

The 3EDGE Conservative Strategy (“the Conservative Strategy”) is a globally diversified, multi-asset portfolio, invested across a wide variety of asset classes and geographies. Investment exposure is achieved primarily through the use of index exchange traded funds (ETFs). The portfolio seeks to focus more on preservation of capital and management of volatility. It may be appropriate for investors who are more risk averse, who may rely on the portfolio for current income or who are investing with a relatively shorter time frame (1-3 years), at least for this component of their overall liquid assets. The Conservative Strategy doesn’t necessarily focus on a particular target range for generating current income through dividends and interest, but rather takes a total return approach. Along with interest and dividends, the Conservative Strategy will also rely on potential capital appreciation as a component of total portfolio returns.



## Firm Facts as of 12/31/19

Firm AUM	\$898.90M
Assets Under Advisement*	\$31.23M

## Strategy Facts as of 12/31/19

Strategy Composite AUM	\$120.31M
Inception Date	1/1/2016
Number of ETFs	8
Number of Underlying Holdings	1,887

## About 3EDGE

3EDGE Asset Management, LP, is an investment management firm focusing on a global, multi-asset investment strategy that seeks to blend scientific methodology with sound judgment and practical experience. The firm’s proprietary research process considers the complex interrelationships among key forces driving the global capital markets: economic factors, market fundamentals and investor behavior. Quantitative methods of analysis include causal market factors, valuation metrics, as well as measures of investor psychology and behavior, among others. Close attention is also paid to potential investment risks beyond just volatility, including maximum drawdown, as well as a variety of potential trading strategies. The firm provides investment management services to both private clients and institutional investors.

## Investment Committee

**Steve Cucchiaro** - President and Chief Investment Officer

**Fritz Folts** - Managing Partner, Chief Investment Strategist

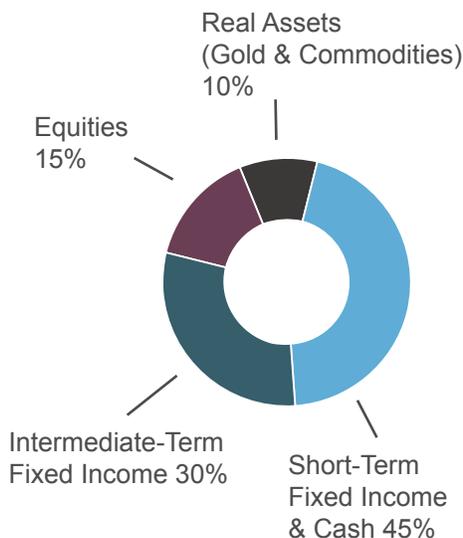
**Bob Phillips** - Managing Partner, Chief Technology Officer

**Eric Biegeleisen, CFA®** - Managing Director, Research

**Dan Zraly** - Managing Director, Chief Trader

## Current Composition

as of 12/31/2019



## Target Asset Class Ranges

Equities	6% - 30%
Real Assets	4% - 16%
Intermediate-Term Fixed Income	10% - 88%
Short-Term Fixed Income and Cash	2% - 80%

Real Assets (Gold & Commodities) includes precious metals such as gold as well as investments that operate and derive much of their revenue in real assets, e.g., MLPs, metals and mining corporations, etc. Intermediate-Term Fixed Income includes fixed income funds with an average duration of greater than 2 years and less than 10 years. Short-Term Fixed Income and Cash includes cash, cash equivalents, money market funds, and fixed income funds with an average duration of 2 years or less. Although there are no fixed limitations on the exposure to any particular asset class in the Conservative Strategy, under normal market conditions the Conservative Strategy will tend to hold securities in the percentage ranges listed above for each of the four mentioned asset classes. It is important to understand that although 3EDGE Asset Management seeks to manage risk in the Conservative Strategy, there is still a material amount of market risk (and equity risk in particular) embedded in the Conservative Strategy at all times and declines in the portfolio from time to time are inevitable.

