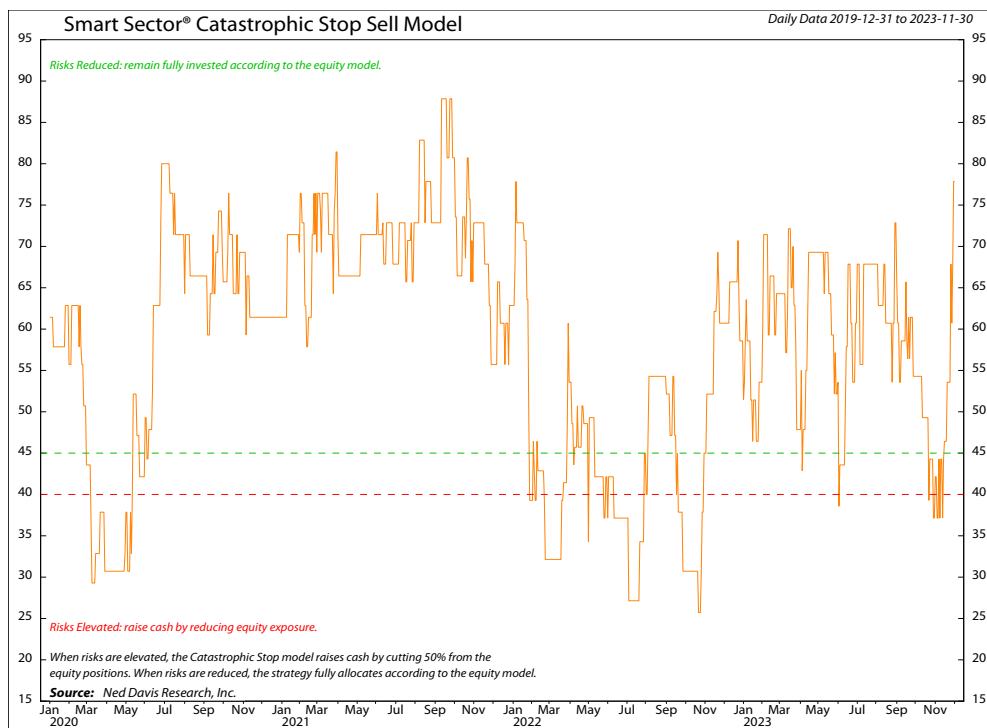


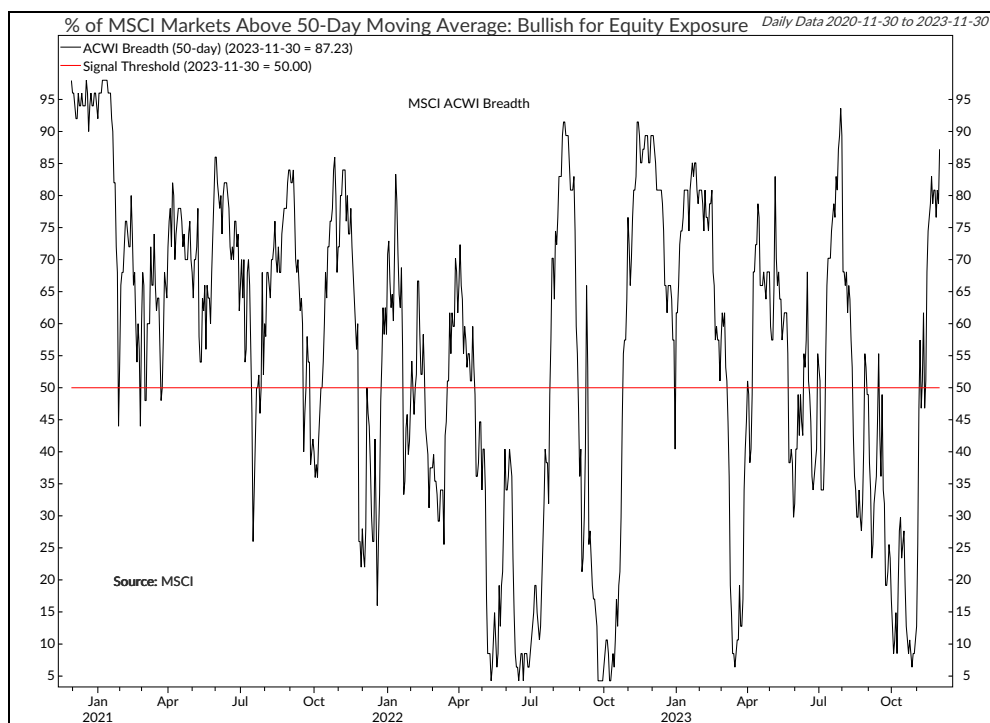
DECEMBER 2023

Catastrophic Stop Update

The NDR Catastrophic Stop Sell model combines time-tested, objective indicators designed to identify high risk periods for the equity market. The model (chart right) improved during the month and entered December with a fully invested equity allocation recommendation.



© Copyright 2023 NDR, Inc. Further distribution prohibited without prior permission.
All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html
For data vendor disclaimers refer to www.ndr.com/vendorinfo/



Customized version of NDRIS, USSMM, RPT InternalSigs, NDRIS



© Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html
For data vendor disclaimers refer to www.ndr.com/vendorinfo/

