Smart Sector® Strategy

JANUARY 2021

U.S. Market Update

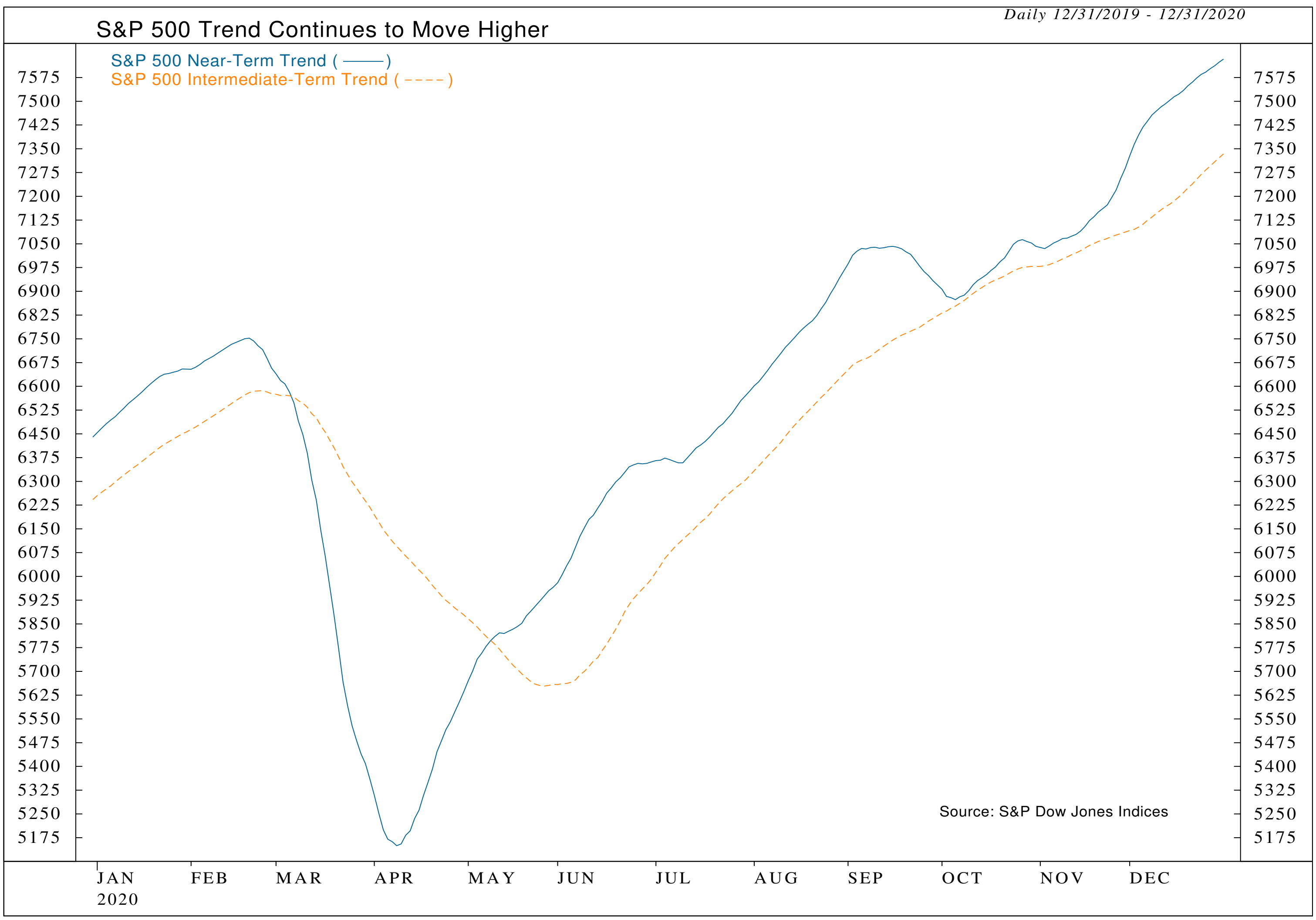
The S&P 500 Total Return Index rose by more than 3.8% during December and over 18% for the year. The market has risen by more than 10% for seven of the last ten years.