## Performance Composite Net Returns as of 12/31/19

2016	2017	2018	Q4 2019	2019	Since Inception*
4.70%	7.00%	-1.65%	0.93%	5.53%	3.84%

## Risk/Return Metrics as of 12/31/19

	Net Return Since Inception*	R <sup>2</sup> vs. S&P 500 <sup>1</sup>	Beta vs. S&P 500 <sup>2</sup>	Standard Deviation <sup>3</sup>	Sharpe Ratio <sup>4</sup>	Maximum Drawdown <sup>5</sup>
Composite	3.84%	0.32	0.14	2.86%	0.85	-3.18%
Benchmark	5.13%	0.23	0.21	4.95%	0.76	-5.89%

\*Since inception is an annualized return and is based on a period of 12 months using monthly returns. The Conservative Strategy composite creation date is 1/1/2016.

\*\*The Risk Number® is a proprietary scaled index developed by Riskalyze to quantify the risk of a portfolio. It is calculated based on downside risk on a scale from 1 to 99. The greater the potential loss, the greater the Risk Number. The Risk Number® includes analysis and proprietary information of Riskalyze. Further information available at Riskalyze.com.

+,-1-5 See the following page for information on Benchmark, Risk Measures and other Disclosures.

**3EDGE Asset Management, LP (“3EDGE”)  
Conservative Strategy Composite**

Period	Total Firm Assets (USD) (Millions)	Composite Assets (USD) (Millions)	Number of Accounts	Performance Results Composite (Pure Gross)	Performance Results Composite (Net)	Benchmark Performance (Gross)	Annual Percent of Non-Fee Paying Assets	Composite Dispersion	Composite Standard Deviation	Benchmark 3 Year Ex Post Standard Deviation	Bundled Fee***
YTD through 6/30/19	908	126	152	3.95%	3.65%	7.62%	10.67%	N/A*	N/A****	N/A****	1.22%
2018	849	116	127	-1.14%	-1.65%	-3.40%	11.75%	0.09%	2.80%	5.06%	2.33%
2017	763	117	96	7.49%	7.00%	10.14%	9.52%	0.03%	N/A**	N/A**	0.95%
2016	421	42	47	4.88%	4.70%	4.13%	29.64%	N/A*	N/A**	N/A**	8.48%

\*Composite dispersion is shown annually and/or there are fewer than 5 accounts in the composite for the entire year.

\*\*The three-year annualized ex-post standard deviation of the composite and/or benchmark is not presented because 36 monthly returns are not available.

\*\*\*This represents the percentage of composite assets that pays a bundled fee (not transaction-based fees). Bundled fee accounts pay a fee based on a percentage of assets under management. This fee includes brokerage commissions and custodial services. Gross-of-fees performance returns are presented before management fees, but after all transaction costs except for accounts with asset-based-pricing fees. Gross returns are shown as supplemental information. Net of fee performance is calculated by reducing gross performance by actual management fees incurred, any asset-based-pricing fees and administrative fees as applicable.

\*\*\*\*Standard deviation only shown at end of each calendar year.

**Conservative Strategy Composite:** The investment objective of the 3EDGE Conservative Strategy is to focus more on preservation of capital and management of volatility, while still seeking to generate attractive risk-adjusted returns over full market cycles. It is rebalanced on a model-driven basis. The Strategy is globally diversified and may be appropriate for investors who are more risk averse, who may rely on it for current income or are investing with a relatively shorter time horizon of 1 to 3 years. Along with interest and dividends from some holdings the Strategy will also rely on capital appreciation as a component of total returns, for example from sale of appreciated stock. The Strategy also seeks a longterm rate of return that, where possible, stays ahead of the rate of inflation. There are no fixed limitations on the exposure to any particular asset class and no fixed limitations on holdings in any particular country. However, under normal conditions the Strategy will hold a higher percentage of U.S. securities than non-U.S. securities (up to 100% of the portfolio). Composite creation date is 1/1/2016.

The benchmark is 70% Financial Times Stock Exchange World Government Bond Index WGBI / 20% Morgan Stanley Capital International All Country World Index MSCI ACWI TR / 10% Bloomberg Commodity Total Return Index BCOMTR. The benchmark is rebalanced on a monthly basis and its returns are gross of withholding taxes. 3EDGE Asset Management’s investment objective is to seek to earn attractive risk-adjusted returns over full market cycles. We do not actively seek to outperform any specific benchmark index on a relative basis. Nonetheless, we have established the Conservative Multi-Asset Benchmark (“the Benchmark”) for the Conservative Strategy. The Conservative Strategy is not an index fund and its portfolio holdings, country exposure, portfolio characteristics and performance will differ from that of the Benchmark. The Benchmark is simply a baseline against which we monitor the Conservative Strategy. It is intended to represent a passive, global, multi-asset class portfolio with similar risk characteristics to the Conservative Strategy. The Benchmark has not been selected as a specific benchmark to compare to the performance of the Conservative Strategy, but has been provided to allow for comparison of the performance of the Conservative Strategy to that of well-known and widely recognized indices. The Indices used in the Benchmark are represented by total return prices. Indices are unmanaged and therefore do not include fees and expenses typically associated with investments in managed accounts. One cannot invest directly in an index. Benchmark Data Source: Bloomberg.