The improvement in the model was purely driven by better technicals—five of the seven price-based measures are now bullish, including breadth rising to its highest level since July (chart left). Investor sentiment is now excessively optimistic, so we will keep an eye on these measures. For now, the weight-of-the-evidence recommends a fully invested allocation to equity sectors according to the model.

U.S. Market Update

After declining for three months in a row, the S&P 500 Total Return Index rebounded sharply in November, gaining about 9%! Breadth improved—10 of the 11 S&P 500 sectors posted positive returns for the month—only Energy was down modestly. The 10-year Treasury yield declined and helped drive double-digit returns from sectors like Information Technology, Real Estate, Consumer Discretionary, and Financials (chart below).

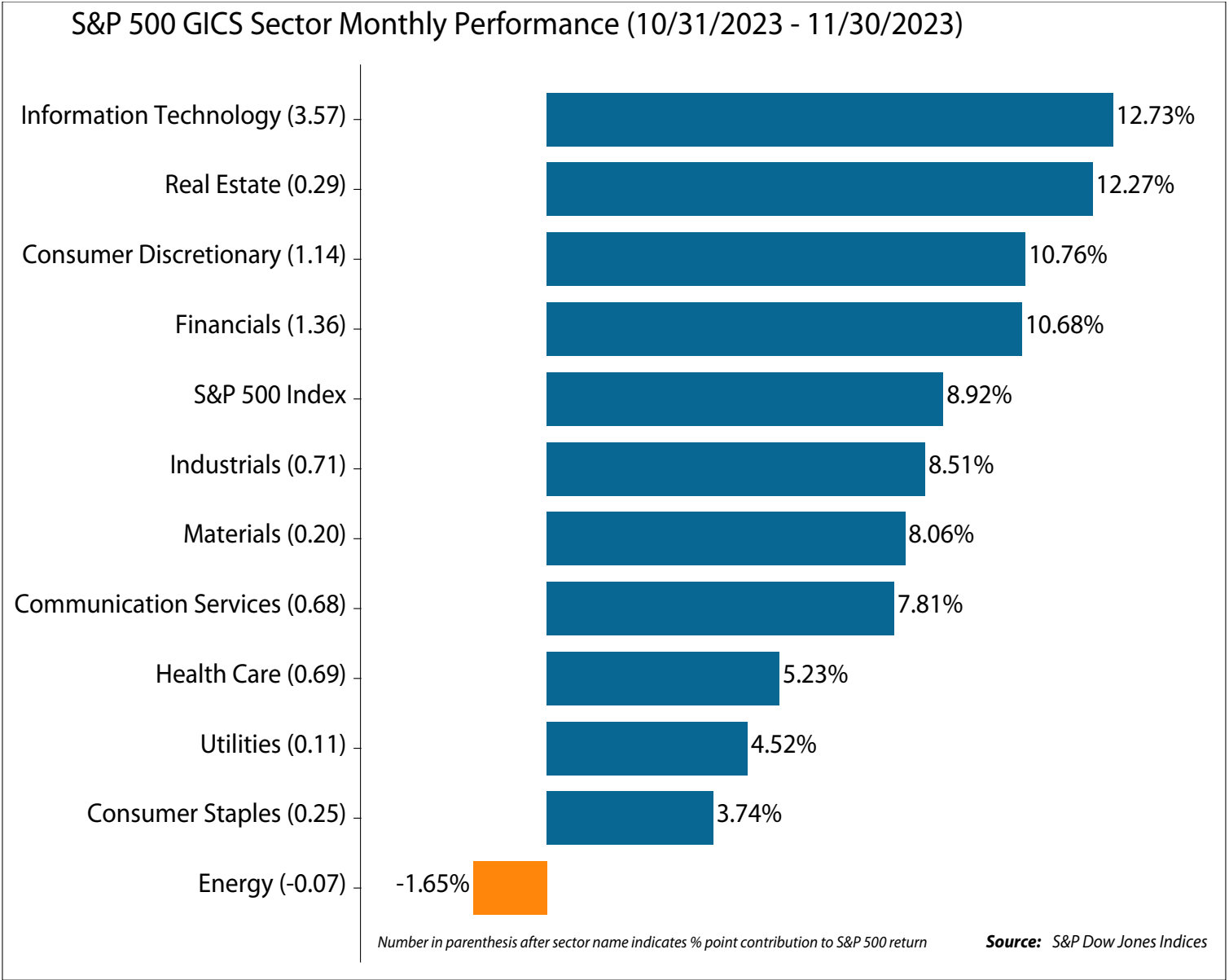
The 10-year Treasury yield, which had spooked investors by rising above 5%

