with a short time horizon or low-risk tolerance may benefit more from the strategy's primary goal of equity exposure with reduced volatility, justifying larger allocations in their overall portfolio. Longer-term investors, or those with a higher risk tolerance, may prefer a smaller allocation: utilizing the strategy with the goal of reducing severe, confidence-shaking drawdowns.



SOURCE: Innealta Capital. For illustrative purposes only.

Winning by not losing

Drawdowns shake investor confidence and may lead them to abandon their long-term investment plan. This strategy aims to mitigate this problem by providing opportunistic exposure: dialing up or down the overall portfolio risk level throughout different market regimes.



SOURCE: Innealta Capital. For illustrative purposes only.

Comprehensive Investment Framework

Holistic review of financial markets

Innealta Capital utilizes a quantitative investment framework rooted in economic intuition, academic research, and empirical investigation, taking into account a multitude of diverse factors that drive market returns and risk:

Company Strength

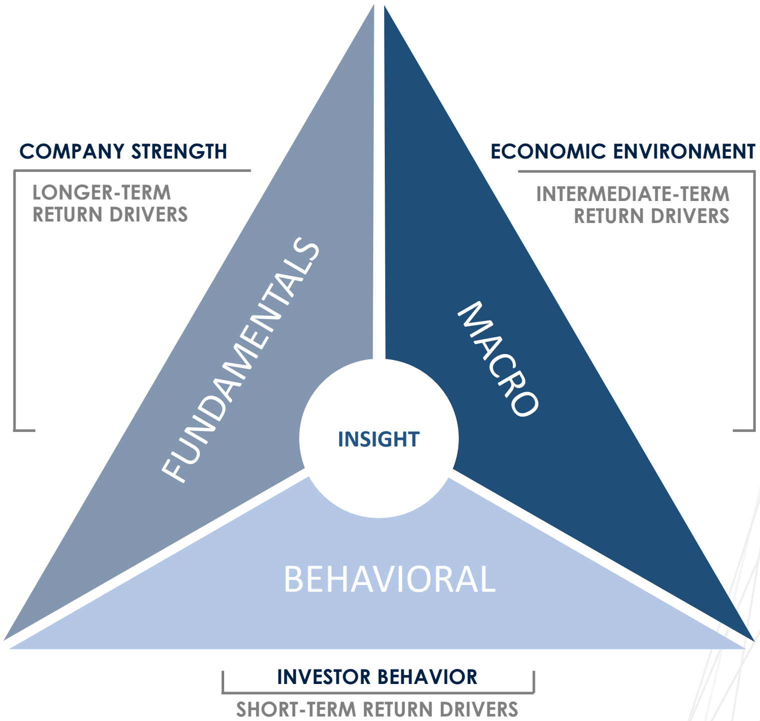
Corporate fundamental data, such as earnings and valuations, across firms, industries, and sectors.

Economic Environment

Macroeconomic data, such as growth, inflation, or aspects of monetary policy.

Investor Behavior

Behavioral shifts in market sentiment, such as short interest rates, implied volatility, investor positioning, and cross-sectional momentum.