The Catastrophic Stop model exited its March 10th sell signal on May 14th and continues to recommend a fully invested equity position. The overall model's composite reading has declined from its early-July highs, indicating increased risks, but the weight of the evidence remains supportive of equities.

The technical (internal) composite currently has one neutral indicator and six bullish indicators. The short-term trend continues to favor stocks (chart at bottom). The market is supported by strong global participation as 94% of global equity markets trade above their 50-day moving averages.

Three external (macro, fundamental, and behavioral) indicators remain bearish this month. NDR's most popular sentiment indicator reflects levels of extreme optimism, indicating that investors have priced in a best-case scenario for the market. The Baltic Dry Index's near-term trend remains below its long-term average as global shipping rates weakened. Finally, the yield curve continues to suggest headwinds for the market.

For the Catastrophic Stop model to turn bearish requires further deterioration from both price-based and macro-fundamental indicators. For now, the weight of the evidence recommends that the Smart SectorTM strategy maintains a 100% equity allocation.



Sector Performance Update

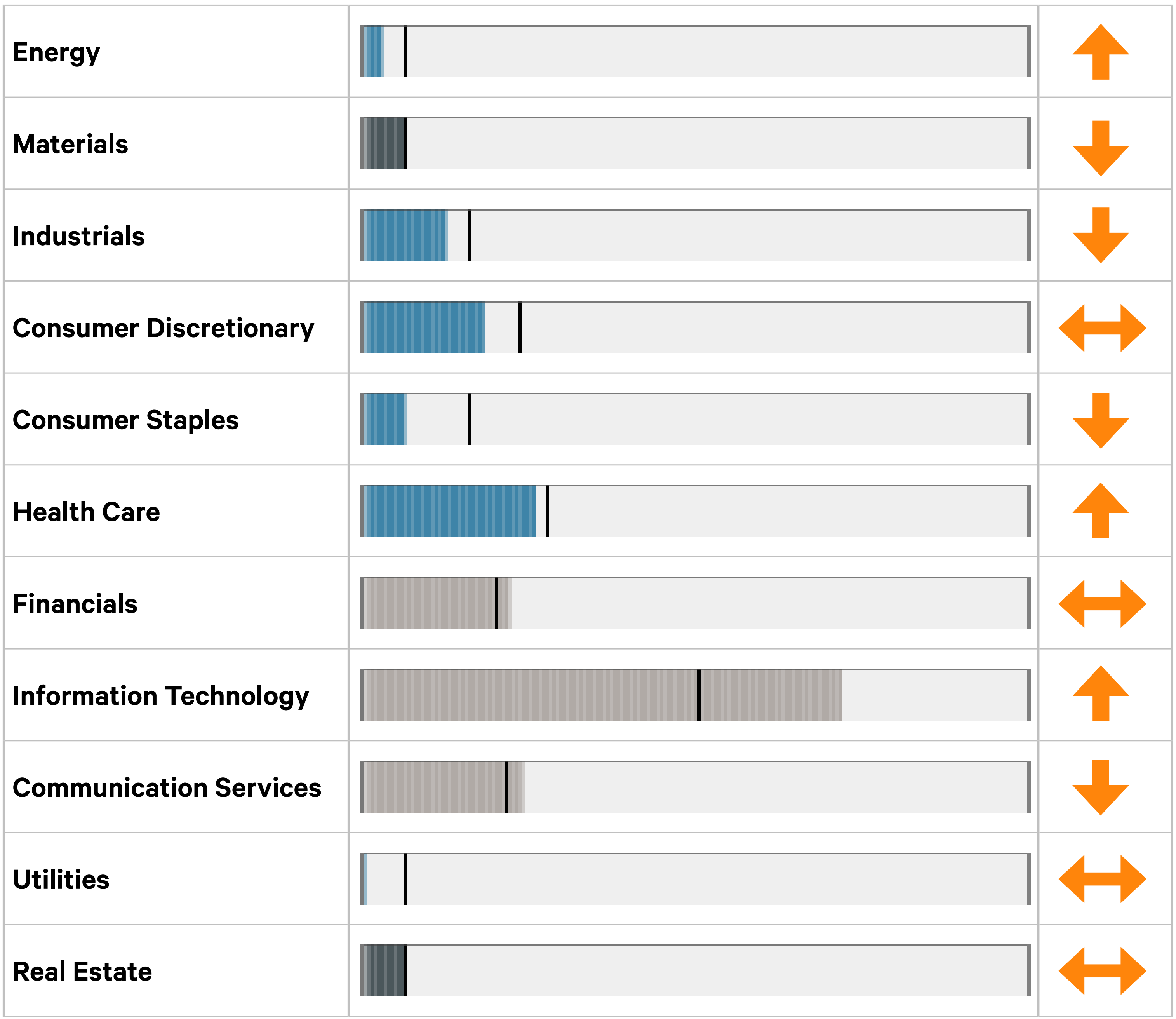
Financials (XLF), Information Technology (XLK), and Energy (XLE) were the top-performing sectors last month. They all increased by more than 450 basis points (bps) during December. XLK was the strongest sector during 2020 as it rose over 43%. XLE and XLF both had negative returns last year.