in October, collapsed last month as the cooling inflation data rolled out, helping to boost sentiment for equities. Recent inflation and economic data could provide the Fed cover to end its tightening cycle, increasing the odds of a soft landing.

About half of all bear markets overlap with recessions and half do not. Back-to-back non-recession bears are rare, but when they have occurred, they have been at least three years apart, so a soft landing would support the case for a continuation of the bull market. Macro risks head-

ing into 2024 include the lagged effects of rate hikes, less fiscal stimulus, and tougher earnings comparisons.

The sector model moved to a more cyclical bias during the month. Entering December, the sector model is overweight Communication Services, Consumer Discretionary, Energy, Materials, and Real Estate. Industrials dropped to marketweight. Utilities joined Health Care, Financials, and Consumer Staples at underweight.

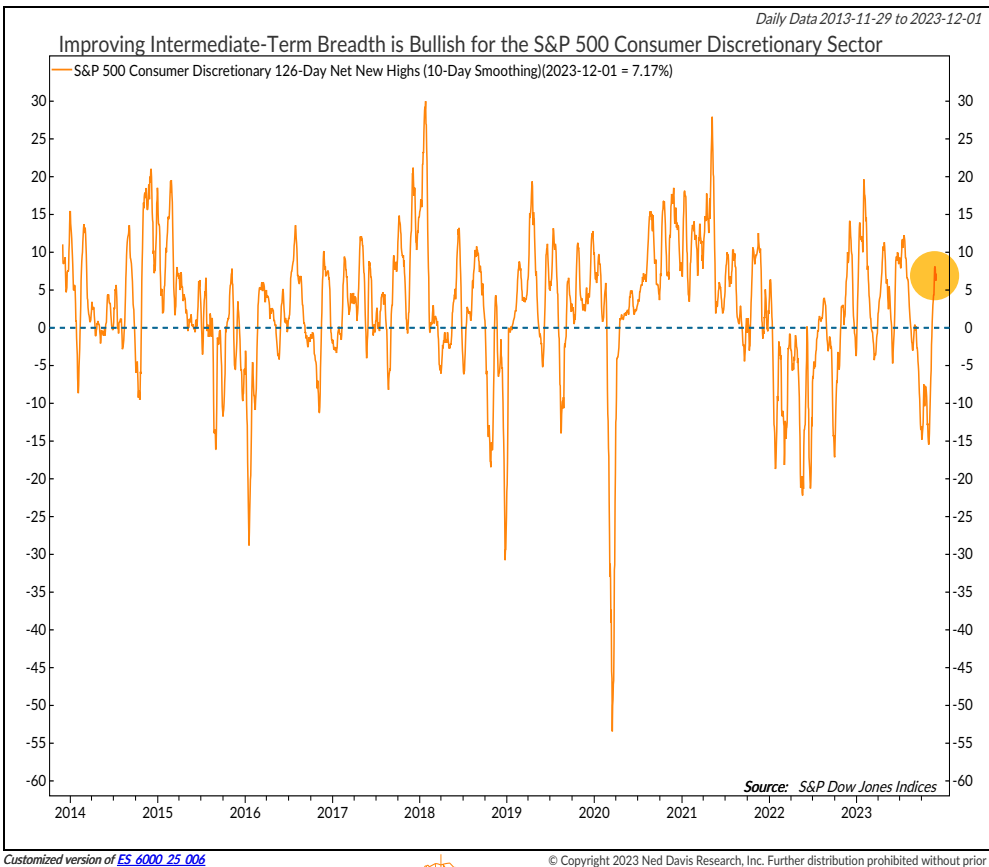


BA552J

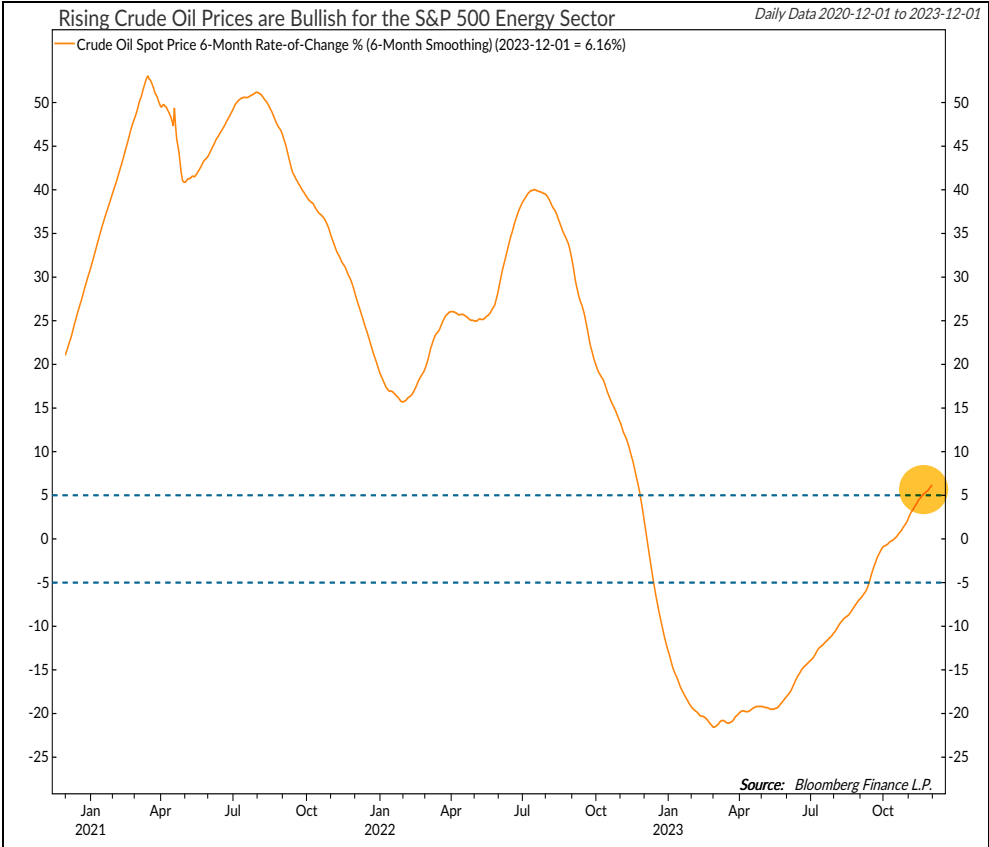


© Copyright 2023 NDR, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html For data vendor disclaimers refer to www.ndr.com/vendorinfo/