**DEFINITIONS:**

- The Morgan Stanley Capital International All Country World Index (MSCI ACWI) TR is designed to provide a broad measure of equity market performance throughout the world. Maintained by Morgan Stanley Capital International, it captures large and mid-cap representation across 23 developed and 23 emerging market countries, covering approximately 85% of the global investable equity opportunity set.
- The Financial Times Stock Exchange World Government Bond Index (WGBI) is a broad benchmark providing exposure to the global sovereign fixed income market. It measures the performance of fixed-rate, local currency, investment-grade sovereign bonds comprising sovereign debt from over 20 countries, denominated in a variety of currencies.
- The Bloomberg Commodity Index (BCOM) is a broadly diversified commodity price index tracking prices of futures contracts on physical commodities on the commodity markets. The Bloomberg Commodity Index Total Return (BCOMTR) reflects the BCOM on a “total return” basis, combining the BCOM returns with the returns on cash collateral invested in 13 week U.S. Treasury Bills.

3EDGE Asset Management, LP is an investment management firm focusing on a global, multi-asset investment strategy that seeks to blend scientific methodology with sound judgment and practical experience. Headquartered in Boston, the firm provides investment management services to both private clients and institutional investors. 3EDGE claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. 3EDGE has been independently verified for the periods 1/1/2016 through 6/30/2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Conservative Strategy Composite has been examined for the periods 1/1/2016 through 6/30/2019. The verification and performance examination reports are available upon request.

The firm’s list of composite descriptions is available upon request.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees and is net of administrative fees as applicable. In some instances, net of fee performance has been also reduced by the adviser’s fees where 3EDGE is the sub-adviser. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Composite performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Past performance is not indicative of future results. The investment management fee schedule for the composite is 0.80% on the first \$1 million, 0.70% on the next \$4 million, 0.60% on the next \$45 million and 0.50% on the amount over \$50 million. Actual investment advisory fees incurred by clients may vary.

**RISK MEASURES:**

1. R2 is a statistical measure that represents the percentage of a fund’s movement that can be explained by movements in a benchmark index. Calculated as realized values vs. S&P 500 TR.
2. Beta is a measure of the volatility of the portfolio in comparison to the market as a whole. Calculated as realized values vs. S&P 500 TR.
3. Standard Deviation measures the degree of variation of investment returns around the mean (or average) return and is calculated as the square root of the variance.
4. Sharpe Ratio is typically calculated as annualized excess returns divided by annualized volatility. It is a measure of investment return per unit of volatility experienced by the investment within a given investment horizon.
5. Maximum Drawdown is a measure of risk that captures the worst cumulative peak-to-trough decline of an investment or portfolio from any month-end data point to any other month-end data point. It shows in percentage terms how much money an investment portfolio would have lost before returning to its breakeven point.

+ Assets Under Advice includes non-discretionary assets managed by other RIAs using 3EDGE’s model portfolios.

**DISCLOSURES:** This Fact Sheet is provided to current and prospective clients for informational purposes only. It does not constitute an offer to buy or sell any security. The information is not intended to provide personal investment advice and does not consider the investment objectives and financial resources of the recipient. Performance for the Conservative Strategy composite is shown net of actual management fees and all other expenses and includes the reinvestment of dividends and other earnings. Since inception return has been provided as supplemental information to the compliant presentation. Composite AUM includes all accounts held within the composite as of the last day of the month shown. In terms of both asset classes and specific geographies, the Conservative Strategy may from time to time be outside of the percentage ranges listed when it is deemed appropriate by 3EDGE Asset Management. Even though we seek to manage risk and volatility, the portfolio certainly has the potential to decline in value. Investments including common stocks, fixed income, commodities and ETFs involve the risk of loss that investors should be prepared to bear. Performance and AUM numbers are unaudited. Past performance may not be indicative of future results.