Health Care (XLV) and Communications Services (XLC) each gained over 330 bps last month. XLC was the third-best sector in 2020 as it jumped by more than 26%.

Consumer Discretionary (XLY) and Materials (XLB) both increased by more than 240 bps in December. XLY and XLB also jumped by over 20% last year.

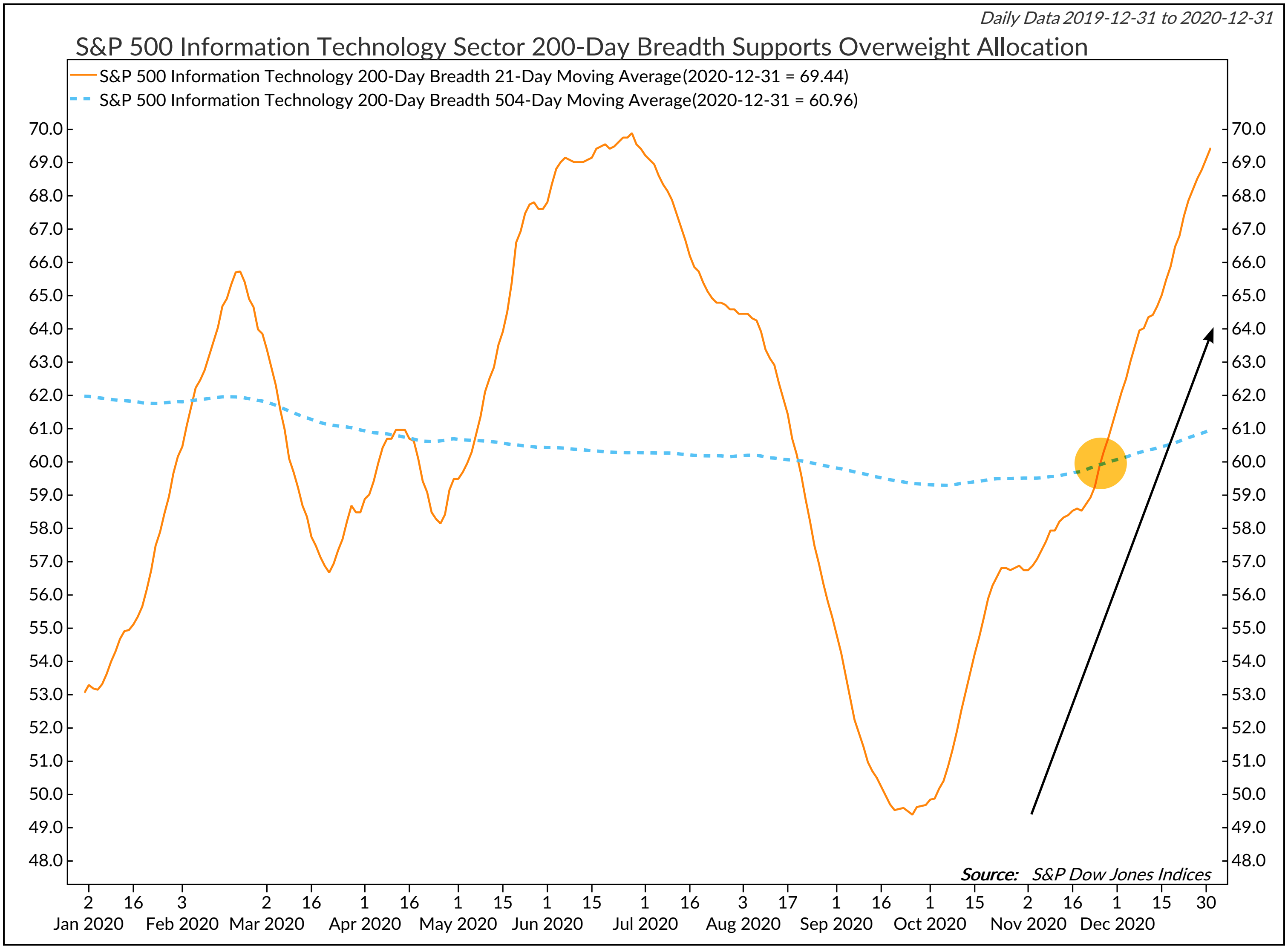
Industrials (XLI), Consumer Staples (XLP), Utilities (XLU), and Real Estate (XLRE) each gained less than 200 bps last month. XLRE was the second-worst sector in 2020 as it fell over 200 bps.