Consumer Discretionary's allocation rose about 500 basis points, which upgraded it from an underweight to an overweight position. On a fundamental basis, valuation, consumer credit conditions, and housing starts remained bullish while long-term rates, discretionary spending, and weak earnings surprises remained headwinds for the sector. However, the sector was oversold. All six price-based measures flipped bullish during the month, driving the internal composite to its highest level since July. Momentum, trend, and breadth (chart right) have all improved substantially.



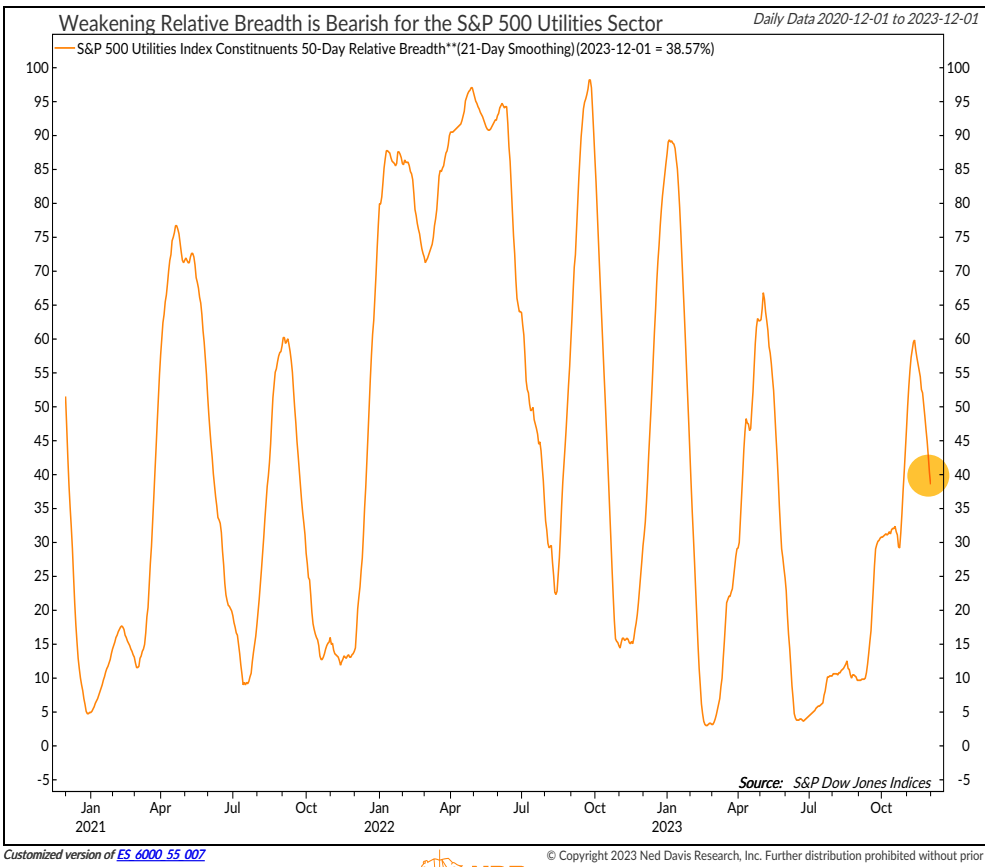
© Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/