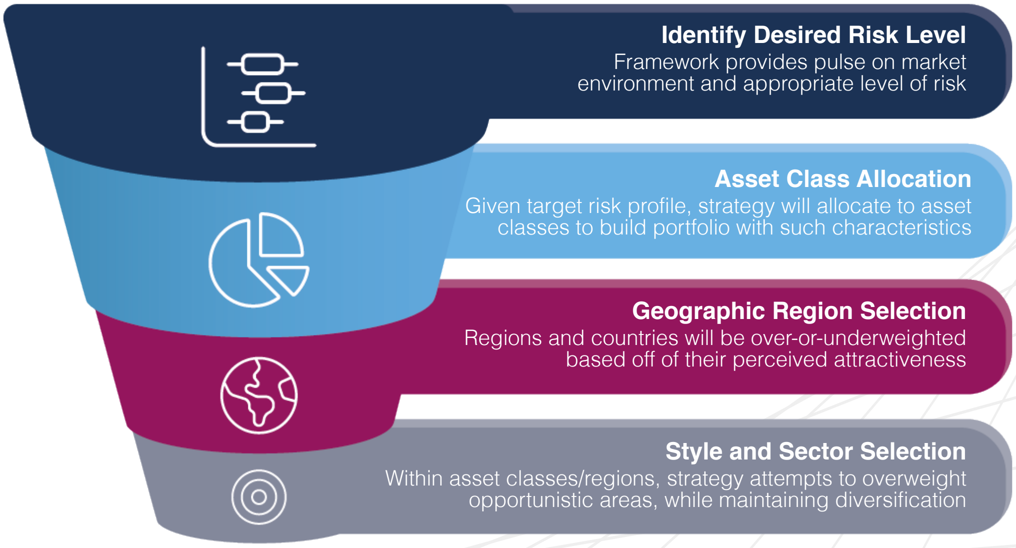


SOURCE: Innealta Capital. For illustrative purposes only

Investment Allocation Process

Our investment allocation process is driven by our quantitative framework, which distills large amounts of data to provide risk and return expectations for the investable universe. Using this information, Innealta constructs a target portfolio it believes to be optimal by following an iterative process (see graphic).

As markets evolve daily, our systematic investment process continuously re-evaluates the relative attractiveness of securities and Innealta develops new target portfolio weights. Once the expected benefit of rebalancing outweighs the expected transaction costs, the portfolio is traded. Thus, the strategy dynamically adapts to changing market conditions with the goal of higher risk-adjusted returns.



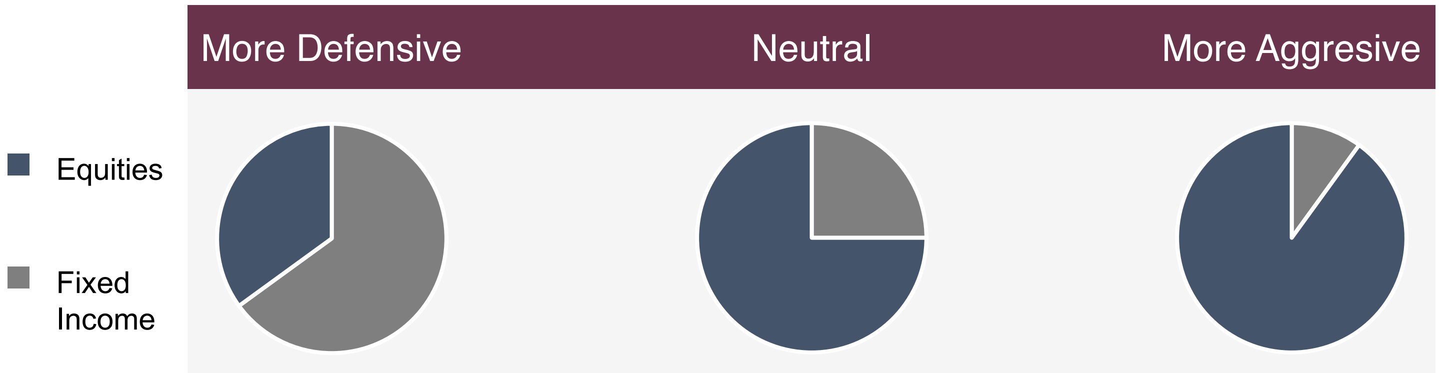
SOURCE: Innealta Capital. For illustrative purposes only