Sector Allocation Summary



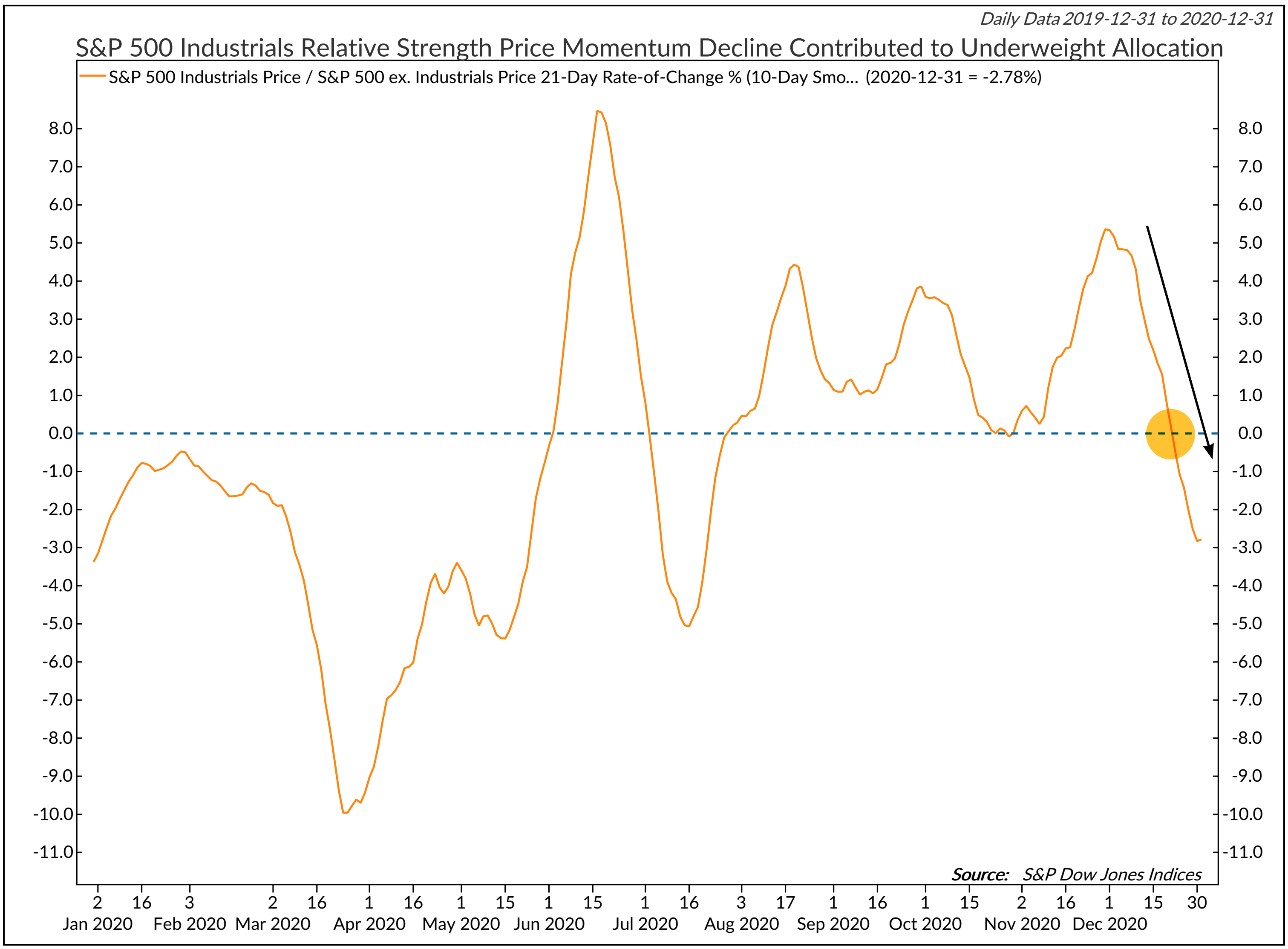
The vertical, black line represents the benchmark weight. The dark shading represents the sector's allocation. Shading significantly to the right (left) of the benchmark line represents an overweight (underweight) position. The direction of the arrow indicates whether the allocation increased, decreased, or remained approximately the same as the previous month.