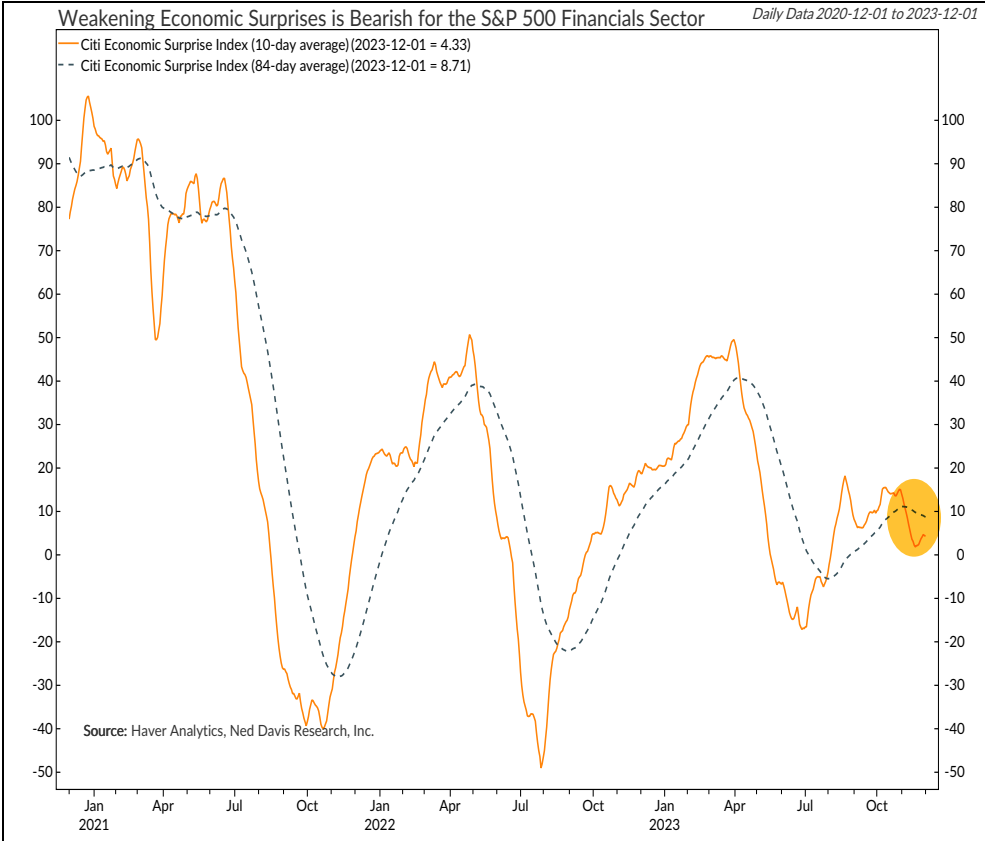
© Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/

The Energy sector's allocation rose by over 75 basis points boosting it to an overweight position. On a fundamental basis, while valuation and supply remain headwinds for the sector, oil price trends are now bullish (chart left), as the U.S. dollar has weakened. This was confirmed by technicals, as three of the five internal (price-based) indicators remain bullish.

The Utilities sector's allocation dropped by over 250 basis points and was downgraded to underweight. On a fundamental basis, indicators are mixed. Weak manufacturing, capacity utilization, and yields are partially offset by valuations and the copper/gold ratio which are bullish for the sector. However, technicals weakened—four of the seven price-based measures are now negative, including price trends and relative breadth (chart right) which moved bearish during the month.



© Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/



© Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/

The Financials sector's allocation dropped by over 200 basis points and remains at underweight. On a fundamental basis, four of six indicators, including economic surprises (chart left) are now bearish for the sector. Four of the seven price-based measures are negative, including price momentum, trend, and short-term volatility.

Summary

The sector model moved to a more cyclical bias during the month. Entering December, the sector model is overweight Communication Services, Consumer Discretionary, Energy, Materials, and Real Estate. Industrials joined Information Technology at market-weight. Utilities joined Health Care, Financials, and Consumer Staples at underweight. The sector model uses sector-specific indicators to determine opportunities and identify risks in an objective, weight-of-the-evidence approach.

Strategy description

- The Smart Sector® with Catastrophic Stop strategy combines two Ned Davis Research quantitative investment strategies: The NDR Sector Allocation and the NDR Catastrophic Stop.