Managing Risk Through Dynamic Asset Allocation

Dynamic investment approach

Asset Allocation

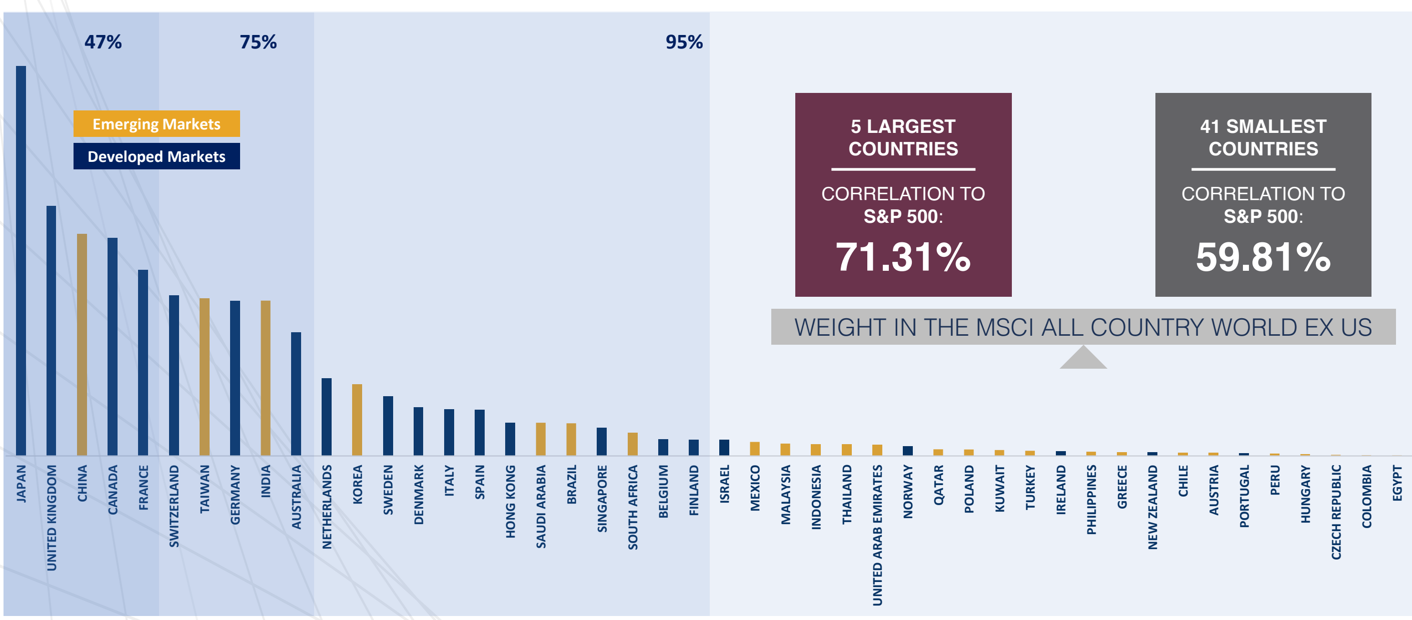
During periods of increasing systematic risk, the portfolio aims to dynamically tilt towards fixed income. Alternatively, in periods of lower risk, the portfolio seeks to overweight equities.



SOURCE: Innealta Capital. For illustrative purposes only

Geographic Allocation

A handful of the largest countries have an outsized influence on international equity market returns, and those countries tend to exhibit stronger correlations with US equities. Competent managers who can adeptly invest in smaller countries with lower liquidity profiles may have the ability to improve diversification, which can enhance risk-adjusted returns.



SOURCE: Innealta Capital. As of 12/31/2024. Time frame 12/31/2014 to 12/31/2024. Correlation calculated using monthly returns relative to the S&P 500 TR Index. For illustrative and comparative purposes only. Please see below in this material for more important information.

Advantages of the Dynamic International Opportunity

Comprehensive investment framework analyzes and aggregates diverse datasets to identify opportunities through ex-ante expected return and risk assessment across asset classes.

Dynamic asset class and geographic allocation aims to minimize significant, pro-longed drawdowns by adjusting holdings based on business cycle and asset class relative strength.

A thoughtful implementation approach designed to minimize explicit and implicit implementation costs, with the goal of maximizing net risk-adjusted returns for investors.

Innealta Capital

We are an Austin, TX based asset manager that specializes in risk-managed, global investment solutions that are designed to reflect the business cycle.

» **Legacy:** Investment team has a history in successfully managing and advising global investment portfolios delivered via models, separately managed accounts, and mutual funds.

» **Framework:** Initiated in the mid-1990s, our proprietary, rules-based, quantitative framework parses and systematically analyzes corporate fundamental, macroeconomic, and behavioral variables to estimate future asset returns and volatility.

» **Process:** Our portfolio managers use our quantitative framework to inform their decision-making process. We believe this systematic, repeatable process allows our team to merge proprietary forecasts with portfolio optimization, trade cost analysis, and risk monitoring.

» **Flexibility:** Our investment strategies primarily use exchange-traded funds but also have flexibility to use individual stocks and derivatives. For each unique investment objective, we aim to use the most appropriate vehicles to gain the desired exposures to various financial market segments.

Important Information

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