- The Information Technology sector's allocation increased to over 1,000 bps above benchmark. All of the sector's technical indicators are positive as overbought/oversold and breadth (chart at bottom) indicators flipped from bearish to bullish
- The Communication Services sector's allocation declined, but remains over 100 bps above benchmark allocation. A price momentum indicator switched from bullish to bearish. None of the sector's external (macro, fundamental, and behavioral) indicators are bearish
- The Financials sector's allocation is over 100 bps above benchmark. Citi Economic Surprise and trend measures exited their bearish signals. However, volatility and overbought/oversold indicators produced new bearish readings
- The Real Estate sector's allocation is less than 100 bps above benchmark. No indicators changed signals this month
- The Materials sector is slightly above benchmark allocation. Three price-based indicators (overbought/oversold, trend, and volatility) measures generated new bearish signals



Customized version of ES_6000_45_007

- The Health Care sector's allocation improved by over 300 bps, but remains below benchmark. An earnings revisions indicator produced a new bearish signal, while price momentum and breadth measures flipped from bearish to bullish
- The Energy sector received more than 100 bps in allocation after having no allocation last month. USD, trend, and crude oil sentiment indicators exited their bearish readings. However, an overbought/oversold measure flashed a new bearish signal
- Industrials' weighting plummeted by over 300 bps. Price momentum (chart at bottom), volatility, and oil price indicators generated new bearish signals
- The Consumer Discretionary sector's allocation remains over 200 bps below benchmark. There were offsetting signal changes as a credit conditions measure switched to bullish, while a Treasury yield indicator flipped to bearish
- The Utilities sector received no allocation this month. Only one of its indicators (overbought/oversold) is bullish
- The Consumer Staples sector's allocation fell to more than 400 bps below benchmark weight. All of the sector's price-based indicators are bearish



Customized version of ES_6000_20_003

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 immediately 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. Day Hagan Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Day Hagan Asset Management has been independently verified for the periods June 30, 2008 through December 31, 2018. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation. Calculation Methodology: To receive a list of composite descriptions of Day Hagan Asset Management and/or a presentation that complies with the GIPS standards, contact Linda Brown at (941) 330-1702 or email at linda.brown@dayhagan.com.

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.