The process is based on the weight of the evidence

- The fund begins by overweighting and underweighting the S&P 500 sectors based on Ned Davis Research's proprietary sector models.
- Each of the sector models utilize sector-specific, weight-of-the-evidence composites of fundamental, economic, technical, and behavioral indicators to determine each sector's probability of outperforming the S&P 500.
- Sectors are weighted accordingly relative to benchmark weightings.

When market risks become extraordinarily high — reduce your portfolio risk

- The model remains fully invested unless the Ned Davis Research Catastrophic Sell Stop (CSS) model is triggered, whereupon the equity-invested position is trimmed to 50%.
- The NDR Catastrophic Sell Stop model combines time-tested, objective indicators designed to identify periods of high risk for the broad U.S. equity market. The model uses price-based, breadth, deviation from trend, fundamental, economic, interest rate, behavioral and volatility-based indicator composites.

When market risks return to normal — put your money back to work

- When the NDR CSS model moves back to bullish levels, indicating lower risk, the strategy moves back to fully invested.

For more information, please contact:

Day Hagan Asset Management

1000 S. Tamiami Trl

Sarasota, FL 34236

Toll Free: (800) 594-7930

Office Phone: (941) 330-1702

Website: <https://dayhagan.com/> or <https://dhfunds.com/>

Ned Davis Research Disclaimer:

The data and analysis contained within are provided "as is" and without warranty of any kind, either express or implied. The information is based on data believed to be reliable, but it is not guaranteed. NDR DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. All performance measures do not reflect tax consequences, execution, commissions, and other trading costs, and as such investors should consult their tax advisors before making investment decisions, as well as realize that the past performance and results of the model are not a guarantee of future results. The Smart Sector® Strategy is not intended to be the primary basis for investment decisions and the usage of the model does not address the suitability of any particular investment for any particular investor.

Using any graph, chart, formula, model, or other device to assist in deciding which securities to trade or when to trade them presents many difficulties and their effectiveness has significant limitations, including that prior patterns may not repeat themselves continuously or on any particular occasion. In addition, market participants using such devices can impact the market in a way that changes the effectiveness of such devices. NDR believes no individual graph, chart, formula, model, or other device should be used as the sole basis for any investment decision and suggests that all market participants consider differing viewpoints and use a weight of the evidence approach that fits their investment needs.

DISCLOSURES

Past performance does not guarantee future results. No current or prospective client should assume future performance of any specific investment or strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals and economic conditions may materially alter the performance of your portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will be suitable or profitable for a client's portfolio. Historical performance results for investment indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. There can be no assurances that a portfolio will match or outperform any particular benchmark.

Day Hagan Asset Management is registered as an investment adviser with the United States Securities and Exchange Commission. SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the adviser has attained a particular level of skill or ability.

References to "NDR" throughout refer to Ned Davis Research, Inc. Clients engaging in this strategy will be advised by Day Hagan and will not have a contractual relationship with NDR. Day Hagan purchases signals from NDR, and Day Hagan is responsible for executing transactions on behalf of its clients and has discretion in how to implement the strategy.

NDR is a registered as an investment adviser with the Securities and Exchange Commission (SEC). NDR serves as the Signal Provider in connection with this strategy. The information provided here has not been approved or verified by the SEC or by any state or other authority. Additional information about NDR also is available on the SEC's website at <https://www.adviserinfo.sec.gov/>. This material is provided for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or to participate in any trading strategy. NDR's strategies, including the model discussed in this publication, are intended to be used only by sophisticated investment professionals.

There may be a potential tax implication with a rebalancing strategy. Re-balancing involves selling some positions and buying others, and this activity results in realized gains and losses for the positions that are sold. The performance calculations do not reflect the impact that paying taxes would have, and for taxable accounts, any taxable gains would reduce the performance on an after-tax basis. This reduction could be material to the overall performance of an actual trading account. NDR does not provide legal, tax or accounting advice. Please consult your tax advisor in connection with this material, before implementing such a strategy, and prior to any withdrawals that you make from your portfolio.

There is no guarantee that any investment strategy will achieve its objectives, generate dividends or avoid losses.

© 2023 Ned Davis Research, Inc. | © 2023 Day Hagan Asset Management, LLC